

2020

ANNUAL REPORT AND FINANCIAL STATEMENTS



CATTOLICA
ASSICURAZIONI
DAL 1896

Ready for life

THE POWER OF OPENNESS

Nature teaches us the POWER of openness: every day we open our eyes to the world and open ourselves culturally and mentally to the new.

Opening up means trusting, and Cattolica has always been a landmark of trust. This year, more than ever, we have been there for our customers and stakeholders, supporting and encouraging them. It's the reason why we choose the iconic ANGEL of Cattolica, spreading its wings even further to embrace and provide active support, as the image of the new line of institutional communication. A texture of subtle waves conveys the energy of this support.

Cattolica regards also the future as marked by openness. Our history and expertise nudge us to trust ourselves and embrace change to amplify our strength.

LETTER FROM THE CHAIRMAN



2020 was a very difficult year for the global economy; unexpectedly, despite every medical, scientific and technological advance, the world was unable to prevent and halt the pandemic, showing through its interconnectedness how fragile the economy can be. The characteristic that makes ideas, goods and people thrive, fuelling growth and progress, has been really transformed into a weakness.

In this context, Cattolica Assicurazioni confirmed that it is a strong, resilient Group, capable of remaining on the market in a competitive manner, facing all challenges in a constantly evolving scenario and creating positive results. The 2020 results, collected here, are a concrete testimony to this.

The Board of Directors approved the 2020 financial statements, expressing particular appreciation for the activities carried out by the management and for the strength and creation of value, which Cattolica has once again provided for its Members, Shareholders, employees, agents and all stakeholders.

2020 will be remembered for the two historic Meetings at which the Shareholders voted, firstly, largely in favour of the capital increase and, secondly, for the transformation, deferred until April 1st, 2021, of the Company into a Public Limited Company. A historic decision for our Group, whose legal form, also due to the interventions of the Authority and the market context, had little choice but to evolve.

Furthermore, over the last 20 years, Cattolica has always updated its governance model to make it effective and more suited to the times, including opening up in recent years to Capital

Shareholders. However, we have never lost sight of the objective of creating value for the sustainable growth of our Company.

The recent transformation of Cattolica from a co-operative to a Public Limited Company is therefore a fundamental step for the future of our Group: in fact, these important decisions were essential to give life to the agreement with Generali, helping the Company avoid the risk of hostile operations, perhaps carried out at a discount with consequent detriment to all Shareholders and to the economic system.

The partnership with Generali is industrial and strategic in nature, and is based on principles that enhance the value of our Company, our people and our agents, thus maintaining strong roots in the territory and constituting a new phase in the history of our company.

Our strategic decisions, amply supported by the two 2020 Shareholders' Meetings, were made precisely to safeguard Cattolica's history and interests. History and tradition that we will continue to pass on with the work of the Cattolica Foundation, which, reinforced and protected by agreements with Generali, will continue its commitment in the communities and towards those most in need in the years to come.

The Company has thus confirmed its position as healthy and profitable, capable of fulfilling its social role and fulfilling its mission to protect people and businesses.

Today we enter a new era for Cattolica, with the blank pages of a book yet to be written. We know that the challenges of business involve people and therefore the ability to listen and a willingness to engage in dialogue are the foundations for dealing with decisions, even the most difficult ones, transparently, professionally and responsibly; always in the interest and to the benefit of our Shareholders and all stakeholders.

Thank you all.

Paolo Bedoni
Chairman

A handwritten signature in black ink, appearing to read 'Paolo Bedoni', written over a light blue circular graphic element.

LETTER FROM THE MANAGING DIRECTOR

2020 was a watershed year for Cattolica Assicurazioni. We have achieved positive results, in a very challenging context, a clear sign that the process of profound transformation initiated in these difficult months has transformed the company into an entity increasingly capable of creating value and facing constantly evolving and challenging market contexts.

Without a doubt, 2020 has been out of the ordinary: the pandemic has affected everyone, with no exceptions. Our priority during the emergency was to protect the health and safety of our people, which we did by managing very high levels of complexity financially and operationally, while always putting customers and their needs at the centre, with state-of-the-art solutions for individuals and businesses.

I can say I am proud of the determination with which Cattolica reacted to these circumstances, safeguarding its business activities and effectively tackling one of the hardest periods ever faced in its history. Looking back, we can say without fear of contradiction that we emerged stronger and more resilient from this scenario.

With the same spirit that distinguished us in critical situations that we faced and overcame in the past, we did not limit ourselves to dealing with the emergency, but instead we looked to the future with the aim of becoming stronger. In fact, it is no coincidence that, in such a challenging year, the operating result for 2020 was the best in the history of our Company and that the main objectives of the Plan were achieved, and in many cases bettered.

The Group's adjusted profit showed also significant growth, amounting to € 192 million and up 85.9% compared to 2019.

Today, Cattolica has a more effective organisational structure, which is consistent with the evolved market scenario, and has also adopted a new governance model, based on the awareness of its distinctive features: the ability to manage complexity in challenging contexts, the excellence of our Agency Network, a granite DNA of values and the constant commitment of passionate men and women.

The partnership with Generali, signed in 2020, will make us increasingly flexible and adaptable to the constantly changing and evolving contexts that will inevitably characterise the times to come. We will continue to get stronger thanks to synergies in the industrial and commercial spheres, which, already last year, were beginning to provide us with positive results.

All this was possible thanks to managerial actions and appropriate corrections during the year that ensured full operations, mitigating the negative effects of the crisis and laying the foundations for growth in the medium-long term. This has all been accompanied by a continuous and constant effort by all the Group's employees, who have never failed in their commitment and professionalism.

The 2020 Financial Statements are Cattolica's last as a Cooperative company. Since April 1st, 2021, the Group has been transformed into a Public Limited Company. A thin, invisible line that, once crossed, will not change our values and our ability to create value for all stakeholders.



Carlo Ferraresi
Managing Director

A handwritten signature in black ink, appearing to read 'C. Ferraresi', written in a cursive style.

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GROUP HIGHLIGHTS

Total premiums written

4,705

€ million (-15.7%)

Operating result

412

€ million (+36.6%)

Operating ROE

11%

(+3.1 pp)

Consolidated profit

71

€ million (-31.4%)

Solvency II Ratio

187%

(+12 pp)

Our People

1,796

(+1%)

751 (+3.4%)

WOMEN

1,045 (-0.7%)

MEN

Our Customers ¹

3,438,511

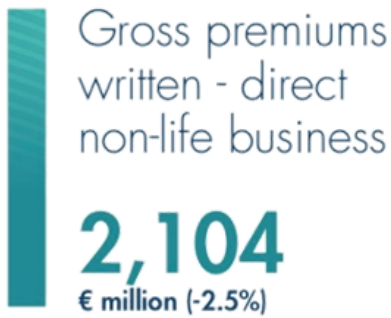
(-3.3%)

¹ The number of customers does not include Vera brand companies.

² Excluding branches of the UBI Banca Group.



NON-LIFE SEGMENT



LIFE SEGMENT





Life / Non-life
insurance companies

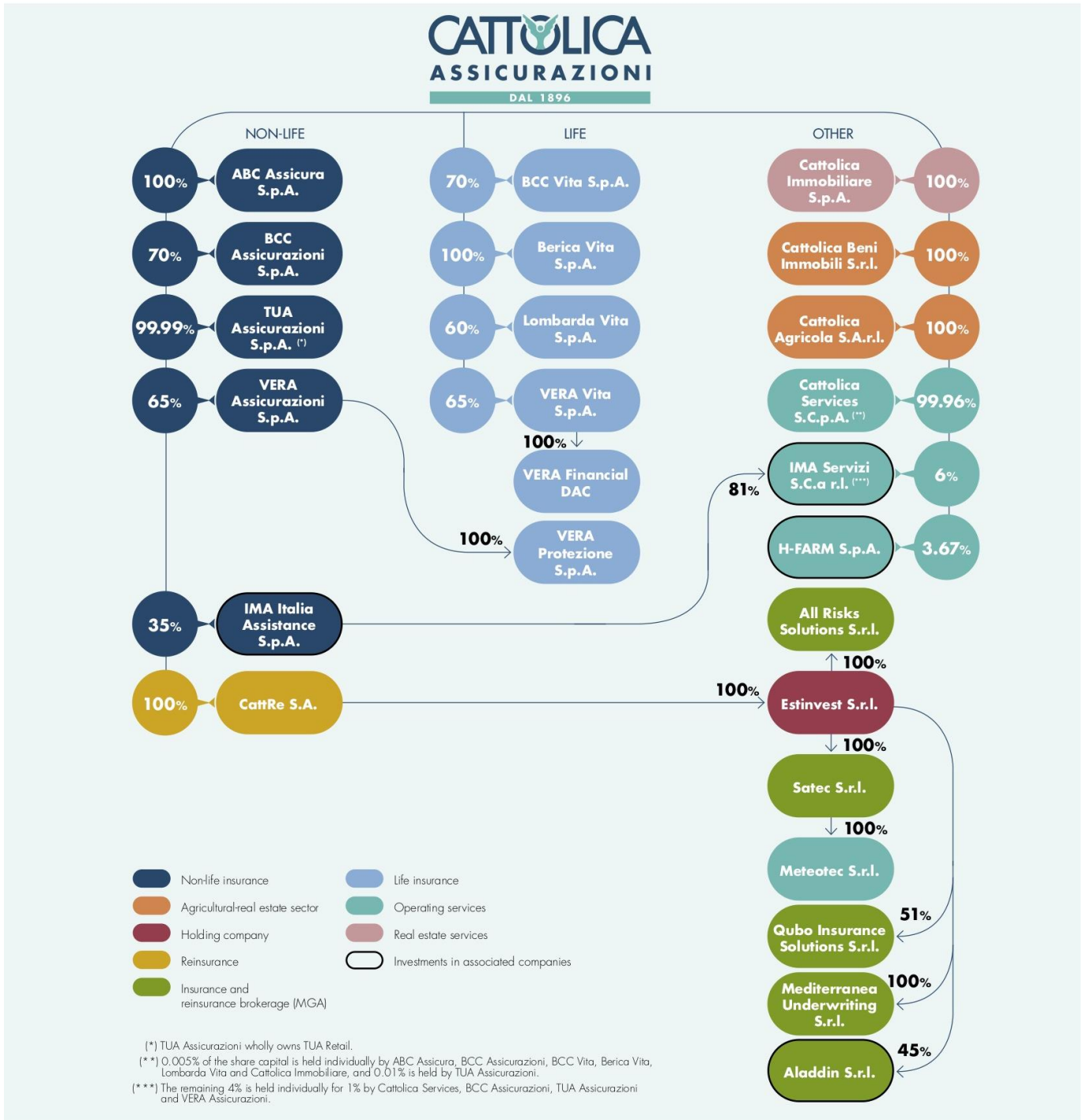
12

Non-insurance
companies

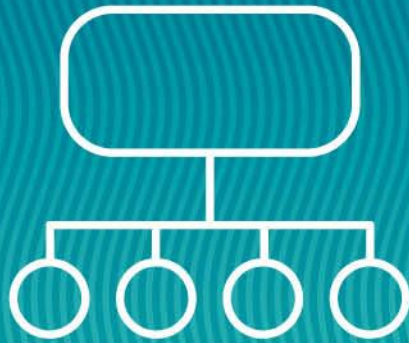
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GROUP STRUCTURE

GROUP STRUCTURE



As at December 31st, 2020



General
Management

5

Board
of Directors

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CALLING OF THE SHAREHOLDERS' MEETING AND CORPORATE BODIES

CALLING OF THE ORDINARY SHAREHOLDERS' MEETING

Shareholders are called to the Ordinary Shareholders' Meeting, at the company's registered office in Verona, Lungadige Cangrande 16, at 9.00 a.m. on Thursday May 13th, 2021 or, on second call, if there is not a quorum on that day, at 9.00 a.m. on Friday May 14th, 2021, again at the company's registered office in Verona, Lungadige Cangrande 16, to discuss and resolve on the following agenda:

1. Approval of the new Shareholders' Meeting Regulations.
2. Approval of the 2020 financial statements and the accompanying reports, with consequent and correlated resolutions.
3. Determination of the number of members of the Board of Directors for the financial years 2021 - 2023 pursuant to Article 19 of the Articles of Association.
4. Appointment of the members of the Board of Directors and of the Management Control Committee for the financial years 2021 - 2023.
5. Determination of the remuneration of the members of the Board of Directors and of the Management Control Committee as well as the related attendance fee for the financial years 2021 - 2023.
6. Report on the remuneration policy and on compensation paid:
 - a. Approval of the first section of the Report on the remuneration policy and on compensation paid, pursuant to Article 123 ter, paragraph 3 of Italian Legislative Decree 58/1998 and Articles 41, 59 and 93 of IVASS Regulation 38/2018.
 - b. Resolution on the second section of the Report on the remuneration policy and compensation paid, pursuant to Art. 123 ter, paragraph 6, of Italian Legislative Decree 58/1998.
7. Fee plans based on financial instruments.
8. Authorisation to purchase and sell own shares in accordance with the law. Inherent and consequent resolutions.

*

ADDITIONS TO THE AGENDA AND PRESENTATION OF NEW PROPOSALS FOR RESOLUTIONS

In accordance with the procedures and within the limits established by the regulations in force, Shareholders who, also jointly, represent at least 2.5% of the share capital, may request, within 10 days of the publication of this notice of calling (and therefore by April 13th, 2021), the integration of the list of items to be discussed, indicating in the request the additional items proposed, or submit proposals for resolutions on items already on the agenda.

Additions to the items on the agenda are not permitted for matters on which the Shareholders' Meeting resolves, in accordance with the law, on the proposal of the Directors or on the basis of a project or report prepared by them, other than those referred to in Article 125-ter, paragraph 1, of Italian Legislative Decree No. 58 of February 24th, 1998 (the Consolidated Law on Finance).

The request must be received in writing by the Company within 10 days of the publication of this notice of calling (and therefore by April 13th, 2021) by certified e-mail at assemblea@pec.gruppocattolica.it, or by sending an e-mail to AdempimentiSocietari@cattolicaassicurazioni.it, or by hand delivery to the Company's registered office in Verona, Lungadige Cangrande 16, for the attention of the Head of Corporate Compliance; in the latter case, in light of the health emergency period, and in order to better organise the appropriate safety measures connected with access to company premises, it is requested that notification be provided at least 24 hours in advance of the intention to access Company's premises by e-mail to servizio.soci@CattolicaAssicurazioni.it. Within the same deadline, Shareholders requesting an addition to the agenda must also prepare a report, which discloses the reason for the resolution proposals in relation to the new matters on which discussion they propose or the reason relating to the additional resolution proposals presented in relation to the matters already on the agenda.

Said request must be accompanied by a specific communication produced by the custodian intermediary, effective as at the date of the request, addressed to the Company according to the procedure and at the addresses indicated above, attesting to the ownership of shares by the requesting

Shareholders, as well as the shareholding required to request the addition to the agenda.

Any additions to the agenda will be announced at least twenty days prior to the date set for the Shareholders' Meeting on first call (and therefore by April 23rd, 2021) in the same form as provided for the publication of this notice of calling.

Similarly, reports prepared by those requesting additions to the agenda, accompanied by any evaluations by the Board of Directors, will be made available to the public in the same form and manner as the documentation for the Shareholders' Meeting.

Proposals for resolutions on the items on the agenda - subject to verification of their relevance to the items on the agenda of the Shareholders' Meeting - will be published on the Company's website by April 24th, 2021, in order to allow Shareholders entitled to vote to express themselves in an informed manner also in relation to such new proposals and to allow the Designated Representative to collect voting instructions, if necessary, on the same.

*

APPOINTMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS AND OF THE MANAGEMENT CONTROL COMMITTEE

In relation to the appointment of the Board of Directors and the Management Control Committee, which will take place on the basis of lists of candidates, reference should be made to the provisions of the Articles of Association in force. However, the following should be noted.

The Board of Directors and each Shareholder may submit only one list and each candidate may appear on only one list.

Lists may be presented by Shareholders who, alone or together with other Shareholders, own shares representing a total of at least 2.5% of the share capital, also in accordance with the combined provisions of Article 147 ter, paragraph 1, of the Consolidated Law on Finance and 144 quater, paragraph 1, of the Issuers' Regulation.

The lists must be filed at the Company's registered office or by certified e-mail at assemblea@pec.gruppocattolica.it by the 25th calendar day prior to the date set for the Shareholders' Meeting on first call, and therefore by April 18th, 2021.

If only one list has been submitted by the aforementioned deadline, lists may be submitted by April 21st, 2021.

In the event of presentation of lists at the company's registered office, in view of the health emergency period, and in order to better prepare the appropriate security measures related to the access to the

company's premises, please communicate, at least 24 hours in advance, your intention to access, by e-mail at servizio.soci@CattolicaAssicurazioni.it.

You are hereby informed that, for the sake of greater clarity and standardised management and so as to facilitate the exercise of the right to present lists, the Board of Directors has clarified the operating formalities for the implementation of the related fulfilments, which will be filed at the registered office and made available on the "Corporate" website <http://www.cattolica.it/home-corporate>, under the Governance/Shareholders' Meeting section, by the deadline set for the publication of this notice of calling. Shareholders are therefore invited to consult the above operating procedures for more complete information.

*

DOCUMENTATION AND FURTHER INFORMATION

The documents containing the proposals for resolutions, the reports of the Board of Directors relating to the items on the agenda and, in particular, the Financial Statements for the year 2020, the Report on the proposal for remuneration plans based on financial instruments, the Report on Remuneration, the forms to be used for proxy voting, as indicated below, as well as the Annual Report on Corporate Governance and Ownership Structure and information on the amount of share capital will be filed, within the terms of the law, at the Company's registered office, available to Shareholders who wish to examine them with the right to obtain a copy.

These documents will also be made available on the Company's "Corporate" website at <http://www.cattolica.it/home-corporate> under the Governance/Shareholders' Meeting section, and at Borsa Italiana S.p.A., on the storage mechanism authorised by CONSOB called "eMarket-Storage", managed by Spafid Connect S.p.A. and accessible from the website at <http://www.emarketstorage.com>.

If you intend to obtain copies of the aforementioned documents by going to the Company's premises, in view of the health emergency period, and in order to better prepare the appropriate security measures related to the access to the company's premises, please communicate, at least 24 hours in advance, your intention to access, by e-mail at servizio.soci@CattolicaAssicurazioni.it.

*

PARTICIPATION IN THE MEETING

Entitlement to attend the Shareholders' Meeting and exercise voting rights is certified by a communication sent to the Company by an authorised intermediary, in

accordance with their accounting records, in favour of the party entitled to vote.

The communication is made by the intermediary on the basis of evidence on the record date, corresponding to the seventh trading day prior to the date of first call (May 4th, 2021).

Those who become holders of the shares after May 4th, 2021 (record date) will not be entitled to attend and vote at the Meeting.

Holders of shares not yet in certificate form will be able to attend the meeting only after their share certificates have been delivered to an authorised intermediary for entry into the certificate system and subsequent communication by the authorised intermediary.

The participation of Shareholders in the Meeting is regulated by the relevant laws and regulations as well as by the provisions contained in the current Articles of Association published on the Company's website.

Those who have the right to vote may be represented at the Shareholders' Meeting in accordance with the law.

To this end, it should be noted that, in view of the emergency related to the Covid-19 epidemic and for the purposes of maximum protection and safety of Shareholders as permitted by Article 106, of Italian Decree Law No. 18 of March 17th, 2020, "Containing measures to strengthen the national health service and economic support for households, workers and businesses affected by Covid-19" (the so called "Cura Italia" Decree) as reiterated following the enactment of Italian Law No. 21 of February 26th, 2021, converting, with amendments, the so-called "Mille Proroghe" Decree, Shareholders may participate in the Shareholders' Meeting, without access to the location where the meeting is held, exclusively by proxy to the Designated Representative pursuant to Article 135-undecies of the Consolidated Law on Finance (the "Designated Representative"), in accordance with the procedures illustrated below.

Please note that the Company identified Computershare S.p.A., with registered office at via Lorenzo Mascheroni 19, 20145 - Milan, as the Designated Representative.

Attendance at Shareholders' Meetings by members of the Company's corporate bodies, the Secretary and the Designated Representative, as well as any other persons authorised to do so by the Chairman of the Board of Directors, in compliance with the measures for the containment of the Covid-19 epidemic provided for by applicable legal provisions, may also take place, if necessary, through the use of remote access systems that guarantee identification, in accordance with the applicable regulations for such an eventuality.

INTERVENTION AND VOTING AT THE SHAREHOLDERS' MEETING THROUGH THE DESIGNATED REPRESENTATIVE PURSUANT TO ARTICLES 135 - UNDECIES AND NOVIES OF THE CONSOLIDATED LAW ON FINANCE

Participation in the Shareholders' Meeting is provided exclusively by proxy to the Designated Representative.

Therefore, Shareholders who wish to attend the Shareholders' Meeting may be represented, free of charge (except for any costs for sending the proxy), by the Designated Representative, conferring a specific proxy containing voting instructions on all or some of the items on the agenda.

The proxy to the Designated Representative must be received by the end of the second trading day prior to the date of the actual holding of the Shareholders' Meeting (which, presumably, will be held on May 14th, 2021), in the manner indicated and using the specific form that will be available on the Company's "Corporate" website at <http://www.cattolica.it/home-corporate>, under the Governance/Shareholders' Meeting section, which will also contain the procedures to be used to grant and transmit the proxy and to revoke, within the same deadline, the proxy and any voting instructions already granted.

Please note that the proxy will only be effective for proposals in relation to which voting instructions are provided.

The proxy to the Designated Representative, made pursuant to Article 135-undecies of the Consolidated Law on Finance, containing the voting instructions, together with a copy of a valid identity document - and in the case of a legal person, of a document proving the powers to issue the proxy - must be sent to Computershare S.p.A. to the certified email address at cattolica@pecserviziotitoli.it, provided that the delegating party, even if a legal person, uses a certified email address or, failing that, an ordinary email address (in which case the original of the proxy, of the instructions and a copy of the related documentation shall be sent by registered letter with return receipt to the registered office of Computershare S.p.A. at via Monte Giberto, 33, 00138 Rome), or by sending the original of the proxy and a copy of the further attached documentation by registered letter with return receipt to Computershare S.p.A. at Via Monte Giberto, 33 - 00138 Rome.

The Designated Representative may also be granted, again in accordance with the above procedures, proxies and/or sub-delegations pursuant to Article 135-novies of the Consolidated Law on Finance, as an exception to Article 135-undecies, paragraph 4, of the Consolidated Law on Finance, using the form that will be made available on the Company's "Corporate"

website <http://www.cattolica.it/home-corporate>, under the Governance/Shareholders' Meeting section. The Designated Representative will be available for clarification or information at +39 02 124128 810 from 10:00 a.m. to 1:00 p.m. and from 2:00 to 5:00 p.m., Monday to Friday, or at the e-mail address cattolica@pecserviziotitoli.it.

Please note that no postal or electronic voting procedures are envisaged for this Meeting.

*

THE RIGHT TO ASK QUESTIONS ON ITEMS ON THE AGENDA

Considering that participation in the Shareholders' Meeting is provided for exclusively through the Designated Representative, Shareholders may submit questions on the items on the agenda prior to the Shareholders' Meeting, by sending them to the Company in writing via certified e-mail to assemblea@pec.gruppocattolica.it, or by sending an e-mail to AdempimentiSocietari@cattolicaassicurazioni.it, or by hand delivery to be made at the registered office in Verona, Lungadige Cangrande 16, for the attention of the Head of Corporate Compliance, taking care to specify the item on the agenda to which the question refers; in the latter case, in light of the health emergency period, and in order to better organise the appropriate safety measures connected with access to company premises, it is requested that notification be provided at least 24 hours in advance of the intention to access company's premises by e-mail at servizio.soci@CattolicaAssicurazioni.it.

Applications must be received by the Company no later than May 3rd, 2021.

Only questions that are strictly relevant to the items on the agenda will be considered.

The applicant must provide his/her personal details (surname and first name or name in the case of a legal entity, place and date of birth and tax code) as well as proof of ownership of the voting rights, issued by the depository intermediary, in accordance with current regulations.

Questions received by the deadline indicated and which are relevant to the agenda and comply with the

procedures, terms and conditions indicated above will be answered by May 7th, 2021, by means of publication on the Company's website, with the right for the Company to provide a single response to more than one question with similar content.

*

INFORMATION IN RELATION TO SHARE CAPITAL

As at the date of this notice of calling, the Company's subscribed and fully paid-in share capital amounts to € 685,043,940.00, represented by 228,347,980 ordinary shares. Each share provides the right to one vote.

At the date of this notice of calling, the Company holds 28,045,201 own shares representing 12.3% of the Company's share capital.

*

Further information on the rights that may be exercised by Shareholders is available on the Company's "Corporate" website at <http://www.cattolica.it/home-corporate>, under the Governance/Shareholders' Meeting section, and any requests may be made to assemblea@pec.gruppocattolica.it.

*

This notice of calling was published on April 3rd, 2021 on the Company's website, on Borsa Italiana S.p.A., on the CONSOB-authorized storage mechanism called "eMarket-Storage" and, in summary, in the daily newspaper "Il Sole 24 Ore".

Verona, April 3rd, 2021

The Chairman
(Paolo Bedoni)

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 Stefano Gentili Rosella Giacometti Giovanni Glisenti (*) Roberto Osvaldo Lancellotti Anna Strazzerà Eugenio Vanda Elena Vasco

GENERAL MANAGEMENT

Deputy General Managers	Nazareno Cerni Marco Lamola Samuele Marconcini Atanasio Pantarrotas
--------------------------------	--

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

2020 SIGNIFICANT EVENTS

2020 SIGNIFICANT EVENTS

FEBRUARY



On February 20th, Cattolica 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.

MAY



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 Group plan be submitted to IVASS 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".

JUNE



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.

On June 24th, the Company 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 the subscription of the share 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 provided for:

- the transformation of Cattolica into a public limited company with effect from April 1st, 2021;
- the adoption, in the pre-transformation phase, of 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.

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

2020 SIGNIFICANT EVENTS

JULY



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, also following the Agreement entered into with Generali, Cattolica Assicurazioni's **Shareholders' Meeting** was held, which in extraordinary session, approved the amendments to the articles of association, the **transformation into a public limited company** as from April 1st, 2021, and the consequent adoption of a new text of the articles of association.

AUGUST



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 exercised also 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, offered as an option to all shareholders.

SEPTEMBER



On September 9th, IVASS approved amendments to the articles of association resolved by the Shareholders' Meeting on July 31st including the text of the articles of association of the public limited company, which came into force on April 1st, 2021.

OCTOBER



On October 5th and 6th, the Implementing Agreements were signed, as provided for in the Framework Agreement between **Cattolica and Assicurazioni Generali** signed on 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, Assicurazioni Generali **subscribed its reserved capital increase** of 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 held an equity investment equal to 23.67% 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.

DECEMBER



On December 15th, **Banco BPM** formally communicated to the Parent Company the **exercise of the purchase option** of the equity investments held by the same in Vera Vita S.p.A. and Vera Assicurazioni S.p.A., equal to 65% of the share capital (the two companies hold 100% of Vera Financial DAC and Vera Protezione S.p.A. respectively). The purchase option was requested by Banco BPM in relation to the alleged change of control of Cattolica, pursuant to Article 2359 of the Italian Civil Code, as a supposed consequence of the corporate and industrial transaction with Assicurazioni Generali, communicated to the market on June 25th, 2020. Cattolica contested the exercise of the option, deeming Banco BPM's position to be groundless, since it was not confirmed by any provision either of law or of the contract, as attested by authoritative independent legal opinions and by the guidelines expressed by the Supervisory Authorities, in particular, with the authorisation issued by IVASS for Assicurazioni Generali's entry into the Company's share capital.

On December 23rd, Cattolica signed a binding framework agreement with **UBI Banca** concerning the **early termination**, with respect to the envisaged expiry date of June 30th, 2021, **of the life bancassurance agreements** existing between the parties, via the exercise by the bank of its option to purchase the 60% equity investment held by Cattolica in **Lombarda Vita**. The price paid to Cattolica was expected to range between approximately € 290 million and € 300 million depending on Lombarda Vita's 2020 IAS/IFRS results. The transaction was completed in April 2021 at a price of € 219.8 million. As part of this transaction, the parties have agreed to proceed in 2021, subject to obtaining the necessary authorisations, with the repayment of the loan currently outstanding between UBI Banca and Cattolica, amounting to € 80 million.

On December 30th, the Company announced that it **had acquired 20,720,350 own shares**, resulting from the withdrawal exercised at the time of the resolution approving the transformation and which were not subject to option and/or preemption by its shareholders. The payment of the liquidation value, amounting to € 5.47 per share, to each shareholder who exercised the right of withdrawal, as well as the transfer of the shares allocated under the option offer in favour of the shareholders who exercised their option rights, were made through the respective intermediaries on the same date of December 30th, 2020. Consequently, Cattolica held a total of 28,045,201 own shares, representing 12.3% of the Company's share capital, while there were 200,302,779 shares in circulation, representing 87.7% of the share capital.



REFERENCE SCENARIO

REFERENCE SCENARIO

MACROECONOMIC SCENARIO

2020 can be defined as one of the most dramatic years in contemporary times, due to the rapid spread of the Covid-19 virus, which has impacted all areas of the planet with varying intensity, causing a cross-cutting lock-down of social and economic activities, as well as originating a global health emergency.

The optimism that 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, faded rapidly in February with the news of the spread of the Covid-19 epidemic, which soon became a pandemic. 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. The intervention of the Central Banks was decisive in mitigating the repercussions of the lock-down and the general closure imposed by governments to stem the spread of the virus, while the fiscal measures had different effects due to the intensity and, above all, the timeliness with which they were adopted in various countries. Analysts expect world GDP to contract by 3.5% in 2020 (IMF projections January 2021).

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 same period 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 limited the year-on-year decline to -2.8% and the overall annual result is on track to be, by latest estimates, around -3.5%. Unemployment, which before the pandemic was below 4% at its lowest level in 50 years, rose to 14.8% in April and then fell to 7.8% in September, settling at 6.7% at the end of the year. In addition to the normal unemployment benefits, claims for which peaked at almost 7 million at the start of the lock-down, the government added promptly 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 and fourth quarters. 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, and ended the year at 46.4. The manufacturing index declined more modestly to 33.4 in April 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 and further expanding its purchase programme at the December meeting, the European institutions' reaction in terms of fiscal stimulus was 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, convergence between the various EU countries was achieved in July, but there is still uncertainty about the timing of implementation of the new system. The lock-down, earlier than in the US, led to a decline in GDP already in the first quarter (-3.2% year-on-year), with the second quarter falling further to -14.7% and a rebound in the third quarter to -4.3%. The unemployment rate, which remained stable in the first quarter, rose to 8.6% 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 contracted by 5.6% in the first and 18% in the second quarter. The third quarter was down 5% compared to the same period of the previous year, with an overall figure for 2020 of around -9%. Some tax measures have been issued to support SMEs and the self-employed people directly involved in the closures. The unemployment rate in the first half-year even fell to 8.5%, but the employment rate also fell, due to a sharp increase in inactive people.

Unemployment rose to 9.7% in the third quarter and will peak around mid-2021 at over 10%.

As in other Asian countries, the first wave of infection in April was followed by another in August in Japan. The government implemented a partial lock-down in major cities but this did not prevent a collapse in consumption and a drop in GDP of 10.3% in the second quarter and 5.7% 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, where the virus originated in the early days of the year, through a strict policy of stopping activities and the movement of people, accompanied by fiscal and monetary support, was able to quickly restore most economic sectors. The decline in GDP was limited to the first quarter and was fully recovered in the following two quarters. The rebound continued in the last quarter, with the preliminary overall figure for 2020 showing growth of 2.3%, well far from the numbers China was used to, but still in positive territory.

Bond markets

2020 was characterised by a generalised fall in both nominal and real government rates of the main issuers, above all the USA, while returns on corporate bonds remained substantially stable for issuers with the best credit quality, while they rose for those of lower quality. These changes were not linear as there were phases of high volatility in the first half of the year.

In particular, in Italy the first two months of 2020 were characterised by regional elections with a strong potential impact on the stability of the Conte government. The failure of Lega to win in Emilia-Romagna, with the remaining regions being divided up almost evenly between opposing coalitions, has reduced the political risk that was looming over the market. This is why there has been a substantial narrowing in the spread across all curve nodes. In fact, in January and February, the ten-year BTP reached 0.9%, the lowest level ever, after having opened the year in the 1.4% area.

In March, the Italian curve and those of Spain and Portugal experienced a marked rise in returns with a consequent increase in the spread against the relative nodes of the German curve. Issuers such as France and Belgium also underwent a similar movement as markets were concerned about the ability and willingness of institutions, especially the European Central Bank, to deal with the current crisis.

Specifically, the Italian ten-year spread reached 270 basis points after opening the year with 150 basis points. The Italian curve was the most affected in Europe, also due to the greater spread of the virus in the spring months. The

German curve experienced a significant reduction in rates as a result of a classic "flight to quality" mechanism, i.e. the massive purchase of the issues investors consider to be the safest. Similarly, US rates declined across all maturities of the curve. In particular, in March, the ten-year rate reached new record lows in the 0.5% area, also thanks to the announcement of extraordinary measures by the American Central Bank.

Spreads on corporate issues moved at the same pace. Companies with lower credit rating, so-called high yield bonds, suffered the greatest impact. There were also numerous downgrades by rating agencies.

In general, the crisis has affected the sectors in different ways. Cyclical sectors, related to consumption, tourism, travel, have been heavily impacted by lock-downs and infection containment policies. In contrast, defensive sectors, such as consumer staples, telecoms and utilities, showed strong resilience in the spring months.

To cope with this unexpected pandemic there has been a twofold effort by institutions. In addition to the ECB's monetary policy, which has clarified its policy to support markets and the economy, there has been a fiscal boost from the European Community.

The former launched an extraordinary purchase programme, the "Pandemic Emergency Purchase Programme" amounting to € 1,850 billion to ensure stability in the financial markets. The latter approved a set of EU-wide fiscal stimuli aimed at accelerating the recovery path from 2021 onwards.

These two moves have had a strong positive impact on bond markets since late spring, bringing confidence to the markets with a consequent reduction in volatility.

In the United States, the Federal Reserve acted in parallel with the ECB. It offered support both in the financial market, through securities purchases, and in the credit market, offering soft loans and many other opportunities to stabilise the economy. The U.S. government acted also to support the economic system in stages from the spring through December, offering subsidies to businesses, consumers and providing tax deferrals and tax benefits.

Thanks to these manoeuvres and to the slowdown in infections during the summer months, Italian rates expressed the best performance on the continent. Up to the end of the year, spreads on all maturities continued to narrow against the German curve. The ten-year BTP reached the 0.5% area and the spread was 110 basis points. Despite the resurgence of the virus in the autumn months, rates were fairly stagnant and volatility remained at lows. In general, the European peripheral sector, Spain,

Italy and Portugal, and the semi-core sector, such as France, moved with a similar dynamic in the second, third and fourth quarters of 2020. On the other hand, the core European countries (Germany, the Netherlands, Austria and Luxembourg) and the United States, which had expressed strong shrinkage in the early months of the pandemic, returned to higher levels than those recorded at the beginning of the year.

The trend in corporate issues was the same. Support from ECB purchases and renewed positive market sentiment caused credit spreads to narrow, returning them almost to the levels of the beginning of the year. This change affected both the investment grade segment, which is more attractive in a situation of economic contraction, and the high yield segment.

The year saw also a widespread flattening of government curves. In particular, the domestic curve benefited most from purchases by both the ECB and institutional investors and is the curve that flattened the most.

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 lock-down had particularly a negative impact on transport, travel and leisure 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. The abundant liquidity from which, especially in the USA, households benefited, largely spilled over onto the stock exchanges, with a contraction in consumption, due both

to an increase in the propensity to save and to the objective difficulty of making purchases due to the restrictions imposed on commercial activities.

As a result, in spite of the heavy downward revision of 2020 profit estimates by 20%, stock markets recovered to pre-Covid levels and, in many cases, even reached historical highs. The mismatch between stock price developments and corporate fundamentals caused prospective multiple price/earnings to expand by more than 20% compared to the already historically expensive levels prior to the pandemic. The expansion showed a halt only in the third quarter, and then accelerated at the end of the year, although the figures for the second wave of the pandemic, in most European and American countries, exceeded the levels of the first, both in terms of infections and deaths.

Global stock markets posted collectively a gain of about 15% during 2020. In detail, among the main European stock exchanges, the German DAX stood out, with a performance of +3.5% before dividends. Further back were the FTSE MIB at -3.3%, the French CAC40 at -4.2% and the Spanish IBEX at -12.7%.

The performance in the United States was decidedly better, where the stock markets closed at all-time highs, with the S&P 500 gaining 18.4%, the Nasdaq, driven by the big technology companies, which retail investors in particular flocked to, up 45.1% and the Dow Jones, containing more traditional stocks, "only" up 9.7%. The Japanese Nikkei index recorded a performance of +18.2% while the emerging countries MSCI index closed at +18.5%, with Shanghai at +29.9% and Hong Kong at -0.2%.

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, the dollar weakened initially to 1.15 and then quickly reversed course, touching the lows of the last 3 years, below 1.07. In May, after the announcement of the European Union's Recovery Fund proposal, the euro returned to strengthen until early September, when the second wave of the pandemic brought investors back to focus on the U.S. currency as a safe haven asset. In the last quarter, the approval of the first vaccines, with the consequent renewed confidence for a global recovery,

weakened the dollar again, which closed the year at 1.22 against the euro.

The dollar experienced a similar movement also against the yen, characterised by sudden volatility in March, with the exchange rate falling from 112 to 102 and then rising again to 112. Subsequently, the dollar weakened gradually against the Japanese currency, ending the year at 103, down 5% from a year earlier.

Real estate market

The volume of investments in "commercial real estate" in Italy closes at € 8.8 billion, down 29% compared to 2019 (an all-time record year with over € 12 billion in investments), but in line with 2018 (CBRE S.p.A. data).

The Covid-19 pandemic caused a slowdown accompanied by a slippage in the investment timeline, mainly due to the extremely harsh restrictive measures put in place during lock-down periods. The health emergency and subsequent interventions have accelerated the spread of e-commerce and trends such as smart-working and remote-working: this has led to uncertainty about the evolution of market trends in certain asset classes. Generally speaking, interest was concentrated on core products in prime locations, while there were very few value-added transactions. The share of foreign investors has decreased to 58% compared to an average of 69% in the last 5 years: this figure does not indicate a lower interest in the Italian market, but probably a more prudent and cautious attitude due to the situation of uncertainty caused by the pandemic.

The habits of Italian investors, on the other hand, remained mostly unchanged, showing greater confidence in the local market in spite of the uncertainties of the period, slightly exceeding the volume invested in 2019 and included the completion of important transactions, such as the purchase of Palazzo delle Poste,

the historic trophy asset in Piazza Cordusio in Milan, by a club deal of investors coordinated by Mediobanca.

The Offices asset class, despite a somewhat slower last quarter, maintains its predominant position with € 3.7 billion in investments, down 26% year-on-year. Once again Milan was the main protagonist, with € 2.3 billion, while Rome recorded € 820 million. The ratio of foreign to domestic investors in this segment is stable.

Excellent performance of the Logistics sector, which with € 1.4 billion in investments, with 100% foreign investors, is confirmed as the most resilient asset class in 2020 and exceeds the volume recorded in 2019.

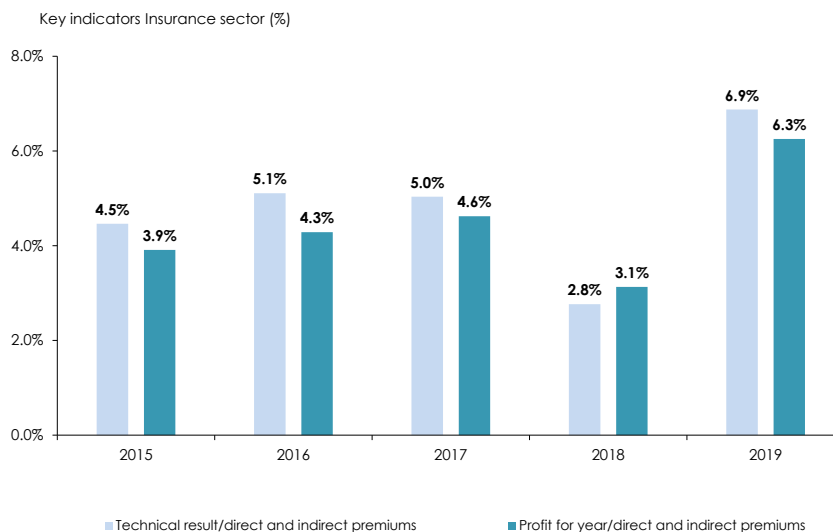
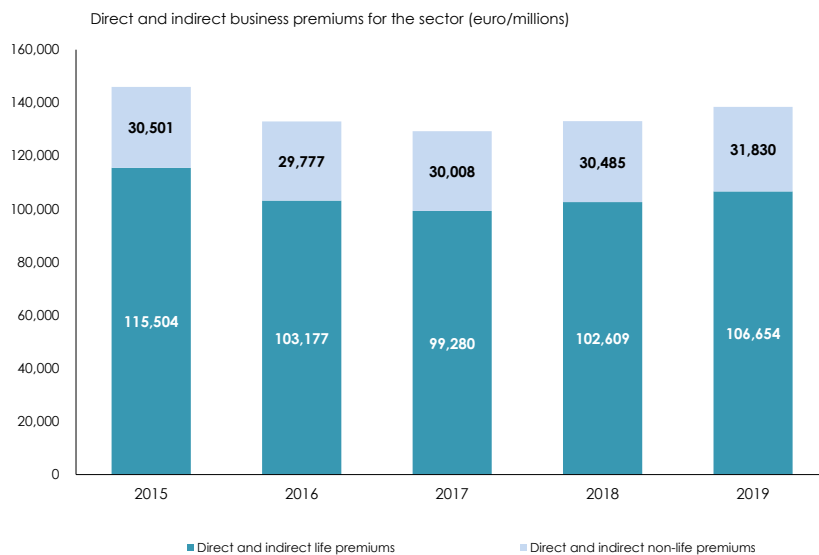
The Retail sector recorded investments of € 1.4 billion, down 29% compared to 2019; in this case, the domestic component was very strong. During the year there were no significant transactions related to shopping centres (with a total of € 299 million in investments). Leading the volumes were the transactions related to large-scale retail and super core High Street (with a total of € 345 million), mostly through mixed-use properties.

The Hotels sector collected just over € 1 billion in investments, in line with the average of the last 10 years and down 68% compared to 2019, a year in which, however, the asset class had set an all-time record for investment volumes, variety of deals, size of portfolios transacted and the emergence of new players. Despite the harsh penalisation due to the strong restrictive measures and the drop in tourism and hotel performance in the order of 80-90%, interest in the sector remains high, both for quality structures (trophy assets) and for highly value-added and opportunistic operations.

Interest in the Residential sector is growing, reaching € 580 million in investments. The lack of product in Italy leads investors to focus on developments, especially in large urban transformation areas. 2020 saw the first major portfolio transaction in the Multifamily segment, a sign that Italian residential market has very high potential and is starting to attract significant foreign capital.

INSURANCE INDUSTRY

The graphs below show certain summary figures published by ANIA¹ for the insurance industry for the period 2015-2019.



¹ Source ANIA - L'assicurazione italiana 2019-2020, publication dated July 2020.

The situation for insurance in Italy² at the beginning of 2020 was that of a sector that was still growing, with ample opportunities for development in the non-motor non-life products sector, a business characterised by a large amount of investment and a solid capital position. In this context, the crisis caused by the spread of Coronavirus has taken over, an event capable of creating the fastest and deepest recession in the Western world in modern history and, therefore, of significantly changing the economic, financial and social scenario in which insurance companies must operate.

Premiums written in 2019 had exceeded € 140 billion, up 3.7% year-on-year: +3.9% in life business and +3.2% in non-life business.

The growth trend³, confirmed in the first two months of this year, turned sharply negative when the pandemic broke out. In the lock-down quarter (March to May), life premiums decreased by 35% compared to 2019. In June, with the end of the exceptional measures, there was an initial reversal of the trend, which was followed by further consolidation in July and August, when premiums written returned to the levels of the same months in 2019. In this context, it is noteworthy that net premiums remained in positive territory in the first half of the year as well, albeit at levels well below those of the same period in 2019 (-15%). Also in non-life business, the decrease in premiums was very significant in the lock-down months (-9% compared to the corresponding period in 2019). The reduction was more marked in TPL Motor (-11.5%). With the reopening, non-motor non-life premiums have moved closer to 2019 levels: in the first eight months of the year, the decrease was 1.7%. In the same period, TPL motor premiums decreased by more than 5% and, to the same extent, the average premium per vehicle decreased. This trend reflected the companies' decision to make it easier for policyholders who had not used their vehicles during the lock-down. In fact, the claims frequency had dropped significantly in the closing months, and then gradually rose again in the summer months towards 2019 values.

Since last March, the effects of the Covid-19 pandemic have been violently affecting the economies of all countries.

According to IMF forecasts, the GDP of advanced countries could fall by more than 6% in 2020, as a result of a very sharp fall in the first half of the year, followed by a recovery in the second half; by 2021 there would be a marked recovery, equal to 4.5%, but it would not return to the value before the spread of the virus. The Monetary

² Source ANIA – Le Assicurazioni italiane e le sfide del nuovo decennio. The Impacts of the Covid-19 Pandemic.

³ Source ANIA - Relazione del Presidente dell'Ania, Meeting of October 19th, 2020.

Fund's forecasts are even more negative for the euro area and, in particular, for Italy, where the Government estimates also a drop in GDP of 8% and an increase in the ratio of public debt to GDP to over 150%.

From the point of view of insurance business, a delicate aspect, with significant new issues, involves the liquidity management. The exceptional volatility of the financial markets has direct effects resulting, on the one hand, from the higher margins required for transactions on the derivatives markets and, on the other hand, from the possible increase in redemptions for linked life products, when part of the assets invested are illiquid.

However, it is the indirect effects that are of most concern. These include, first and foremost, a sharp decline in new business. For example, according to the most recent estimates, new production of individual life insurance policies in March 2020 decreased by 45.6% compared to the same month in 2019; significant decreases are also expected in non-life business premiums. In the face of the drop in the volume of business, insurance companies are called upon, despite the undoubted operational difficulties caused by the emergency, to meet their commitments on time and to offer support and liquidity to agents and customers.

At the moment, the Italian insurance industry has proven to be fully capable of handling these critical issues, but the possibility that an intensification of the global recession could lead to an increase in life insurance policy redemptions should not be overlooked. For these reasons, realistic and comprehensive liquidity planning is required for companies, with a focus on aspects such as exposure to derivatives markets, liquidity of portfolio assets (including those supporting linked products), cash flow management, life insurance maturity analysis, loans and policy redemptions activities.

In a longer term perspective, the pandemic may also radically change the challenges facing the insurance industry: an initial example is evident from the observation that a wide use of digital connection modes has affected millions of Italian workers, students and citizens. More generally, investments in the so-called "InsurTech" sector continue to be very significant and the number of partnerships between traditional operators and InsurTech companies is growing significantly.

A second aspect relates to offering more protection to older people in a context of "lower for longer" interest rates. Low or even negative interest rates call into question established business models, essentially based on the stable and guaranteed valuation of insurance savings, and make it necessary to adapt the offer, both by

reshaping the guarantees and in terms of new product options.

On the first front, policyholders' interest in guarantee structures that can adapt over time to macroeconomic conditions, while maintaining the distinctive character of traditional insurance products, should be verified.

On the product innovation side, both whole life insurance and annuity products could be supplemented with long-term care coverage and/or medical expenses.

Finally, a third aspect concerns the development of products to cover the risk of epidemics. The experience of Covid-19 shows that some events, such as compensation for business interruption resulting from a pandemic, are almost "uninsurable" because of the extreme difficulty in exploiting the basic principle of risk diversification.

Nevertheless, driven by the enormity of the events, the global insurance industry is beginning to question what

kind of coverage it can offer, the optimal geographic size of the risk pool, and how to engage the financial markets by issuing pandemic bonds.

The general belief is that coverage against pandemics is certainly impossible without a partnership with the public sector. The challenge is to see if lessons can be learned from the schemes already in operation for managing natural disasters.

On the basis of the market figures for gross premiums written as at September 30th, 2020, of Italian companies and non-EU representative agencies, (Ania Trends, No. 10, December 2020) total life and non-life business premiums were down 6%, non-life business was down 2.7% and the life business down 7%. Non-life business fell by 4.6% in the motor classes and by 0.8% in the non-motor classes.

SECTOR REGULATIONS

In the detailed overview of the measures adopted by the legislature and the sector authorities, which characterised the year, some of the legislative innovations that affected the insurance sector and the Group are mentioned.

IVASS Regulations, amendments and letters to the market

New method for transmitting information to IVASS via the INFOSTAT infrastructure

During the year, IVASS published a number of Letters to the market relating to the new survey transmission method, including:

- IVASS Letter to the market on January 16th, 2020, No. 0011573/20 entitled "New protocol for the exchange of information - quarterly statistical survey of premiums", which extended the new method of transmission to IVASS via the INFOSTAT infrastructure, already in use for Solvency II reporting, to the following surveys: quarterly premium statistics, balance sheet advances, land motor vehicles TPL technical data, individual and consolidated annual financial statements and interim individual and consolidated financial statements, foreign premiums, covering assets.
- IVASS letter to the market No. 0075168/20 dated March 20th, 2020 on "balance sheet advances" (TANBI), "land motor vehicles TPL technical data" (DTRCA) and "quarterly premium statistics for the first quarter of 2020";

- IVASS letter to the market No. 0106638/20 dated May 18th, 2020, concerning the "annual individual balance sheet" (BILIN) and "annual consolidated balance sheet" (BILCO) reports;
- IVASS letter to the market No. 0126312/20 dated June 17th, 2020 on "foreign premiums" (PREST);
- IVASS letter to the market No. 0186672/20 dated September 25th, 2020 for reporting on individual (SEMRE) and consolidated (SEMCO) interim reports and assets covering technical provisions (COPRT).

IVASS letter to the market No. 0052505/20 dated February 19th, 2020

The letter concerning the "New Register of Companies and Insurance Groups (Registro delle Imprese e Gruppi Assicurativi - RIGA) computerised procedure for the management of personal data - operational parallel phase" reports that the new RIGA computerised procedure for the management of personal data has been implemented, in order to introduce the operating methods for the collection of information from supervised subjects, in accordance with the indications contained in the regulations in force.

IVASS notice of March 30th, 2020

In order to enable insurance market operators to cope with the inconvenience caused by government measures to contain Covid-19, and in line with the initiatives taken by EIOPA and the European and national authorities that oversee the banking and financial sectors, the Bank has granted extensions to certain 2020 requirements for insurance companies and insurance intermediaries,

including the extension of the deadlines for compliance with Solvency II reporting, in particular:

- 8 weeks for the Regular Supervisory Report (RSR) and the Solvency and Financial Condition Report (SFCR) at individual and group level, except for Balance-sheets, LTG, Own funds and SCR calculations for which an extension of 2 weeks has been provided;
- 8 weeks for the Annual quantitative reporting template, at individual level, except for the Content of the Submission, Basic Information, Balance-sheets, Cash-Flow projections for life business, LTG, Own funds and SCR calculation templates, for which an extension of 2 weeks is allowed;
- 8 weeks for the Annual quantitative reporting template, at group level, except for the Content of the Submission, Basic Information, Balance-sheets, LTG, Own funds, SCR calculation and Undertakings templates in the scope of the group, for which an extension of 2 weeks has been provided;
- 1 week for Q1-2020 Quantitative Reporting Templates and Quarterly Financial Stability reporting, at individual and group level, except for the Derivatives Transactions template for which an extension of 4 weeks has been provided;
- extension until June 30th, 2020, for the individual ORSA report and until July 15th, 2020, for the group report.

IVASS Regulation No. 45 dated August 4th, 2020

The regulation completes the regulatory framework on product governance and control requirements for insurance companies and distributors of insurance products provided for by Delegated Regulation (EU) No. 2017/2358 (POG, Product Oversight Governance) and Italian Legislative Decree No. 209 of September 7th, 2005 (CAP) and implements, in particular, Articles 30-decies, paragraph 7, and 121-bis, paragraph 2, of the CAP.

In particular, the new Regulation identifies the duties and responsibilities of the corporate bodies involved in the approval and distribution process of the insurance products; it identifies the rules and the elements to be taken into account for the purposes of identifying the reference market and the negative reference market; it defines the information flows between the producing insurance companies and the distributors; it governs the mechanisms for distributing insurance products; it prescribes specific control obligations for the unit or structure responsible for insurance distribution for the distributors of insurance products enrolled in sections A, B and F of the RUI (Consolidated Register of Insurance Brokers) and governs the relations of free collaboration among the brokers involved in the activity of distributing insurance products.

IVASS Provision No. 97 of August 4th, 2020

At the same time as the publication of IVASS Regulation No. 45 of August 4th, 2020, the provision completes the regulations on the distribution of IBIPs products for the channels under the jurisdiction of the IVASS. The new regulatory provisions contain references to the rules of the IBIPs Delegated Regulation, given their immediate applicability and non-derogation, and to the provisions of Delegated Regulation (EU) 2017/565 supplementing Directive 2014/65/EU on organisational requirements and operating conditions for investment firms, with reference to independent consultancy. The provision makes amendments to ISVAP Regulations No. 23 of May 9th, 2008 and No. 24 of May 19th, 2008 and IVASS Regulation No. 38 of July 3rd, 2018 and Nos. 40 and 41 of August 2nd, 2018.

IVASS Regulation No. 46 dated November 17th, 2020

The regulation concerns the provisions on the transparency of the commitment policy and elements of the equity investment strategy of insurance or reinsurance companies, in implementation of Article 124-novies, paragraph 3, of the Consolidated Law on Finance, through which the provisions of Italian Legislative Decree No. 49 of May 10th, 2019, which transposed into Italian law Directive (EU) 2017/828 (the so-called SHRD2) are implemented, amending Directive 2007/36/EC on the exercise of certain rights of shareholders in listed companies ("Shareholder Rights Directive" or "SHRD1") as regards the encouragement of long-term shareholder engagement. The regulation consists of 3 Chapters: Chapter I contains the general provisions, Chapter II contains the rules on public disclosure and Chapter III contains the transitional provisions, in particular the first application regime for the publication of the commitment policy and the final provisions concerning the publication and the envisaged entry into force.

IVASS Recommendation of December 29th, 2020

Following the December 15th, 2020 update of Recommendation No. 7 issued by the European Systemic Risk Board on May 27th, 2020, IVASS published a recommendation on dividend distribution and variable remuneration policies of Italian insurance and reinsurance companies, asking companies to be extremely prudent, at least until September 2021, in their dividend distribution activities, own share buybacks and payment of the variable component of remuneration to corporate officers with reference to the 2019 and 2020 financial years. If companies intend to undertake one of these transactions, the Institute asks to be contacted in advance to verify their compatibility with the objectives of the recommendation.

Other legislative innovations

Corporate Governance Code of January 31st, 2020

The Corporate Governance Committee has published the new Corporate Governance Code (the "Code"), which replaces the current Code of Conduct and introduces significant changes in corporate governance and will be applicable from the first financial year following December 31st, 2020. Companies intending to adopt it must inform the market in the Corporate Governance Report to be published in 2022.

Italian Decree Law No. 18 of March 17th, 2020 (so-called "Cura Italia" Decree)

The decree, on measures to strengthen the national healthcare service and economic support for families, workers and businesses affected by Covid-19 (so-called "Cura Italia" Decree) was converted into Italian Law No. 27 of April 24th, 2020, published in the Italian Official Gazette No. 110 of April 29th, 2020 and entered into force on April 30th, 2020.

Article 103 (1) states that "For the purposes of calculating the authorising or peremptory, preparatory, endoprocedural, final and enforceable deadlines relating to the conduct of administrative proceedings on application by a party or on its own initiative, pending on February 23rd, 2020 or commenced after that date, the period between the same date and April 15th, 2020 shall not be taken into account. Public administrations shall take all appropriate organisational measures to ensure the reasonable duration and speedy conclusion of proceedings, with priority for those to be considered urgent, also on the basis of reasoned requests from the parties concerned. The deadlines for the formation of the conclusive intention of the administration in the forms of significant silence provided for by the system shall be extended or postponed for the corresponding time". This provision applies also to administrative proceedings or stages of administrative proceedings within the IVASS's jurisdiction, the deadlines for which are therefore suspended ex lege from February 23rd to April 15th, 2020.

Article 106 introduces the following measures:

- as an exception to the provisions of Articles 2364(2) of the Italian Civil Code and 2478-bis of the Italian Civil Code and the various provisions of the Articles of Association, the Ordinary Shareholders' Meeting for the approval of the financial statements shall be convened within 180 days of the end of the financial year (2019), thus extending the ordinary term of 120 days provided for by the Italian Civil Code (Article 2364) and independently of the provision of a specific clause in the Articles of Association allowing the 180-

day deadline to be used in the case of companies that prepare consolidated financial statements or when special requirements relating to the structure or activity of the company so require, to be reported by the directors in the Management Report attached to the financial statements;

- ciation companies, limited partnerships, limited liability companies, cooperatives and mutual insurance companies may provide, even by way of derogation from the various provisions of the articles of association, for the expression of votes by electronic or physic means and for participation in general meetings by means of telecommunications; companies may also provide that the shareholders' meeting is to be held, even exclusively, by means of telecommunications guaranteeing the identification of participants, their participation and the exercise of voting rights, pursuant to and for the purposes of Articles 2370(4), 2479-bis(4) and 2538(6) of the Italian Civil Code without in any case the need for the Chairman, Secretary or Notary Public to be in the same place, where applicable;
- companies with listed shares, for ordinary or extraordinary shareholders' meetings, may appoint a representative, as provided for in Article 135-undecies of Italian Legislative Decree No. 58 of February 24th, 1998 ("Consolidated Law on Finance") and provide in the notice of calling that attendance at the shareholders' meeting shall take place exclusively through the aforementioned representative, to whom proxies or sub-delegations may be granted (paragraph 4).

Article 125 provides for, in paragraph 2, the extension of the guarantee of the land motor vehicles TPL policy for a further 15 days after the expiry of the policy itself and until the new policy takes effect. This provision is valid for all contracts expiring between March 17th and July 31st, 2020, after which the period will revert to 15 days.

Article 125 provides for, in paragraph 3, an extension of a further 60 days with respect to the terms provided for in Article 148 of the Insurance Code for the insurance company that must make a reasonable and justified offer for compensation following a road accident, but only in the event that the formulation of the offer requires the intervention of an expert or the medical examiner to assess the damage to property or persons.

COVIP Resolution of July 29th, 2020

With the resolution of July 29th, 2020 "Directives for supplementary pension schemes", the new "Regulation on the sanctioning procedure of COVIP" was adopted, which governs the detailed aspects of the sanctioning

procedure for which COVIP is responsible, as dictated by Italian Legislative Decree No. 252 of December 5th, 2005. The Directives provide supervisory instructions aimed at clarifying the main new profiles of the primary regulations of the sector, their impact on the current structure of the pension schemes, the changes to be made both from an organisational and documentary point of view, as well as specifying the methods and timing of the adjustments, so as to better direct the activities that the pension schemes are called upon to implement.

CONSOB Resolution No. 21466 dated July 29th, 2020

Resolution No. 21466 made amendments to the Intermediaries Regulation, implementing the Insurance Distribution Directive (IDD) (EU) No. 2016/97. The new regulatory text has been prepared in compliance with the new allocations of competences for entities supervised by CONSOB and IVASS, sanctioned by the national legislator in the 2016-2017 European Delegation Law. In more detail, the amendments consist of the rewriting of Book IX and concern the rules of conduct and the disclosure obligations to be complied with by the intermediaries supervised by CONSOB (including banks, investment companies, Poste Italiane) in the distribution of investment insurance products (IBIP). The new provisions are in line with the regulatory interventions made simultaneously by IVASS, which take the form of amendments to Regulation No. 38 of July 3rd, 2018 and Nos. 40 and 41 of August 2nd, 2018, on corporate governance, distribution and disclosure of insurance products and the adoption of the new Regulation No. 45 of August 4th, 2020, on Product Oversight Governance (POG). The new rules, aimed at completing the process of compliance with the IDD, will enter into force on March 31st, 2021, to allow all supervised entities sufficient time to comply.

COVIP regulation on transparency of commitment policy and elements of the equity investment strategy for pension funds

With a Resolution dated December 2nd, 2020, the Pension Fund Supervisory Commission adopted the regulation implementing Article 6-bis, paragraph 2, of Italian Legislative Decree No. 252 of December 5th, 2005, and Article 124-novies, paragraph 3, of Italian Legislative Decree No. 58 of February 24th, 1998, introduced by Italian Legislative Decree No. 49 of May 10th, 2019.

CONSOB Resolutions No. 21623 and No. 21625 of December 10th, 2020

With Resolutions No. 21623 and No. 21625, CONSOB made amendments to the Issuers' Regulation. In particular, the amendments made by Resolution No. 21623 concern: a) the transparency rules on remuneration with regard to disclosure and the contents of the Report on the

remuneration policy and on compensation paid; b) the disclosure formats, which are refined in light of developments in market practice; c) the rules on the transparency of asset managers and voting consultants, for which the procedures and deadlines for compliance are indicated.

CONSOB Resolution No. 21624 dated December 10th, 2020

With Resolution No. 21624, CONSOB amended the Regulation on Related Party Transactions and the Regulation implementing Italian Legislative Decree No. 58 of February 24th, 1998, on Markets, in particular with regard to the regulation on related party transactions. The main changes concern: a) the definition of the directors involved in a OPC, who are required to abstain from voting; b) the power of the Board of Directors to approve transactions of greater importance, which is also extended to smaller companies, newly listed companies and companies with widely distributed shares, as well as in cases of urgency. The solutions adopted aim, among other things, to maintain the flexibility provided for in the legislation already in force.

CONSOB Resolutions No. 21639 and No. 21640 of December 15th, 2020: new methods of access to PRIIPs' KIDs and related structured data

CONSOB, with Resolutions No. 21639 and No. 21640, has defined the new procedures for access to documents containing key information, the so-called KIDs (Key Information Documents) of PRIIPs (prodotti di investimento al dettaglio e assicurativi preassemblati - retail investment products and packaged insurance products) and has provided for the obligation to make accessible the information and structured data relating to PRIIPs marketed in Italy. At the same time, operating instructions were adopted that identify how CONSOB can access the KIDs and the related structured data.

CONSOB Notification No. 1/21 dated February 16th, 2021

CONSOB, issued a notification for the disclosures that listed issuers must provide starting with the 2020 Annual Financial Reports, in light of the consequences arising from the Covid-19 epidemic; in particular, listed companies must comply with the provisions set forth in the Public Statement on the 2020 Common European Supervisory Priorities, issued by ESMA on October 28th, 2020. The document highlights the following areas to be considered when preparing financial statements: the application of IAS 1 "Presentation of Financial Statements", the application of IAS 36 "Impairment of Assets", the application of IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures"; the application of IFRS 16 "Leases".

Particular attention is required in the planning process taking into account possible impacts on business objectives and risks resulting from the pandemic, the use of economic support measures and their possible discontinuation. Issuers must ensure that financial statements valuations based on business plans are consistent with each other.

Information on these aspects must also be provided in the management report, highlighting the description of the evolution of the business model, the actions taken and that are intended to be taken to deal with the short- and medium-term uncertainty arising from the pandemic.

The control bodies must strengthen the flow of information and the comparison with the administrative area, with the auditing company (pursuant to Article 150, paragraph 3, of the Consolidated Law on Finance) and with the corresponding bodies of the subsidiaries (pursuant to Article 151 of the Consolidated Law on Finance). In its auditing, the Independent Auditors must carefully consider the impacts of the effects of the pandemic with particular regard to accounting estimates, going concern and related disclosures, as well as provide for additional audit procedures to address any significant errors due to fraud.

With respect to the 2020 Non-Financial Statements, these must consider the non-financial issues impacted by the pandemic such as social and workforce-related issues, business model and value creation, risks related to climate change, as well as interconnections with financial information.

TAX MEASURES

The main innovations, which characterised the year are described as follows.

Italian Decree Law No. 124 of October 26th, 2019 (so-called "Collegato Fiscale", tax issues)

The decree containing "urgent provisions on tax matters and for unavoidable needs" was converted into Italian Law No. 157 of December 19th, 2019, published in the Italian Official Gazette No. 301 of December 24th, 2019, in force since December 25th, 2019.

Among the key changes of interest to the Group are the measures to combat the illegal supply of labour. In particular, Article 4 introduces — at the expense of the purchasers of works or services for a total annual amount of more than € 200 thousand through tender contracts, subcontracts, entrusting to consortium members or negotiation relationships, however denominated, characterised by the prevalent use of labour at the customer offices with the use of capital goods owned by the customer or traceable to it in any form — the obligation to request a copy of the payment proxies

The Statements must contain updates on the company's plans considering the different possible scenarios related to the risk connected to the evolution of the pandemic.

Italian Decree Law No. 183 of December 31st, 2020 (so-called "Milleproroghe" Decree)

The decree, converted by Italian Law No. 21 of February 26th, 2021, published in the Italian Official Gazette No. 51 of March 1st, 2021, extended the measures introduced by Article 106 of the aforementioned "Cura Italia" Decree, including the extension of the deadline for the approval of the 2020 financial statements within 180 days from the end of the financial year and of the procedures for conducting shareholders' meetings held up to July 31st, 2021, i.e. the use of electronic or postal voting, participation in the shareholders' meeting by telecommunications means and, for listed companies, the possibility of conferring proxy to the Designated Representative pursuant to Article 135-undecies of the Consolidated Law on Finance.

In addition, the decree, in Article 3, paragraph 11-sexies, provided, for listed companies, the postponement by one year (from January 1st, 2020 to January 1st, 2021) of the obligation to publish financial reports in the European Single Electronic Format (ESEF) pursuant to Delegated Regulation (EU) 2018/815 of December 17th, 2018.

relating to the payment of withholding taxes withheld by the contractor and subcontractors to workers directly employed in the execution of the work or service. The payment of withholding tax is made by the contractor with separate proxies for each customer, without the possibility of offsetting, to be sent to the customer within five working days after the payment is due, in order to allow the customer to acknowledge the total amount paid.

Italian Law No. 160 of December 27th, 2019 (2020 Budget Law)

Below are the main innovations introduced by Italian Law No. 160 of December 27th, 2019 (Italian Official Gazette No. 304 of December 30th, 2019) of interest to the Group:

- **IMU**
As from 2020, the IUC (Single Municipality Tax) is abolished with the exception of the TARI (tax on waste) provisions and the IMU framework is redefined.

– TAX CREDIT FOR INVESTMENT IN CAPITAL GOODS

Article 1, paragraphs 184-197 introduced a tax credit that replaced the previous super and hyper-amortisation regulations. The extent of the relief varies according to the type of assets subject to investment. The credit is equal to 6% of the cost incurred, up to a maximum eligible cost limit of € 2 million, for investments in new operating tangible assets destined for production facilities located in the territory of the State, in the period between January 1st and December 31st, 2020 or until June 30th, 2021 provided that, by December 31st, 2020, the order is accepted by the seller and at least 20% in down payments have been made. For investments relating to goods included in Attachment A to Italian Law No. 232 of December 11th, 2016, the credit is equal to 40% and 20% of the cost (respectively for investments up to € 2.5 million and between € 2.5 million and € 10 million). For investments in goods included in Attachment B of the aforementioned law, the tax credit is due to the extent of 15% of the cost within the maximum limit of eligible costs of € 700 thousand. Subsequently, Article 1, paragraphs 1051-1063, of Italian Law No. 178 of December 30th, 2020, (2021 Budget Law) amended the provisions with respect to the credit under review, effective as of January 1st, 2021, with respect to investments made on or after November 16th, 2020. Unlike the relief provided by the previous provision, investments in new intangible assets are also included in the scope of the new tax credit. The rule also changed the extent of the relief. In summary:

- the tax credit relating to investments in new operating tangible assets (other than those indicated in Attachment A to Italian Law No. 232 of December 11th, 2016) and in new operating intangible assets (other than those indicated in Attachment B to Italian Law No. 232 of December 11th, 2016) made from November 16th, 2020 to December 31st, 2021 or by June 30th, 2022, provided that by December 31st, 2021, the relevant order has been accepted by the seller and that advance payments of at least 20% of the acquisition cost have been made, is recognised at the rate of 10% of the cost, up to a maximum limit of eligible costs of € 2 million for tangible assets and € 1 million for intangible assets;
- the tax credit relating to investments in new operating tangible assets included in Attachments A to Italian Law No. 232 of December 11th, 2016, made from November 16th, 2020 to December 31st, 2021 or by June 30th, 2022, provided that by December 31st,

2021, the relevant order is accepted by the seller and the payment of advances in an amount at least equal to 20% of the acquisition cost has taken place, is recognised to the extent of 50% of the cost for the portion of investments up to € 2.5 million, 30% of the cost for the portion of investments exceeding € 2.5 million and up to € 10 million, and 10% of the cost for the portion of investments exceeding € 10 million, up to a maximum limit of total eligible costs of € 20 million;

- the tax credit relating to investments in new operating intangible assets included in Attachment B to Italian Law No. 232 of December 11th, 2016, made from November 16th, 2020 to December 31st, 2022, or by June 30th, 2023 provided that by December 31st, 2022 the relevant order is accepted by the seller and the payment of advances in an amount at least equal to 20% of the acquisition cost has taken place, is recognised to the extent of 20% of the cost, up to a maximum eligible cost limit of € 1 million.

– TAX CREDIT FOR RESEARCH AND DEVELOPMENT AND INNOVATION

Article 1(198-209) introduced a tax credit, for the tax period following the period in progress as at December 31st, 2019, for investments in research and development, ecological transactions, technological innovation 4.0 and other innovative activities, which replaces the tax credit for research and development referred to in Article 3 of Italian Decree Law No. 145 of December 23rd, 2013.

The extent of the credit varies according to the type of investment eligible for support: 12% up to a maximum of € 3 million for research and development activities, 6% for technological innovation activities (10% in the case of ecological transition target or digital innovation 4.0) up to a maximum of € 1.5 million, 6% up to a maximum of € 1.5 million for design and aesthetic design activities.

Italian Decree Law No. 18 of March 17th, 2020 (so-called "Cura Italia" Decree)

The measures contained in the decree that have an impact on the Group's tax position are listed below:

– GENERAL EXTENSION OF TAX OBLIGATIONS

Article 62 has provided for the general extension to June 30th, 2020 of the obligations, other than those payments and withholding at the source and withholding taxes relating to the regional and municipal surtax, whose deadlines expired between

March 8th, and May 31st, 2020, with the exception of electronic transmission to the tax registry of data relating to deductible charges for the preparation of the pre-completed declaration, for which the deadline remained March 31st, 2020.

The extension concerned the submission of the VAT return, the submission of the annual report of premiums collected on policies for tax purposes, the transmission of the records relating to the sums reimbursed to injured parties in respect of insurance contracts of any class and the sums due to the parties whose benefits have been assessed for quantifying the compensation in the claim settlement procedure.

– **TAX INCENTIVES FOR DONATIONS IN CASH AND IN KIND TO SUPPORT MEASURES TO COMBAT THE EPIDEMIOLOGICAL EMERGENCY**

Article 66 has provided for tax incentives in favour of taxpayers who made donations, in cash or in kind in 2020, in favour of certain persons indicated by the law, to support measures to combat the Covid-19 epidemiological emergency.

In particular, cash donations made by the parties earning business income are fully deductible for IRES purposes, while for disbursements in kind, assets transferred free of charge are not considered to be intended for purposes outside the company's operations and therefore do not contribute to the creation of revenues and capital gains. The aforementioned payments are also deductible for IRAP purposes.

The deductibility for IRES purposes is without prejudice even if the company has a tax loss (Italian Revenue Agency Circular No. 8/E of April 3rd, 2020).

– **AMENDMENTS TO THE RULES GOVERNING THE TAX CREDIT FOR ADVERTISING INVESTMENTS**

Article 98 has made significant changes to the rules governing the tax credit on investments in advertising campaigns pursuant to Article 57-bis of Italian Law Decree No. 50 of April 24th, 2017: the tax credit due is calculated at 30% of the entire value of the advertising investments made in 2020, by way of derogation from the ordinary measure provided for in the regime, which is based on the incremental figure for investments. The tax credit due remains usable within the limit of the resources allocated by the government and the ceiling set by the European regulations on state aid.

Italian Decree Law No. 34 of May 19th, 2020 (so-called "Rilancio" Decree)

The Italian Decree Law No. 34 of May 19th, 2020 on "urgent measures concerning health, support for work and the economy, and social policies related to the Covid-19 epidemiological emergency" has been converted into Italian Law No. 77 of July 17th, 2020, published in the Italian Official Gazette No. 180 of July 18th, 2020, in force since July 19th, 2020.

The measures that had an impact on the Group's tax position are listed below:

– **INCENTIVES FOR ENERGY EFFICIENCY, PHOTOVOLTAICS AND ELECTRIC VEHICLE RECHARGING STATIONS AND THE SALE OF TAX CREDITS DERIVING FROM TAX CONCESSIONS**

Article 119 provides for the increase to 110% of the deduction rate for expenses incurred from July 1st, 2020, to December 31st, 2021, for specific interventions in the field of energy efficiency, installation of photovoltaic systems and installation of charging stations for electric vehicles. Article 121 allows taxpayers who incur expenses for energy requalification and recovery of the building assets from July 1st, 2020 to December 31st, 2021 to opt for, instead of taking advantage of the benefit through a deduction to be made in their tax return: a) a contribution as a discount on the fee up to a maximum amount equal to the fee due, advanced by the supplier who carried out the interventions and recovered by the latter in the form of a tax credit; b) the conversion of the corresponding amount into a tax credit. In both cases, the credit may be subsequently transferred to other parties, including credit institutions and other financial intermediaries. The Italian Revenue Agency has intervened with a series of measures, circulars and resolutions providing further clarifications on governance (Measures of August 8th, 2020 and October 12th, 2020, Circulars No. 24/E of August 8th, 2020 and No. 30/E of December 22nd, 2020, Resolution No. 83 of December 28th, 2020).

– **EARTHQUAKE BONUS**

Article 119 states that the deduction for seismic actions on buildings located in earthquake zones 1, 2 and 3 applies to the extent of 110%. The party carrying out such transactions may assign the claim against the tax authorities, in addition to a bank or other financial intermediary, to an insurance undertaking. Moreover, if the beneficiary of the deduction takes out an insurance policy to cover the

risks arising from catastrophic events, they are entitled to a 90% deduction from the premium payment.

– **TAX CREDIT FOR SANITATION AND PURCHASE OF PROTECTIVE EQUIPMENT**

Article 125 introduces a tax credit, which can be used as compensation without limit of amount, equal to 60% of the expenses incurred in 2020 for the sanitation of environments and tools used for the purchase of personal protective equipment and other devices to ensure the health of workers and users. The credit is up to a maximum of € 60 thousand for each beneficiary, with a total limit of € 200 million on a national basis. The implementation methods are contained in the Measure of the Italian Revenue Agency Prot. No. 259854/2020 of July 10th, 2020.

– **FURTHER AMENDMENTS TO THE RULES GOVERNING THE TAX CREDIT FOR ADVERTISING INVESTMENTS**

Article 186 has once again intervened on the rules governing the tax credit for advertising investments, raising the percentage for calculating the tax credit from 30% to 50% of the entire investment, within a nationally set total annual allocation of € 60 million.

Italian Decree Law No. 76 of July 16th, 2020 (so-called "Semplificazioni" Decree)

The Italian Decree Law No. 76 of July 16th, 2020, on "Urgent measures for simplification and digital innovation", was converted into Italian Law No. 120 of September 11th, 2020, published in the Italian Official Gazette No. 228 of September 14th, 2020, in force since September 15th, 2020.

Of particular note:

– **GROUND FOR EXCLUSION FROM PARTICIPATION IN A PROCUREMENT PROCEDURE**

Article 8 amended Article 80 of Italian Legislative Decree No. 50 of April 18th, 2016, on exclusion from public tenders. The rule provides that an economic operator may be excluded from participation in a tender procedure if the contracting authority knows and can adequately demonstrate that the operator has not complied with obligations relating to the payment of taxes or pension contributions that have not been definitively established. This provision does not apply where the economic operator has fulfilled their obligations by paying or entering into a binding commitment to pay the taxes or pension contributions due, including any interest or fines, or where the tax or pension contribution debt is paid in full, provided that the release, payment or commitment was made before the deadline for submitting applications.

Italian Decree Law No. 104 of August 14th, 2020 (so-called "Agosto" Decree)

The Italian Decree Law No. 104 of August 14th, 2020, concerning "Urgent measures for the support and relaunch of the economy", was converted into Italian Law No. 126 of October 13th, 2020, published in the Italian Official Gazette No. 253 of October 13th, 2020, in force since October 14th, 2020.

Some measures of interest are listed below:

– **AMENDMENTS TO THE RULES GOVERNING LONG-TERM SAVINGS PLANS**

Article 68 strengthens the measures aimed at encouraging investment in the real economy and, in particular, in unlisted companies. Article 136 of the Italian "Rilancio" Decree introduced a new type of Individual Savings Plan (Piani Individuali di Risparmio - PIR), which can be implemented through insurance contracts, which in order to benefit from the premium tax regime must invest at least 70% of the total value in financial instruments, including those not traded on regulated markets or multilateral trading systems, issued or stipulated by companies other than those included in the FTSE MIB and FTSE Mid Cap indexes. Italian "Agosto" Decree has intervened on the size limits of investments introduced by the Italian "Rilancio" Decree with Article 136, increasing from € 150,000 to € 300,000 the maximum annual investment limit for each investor. The overall limit of € 1.5 million remains unchanged.

– **REVALUATION OF COMPANY ASSETS AND EQUITY INVESTMENTS**

Article 110 provides for the possibility of revaluing assets (tangible or intangible), for statutory purposes only, cost-free. Against payment and on a voluntary basis, it is then possible to recognise the higher amounts recorded in the financial statements. The greater value attributed to assets and equity investments will be recognised, for tax purposes, from the financial year following that in which the revaluation was performed and the procedure will be completed by the payment of a substitute tax on income tax, IRAP and any additional taxes equal to 3%. This rate, which is unique for tangible and intangible assets, should be compared with the rates of 16% and 12% as well as 12% and 10% respectively provided for in the 2019 and 2020 budget laws for tangible and intangible assets. The amount of the higher values realigned, net of the substitute tax, must be recorded in a reserve subject to deferred taxation. All or part of the reserve may be released

through the application of a substitute tax on income tax, IRAP and any additional taxes of 10%. There is also provision for recapture if assets and/or equity investments are disposed of before the start of the fourth successive financial year (before January 1st, 2024). Both the substitute taxes provided for will be paid in a maximum of three instalments of equal

amount, the first instalment being due by the deadline for the payment of the balance of income taxes relating to the tax period in which the revaluation took place and the next two by the deadline for the payment of the balance of income taxes for the subsequent two years. The substitute tax will be offset using the F24 model.

MANAGEMENT REPORT



Total premiums written

2,301 € mln

MANAGEMENT REPORT

The Company in 2020

Insurance business

Financial and asset management

Headcount and sales network

Other information

Information on the investee companies

THE COMPANY IN 2020

HIGHLIGHTS

The year that ended was 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 situation 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 share capital increase of € 500 million, and with the approval of the share capital increase on August 4th, 2020, on October 23rd, Assicurazioni Generali subscribed to Cattolica's share 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 23.67% in Cattolica.

The partnership defined on June 24th with the Generali Group, which takes the form, among other things, of industrial and commercial agreements in four strategic areas of which two 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 share capital increase was finalised following a series of events affecting our Group, described below.

In the month of July, 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.

On July 31st, Cattolica Assicurazioni's Shareholders' Meeting was held, which 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.

IVASS, with a measure received on September 9th, approved the amendments to the Articles of Association resolved by the Shareholders' Meeting on July 31st, 2020 and also approved the text of the Articles of Association of the Public Limited Company, which will come into force on April 1st, 2021.

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.

On November 30th, the Parent Company indicated that at the end of the offer period, adherence to the offer amounted to 50,101 shares, of which 41,182 were under option and 8,919 were requested in pre-emption.

On December 4th, the Board of Directors, having acknowledged the outcome of the option offer, resolved, with a view to a speedy resolution of the withdrawal procedure, to proceed directly with the repayment through purchase of the shares held by the shareholders who legitimately exercised their right of withdrawal. On December 30th, the Parent Company announced that it had acquired 20,720,350 own shares, including late ones, resulting from the withdrawal exercised at the time of the resolution approving the transformation and which were not subject to option and/or pre-emption by its shareholders. Consequently, Cattolica holds a total of

28,045,201 own shares, representing 12.3% of the Company's share capital, while there are 200,302,779 shares in circulation, representing 87.7% of the share capital.

On December 15th, Banco BPM notified formally Cattolica of the exercise of the option to purchase the equity investments held by the latter in the companies Vera Vita S.p.A. and Vera Assicurazioni S.p.A., equal to 65% of the share capital. The two companies hold 100% of Vera Financial DAC and Vera Protezione S.p.A. respectively. The purchase option was exercised by Banco BPM in relation to the alleged change of control of Cattolica, pursuant to Article 2359 of the Italian Civil Code, as a supposed consequence of the corporate and industrial transaction with Assicurazioni Generali, communicated to the market on June 25th, 2020. Cattolica contested the exercise of the option, deeming Banco BPM's position to be groundless, since it was not confirmed by any provision either of law or of the contract, as attested by authoritative independent legal opinions and by the guidelines expressed by the Supervisory Authorities, in particular, with the authorisation issued by IVASS for Assicurazioni Generali's entry into Cattolica's share capital. On March 5th, 2021, Banco BPM and Cattolica Assicurazioni announced that they had reached an agreement by which their respective differences were overcome and the terms and methods for adjusting and continuing the partnership in the bancassurance sector and the related exit rights were defined, thus combining their respective interests and taking into account the changed economic context. The agreement reached between Banco BPM and Cattolica envisages, in exchange for Banco BPM's waiver of the call already exercised, recognition for Banco BPM of an early exit right from the partnership, the original duration of which was fixed until 2033, which can be exercised in the period between 1.1.23 and 6.30.23, possibly postponed by the Bank from six months to six months for three times up to Dec 31st, 2024.

On December 23rd, Cattolica signed a binding framework agreement with UBI Banca concerning the early termination, with respect to the envisaged expiry date of June 30th, 2021, of the life bancassurance agreements existing between the parties, via the exercise by the bank of its option to purchase the 60% equity investment held by Cattolica in Lombarda Vita. The price paid to Cattolica is expected to range between approximately € 290 million and € 300 million depending on Lombarda Vita's 2020 IAS/IFRS results.

On January 8th, 2021, IVASS notified Cattolica of the results of the inspection activity commenced in

December 2019, and delivered the related inspection report, with unfavourable findings and the commencement of sanctioning proceedings against the Parent Company. Following this, on March 5th, 2021, the Board of Directors approved the findings communication, including the Plan, in relation to the note, in which the latter formulated requests and provided indications to the Company regarding the adoption of certain measures and a remedial plan to overcome the elements of sensitivity found in the context of the aforementioned inspections.

The content of the communication is divided into the following areas of intervention:

- Replacement of members of the administrative body;
- Review of remuneration policy;
- Liquidity contributions to non-insurance subsidiaries and to the "Fondo H-Campus" (H-Campus Fund);
- Sale of own shares;
- Completion of capital strengthening;
- Strengthening of corporate governance and other measures envisaged by the Plan.

On February 11th, 2021, with reference to the approved capital increase, the Board of Directors, noting the corporate obligations reflected in the content of the prospectus, resolved, after informing the Supervisory Authorities in advance, to postpone until July 31st, 2021, the final deadline for execution of the second tranche of the capital increase for the remaining € 200 million.

The Cattolica Group closed the year with a strongly improved operating result⁴: the low claims ratio during the period, with the consequent increase in technical profitability led to a result of € 411.7 million (+36.6%). Operating income without Lombarda Vita amounted to € 352 million, a change of +60.1% compared to the end of 2019 without Lombarda Vita (€ 220 million).

In the non-life business, the operating result is € 276.2 million (+85.6%), in the life business it amounts to € 139.3 million (-11.2%).

⁴ 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.

Consolidated profit amounted to € 70.6 million (-31.4%): adjusted profit⁵ was € 192.2 million, up 85.9% compared to 2019, despite various write-downs, already recorded largely in the first half of the year, on investment property (€ -19.3 million), equity investments (€ -5.6 million) and AFS shares and funds (€ -11.5 million). Group net profit⁶ amounted to € 36.4 million (-51.5%), a decrease compared to the previous year due also to the impairment loss on goodwill related to the acquisition of Vera Vita, Vera Assicurazioni and Vera Protezione (€ -138 million net effect). Overall, the write-downs had an impact of approximately € 174 million on the Group's net profit.

It should be noted, with reference to the consolidated figures, that the income statement figures as at December 31st, 2019 and 2020 and the assets and liabilities as at December 31st, 2020 of Lombarda Vita, the sale of which will be carried out, having obtained the relevant authorisations, in April 2021, have been reclassified in the appropriate "held for sale" items pursuant to IFRS 5.

In order to provide a better understanding of operating performance, the following income statement figures include the line-by-line consolidation of Lombarda Vita up to September 30th, 2020. The choice of deconsolidation starting in the fourth quarter of 2020, with regard to premiums and operating income was made to maintain a good degree of comparison with both the 2019 financial year and the target for the year communicated also to the market, taking into account that the negotiation and signing of the agreement took place during the fourth quarter of 2020.

Comments on the same figures reclassified pursuant to IFRS 5 follow.

Total premiums written for direct and indirect business - life and non-life - came to € 5,652.8 million (-18.6%): with Lombarda Vita classified as held for sale as per IFRS 5, premiums written amounted to € 4,705.1 million (-15.7%).

Premiums written for direct non-life business amounted to € 2,103.5 million (-2.5%). The Non-Motor segment contributed € 1,070.5 million to the result, with premiums in line with 2019 (+0.5%). Premiums in the Motor segment amounted to € 1,033 million, down 5.4% mainly due to the drop in premiums written during the lock-down phase and the effect of initiatives in favour of policyholders, including the voucher⁷. The TPL motor policies portfolio Motor was down by about 113,000 transactions at December 31st, a

decrease that occurred mainly in the first four months of the year.

The combined ratio fell from 94.3% to 86.8% (-7.5 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 0.7 percentage points, visible in the other technical items) and weather events, which had an impact of 6.4% of net premiums, a level well above the historical averages, albeit in line with the previous year.

The claims ratio of retained business is down to 54.9% (-8.2 percentage points), while the expense ratio is 29.1%, down 0.6 percentage points.; the G&A expense ratio was 7.9% (+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 business, direct premiums written decreased by 26.1% to € 3,527.3 million: with Lombarda Vita classified as held for sale as per IFRS 5, premiums written amounted to € 2,579.6 million (down 24.3%). Despite a decidedly unfavourable financial market environment, the decline in unit-linked production is broadly in line with the general decline, maintaining a 24% 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 0.49% (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 Group's Solvency II ratio is equal to 187% (calculated according to the Standard Formula using Group Specific Parameters (GSP) authorised by the Supervisory Body).

The Company ended the year with a profit according to national accounting standards of € 3.6 million, compared to a profit of € 120.2 million as at December 31st, 2019, which benefited from write-backs on the securities portfolio due to the general decline in interest rates.

Total non-life and life direct and indirect premiums written amounted to € 2,301 million (-3.9%), € 1,700.6 million in non-life direct business, € 554.5 million in life direct business and € 45.9 million in indirect business.

Direct non-life premiums amounted to € 1,700.6 million (-1.9%). In the motor insurance segment, premiums written amounted to € 827 million (-5.9%). The non-motor classes,

⁵ It is defined as the measure of Group profit less the amortisation of VOBA (value of business acquired, net of related tax effects and for the portion pertaining to the Group) and goodwill impairment, which have an impact on Group profit but do not affect the Solvency position.

⁶ Net of minority interests.

⁷ 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.

with premiums written for € 873.5 million, increased by 2.2%.

The combined ratio of retained business decreased from 94.2% to 89% (-5.2 pps).

Life premiums written, down 10.6%, reported premiums in the traditional segment for € 388.7 million, unit-linked premiums for € 113 million, health insurance for € 1.3 million, capitalisation for € 11.2 million and pension funds for € 40.3 million.

Net income from financial management of investments (class C) amounted to € 90.6 million (-71.7%), mainly due to impairment losses and lower net income from disposals. The result did not therefore benefit from the facilitating measure provided for by the extension of the anti-crisis decree (Italian Law Decree No.119 of October 23rd, 2018, converted into Italian Law No. 136 of December 17th, 2018).

The Group's sales network as at December 31st consisted of 1,360 agencies distributed as follows: 50.6% in Northern Italy, 26.3% in Central Italy and 23.1% in Southern Italy and the islands.

The number of branches distributing pension planning products was 5,960 (5,577 net of the 383 branches of the UBI Banca Group) and include the 1,483 of the former Banco Popolare network (Banco BPM, Banca Aletti & C. S.p.A., Agos Ducato S.p.A.).

The Group's financial advisors fell to 706, compared with 737 at the end of the previous year.

The following tables and comments show the reclassified income statement, the key indicators, the reclassified statement of financial position and the balances relating to the sales network and the headcount, compared with those of the previous year.

Table 1 - Summary of the premiums for the year

(€ thousands)	2020	2019	Changes	
			Amount	%
Gross premiums written	2,301,020	2,394,309	-93,289	-3.9
Direct business - non-life	1,700,550	1,732,833	-32,283	-1.9
Direct business - life	554,535	620,323	-65,788	-10.6
Indirect business - non-life	45,653	41,126	4,527	11.0
Indirect business - life	282	27	255	n.s.

n.s. = not significant

Table 2 - Reclassified income statement

(€ thousands)	2020	2019	Changes	
			Amount	%
NON-LIFE BUSINESS				
Premiums for the year	1,492,826	1,532,940	-40,114	-2.6
Claims for the year	-836,750	-972,444	135,694	14.0
Administrative expenses	-148,240	-145,144	-3,096	-2.1
Acquisition and collection costs	-308,215	-307,805	-410	-0.1
Other technical items	-35,804	-19,912	-15,892	-79.8
a) Result of non-life insurance business	163,817	87,635	76,182	86.9
LIFE BUSINESS				
Premiums for the year	548,855	612,360	-63,505	-10.4
Claims for the year and change in technical provisions	-625,809	-755,932	130,123	17.2
Administrative expenses	-23,355	-26,124	2,769	10.6
Acquisition and collection costs	-26,104	-24,492	-1,612	-6.6
Other technical items	-19,751	-5,701	-14,050	n.s.
Technical interest ¹	116,334	175,892	-59,558	-33.9
b) Result of life insurance business	-29,830	-23,997	-5,833	-24.3
c) = (a+b) Total result of insurance business	133,987	63,638	70,349	n.s.
d) Net income from investments	114,627	385,099	-270,472	-70.2
e) Technical interest ¹	-116,334	-175,892	59,558	33.9
f) Other income net of other charges	-71,864	-86,105	14,241	16.5
g) = (c+d+e+f) Profit (loss) from ordinary operations	60,416	186,740	-126,324	-67.6
Profit (loss) from extraordinary operations	-2,598	-1,192	-1,406	n.s.
Profit (loss) before taxation	57,818	185,548	-127,730	-68.8
Income taxes for the year	54,235	65,307	-11,072	-17.0
PROFIT (LOSS) FOR THE YEAR	3,583	120,241	-116,658	-97.0

n.s. = not significant

¹ This item comprises the technical interest payable to policyholders, the result of class D investments and the change in the Profit Position reserve and it does not include adjustments on investments.

Table 3 - Key life and non-life efficiency and profitability indicators

	2020	2019
Non-life ratios for direct business		
Claims ratio (Claims for the year / Premiums for the year)	56.8%	64.2%
G&A ratio (Other administrative expenses / Premiums for the year)	8.8%	8.5%
Commission ratio (Acquisition costs / Premiums for the year)	20.7%	20.1%
Total expense ratio (Operating expenses / Premiums for the year)	29.5%	28.6%
Combined ratio (1 - (Technical balance (*) / Premiums for the year)	88.4%	94.0%
Non-life ratios for retained business		
Claims ratio (Claims for the year / Premiums for the year)	56.1%	63.4%
G&A ratio (Other administrative expenses / Premiums for the year)	9.9%	9.5%
Commission ratio (Acquisition costs / Premiums for the year)	20.6%	20.1%
Total expense ratio (Operating expenses / Premiums for the year)	30.5%	29.6%
Combined ratio (1 - (Technical balance (*) / Premiums for the year)	89.0%	94.2%
Life ratios		
G&A ratio (Other administrative expenses / Premiums for the year)	4.3%	4.3%
Commission ratio (Acquisition costs / Premiums for the year)	4.8%	4.0%
Total expense ratio (Operating expenses / Premiums for the year)	9.1%	8.3%

(*) Excludes the income attributable to the non-life technical account and the changes in the equalisation reserve

Table 4 - Reclassified statement of financial position

(€ thousands)	2020	2019	Changes	
			Amount	%
Assets				
Land and buildings	84,312	89,557	-5,245	-5.9
Investments in Group companies and other investee companies	1,767,097	1,756,682	10,415	0.6
Shares and Units of mutual investment funds	1,478,484	1,320,543	157,941	12.0
Bonds and other fixed income securities	5,763,259	5,990,424	-227,165	-3.8
Loans and other class C.III. investments	2,634	2,791	-157	-5.6
Deposits with ceding companies	9,447	9,765	-318	-3.3
Class D investments	569,540	1,132,346	-562,806	-49.7
Cash and cash equivalent	53,285	87,109	-33,824	-38.8
Investments	9,728,058	10,389,217	-661,159	-6.4
Intangible assets	111,018	128,998	-17,980	-13.9
Technical provisions - reinsurance amount	437,740	438,283	-543	-0.1
Other receivables and other assets	1,264,295	1,249,609	14,686	1.2
TOTAL ASSETS	11,541,111	12,206,107	-664,996	-5.4
Shareholders' equity and liabilities				
Share capital and equity reserves	2,156,930	1,736,689	420,241	24.2
Negative reserve for own shares in portfolio	-164,506	-49,927	-114,579	n.s.
Profit (loss) for the year	3,583	120,241	-116,658	-97.0
Shareholders' equity	1,996,007	1,807,003	189,004	10.5
Premium provision	722,234	701,935	20,299	2.9
Provision for outstanding claims	2,262,442	2,465,314	-202,872	-8.2
Gross technical provisions - non-life	2,984,676	3,167,249	-182,573	-5.8
Mathematical provisions	4,537,167	4,723,855	-186,688	-4.0
Class D provisions	569,540	1,132,346	-562,806	-49.7
Gross technical provisions - life	5,106,707	5,856,201	-749,494	-12.8
Other gross non-life technical provisions	15,781	14,798	983	6.6
Other gross life technical provisions	145,957	125,252	20,705	16.5
Other payables and other liabilities	1,291,983	1,235,604	56,379	4.6
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	11,541,111	12,206,107	-664,996	-5.4

n.s. = not significant

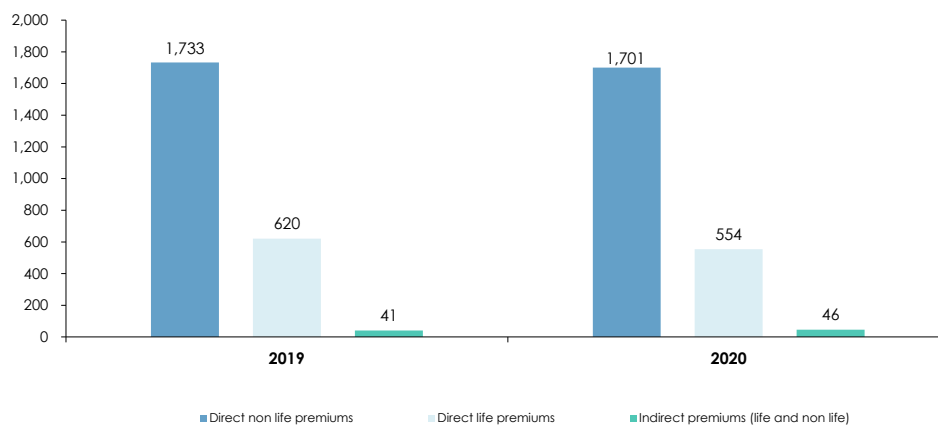
Table 5 - Headcount and sales network

(number)	2020	2019	Changes	
			Amount	%
Headcount	998	1,001	-3	-0.3
Full time equivalent headcount	974	972	2	0.2
Direct network:				
Agencies	823	848	-25	-2.9
Partner networks:				
Bank branches	96	202	-106	-52.5
Financial advisors	8	49	-41	-83.7

The insurance business

The overall volume of premiums amounted to € 2,301 million (-3.9%), of which € 1,700.6 million in direct non-life business (-1.9%), € 554.5 million in direct life business (-10.6%) and € 45.9 million in indirect business (+11.6%). Non-life business as a percentage of direct business rose from 73.5% to 75.4% and that of the life business fell from 26.5% to 24.6%.

Direct life and non life premiums, indirect premiums (euro/millions)



Technical provisions relating to direct and indirect non-life business (premiums and claims) amounted to € 2,984.7 million (-5.8%). Technical provisions relating to life business (mathematical and class D) amounted to € 5,106.7 million (-12.8%), of which € 569.5 million relating to class D technical provisions.

With reference to the non-life business, the direct business indicators presented a ratio of other administration expenses to premiums written for the year of 8.8% (8.5% as at December 31st, 2019) and acquisition costs to

premiums written of 20.7% (20.1% as at December 31st, 2019).

With reference to the life business, the indicators presented a ratio of other administration expenses to premiums written for the year of 4.3%, unchanged compared to 2019 and acquisition costs to premiums written of 4.8% (4% as at December 31st, 2019).

Financial and asset management

Investments amounted to € 9,728.1 million (-6.4%) and were made up as follows: 0.9% from land and buildings, 59.4% from fixed income securities, 17.7% from shares and holdings (17.3% relating to Group companies and other investee companies), 5.9% from class D investments and 16.1% from other investments.

The results from the management of class C investments (non-life and life), as already indicated, amounted to € 90.6 million (-71.7%).

Own equity - Shareholders' equity

Shareholders' equity amounted to € 1,996 million (+10.5%). The increase in shareholders' equity is attributable to the

subscription, on October 23rd, by Assicurazioni Generali of the share capital increase reserved to it for a total amount of € 300 million, net of the effect of the purchase of 20.7 million own shares resulting from the withdrawal at a value of € 113 million. 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.

With regard to details relating to its composition, its possibility of being used and the distributable nature of the reserves, please see the related table in the notes to the accounts.

COVID-19 EMERGENCY MANAGEMENT

The recent economic crisis triggered by the Covid-19 pandemic is bringing about several 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 recent resurgence of the pandemic, but is likely to become clearer in the coming months following the wider distribution of the vaccine.

In the short term, the effects of contingency on the sector's profitability affected mainly 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. In the industrial operations, there was also a significant decrease in claims reported, especially in the TPL motor class. The beneficial effect on margins was partly offset by claims directly related to the pandemic reported by a number of major domestic players, especially in the business interruption and travel segment.

In the medium to long term, it is reasonable to foresee, on the one hand, a reduction in the disposable income of

households and a deterioration in the economic and financial conditions of companies, and on the other, 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 the needs of customers that the pandemic is making increasingly explicit, with the aim of reducing the current under-insured level of consumers in relation to non-compulsory businesses. The pandemic has also accentuated trends that cannot be overlooked and that, in addition to the digital acceleration of society as a whole, draw the attention of companies to the need to intercept, on the one hand, the growing healthcare expenditure and, on the other hand, the increased liquidity potentially ready to be transformed into protection. On the distribution front, the new relationship model based on omnichannel communication, with the customer at the centre of the relationship between intermediary and company and a plurality of forms of contact, seems to be a point of no return.

Cattolica's strategic guidelines outlined in the 2018-2020 Business Plan were 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. Although the sharp decline in the main macroeconomic indicators is having an impact on the evolution of Group premiums written, as well as on the entire market, the path 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 more recent partnership with the Generali Group, which includes, inter alia, industrial and commercial agreements in four strategic areas (asset management, internet of things, health business and reinsurance), two of which have strong growth prospects (health business and internet of things), seems to further reinforce the relevance of this strategic focus in the direction of the social relevance of services and digital service innovation.

Safety and proximity continue to be the guidelines through which the Group has approached the Covid-19 emergency situation from the very beginning paying close attention to its employees, customers, agents and the entire community.

In this delicate period, Cattolica made 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 were 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 ensure health and safety, Cattolica adopted a series of precautionary measures from the last week of February 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 well-being 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, purchase of PPE and serological tests on voluntary request) and by a mandatory educational path in order to ensure a return to "full safety". From 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 was defined that rewarded, 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. With the start of the second lock-down phase, and thanks to the constant support of reference figures (Digital Coach), the focus on these digital tools put in place was then further strengthened. Of particular note is the result of an internal survey that indicates that 87% of brokers seem to have appreciated the initiatives undertaken overall by the company during the period, claiming that they are fairly satisfied or satisfied with them. Finally, the role of the network in the internal communication flow mentioned above is relevant. 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 lock-down. 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 lock-down 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 Lombardia Vita).

During the lock-down 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 could be used for renewal or alternatively by entering into a new Non-Motor policy, thus increasing the level of protection.

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 entities 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.

Several of the trends identified in 2020 and their effects are shown below.

In terms of premiums written, the lock-down phase, which began before mid-March and also lasted for the entire month of April, led to a sharp drop in new business in both Non-life and, above all, Life businesses, with a drop in the number of policies of -45% in Motor, over -61% in Non-Motor and -78% 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 (immediately as regards Motor and Retail, with a progressive trend in the other Non-Motor classes and Life business). On the other hand, with regard to bancassurance, the return to pre-Covid standards was more gradual in the Life business, while in Non-life business, new premiums written levels remained lower than in the

first weeks of the year. With the second wave of infection that began in the autumn, and the new restrictive measures imposed by the Italian Decrees of the President of the Council of Ministers (DPCMs) that have followed one another particularly since the beginning of November (lock-down 2 phase), the effect on new production has been to determine a new contraction in the Motor sector, in the order of -21%, i.e. of a much lower intensity compared to lock-down 1 phase, while in the other business sectors there have been no new discontinuities compared to the recovery trends that began in the recovery period (between May and October).

Non-life collections slowed down considerably during lock-down 1 phase, but with the recovery of arrears at the reopening, and also thanks to the new remote payment tools, the return to standard levels was soon completed and the year closed without any criticalities.

Alongside the aforementioned contraction in new business, Life business was also characterised by a reduction in redemptions (more than -75% in lock-down 1 phase compared to the first 8 weeks of the year, approximately -54% in lock-down 2 phase); a value, which in the recovery phase saw a more limited contraction of -25% compared to pre-Covid weeks.

In line with the market trend, Cattolica agencies recorded a growth in Motor Vehicle Retention, which has been steadily higher than 2019 levels, since March (+1.3 percentage points in October, with values equal to 86%); a trend favoured, on the one hand, by the intense activity of the sales structure in the area and the use by agencies of a new digital platform (ARENA Project, active from April and then from July throughout the network) that has facilitated them in their customer loyalty activities and the monitoring of their secondary network and, on the other hand, by the Motor voucher initiative mentioned above.

The decline in total claims in the non-life business at the end of the year was -21.6%, particularly in certain key sectors such as motor; on the other hand, claims in the sundry financial losses class increased, due to claims arising from the stopping of activities imposed by the lock-down. The assessment and quantification of the impacts of Covid-19 claims is however subject to wide uncertainty, also because it is linked to future legislation and case law. Cattolica's exposure should, however, be limited on the general TPL class thanks to reinsurance coverage. The bancassurance channel, which is mainly exposed to Credit Protection Insurance (CPI) business, may also be able to recover from reinsurance thanks to the coverage of sundry financial losses.

In the area of Human Resources, lower contingency-related expenses were recorded due to both a decrease in training activities and meetings, and a reduction in travel costs (an item reduced by almost -80% compared to 2019).

With regard to the investment portfolio, 2020 observed the "Gains or losses on available-for-sale financial assets" reserve, net of taxes and shadows, to shareholders' equity, broadly in line with 2019 and a valuation in the income statement in relation to "financial instruments at fair value through profit or loss" of € 71 million in write-backs.

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.

Effects related to the pandemic were also recorded on the investment portfolio with net impairment losses of € 200 million, of which € 151 million on equity investments including Vera Vita and Vera Assicurazioni written down by a total of € 115 million, Cattolica Services by € 2 million, BCC Vita by € 17 million, Cattolica Beni Immobili by € 10 million, H-Farm by € 5 million (shares and investment-related financial instruments) and € 49 million on other financial investments, government and corporate bonds and UCITS, recorded within current assets, as described in the 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 regulatory minimums and was 188% at the end of 2020 compared to 183% at the end of 2019. 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 Company, in this context, has decided to suspend the payment of variable compensation to company representatives.

With regard to business continuity and uncertainty of estimates, please refer to the specific sections of the Notes to the accounts.

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.

It should be noted that, subsequently:

- on February 6th, 2020, the Board of Directors of the Parent Company approved the Cattolica Group's 2020-22 Rolling Plan and took also 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 during the year" 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 impairment test pursuant to the IAS;
- on November 10th, the Board of Directors confirmed the Operating Result guidance, already confirmed on May 15th, for 2020 of between € 350 and € 375 million, this in light of the solid business performance seen in the first half-year and the indications of the operating performance seen subsequently.

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.

Three strategic pillars have been identified, in addition to one that cuts across the group; they comprise 7 areas of focus and 22 actions, constantly monitored by a dedicated team:

- profitable growth;
- centralisation of innovation and data management;
- pursuit of technical excellence.

Starting from the first signs of the recent economic-health crisis, the team's activities have extended strict weekly monitoring, which is still in progress (Coronavirus Observatory), of the most strategic economic and financial business KPIs, in order to facilitate the identification and prioritisation of actions to be taken in the short term and mitigate the most relevant business risks.

In parallel, there is an ongoing broad process of simplification (of processes, activities and also products) and of cultural transformation that involves the entire Group, within the scope of a governance model that will culminate with the transformation into a public limited company in April 2021.

The pillars on which the Plan is based and the main actions taken following its implementation are summarised below, showing an important generation of value in the interest of all partners, shareholders and stakeholders.

Profitable growth

Development of the premiums written, diversification of channels and lines of business are at the centre of the Group's strategy and also achievable thanks to the contribution of inorganic actions.

At the heart of the distribution system is the agency network, which, according to the Plan, is growing in terms of average premium portfolio size and profitability. It is within an increasingly synergistic direction that we can frame the October 2018 renewal of the related integration agreement. The agreement rewards the ability of the branches to generate value in the various phases of its creation, while determining better customer service. In addition, during 2019, a "fly to quality" path was launched, which is expressed in a series of initiatives that, thanks to the recognition of greater autonomy, more services and a more specific and attentive support to values such as competence and speed of response, guarantee the network and end customers an increasingly distinctive offer, having, at the same time, positive effects in terms of simplification and efficiency of the entire system.

In addition, the corporate production mix is to be rebalanced, in particular towards unit-linked and non-motor non-life, and the related degree of digitalisation, which has proved to be crucial in the current crisis, thanks to which advantages will arise in terms of greater innovation in the service and offer procedures and, in the final analysis, closer partnerships with the customer. In this regard, both the results achieved by the network in the life business in terms of the ratio of class III production, which rose from 5.7% at the start of the Plan to around 28% at the end of the Plan, with a more favourable mix compared to

the market, and the considerable proactivity shown by the network towards a new way of working with the number of agencies classified as "fully digital", which rose from 19% to 57% at the end of 2020, were very positive.

Furthermore, it should be noted - still in the area of growth of the Agency's prospective profitability and increased partnership with the Company - the sharing in 2019 of a new tool called "Quadrifoglio", capable of simulating the agency's economic leverage and its impact in terms of expected profit increase.

It is precisely in this parallel and symbiotic path that the important measures listed in more detail in the specific section and taken in the wake of the pandemic to safeguard agency revenues and make them secure are then framed, albeit accompanied by further measures to reward situations of greater actual productivity through higher commissions. In addition, the focus on measuring agency performance was reduced during the most critical period of the emergency, and the activity of technical portfolio reform was suspended. The rationalisation of the network, which began in the first phase of implementation of the plan, continued during this period of turbulence, making it possible to achieve the objectives set in terms of the average size of the portfolio compared to the market.

A decisive factor in this particular context has been also the recent investment in training, which has led to more competent and digital agents, and which has made it possible in recent months to provide them with a series of tools for working remotely, both in terms of payment methods and interaction logics, just as training has not stopped, continuing with online classrooms and webinars.

However, the distribution model was reinforced also by the offer through the broker channel. Precisely for the purpose of providing the channel with greater service and support, the administration and management of the Milan Operations was reorganised in early 2018. Primarily focused on the "Large Companies Risks", it led to a significant increase in the volume of premiums written throughout the plan period.

The exclusive partnership with Banco BPM is also important in terms of profitable growth, and represents one of the drivers of the Business Plan by virtue of the expected dimensional leap and the important repercussions in terms of efficiency as well as a significant rebalancing of production towards products with low capital absorption in Life business and non-motor products in Non-life business.

Following the closing in the early months of 2018, control of four joint venture companies was acquired and four joint venture companies were consolidated: Vera Vita, a

company specialised in savings and investment products business, particularly multi-class; Vera Financial, located in Ireland and specialised in Class III life policies; Vera Protezione, specialised in TCM (temporary life insurance) policies; and the non-life company Vera Assicurazioni.

The particular "contingency" caused by the recent crisis, which has seen a sharp reduction in the number of contacts at the main national bank branches, has however led to a slowdown in the expected growth.

Following Banco BPM's communication to Cattolica on December 15th, 2020, concerning the exercise of the option to purchase the equity investments held by the latter in the companies Vera Vita S.p.A. and Vera Assicurazioni S.p.A., equal to 65% of the share capital, on March 5th, 2021 the parties defined the terms and conditions of the adjustment and continuation of the existing bancassurance partnership and the related exit rights, also taking into account the changing economic context. The new agreement between Banco BPM and Cattolica envisages also a revision of the production targets to which under-performance penalties and over-performance premiums are correlated, charged to/favoured by Banco BPM, as distributor. Cattolica was also granted adjustments to the servicing contracts with the investee companies and greater supervision of the product mix.

To all this can be added the contribution of digital innovation, which, through a multi-channel strategy integrated within the networks, can provide customers with a new relationship experience with the company. This is a new relationship model that, in light of the events of recent months, is becoming a pre-requisite for the entire industry to compete in the current market scenario.

In this direction, Cattolica already started to develop new digital touchpoints and services from the early stages of implementation of the Plan, as mentioned, strongly integrated with the physical distribution networks, with the recent crisis therefore only constituting an accelerator of a process and an agenda already well defined. Specifically, the company's first "mobile app" was launched in early 2019. The primary objective is to put the "customers at the centre", improving their final experience by offering a digital services platform while allowing a proactive role in the relationship with the company. At the same time, in view of the strong integration with it, the contacts and synergies with the reference agency that is more accessible were amplified; a customised navigation then allows, thanks to an AI motor, the collection of data to be used to propose a more tailor-made offer; also important, last but not least, is the improvement of the ability to attract new target customers represented by millennial and/or hybrid customers.

Also during 2019, the innovative digital platform "C2 Cattolica Community" was then developed, which has already been extended to the entire network, complementary to the "mobile app", and that aims to build customer loyalty according to new engagement models based on community concepts, an ecosystem of scalable services in synergy with the other Business Plan and marketplace initiatives.

Furthermore, rapid quotation services have been activated for the main retail products (Motor, Motorcycle, Home, Travel, Life Protection, Pension Planning) and are directly accessible by the customer via the internet or the app.

It is also within this digital/relational perspective that the "Pay by link" solution, already mentioned, was created during the most difficult days of the pandemic in order to allow for the management of remote collections and facilitate the relationship between customer and agent in the particular emergency period.

With regard to the customisation of the offer and the enhancement of a distinctive segment, which has always been important for Cattolica, mainly that of the "Third Sector and Volunteering", it should be noted that the Group has placed a new product on the market, thus increasing its presence in the sector, known as, "Cattolica&Solidarietà TerzoSettore", an insurance solution that complies with the obligations imposed by the Reform of the Third Sector Code (Italian Legislative Decree No. 117 of July 3rd, 2017), providing comprehensive insurance protection to volunteers and all those who make up this important sector.

Innovation in the range and services based on data and technology

Innovation is among the priority streams of the Plan and an enabler of the transformation of Cattolica's business model in the timeframe of the Plan. Essential in this sense was the creation, in the first months of its implementation, of a dedicated "Insurance Analytics & Business Architecture" Department: among the objectives are the transformation of the company into a "Data-driven company" and the selection of the projects that, leveraging the data, can be innovative for the Group's business model.

The construction of the data architecture, started already in 2018, and developed with a leading company resulted in the creation of a unique, certified, scalable, cloud-resident digital platform that, by allowing for the integrated management of data, both static and dynamic, enables the creation of an offer that can adapt to the needs of customers when they need it most. This is

also with a view to creating a Cattolica ecosystem of services with progressively larger dimensions.

In particular, three of these are the "use-cases", on which we have already focussed and from which we have so far succeeded in extracting value, including through the adoption of machine learning technologies: pricing, anti-fraud and customer value management.

With regard to pricing, it is worth mentioning the application, already in place in the last months of 2018 - by virtue of the simplification of the methods of company data use enabled by the new data platform - of a sophisticated technical calibration rationale for TPL Motor prices proposed for renewal. This "pricing optimisation" logic was already applied in the pre-lockdown phase to about 50% of the motor vehicle portfolio.

The results achieved in the area of anti-fraud activities are also very significant. As mentioned above, they have been helped by the introduction of an innovative artificial intelligence engine on the platform, aimed at improving the efficiency of predictive methods of detection of fraudulent claims on which to intensify investigative activities. This made it possible to achieve a fraud detection rate, starting from a particularly penalising indicator, in line with market levels.

In addition, in the first half of 2020, again in the area of data analytics, a further project stream was completed on the subject of predictive abandonment rates and Customer Life Time Value, which ultimately aims, through careful and improved clustering, to increasingly adapt the offer to the real needs of the customer.

The offer of new related products is moving in the same direction and in parallel: "Active Auto", the car offer launched during 2018, was its first example.

This offer, devised in particular for millennials and for urban area students, and intended to reward the driving style of the most virtuous customers, provides for a wide range of advanced prevention services and real-time assistance according to the aforementioned ecosystem logic. The "connected" share of new TPL Motor production in relation to the Cattolica's agency channel at the end of the plan was almost 23%, in line with the same value recorded at the end of 2019, with a significant recovery trend in the second half of 2020, after having suffered a significant drop in the first few months of the year following the pandemic and the consequent lock-down.

The most recent launch of the "Active Casa e Persona" product is also part of this rationale. Characterised by a modular approach and an immediately comprehensible information set, it includes, among its most important new

features, specific tele-surveillance services, solutions related to home automation (which is at the heart of a shared innovation project developed with a start-up) as well as formulas to combat cyber risk.

The partnership recently signed with Generali on this issue is expected to provide further impetus to the Group's ecosystem of connected products.

The investment subscribed with Coopselios, for the creation of a real estate fund dedicated to elderly care, consolidated the presence of Cattolica in the sector of health care real estate and of prevention and protection for the elderly. As a natural consequence of all this, in 2019, as a Promoter Partner, Cattolica joined the "Fondazione Easy Care" (Easy Care Foundation), a qualified entity in the field of innovative social cohesion and welfare models.

Technical excellence

The Business Plan guidelines envisaged a recovery of profitability on Companies, Agri-foods and Religious Bodies, innovation in handling claims, and greater presence in the life mix of capital-light products.

With regard to the first aspect, of particular significance is the saving obtained from the re-pricing and re-underwriting actions that, after starting in 2018, are considerable and continued successfully in the Business and Agriculture sectors and also extended to Religious Bodies.

In parallel, important simplification activities have been undertaken and will be further enhanced in particular with the introduction of automatic tools (for generating new offers and/or adjusting premiums), the rationalisation of existing products and the proactive management of premium settlements, as well as a new flexibility system. A significant boost was then provided to the enrichment of the catastrophe offer, which generated an increase in the premium portfolio over the plan period of more than € 12 million, while at the same time contributing significantly to the improvement of the company's overall margins. In fact, during the last few months of 2018, the existing products were updated with the inclusion of such coverage and a policy against natural catastrophes for the whole world of ecclesiastical entities, entered into with the Italian Episcopal Conference. Also in line with expectations was the rebalancing, envisaged among the main Plan guidelines, in favour of Non-Motor in the non-life mix, in line with a trend that continued following the onset of the recent crisis.

In addition, an innovative project was launched to develop specialty lines.

With this view, in the second half of 2018, 100% of CP-BK Reinsurance S.A., a Luxembourg reinsurance company, was acquired, with the establishment of a newco, concurrently renamed CattRe.

The vehicle, 100% owned by Cattolica, operates as a reinsurer, but at the same time coordinates various underwriting agencies (MGAs), which are acquired or federated from time to time, focused on specific geographical areas and/or business lines.

A commercial partnership with them is envisaged, as well as tight control and overview on the pricing and underwriting activities of the identified agencies. Already operational are the space, aviation, catastrophe reinsurance, sporting risks, marine, events and contingency, meteorological risks business lines.

And it is thanks to the technological know-how of MGAs and CattRe that it has been possible, only in the last few months, to launch the first Italian policy dedicated to the world of cryptocurrencies, which in particular covers the risks of CheckSig in the Bitcoin custody service.

Maintaining technical excellence in the motor sector is instead pursued both through the aforementioned sophistication of the pricing model and by innovations applied to claims handling; both factors are assisted by the development of advanced analytics. In terms of claims management, the rate of motor claims without follow up of fraudulent origin grew in line with the set targets, and significant savings were obtained thanks to a specific activity on trustees but also those deriving from the creation of a new "Claims Control" organisational unit. Other projects aimed at achieving further savings through channelling processes have recently been completed, while further actions to be taken in relation to the impact of legal intervention have been identified.

The partnership with Banco BPM also permits both a shift toward products with lower capital absorption and growth on more profitable products as regards the life business.

The Group, in line with its target to reduce average minimum guaranteed rates on traditional reserves, closes 2020 with a value of less than 0.5%.

Cultural transformation and simplification

The action to culturally transform the Group in addition to its necessary simplification has been set parallel to the transformation of its business model.

With this in mind, actions have been taken to increase IT efficiency and strengthen cost control/discipline, which also already started in 2018 through re-engineering and robotics with a programme that started in the Operations

Area and then applied to the rest of the Company, through a model that can be replicated over time.

On the other hand, the ongoing cultural change aims to "put people at the centre", making them feel that they are the protagonists of the change in a vision that aims at cultivating new skills that are increasingly necessary in today's dynamic environment.

In this context, several of the initiatives put in place following the implementation of the Plan are worth mentioning, many of them enabled by new technologies:

- introduction of a new performance assessment system, aligned with the objectives of the Business Plan, to contribute to the enhancement of the most dynamic resources present in the company, also in respect of gender equality and parallel development of a recovery plan for "low performers"; identification in particular of a group of high performers called "Plan talents", who are sought after for support that is expressed in particular in a bottom-up co-creation activity in relation to a number of new transversal projects;
- start of a re-training activity for the labour force following significant organisational developments of the Plan;
- development of a specific path to enhance "digital mindfulness", i.e. a more versatile mindset, more closely suited to new technologies;
- improvement of the model for corporate welfare but also well-being (including agreements with gyms, extension of smart-working, managing maternity leave by hours, incentives for long-term rental, health initiatives);
- start of an advanced course in actuarial science and risk management, in collaboration with the University of Verona (with some colleagues serving as instructors) open to employees who have completed a selection process, for the development of internal skills but also to build the managers of the future;
- launch of a car-pooling initiative, i.e. the sharing of private vehicles among colleagues, with the aim of saving costs and travel time as well as positive effects in terms of internal cohesion and environmental pollution.

In this path to cultural change is positioned the excellent result of the corporate climate survey called "Great Place to Work", with a rise in the confidence index by 5 percentage points in 2019 compared to the previous year's survey, and which was not repeated during 2020, given the remote work contingency linked to the pandemic. Also in these areas, worthy of note is the launch, in the first months of 2019, of the "readytogo" digital platform, which allows employees to collaborate in

social mode to identify challenges to discuss and/or to launch ideas that will eventually become tangible projects to improve the corporate climate.

Aware that involving its human capital is the key lever to achieve the objectives of the Business Plan, at the end of 2018 Cattolica activated a widespread "Employer Branding Strategy", to communicate the goals and values of the company internally and externally. In particular, a number of corporate competitions were launched in the last months of 2019, to be completed in the first quarter of 2020, with the aim of increasing their diffusion and orientation, and whose awards to the winners are accompanied by donations to parties active in the non-profit world.

Also with this view, it should be stressed that Cattolica formally committed itself in 2019 in the direction of sustainability and social responsibility, subscribing the principles for responsible investment (PRI) of the United Nations, thus incorporating the ESG (Environmental, Social and Governance) criteria in its own investment and shareholder activism decisions.

It is in this context that the aforementioned measures adopted by Cattolica in favour of its own resources during the recent emergency period and mainly based on the concepts of proximity and community are to be found, with further particular focus that, following the pandemic, was reoriented from welfare to well-being and specifically on 4 dimensions: physical and emotional sphere, new working environment, environmental sustainability and solidarity, dimensions, which have become areas of intervention, in order to focus on 360° individual well-being.

Lastly, continuing to foster a work environment based on mutual trust, a series of training programmes were launched in the same period with the goal of transforming the Company into a "Life Ready Company", i.e., an increasingly inclusive organisation capable of welcoming and valuing life events that involve employees.

2021-2023 Rolling Plan

In light of the important results achieved in the 2018-2020 Business Plan, which generated consistent positive impacts on the core business in terms of growth and increased profitability, the strategy of the 2021-2023 rolling plan will be focused on consolidating the strengths acquired in the three-year period, and continuing the projects undertaken that still have room for improvement in the coming years. With the changed economic and financial market context, it will be necessary to focus on the relaunch of life profitability and the efficiency and simplification of operations. The strategic partnership with Generali will make it possible to develop valuable synergies in terms of services offered, asset management efficiency and reinsurance. Finally, the reinforcement of the ESG strategy will be continued and pursued with even greater vigour for a business transformation increasingly oriented towards sustainability.

Consolidation, focus and sustainability are therefore the strategic guidelines for the three-year period 2021-2023.

Consolidation actions will focus in particular on strengthening the value of the agency network and on monitoring Non-life profitability.

The focus on specific initiatives, in addition to the aforementioned synergies with Generali, will be particularly concentrated on Life profitability (through the review of the new offer, targeted in-force management actions, and portfolio optimisation), and on increasing operating efficiency (by focusing on cost optimisation and process simplification and streamlining).

The sustainability of the business will have to be translated into an integration of ESG logic in the core business, the correct mapping of ESG risks, the strengthening of internal governance controls, and the enhancement of the value of the Cattolica Estates.

The integration of the specific elements of discontinuity outlined above with the reinforcement of the strengths acquired thanks to the activities of the business plan concluded in 2020, is the path traced by the Group to ensure the stability of profits over the three-year period.

GUIDELINES OF THE AGREEMENT WITH ASSICURAZIONI GENERALI

On June 24th, 2020, Cattolica Assicurazioni and Assicurazioni Generali S.p.A. ("AG") signed the Framework Agreement ("Agreement"), which concerns a series of agreements between the two companies aimed at the investment of Assicurazioni Generali in Cattolica through the Reserved Share Capital Increase, subscribed and executed by Assicurazioni Generali on October 23rd, 2020, as well as the launch of the Partnership through the

signing of several commercial agreements between the two companies (with effects subject to the execution of the Reserved Share 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 Share Capital Increase), with automatic renewal for an equal period, unless terminated by one of the parties with at least 6-month notice. It should be noted that the Cattolica Group has currently further contracts in place with various telematics suppliers, which have been renewed in view of the new scenario, aimed at guaranteeing sales until the activation of the agreements with Generali Jeniot S.p.A., and at managing the continuity of the services for the active contracts until they expire or are converted to Generali Jeniot S.p.A. as envisaged by the aforementioned contract;

- **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 Share Capital Increase until December 31st, 2026 (with the possibility of negotiating a renewal for a further 5 years and 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 Share 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, which the parties signed by the contractually envisaged deadline of December 31st, 2020. This contract has a duration of 5 years (from the date of execution of the Reserved Share Capital Increase), with automatic renewal for an equal period, unless terminated by one of the parties with at least 6-month notice.

Within the scope of this agreement, it should be noted that as at the current date, Assicurazioni Generali's participation in all Non-life business reinsurance agreements placed by the Cattolica Group on the reinsurance market is confirmed. The participation share, agreed between the parties, varies depending

on the type of agreement and the line of business subscribed.

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.

SIGNIFICANT EVENTS DURING THE YEAR

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

You are hereby reminded that the Company's Board of Directors resolved to comply, with effect as from December 13th, 2012, with the opt-out regime as per Articles 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 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 Company approved the Cattolica Group's 2020-22 Rolling Plan and took also 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 million and € 375 million compared to the range previously communicated (€ 375 million - € 400 million), with a deviation of -6% between the two average values.

On February 20th, the 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.

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.

The Board of Directors' meeting of May 15th confirmed the forecasts for the closing of the operating result between € 350 million 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 Group plan be submitted to IVASS 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.

The Board of Directors noted also 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 Company and Assicurazioni Generali S.p.A. signed an agreement that provides for the launch of a strategic partnership with industrial and commercial content aimed 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 will 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 share 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 governance in force at the time, 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 June 27th, Cattolica Assicurazioni's Extraordinary and Ordinary Shareholders' Meeting was held, which approved all the items on the agenda, including the proxy of powers to the Board of Directors for the share 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.

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 24th, the Company responded to the above mentioned letter of May 27th, 2020, by providing a response to IVASS to the various above mentioned 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.

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. The transaction is part of the wider context of rationalisation and simplification of the Cattolica Group.

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 Italian Code of Criminal Procedure.

On September 9th, IVASS approved amendments to the Articles of Association resolved 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.

On October 5th and 6th, 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 26th, 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 of 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 and market uncertainties in general.

On October 29th, Cattolica concluded the sale of shares in Ima Servizi to the subsidiaries BCC Assicurazioni, Vera Assicurazioni and TUA Assicurazioni: each company purchased 1% of Ima Servizi for a transfer consideration of € 16,583.30 each.

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%.

On November 16th, Cattolica subscribed its share of the H-FARM share capital increase for an amount of € 178,843.75 in addition to a tranche of the convertible bond issue, offered in pre-emption to the shareholders, for an amount of € 178,000. Taking into account the tranche reserved for institutional investors who are third parties with respect to the current shareholders, the interest held by Cattolica at the end of the share capital increase fell from 4.49% to 3.67%.

In November, Berica Vita resolved to distribute an extraordinary dividend of € 30 million to the Company from retained earnings. The coupon distribution was made on December 23rd, following the positive opinion issued on December 18th by the European Systemic Risk Board (ESRB) on dividend distribution.

On December 15th, Banco BPM notified formally the Company the exercise of the option to purchase the equity investments held by the latter in the companies Vera Vita S.p.A. and Vera Assicurazioni S.p.A., equal to 65% of the share capital. The two companies hold 100% of Vera Financial DAC and Vera Protezione S.p.A. respectively. The purchase option was exercised by Banco BPM in relation to the alleged change of control of Cattolica, pursuant to Article 2359 of the Italian Civil Code, as a supposed consequence of the corporate and industrial transaction with Assicurazioni Generali, communicated to the market on June 25th, 2020. Cattolica contested the exercise of the option, deeming Banco BPM's position to be groundless, since it was not confirmed by any provision either of law or of the contract, as attested by authoritative independent legal opinions and by the guidelines expressed by the Supervisory Authorities, in particular, with the authorisation issued by IVASS for Assicurazioni Generali's entry into the Company's share capital.

Share capital increase

As already reported, 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 addition to what has already been reported, it was also proposed to the Extraordinary 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.

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

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 proxy of powers to the Board of Directors to increase share capital up to € 500 million.

On August 4th, the Board of Directors 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, 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 October 23rd, Assicurazioni Generali subscribed the share 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 came to hold 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.

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 ran from October 27th, 2020, until November 26th, 2020, inclusive.

On November 30th, the Company announced that at the end of the offer period, pursuant to Article 2437-quater of the Italian Civil Code, for the shares subject to the right of withdrawal, pertaining to the holders of Cattolica shares who did not vote for the approval of the resolution to transform the Company into a "public limited company", passed by the Extraordinary Shareholders' Meeting held on July 31st, 2020, acceptance of the aforementioned offer amounted to 50,101 shares, of which 41,182 under option and 8,919 requested in pre-emption.

On December 4th, the Board of Directors, having acknowledged the outcome of the option offer pursuant to Article 2437-quater of the Italian Civil Code, resolved, with a view to a speedy resolution of the withdrawal procedure, to proceed directly with the redemption by purchasing the shares held by shareholders who legitimately exercised their right of withdrawal, for a total of 20,720,350 shares and therefore to recognise, to the same, the value established in the event of withdrawal, equal to € 5.47 per share, with a maximum term for the liquidation in favour of the shareholders as at January 31st, 2021, using for this purpose the reserves available from profits, more precisely taking from the extraordinary reserve the relative amount.

On December 30th, the Company announced that it had acquired 20,720,350 own shares, resulting from the withdrawal exercised at the time of the resolution approving the transformation and which were not subject to option and/or pre-emption by its shareholders. The payment of the liquidation value, amounting to € 5.47 per share, to each shareholder who exercised the right of withdrawal, as well as the transfer of the shares allocated under the option offer in favour of the shareholders who exercised their option rights, were made through the respective intermediaries on the same date of December 30th, 2020. Consequently, Cattolica holds a total of 28,045,201 own shares, representing 12.3% of the Company's share capital, while there are 200,302,779 shares in circulation, representing 87.7% of the share capital.

UBI Banca and Lombarda Vita

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 Reference Shareholders' Committee (CAR).

On February 17th, Intesa San Paolo S.p.A. launched a Public Exchange Offer on all the shares of UBI Banca S.p.A., which ended on July 30th, 2020, with a final acceptance of 90.21%.

On February 26th, the 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) was 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's Board of Directors approved acceptance of the offer, delivering all the 11,557,280 shares of UBI Banca S.p.A. held on that date.

Adherence to the Public Exchange Offer did not have any significant economic impact on Cattolica and, on completion of the transaction, the Company held 19,647,376 shares in Intesa San Paolo S.p.A., corresponding to 0.1% of the share capital of the same.

Between August 7th and August 25th, Cattolica finalised the sale of all the shares held in Intesa San Paolo S.p.A., within the context of the Company's normal securities transactions.

On December 23rd, Cattolica signed a binding framework agreement with UBI Banca concerning the early termination, with respect to the envisaged expiry date of June 30th, 2021, of the life bancassurance agreements existing between the parties, via the exercise by the bank of its option to purchase the 60% equity investment held by Cattolica in Lombarda Vita. The price paid to Cattolica is expected to range between approximately € 290 million and € 300 million depending on Lombarda Vita's 2020 IAS/IFRS results. The transaction is subject to the granting of the necessary authorisations by the competent authorities. The transaction is expected to complete in April 2021. As part of this transaction, the parties have

agreed to proceed in 2021, subject to obtaining the necessary authorisations, with the repayment of the loan currently outstanding between UBI Banca and Cattolica, amounting to € 80 million.

Recapitalisations

In April, the Company resolved to subscribe to a share 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. This subscription was carried out in May.

In May, Cattolica 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 view of the solvency position of the subsidiary, Cattolica carried out two capital strengthening transactions for a total of € 7 million in favour of ABC Assicura. These transactions were completed in June and December for an amount of € 2 million and € 5 million respectively.

In view of the subsidiary's solvency position, in the disclosures subsequent to March 31st, 2020, the Board of Directors of BCC Vita S.p.A. on June 9th, 2020 approved the request for a capital increase of € 50 million, by means of a capital contribution subscribed pro-rata by the shareholders Cattolica (€ 35 million) and Iccrea (€ 15 million). Cattolica's Board of Directors on June 18th approved this subscription in favour of BCC Vita, which was carried out in June. Furthermore, in line with the 2020-2022 Capital Management Plan, which envisages that BCC Vita receives a further € 50 million of funding in order to strengthen its solvency position, including in stress scenarios, on July 15th, the Board of Directors of BCC Vita approved a further request to strengthen the capital position equal to € 50 million (of which € 35 million pertaining to Cattolica and € 15 million pertaining to Iccrea), to be carried out for € 25 million (of which € 17.5 million pertaining to Cattolica) by means of a capital contribution and a loan of a similar amount (of which € 17.5 million pertaining to Cattolica) having the characteristics to be recorded under Tier 2 of the Solvency Own Funds. Cattolica's Board of Directors meeting held on July 22nd approved these subscriptions in favour of BCC

Vita, which were made on July 28th and August 5th respectively for its own portion.

With regard to Vera Vita, the 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 and € 100 million by means of a subordinated loan qualifying for inclusion in the Tier 2 of the Solvency II Own Funds. In detail, with regard to the Solvency position in the post March 31st, 2020 disclosures, the Board of Directors of Vera Vita on July 6th, 2020 approved the request for a capital contribution and loan subscribed pro-rata by the shareholders Cattolica Assicurazioni and Banco BPM. The capital contribution of € 50 million was made in July. The loan was subscribed in two tranches of € 50 million each, the first of which was subscribed in July and the second in October.

In order to strengthen the solvency position and in order to support the growth of the business, the Board of Directors of BCC Assicurazioni on November 3rd, 2020, approved the request for a capital contribution of € 5 million, of which € 3.5 million pertaining to Cattolica and € 1.5 million pertaining to the other shareholder Iccrea. This transaction was completed on November 16th.

Italian Revenue Agency

During the month of February, an audit was initiated at the 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 conclusion of the inspections, the report of findings was notified.

The Company filed a petition for assessment with acceptance, reaching a settlement of the findings for the years 2015 and 2016 on December 18th, 2020, for immaterial amounts. With reference to the subsequent years, it is expected to be defined in 2021.

Supervisory Authorities

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.

On January 8th, 2021, IVASS notified Cattolica of the results of the inspection activity commenced in December 2019, and delivered the related inspection report, with unfavourable findings and the commencement of sanctioning proceedings against the Company, as described in "Significant events during the first few months of 2021".

Appointments

On January 16th, the 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.

The Board of Directors 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, Atanasio Pantarrotas was appointed as Executive appointed to prepare the corporate accounting documents and in June was appointed as Deputy General Manager.

On August 4th, the Board of Directors resolved unanimously to appoint Carlo Ferraresi as Managing Director of Cattolica, remaining in his capacity as General Manager.

On October 23rd, the 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 also appointed Stefano Gentili as Chairperson of the Corporate Governance, Sustainability and Value Generation Committee and Roberto Lancellotti as Chairperson 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 Strazera 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.

On December 4th, the Board approved the reorganisation proposed by the Managing Director, Carlo Ferraresi. The new organisational structure identified by the head of the company is aimed at defining a new Group structure that is more streamlined and functional to business strategies, customers and the challenges of the market, which has changed radically over the course of this year characterised by the strong impact of the Coronavirus.

At the conclusion of the Business Plan for the three-year period 2018-2020, the Company and Valter Trevisani have mutually agreed to end their professional collaboration. At the same meeting, the Board of Directors appointed Marco Lamola as Deputy General Manager with specific focus on the Agent Network. Reporting directly to the Managing Director, in addition to Lamola, will be the three Deputy General Managers: Nazareno Cerni with responsibility for Non-Motor Non-life and Reinsurance, Samuele Marconcini as COO, to whom, in addition to his previous responsibilities, Claims will also report, and Atanasio Pantarrotas, Group CFO, with the addition of the M&A structure.



Total non-life premiums

1,746
€ mln



Total life premiums

555
€ mln

MANAGEMENT REPORT

The Company in 2020

Insurance business

Financial and asset management

Headcount and sales network

Other information

Information on the investee companies

INSURANCE BUSINESS

PREMIUMS BY SECTOR OF ACQUISITION

Gross premiums written, broken down by sector of acquisition, are shown with the percentage changes compared with the previous year in the following table.

Table 6 - Premiums for the year

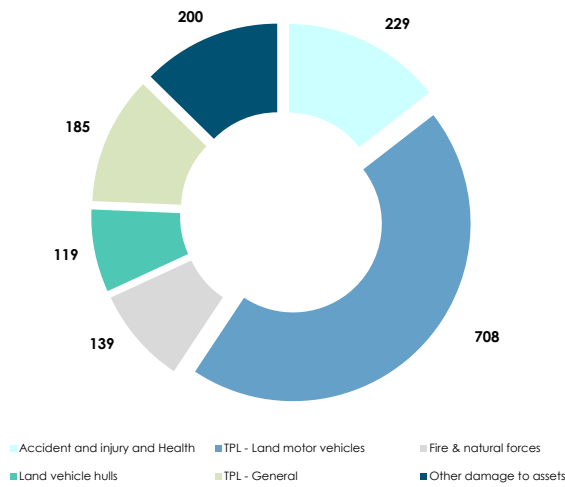
Classes (€ thousands)	2020	% of total	2019	% of total	Changes	
					Amount	%
01 - Accident and injury	163,472	7.2	168,059	7.1	-4,587	-2.7
02 - Health	65,663	2.9	71,406	3.0	-5,743	-8.0
03 - Land vehicle hulls	119,173	5.3	115,498	4.9	3,675	3.2
06 - Sea and inland water vessels	23,077	1.0	13,155	0.5	9,922	75.4
07 - Goods in transit	6,669	0.3	6,418	0.3	251	3.9
08 - Fire & natural forces	139,070	6.2	134,284	5.7	4,786	3.6
09 - Other damage to assets	199,615	8.8	204,691	8.7	-5,076	-2.5
10 - TPL - Land motor vehicles	707,845	31.4	762,911	32.4	-55,066	-7.2
13 - TPL - General	184,771	8.2	178,205	7.6	6,566	3.7
15 - Suretyship	13,420	0.6	13,890	0.6	-470	-3.4
16 - Sundry financial losses	17,313	0.8	13,724	0.6	3,589	26.2
17 - Legal protection	15,057	0.7	12,666	0.5	2,391	18.9
18 - Assistance	42,417	1.9	35,006	1.5	7,411	21.2
Other classes ⁽¹⁾	2,988	0.1	2,920	0.1	68	2.3
Total non-life business	1,700,550	75.4	1,732,833	73.5	-32,283	-1.9
Insurance on the duration of human life - class I	388,734	17.2	403,628	17.2	-14,894	-3.7
Insurance on the duration of human life linked to investment funds - class III	113,016	5.0	109,937	4.7	3,079	2.8
Health insurance - class IV	1,275	0.1	1,228	0.1	47	3.8
Capitalisation transactions - class V	11,210	0.5	21,558	0.9	-10,348	-48.0
Pension funds - class VI	40,300	1.8	83,972	3.6	-43,672	-52.0
Total life business	554,535	24.6	620,323	26.5	-65,788	-10.6
Total direct business	2,255,085	100.0	2,353,156	100.0	-98,071	-4.2
Total indirect business	45,935		41,153		4,782	11.6
GRAND TOTAL	2,301,020		2,394,309		-93,289	-3.9

⁽¹⁾ includes railway rolling stock, aircraft, TPL aircraft, sea and inland water vessels and credit classes

NON-LIFE BUSINESS

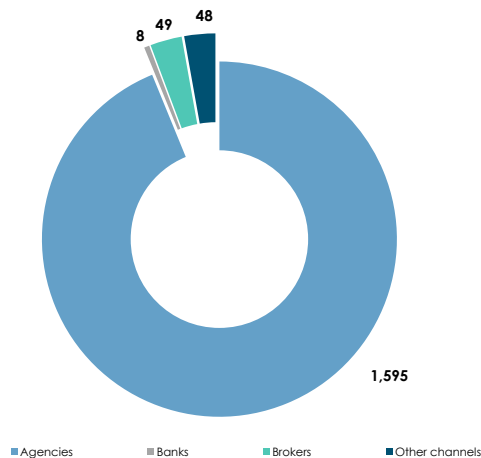
Total non-life premiums amounted to € 1,746.2 million (-1.6%). Direct non-life premiums amounted to € 1,700.6 million (-1.9%); the non-motor classes increased by 2.2%, while motor classes decreased by 5.9%. Indirect non-life premiums totalled € 45.7 million (+11%).

Main non life classes, direct premiums (euro/millions)



Direct premiums written are divided up as follows by sales channel: agencies with € 1,595.3 million, banking network with € 8.1 million, brokers with € 49.1 million and other channels with € 48 million.

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



The technical results of the individual non-life class and the overall technical result are represented in concise form in Attachments 25 and 26 to the Notes to the accounts.

The figures presented below with reference to the main non-life classes relate to direct business.

Accident and injury

The total of the premiums amounted to € 163.4 million (-2.7%).

The claims to premiums ratio deteriorated significantly from 49.6% to 23.4% in 2020. The improvement is due to both current generation claims (which benefit from a

significant drop in frequency as a result of the restrictive measures following the Covid-19 health emergency) and the positive run-off of prior year reserves (with an impact in 2020 of 10.4% of earned premiums, almost nil in 2019).

Table 7 - Accident and injury class - direct business

(€ thousands)	2020	2019	Changes	
			Amount	%
Gross premiums written	163,472	168,059	-4,587	-2.7
Premiums for the year	163,960	167,749	-3,789	-2.3
Net charges relating to claims / Premiums for the year	23.4%	49.6%		

Health

Premiums written totalled € 65.7 million (-8%). The decline was attributable to the loss of certain collective policies.

The claims to premiums ratio deteriorated from 85.5% to 77.1% due to a lower claims rate in the current year. The run-off of reserves is positive (4.2% of premiums for the year) and in line with last year.

Table 8 - Health class - direct business

(€ thousands)	2020	2019	Changes	
			Amount	%
Gross premiums written	65,663	71,406	-5,743	-8.0
Premiums for the year	66,992	71,175	-4,183	-5.9
Net charges relating to claims / Premiums for the year	77.1%	85.5%		

Land vehicle hulls

The total of the premiums amounted to € 119.2 million (+3.2%). The growth is due to the increase in the penetration of different risk motor guarantees in individual policies.

to restrictive measures following the Covid-19 health emergency, and fewer weather events. The run-off is slightly negative (1.1% of premiums) while last year it was slightly positive (0.4% of premiums).

The claims-to-premium ratio was 59.1%, down from 69.1% in the prior year, due to the lower frequency of claims incurred in the current year as a result of lower traffic, due

Table 9 Land vehicle hulls class - direct business

(€ thousands)	2020	2019	Changes	
			Amount	%
Gross premiums written	119,173	115,498	3,675	3.2
Premiums for the year	117,476	113,935	3,541	3.1
Net charges relating to claims / Premiums for the year	59.1%	69.1%		

Sea and inland water vessels

Premiums written amounted to € 23.1 million (+75.4%). The increase is due to the employment of significant policies in the Specialty Lines sector.

(6.8% of premiums for the year). On the other hand, the current year claims rate deteriorated from 64.1% in 2019 to 71.3% in 2020.

The claims-to-premium ratio improved from 70.8% to 61%, mainly due to the positive run-off of reserves (10.4% of premiums for the year), while last year it was negative

Table 10 - Sea and inland water vessels class - direct business

(€ thousands)	2020	2019	Changes	
			Amount	%
Gross premiums written	23,077	13,155	9,922	75.4
Premiums for the year	20,133	13,458	6,675	49.6
Net charges relating to claims / Premiums for the year	61.0%	70.8%		

Goods in transit

Premiums written amounted to € 6.7 million (+3.9%).

reserve run-off realised in 2019 (44% of premiums for the year, while in 2020 the impact was negative by 14.5%).

The claims-to-premium ratio increased from 22.2% to 48.5%, mainly due to the non-repeatability of the positive

The current year claims rate has improved from 66% in 2019 to 33.8% in 2020.

Table 11 - Goods in transit class - direct business

(€ thousands)	2020	2019	Changes	
			Amount	%
Gross premiums written	6,669	6,418	251	3.9
Premiums for the year	6,642	7,272	-630	-8.7
Net charges relating to claims / Premiums for the year	48.5%	22.2%		

Fire & natural forces

Gross premiums written amounted to € 139.1 million (+3.6%). The increase is due to the subscription of a number of business in the Specialty Lines segment.

The claims-to-premium ratio increased from 96% in 2019 to 125.8% in 2020: the deterioration in profitability is

attributable to large claims, with the negative effect far outweighing the benefit seen in weather events that affected the current year to a lesser extent than in 2019. The run-off is positive (9.1% to premiums) and higher than last year (3.3% to premiums).

Table 12 Fire & natural forces class - direct business

(€ thousands)	2020	2019	Changes	
			Amount	%
Gross premiums written	139,070	134,284	4,786	3.6
Premiums for the year	117,053	120,856	-3,803	-3.1
Net charges relating to claims / Premiums for the year	125.8%	96.0%		

Other damage to assets

Premiums amounted to € 199.6 million (-2.5%): the higher premiums written in the zootechnical risks sector did not fully offset the general decline in other sectors, especially in the agricultural crop hail sector.

The claims to premiums ratio improved from 83.8% in 2019 to 71.4% in 2020.

The significant improvement in profitability is due to the Agricultural Crop Hail sector.

The run off of reserves is positive 0.8% (last year it was a positive 2.4%).

Table 13 Other damage to assets class - direct business

(€ thousands)	2020	2019	Changes	
			Amount	%
Gross premiums written	199,615	204,691	-5,076	-2.5
Premiums for the year	203,754	201,418	2,336	1.2
Net charges relating to claims / Premiums for the year	71.4%	83.8%		

TPL - Land motor vehicles

Premiums written for the year amounted to € 707.8 million (-7.2%). The decline in premiums is attributable to both the drop in the number of policies and the contraction of the average premium, to which the decision to retrocede to policyholders part of the benefit the company received from the drop in frequency through a discount at policy renewal also contributed.

The claims to premium ratio declined from 71.4% to 63.9%, due to the aforementioned drop in frequency as a result of the restrictive measures introduced in the wake of the Covid-19 health crisis. The run off of reserves is positive 0.5% (last year it was a positive 4.5%).

Table 14 - TPL Land motor vehicles class - direct business

(€ thousands)	2020	2019	Changes	
			Amount	%
Gross premiums written	707,845	762,911	-55,066	-7.2
Premiums for the year	716,820	765,444	-48,624	-6.4
Net charges relating to claims / Premiums for the year	63.9%	71.4%		

TPL - General

Gross premiums written amounted to € 184.8 million (+3.7%). The increase is due to the development of the Specialty Lines segment.

The claims to premium ratio, which was already at near-zero levels in 2019, improved further from 5.2% to -3.3%.

benefiting from a moderate current year claims rate (53.4%) and better than last year (58.1%). The run-off of reserves is also very positive (around 57% of premiums for the year) and better than in 2019 (53%).

Table 15 - TPL General class - direct business

(€ thousands)	2020	2019	Changes	
			Amount	%
Gross premiums written	184,771	178,205	6,566	3.7
Premiums for the year	173,495	179,754	-6,259	-3.5
Net charges relating to claims / Premiums for the year	-3.3%	5.2%		

Suretyship

Premiums written amounted to € 13.4 million (-3.4%).

The claims to premiums ratio for direct business improved from 102.2% to 60.3% thanks to the release of the supplementary reserve to increase premiums for the year

(approximately € 3.2 million; last year the change was negative by approximately € 2.6 million), while the costs of claims remained at the 2019 level.

Table 16 - Suretyship class - direct business

(€ thousands)	2020	2019	Changes	
			Amount	%
Gross premiums written	13,420	13,890	-470	-3.4
Premiums for the year	16,824	10,569	6,255	59.2
Net charges relating to claims / Premiums for the year	60.3%	102.2%		

Sundry financial losses

The volume of the premiums amounted to € 17.3 million (+26.2%). This increase is present in both the corporate, household, and specialty lines sectors.

The claims to premium ratio for direct business is worsening, from 48.9% in 2019 to 82.2% in 2020, due to the corporate large risk segment.

Table 17 - Sundry financial losses class - direct business

(€ thousands)	2020	2019	Changes	
			Amount	%
Gross premiums written	17,313	13,724	3,589	26.2
Premiums for the year	16,377	14,767	1,610	10.9
Net charges relating to claims / Premiums for the year	82.2%	48.9%		

Legal protection

The volume of the premiums amounted to € 15.1 million (+18.9%). Premiums growth is present in both the motor and retail segments.

The claims to premiums ratio of direct business increased from 3.1% to 8.1%, but remained at an optimal level.

Table 18 - Legal protection class - direct business

(€ thousands)	2020	2019	Changes	
			Amount	%
Gross premiums written	15,057	12,666	2,391	18.9
Premiums for the year	14,224	12,262	1,962	16.0
Net charges relating to claims / Premiums for the year	8.1%	3.1%		

Assistance

Premiums amounted to € 42.4 million, an increase of 21.2%, mainly in the motor segment.

Profitability remains at the optimal levels already achieved in 2019 (17.1%).

Table 19 - Assistance class - direct business

(€ thousands)	2020	2019	Changes	
			Amount	%
Gross premiums written	42,417	35,006	7,411	21.2
Premiums for the year	39,735	33,777	5,958	17.6
Net charges relating to claims / Premiums for the year	17.1%	17.1%		

Other non-life business

The item includes premiums relating to the railway rolling stock, aircraft, TPL aircraft and sea and inland water vessels and credit classes.

Premiums amounted to approximately € 3 million (+2.3%). Growth is concentrated in the railway rolling stock class and the sea and inland water vessels class.

RELIGIOUS BODIES AND THIRD SECTOR BUSINESS UNIT

Throughout its history, the Company has built a privileged relationship with the Ecclesiastical and Religious world and with Third Sector organisations, positioning itself in the market as the only company to have a structure dedicated to these two important sectors. In particular, the Religious Bodies and Third Sector Business Unit is the company structure dedicated to the insurance proposal addressing these areas and to the strengthening of relations with these entities, which are so particular in terms of insurance needs and relational complexity. At the end of 2020, BUERTS underwent an organisational strengthening process that included an expansion of the scope of relational and technical responsibilities and the placement of the company as reporting directly to the Managing Director.

To date, 135 of the 225 Italian Dioceses have agreements: these agreements allow the insurance service to be modulated in the best possible way according to the

needs and requests of the individual entities, in particular for the Parish Body, for which a dedicated insurance solution called "Cattolica&CleroSecolare - Parrocchia" is available. Cattolica has also a presence in dioceses that do not have an agreement with the company, with coverage for individual parishes.

The fiduciary relationship with the Istituto Centrale di Sostentamento del Clero (Central Institute for Clergy Support), which protects the heritage of all Italian diocesan institutes and the health of over 33,000 priests, is also ongoing.

The agreement between the Italian Episcopal Conference and Cattolica, called "San'Emidio", which guarantees protection from catastrophic risks for all 25,600 parishes in the 225 Italian Dioceses, limited to all the building works in the parishes, is still ongoing.

The Religious Bodies and Third Sector Business Unit confirms and renews its proximity to the Third Sector and the Voluntary Sector, offering and dedicating professionalism and expertise, thanks also to the insurance solution, known as "Cattolica&Solidarietà Terzo Settore", complete and innovative, capable of providing adequate responses to the insurance needs of Third Sector Bodies and the people who work within them.

In addition, thanks to the sponsorship of Padova Capitale Europea del Volontariato 2020 (Padua European Volunteer Capital 2020), the various participations in events and webinars organised during the year and the important relationships with the Centro di Servizi per il Volontariato (Volunteer Support Centre) and other significant Third Sector organisations, the Company had the opportunity to demonstrate its commitment and close relationship to these important issues in our country.

CLAIMS SETTLEMENT

Cattolica Services is the Group company, which concentrates the claims management and settlement activities within the Claims Division.

During the year, the Claims Division focused both on the target of the Business Plan and on the ordinary activities required to maintain service levels and achieve business objectives.

Activities continued to refine and revise the processes necessary to maintain positive industrial performance.

With a view to rationalising and improving the efficiency of the structure, the following restructuring activities were carried out during the year:

- merging of the Special Areas and Criminal Activities Coordination Units of the Anti-Fraud Claims Unit into the renamed Anti-Fraud Unit - Special Claims Areas (previously Anti-Fraud Claims);
- creation in the Claims Operational Excellence structure of the specialised "Non-motor and medical trustees" sub-unit.

The new organisational structure of the Claims Division involves five units: Motor Claims, Non-Motor Claims, Anti-Fraud Claims - Special Claims Areas, Operational Excellence Claims and Claims Control.

Motor Claims

As at December 31st, there were three settlement areas in the territory: North, Central and South - and include 18 Settlement Centres. The Motor Claims unit includes also the Motor Division Hub and Complex Motor Claims and Foreign Claims.

Non-Motor Claims

As at December 31st, there were six Non-Motor Claims specialised settlement units (only the accident and injury class remains the responsibility of the Motor Claims structure): Bancassurance Settlement Centre, Health and Religious Bodies Hub, Central Property Settlement, Central General Civil Liability Settlement, Broker Settlement Centre and Central Institute for Clergy Support Claims Service.

Anti-Fraud Unit - Special Claims Areas

As at December 31st, the specialised settlement unit, Anti-Fraud Unit - Special Claims Areas, had carried out the following activities:

- it manages claims with a high fraudulent index, with lawsuits and with environmental problems; supervises and supports territorial settlement centres and Division units in relation to anti-fraud issues; develops the necessary synergies with the Cattolica Group Divisions on anti-fraud issues, in particular with Commercial and Recruitment Division;
- it examines reports from a criminal point of view aimed at initiating complaints, preparing criminal acts and manages the various stages of criminal proceedings; it manages relations with judicial authorities and law enforcement agencies; it participates in the ANIA Permanent Anti-Fraud Commission and oversees and supports territorial settlement centres and Division units in relation to anti-fraud issues.

In compliance with the provisions of Article 30 of the Italian Law No. 27 of March 24th, 2012 and the IVASS Protocol No. 47-14-000982 of March 11th, 2014, the estimate of the reduction of the charges for TPL motor claims deriving from the assessment of fraud at the end of 2020, consequent to control and fraud suppression activities, is quantified as € 21.4 million (an increase of € 2.7 million compared to December 31st, 2019).

Operational Excellence Claims

As at December 31st, there were four specialised units within the Operational Excellence Claims structure:

- Claims Project Interface and Support: it monitors and manages critical aspects of projects in the area of claims, acts as an interface with other Divisions, in particular it oversees relations with IT for the adaptation of management systems, and carries out continuous analyses aimed at improving claims management processes;
- Trustee Management: it selects, manages and monitors the operational performance of the trustees supporting them from a procedural point of view; checks and forwards payment requests in Prompt Settlement, manages the "Recovered motor vehicles" process. As at December 31st, 2020, the panel of trustees is composed of: 195 motor experts, 1,775 body repair shops, 260 doctors (+98 specialists), 46 asset damage experts, 281 legal experts, 115 assessors, 14 mechanical re-constructors, 43 general trustees;
- Recoveries and SARC: it deals with CARD management (arbitration, ANIA flow verification,

etc.), management of relations with CONSAP, ANIA and other member companies, CTT management, assets and liabilities recoveries and recovery on claims of all classes. As far as the balance of CONSAP Clearing houses is concerned, the last survey shows a positive balance of € 9,364,805 with a positive delta compared to December 31st, 2019, equal to € 6,299,812.

The ordinary activities of the office continued, thanks to which, at the end of the year, approximately € 11.8 million was recovered and collected;

- Outsourcer Management: this is responsible for outsourced services (business accounts for suppliers), the related control and monitoring with the preparation of quarterly reports; it interfaces with other Divisions of the Company for the assessment of new outsourcing relating to claims management (new products, agreements, etc.).

the claims business units (Close File Review, Open File Review), proceeding to the preparation of detailed reports containing leakages, proposals for intervention. The unit carries out the related follow-up, carries out quality control checks on outsourcers and trustees, designs, manages and provides the necessary training to the settlement units in agreement with the Group Training – Academy unit, maintains relations with the control business units (Audit, Risk and Compliance) and manages IVASS issues for the Claims Division;

- Planning and Control: it analyses the performance of the main settlement KPIs; carries out in-depth analysis of negative management trends; analyses and monitors the performance of the Claims Business Plan; manages the Claims Division budget; defines the objectives of Claims Division together with the other claims units and produces ad hoc reports.

Claims Control

As at December 31st, there were two specialised units within the Claims Control structure:

- Settlement Policies and Technical Verification: it defines the new settlement policies, updating and maintaining the existing policies, proceeding to the drafting of the necessary operational notes. It identifies the organisational interventions required to be compliant, it carries out technical verification of

Settlement velocity and claims reported

The following table shows, for the main non-life classes, the settlement velocity for the claims, which emerges from the ratio between the number of claims paid in full and the total number of claims handled, net of those eliminated without follow up.

Table 20 - Claims settlement velocity

(% values)	Claims reported in the current year		Claims reported in previous years	
	2020	2019	2020	2019
Classes:				
01 - Accident and injury	47.9	44.7	70.8	69.6
02 - Health	92.8	95.5	29.4	40.5
03 - Land vehicle hulls	88.1	88.4	92.4	91.4
08 - Fire & natural forces	72.4	74.3	75.5	72.8
09 - Other damage to assets	79.6	77.7	88.5	92.5
10 - TPL - Land motor vehicles				
CARD Gestionaria	83.2	82.5	74.8	76.0
CARD Debitrice	74.6	74.4	59.8	61.6
NO CARD	60.8	59.7	45.6	48.5
13 - TPL - General	52.6	51.0	33.1	32.2
15 - Suretyship	89.5	83.5	14.3	14.0
16 - Sundry financial losses	63.7	72.6	47.9	62.6
17 - Legal protection	13.6	14.8	15.9	20.5
18 - Assistance	82.2	79.0	65.8	75.7

During the current year, 524,543 claims were reported, of which 398,779 (76%) were fully settled.

With regard to the motor TPL class, 64,661 CARD Gestionaria claims were reported, of which 50,027 settled in full and 4,503 closed without follow up, with a settlement velocity of 83.2%.

LIFE BUSINESS

Direct life premiums amounted to € 554.5 million (-10.6%).

The Company's premiums written decreased mainly due to a contraction in volumes in class I, V and VI products.

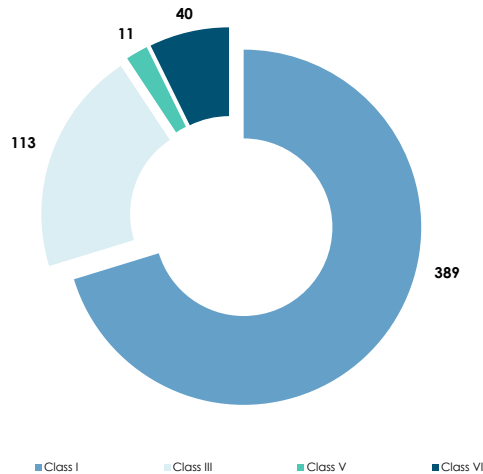
The change recorded is consistent with the company's objective to reduce exposure to revaluable products linked to Segregated Management and increase volumes in relation to class III products, which are characterised by lower capital absorption.

With regard to CARD Debitrice claims, the Company received 61,072 claim reports from the clearing house managed by CONSAP, of which 43,186 paid and 3,195 closed without follow up, with a settlement velocity of 74.6%.

The technical results of the individual life classes and the overall technical result are represented in concise form in Attachments 27 and 28 to the Notes to the accounts.

Comments follow on the development of the insurance portfolio as regards of the main life business.

Main life classes, direct premiums (euro/millions)



Insurance on the duration of human life

Class I premium written, traditional class, amounted to € 388.7 million (-3.7%).

Revaluable premiums written from new subscriptions are almost exclusively with products revalued through the so-called "non-cliquet" method, which allows for reduction of capital absorption.

Insurance on the duration of human life linked with investment funds

Class III premiums amounted to € 113 million (+2.8%). Premiums are mainly composed of class III policies within multi-class policies.

Insurance covering non-self sufficiency

The Company continues to operate in class IV with coverage combined with pension and welfare investment funds. Premiums amounted to € 1.3 million (+3.8%).

Capitalisation transactions

Premiums amounted to € 11.2 million (-48%).

Class VI business

Total class VI premiums written in the year amounted to € 40.3 million (-52%); the overall assets under management at the end of the year came to € 153.9 million (-81.2% compared to December 31st, 2019).

It should be noted that the agreements for managing the assets of the Fondo Pensione Cometa and the Fondo Pensione Solidarietà expired on April 30th, 2020 and June 30th, 2020, respectively. Therefore, during the year, the premiums corresponding to these agreements only accrued for the period in which they remained effective; the assets relating to these agreements were made available to the Funds at these expiry dates and, therefore, no longer contribute to the total assets under management at the end of the year.

Contractual and pre-existing pension funds

Premiums written within the sphere of activities relating to the management of class VI contractual and pre-existing pension funds, for the period in which the related agreements remained effective, amounted to € 27.2 million. At the end of the year, there were no agreements

in place for the management of the resources of class VI contractual and pre-existing pension funds.

Open-end pension funds of the Company

During the year gross premiums (net of the contributions allocated to the funding of the accessory insurance benefits) for a total of € 9.6 million converged in the Cattolica Gestione Previdenza Open-end Pension Fund, which is structured into six segments.

The net assets allocated to the six segments of the Fund amounted to € 106.1 million.

As at December 31st, the Fund had 7,533 active members (7,532 at the end of 2019).

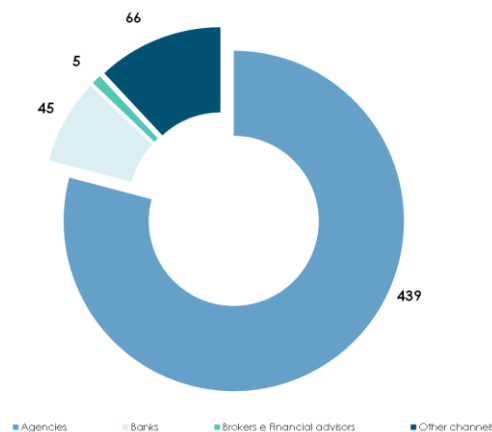
During the year gross premiums (net of the contributions allocated to the funding of the accessory insurance benefits) for a total of € 3.5 million converged in the Risparmio & Previdenza Open-end Pension Fund, which is structured into four segments.

The net assets allocated to the four segments of the Fund amounted to € 47.9 million.

As at December 31st, the Fund had 2,958 active members (3,061 at the end of 2019).

Life premiums written via the agency channel amounted to € 438.6 million, those pertaining to the banking channel totalled € 44.5 million, those pertaining to the brokers totalled € 4.8 million, those pertaining to financial advisors amounted to € 158 thousand and those pertaining to other channels totalled € 66.4 million, of which € 27.9 million relating to pension funds.

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



CLAIMS PAID

Claims paid, excluding settlement costs, amounted to € 1,355.1 million (+95.1%).

Table 21 - Breakdown of claims paid by class and type

(€ thousands)	2020	% of total	2019	% of total	Changes	
					Amount	%
Class I	494,370	36.5	374,215	53.9	120,155	32.1
Claims	51,259	3.8	41,910	6.0	9,349	22.3
Redemptions	238,071	17.6	198,571	28.6	39,500	19.9
Maturing	205,040	15.1	133,734	19.3	71,306	53.3
Class III	22,164	1.6	28,893	4.1	-6,729	-23.3
Claims	2,611	0.2	2,252	0.3	359	15.9
Redemptions	19,187	1.4	17,591	2.5	1,596	9.1
Maturing	366	n.s.	9,050	1.3	-8,684	-96.0
Class IV	0	0	50	n.s.	-50	n.a.
Claims	0	0	50	n.s.	-50	n.a.
Class V	133,953	9.9	243,943	35.2	-109,990	-45.1
Redemptions	63,081	4.7	89,239	12.9	-26,158	-29.3
Maturing	70,872	5.2	154,704	22.3	-83,832	-54.2
Class VI	704,632	52.0	47,528	6.8	657,104	n.s.
Redemptions	27,306	2.0	47,528	6.8	-20,222	-42.5
Maturing	677,326	50.0	0	0	677,326	n.a.
Total claims paid (*)	1,355,119	100.0	694,629	100.0	660,490	95.1

(*) The item does not include settlement costs

n.s. = not significant

n.a. = not applicable

With reference to class I, the amount of the claims paid increased by 32.1%, mainly due to the increase in the settlements by maturity (+53.3%).

With reference to class III, the overall decrease in amounts paid (-23.3%) is attributable to the decrease in settlements by maturity (-96%).

With reference to class V, the amount paid decreased by 45.1%, due to the decrease in settlements by maturity (-54.2%) and redemptions (-29.3%).

With regard to class VI, the overall increase in claims paid (+657.1 million) is mainly due to the fact that, as already mentioned, two agreements matured during the year.

RESEARCH AND DEVELOPMENT ACTIVITIES - NEW PRODUCTS

During the year, the Company, in accordance with IVASS Regulation No. 41 of August 2nd, 2018, introducing provisions concerning disclosure and publicity of insurance products, continued in the activity of revising the contractual documentation of all marketed products according to the Information Set outlines dictated by the Supervisory Body. The Company revised also its offer, to

make it increasingly meet the competitive dynamics of the market, sustainable from a financial viewpoint and consistent with the goals set by the Group Business Plan, paying particular attention to collaboration with the distribution network and marketing in defining products. The aim is to offer increasingly attractive and profitable products, both in terms of return and innovation.

Non-life business

The path taken by Cattolica starting from May 2018, aimed at technological innovation in the Motor area, continued with new digital solutions dedicated to moto vehicles and commercial vehicles up to 3500 kilos: the development of "Cattolica&Motori Active Auto", available from the beginning of 2020, involved the enrichment and innovation of the telematics products, and the diversification of the Assistance coverage, with a view to increasing service to Customers who can opt for connected products with different service levels, based on their needs, between the Active, Active Smart and Active Security formulas. To these a new modular and growing proposition of the Assistance catalogue is added, aimed at offering services more and more consistent with the evolution of both Start and Active Motor products.



"Active Business", available in the catalogue from May, is configured as an evolution of "Cattolica&Impresa Industria 360°", responding to the protection needs of the workplace, for the workers and the entrepreneur: this is the new solution, which brings together all the protection needs for industrial, artisan, production or transformation of assets, installers of equipment and plant and commercial concerns, street vendors and public businesses.



The new policy offers new coverage for indirect business, with dedicated benefits in the event of economic difficulties resulting from the failure to generate income due to the blockage of production and commercial activities, and protection against the increasingly frequent IT risks, with Cyber Risk coverage (Cyber security, online theft of personal funds, credit card protection).

The March restyling of "Cattolica&Motori CVT" involved the revision of the tariff and content coefficients, enriching the offer with important guarantees, which place it at the top of the market.

"Cattolica Director & Officer", released in May, is the new solution, which insures the Directors, the control bodies and the Managers of the Contracting Company/Entity for the amount that they are obliged to pay as civilly liable pursuant to the law, by way of compensation for financial damage caused to third parties deriving from failure to comply with the duties envisaged by the law, the Articles of Association or resolutions passed by the shareholders' meeting in the exercise of their functions.

The update of the "Cattolica&Motori" line TPL Motor insurance conditions in November gave the go-ahead for the marketing of a new version of Active Box: the application is still provided for on the windscreen, but does not require any type of recharge, as its battery has a duration of around four years.

From the month of June, new products dedicated to the field of digital risk are available.



"Cattolica & Cyber Risk" is the solution dedicated to small and medium-sized enterprises and professional studios, which use technological instruments and require complete protection for the expenses for economic and financial losses due to an IT attack, to restart the business and for any damage to third parties; it is available in two formulas, "Cattolica & Cyber Risk Formula Assistenza" and "Cattolica & Cyber Risk Formula Indennitaria".

"Cattolica & GDPR" is the solution dedicated to small and medium-sized companies and professional firms that deal with any type of personal data and need to reduce the risk of a violation and manage any consequences: it provides for the coverage of Assistance services and TPL guarantees focused on the violation of personal data, computer data or physical data (paper, CDs, etc.).

"Cattolica & Tutela Legale", available from July, is the new modular product, which offers policyholders legal assistance and financial support for the expenses incurred in legal and extra-legal proceedings; it is aimed at a broad target of customers, with solutions dedicated to the legal protection of companies and freelanced professionals, sports and voluntary associations, as well as parishes and households.

"Cattolica & Energie Rinnovabili", released in July, is the new protection solution for renewable energy facilities (wind, photovoltaic, hydroelectric or biomass) and addresses the need for protection against the risks of damage to assets in connection with the ownership, management or operation of the facility.

"Cattolica & Agricoltura Serre", released in November, is the new solution for the protection of greenhouse structures and the contents underlying the activity carried out by the company, which is aimed at natural or legal persons, owners or managers of greenhouse structures, who carry out agricultural activities or commercial enterprises; it meets the need for protection against the risks of damage to assets, as well as offering insurance coverage against the risks of damage to assets deriving from third-party recourse or interruption of activities.

Life business

The Company maintains the strategy already undertaken, aimed in particular at "Capital Light" type solutions. The aim is to combine a traditional offer of products linked to segregated management, still highly appreciated by savers, with sustainability compared to current market contexts.

At the same time, there is a strong focus on an increase in the weight of class III premiums through the offer of Multi-class products. These are in fact the most balanced solutions, capable of offering the protection of one's own savings on the share of investment in segregated management, but also of taking advantage through the investment in Internal Funds of the different return opportunities of the financial market, capable of offering more interesting levels of performance to make the invested capital grow over time.

In December, the "Cattolica & Agricoltura - Rischi Zootecnici" product was restyled and the area relating to supplementary guarantees, which are not facilitated was enhanced with the inclusion of the botulinum guarantee.

"Cattolica & Professioni" is the new line dedicated to protection against risks relating to professional activities. Two independent modules have been available since December, "Cattolica & Professioni - Uffici" and "Cattolica & Professioni - Attività fiscali e contabili", which make it possible to subscribe to the insurance offer protecting offices in which professional or consultancy activities are carried out and the for the professional activities of Tax Advisors, Accounting Experts, Bookkeepers, Commercial Experts and Employment Consultants, respectively.

Following these drivers, the new "Multiramo Active" product line was born, composed of "Active Investimento" and "Active Risparmio" products, flexible and customisable investment insurance solutions, also through advanced financial options (take profit, stop loss and financial decumulation).

Specifically:

- "Active Investimento" is the multi-class product dedicated to those who wish to grow their capital over a defined time period (a choice of 10, 15, 20 or 25 years), with a minimum investment amount of € 10,000 and the possibility of making additional payments. It offers the possibility to



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create your own investment portfolio by choosing from the funds available and to modify it during the life of the policy. It is a product that is consistent with your risk profile (Active, Balanced, Senior, Free and Life Cycle Profile) and can be adapted over time to your needs and expectations; it is also characterised by the financial decumulation option, which can already be activated at the time of subscription, which allows you to set the amount and frequency with which you receive part of the invested sums;

- "Active Risparmio" is the multi-class product dedicated to those who decide to consistently set aside even limited amounts over time, with the aim of gradually building up their future capital.



The term of the savings plan can be chosen between 10/15/20 or 25 years; the minimum amount to be set aside is € 200 per month (€ 50 for customers "under 35") and provides the option to choose whether to pay monthly, quarterly, half-yearly or annually.

With regard to the protection aspect, complementary solutions are offered for investment and savings policies, with the aim of integrating and extending the coverage of needs for customers.

These include "TCM EMAPI", a temporary life insurance coverage (Temporanea Caso Morte - TCM), provided collectively, following a Europe-wide tender specifically launched by a leading mutual assistance body for Italian professionals, which Cattolica was awarded.

The offer relating to single-year collective protection life policies has been revised, aimed at legal entities (companies) that express the desire to offer insurance protection to their employees/collaborators and directors in relation to the risk of premature death, total and permanent disability and non-self-sufficiency, for requirements deriving from a company Collective Agreement or to offer additional benefits.

In particular, the "Protection vita" (Life protection) offer dedicated to the corporate world was re-launched with targeted interventions, aimed at responding better to customer needs and at the same time greater risk control, in line with the offers of the main competitors.

REINSURANCE

Non-life business Reinsurance - Direct Business: transfers

The Company's reinsurance programme maintained a structure consistent with that of last year, making reference to a programme of proportional transfers with the complementarity of optional transfers.

The residual retained portion of each class was further protected by claim excess coverage against the occurrence of both individual insured events of a significant amount as well as catastrophic events.

The proportional transfer is represented by a multi-class bouquet (fire, theft, accident and injury, land vehicle hulls, leasing, sundry financial losses, agricultural-livestock risks, transport, suretyship and credit) and by specific proportional transfers for the technological classes (construction, assembly risks, ten-year indemnity, machine breakdowns, electronic risks, supply guarantees), assistance, legal defence and sundry financial losses.

Based on the actuarial analyses carried out to determine the efficient reinsurance programme according to a Value Based methodology, the following changes were made to proportional coverages falling due:

- percentage of reduction in suretyship/credit business transfer from 60% to 50%;

- reduction in the multi-class bouquet transfer percentage (fire, theft, accident & injury and land vehicle hulls from 4% to 3%);
- increase in capacity for technological risks from € 25 million to € 40 million;
- increase in risk capacity for the transport programme from € 7 million to € 10 million, while for the clash the increase is from € 14 million to € 20 million;
- increase in capacity for the fire class from € 90 million to € 100 million;
- non-renewal of the "Multiline" coverage for Property risks (fire, theft and technological risks);
- renewal of the "Multiline" cover, as per expiry date, for the TPL general class and Life/Health (accident, injury and health) sections.

With regard to non-proportional coverage, during the period, the changes carried out involved:

- increase in capacity for TPL general insurance from € 32 million to € 62.5 million;
- inclusion in the coverage of the Group Catastrophe Agreement, from 2020, of the accident and technological risks classes, in addition to the fire and land vehicle hulls classes already protected in 2019;

- purchase of up to € 550 million in the definition of catastrophic coverage capacity, as per expiry date, which corresponds to a return period of more than 1/250 years of RMS (Risk Management Solutions) and 1/1000 years of AIR (Applied Insurance Research), confirming the extreme level of prudence;
- increase in Group catastrophe exposures, due to the high number of major catastrophe losses incurred in the last 5/7 years and the combined effect of the increase in Group catastrophe exposures from € 10 million to € 15 million; In addition, with effect from May 1st, 2020, an additional layer was purchased to cover the earthquake risk, bringing total capacity to € 850 million;
- in relation to the health programme, capacity has been increased to € 5 million (from the current € 3 million).

With regard to policies combined with loans (PPI-Payment Protection Insurance), the proportional coverage was renewed with a reduction in the portion of assignment from 85% at maturity to 70% for the Non-Life business portion.

For 2020, as regards D&O (Directors & Officers) policies, a proportional coverage was renewed, with a transfer percentage of 60%. The retention is covered by the main TPL general claim excess agreements.

With reference to the hail class, the proportional coverage was renewed with the percentage of transfer reduced to 20% (50% at maturity). This coverage acts on the retention of a stop loss (SL) agreement with unchanged structure compared to that expiring (70% vs 110%).

With regard to the livestock class, in order to cut volatility peaks, the stop loss coverage expiring in 2019 has been replaced with excess claims coverage with priority of € 500 thousand and total capacity of € 4 million.

In order to improve the risk profile and guarantee a higher level of solvency in the 2020 - 2022 period for the Company, in 2020, a quota share reinsurance coverage was underwritten to protect the net retention of the TPL Motor and TPL General classes.

This coverage provides the possibility to modulate the percentage of transfer of claims reserves and future obligations in accordance with the actual needs of the Company, limiting the transfer of results to the minimum necessary.

Non-life business Reinsurance - Indirect Business: acceptances

The underwriting concerned exchange business with direct insurance companies with similar characteristics to those of the Company (the largest contribution is represented by business originating from the CIAR system),

a small and very diversified portfolio, relating to the underwriting of catastrophe programmes on an excess of loss basis, with particular focus on the top layers (amount of marginal business compared to the overall portfolio and transferred entirely to a Group company, which in turn transfers it to the reinsurance market), as well as reinsurance coverage in favour of Group companies (ABC Assicura, BCC Assicurazioni, TUA Assicurazioni, Vera Assicurazioni and CattRe). On the other hand, the Company retrocedes risks accepted by Group companies to the reinsurance market, via its reinsurance programmes (therefore, there is an intercompany acceptance by the same as reinsurer and subsequent transfer of risks to reinsurers in the capacity of transferor).

For the purpose of further diversifying the risk, the proportional and non-proportional agreements of subsidiaries indicated above are placed mainly with the Company and for the remaining portion directly with the reinsurance market. Moreover, in compliance with the arm's length principle, the economic conditions of these hedges are defined with counterparties outside the Group (professional re-insurers).

In particular, 65-70% of the agreements of the subsidiaries BCC Assicurazioni, TUA Assicurazioni and Vera Assicurazioni are placed with the Company and the remaining 30-35% with the reinsurance market. Exceptions are the proportional coverage of BCC Assicurazioni, whose transfer to the Company is 60%, while the remaining 40% is placed with the reinsurance market.

In addition, in order to rationalise the coverage of the subsidiaries, the accident, injury and health, TPL Motor classes for BCC Assicurazioni and TUA Assicurazioni have also been transferred, mainly to the Company and the remainder to the reinsurance market.

Intercompany transfers are also envisaged for CattRe limited to the Catastrophe Agreement.

With respect to ABC Assicura, as the placement closed in November 2017, to protect the run-off and the small amount of new production, the coverages maturing in 2019 placed entirely with the Company were renewed.

Life business Reinsurance - Direct Business: transfers

With regard to the portfolio of the individual and collective policies, steps were taken to renew the non-proportional agreements by risk and by event, with the same conditions as those maturing.

With regard to the claim excess programme for risk, as maturing, the priority is € 350 thousand.

As far as the business connected with disbursement of loans (PPI) is concerned, the proportional coverage was renewed with a reduction in the transfer percentage from 85% (51% for the "Mutui e Protezione Reddito" product) to 50%.

The renewal, under the same conditions, of proportional agreements relating to the coverage of the following completes the life reinsurance programme:

- risk of non-self sufficiency (long-term care) with a transfer percentage of 60%;
- salary-backed loans for employees and pensioners with a transfer percentage of 70%.

Life business Reinsurance - Indirect Business: acceptances

No indirect business acceptance activities have been carried out, except for a residual, insignificant part, relating to business underwritten in previous years.

Dealings with reinsurance companies, which present the best prospects of continuity over the long-term, have been preferred. 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 Company adhered to the internal guidelines contained in the reinsurance policy and to the provisions of IVASS Regulation No. 38 of July 3rd, 2018.

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

FREEDOM OF PROVIDING SERVICES

The Company is authorised to carry out insurance and reinsurance business under the freedom to provide services in all countries of the European union and European Economic Area, in various life and non-life business classes.

Cattolica is also authorised to operate under the freedom to provide services in various non-life business classes in certain non-European countries, including the United

States (in the state of New York only), China, India, Switzerland and Turkey.

The regulations of other non-EU countries in which the Company may be interested in starting up its business are currently being examined and analysed, with a view to activating the required authorisation procedures with the local authorities.



Solvency II ratio

188%

MANAGEMENT REPORT

The Company in 2020

Insurance business

Financial and asset management

Headcount and sales network

Other information

Information on the investee companies

FINANCIAL AND ASSET MANAGEMENT

Investments amounted to € 9,728.1 million (-6.4%).

The table below summarises the most significant asset items.

Table 22 - Investments - breakdown

(€ thousands)	2020	% of total	2019	% of total	Changes	
					Amount	%
Land and buildings ⁽¹⁾	84,312	0.9	89,557	0.9	-5,245	-5.9
Group companies and investee companies	1,767,097	18.2	1,756,682	16.9	10,415	0.6
Shares and holdings	1,684,419	17.3	1,724,138	16.6	-39,719	-2.3
Bonds	17,678	0.2	32,544	0.3	-14,866	-45.7
Loans	65,000	0.7	0	0	65,000	n.a.
Other financial investments	7,244,377	74.4	7,313,758	70.4	-69,381	-0.9
Shares and holdings	34,946	0.4	46,606	0.4	-11,660	-25.0
Units of mutual investment funds	1,443,538	14.8	1,273,937	12.3	169,601	13.3
Bonds and other fixed-income securities	5,763,259	59.2	5,990,424	57.7	-227,165	-3.8
Loans	2,634	n.s.	2,791	n.s.	-157	-5.6
Deposits with ceding companies	9,447	0.1	9,765	0.1	-318	-3.3
Class D investments ⁽²⁾	569,540	5.9	1,132,346	10.9	-562,806	-49.7
Investment funds and indices ⁽³⁾	415,593	4.3	314,353	3.0	101,240	32.2
Pension funds	153,947	1.6	817,993	7.9	-664,046	-81.2
Other	53,285	0.5	87,109	0.8	-33,824	-38.8
Cash and cash equivalent	53,285	0.5	87,109	0.8	-33,824	-38.8
Total investments	9,728,058	100.0	10,389,217	100.0	-661,159	-6.4

n.s. = not significant

n.a. = not applicable

⁽¹⁾ net of accumulated depreciation and including properties for direct business use

⁽²⁾ investments for benefit of policyholders of the life business who bear the risk and deriving from the management of pension funds

⁽³⁾ assets invested in units of investment funds and assets linked to stock market indices

INVESTMENT PROPERTY

The impact of the Covid-19 pandemic on real estate values was reflected in lower expected inflation, slower market growth, higher capitalisation rates due to higher perceived risk, longer assumed vacancy periods and expected contract renewals. The most significant write-downs are recorded in properties for accommodation and retail use and in shopping centres, where the facilities have been closed down and turnover decreased drastically, in general.

In the course of the year, 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 in January, for € 300 thousand, of a plot of land in Sicily of about 17 Ha, for the subsequent

transfer of the rights to plant vines at the Ca' Tron estate;

- the total payment of € 16 million, made in February and September, to Fondo Euripide, managed by Finanziaria Internazionale SGR and 100% underwritten by the Group companies, for the ongoing renovation of the various hotels in the portfolio;
- the purchase of two photovoltaic installations through Fondo Perseide (a fund 100% subscribed by the companies of the Group): an installation with a total capacity of 1 MWp for € 2 million, carried out on June 8th, located in the province of Vercelli and an installation of 887 kWp for € 1.1 million (in addition to a financial lease), carried out on December 23rd, located in the province of Gela in Sicily;
- the completion of the purchase, on June 8th, of the property complex called Darsena di Portegrandi, located in the municipality of Quarto d'Altino, in the context of the investments in Tenuta Ca' Tron, amounting to € 4.6 million, plus taxes and costs on purchase;
- the purchase, at the end of July, for € 34.3 million, 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 Fondo Girolamo, 100% subscribed by the Cattolica Group companies;
- the continuation of investments in Fondo Innovazione Salute (a fund dedicated to the healthcare sector and residences for the elderly) for an amount of € 5.3 million, with a new facility in Imperia (Liguria) currently being renovated and two operating facilities in Lombardy (Cantù and Pavia) for an amount of € 25.5 million. The undertaking in Fondo Innovazione Salute, which at the end of 2020 had 13 units, 11 of which leased to Coopselios and two leased to Segesta 2000, a Korian Group company, consolidates Cattolica's presence in the healthcare real estate sector, in which it has been present since 2008 with the acquisition of three nursing homes;
- the continuation of investments in Fondo Immobiliare Mercury Nuovo Tirreno, a joint venture with the CONAD Group, with the purchase of six new supermarkets for an equity investment into the fund of € 12 million (in several tranches in the second half-year); in addition, at the end of the year a mortgage loan was taken out on the entire portfolio of the fund, equal to 50% of the value of the overall property;
- the continuation of investments in Fondo immobiliare Mercury – Comparto Adriatico, a joint venture with the CONAD Group, with the purchase in December

of six new supermarkets, for an equity investment in the fund of € 9.8 million;

- the entry in September into a foreign-law core fund, diversified by sector and by European country, for an amount of € 2.2 million, pending further calls up to a total of € 6.5 million;
- the purchase in December of a historic building for office use in the centre of Rome, leased to a leading Italian telecommunications group, through Fondo Girolamo, for an amount of € 65 million, plus purchase costs and taxes;
- during the last 12 months, despite the period of construction stoppage due to the pandemic, a significant expansion of the property complex known as "H-Campus", located in the province of Treviso, in the municipality of Roncade, was completed. It consists of a set of facilities dedicated to teaching and complementary services on the model of a "university campus" of Anglo-Saxon tradition. The new Campus was inaugurated on September 7th. The initiative was completed through Fondo Immobiliare Ca' Tron H-Campus in which Cattolica is a shareholder with 60% of the equity paid in together with Cassa Depositi e Prestiti (for 40%). During 2020, in order to finance the completion of the works, Cattolica paid € 14.7 million into the Fund.

During the year, in the area known as "Cattolica Center" in Verona, the upgrading and safety works on the building reached its final stage. The procedure for the definitive change of use for the convention activity has been initiated, accompanied by in-depth studies aimed at enhancing the value of the real estate compendium as a whole.



Inside the Ca' Tron estate in the municipality of Roncade (TV), as part of the building restoration plan for the complex called "Centro aziendale Ca' Tron", work continued on the enhancement, redevelopment and renovation of several of the buildings not intended for agricultural use.

Also in 2020, investments relating to the agricultural part of the Ca' Tron estate continued to improve its watering and farming efficiency, as well as the investments directed at



the change of the use of the land to increase both its profitability and its land value.

Among the activities aimed at achieving the objectives set out in the investment plan are the planting of a new vineyard, the use of advanced mechanisation systems and the management of a small cattle farm located on the land of the Ca' Deriva Estate (about 220 Ha), which possesses organic certification.

It should also be noted that all the vineyards in production and the hazelnut grove adhere to the "National Integrated Production Quality System" (Sistema di qualità nazionale produzione integrata - SQNPI) aimed at recognising and identifying quality products that require control and certification by third-party and independent bodies specifically authorised.

SECURITIES INVESTMENTS

During the year, operations developed in a very fragile macroeconomic context due to the disruptive effects of Covid-19. On financial markets, there were periods of high volatility and periods of sudden stabilisation. The latter depended above all on interventions by central banks, joint efforts for fiscal aid by governments and public institutions and, finally, on advances in pharmaceutical technology, which, towards the end of the year, made it possible to create a vaccine for the virus.

Moreover, portfolio diversification continued thanks to a reduction in the domestic component in terms of volume. These transactions were carried out both through the sale of securities and through derivative instruments such as forward sales. Operations focused on the distribution of maturities by lengthening the average duration of the portfolios, consistent with the durations of the reference liabilities.

At certain times of the year, especially during the first half-year, part of the available liquidity was prudently invested in monetary instruments at negative rates. This temporary use is related to the high level of uncertainty surrounding the development of forecast flows, especially in the dramatic context of the first phase of the pandemic.

The corporate component was subject to high volatility in the spring months due to marked market stress. During these months, manoeuvres have been put in place to reduce the positions most sensitive to this new macroeconomic scenario resulting from the effects of the pandemic on the economy. As a result, exposure to issuers

with a higher credit rating and to economic sectors less affected by the health crisis was increased.

After the strong shock in the spring months, credit spreads showed a very solid performance. With the help of central bank purchases, which stabilised the market, the price collapse that occurred in March and April was promptly recovered in May and June and the positive performance continued until the end of the year.

The share segment was tactically moved to benefit from the detachment of dividends aimed at supporting the Group's profitability.

The management of alternative investments in the portfolio also continued. These investments contribute to portfolio diversification and are carried out on the European continent.

During the year, the real estate component was increased thanks to the subscription of new funds and the calls on some funds already in the portfolio.

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, companies presented spheres of operations highly diversified in geographic terms, for the purpose of reducing recession risks as far as possible.

UNREALISED CAPITAL GAINS AND LOSSES

At year end, the balance of unrealised capital gains and losses, gross of taxation, on the bond portfolio, on shares and units in class CIII mutual funds, disclosed a profit of € 865.1 million and was made up as follows:

- fixed-income securities and bond portfolio: the net unrealised capital gains amounted to € 715.6 million;
- share portfolio: the net unrealised capital gains amounted to € 4.9 million;

- units of mutual investment funds: the net unrealised capital gains amounted to € 144.6 million.

The properties have an overall current value of € 90.6 million, with an unrealised capital gain of around € 6.3 million.

FINANCIAL INCOME AND EXPENSES

The following table summarises the most significant part of ordinary financial income and expenses.

Table 23 - Net Financial income and expenses

(€ thousands)	2020	2019	Changes	
			Amount	%
Net income from investments and interest expense	271,155	265,197	5,958	2.2
of which income from shares and holdings	68,794	40,161	28,633	71.3
Net value adjustments	-200,141	11,549	-211,690	n.s.
Profits net of losses on realisation of investments	19,545	43,143	-23,598	-54.7
Total class C net financial income and expenses	90,559	319,889	-229,330	-71.7
Income net of class D charges	24,068	65,210	-41,142	-63.1
Total net financial income and expenses ¹	114,627	385,099	-270,472	-70.2

¹ Excluding the changes for exchange differences on technical components

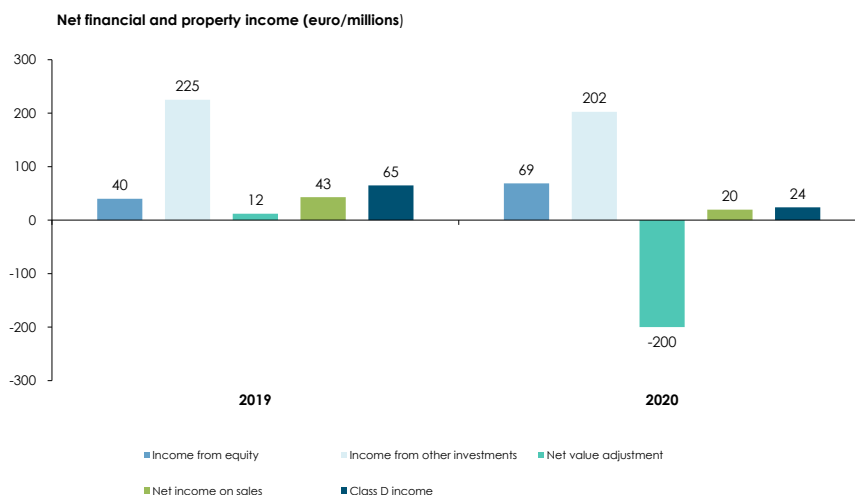
n.s. = not significant

Total net financial income and expenses amounted to € 114.6 million compared to € 385.1 million as at December 31st, 2019.

Total Class C financial income and expenses amounted to € 90.6 million compared to € 319.9 million as at December 31st, 2019, mainly due to net impairment losses of € 200.1 million (mainly attributable to write-downs on subsidiaries and in particular € 65 million relating to Vera Vita, € 50 million relating to Vera Assicurazioni, € 17 million relating to BCC Vita, € 10 million relating to Cattolica Beni Immobili, € 2 million relating to Cattolica Agricola and € 2 million

relating to Cattolica Services) compared with net write-backs of € 11.5 million as at December 31st, 2019 and due to the decrease in profits on the realisation of investments, which fell from € 43.1 million to € 19.5 million.

Net income from investments and interest expense amounted to € 271.2 million (+2.2%), of which income from shares and holdings amounted to € 68.8 million, of which € 67.2 million came from subsidiaries and other investee companies (€ 35.1 million in 2019).



SOLVENCY II RATIO

Pursuant to Article 4, paragraph 7, of ISVAP Regulation No. 22 of April 4th, 2008, the table with indication of the amount of the solvency capital requirement, as per Article 45-bis of the Insurance Code is presented below, along with the minimum capital requirement, as per Article 47-

bis of the same, and the amount, classified by levels, of the eligible own funds to cover the solvency capital requirements. The eligible own funds amount to 1.88 times the Solvency II capital requirement.

Table 24 - Solvency II Ratio

(€ thousands)		2020	2019
Solvency Capital Requirement (SCR)	A	1,173,710	1,017,819
TOTAL ELIGIBLE OWN FUNDS TO COVER THE SOLVENCY CAPITAL REQUIREMENT	B	2,206,531	1,866,350
of which TIER 1 unrestricted		1,619,676	1,277,308
of which TIER 1 restricted		0	80,132
of which TIER 2		586,855	508,910
of which TIER 3		0	0
SOLVENCY II RATIO	B/A	188%	183%
Minimum Capital Requirement (MCR)	C	528,170	458,019
TOTAL ELIGIBLE OWN FUNDS TO COVER THE MINIMUM SOLVENCY CAPITAL REQUIREMENT	D	1,725,310	1,449,044
of which TIER 1 unrestricted		1,619,676	1,277,308
of which TIER 1 restricted		0	80,132
of which TIER 2		105,634	91,604
of which TIER 3		0	0
Ratio of Eligible Own Funds to MCR	D/C	327%	316%

ANALYSIS OF THE FINANCIAL RISKS

MARKET AND CREDIT RISKS

Market risks

As at December 31st, 2020, market risks represent approximately 54% of the total SCR (bearing in mind the effect of the differentiations between risk modules and the contribution of the capacity to absorb losses tied to technical provisions and deferred taxes).

The main risks of this type to which the Company is exposed are equity, real estate and credit spread variation risks. Concentration, currency and interest rate risks follow.

The exposure to equity risk is also connected to the exposure to equity investments, in particular insurance investments belonging to the Cattolica Group. Real estate risk is a direct consequence of total exposure to property assets, to which an absorption of capital significant in terms of percentage as at today is associated. Finally, on the other hand, exposure to the spread risk follows the relevant share of bonds in which the total portfolio is invested, including a portion of corporate issuer stocks.

In applying the requisites of the "prudent person principle", the portfolio of assets as a whole is invested into assets and instruments whose risks can be adequately identified, measured, monitored, managed, controlled, represented in periodic reports and reported while duly taking them into account in assessing the overall solvency requirement. This principle is applied in both the preliminary and final investment analysis process, supplemented by the limits system. Target exposure and limits, in terms of minimum and maximum exposure, are then defined for each relevant asset class.

All assets, and in particular those covering the minimum capital requirement and the solvency capital requirement, are invested in such a way as to ensure the security, quality, liquidity and profitability of the portfolio as a whole. The limits are calibrated jointly for all risk areas and form a well-structured system of conditions whose observance protects the adequacy of the portfolio as regards the desired level of these characteristics, in line with what is defined by the Risk Appetite Framework and therefore with the Risk Propensity of the Company.

The assets held to cover the technical provisions are also invested in a way that is adequate for the nature and lifetime of the liabilities held.

The concentration level is specifically monitored for both the thresholds set by the limits system and the thresholds established by the standard formula in order to detect the

presence of a concentration risk such as to deserve a capital allocation.

As for the market risks, the Company determines its risk positioning with respect to its propensity by defining the Strategic Asset Allocation.

The process of defining is closely connected with the significant ORSA processes, forming the basis for a conscious and properly managed risk assumption.

The assessment of market risks is conducted with the standard formula, today considered appropriate given the Company's investment profile. In applying the standard formula, special attention is paid to proper application of the look-through approach to real estate funds, whose level of risk duly considers any leverage present.

Monitoring and risk management processes in effect with reference to market risks are divided based on various policies, with an overall consistent system constituting supervision of the investment activities and risks emerging from exogenous factors defined.

A process of prior analysis of investments is underway, applying the provisions of IVASS Regulation No. 24 of June 6th, 2016, with particular reference to the so-called complex assets identified in the same Regulation and further developed in the Investment Policies of the Company.

The monitoring of market risks is also carried out within the framework of ALM activities, which through the operational implementation of the process envisaged by the Investment Policies, in the specific section relating to the asset and liability management policy, periodically monitors the main reference quantities in the investment area, first of all comparing the asset allocation with the relative strategic forecast. The analysis is then further deepened and detailed concerning all the most important variables in the monitoring of investment activity. In fact, market risk management plays an important role in a process that aims to strengthen strategic planning, with the objective of guaranteeing a timely response to the evolution of the scenarios hypothesised in the business plan.

Through an accurate management process and an effective assessment of this risk, also on a prospective basis, the Company is able to define an adequate overall solvency requirement.

Finally, in relation to investment, the Investment Policies and the operating limits provide declination to the Risk Propensity System, defining specific aggregated and

detailed parameters on which the investment activity is directed. The limits system is applied with first level control under the responsibility of the operating units and with independent second level control carried out by the Risk Management Unit. For this purpose, the Risk Management Unit has independent access to all data important for controlling the risk, and it makes its independent assessments based on the substance of the most significant records. Third level control is, as anticipated, the responsibility of the Audit Unit.

A broad set of limits is defined in the market risks area, which sets out to cover parameters typically complementary to those monitored for Strategic Asset Allocation and fully consistent with them. Consequently, parameters indicative of the exposure to interest rate risk (duration mismatch between assets and liabilities), to the risk of the credit spread changing (spread duration) and a number of indicators aimed at measuring exposure in specific asset categories are measured.

As regards assessment of the market risks, the trend of the regulatory capital requirement is also monitored. This specific monitoring activity is conducted with computer tools used directly by the Investment & ALM Division as well, and is continually compared with the first and second level control and business functions as part of the ongoing and precise assessment of the risk exposure.

In addition, the Company's solvency position is monitored at least once a month, in order to capture the effects of changes in market conditions.

The Company carries out also sensitivity analyses both within the ORSA process and separately.

The process and methodologies that the Company adopts for analysing market risks can be summarised as follows:

- Analyses of sensitivity to the most significant risk factors conducted at least quarterly on the solvency position. During the year, exposure to the risk of increases in credit spreads was measured with the aforementioned frequency, and a sensitivity analysis on the downward change in interest rates was carried out.

With reference to December 31st, 2020, six sensitivity analyses were carried out, the impacts of which on the solvency position are set out below:

- Increase in risk-free interest rates of 50 bps: +7 percentage points;
- Increase in credit spreads (government and corporate) of 50 bps: -22 percentage points;
- Credit spreads on Italian government securities increased by 50 bps: -25 percentage points;

- 25% reduction in equity values: -7 percentage points;
- 25% reduction in real estate values: -27 percentage points;
- Decrease in risk-free interest rates of 50 bps: -20 percentage points.

- Stress tests, both actual and prospective, identified on the basis of the losses they would cause on the portfolio and calibrated on the basis of historically observed scenarios over a defined time period. The stressed factors concern the spreads on Italian government bonds, the risk free curve and the value of real estate and equities.

The data coming out of the analyses carried out allows us to confirm compliance with the regulatory solvency threshold even in the face of the stress scenarios identified. The Company is committed to strengthening its capital, in order to ensure robust solvency levels and compliance with risk propensity thresholds even in the event of severe stress scenarios.

Credit risks

As at December 31st, 2020 credit risks, considered risks of the counterparty defaulting and therefore not including the risk of spread on bonds, represent approximately 4% of the total SCR (bearing in mind the effect of the differentiations between risk modules and the contribution of the capacity to absorb losses tied to technical provisions and deferred taxes).

The main types of exposure to which the Company is exposed in this category relate to exposure to re-insurers, receivables from brokers and policyholders and current account exposures.

The assessment of these risks is conducted with the standard formula, considered appropriate since the profile of assets in question, held by the Company, in line with the market.

As part of the assessments made using these metrics, particular attention was paid to the details of the risk by type of exposure and by the single most important counterparties, by monitoring their trend over time and assessing, case by case, the expediency of taking management measures to lower the risk.

The credit risk management process is, first and foremost, focused on the adequate selection of counterparties. A system of limits aimed at appropriately managing the most significant exposures is also defined by assigning limits to the operating units, expressed as capital requirement calculated with the standard formula and applied according to the single type.

Specifically, limits referring to the capital requirement for current account and re-insurer exposures are assigned. These limits allow a summary of various magnitudes of the risk to be drawn up after understanding the risk level of the single counterparty, the overall exposure and the presence of concentrations, if any.

The most critical exposures are focused on re-insurer counterparties whose associated risk is moderate thanks to their high credit rating. The actual adequacy of the

counterparty risk taken as a result of making recourse to reinsurance is also assessed within the re-insurers selection process, defined in the relevant policy.

No particular credit risk mitigation techniques are applied. The consistency of the undertaken risk with the risk propensity defined by the Company is maintained by selecting counterparties and managing the related exposure.



Agencies

823



Branches

96

MANAGEMENT REPORT

The Company in 2020

Insurance business

Financial and asset management

Headcount and sales network

Other information

Information on the investee companies

HEADCOUNT AND SALES NETWORK

HUMAN RESOURCES

Human Resource Management

In line with the principles consistently promoted by the Group, the utmost attention continues to be paid to the management of human resources.

The digital transformation project (Project HR 4.0) has been launched and, in a first phase, has introduced the new time and attendance management and expense ledgers portal.

Through an advanced and integrated platform, employees and managers can enter, monitor and authorise requests in a simple, fast and intuitive manner.

In the second half-year, an APP was activated to manage attendance and expense ledgers, and preparatory activities were carried out for the launch of a management platform that will allow employees to update their personal data and CVs and consult the Corporate structure in terms of positions associated with each employee, in order to simplify their activities.

At the same time, internal processes continued to be revised in order to improve the interaction between employees and Human Resources, including through a new, more effective and recognisable communication method and identity, which is more in line with current needs, favouring digital tools for the exchange and collection of information.

In 2020, recruiting activities were affected by the dynamics due to the Covid-19 pandemic; the Group therefore implemented innovative methods by increasing its presence on online channels and setting up digital recruiting activities.

During the course of the year, the recruitment plan saw 79 people join the Group.

The Group activated also 29 training projects: during the twelve-month period, 15 work experience individuals were offered contracted employment after a period of training, underlining the value of training and the enhancement of internal resources.

Again with a view to enhancement, internal mobility activities should be highlighted, which involved 132 resources in 2020, of which 49 (37%) involved vertical

growth (assumption of responsibilities) and the remainder involved horizontal growth to enrich skills, in line with the Group's focus on the corporate value of meritocracy.

In the area of internal growth, it is also worth mentioning that, towards the end of the year, 8 officers were appointed to Group management positions, with a focus on generational change and attention on female leadership.

As at December 31st, the Company had a total of 998 employees (-3 compared to December 31st, 2019), broken down as follows: 56 executives (+4 with respect to 2019), 269 officials (+2 with respect to 2019) and 673 office workers (-9 with respect to 2019). The employees expressed as full-time equivalents were 974 compared with 972 as at December 31st, 2019.

Academy & People Development

Cattolica is aware that it has important reserves of talent at its disposal and makes the most of them through organisational and managerial tools. Raising the quality of individuals and the workforce as a whole is a cornerstone of resource management.

The Covid-19 emergency consolidated the Group's awareness of the extent to which value generation is a function of Human Capital and of the extent to which human capital, and not just technological capital, will be central to dealing with new competitive contexts.

The pandemic has strongly influenced Human Capital management policies for 2020, requiring the rapid development of new approaches, the adoption of new ways of relating to and contacting people, the strengthening of existing management and development initiatives, the intensification of engagement and caring actions, including through well-being programmes focusing on the physical and emotional sphere and aimed at protecting the psychological and physical well-being of all employees.

One of the peculiarities of this year, for Academy & People Development, was to increase the opportunities to listen to colleagues, in order to understand their emotions and needs to improve the company at this particular time.

PEOPLE DEVELOPMENT

The performance enhancement process continued through the "WITH-We Improve Together" system, the tool that directs and recognises people's contribution to the achievement of corporate objectives. During the first half of the year, a project to simplify the model was launched with the aim of making the system more compliant and responsive to the current context and also to respond effectively to the challenges faced by Cattolica in 2020. The main changes introduced concern the number of objectives, which is fixed and the same for everyone (5 for professionals and 6 for managers), the introduction of 4 guiding categories that enable managers to enhance all aspects of their staff's performance and the drafting of catalogues dedicated to the main professional profiles.

The "developability matrix", created as a result of the assessment activities launched in 2018 and the annual performance evaluations, was the governing lever for the development actions implemented during the year. This matrix relates the skills possessed by people with the performance expressed, allowing a detailed mapping of resources to identify talents and their characteristics, addressing the best training and development paths and guiding management choices.

On this basis, a talent pool was identified: the 2018-2020 Plan Talents composed of 56 people identified on the basis of certain guiding criteria: advanced skills from talent check-ups, significant performance in the last three years and excellence in digital skills. Talent engagement in Plan initiatives and on the streams of cultural transformation continued in 2020.

The Group has also commenced a process of enhancing the managerial roles by defining a reference pipeline, which - for each level - identifies the distinctive skills and behaviours, the perimeters of responsibility, the types of relationships and the necessary challenges to be faced with a view to development.

From the point of view of professional development, 2020 saw the launch of the M-UP! project, which aims to define the professional profiles of reference for all the professional areas present in the company, with the aim of: guaranteeing coverage of professional needs, facilitating management, professional development, guaranteeing continuous monitoring of critical know-how, encouraging professional guidance with respect to the evolution of professional positions. The bottom-up project approach intends to ensure that the professional profiles are constantly updated. This challenge is met through the participation of all our people and the empowerment of each individual with respect to their own professional development. The key to success is through a cultural transformation.

The participatory model saw the engagement of talents from each professional family to define the professional reference profiles and knowledge repertoires that allowed for the construction of the first set of profiles and the fine-tuning of the process. The identification and engagement of knowledge "experts" enabled the completion and refinement of the mapping.

The process is supported by a "LinkedIn style" digital platform through which all employees can interact in social mode.

The system allows for the identification and enhancement of "knowledge owners", their engagement within the corporate faculty for the different professional families and the activation of open environments of knowledge sharing. To date, the model has made it possible to identify more than 250 knowledge assets divided into 14 macro-areas and 72 professional profiles aggregated into 11 families.

TRAINING

The Group considers training, updating and maintaining the skills of its employees to be a strategic element, on the one hand, in achieving high company standards and, on the other, in involving and enabling all resources to generate value. The Group invests continuously in training initiatives built on an in-depth analysis of company needs, market and regulatory developments, and changes in the various professional profiles present in the Group. The training aims to make Cattolica a more innovative, agile and reactive Group, ready to take on the challenges and opportunities of an increasingly competitive market.

The Training Unit acts within the Academy with a perspective that encompasses the entire Group and contributes to safeguarding, enhancing and developing the technical-professional knowledge, the development of role skills and supports change management processes. The unit offers substantial support to the various areas of the company to maintain standards of professionalism in line with the dynamics of a rapidly and continuously evolving market context.

The crisis experienced due to the Covid-19 emergency has made the training challenge more complex, but it has also opened the doors to a different model of teaching that speaks the language of the future, with new learning methods and the development of renewed ways of integrating different knowledge.

Two surveys were launched between May and December: one related to the lock-down period and one to e-learning training.

With the first one, the goal was to capture the sentiment during the Covid-19 related pandemic that led us to work from home, experimenting with new ways of communicating, new forms of relationships in life and

work, new organisational and work approaches, and new technologies that enabled us and allowed us to work and stay in touch. It was considered essential to listen to everyone's opinion on the activities carried out and those that could be improved, reflecting on what we have learned and are learning and what we need to learn.

Cattolica E-Learning Research is the survey created to identify the guidelines for the design of innovative digital training models consistent with our professional context, according to the new ways of working and using online content.

The year 2020 was also characterised by the evolution of the methodologies for implementing training projects. In fact, the pandemic accelerated the process of adopting digital tools for the creation of webinars and online courses that allowed for the continuity of the scheduled training plan.

In February, the #Learningneverstop training programme was launched: online training insights, dedicated to all colleagues in the Group, to increase the skills of organisational management, time, space, communication and the digital tools at our disposal, in order to best deal with the sudden change in the way we work, due to continuous smart working as a result of lock-down.

An in-depth module on Remote Team Management was targeted at resource managers.

The "New leadership for best performance" course was launched in September: six months of training with six webinars dedicated to Group managers, to reflect on the changes we are experiencing, develop new skills in new ways of working (with Tools and methods for remote working, also aimed at Group professionals), team management and development (with the 3 hats of the manager), performance management system (With Talks) and, from next year, digital leadership and new digital collaboration tools.

Special attention was paid to the issue of diversity & inclusion with the creation of two training modules: Diversity mindset, for professionals, and Diversity managers, for those responsible for staff. By learning about diversity and what the benefits of inclusion are, especially in a business context, colleagues compared their different points of view and generated value. They proposed also ideas to improve the positive and inclusive climate in the company, and drew up a list of virtuous behaviours for the benefit of the Group's managers.

In the technical-professional field, the Insurance Milestone Program was offered to all Group colleagues: four webinars dedicated to the principles of the insurance business and in-depth analysis of financial statements and Solvency II issues, attended by 102 people, for a total of 856 hours.

In order to deepen and strengthen the knowledge of Office applications, courses in e-learning mode for basic Excel, advanced Excel and PowerPoint have been kept active, for all employees of the Group.

Since November, 3 editions of the new training format for effective presentation tools - Presentation Bootcamp have been held, involving 41 employees: a virtual course made up of 6 webinars, for a total of 572 hours, which provides a working method to create persuasive presentations and to be more and more effective in conveying messages to addresses. The methodology used is that of learning by doing, which alternates up-front lessons with practical activities and reflects the new way of digital working and thinking: open, flexible, organised and fast.

Also for 2020, the Catalogue Training Offer has been made available, consisting of more than 40 courses that focus on transversal professional topics and linked to the Group's Competence Model.

On the subject of Sustainability, a central topic in the political and economic debate, the training project launched in autumn 2019 continued with the creation of a meeting "La sostenibilità d'impresa e l'approccio ESG: origini, evoluzioni e sviluppi recenti" ("Corporate Sustainability and the ESG approach: origins, evolutions and recent developments"), dedicated to the Administrative Bodies and Executives of the Group, focusing on topics related to the concepts of sustainability and corporate social responsibility with high cultural and operational significance.

In the first half of 2020, training sessions dedicated to Company Trade Union Representatives were held in webinar mode and attended by 26 colleagues (Creare valore con la Sostenibilità, Creating Value with Sustainability) and, in the second half-year, an online course was held for the entire company population, aimed at disseminating a culture of sustainability and new knowledge.

The Training unit carried out also tailor-made training courses to meet the specific functional needs of the Divisions, with a particular focus on updating the professional skills needed to achieve the Plan's objectives and on new tools to improve work organisation and operating efficiency.

In support of the changes generated by the introduction of the new IFRS 9 and IFRS 17 accounting standards, the project activities relating to the specialist technical training and education pathway for the organisational units affected, which will continue for the following two-year period, are ongoing. The training action is divided into horizontal training, with the aim of training the company areas impacted by the new standards and to inform, in relation to the strategic choices made; vertical training on the project work groups, with the aim of deepening the knowledge of the standards,

understanding of the impacts and thus enabling active participation in the work groups. Participants in the teams are the sponsors of change and are hired as trainers and expertise focal points for the implementation of the new company policies in 2021. There were 148 participants in 2020.

To support the business, specific measures have been implemented to maintain the skills needed to achieve the objectives of the Business Plan.

For the Administration and Budget Division, in order to develop skills and tools for digital collaboration and idea generation to improve and streamline communication and internal management of activities, the "Be Great!" project was implemented: a blended course (with online courses and digital workshops, lasting a total of 18.5 hours) for design thinking, divided into three phases (understanding, ideate and verify), to devise and develop projects aimed at improving communication, feedback and shared vision, developing internal know-how and co-creating solutions to facilitate collaboration and team development. These first two editions were attended by 58 people.

For the Non-life System of the IT Division, the Mia Platform Dev Fundamentals webinar training course was created, a proven system for empowerment of professional culture, with the aim of developing knowledge and tools for Agile methods.

Participants were introduced to the basic concepts of next-generation architectures from both a design and operational perspective. The course covered the main approaches to microservice development, API (application programming interface) design, and the topic of platform governance and how these impact the existing IT ecosystem. At the end of the course, participants took a final exam to obtain the Mia Platform Dev Fundamentals Certification.

For more than 70 employees in the Claims Division, in order to enhance their negotiating skills with internal and external clients, an online training pathway was structured that allowed them to train through experimental training roles.

In the area of Derivative Instruments, in order to meet a specific need to disseminate, standardise and increase the skills of people in the units impacted by management processes, such as ALM, Risk Management, Administration and IT, a specialised technical training course was organised involving 70 people. The course will continue in 2021 with specialised in-depth sessions.

in terms of AML (Anti Money Laundering), in compliance with IVASS regulation No. 44 of February 12th, 2019, a training pathway was created dedicated to the Anti-Money Laundering Unit, responsible for AML/CTF (Counter Terrorism Financing) Risk Control, aimed at standardising

and increasing skills, as well as ensuring continuous updating; there were 11 people involved.

The digital transformation process continues, building on the achievements of last year's Digital Transformation project: the projects devised during the Transformation Lab process were finalised using the design thinking methodology.

Innovation Plus, the online training platform on innovation and digital issues, available to all Group colleagues to learn new tools, explore new points of view and evolve the way they look at the world, has been launched.

Within the proposed content, a section was reserved to present and celebrate the work done during Transformation Lab: the design thinking workshop, carried out between the end of 2019 and the beginning of 2020, which led about sixty colleagues to transform two digital ideas, resulting from the 2018 ReadyToGo, into actual projects that can be implemented in the company. A training module for learning about the project for experimentation, teamwork and innovation that colleagues have carried out and to deepen the issues such as complexity, industry 4.0.

Digital Pills, online training modules on digital topics such as Apps and services; Artificial Intelligence; big data and analytics; blockchain; digital workplace; cloud computing; devices and mobile economy; digital marketing; e-commerce; industry 4.0; insurtech; Internet of Things; search engines and social networks, are always available to all employees.

For the whole Group, with regard to Cyber Security, the project to improve security against cyber attacks continued through a training video-pill, with the goal of improving all employees' awareness against phishing and spear-phishing attacks.

As part of the training aimed at providing updates on regulatory issues, all the courses promoted and updated in the last two years remain available in e-learning mode, aimed at all Group employees.

In compliance with the evolution of the regulations and the Group's internal procedures, two new online courses have been created for all employees on the subject of anti-money laundering, industry standards, Group regulations and controls and GDPR (European General Data Protection Regulation) aimed at ensuring continuous updating.

On the subject of Safety in the Workplace, the Group continued to provide online and webinar training. In fact, training and refresher courses dedicated to specific thematic areas were held in webinar mode for identified employees. The online mode was used to carry out both a refresher training campaign for workers and employees in charge and training campaigns dedicated to executives and new hired people.

Mention should be made of the mandatory information pathway, *Are You Ready*, aimed at both raising awareness of the general measures of prevention and protection in the workplace, and in-depth examination of the specific Cattolica Group policy on the subject of returning to work safely. Attendance at the course has been made compulsory and preparatory for returning to work in the company.

In parallel with the activities carried out within the company, after a temporary suspension due to a conversion from the classroom to the virtual classroom in compliance with health regulations, in the first half of 2020 there were also numerous participations in training events outside the company organised by universities, associations and institutes in the sector with which collaboration relationships are confirmed as fruitful.

During 2020, 2,216 training man/days were held for the Company.

Training for the Board of Directors

On the basis of the Multi-year Training Plan aimed at the Members of the Group's Administrative Bodies, in compliance with IVASS Regulations No. 38 of July 3rd, 2018 and No. 44 of February 12th, 2019, a programme of dedicated meetings was defined and launched, which involves also the Executives. The programme, subject to the provisions of the health emergency, will continue in 2021.

Industrial relations and disputes

2020 saw the Company affected by important changes in the organisation of work induced by the Covid-19 pandemic. The social partners have guaranteed collaboration, transparency, desire to innovate, finding effective and satisfactory solutions for all.

Since February, the Company and the Trade Unions have been holding frequent discussions that have made it possible - in the midst of the pandemic period - to define significant agreements that have enabled, on the one hand, workers to profitably manage the use of holidays and leaves of absence, including in relation to the need to reconcile the specific needs of private life linked to the global situation.

Paying particular attention to the situation that has arisen, in March an agreement was signed by the stakeholders on the planning of company closures, anticipating a concentration of the same at a time strongly conditioned by the lockdown and the general contraction of production activities.

With the same rationale, a further agreement was signed in April with which the social partners intended to encourage a systematic planning of the backlog of holidays, providing for a concentrated use by the first half of June.

Finally, in May, three important agreements were signed, through which the necessary tools were defined to facilitate the management of the work activity through the reconciliation of different reciprocal needs.

The companies of the Cattolica Group, like other companies in the market, have applied for access to the ordinary section of the Intersectoral Solidarity Fund in order to obtain recognition of the ordinary allowance for workers affected by the reduction in working hours.

In addition, through a specific discipline, aimed at preserving the proper functioning of business services and favouring in the first instance the use of already existing institutions such as holidays, missed public holidays and other types of leaves, the possibility of accessing further new institutions of an extraordinary nature linked to the emergency situation and provided for the benefit of employees who find themselves having to deal with particularly difficult family situations has been regulated.

At the end of July, the Company and the Trade Unions signed an important agreement on employment protection in line with the best market practices. The Company, confirming the overall stability of current employment levels, has guaranteed, if necessary, priority use of forms of incentivised exit or recourse to the extraordinary section of the Solidarity Fund, already in use for years in the Group.

In September, the Training Commission (a joint company/syndicate commission whose purpose is to promote, develop and monitor training initiatives for employees) signed the agreement to obtain funding from the Fondo Banche Assicurazioni - FBA. The training plan presented is entitled "Noi: nuove competenze per nuove sfide professionali" (Together: new skills for new professional challenges). The value of the plan financed by the Fund, amounts to approximately € 450 thousand.

During the last two months, discussions were held with the trade unions on the reorganisation of the Life and Pension Planning Division, in accordance with the procedure set out in Article 15 of the CCNL (national collective bargaining agreement).

Following the creation of the Deputy General Chief Operations Officer, the Cattolica Services Life Operations Unit was in fact established, into which several activities currently carried out by the Life and Retirement Planning Division of the Company were merged.

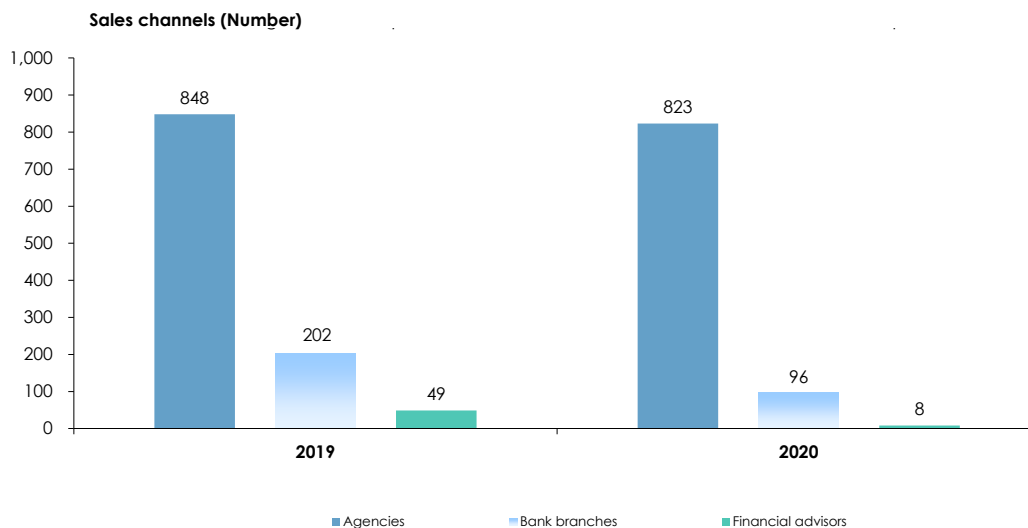
In December, an agreement was signed with the Trade Unions providing a tender for access to the Intersectoral Solidarity Fund. By adhering to this tender, employees who will accrue the pension requirements by February 28th, 2026, will have the opportunity to terminate their employment on February 28th, 2021, bringing retirement forward by up to 5 years. All applications meeting the requirements for access to the Fund were accepted. Finally, the social partners have extended the Friday afternoon trial until the end of 2020 and are considering a further extension. The Divisions included in the experimental project, thanks to the collaboration of the

workers, have been able to provide a more efficient, extensive and flexible service.

The Company opened a discussion with the Trade Unions to re-evaluate the smart-working agreements, in light of experience during the lock-down period.

A number of legal disputes are ongoing, the estimated liability for which was prudently provided for.

SALES NETWORK



Agency distribution

The Company closed the year with a total of 823 agencies (848 as at December 31st, 2019), distributed as follows: 50.4% in Northern Italy, 26.3% in Central Italy and 23.3% in Southern Italy and the islands.

Agent network training

During the year, the structure dedicated to the development of skills and training of the Group's Network continued to invest in the two main areas of activity, functional to the transformation underway and the achievement of the objectives set out in the Business Plan:

- development of the expertise of its networks;
- the digital transformation of the same.

This investment continued steadily during the Covid-19 emergency. Specifically, webinar versions of all the courses originally scheduled to be used in the classroom have been developed.

The online training platform updated with the ForMaMentis portal, has provided for more than 171,000 hours of training, while the 290 editions of classroom courses or webinars, allowed for certification of about 9,560 hours in total to an audience of 1,800 people.

Before each classroom dedicated to intermediaries, an "Aula Zero" (zero classroom) was carried out specifically for colleagues in the territory who interface with agencies.

ForMaMentis

An important step forward was taken in April, when the new online training platform ForMaMentis was made available to the agency network and colleagues in the area.

Below are some of the main new features:

- single portal: through a single access point, it is possible to reach all the training activities;
- multi-code view: in the event of ownership of more than one agency code, the potential to manage individual situations has been provided;
- new graphic design;
- multi-device: it allows courses to be taken from any of the user's devices, whether it be a smartphone, a tablet or a PC.

Mandatory product training

In line with the relevant IVASS guidelines, in the second half-year a checkpoint was introduced between ForMaMentis and the "PASS" and "Allin" applications, which

does not allow for policies to be issued without specific training. A database has been created comparing each product in the catalogue with the contents of all courses on the product, for the most updated versions in recent years. Each intermediary has also the option to download an individual report from ForMaMentis with their own training situation for a preventive check in relation to this obligation.

Development of the skills and training

Among the main initiatives originally planned in person and then delivered in virtual mode, we highlight:

- "TopLife": a digital seminar aimed at amplifying the launch of the new Life business products "Active Risparmio" and "Active Investimento", attended by the 126 best performing agencies in the Life business;
- "TopBusiness": in support of the new "Active Business" product, 16 in-depth virtual classrooms were organised, attended by 356 intermediaries, and a further 2 webinar-pilots on the new tool "Il preventivatore evoluto" were organised, with 33 participants;
- "Family Protection": a webinar aimed at employees to stimulate a personalised advisory distribution in the field of accident & injuries, health and death coverage, with 636 participants;
- "La polizza Casa, tecniche assicurative ed opportunità commerciali" (house insurance, insurance techniques and commercial opportunities): a road show aimed at raising the network's awareness of the commercial potential of house protection; 30 lessons were planned and 878 intermediaries of the Network took part;
- "Rischi zootecnici" (zootechnical risks): particular attention was paid to this segment of risks, for which three different courses were organised, to which the network responded with 193 participations.

In addition to online courses derived from virtual classrooms on the ForMaMentis platform, FAD courses were published in line with the Company's product plan.

The following new courses have been published for the Life business: "La consapevolezza del rischio e la cultura della sicurezza Family protection V.09/20" (risk awareness and safety culture Family protection V.09/20), "Previdenza complementare: un'opportunità da cogliere V.09/20" (supplementary pensions: an opportunity to be seized V.09/20), "TopLife V.04/20" and updated courses on the products "Cattolica&Investimento Capitalizzazione Next 3.0 V.04/20", "Cattolica&Investimento Scelta Protetta 3.0 V.04/20", "Fondo Pensione Aperto Cattolica Gestione Previdenza V.09/20".

In line with the IVASS recommendations on cyber risk preparedness, 6 new one-hour courses dealing with specific Cyber Risk content have been made available on the on-line training platform.

In relation to compulsory training on regulations, two new courses were held in collaboration with the relevant Cattolica structures: "Antiriciclaggio: norme di settore, regolamentazione e presidi di Gruppo V.06/20" (anti-money laundering: industry standards, regulation and Group controls V.06/20) and "GDPR 2016/679 - Regolamento europeo per la protezione dei dati - V.11/20" (GDPR 2016/679 - European General Data Protection Regulation - V.11/20).

In order to implement technical skills aimed at simplifying claims management in Agencies, three online courses have been published: "Documentale Sinistri" (Claims Documentation), "Call Center Sinistri" (Claims Call Centre) and "Linee Guida per la Gestione dei Sinistri CARD" (CARD Claims Management Guidelines), of which 3 webinar editions were also produced.

With the aim of getting used to computer and digital programmes available to the Agencies, the two online courses "Nuova Area Riservata Web" (New Web Reserved Area) and "SFV, Il Sistema per gestire le anagrafiche di Agenzia" (SFV, System to manage Agency Master Records) were launched and the training road show called "Collaboratori digitali" (digital collaborators) was held, replicated in 47 virtual classrooms attended by 767 representatives of the Agencies.

6 seminars and related videos and online courses dedicated to the market niches covered by Satec S.r.l. have been implemented, which refer to: Environmental Risks, Marine & Aviation, Sport Risks, Weather & Contingency Risks, GDPR and Cyber Risk.

The following initiatives are of particular importance:

- the Progetto Arena (Arena Project): a training project supported by the Digital Coach team at the ARENA (Assicurare alla REte un Nuovo Approccio) Commercial Platform, strategic both for the agency network and for the Group and involving the entire commercial structure in the diffusion of a new method, and in the use of new business support tools. After participating in the constitution of the task force with 8 Digital Coaches, 8 Business Managers and 8 Area Managers, 3 Digital Learning Session classrooms have been created for the whole commercial network, preparatory to the project launch, involving 72 people from the commercial network;

- advanced training programmes that develop the business, commercial, managerial, technical and digital skills of our intermediaries:

- "Master Professione Agente - MPS": in the first half of the year the fourth edition ended with the participation of 19 young talents. The second half-year saw the kick-off of the 5th edition of MPA, which will see the participation of 24 young Master's students in 2021;
- "Master Executive Agenti - MEA": after the three in-person classrooms launched in January, due to the Covid-19 emergency, two modules of the MEA were converted from classroom to webinar in March, to allow for the continuation of the training course dedicated to agents. During the year, 28 sessions of the "Gestione dei Collaboratori" (Management of Collaborators) Module and 32 sessions of the "Change Management and Leadership" Module were delivered via webinar; in addition, through an online assessment, 5 agents qualified as Financial Educators.

With regard to Specific Projects, we report:

- the creation of a new online training course, designed to provide new, experienced staff members working in the agencies with the essential skills for the informed distribution of Cattolica's main policies; activated from April 21st, 382 people enrolled and 171 have completed the course;
- a "Prima Formazione 60 ore" (60 hour induction training course) reserved for newcomers, provided for by IVASS Regulation No. 40 of August 2nd, 2018, which aims at registration in Section E of the Single Register of Intermediaries and provides access to the activity of intermediation. 498 people signed up for the course and 366 completed it. The test scheduled originally in the classroom, has been moved online, according to the provisions issued due to the pandemic.

With reference to the Digital World the following is highlighted:

- a Digital Collaborators course addressed to the second level network, provided by Digital Coaches in a virtual classroom, to increase knowledge and use of digital tools with focus on the End-to-End process. 47 virtual classrooms were planned and delivered with a total of 1,147 participants;
- in February in Rome, the Full Digital sales process analysis project commenced. Among the digital

ambassador agents present at this first plenary session, 20 were then personally involved in four specific workshops, together with the 12 Digital Coaches; the pathway was completed in the second half of the year, and in the first months of 2021, it will see new digital tools to serve agencies, as shared with the participating agencies;

- the Digital Coaches provided all agencies with remote training on the new collection method "Incasso da remoto - PayByLink ", which has allowed for continuity of coverage to customers, even remotely. 52 classrooms have been planned, divided by territorial zones;
- a FAD course named "Nuova Area Riservata Web v.06/2020", which details the functioning and operations required for the management of the reserved area dedicated to Group customers by the agencies.

Bank coverage

The number of branches distributing products in the bancassurance area was 96 compared to 202 as at December 31st, 2019, mainly due to the termination of the agreements with Banca Popolare Pugliese.

Bancassurance partner training

In compliance with the provisions of IVASS Regulation No. 40 of August 2nd, 2018, brokers, which the Company uses, are called upon to take refresher and training courses with the intention of strengthening the professional requirements of the network according to specific

organisational, technological and professional standards with reference to products, requirements of trainers and training methods.

In the context of the health emergency that has affected the country since February, the Company has supported intermediaries, who requested assistance, through an e-learning platform that ensures traceability, interactivity and multimedia content.

The qualification and professional refresher training courses have been prepared in a fully e-learning format, including the test related to the professional training course provided in accordance with regulations.

Among the topics covered, anti-money laundering governance in the light of the implementation of the Fifth Directive has been deepened and a space was provided for the theme of cyber security in relation to the safe use of e-mail to mitigate the risks in the era of cyber attacks and the theme of cyber security within the company and in everyday activities.

An overview of the product catalogue was provided for all active brokers, aimed at reviewing the technical characteristics of the products in the range.

Financial advisor distribution

The number of financial advisors distributing life business products in the Company's bancassurance area was 8 compared to 49 as at December 31st, 2019, mainly due to the termination of agreements with Banca Popolare Pugliese.



Share capital increase



Covid-19 emergency

MANAGEMENT REPORT

The Company in 2020

Insurance business

Financial and asset management

Headcount and sales network

Other information

Information on the investee companies

OTHER INFORMATION

CORPORATE GOVERNANCE AND INTERNAL CONTROL SYSTEM

The corporate governance system is proportionate to the nature, the capacity and complexity of the activities of the company, as illustrated in greater detail in the Report on corporate governance and the ownership structures for 2020, pursuant to Art. 123-bis of the Consolidated Finance Law available in the Company's website at the following address - www.cattolica.it, - under the Governance section. The Company's Internal Control System is also illustrated within the same.

This information is supplemented - especially with regard to the risk management system and capital management - with that reported in the 2020 Report on the solvency and the financial condition of the company, which will be approved by the Board of Directors and published on the Company's website within the legal deadline.

PREVENTION AND COUNTERING OF FRAUD

The Company, whilst also implementing legislative provisions concerning the fight against fraud in the motor liability sector, has adopted a prevention and countering fraud policy, in implementation of the policy prepared at Group level, in which objectives, responsibilities and guidelines of the specific organisational model are defined.

The policy is aimed at limiting exposure to the risk of fraud, understood as the possibility of suffering economic losses due to the undue conduct of employees or third parties, with possible consequences also in terms of reputation.

The organisational model for preventing and combating fraud is integrated into the internal control system and is

similarly structured along three lines of defence as follows: the operational units, which are required to implement processes to combat fraud in their area of competence, the key second-level units (Risk Management and Compliance) and the Audit unit. Responsibility is pervasive and widespread throughout the corporate organisation.

The organisation of the anti-fraud system in the claims area is described in the paragraph on Claims settlement, which reports also the estimated reduction in the cost of TPL motor claims pursuant to Art. 30 of Italian Law No. 27 of March 24th, 2012, and IVASS Protocol No. 47-14-000982, of March 11th, 2014.

COMPLAINTS MANAGEMENT

The handling of complaints is entrusted to a specific unit, the Complaints Group Service, appointed as per ISVAP Regulation No. 24 dated May 19th, 2008; it handles complaints made by those who avail of the insurance activities (customers, injured parties, legal advisors, consumer associations).

The unit contributes also towards monitoring the service levels and the company areas in view of possible improvements.

During the year, with reference to the Company, a total of 2,667 written complaints were registered, of which 529 were upheld. Complaints were dealt with, on average, within 17 days (18 in 2019).

INFORMATION SYSTEMS

The most important action taken by the IT Division of Cattolica Services is presented below.

Applicative measures

On the path towards the Data Driven Company model, the technological infrastructure implemented has allowed for a faster and more effective management of projects requiring the analysis of large amounts of data, enabling the implementation of a series of initiatives aimed at increasing internal efficiency and improving sales processes. A number of actions have been initiated in this area with progressive releases. During the year, releases were carried out to integrate the "Anti-Fraud Predictive Model" in the new technological platform for the creation of a new "extended CAR" (Customer Analytical Record) and to allow further sophistication of motor pricing.

As part of an overall evolution programme for the remote selling model, based on a central and proactive role for the agency that uses digital as a tool to contact and serve the end customer more effectively, a new solution (called "pay by link") was launched in March to facilitate relations between customer and agency by facilitating the remote management of policy collections and the operation of the agency network, particularly during the lock-down phase. The function allows the agency to identify the securities to be cashed remotely and the customer to pay directly by credit card by accessing a secure web page via a link sent by email (both then receive confirmation of payment). Further initiatives to integrate remote sales into the company's digital channels are also being implemented (such as the development of video consulting functions).

The various project initiatives created to improve the quality of the tools used by employees to carry out their work (such as the option to work remotely by accessing all the computer applications necessary to carry out their tasks and personal information, files and mailboxes from any device, the integration of fixed telephony into their laptop, the provision of personal video-conferencing for each employee with the possibility of sharing documents) have made it possible, right from the start of the Covid-19 emergency, to extend promptly and effectively the use of the smart-working mode to all staff in the Group. Agile work is a practice introduced in the company since the end of 2017 and therefore already consolidated over time and this has further encouraged its rapid and widespread adoption.

Infrastructures and security

Work continued on internalising and upgrading the software to support the placement of life products as part of the partnership with Banco BPM.

As part of the project to create a unique Group digital identity in order to facilitate current and prospect customers in their digital interaction with companies through the definition of a common, simple and integrated process, the first releases of functions for the Nuova Area Riservata Web were carried out.

The development of the new risk management system and the integration of derivatives operations within the current application architecture of the Finance area continued, with the aim of significantly increasing the level of automation of the related management processes.

Following the launch of the strategic partnership with the Generali Group, the initiatives underway, which fall within the four industrial areas covered by the agreement relating to Asset Management, Internet of Things, Health and Reinsurance, have been brought under the scope of a specific project dedicated to them.

With regard to adaptation to regulatory developments, IT has been particularly involved in interventions in the area of IDD (Insurance Distribution Directive), GDPR (General Data Protection Regulation), IVASS Regulation No. 38 of July 3rd, 2018, IVASS Regulation No. 41 of August 2nd, 2018, IVASS Regulation No. 44 of February 12th, 2019 and the adaptation of systems to the impacts arising from the adoption of the new IFRS (International Financial Reporting Standards).

IT security initiatives continued in line with the guidelines contained in the Security Masterplan: in this field, interventions were carried out to evolve the SIEM (*Sistema di gestione delle informazioni e degli eventi di sicurezza* - Information and Security Event Management System), database monitoring tools, technological solutions to control the security requirements of all devices with access to the corporate network and to protect corporate mobile devices, and a series of other initiatives aimed at further reducing Cyber Risk are being completed.

SIGNIFICANT EVENTS DURING THE FIRST FEW MONTHS OF 2021

Supervisory Authorities

On January 8th, 2021, IVASS notified Cattolica of the results of the inspection activity commenced in December 2019, and delivered the related inspection report, with unfavourable findings and the commencement of sanctioning proceedings against the Company.

Following the inspection activities carried out, the Supervisory Authority reported shortcomings referring to situations in 2018, 2019 and the first months of 2020, concerning the system of corporate governance, risk management and internal control, as the Board of Directors had not guided its actions to norms of sound and prudent management, putting the Group's solvency at risk, with the consequent necessary strengthening of equity and the overcoming of the cooperative form and significantly exposing the Issuer to legal and reputational risks. IVASS therefore requested Cattolica to adopt a remedial plan aimed at eliminating the critical points detected and also initiated a sanctioning procedure against the Company in relation to the legal violations contested.

By order of February 11th, 2021, CONSOB, also on the basis of certain inspection evidence, made certain objections to the Company in relation to alleged violations of the protection against market abuse regulations (MAR), with reference to the management of information relating to the withdrawal of the proxies from the former Managing Director on October 31st, 2019. The violations are punishable by pecuniary sanctions of an amount not determined in the measure, but at the conclusion of the administrative procedure. The Company submitted its comments regarding the Commission's findings on March 18th, 2020.

On March 5th, 2021, the Board of Directors approved the findings communication, including the Plan, to the note from IVASS of January 8th, 2021, in which the latter formulated requests and provided indications to the Company regarding the adoption of certain measures and a remedial plan to overcome the elements of sensitivity found in the context of the aforementioned inspections.

The content of the communication is divided into the following areas of intervention:

- Replacement of members of the administrative body: on February 4th, 2021, the Board of Directors

appointed Spencer Stuart, an independent advisor of primary standing, to support the Appointments Committee and the Board of Directors in updating the assessments relating to the qualitative and quantitative composition of the administrative body and in preparing the list of candidates for the renewal of the Board itself, including the selection of a shortlist of possible candidates to be submitted to the Board of Directors for the purpose of preparing the aforementioned list.

- Review of the remuneration policy: pursuant to Article 29 of the Articles of Association, a proposal to determine the overall remuneration for the members of the Company's corporate bodies will be submitted to the approval of the Company's Shareholders' Meeting at its next meeting, which envisages a reduction in relation to current remuneration. The proposal was drawn up taking into account, among other things, the need to adjust the amount of remuneration to be paid to directors to a market benchmark, defined with the support of an independent and specialised consultancy firm, by comparing it with a peer group of insurance and financial public limited companies similar to the Company. The short-term variable remuneration system will be supplemented by the inclusion of additional specific indicators that increase the focus on the level of risk of the corporate units.
- Contributions of liquidity to non-insurance subsidiaries and to the "Fondo H-Campus": it is hereby confirmed that the Company has not made any contribution of liquidity, in any form whatsoever, to the Group's non-insurance subsidiaries, nor has it made or intends to make any further contributions to the "Fondo H-Campus", without the prior approval of the Corporate Governance and Sustainability Committee.
- Sale of own shares: it is confirmed that the Company will dispose of the package of own shares acquired upon redemption to the withdrawn shareholders within the maximum time limit imposed by IVASS, in accordance with the applicable legal and regulatory provisions. In particular, the Company will sell the share package on the market.
- Completion of capital strengthening: the Company has taken the decision to postpone by a few months the execution of the second tranche, for the amount of € 200 million, of the share capital increase resolved on August 4th, 2020, in order to have time to provide more information to the market.

- Strengthening of corporate governance and other measures envisaged by the Plan: the strengthening measures contained in the Plan have been divided into three macro-areas of intervention, based on the observations made by IVASS:

a) Corporate governance and control system:

Board of Directors and Committees: the Board of Directors approved a number of amendments to the regulations of the Board of Directors itself and of the Board Committees, aimed, among other things, at ensuring a more effective internal debate between the various bodies as well as incorporating the recommendations of the new Corporate Governance Code for listed companies, as approved by the Corporate Governance Committee in January 2020.

Strengthening of the strategic planning process: with regard to the strategic planning process, the plan provides for it to be strengthened in order to ensure that it is responsive to changes in the scenarios hypothesised in the business plan and to allow for a more effective risk assessment process, including on a prospective basis, in order to adequately define overall solvency requirements.

Activities to verify the functionality of the administrative body and of the board committees: the Management Control Committee (MCC) has defined a plan of activities to verify the functionality of the administrative body and of the board committees that will have to be conducted, with the support of the corporate units of Compliance and Internal Audit, in 2021. The MCC approved also amendments to its own regulations.

Strengthening of the internal audit and risk management units: the Board of Directors adopted measures aimed at strengthening the quality and quantity of the Company's internal audit and risk management units.

In this context, the Company has also reserved the right to integrate the audit plan for 2021, taking into account the broader measures contemplated in the Plan, with a view to progressively advancing the system of internal controls.

Strengthening of the ORSA process: the ORSA process will be strengthened in order to allow the Board of Directors to fully assess the risk profile of the group and its various subsidiaries and to define the overall solvency requirements.

Information and communication technology (ICT) strategic plan: a strategic plan on information and communication technology

(ICT) will be adopted by the end of the first half of 2021, which will include measures on corporate cyber security, in order to ensure the existence and maintenance of an integrated and secure overall system architecture from an infrastructural and application point of view, adequate for the Company's needs, in line with the applicable regulations.

- b) Management of investment property: The Plan envisages also actions aimed at strengthening (i) control over investments in the real estate and agricultural sectors and (ii) the process of evaluating investment property to be allocated to segregated management.
- c) Management of the agency network and agreements with Coldiretti: the Plan then defines interventions on the management of the agency network and agreements with Coldiretti based on the following guidelines: (i) remuneration and incentive system for the agency network, (ii) initiatives aimed at reorganising loss-making agency portfolios, (iii and iv) control processes for the agency network and agreements with Coldiretti.

On March 16th, 2021, the officials of the Italian Ministry of Economic Development, as the Authority with supervisory powers over co-operative companies, completed an extraordinary inspection of the Company, initiated on November 19th, 2020, following a report received at the beginning of September from five shareholders, in relation to the alleged breach of Article 2527 of the Italian Civil Code, which would have ensued if the Board of Directors of Cattolica had given rise to the entry of Assicurazioni Generali among the shareholders of the Issuer and of directors appointed by Assicurazioni Generali among the members of the same Board of Directors.

During its course, the inspection extended to various profiles and was concluded favourably for the Company and without the proposal of adopting any measure, in particular, since the officials had no objections to make, and nothing to object to, with regard to the means and methods of calling and holding Company's shareholders' meeting of June 2020 and considering Article 2527, paragraph two, of the Italian Civil Code to be inapplicable to the Issuer.

Banco BPM

On March 5th, 2021, Banco BPM and Cattolica Assicurazioni announced that they had reached an agreement by which their respective differences were overcome and the terms and methods for adjusting and continuing the partnership in the bancassurance sector and the related exit rights were defined, thus combining

their respective interests and taking into account the changed economic context. The agreement reached between Banco BPM and Cattolica envisages, in exchange for Banco BPM's waiver of the call already exercised, recognition for Banco BPM of an early exit right from the partnership, the original duration of which was fixed until 2033, which can be exercised in the period between 1.1.23 and 6.30.23, possibly postponed by the Bank from six months to six months for three times up to Dec 31st 2024. In particular, the parties have agreed, in favour of Banco BPM, a non-conditional option to purchase the 65% held by the Company in the capital of the Vera Vita and Vera Assicurazioni JVs; the exercise price of the purchase option was set at the so-called "own funds" - excluding subordinated liabilities and including any profits up to the date of transfer of the equity investments - to be calculated for the six months prior to the exercise of the option. To this value, will be added (i) a fixed component of € 60 million, of which € 26 million against Cattolica's waiver of the right to extend the distribution agreement to the Branches currently served by another insurance partner, and (ii) a possible component of € 50 million to be paid on a deferred basis, exclusively in the event that for a period of 4 years there are no events that affect the control of Cattolica by the current majority shareholder or other parties, including jointly. The agreement provides for protection mechanisms for both parties linked to the exercise price of the call (cap and floor on the value of the own funds as calculated on the reference date) and price adjustments deriving from any undistributed profits, distribution of reserves/extraordinary dividends or any capital increases or capital contributions by the joint ventures.

If Banco BPM decides not to exercise the purchase option within the aforementioned term, the Bank will pay Cattolica the same € 26 million against Cattolica's waiver to extend the distribution agreement to the Branches currently served by another insurance partner and the partnership between Banco BPM and Cattolica will continue until Dec 31st, 2030 (without prejudice to subsequent annual renewals), at the expiry of which Banco BPM may once again exercise its option to purchase 65% of the capital of the joint ventures or, in the event that the Bank fails to exercise said option, Cattolica may exercise an option to sell the aforementioned shares. In this case, the exercise price of the purchase and sales options will remain anchored to the own funds (as defined above) as at Dec 31st, 2030 without any additional components and without the application of protection mechanisms.

The agreement between Banco BPM and Cattolica envisages also a revision of the production targets to which under-performance penalties and over-

performance premiums are correlated, charged to/favoured by Banco BPM, as distributor. Cattolica Assicurazioni is granted more favourable conditions in servicing contracts rendered to investee companies and greater control over the product mix. The understandings reached by the parties in the agreement will result in a review of the various contracts currently governing the partnership in the coming weeks.

Other subsequent events

Effective January 14th, 2021, Luigi Castelletti, independent non-executive director and Chairperson of the Related Parties Committee, resigned from his position as Director.

On February 8th, 2021 Standard Ethics raised Cattolica Assicurazioni's rating to "EE-" from the previous "E+". In its final report, Standard Ethics states that the path taken in recent years by Cattolica Assicurazioni in the sphere of ESG (Environmental, Social and Governance) issues has been adequately focused on environmental and social aspects and has also concerned non-financial reporting, the management of financial assets and commercial aspects. The strategy, according to the agency, appeared to be consistent with the voluntary indications of the UN, OECD and the European Union and that following the decisions derived from the recent project to transform the company into a public limited company and the capital increase launched in 2020, the issue of Sustainability has also entered the sphere of corporate governance.

The assignment of the Long Term Expected Rating "EE+" incorporates, according to Standard Ethics, expectations about the future quality of governance instruments and ESG policies.

On February 11th, 2021, with reference to the share capital increase resolved by Cattolica Assicurazioni's Board of Directors on August 4th, 2020, for the sum of € 500 million, divided into two tranches (the first of which for € 300 million reserved and already subscribed by Assicurazioni Generali), it was announced that the Board of Directors acknowledging the corporate obligations that are now imminent and that are reflected in the content of the prospectus, resolved, after informing the Supervisory Authorities, to postpone the final deadline for the execution of the second tranche of the capital increase for the remaining € 200 million until July 31st, 2021.

ATYPICAL OR UNUSUAL TRANSACTIONS AND NON-RECURRENT SIGNIFICANT OPERATIONS AND EVENTS

Pursuant to CONSOB DEM/6064293 dated July 28th, 2006, it is noted that no atypical and/or unusual transactions were carried out during the year.

With reference to significant non-recurring events and transactions with significant effects on the Company's accounts, on October 23rd, Assicurazioni Generali subscribed the Cattolica Assicurazioni share capital

increase reserved for it for a total amount of € 300 million, approved by Cattolica Assicurazioni's Board of Directors on August 4th, 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.

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 Company's website - www.cattolica.it - under the Governance section.

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

MANAGEMENT AND COORDINATION ACTIVITIES ACCORDING TO ARTS. 2497 ET SEQ. OF THE ITALIAN CIVIL CODE

The Company has exercised its management and coordination powers in observance of the principles of correct corporate and business management and on a consistent basis with the roles assigned to the individual Group companies.

With specific reference to the transactions expressly influenced by the Company, in addition to the transactions indicated in other parts of this report, it should be noted that these transactions concerned, among other things:

- policy measures on capital planning and on equity investments;
- policy measures on overall liquidity requirements and the level of the Solvency II Ratio;
- guidelines for the plan and budget formation process;
- resolutions concerning the rules laid down in IVASS Regulation No. 38 dated July 3rd, 2018;
- the approval of guidelines for the handling of risks at Group level, as well as the forecast assessment of the risk and solvency profile within the ORSA process;
- the approval of the risk propensity systems, setting the risk tolerance levels;
- the adoption of the guidelines for intercompany transactions;

- the adoption of governance and management approaches and controls, which are standard at Group level;
- the implementation of coordinated operating policies;
- the adoption and the review of company policies in accordance with the current applicable legislation;
- the choices concerning the composition, formation and the remuneration of the corporate bodies, management and other significant roles with respect to the governance set up.

So as to ensure an evolution of the Group consistent with the lines identified at Company level, the management and coordination activities concerned the implementation of co-ordinated management policies and the definition of a number of development lines of the Group's strategic layout.

The Company has also completed the necessary recapitalisation measures to ensure that subsidiaries have the financial resources to complete certain transactions.

With regard to financial, tax and administration matters, the central role of the Company is highlighted in the definition of the operating lines in which the Group's companies are involved.

TAX CONSOLIDATION

The subsidiaries, which comply with the national tax consolidation scheme, are: ABC Assicura, Berica Vita, BCC Assicurazioni, BCC Vita, Lombarda Vita, TUA Assicurazioni, Vera Assicurazioni, Vera Protezione, Vera Vita, Cattolica Agricola, Cattolica Beni Immobili, Cattolica Immobiliare, Cattolica Services and TUA Retail.

The reasons for exercising the option, which has a duration of three financial years and is subject to automatic renewal unless expressly revoked, lie in the appropriateness of offsetting the tax positions with an

opposite sign between the Group companies, consequently optimising the financial aspects.

With reference to the allocations of the economic effects associated with the exercise of the option, the subsidiaries transfer the amounts corresponding to the taxes and advances deriving from their taxable position to the Company; by contrast, they receive from the Company the amount corresponding to lower tax paid by the same due to the effects of the use of tax losses transferred by subsidiaries.

SHAREHOLDERS

As at December 31st, 2020, the shareholders recorded in the Register amounted to 19,119 compared with 18,312 as at December 31st, 2019.

During the year, the admission of 825 new shareholders was resolved and the demise of 13 shareholders was reported. In addition, 5 members have asked for their names to be deleted from the Register.

Mutual purpose of the Company

To observe the mutual purpose, the Articles of Association envisage that the Shareholders are to be offered the possibility to enter into insurance agreements under particularly favourable conditions.

During the year, the Company continued to operate, on a consistent basis with the above.

Institutional communication

The Shareholders were informed on the performance of the Company's and Group's projects through the "Letter from the Chairman", sent in March, September and November.

The EssereSoci section is present on the company's website www.cattolica.it, containing, among other aspects, the information on dedicated insurance products and the Communication area.

OWN SHARES

The Shareholders' Meeting held on June 27th, 2020, approved the plan for the purchase and sale of own shares in accordance with the law. The proposed authorisation concerns the purchase, once or multiple times, of own shares up to the maximum number allowed by current legislative provisions, therefore up to 20% of the pro tempore share capital of the Parent Company, for a period of 18 months from the date of the shareholders' meeting resolution. The purchase price of the shares may not be lower, by more than 20%, with respect to the official price of Cattolica shares recorded by Borsa Italiana S.p.A. in the stock exchange session prior to each individual transaction. Purchases and sales, the latter when carried out on the market, shall be no higher than 25% of the average daily volume of shares traded on Borsa Italiana S.p.A., the latter calculated on the basis of the average daily volume of trades of the 20 trading days preceding the date of each individual purchase.

On November 30th, the Company announced that at the end of the offer period, pursuant to Article 2437-quarter of the Italian Civil Code, for the shares subject to the right of withdrawal, pertaining to the holders of Cattolica shares who did not vote for the approval of the resolution to transform the Company into a "public limited company", passed by the Extraordinary Shareholders' Meeting held on July 31st, 2020, acceptance of the aforementioned offer amounted to 50,101 shares, of which 41,182 under option and 8,919 requested in pre-emption.

On December 4th, the Board of Directors, having acknowledged the outcome of the option offer, resolved, with a view to a speedy resolution of the withdrawal procedure, to proceed directly with the redemption by purchasing the shares held by shareholders who legitimately exercised their right of withdrawal, for a total of 20,720,350 shares and therefore to recognise, to the

same, the value established in the event of withdrawal, equal to € 5.47 per share, with a maximum term for the liquidation in favour of the shareholders as at January 31st, 2021, using for this purpose the reserves available from profits, more precisely taking from the extraordinary reserve the relative amount.

On December 30th, the Company acquired the remaining 20,720,350 shares subject to the right of

withdrawal, pursuant to Article 2437-quater, paragraph 5, of the Italian Civil Code, which were added to the 7,324,851 own shares already held for a total of 28,045,201 shares, recognised in the reserve for own shares in portfolio, amounting to 12.3% of the share capital of the Company at a value of € 164.51 million.

During the year, a total of 21,008,294 shares were purchased for a total amount of € 114.58 million.

NEWLY ISSUED SHARES

On October 23rd, Assicurazioni Generali subscribed the share 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 came to hold 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 on that date 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.

OUTLOOK FOR BUSINESS ACTIVITIES

On January 28th, Cattolica's Board of Directors approved the 2021-2023 rolling plan, which for the year 2021 envisages an operating result within a range of between € 265 million and € 290 million with total premiums written of around € 5.2 billion, of which € 2.1 billion Non-life business and € 3.1 billion Life business. The operating result is expected to decrease compared to 2020, also as a result of the announced exit from the consolidation scope of Lombardia Vita, which will instead have a positive effect

on the non-operating component, with a capital gain of approximately € 60 million. As at the current date, no significant new factors have emerged that could lead to a change in this guidance, which is therefore confirmed. However, it is worth highlighting the risks related to the Covid-19 pandemic, which could materialise during the year, such as those linked to the volatility of financial markets, as was the case in the first half of 2020, or the emergence of claims in both Life and Non-life businesses.



Investments in subsidiaries

5 Non-life
insurance
companies

6 Life
insurance
companies

11 Non-
insurance
companies

MANAGEMENT REPORT

The Company in 2020

Insurance business

Financial and asset management

Headcount and sales network

Other information

Information on the investee companies

INFORMATION ON THE INVESTEE COMPANIES

Information on the investee companies is provided below.

INVESTMENTS IN SUBSIDIARIES

Non-life insurance companies



The company, authorised to carry out non-life business insurance activities, is controlled by Cattolica, which, following the purchase in February of 40% from Banca Popolare di Vicenza in compulsory administrative liquidation, now holds 100% of the share capital.

The company closed with a loss of € 402 thousand (€ -824 thousand as at December 31st, 2019).

From December 2017, the company directly ensures assistance to customers for all necessary after-sales transactions.



The company operates in the non-life bancassurance sector and offers the co-operative lending banks (Banche di Credito Cooperativo) and rural banks (Casse Rurali), their shareholders and customers, innovative products and services for households and businesses.

Business continues to be developed on products sold combined with the disbursement of credit, with heavy concentration on CPI products (credit protection insurance).

The company, 70% owned by Cattolica, wrote premiums for € 39.4 million (-5.6%) and closed the year with a profit of € 692 thousand (-20.1%).



CattRe is the Group's reinsurance company, 100% owned by Cattolica, with registered office in Luxembourg, acquired in October 2018 by the French group Credit Mutuel.

It is dedicated to the development of non-traditional risk lines ("Specialty Lines") and reinsures premiums written by the various Managing General Agencies (MGAs, newly established and/or purchased agencies) with strong

technical and specialist expertise in new business lines for the Group such as: space, aviation, catastrophe reinsurance, property and casualty for large companies, sport risks, marine, events and contingency as well as weather risks.

The development plan saw the start-up in 2019 of the environment, suretyship, cyber TPL lines and, shortly, the expansion of reinsurance acceptances in the mobility & travel sector, and others.

MGAs are controlled by the financial holding company Estinvest S.r.l. 100% owned by CattRe and will further develop the underwriting of risks on behalf of insurance companies, including those not belonging to the Group. It wrote premiums for € 84.2 million (€ 42.5 million in 2019) and closed with a positive result⁸ of € 3.3 million compared to a profit of € 556 thousand in the previous year.



The company operates in the non-life business, offering the market a specialist range of insurance and financial products/services able to fully and accurately meet the needs of households, professionals and small and medium sized Italian businesses.

The company places its products using an innovative distribution model characterised by a streamlined and flexible organisational structure and a wide and integrated offer capacity.

It is 99.99% owned by Cattolica. The company had 537 agencies as at December 31st.

It wrote premiums of € 278.1 million (-0.7%) and closed with a profit of € 14.7 million compared to a loss of € 1.7 million in 2019.



The company is 65% owned by Cattolica and offers insurance solutions for people, property, home, motor vehicles and business.

⁸ According to international accounting standards (IAS/IFRS).

The company is committed to providing Banco BPM's customers with the insurance solutions best suited to their needs through an adequate consulting and assistance service.

The year ended with premiums written of € 87 million (-16.3%) and a positive result of € 11.8 million(+36%).

Life insurance companies



It is an insurance company established within the sphere of the co-operative lending system that offers a wide range of policies to meet the needs of security and protection aimed at ensuring the capital and a guaranteed minimum return as well as solutions aimed at protecting the individual.

It operates exclusively via the network of branches of the co-operative lending banks of the ICCREA Banking Group. The company, 70% owned by Cattolica, closed the year with premiums written of € 457.4 million (+6.4%) and a positive result of € 5.2 million (-76.8%).



The company, authorised to carry out life business insurance activities, is controlled by Cattolica, which, following the purchase in July of 40% from Banca Popolare di Vicenza in compulsory administrative liquidation, holds now 100% of the share capital.

The company closed the year with premiums of € 1.2 million and a profit of € 8.4 million (-13.9%).

From December 2017, the company directly ensures assistance to customers for all necessary after-sales transactions.



The company carries out insurance activities in the life business offering policies for welfare, the protection of the individual, savings and investment with the aim of increasing the value of the invested capital.

The company distributed its products via the network of branches of the UBI Banca Group and via the network of financial advisors of IWBanck Private Investments and is 60% owned by Cattolica.

The company wrote premiums for € 1,157.8 million (-15.2%) and closed with a profit of € 49.7 million (-42.5%).

On December 23rd, Cattolica signed a binding agreement with UBI Banca concerning the early

termination, with respect to the envisaged expiry date of June 30th, 2021, of the life bancassurance agreements existing between the parties, via the exercise by the bank of its option to purchase the 60% equity investment held by Cattolica in Lombarda Vita. The transaction is expected to complete in April 2021.

VERA Vita

The company, 65% owned by Cattolica, offers life insurance products, aimed at creating investment, savings and supplementary pension solutions for Banco BPM's customers.

The company wrote premiums for € 1,290.1 million (-12%) and closed with a profit of € 38.3 million (-20.5%).

Agricultural-real estate companies

Cattolica Agricola S.a.r.l.

Established in 2012 within the sphere of the purchase of the Tenuta Ca' Tron real estate complex, the Company is a single-member company, which has the exclusive purpose of carrying out agricultural activities pursuant to Art. 2135 of the Italian Civil Code.

The company ended the year with a loss of € 401 thousand (€ -587 thousand as at December 13th, 2019).

Cattolica Beni Immobili S.r.l.

Established in 2012 within the sphere of the purchase of the Tenuta Ca' Tron real estate complex, the Company is a single-member company, which manages the properties not used for agricultural activities existing on said land as well as other properties including the "Cattolica Center" real estate complex, located at Via Germania, Verona.

The company closed the year with a loss of € 8.8 million, mainly due to write-downs of certain properties and maintenance and operating costs incurred on property (€ -7.8 million as at December 31st, 2019).

Real estate service companies

Cattolica Immobiliare S.p.A.

It carries out activities concerning development and enhancement of real estate assets and those typical of real estate services. In particular, it deals, on behalf of the Company and its subsidiaries, with the process of research, selection and analysis of property investments, also managing the acquisition process and the subsequent phase of monitoring and management of the same. It carries out Asset and Property Management

activities for a number of Real Estate Funds in which the Group companies have a stake.

The company closed the year with a profit of € 1.3 million (+57.6%).

Operating service companies

Cattolica Services S.C.p.A.

The company carries out activities for the supply of services for the Group, such as: planning, implementation and management of IT applications and operating processes, along with the services relating to telecommunications systems; supervision of the digital innovation of the Group with regard to IT and organisational aspects; handling of the settlement of Group claims with the exception of the security, crop hail

and transport areas; teaching and training services for the Group resources; the life and welfare technical area; non-life operations; accounting and financial statements of the Group companies.

The company closed the year with a loss of € 2 million, since the contractual terms with the non-consortium companies acquired from Banco BPM envisaged a pricing composed of a fixed fee plus a variable amount depending on the volumes managed. The fee thus determined for 2020 was not sufficient to cover the costs inherent in these companies and incurred in providing ordinary services.

INVESTMENTS IN ASSOCIATED COMPANIES

H-Farm S.p.A.

H-Farm S.p.A. is the holding company of the H-FARM Group, which is a "Venture Incubator", whose typical activity consists in offering growth strategies, with respect to new transformation plans based on digital technologies, the implementation of new business plans, the design of e-commerce initiatives, and the use of new technologies for the simplification and automation of processes or products. It is listed on the AIM Italian market.

The Company held an investment of 3.67% as at December 31st, in addition to participative financial instruments.

IMA Italia Assistance S.p.A.

The Company with its registered office in Sesto San Giovanni (MI), exercises non-life insurance and reinsurance activities. Cattolica holds 35% following the purchase of the equity investment in March 2019 from the IMA group. Since April 1st, 2019, it is the new sole supplier of the assistance services offered by the Cattolica Group's networks.

OTHER SIGNIFICANT INVESTMENTS

Banking companies

Emil Banca Credito Cooperativo S.C.p.A.

The banking institute, which has almost 49 thousand shareholders and establishes its roots in the centuries-old experience of Casse Rurali ed Artigiane, uses 88 branches located throughout the area and extends between the provinces of Bologna, Ferrara, Modena, Parma, Reggio Emilia and Mantua.

It is a local bank, heedful of the promotion and the growth of the territory where it operates, reinvesting the funds gathered in situ so as to offer new development opportunities for the local reference communities.

In March 2019, the European Central Bank gave the green light to the ICCREA Cooperative Banking Group.

The Company held an investment of 0.10% as at December 31st.

Credito Popolare S.C.p.A.

Founded in 1888, with a network of branches distributed throughout the region, today Banca di Credito Popolare represents the only expression of autonomy, of a certain size, in the Campania lending system. The growth in size was pursued by means of the extension of the network of branches and the incorporation of four banks. The bank

has been the parent company of the Banca di Credito Popolare Banking Group since 2002.

The Company held an investment of 1.01% as at December 31st.

Other

IMA Servizi S.C.a r.l.

Ima Servizi, with registered office in Sesto San Giovanni (MI), provides claims management services for IMA Italia Assistance, which controls it with an 81% interest. The Company held an investment of 6% as at December 31st.

Veronafiore S.p.A.

Veronafiore has its origins in trade fair activities linked to the agricultural sector launched in 1898 by the Municipality of Verona. The purpose of the entity is to carry out and support any direct and indirect activity aimed at the organisation of trade fairs, as well as the organisation of congress activities and ventures, which promote the exchange of goods and services and their marketing at national and international levels. The Company held an investment of 7.08% as at December 31st.

INDIRECT INVESTMENTS IN SUBSIDIARIES

Life insurance companies

VERA Financial

The company, 100% owned by Vera Vita, is an Irish company specialising in the development of class III life products, offered under the freedom to provide services in several European Community countries. It closed the year with premiums written of € 202.5 million (-74.2%) and a positive result⁹ of € 1.2 million compared to a profit of € 864 thousand in 2019.

VERA Protezione

The company, 100% owned by Vera Assicurazioni, offers insurance solutions for individuals, businesses, assets, home and motor vehicles.

It is authorised to operate in the life business and specialises in temporary life insurance policies.

The company wrote premiums for € 75 million (-28.4%) and closed with a profit of € 15.4 million (-25.4%).

Holding company

Estinvest S.r.l. (Satec Holding S.r.l. from 1/1/2021)

The company, acquired in October 2018 and based in Venice, is a holding company that controls and coordinates the activities of the MGAs (Managing General Agencies), subsidiaries Satec S.r.l., All Risks Solutions S.r.l., Qubo Insurance Solutions S.r.l., Mediteranea Underwriting S.r.l. and the associated company Aladdin S.r.l.

Estinvest S.r.l. is 100% owned by CattRe and closed the year with a loss of € 228 thousand (€ -24 thousand in 2019).

Insurance and/or reinsurance brokerage companies (Managing General Agencies)

All Risks Solutions S.r.l.

This is an MGA, based in Milan, focused on underwriting special risks in the Financial Lines area to enable the Group's agency networks to provide also their customers with insurance coverage for risks not normally assumed by Group companies.

It is 100% owned by Estinvest and closed the year with a negative result of € 81 thousand (€ -55 thousand in 2019).

Mediterranea Underwriting S.r.l.

This is an MGA dedicated to Marine insurance and reinsurance underwriting, established in June 2020 from the spin-off of Satec's marine business line and based in Genoa. It provides insurance solutions with strong specialist skills for all types of risks in the Hull, Yard, Cargo and Yacht business lines.

Mediterranea Underwriting S.r.l. is 100% owned by Estinvest and closed the year with a loss of € 21 thousand.

Qubo Insurance Solutions S.r.l.

It is an MGA based in Milan and Arco (TN), whose purpose is the intermediation of exclusive insurance solutions dedicated to the special needs of its customers, with particular focus on the world of transport, logistics and MOD (Motor Own Damage).

It is 51% owned by Estinvest and closed the year with a positive result of € 189 thousand (compared to a profit of € 135 thousand in 2019).

⁹ According to international accounting standards (IAS/IFRS).

Satec S.r.l.

This is an MGA focused on insurance and reinsurance underwriting in eleven different Specialty Lines, with offices in Milan, Venice, Rome and London. It operates with strong specialist skills in the Space, Aviation, Property & Construction, Casualty, Sport & Leisure, Weather & Contingency, Environmental, Cyber, Global RE (Natural Catastrophe Reinsurance), Surety Bond and Financial Lines business lines.

Satec S.r.l. is 100% owned by Estinvest and closed the year with a positive result of € 671 thousand (€ -573 thousand in 2019).

Operating service companies

Meteotec S.r.l.

This company, with offices in Venice and Rome, deals with environmental research and operates in the weather analysis and monitoring businesses.

It is 100% owned by Satec and closed the year with a negative result of € 54 thousand (€ -83 thousand in 2019).

TUA Retail S.r.l.

The company, fully controlled by TUA Assicurazioni, carries out general agency activities.

It closed the year with a profit of € 5 thousand.

INDIRECT INVESTMENTS IN ASSOCIATED COMPANIES

Aladdin S.r.l.

This is an MGA, based in Milan and established in December 2020, which carries out insurance and reinsurance brokerage activities and specialises in taking on the risks inherent in the Travel&Mobility sector. It is 45% owned by Estinvest.

PROPOSAL FOR THE ALLOCATION OF THE RESULT FOR THE YEAR

Dear Shareholders,

Given that the present allocation of the result to reserves complies with the provisions of the law on public limited companies, the legal status that will be in force as of April 1st, and therefore on the date of the Shareholders' Meeting of 13/14 May, we submit the financial statements for the year 2020 for your approval in all its components.

We therefore propose the following allocation of the 2020 profit, amounting to € 3,582,754, deriving from a profit of € 37,380,325 from the non-life business and a loss of € 33,797,571 from the life business:

to the extraordinary reserve € 3,582,754

Consequently, we hereby propose that the above reserves be provided for in the business relating to the non-life classes and that the surplus of the non-life business with respect to the allocations indicated above,

amounting to € 33,797,571, be allocated to the extraordinary reserve within the sphere of this business.

The Board of Directors proposes to cover the loss from the life business classes for the amount of € 33,797,571 by using the share premium reserve for the same amount.

In addition, following the transformation of the Company into a public limited company with effect from April 1st, 2021, it is proposed to allocate the surplus of the legal reserve over one-fifth of the share capital to a specific reserve, for a total amount of € 170,269,291, of which € 159,829,200 relates to the non-life business and € 10,440,091 to the life business.

Finally, as a result of realised gains on foreign currency assets during the year, it is proposed that the exchange gain reserve be made available for an amount equal to € 9,071, entirely relating to the life business classes.

THE BOARD OF DIRECTORS

Verona, March 24th, 2021



Total assets

11,541 € mln

Total shareholders' equity

1,996 € mln

STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT

Attachment 1Company **CATTOLICA ASSICURAZIONI S.P.A. (*)**

Subscribed share capital € 685,043,940 Paid in € 685,043,940

Registered
offices in Verona

Court in Verona

**Statement of financial
position**.....
2020

(amounts in €)

(*) Cattolica Assicurazioni Soc. Coop. up to March 31st, 2021.

STATEMENT OF FINANCIAL POSITION

ASSETS

				Balances for the year	
			carry forward		111,018,241
C.	INVESTMENTS (continued)				
III	- Other financial investments				
	1. Shares and holdings				
	a) Listed shares	36	13,275,017		
	b) Unlisted shares	37	21,670,796		
	c) Holdings	38	0	39	34,945,813
	2. Units of mutual investment funds		40	1,443,538,266	
	3. Bonds and other fixed-income securities				
	a) listed	41	5,762,532,552		
	b) unlisted	42	667,907		
	c) convertible bonds	43	57,909	44	5,763,258,368
	4. Loans				
	a) loans with secured guarantee	45	1,840,948		
	b) loans on policies	46	703,451		
	c) other loans	47	90,000	48	2,634,399
	5. Units in mutual investments		49	0	
	6. Deposits with credit institutions		50	0	
	7. Sundry financial investments		51	0	52
				7,244,376,846	
IV	- Deposits with ceding companies			53	9,447,066
					54
					9,105,232,885
D.	INVESTMENTS FOR BENEFITS OF LIFE ASSURANCE POLICYHOLDERS WHO BEAR THE RISK AND DERIVING FROM THE MANAGEMENT OF PENSION FUNDS				
I	- Investments relating to benefits associated with investment funds and stock market indices			55	415,592,430
II	- Investments deriving from the management of pension funds			56	153,947,329
					57
					569,539,759
D bis.	TECHNICAL PROVISIONS - REINSURANCE AMOUNT				
	I - NON-LIFE BUSINESS				
	1. Premium provision	58	85,658,459		
	2. Provision for outstanding claims	59	337,610,169		
	3. Provision for profit-sharing and repayments	60	0		
	4. Other technical provisions	61	0	62	423,268,628
	II - LIFE BUSINESS				
	1. Mathematical provisions	63	14,350,918		
	2. Premium provision of supplementary insurance	64	0		
	3. Provision for outstanding claims	65	120,230		
	4. Provision for profit-sharing and repayments	66	0		
	5. Other technical provisions	67	0		
	6. Technical provisions related to contracts where the investment risk is borne by policyholders and deriving from the management of pension funds	68	0	69	14,471,148
			to be carried forward		70
					437,739,776
					10,223,530,661



Balances for the previous year

	carry forward		128,998,213
216	18,469,125		
217	28,136,609		
218	0	219	46,605,734
		220	1,273,937,082
221	5,978,229,323		
222	12,144,872		
223	49,425	224	5,990,423,620
225	1,795,873		
226	904,659		
227	90,000	228	2,790,532
		229	0
		230	0
		231	0
		232	7,313,756,968
		233	9,765,465
		234	9,169,762,159
		235	314,353,474
		236	817,992,858
		237	1,132,346,332
		238	80,417,903
		239	341,621,409
		240	0
		241	0
		242	422,039,312
		243	15,710,224
		244	0
		245	533,397
		246	0
		247	0
		248	0
		249	16,243,621
		250	438,282,933
	to be carried forward		10,869,389,637

STATEMENT OF FINANCIAL POSITION

ASSETS

		carry forward	Balances for the year	
				10,223,530,661
E.	RECEIVABLES			
I	- Receivables, deriving from direct insurance transactions, due from:			
	1. Policyholders			
	a) for premiums for the year	71 170,375,261		
	b) for premiums for previous years	72 9,713,581		
	2. Insurance brokers	73 180,088,842		
	3. Insurance companies - current accounts	74 206,578,901		
	4. Policyholders and third parties for sums to be recovered	75 22,587,212		
		76 31,946,670	77 441,201,625	
II	- Receivables deriving from reinsurance transactions, due from:			
	1. Insurance and reinsurance companies	78 54,765,398		
	2. Reinsurance brokers	79 0	80 54,765,398	
III	- Other receivables		81 618,995,677	82 1,114,962,700
F.	OTHER ASSET ITEMS			
I	- Tangible assets and inventories:			
	1. Furniture, office machines and internal means of transport	83 1,333,207		
	2. Movable assets recorded in public registers	84 122,076		
	3. Plant and equipment	85 754,298		
	4. Inventories and miscellaneous assets	86 0	87 2,209,581	
II	- Cash and cash equivalent			
	1. Bank and postal account deposits	88 53,272,239		
	2. Cheques and cash amounts	89 12,638	90 53,284,877	
IV	- Other assets			
	1. Transitory reinsurance accounts - receivable	92 0		
	2. Sundry assets	93 93,242,154	94 93,242,154	95 148,736,612
G.	ACCRUALS AND DEFERRALS			
	1. For interest		96 52,323,135	
	2. For rental fees		97 0	
	3. Other accruals and deferrals		98 1,557,489	99 53,880,624
	TOTAL ASSETS			100 11,541,110,597



		Balances for the previous year	
	carry forward		10,869,389,637
²⁵¹	168,853,288		
²⁵²	9,839,452		
	²⁵³ style="text-align: right;">178,692,740		
	²⁵⁴ style="text-align: right;">203,511,820		
	²⁵⁵ style="text-align: right;">21,814,948		
	²⁵⁶ style="text-align: right;">36,832,940	²⁵⁷ style="text-align: right;">440,852,448	
	²⁵⁸ style="text-align: right;">82,266,812		
	²⁵⁹ style="text-align: right;">0	²⁶⁰ style="text-align: right;">82,266,812	
		²⁶¹ style="text-align: right;">528,899,231	²⁶² style="text-align: right;">1,052,018,491
	²⁶³ style="text-align: right;">1,589,862		
	²⁶⁴ style="text-align: right;">13,641		
	²⁶⁵ style="text-align: right;">744,510		
	²⁶⁶ style="text-align: right;">0	²⁶⁷ style="text-align: right;">2,348,013	
	²⁶⁸ style="text-align: right;">87,103,518		
	²⁶⁹ style="text-align: right;">5,493	²⁷⁰ style="text-align: right;">87,109,011	
	²⁷² style="text-align: right;">0		
	²⁷³ style="text-align: right;">138,082,661	²⁷⁴ style="text-align: right;">138,082,661	²⁷⁵ style="text-align: right;">227,539,685
		²⁷⁶ style="text-align: right;">56,245,177	
		²⁷⁷ style="text-align: right;">0	
		²⁷⁸ style="text-align: right;">913,781	²⁷⁹ style="text-align: right;">57,158,958
TOTAL ASSETS			²⁸⁰ style="text-align: right;">12,206,106,771

STATEMENT OF FINANCIAL POSITION
 LIABILITIES AND SHAREHOLDERS' EQUITY

Balances for the year

A. SHAREHOLDERS' EQUITY				
I	- Subscribed share capital or equivalent fund	101	685,043,940	
II	- Share premium reserve	102	863,344,241	
III	- Revaluation reserves	103	62,498,794	
IV	- Legal reserve	104	307,278,079	
V	- Statutory reserves	105	0	
VI	- Reserves for shares of the parent company	400	0	
VII	- Other reserves	107	238,765,401	
VIII	- Retained profits (accumulated losses)	108	0	
IX	- Profit (loss) for the year	109	3,582,754	
X	- Negative reserve for own shares in portfolio	401	-164,506,162	110 1,996,007,047
B. SUBORDINATED LIABILITIES				111 680,000,000
C. TECHNICAL PROVISIONS				
I - NON-LIFE BUSINESS				
1.	Premium provision	.112	722,233,488	
2.	Provision for outstanding claims	.113	2,262,442,104	
3.	Provision for profit-sharing and repayments	.114	759,000	
4.	Other technical provisions	.115	111,299	
5.	Equalisation provisions	.116	14,911,074	117 3,000,456,965
II - LIFE BUSINESS				
1.	Mathematical provisions	.118	4,537,166,688	
2.	Premium provision of supplementary insurance	.119	510,784	
3.	Provision for outstanding claims	.120	119,760,333	
4.	Provision for profit-sharing and repayments	.121	14,977	
5.	Other technical provisions	.122	25,670,975	123 4,683,123,757 124 7,683,580,722
D. TECHNICAL PROVISION FOR CONTRACTS WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDERS AND DERIVING FROM THE MANAGEMENT OF PENSION FUNDS				
I	- Provisions relating to contracts whose benefits are linked to investment funds and stock market indices	125	415,592,430	
II	- Provisions deriving from the management of pension funds	126	153,947,329	127 569,539,759
	to be carried forward			10,929,127,528



Balances for the previous year

	281	522,881,778		
	282	725,506,403		
	283	62,498,794		
	284	283,229,812		
	285	0		
	500	0		
	287	142,572,335		
	288	0		
	289	120,241,333		
	501	-49,927,076	290	1,807,003,379
			291	680,000,000
292		701,934,676		
293		2,465,313,537		
294		359,000		
295		146,399		
296		14,293,193	297	3,182,046,805
298		4,723,855,103		
299		516,732		
300		94,992,127		
301		14,244		
302		29,728,554	303	4,849,106,760
			304	8,031,153,565
			305	314,353,474
			306	817,992,858
			307	1,132,346,332
		to be carried forward		11,650,503,276

STATEMENT OF FINANCIAL POSITION
 LIABILITIES AND SHAREHOLDERS' EQUITY

				Balances for the year	
		carry forward			10,929,127,528
E.	PROVISIONS FOR RISKS AND CHARGES				
1.	Provision for pensions and similar obligations	128	1,624,561		
2.	Provision for taxation	129	2,799,863		
3.	Other provisions and allowances	130	70,373,601	131	74,798,025
F.	DEPOSITS RECEIVED FROM RE-INSURERS			132	14,473,637
G.	PAYABLES AND OTHER LIABILITIES				
I	- Payables, deriving from direct insurance transactions, due to:				
1.	Insurance brokers	133	22,767,739		
2.	Insurance companies - current accounts	134	1,916,878		
3.	Policyholders for guarantee deposits and premiums	135	21,218,799		
4.	Guarantee funds in favour of policyholders	136	201,474	137	46,104,890
II	- Payables, deriving from reinsurance transactions, due to:				
1.	Insurance and reinsurance companies	138	49,183,193		
2.	Reinsurance brokers	139	0	140	49,183,193
III	- Bond loans			141	0
IV	- Payables due to banks and financial institutions			142	8,826,720
V	- Payables with secured guarantee			143	0
VI	- Sundry loans and other financial payables			144	0
VII	- Employee severance indemnities			145	5,564,885
VIII	- Other payables				
1.	For taxes payable by policyholders	146	27,930,181		
2.	For sundry tax charges	147	125,140,128		
3.	Amounts due to social security and welfare institutions	148	2,429,523		
4.	Sundry payables	149	162,037,605	150	317,537,437
IX	- Other liabilities				
1.	Transitory reinsurance accounts - payable	151	0		
2.	Commission for premiums being collected	152	33,296,181		
3.	Sundry liabilities	153	58,155,657	154	91,451,838
			to be carried forward		155
					518,668,963
					11,537,068,153



		Balances for the previous year	
	carry forward		11,650,503,276
		308	1,760,525
		309	3,357,480
		310	64,426,174
		311	69,544,179
		312	16,605,190
	313	20,494,601	
	314	2,136,507	
	315	18,472,731	
	316	122,793	317
			41,226,632
	318	22,114,759	
	319	0	320
			22,114,759
		321	0
		322	5,234,826
		323	0
		324	0
		325	5,879,478
	326	30,756,000	
	327	159,404,413	
	328	2,779,474	
	329	83,784,301	330
			276,724,188
	331	0	
	332	29,584,999	
	333	83,680,651	334
			113,265,650
			335
			464,445,533
	to be carried forward		12,201,098,178

STATEMENT OF FINANCIAL POSITION
LIABILITIES AND SHAREHOLDERS' EQUITY

		Balances for the year	
	carry forward		11,537,068,153
H. ACCRUALS AND DEFERRALS			
1. For interest		156 4,042,444	
2. For rental fees		157 0	
3. Other accruals and deferrals		158 0	159 4,042,444
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			160 11,541,110,597



		Balances for the previous year	
carry forward			12,201,098,178
	336	4,754,468	
	337	0	
	338	254,125	339 5,008,593
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			340 12,206,106,771

The undersigned declare that these financial statements are 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.

Company **CATTOLICA ASSICURAZIONI S.P.A. (*)**

Subscribed share capital € 685,043,940 Paid in € 685,043,940

Registered
offices in Verona

Court in Verona

Income statement**2020**

(amounts in €)

(*) Cattolica Assicurazioni Soc. Coop. up to March 31st, 2021.

INCOME STATEMENT

		Balances for the year	
I. TECHNICAL ACCOUNT - NON-LIFE BUSINESS			
1.	PREMIUMS FOR THE YEAR, NET OF TRANSFERS UNDER REINSURANCE		
	a) Gross premiums written	1 1,746,202,555	
	b) (-) Ceded premiums	2 232,794,589	
	c) Change in gross premium provision	3 21,553,210	
	d) Change in premium provision - reinsurance amount	4 971,195	5 1,492,825,951
2.	(+) PORTION OF PROFIT FROM INVESTMENT TRANSFERRED FROM THE NON-TECHNICAL ACCOUNTS (ITEM III. 6)		6 0
3.	OTHER TECHNICAL INCOME, NET OF TRANSFERS UNDER REINSURANCE		7 4,427,323
4.	CLAIMS INCURRED, NET OF RECOVERIES AND TRANSFERS UNDER REINSURANCE		
	a) Claims paid		
	aa) Gross amount	8 1,205,693,664	
	bb) (-) reinsurance amount	9 172,600,774	10 1,033,092,890
	b) Change in recoveries net of reinsurance amount		
	aa) Gross amount	11 24,847,146	
	bb) (-) reinsurance amount	12 0	13 24,847,146
	c) Change in provision for outstanding claims		
	aa) Gross amount	14 -203,937,286	
	bb) (-) reinsurance amount	15 -32,441,590	16 -171,495,696
5.	CHANGE IN OTHER TECHNICAL PROVISIONS, NET OF TRANSFERS UNDER REINSURANCE		17 836,750,048
6.	CHANGE IN OTHER TECHNICAL PROVISIONS, NET OF TRANSFERS UNDER REINSURANCE		18 -35,102
6.	REPAYMENTS AND PROFIT-SHARING, NET OF TRANSFERS UNDER REINSURANCE		19 916,068
7.	OPERATING EXPENSES:		
	a) Acquisition commissions	20 287,199,686	
	b) Other acquisition costs	21 60,399,610	
	c) Change in commission and other acquisition costs to be amortised	22 0	
	d) Collection commission	23 10,880,652	
	e) Other administrative expenses	24 148,240,076	
	f) (-) Commission and profit-sharing received from re-insurers	25 50,265,002	26 456,455,022
8.	OTHER TECHNICAL CHARGES, NET OF TRANSFERS UNDER REINSURANCE		27 38,732,525
9.	CHANGE IN EQUALISATION PROVISIONS		28 617,881
10.	RESULT OF TECHNICAL ACCOUNT - NON-LIFE BUSINESS (Item III. 1)		29 163,816,832

Balances for the previous year

		111	1,773,959,269		
		112	215,516,594		
		113	19,338,789		
		114	-6,163,191	115	1,532,940,695
				116	85,491,000
				117	6,784,125
		118	1,255,069,833		
		119	160,592,404	120	1,094,477,429
		121	25,691,925		
		122	0	123	25,691,925
		124	-102,862,458		
		125	-6,520,534	126	-96,341,924
				127	972,443,580
				128	-11,271
				129	825,381
		130	270,033,315		
		131	72,790,551		
		132	0		
		133	14,021,237		
		134	145,144,287		
		135	49,039,594	136	452,949,796
				137	25,313,041
				138	569,203
				139	173,126,090

INCOME STATEMENT

Balances for the year

II. TECHNICAL ACCOUNT - LIFE BUSINESS				Balances for the year
1.	PREMIUMS FOR THE YEAR, NET OF TRANSFERS UNDER REINSURANCE:			
	a) Gross premiums written	30	554,816,948	
	b) (-) Ceded premiums	31	5,961,745	32 548,855,203
2.	INCOME FROM INVESTMENTS:			
	a) Income deriving from shares and holdings	33	20,348,414	
	(of which: deriving from Group companies	34	18,922,039)	
	b) Income deriving from other investments:			
	aa) from land and buildings	35	0	
	bb) from other investments	36	134,081,665	37 134,081,665
	(of which: deriving from Group companies	38	477,448)	
	c) Reversal of adjustment on investments	39	2,804,187	
	d) Profits on realisation of investments	40	43,791,382	
	(of which: deriving from Group companies	41	290,118)	42 201,025,648
3.	INCOME AND UNREALISED CAPITAL GAINS ON INVESTMENT BENEFITING POLICYHOLDERS WHO BEAR THE RISK AND DERIVING FROM THE MANAGEMENT OF PENSION FUNDS			43 37,762,282
4.	OTHER TECHNICAL INCOME, NET OF TRANSFERS UNDER REINSURANCE			44 3,433,399
5.	CHARGES RELATING TO CLAIMS, NET OF TRANSFERS UNDER REINSURANCE			
	a) Claims paid			
	aa) Gross amount	45	1,357,068,415	
	bb) (-) Reinsurance amount	46	4,241,316	47 1,352,827,099
	b) Change in provision for outstanding claims			
	aa) Gross amount	48	24,768,206	
	bb) (-) Reinsurance amount	49	-413,167	50 25,181,373
51				1,378,008,472
6.	CHANGE IN MATHEMATICAL PROVISIONS AND OTHER TECHNICAL PROVISIONS, NET OF TRANSFERS UNDER REINSURANCE			
	a) Mathematical provisions:			
	aa) Gross amount	52	-186,688,414	
	bb) (-) Reinsurance amount	53	-1,359,307	54 -185,329,107
	b) Premium provision of supplementary insurance:			
	aa) Gross amount	55	-5,948	
	bb) (-) Reinsurance amount	56	0	57 -5,948
	c) Other technical provisions			
	aa) Gross amount	58	-4,057,580	
	bb) (-) Reinsurance amount	59	0	60 -4,057,580
	d) Technical provisions for contracts where the investment risk is borne by the policyholders and deriving from the management of pension funds			
	aa) Gross amount	61	-562,806,573	
	bb) (-) Reinsurance amount	62	0	63 -562,806,573
64				-752,199,208

Balances for the previous year

		140	620,349,640			
		141	7,989,650	142	612,359,990	
		143	8,117,096			
(of which: deriving from Group companies		144	6,052,846)			
	145		0			
	146	153,258,321	147	153,258,321		
(of which: deriving from Group companies		148	762,033)			
	149	20,321,268				
(of which: deriving from Group companies		150	27,554,874)			
	151	1,633	152	209,251,559		
			153	71,423,633		
			154	4,245,212		
	155	696,517,042				
	156	6,124,853	157	690,392,189		
	158	-85,987,113				
	159	-271,177	160	-85,715,936	161	604,676,253
	162	-20,457,130				
	163	-1,608,836	164	-18,848,294		
	165	17,111				
	166	0	167	17,111		
	168	-5,741,241				
	169	0	170	-5,741,241		
	171	175,827,693				
	172	0	173	175,827,693	174	151,255,269

INCOME STATEMENT

Balances for the year

7.	REPAYMENTS AND PROFIT-SHARING, NET OF TRANSFERS UNDER REINSURANCE			65	481,091
8.	OPERATING EXPENSES:				
	a) Acquisition commissions	66	9,991,768		
	b) Other acquisition costs	67	13,605,633		
	c) Change in commission and other acquisition costs to be amortised	68	78,988		
	d) Collection commission	69	2,922,092		
	e) Other administrative expenses	70	23,355,615		
	f) (-) Commission and profit-sharing received from re-insurers	71	336,717	72	49,459,403
9.	EQUITY AND FINANCIAL CHARGES:				
	a) Charges for management of investments and interest expense	73	13,406,996		
	b) Adjustments on investments	74	65,655,378		
	c) Losses on realisation of investments	75	22,998,600	76	102,060,974
10.	EQUITY AND FINANCIAL CHARGES AND UNREALISED CAPITAL LOSSES ON INVESTMENTS FOR BENEFIT OF POLICYHOLDERS WHO BEAR THE RISK AND DERIVING FROM THE MANAGEMENT OF PENSION FUNDS			77	13,694,336
11.	OTHER TECHNICAL CHARGES, NET OF TRANSFERS UNDER REINSURANCE			78	22,702,919
12.	(+) PORTION OF PROFIT FROM INVESTMENTS TRANSFERRED TO THE NON-TECHNICAL ACCOUNTS (item III. 4)			79	6,955,000
13.	RESULT OF TECHNICAL ACCOUNT - LIFE BUSINESS (Item III. 2)			80	-30,086,455
III. NON-TECHNICAL ACCOUNT					
1.	RESULT OF TECHNICAL ACCOUNT - NON-LIFE BUSINESS (Item I. 10)			81	163,816,832
2.	RESULT OF TECHNICAL ACCOUNT - LIFE BUSINESS (Item II. 13)			82	-30,086,455
3.	INCOME FROM INVESTMENTS IN THE NON-LIFE BUSINESS:				
	a) Income deriving from shares and holdings	83	48,444,653		
	(of which: deriving from Group companies	84	48,257,449		
	b) Income deriving from other investments:				
	aa) from land and buildings	85	1,655,821		
	bb) from other investments	86	87,874,864	87	89,530,685
	(of which: deriving from Group companies	88	1,135,864		
	c) Reversal of adjustment on investments	89	2,355,997		
	d) Profits on realisation of investments	90	7,786,303		
	(of which: deriving from Group companies	91	290,118	92	148,117,638

Balances for the previous year

			175	666,817
	176	9,876,790		
	177	11,352,106		
	178	-247,712		
	179	3,485,017		
	180	26,124,633		
	181	470,172	182	50,616,086
	183	8,829,687		
	184	18,213,164		
	185	6,767,908	186	33,810,759
			187	6,214,091
			188	9,279,486
			189	17,944,000
			190	22,817,633
			191	173,126,090
			192	22,817,633
	193	32,044,363		
(of which: deriving from Group companies	194	29,044,266)		
	195	1,436,179		
	196	88,067,099	197	89,503,278
(of which: deriving from Group companies	198	373,121)		
	199	35,884,656		
	200	28,747,502		
(of which: deriving from Group companies	201	0)	202	186,179,799

INCOME STATEMENT

		Balances for the year
4.	(+) PORTION OF PROFIT FROM INVESTMENTS TRANSFERRED FROM THE TECHNICAL ACCOUNT - LIFE BUSINESS (Item II. 12)	93 6,955,000
5.	EQUITY AND FINANCIAL CHARGES OF THE NON-LIFE BUSINESS:	
	a) Charges for management of investments and interest expense	94 7,845,065
	b) Adjustments on investments	95 139,645,501
	c) Losses on realisation of investments	96 9,033,251
6.	(-) PORTION OF PROFIT FROM INVESTMENTS TRANSFERRED TO THE TECHNICAL ACCOUNT - NON-LIFE BUSINESS (Item I. 2)	98 0
7.	OTHER INCOME	99 50,507,090
8.	OTHER CHARGES	100 122,371,155
9.	RESULT OF ORDINARY ACTIVITIES	101 60,415,133
10.	EXTRAORDINARY INCOME	102 9,621,982
11.	EXTRAORDINARY CHARGES	103 12,219,703
12.	RESULT OF EXTRAORDINARY ACTIVITIES	104 -2,597,721
13.	PROFIT (LOSS) BEFORE TAXATION	105 57,817,412
14.	INCOME TAXES FOR THE YEAR	106 54,234,658
15.	PROFIT (LOSS) FOR THE YEAR	107 3,582,754

Balances for the previous year

	203	17,944,000
	204	8,895,568
	205	26,444,395
	206	6,392,287
	207	41,732,250
	208	85,491,000
	209	44,260,129
	210	130,364,630
	211	186,739,771
	212	5,447,826
	213	6,639,569
	214	-1,191,743
	215	185,548,028
	216	65,306,695
	217	120,241,333

The undersigned declare that these financial statements are 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.

NOTES TO THE ACCOUNTS

FOREWORD

Format

The financial statements, integrated by the management report in its entirety, consist of the statement of financial position and the income statement, the notes to the accounts and the related attachments, as well as the cash flow statement, and have been drawn up in compliance with the provisions of Italian Legislative Decree No. 209 of September 7th, 2005, ISVAP Regulation

No. 22 of April 4th, 2008, as amended by IVASS Provision No. 53 of December 6th, 2016, Italian Legislative Decree No. 173 of May 26th, 1997, as amended following the transposition of Directive 2009/138/EC, Solvency II and Directive 2013/34/EU, Accounting.

The list of assets as per Art. 10 of Italian Law No. 72 of March 19th, 1983, is part of the Notes to the accounts.

NOTES TO THE ACCOUNTS

Part A - Accounting standards

PART A

ACCOUNTING PRINCIPLES

Accounting standards

The accounting standards adopted are those in force in Italy and established by legal provisions, as updated during the year.

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 Company's fundamentals do not generate or leave any doubt as to its ability to continue as a going concern.

The solvency level of the Company, whose Solvency Ratio as at December 31st, 2020 stood at 188% (compared to 183% as at December 31st, 2019), also benefited from Assicurazioni Generali's subscription to the reserved share capital increase of € 300 million on October 23rd, albeit taking into account the repurchase of treasury shares resulting from the exercise of the right of withdrawal by former shareholders.

In view of the above, it is believed that there are no uncertainties regarding the Company's ability to continue as a going concern.

Reporting currency used in the financial statements

According to the provisions of Art. 4 of ISVAP Regulation No. 22 dated April 4th, 2008, as amended by

the IVASS Provision No. 53 dated December 6th, 2016 and pursuant to Art. 2423, paragraph 6, of the Italian Civil Code, the statement of financial position and the income statement have been prepared in Euro units; the notes to the accounts are in thousands of Euro. 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. According to the provisions of Art. 15, paragraph 3, of the aforementioned regulations, the amounts have been rounded up or down to the closest unit; if the amount presents a half, then it is rounded up.

The rounding of the balances contained in the notes to the accounts are made so as to ensure the consistency of the amounts in the statement of financial position and income statement formats.

Foreign currency items

In accordance with Art. 2426, No. 8-bis, of the Italian Civil Code, the monetary assets and liabilities in foreign currency are recorded using the spot exchange rate ruling as of the year end date; the consequent exchange gains and losses must be recognised to the income statement and any net profit is set aside in a specific restricted reserve until realised. The non-monetary assets and liabilities in foreign currency are recognised at the exchange rate in force at the time of their acquisition.

ILLUSTRATION OF THE ACCOUNTING PRINCIPLES

The most significant criteria used in the preparation of the financial statements are set out below.

INTANGIBLE ASSETS

Acquisition commission to be amortised

Non-life business

From the entry into force of Art. 5, paragraph 4, of Italian Decree Law No. 7 of January 31st, 2007 (so-called Italian

"Bersani bis" Decree), which introduced the faculty - for the policyholders - of withdrawing annually from long-term policies, without charges and by giving notice of sixty days, the commission relating to the policies issued is settled annually and recognised at cost in the period of accrual of the premium instalment.

Life business

The acquisition commission of the life business is amortised in accordance with Art. 16, paragraph 10, of Italian Legislative Decree No. 173, of May 26th, 1997.

They are allocated, net of reinsurance amount and in any case within the limits of the premium loading present in the tariff, for a period equal to the duration of the contracts and, only for contracts with a generation year prior to 2013, for a period equal to the duration of the contracts with a maximum limit of ten years.

Goodwill

The item includes:

- the goodwill recorded in Duomo Previdenza (a company absorbed in 2007), attributable to the merger transactions concluded during 2001, which represents the values of the portfolios and the sales networks of the insurance companies absorbed. It is amortised, on a straight-line basis and proportionally over time, over a period of twenty years, deemed suitable in relation to the period of use of the intangible elements it is made up of;
- the goodwill deriving from the acquisition, in 2010, of the business unit from the subsidiary C.I.R.A. relating to the activities achieved via the broker and agent channels. In relation to the economic useful life of the unit in question, it is amortised on a straight-line basis in twenty annual portions;
- the goodwill acquired in 2011 following the spin-off transaction of Duomo Uni One in the Company, for the absorption of Maeci Assicurazioni. It is amortised on the basis of a twenty-year plan on a straight-line basis, in relation to the average residual duration of the underlying contracts;
- the deficit recognised in 2011 following the spin-off transaction for Duomo Uni One in the Company; it is amortised on the basis of an eighteen-year plan, in relation to the average residual duration of the underlying contracts;
- the deficit recognised in 2012 following the partial spin-off transaction for Cattolica Gestione Investimenti in the Company; it is amortised on the basis of a ten-year plan, in relation to the average duration of the assets;
- the deficit recognised in 2015 following the total spin-off transaction for Cattolica Previdenza in the Company; it is amortised on the basis of a seven-year amortisation plan, in relation to the average duration of the acquired portfolio;
- the deficit recognised in 2016 following the merger by incorporation of FATA Assicurazioni Danni within the Company. It is amortised, on a straight-line basis and proportionally over time, over a period of 13 years; the amortisation plan is deemed suitable in relation to the period of use of the intangible elements it is made up of.

Other long-term costs

These are represented by costs benefiting the long-term, and are stated net of the amortisation provided.

The amortisation is calculated over a useful life of five years as a rule, or on the basis of the residual useful life.

This item includes also intangible assets under development, which are not subject to amortisation.

INVESTMENTS

Land and buildings

These are considered to be assets with long-term use destined to remain among the company assets; they are recognised at purchase cost increased by incremental value costs and the revaluations made over time, net, for buildings, of depreciation and impairment losses. The valuation is consistent with the dictates of Art. 16, paragraphs 1, 2 and 3 of Italian Legislative Decree No. 173, of May 26th, 1997.

In relation to the obligation pursuant to Art. 16, paragraph 7, of Italian Legislative Decree No. 173 of May 26th, 1997, the current properties value, calculated individually for each property owned by the Company, on a consistent basis with the matters established by Art. 18 of the aforementioned legislative decree and ISVAP Regulation No. 22 of April 4th, 2008, as amended by IVASS Provision No. 53 of December 6th, 2016, emerges from an estimate report prepared with reference to December 2020, on which the company has made additional internal prudential considerations.

Property used for business activities and by third parties

The properties intended for direct use and third-party use are systematically depreciated each year in relation to the residual possible use according to economic-technical criteria.

The plots of land and the pertinent areas acquired autonomously are recognised at purchase cost and are not depreciated.

In 2008, the right to revalue real estate assets resulting from the financial statements as at December 31st, 2007, provided for by Italian Legislative Decree No. 185 of November 29th, 2008, converted with Italian Law No. 2 of January 28th, 2009, was exercised, following the criterion of the comparative method (or market method).

It is confirmed that the revalued value of the assets does not exceed the market value attributable to the same as also emerges from the appraisals carried out by the company specialised with regard to real estate appraisal activities.

The Company exercised the right to assign tax-related importance to the revaluation of the properties (even if the effects are deferred over time) by means of the payment of the substitute tax.

Securities investments

In accordance with Art. 8 of IVASS Regulation No. 24 of June 6th, 2016, the Board of Directors adopted a specific framework resolution in relation to investment policies, asset and liability management and liquidity risk management. The investment policies are reviewed annually.

The document contains the financial guidelines, the investment objectives, the characteristics and limits on the basis of which the assets that meet the medium/long-term strategic investment needs are identified, consistent with the company's current and prospective economic, financial and management conditions, with a view to maintaining returns consistent with commitments to policyholders, given the profile of the liabilities and based on estimates of the performance of total reserves, in the asset & liability management business. The system for measuring and controlling the risks associated with the investments, as well as the related analysis methods and reporting content, are also defined.

It should be noted that the Company has decided not to make use of the option provided for by Italian Ministerial Decree of July 17th, 2020, of the MEF by which an extension was provided for the provisions of Art. 20-quater, paragraph 1, of Italian Law No. 136 of December 17th, 2018, on the valuation of securities included in the not long-term segment also for 2020. Therefore, the exemption granted by the aforementioned law to Art. 2426, point 9, of the Italian Civil Code has not been applied.

Investments in Group companies and in other investee companies

These have been identified as fixed assets in accordance with Arts. 4 and 15 of Italian Legislative Decree No. 173 of May 26th, 1997, unless otherwise indicated as justified in the notes to the accounts, and are recorded on the basis of the criteria, listed below, determined in accordance with Art. 16 of Italian Legislative Decree No. 173, of May 26th, 1997.

Company shares and holdings

Investments in subsidiaries, associated companies and other companies in which there is a lasting relationship pursuant to Art. 4, paragraph 2, of Italian Legislative Decree No. 173 of May 26th, 1997, are recognised at purchase or subscription cost and are written down in the presence of impairment losses, as per Art. 16, paragraph 3 of Italian Legislative Decree No. 173, of May 26th, 1997.

The shares recognised under assets, which are not long-term, are valued analytically at the lower between the book value and the realisable value, established on the basis of market trends as per Art. 16, paragraph 6, of Italian Legislative Decree No. 173, of May 26th, 1997.

Bonds issued by Group companies and investee companies and other fixed-income securities

Fixed-income securities issued by subsidiary, associated companies and other companies, in which a long-term relationship takes place as per Art. 4, paragraph 2, of Italian Legislative Decree No. 173 of May 26th, 1997, are recognised at purchase or subscription cost and are written down in the presence of impairment losses, as per Art. 16, paragraph 3 of Italian Legislative Decree No. 173, of May 26th, 1997. The amortisation of the additional cost has been adopted as envisaged by paragraph 16 of the same article.

The financial statement item includes also investments in bonds, which represent non long-term assets and therefore are recorded in the financial statements pursuant to Art. 16, paragraph 6, of Italian Legislative Decree No. 173, of May 26th, 1997.

Loans to Group companies

The item includes receivables for loans granted, at market conditions, to subsidiaries in which there is a lasting relationship pursuant to Art. 4, paragraph 2, of Italian Legislative Decree No. 173, of May 26th, 1997.

These receivables are recorded at the nominal value of the amount disbursed.

Other financial investments

Other financial investments are recognised on the basis of the criteria, listed below, determined in accordance with Art. 16 of Italian Legislative Decree No. 173, of May 26th, 1997.

Shares and holdings

The shares are valued analytically at the lower between the book value and the realisable value, established on the basis of market trends.

The price of the last open market day is adopted as the realisable value.

In compliance with the provisions of Art. 16, paragraph 6, of Italian Legislative Decree No. 173 of May 26th, 1997, the securities, written down in previous years, for which the reasons that led to the write-down have ceased to exist, are revalued, with the limit of the historical cost.

Bonds and other fixed-income securities

Bonds, which represent non long-term assets, are valued analytically at the lower between the book value and the realisable value, established on the basis of market trends as per Art. 16, paragraph 6, of Italian Legislative Decree No. 173, of May 26th, 1997.

The purchase cost or the book value of the bonds is adjusted by issue discounts, in other words the differences between the issue values of the securities and the related redemption values.

Bonds, which represent long-term assets, are recognised at purchase or subscription cost and are written down in the presence of impairment losses, as per Art. 16, paragraph 3, of Italian Legislative Decree No. 173, of May 26th, 1997. The book values are analytically valued and adjusted by the issue and trading discounts recognised on an accruals basis, as per the law indicated above.

In compliance with the provisions of Art. 16, paragraphs 3 and 6, of Italian Legislative Decree No. 173 of May 26th, 1997, the securities, written down in previous years, for which the reasons that led to the write-down have ceased to exist, are revalued, with the limit of the historical cost.

Units of mutual investment funds

The units of mutual investment funds are valued analytically at the lower between the book value and the realisable value, established on the basis of market trends. The price of the last open market day is adopted as the realisable value.

The investments in private equity funds structured according to the formula of the committed fund are recognised in accordance with the guidelines issued by the EVCA (European Private Equity & Venture Capital Association), which envisage the recognition under the assets of the values paid over to the fund and the indication of the residual commitment in relation to the same in the memorandum accounts, the disclosure of which is set out in Part B of these Notes to the accounts.

With reference to the valuation of financial instruments, it should be noted that the realisable value, which can be inferred from the market trend, is determined by means of the use of prices acquired from public listings, in the event of instruments listed on active markets, or by means of the use of valuation models in the case of instruments not listed or listed on non-active markets. An instrument is considered as listed on an active market if the listed prices are promptly and duly available via stock markets, brokers, intermediaries, companies specialised in the

sector, listing services or regulatory bodies and represent effective and regular market transactions, which have taken place within an adequate reference interval, promptly adapting to market changes. In the absence of an active market or a market that has a sufficient or permanent number of transactions, the market value is determined by means of valuation models, generally applied and accepted by the market, with the aim of determining the exchange price of a hypothetical transaction, which has taken place under market conditions, that can be defined as "normal and independent".

Recourse to the valuation techniques aims to minimise the use of the inputs not observable on the market, favouring the use of observable data.

In particular, where no publicly listed price is determined, the market value of the securities in the portfolio is identified as follows:

- for equity instruments (shares and holdings), market approach and income approach techniques are used, where the main inputs for the market approach are the prices listed for identical or comparable assets in active markets;
- debt instruments (bonds and other fixed-income securities) are valued by reference to: (i) the price provided by the counterparty, if binding ("executable"); (ii) the price recalculated by internal valuation instruments or provided by third parties and supported 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 market 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;
- for mutual investment funds, the reference value, for determining the market value, is represented by the official NAV communicated by the asset management company (SGR) or the fund administrator or obtained from information providers.

REPURCHASE TRANSACTIONS

The assets forming the subject matter of repurchase transactions are recognised, as per Art. 2424-bis of the Italian Civil Code, in the statement of financial position of the seller and the related income and charges, including therein the difference between the forward price and the

spot price, are recognised for the portions pertaining to the year.

Derivative financial instruments

Derivative financial instruments used for hedging purposes are valued in accordance with the principle of valuation consistency, which envisages that the capital gains and losses from valuation are booked to the income statement on a consistent basis with the corresponding capital gains and losses from valuation on the assets hedged.

Derivative financial instruments used to increase the profitability are valued at the lower between the book value and the realisable value, which is equal to the current value of the future performances.

The market value of the derivative contracts is determined in reference to the respective listings and, in the absence thereof, on the basis of a prudent valuation of their estimated realisable value, as per market practices.

INVESTMENTS FOR BENEFIT OF LIFE ASSURANCE POLICYHOLDERS WHO BEAR THE RISK AND DERIVING FROM THE MANAGEMENT OF PENSION FUNDS

These are recognised in accordance with the matters laid down by Arts. 16, 17 and 19 of Italian Legislative Decree No. 173, of May 26th, 1997.

The value of the investments classified in class D "Investments for benefit of life assurance policyholders who bear the risk and deriving from the management of pension funds" is determined on the basis of the current value expressed on the last day of transaction in the year, as communicated by the issuing bodies or, for listed securities, according to listed market prices.

RECEIVABLES

These are recognised at their estimated realisable value pursuant to Art. 16, paragraph 9, of Italian Legislative Decree No. 173 of May 26th, 1997, determined by countering the nominal value with the write-downs calculated using analytical methods for the receivables deriving from dealings with agents, reinsurance companies and other types of receivables, and with forfeit methods for those deriving from dealings with policyholders, taking into account the experience acquired and the historical analysis of the trend in collections.

OTHER ASSET ITEMS

Furniture and plant

These are recognised at purchase cost, in accordance with Art. 16, paragraphs 1 and 2, of Italian Legislative Decree No. 173 of May 26th, 1997, and are adjusted by the corresponding accumulated depreciation.

The related cost is depreciated systematically in each year in relation to the residual possibility of use, which derives from a valuation made on the intended use, the expected physical wear and tear and the technological obsolescence, using economic-technical criteria on the basis of the experience acquired.

In relation to the period in which use of the asset ends, the following depreciation rates are calculated:

- ordinary office furniture and machines: 12%;
- plant and equipment: 15%;
- electronic machines and hardware: 20%;
- vehicles and internal means of transport: 25%.

The rates are applied to the extent of 50% for purchases made during the year. The result obtained does not differ significantly from that calculated on the basis of the effective duration of the period of possession.

Movable assets subject to rapid economic deterioration whose individual costs are of scant significance, are depreciated in full during the year.

Cash and cash equivalent

These are stated at their nominal value.

ACCRUALS AND DEFERRALS

The approach for recognising accruals and deferrals makes reference to the assignment to the accrual period of income and expenses common to several years.

The accruals and deferrals are calculated in accordance with the accrual principle, in observance of Art. 2424-bis, paragraph 6, of the Italian Civil Code.

SHAREHOLDERS' EQUITY

Negative reserve for own shares in portfolio

Following the changes introduced by Art. 6, paragraph 1, of Italian Legislative Decree No. 139 of August 18th, 2015, by way of implementation of the Directive 2013/34/EU, own shares are recognised in the financial statements

directly reducing the shareholders' equity, in accordance with the matters laid down by Art. 2357-ter.

SUBORDINATED LIABILITIES

These are stated at their nominal value.

TECHNICAL PROVISIONS

Life business technical provisions

The technical provisions, for the exercise of private life assurance, have been valued on the basis of the actuarial standards and the applicative rules set forth by Attachment No. 14 to the ISVAP Regulation No. 22 dated April 4th, 2008, as amended by IVASS Provision No. 53 dated December 6th, 2016.

The technical calculation bases adopted are consistent with the provision contained in Attachment No. 14 to ISVAP Regulation No. 22 dated April 4th, 2008, as amended by IVASS Provision No. 53 dated December 6th, 2016.

The process of forming technical provisions is based, among other things, on data flows deriving from the main characteristic processes and, by its nature, is affected by risks typical of an insurance company, linked to the financial management of investments and the complexity and variety of the insurance portfolio. The process of establishing technical provisions includes also the determination of additional provisions provided to cover mortality or other risks, such as guaranteed benefits on maturity or guaranteed redemption values, which are included among the mathematical provisions.

In the financial statements as at December 31st, 2020, the process of determining the life business technical provisions was characterised by a greater complexity and subjectivity in the determination of parameters and assumptions due to the uncertainties related to the current macro-economic context following the Covid-19 pandemic.

The Company applies the provisions set out in paragraphs 21 et seq. of Attachment No. 14 to the ISVAP regulation No. 22, dated April 4th, 2008, as amended by IVASS Provision No. 53 dated December 6th, 2016, regarding the determination of the foreseeable return of the additional provisions for financial risk, along with those of paragraphs 36 et seq. of the aforementioned attachment, regarding

the establishment and calculation of an additional provision for demographic risk.

Furthermore, the Company applies paragraph 41 of said attachment, which envisages the coverage of the mortality risk and guaranteed benefits falling due for the contracts as per Art. 41, paragraph 1, of Italian Legislative Decree No. 209/2005 and subsequent amendments.

The provisions relating to the acceptances are calculated in relation to the criteria envisaged by Attachment No. 16 to ISVAP Regulation No. 22 dated April 4th, 2008, as amended by IVASS Provision No. 53 dated December 6th, 2016.

The reinsurance amount of technical provisions include the gross amounts pertaining to the same and are determined in compliance with the contractual reinsurance agreements, on the basis of the gross amounts of the technical provisions.

Provision for outstanding claims

The provision is made up of the amount necessary for covering the payment of capital and accrued returns, redemptions and claims to be settled.

Premium provision of supplementary insurance

The premium provision of supplementary insurance includes the related premium provision.

Provision for profit-sharing and repayments

The provision for profit-sharing and repayments includes the amounts to be assigned to the policyholders or the beneficiaries of profit-sharing and repayment agreements provided that these are not already considered in the mathematical provision.

Other technical provisions

Other technical provisions include the provision for future expenses, which are expected to be incurred on the basis of prudent valuations as per paragraph 17 of Attachment No. 14 to ISVAP Regulation No. 22 dated April 4th, 2008, as amended by IVASS Provision No. 53 dated December 6th, 2016.

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

The provisions relating to index-linked and unit-linked policies and pension funds have been calculated taking into account both the contractual commitments and the financial assets linked to said policies.

They are formed in accordance with paragraphs 39 et seq. of Attachment No. 14 to ISVAP Regulation No. 22 dated April 4th, 2008, as amended by IVASS Provision No. 53 dated December 6th, 2016, and cover the commitments deriving from the insurance of the life business whose return is determined in relation to investments for which the policyholder bears the risk or in relation to an index.

Non-life business provisions

The premium provision for non-life business comprises both the provision for unearned premiums and the provision for current risks.

The provision for unearned premiums shall be calculated analytically using the pro rata temporis method (paragraph 2, point 2, of Attachment No. 15 of ISVAP Regulation No. 22 of April 4th, 2008) on the basis of gross premiums written, as defined in Art. 45 of Italian Legislative Decree No. 173 of May 26th, 1997, less only acquisition commission and other acquisition costs, limited to directly attributable costs.

The book value thus obtained has been supplemented by the provisions for suretyship, crop hail, other natural disasters and damages deriving from nuclear energy, as provided for in paragraph 9 of Attachment No. 15 of ISVAP Regulation No. 22 of April 4th, 2008.

The provision for current risks is calculated class by class and represents the value to make provision for covering the risks threatening individual companies after the end of the accounting period, so as to cover all the compensation and costs deriving from insurance policies stipulated by the end of the accounting period, if their amount exceeds that of the provision for unearned premiums and the premiums, which will be collectable by virtue of these policies, according to paragraph 6, point 1, of Attachment No. 15 of ISVAP Regulation No. 22, dated April 4th, 2008.

The premium provisions relating to transfers to re-insurers are determined on the basis of methods consistent with those for direct business and, in any event, in accordance with reinsurance contractual agreements.

The premium provisions relating to acceptances are calculated in relation to the criteria envisaged in title I, chapter III, section I of the part III of ISVAP Regulation No. 33 of March 10th, 2010.

The provision for outstanding claims is determined on the basis of a prudent evaluation of the claims, which occurred during that accounting period or in previous

ones that have not yet been settled, based on objective elements, as well as of the related settlement costs.

In the definition of the provision for outstanding claims, reference was made, to the concept of last estimated cost, identifying this value in compliance with the provisions set out in paragraphs 23 et seq. of Attachment No. 15 of ISVAP Regulation No. 22 of April 4th, 2008, in accordance with a mixed assessment system.

In particular, when establishing the liability relating to the claims, steps are taken to separately evaluate each claim (inventory method), based on the analysis of the documentation relating to each individual damage case, implemented by the staff assigned to settle the claims. With regard to the classes characterised by slow settlement processes and for which the analytical valuation does not make it possible to take into account all anticipated charges, the inventory method is flanked by an additional valuation by means of statistical-actuarial procedures or forecast systems on the evolution of the costs.

The main assumptions used in applying the statistical-actuarial methods concern technical variables, including the time interval for deferring payments and the trend in the cost of claims, linked to the length of time taken to pay, as well as prospective assessments of the economic scenario.

The actuarial analysis was carried out with reference to simulations deriving from the use of different statistical-actuarial methods; in particular, reference was made to the following stochastic methods: Mack Paid, Mack Incurred and Dahms Complementary Loss Ratio.

The above methods are based on the run-off triangles of the cumulative paid and cost of claims at various valuation dates (cost being the sum of the cumulative paid per year and the residual inventory reserve per year i).

With regard to the assessment of the cost of the current generation, the Company avails itself, as envisaged by paragraph 25, point 1, of Attachment No. 15 of ISVAP Regulation No. 22 dated April 4th, 2008, of the average cost approach (with the exception of the credit and suretyship classes) for the classes, which due to technical features lend themselves to the application of the same criteria.

To this end, two homogeneous risk groups have been identified, dividing claims according to a first year cost threshold (i.e. paid and reserved in the reporting year), representing the amount used for channelling to the Complex Claims Office.

With regard to average costs used, the triangle of inflated and stripped reported averages as at 12/31/2020 for non-delayed claims of the 2017-2020 generations (claims that occurred and were reported in the year i) was analysed.

With regard to the claims for the current generation, which do not present sufficient numerousness and quantitative and qualitative standardisation, the inventory method is applied.

The reserve includes the evaluation of the claims, which have occurred but have not been reported as at the year-end date, determined on the basis of the provisions set out in paragraphs 27 et seq. of Attachment No. 15 of the ISVAP Regulation No. 22 of April 4th, 2008.

The amount was determined on the basis of experience acquired in previous years, estimating separately the expected number of claims and the relative average cost per each class and in the case of Motor TPL per management type.

The number of expected claims was estimated, where the conditions for their applicability were met, by using the chain ladder method applied to the triangle of claims reported over the 2014-2020 time period.

The average cost was obtained by observing the average costs reported late for the 2015-2020 generations.

The provision for outstanding claims regarding Card and No Card claims of the land vehicle TPL class is established on the basis of paragraphs 30 et seq. of Attachment No. 15 of ISVAP Regulation No. 22 of April 4th, 2008; the overall amount of the provision for outstanding claims is calculated in relation to the matters laid down by paragraph 31, point 2.

The portions of the provisions for outstanding claims pertaining to re-insurers are determined adopting the same criteria used for the direct business provisions and taking into account the contractual clauses of the agreements.

The provisions for outstanding claims relating to acceptances are calculated in relation to the criteria provided for in title I, chapter III, section II of the Part III of ISVAP Regulation No. 33 dated March 10th, 2010.

Provision for profit-sharing and repayments

The provision for profit-sharing and repayments includes the amounts to be paid to policyholders or beneficiaries of technical profit-sharing and repayment agreements, provided that such amounts have not already been allocated to policyholders.

In the financial statements for the year ended December 31st, 2020, the process of determining provisions for outstanding claims was characterised by greater complexity and subjectivity in determining parameters and assumptions due to uncertainties related to the current macroeconomic environment resulting from the Covid-19 pandemic.

Other technical provisions

They include the aging provision of the health class for the rise in the age of the policyholders, in accordance with paragraphs 42 et seq. of Attachment No. 15 of ISVAP Regulation No. 22, of April 4th, 2008, and title I, chapter III, section IV of Part III of ISVAP Regulation No. 33 of March 10th, 2010.

Equalisation provisions

These comprise the equalisation provision of the credit class, as well as the equalisation provisions for natural calamity risks and for damages deriving from nuclear energy as per paragraphs 37 and 41 and title I, chapter III, section III of the Part III of ISVAP Regulation No. 33 of March 10th, 2010.

PROVISIONS FOR RISKS AND CHARGES

Provision for pensions and similar obligations

The item includes the amount of the mathematical provision corresponding to the commitments undertaken regarding to the individual members enrolled (active members and pensioners) in the Internal Pension Fund for Company Employees and the appraisals as at year-end not yet included in the mathematical provision as at that date. This item indicates the Company's commitment envisaged by the supplementary in-house agreement dated October 29th, 1999, which amended the original agreement dated June 1st, 1963 in favour of the employees taken on until March 15th, 1982 (if officers, until November 17th, 1982).

The Fund, complying with the defined benefit regime and managed in insurance form, was set up in accordance with Art. 2117 of the Italian Civil Code; the value of the benefit accrued is determined analytically for each individual position using the criteria established in the afore-mentioned agreement.

Provision for taxation

The provision comprises the deferred taxes estimated, relating to the timing differences between the taxable

results and those deriving from the statutory financial statements, which involve the deferral of the taxation.

Prepaid taxes relating to the deductible timing differences are recorded in the assets item E.III. "Other receivables". This approach is in line with the accounting standard on taxation No. 25 issued by the OIC - Italian Accounting Body.

Other provisions and allowances

The item includes the provisions provided to cover known or likely specific losses or liabilities, the timing or extent of which cannot be determined at year end.

PAYABLES AND OTHER LIABILITIES

Employee severance indemnities

Employee severance indemnities are calculated in accordance with the legal provisions and employment contracts.

The provision, net of advances paid out, covers the Company's commitments regarding to the employees as at year-end.

Payables

These are stated at their nominal value.

INCOME STATEMENT

Gross premiums written

These are recognised in accordance with Art. 45 of Italian Legislative Decree No. 173 of May 26th, 1997 with reference to the moment of accrual, which corresponds with the moment of expiry of the premiums as emerging from the contractual documentation, independently of the fact that these amounts have been effectively collected or that they refer in full or in part to subsequent years and are determined net of cancellations in accordance with the aforementioned legislation.

Income

Income is recognised taking into account its pertinence and regardless of the date of collection.

Dividends are recorded in the period they are received.

Costs and charges

Charges are recognised taking into account the pertinence of the same, regardless of the date of payment.

Cost allocation approach

Directly chargeable costs inherent to business, the settlement of claims and investments are allocated to the life and non-life businesses and to the individual classes on the basis of analytical criteria.

Indirectly chargeable acquisition costs are allocated in relation to the number of new business contracts, those relating to administration on the basis of the contracts in the portfolio and those relating to settlement on the basis of the number of claims settled and reserved for the non-life business and the number of settlements for the life business. The charges relating to investments are assigned to the life and non-life businesses on the basis of the volume of the provisions.

Transfers of income and charges

The allocation of portions of the profit of the investments to the non-life technical account and the transfer from the life technical account to the non-technical account is carried out in accordance with Art. 55 of Italian Legislative Decree No. 173 of May 26th, 1997 and Arts. 22 and 23 of ISVAP Regulation No. 22 of April 4th, 2008, as amended by IVASS Provision No. 53 of December 6th, 2016.

Taxation for the year

Current taxes for the year are provided for on an accruals basis with reference to current legislation.

Deferred tax assets and liabilities are recognised on the timing differences between the value assigned to the assets and liabilities according to statutory criteria and the value assigned to the same assets and liabilities for tax purposes.

The assets deriving from prepaid taxes are recognised since, having checked the observance of the prudent principle, there is reasonable certainty of the existence, in the years when the related timing differences will reverse, of taxable income greater than the amounts of the differences, which will be cancelled.

Prepaid taxes and deferred taxes relating to the timing differences arising during the year have been recognised in the financial statements separately, by means of recording the same respectively in "Other receivables" under the assets and in the "Provision for deferred taxation" as a matching balance to the specific income statement item 14 "Income taxes for the year".

Compliance with the tax consolidation scheme does not lead to exceptions or changes to the standards illustrated above.

USE OF ACCOUNTING ESTIMATES

The preparation of the Company'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 financial statements and, consequently, the financial 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 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 Covid-19 pandemic, the emergency situation of which is ongoing, the Company has carried out an analysis of the main areas of the financial statements that involve a high degree of recourse to discretionary assessments, assumptions, estimates and hypotheses relating to subjects that are by their very nature uncertain.

The main budget areas identified as a result of the above analysis are listed below:

- determination of impairment losses on long-term equity investments;
- determination of the recoverable amount of goodwill;
- definition of the market value of the assets and liabilities if not directly observable on active markets;
- determination of technical provisions;
- estimate of the recoverable nature of deferred taxes;
- quantification of provisions for risks and charges and write-down of receivables.

NOTES TO THE ACCOUNTS

**Part B - Information on the
Statement of financial position
and Income statement**

PART B

STATEMENT OF FINANCIAL POSITION - ASSETS

SECTION 1 - INTANGIBLE ASSETS (Item B)

Intangible assets, presented in summary form in Attachment 4, showed the following changes:

Table 25 - Intangible assets

(€ thousands)	2020	2019	Changes	
			Amount	%
Acquisition commissions to be amortised - life business	11,531	11,452	79	0.7
Goodwill	92,991	114,116	-21,125	-18.5
Other long-term costs	6,496	3,430	3,066	89.4
TOTAL (item B)	111,018	128,998	-17,980	-13.9

The following tables, relating to gross amounts of amortisation and the accumulated amortisation, do not contain the acquisition commissions to be amortised since it is amortised using the direct method.

Table 26 - Intangible assets - gross amortisation amounts

(€ thousands)	Jan 1st, 2020	Increases	Decreases	Dec 31st, 2020
Start-up and expansion costs	21,900	0	0	21,900
Goodwill	351,187	0	0	351,187
Other long-term costs	27,839	3,747	0	31,586
TOTAL	400,926	3,747	0	404,673

Table 27 - Intangible assets - accumulated amortisation

(€ thousands)	Jan 1st, 2020	Increases	Decreases	Dec 31st, 2020
Start-up and expansion costs	21,900	0	0	21,900
Goodwill	237,071	21,125	0	258,196
Other long-term costs	24,409	681	0	25,090
TOTAL	283,380	21,806	0	305,186

Acquisition commission to be amortised

Acquisition commissions to be amortised for the life business amounted to € 11.531 million, compared with € 11.452 million at the end of the previous year.

As at December 31st, 2020, no commission to be amortised for the non-life business has been recorded.

Goodwill

The item amounted to € 92.991 million at year end (€ 114.116 million as at December 31st, 2019) and includes:

- the price paid for the acquisition of the business unit from subsidiary C.I.R.A. net of the amortisation charge calculated on the basis of a straight-line twenty-year plan. The residual value as at the year-end amounted to € 3.555 million, net of the amortisation charge for € 395 thousand;
- the deficit recognised following the spin-off transaction for Duomo Uni One in the Company. The residual value as at the year-end, net of the amortisation charge for € 7.881 million, amounted to € 62.938 million;
- the deficit recognised following the partial spin-off of Cattolica Gestione Investimenti in the Company for a total of € 16.69 million. The residual value, net of the amortisation charge for € 1.669 million, calculated on the basis of a straight-line ten-year plan, amounted to € 1.669 million;
- the deficit recognised following the spin-off of Cattolica Previdenza in the Company for a total of € 6.411 million, net of the amortisation charge for the year of € 6.411 million;
- the deficit recognised following the merger by incorporation of FATA in the Company for a total of € 29.929 million whose residual value, net of the related amortisation charge for € 2.302 million, amounted to € 18.418 million.

During the year the amortisation plans provided for the following goodwill were completed:

- the price paid by Duomo Previdenza (company incorporated in 2007) for the merger by incorporation of the companies Maeci Vita and Le Mans Vita (amortisation charge for the year of € 2.092 million);
- the price paid by Duomo Uni One for the incorporation of the company Maeci Assicurazioni, acquired following the spin-off transaction of Duomo Uni One into the Company (amortisation charge for the year of € 375 thousand).

Other long-term costs

The item amounted to € 6.496 million and includes:

- € 3.747 million for the amount of fixed assets in progress relating to activities in connection with the share capital increase that began in October 2020;
- € 1.91 million reflecting the amount of the long-term expenses pertaining to the issue, in December 2017, of the bond incurred for a total amount of € 2.748 million and amortised as at the year-end for € 275 thousand;
- € 489 thousand reflecting the amount of the long-term expenses pertaining to the issue in 2014 of the bond incurred for a total amount of € 1.678 million, whose amortisation charge totalled € 168 thousand;
- € 346 thousand reflecting the costs incurred for software implementations, stated net of the amortisation charge for the year of € 234 thousand;
- € 4 thousand reflecting the costs associated with leasehold improvements, displayed net of the amortisation charge for the year of € 5 thousand.

The increases relating to accumulated amortisation, totalling € 681 thousand, are entirely attributable to the amortisation charges for the year.

As at December 31st, 2019, the item amounted to € 3.43 million.

SECTION 2 - INVESTMENTS (Item C)

Land and buildings

The "Land and buildings" item amounted to € 84.312 million. At the end of the year, the current value of properties amounted to € 90.62 million; it was updated on the basis of the market value as at December 2020, as emerging from the appraisal report of the independent expert in charge of the valuation.

As shown in the table below, the item is made up as follows:

Table 28 - Land and buildings

(€ thousands)	2020	2019	Changes	
			Amount	%
Property used for business activities	55,697	57,797	-2,100	-3.6
Property used by third parties	28,615	31,760	-3,145	-9.9
TOTAL (item C.I)	84,312	89,557	-5,245	-5.9

Table 29 - Land and buildings - gross depreciation amounts

(€ thousands)	Jan 1st, 2020	Increases	Decreases	Dec 31, 2020
Property used for business activities	89,091	234	208	89,117
Property used by third parties	41,967	0	2,368	39,599
TOTAL	131,058	234	2,576	128,716

Table 30 - Land and buildings - accumulated depreciation

(€ thousands)	Jan 1st, 2020	Increases	Decreases	Dec 31, 2020
Property used for business activities	31,294	2,126	0	33,420
Property used by third parties	10,207	800	23	10,984
TOTAL	41,501	2,926	23	44,404

Property used for business activities

Property used for business activities amounted to € 55.697 million. The balance compares with € 57.797 million recorded at the closure of the previous financial year.

The gross amounts totalled € 89.117 million compared with € 89.091 million in the previous financial year. As a result of an impairment loss deemed to be permanent, the value of a building was written down by € 208 thousand, aligning the book value to the value inferable from the independent expert's appraisal. The accumulated depreciation amounted to € 33.42 million. The figures compare with € 31.294 million reported at the end of the previous year.

During the year, the increase in accumulated depreciation, totalling € 2.126 million, was mainly attributable to the depreciation charge for the year.

Property used by third parties

The item amounted to € 28.615 million. The balance compares with € 31.76 million as recorded in the 2019 financial statements.

The gross amounts came to € 39.599 million compared with € 41.967 million in the previous year. As a result of an impairment loss deemed to be permanent, the value of two properties was written down for a total of € 2.289 million, aligning the book value to the market value.

The accumulated depreciation amounted to € 10.984 million; the increase of € 800 thousand is attributable to the charge for the year.

During the 2020 financial year, three specifically identified property units were already subject to the conferral of the usufruct right granted in 2016, to the reserved alternative real estate investment fund called "AGRIS", which had a total duration of four years and a total value of € 4.066 million.

Investments in Group companies and other investee companies

Pursuant to Art. 2426 of the Italian Civil Code and Art. 58 of the Consolidated Tax Law (TUIR), the investments in Group companies (subsidiaries, associated companies and other investee companies), represent fixed assets. The class C.II.2.e) bonds are fully recorded under securities not for

long-term use, as indicated in another section of the notes to the accounts.

The changes during the year in investments in Group companies and other investee companies are shown in Attachment 5.

With regard to the investee companies, detailed information is provided in Attachments 6 and 7.

Company shares and holdings

The item includes the equity investments in subsidiaries, associated companies and other investee companies. The following table shows the financial statements balances and the related changes during the year.

Table 31 - Equity investments - summary of values

Company	2020	2019	Changes	
			amount	%
Subsidiaries	1,671,529	1,678,012	-6,483	-0.4
Associated companies	9,051	14,472	-5,421	-37.5
Other	3,839	31,654	-27,815	-87.9
TOTAL (item C.II.1)	1,684,419	1,724,138	-39,719	-2.3

The main changes described analytically in the "Significant events during the year" section in the Management Report are summarised below and the share capital increase subscriptions and the recapitalisations made during the year, along with transactions of minor importance, are shown in detail.

SUBSIDIARIES

The item fell from € 1,678.012 million to € 1,671.529 million, reporting an overall net decrease of € 6.483 million.

Increases

The increases during the year, equal to € 142.999 million, are essentially attributable to the following transactions:

- the purchase of 40% of the shares held by third parties in ABC Assicura S.p.A. (already 60% owned), for an amount of € 1 million;
- the purchase of 40% of the shares held by third parties in Berica Vita S.p.A. (already 60% owned), for an amount of € 22.5 million;
- the purchase of 40% of the shares held by third parties in Cattolica Life D.A.C. (already 60% owned), for an amount of € 840 thousand.

It should be noted that the following subsidiaries were recapitalised during the year:

- ABC Assicura S.p.A.: € 7 million;
- BCC Assicurazioni S.p.A.: € 3.5 million;
- BCC Vita S.p.A.: € 52.5 million;
- Cattolica Beni Immobili S.p.A.: € 8 million;
- Vera Vita S.p.A.: € 32.5 million;
- CattRe S.A.: € 15 million.

A capital increase was carried out for CattRe S.A., while for all the other subsidiaries the recapitalisation was carried out in the form of a capital contribution.

For details of other increases, please refer to Attachment 7 of the Notes to the accounts.

Write-downs

As regards decreases in value, the main changes compared to the previous year concern write-downs of equity investments for a total of € 146.083 million, broken down as follows:

- BCC Vita S.p.A.: € 17.198 million;
- Cattolica Beni Immobili S.p.A.: € 10.418 million;
- Cattolica Agricola S.p.A.: € 1.957 million;
- Cattolica Services Soc. cons.: € 1.903 million;
- Vera Vita S.p.A.: € 65.03 million;
- Vera Assicurazioni S.p.A.: € 49.577 million.

With regard to the other write-downs listed above, for the purposes of impairment testing, the Company uses analytical methods aimed at identifying the recoverable value of equity investments.

In continuity with previous year it was deemed advisable to use records that consider the metrics emerging from Solvency II regulations to estimate the value in use, in order to be able to better "value", in line with the maximum prudence principles, the provisions issued by the Supervisory Authority on capital restrictions, including capital requirement in the current value of future cash flows expected to be generated.

To better represent the effects of using these metrics, the value in use was estimated based on the Dividend Discount Model in the Solvency II Excess Capital version for Non-life equity investments and the Solvency II Appraisal Value for Life equity investments.

In applying these models, reference was made to the guidelines and projections of economic results for the 2021-2023 period, approved by the Parent Company's Board of Directors on January 28th, 2020. These projections will form the basis of the ORSA 2021-2023 Evaluation (pursuant to Regulation No. 32/2016). For the Vera Assicurazioni and Vera Vita equity investments, reference was made to the agreement entered into with the shareholder Banco BPM on March 5th, 2021. In fact, on March 5th, 2021, Banco BPM and Cattolica Assicurazioni announced that they had reached an agreement by which their respective differences were overcome and the terms and methods for adjusting and continuing the partnership in the bancassurance sector and the related exit rights were defined, thus combining their respective interests and taking into account the changed economic context. The agreement reached between Banco BPM and Cattolica envisages, in exchange for Banco BPM's waiver of the call already exercised, recognition for Banco BPM of an early exit right from the partnership, the original duration of which was fixed until 2033, which can be exercised in the period between 1.1.23 and 6.30.23, possibly postponed by the Bank from six months to six months for three times up to Dec 31st, 2024. In particular, the parties have agreed, in favour of Banco BPM, a non-conditional option to purchase the 65% held by the Company in the capital of the Vera Vita and Vera Assicurazioni JVs; the exercise price of the purchase option was set at the so-called "own funds" - excluding subordinated liabilities and including any profits up to the date of transfer of the equity investments - to be calculated for the six months prior to the exercise of the option. To this value, will be added (i) a fixed component of € 60 million, of which € 26 million against Cattolica's waiver of the right to extend the distribution agreement to the Branches currently served by another insurance partner, and (ii) a possible component of € 50 million to be paid on a deferred basis, exclusively in the event that for a period of 4



years there are no events that affect the control of Cattolica by the current majority shareholder or other parties, including jointly. The agreement provides for protection mechanisms for both parties linked to the exercise price of the call (cap and floor on the value of the own funds as calculated on the reference date) and price adjustments deriving from any undistributed profits, distribution of reserves/extraordinary dividends or any capital increases or capital contributions by the joint ventures. If Banco BPM decides not to exercise the purchase option within the aforementioned term, the Bank will pay Cattolica the same € 26 million against Cattolica's waiver to extend the distribution agreement to the Branches currently served by another insurance partner and the partnership between Banco BPM and Cattolica will continue until Dec 31st, 2030 (without prejudice to subsequent annual renewals), at the expiry of which Banco BPM may once again exercise its option to purchase 65% of the capital of the joint ventures or, in the event that the Bank fails to exercise said option, Cattolica may exercise an option to sell the aforementioned shares. In this case, the exercise price of the purchase and sales options will remain anchored to the own funds (as defined above) as at Dec 31st, 2030 without any additional components and without the application of protection mechanisms.

The agreement between Banco BPM and Cattolica envisages also a revision of the production targets to which under-performance penalties and over-performance premiums are correlated, charged to/favoured by Banco BPM, as distributor. Cattolica Assicurazioni was granted adjustments to the servicing contracts with the investee companies and greater supervision of the product mix.

The test was carried out taking into account this agreement by means of a multi-scenario model, assigning to each scenario a fair probability of realisation in the absence of elements suggesting a higher probabilistic valuation of a particular scenario. If the information available in the future were to lead to a different probability of these scenarios, the results deriving from the valuation exercise could have different values, even significantly, both upwards and downwards.

With reference to the Berica Vita equity investment affected by the bancassurance agreement with BPVI, a methodology based on "Market Consistent Embedded Value" was used.

The hypotheses on the basis of which the recoverable value of each equity investment emerged as less sensitive were:

- the combined ratio for non-life equity investments and new business for life equity investments;
- the cost of own capital (Rs);
- the long-term growth rate (g);

- the Solvency Ratio level.

The cost of capital has been estimated using the CAPM - Capital Asset Pricing Model. The parameters used for the purposes of the estimate of the recoverable value are: the beta ratio by class of activities, formulated on the basis of market betas of European insurance companies; the equity risk premium, taking into account the consensus value disclosed in market analysts' reports; the risk free rate.

On the basis of these elements, the cost of own capital (Rs) for each equity investment was estimated to be 8.51% for the life business companies (BCC Vita, Vera Vita, Berica Vita) and 6.43% for the non-life business companies (TUA, BCC Assicurazioni, ABC, Vera Assicurazioni, CattRe). The long-term growth rate ("g") was 1.40% for all equity investments. These basic assumptions, besides being in line with the long-term nominal growth rate of Italian GDP, are also consistent with the values used by financial analysts of the insurance sector.

For the non-insurance subsidiaries, the recoverable value was determined on the basis of the pro-rata shareholders' equity adjusted, where necessary, by any capital gains/losses relating to the core business assets.

Decreases

The decreases during the year are mainly attributable to the following transactions:

- merger by incorporation of C.P. Servizi Consulenziali S.p.A. into Cattolica Immobiliare S.p.A. (equal to 100%) for € 159 thousand;
- transfer in favour of Monument RE of the shares held in Cattolica Life D.A.C. (equal to 100%) for € 3.24 million.

Other increases and decreases

For other changes recorded on equity investments in subsidiaries during the year, reference should be made to Attachment 7 of the notes to the accounts.

The data of the subsidiaries and associated companies, as defined by Art. 2359 of the Italian Civil Code, as indicated in Attachment 6 of the notes to the accounts, is listed in the following tables, as per Art. 2427, paragraph 1, point 5, of the Italian Civil Code.

Pursuant to Art. 2429, paragraphs 3 and 4 of the Italian Civil Code, the data included in these tables are accompanied, for the associated companies and subsidiaries included in the scope of consolidation, by a summary statement of the highlights from the last sets of approved financial statements

Table 32 - Summary data of subsidiaries

Name or business name	Registered offices	Share capital	Shareholders' Equity	of which profit (+)	Equity	Value recorded in the financial statements
				or loss (-)	investment	
				for the year	%	
ABC Assicura s.p.a.	Verona	8,925	15,408	-402	100.00	11,309
BCC Assicurazioni s.p.a.	Milan	14,448	16,889	692	70.00	11,772
BCC Vita s.p.a.	Milan	62,000	281,515	5,234	70.00	160,440
Berica Vita s.p.a.	Verona	31,000	76,747	8,376	100.00	87,600
Cattolica Agricola s.a.r.l.	Verona	35,500	146,637	-401	100.00	146,543
Cattolica Beni Immobili s.r.l.	Verona	7,000	42,239	-8,788	100.00	43,167
Cattolica Immobiliare s.p.a.	Verona	400	4,966	1,333	100.00	3,181
Cattolica Services s.c.p.a.	Verona	20,954	58,594	-2,029	99.96	58,577
CattRe Sa (*)	Luxembourg	48,600	70,706	3,257	100.00	70,430
Lombarda Vita s.p.a.	Brescia	185,300	300,848	49,719	60.00	238,894
TUA Assicurazioni s.p.a.	Milan	23,161	167,588	14,665	99.99	164,298
Vera Assicurazioni s.p.a.	Verona	63,500	90,026	11,829	65.00	257,623
Vera Vita s.p.a.	Verona	219,600	388,071	38,294	65.00	417,695

(*) The balances for the shareholders' equity and profit (loss) for the year as at December 31st, 2020, determined in accordance with IAS/IFRS are provided.

The equity investment in Berica Vita discloses a difference between the book value and the corresponding portion of shareholders' equity of € 10.853 million, justified by the value of the existing portfolio.

The equity investment in Lombarda Vita discloses a difference between the book value and the corresponding portion of shareholders' equity of € 58.385 million, to be ascribed to the value of the existing portfolio and consistent with the sale price to Ubi Banca.

The equity investment in Cattolica Beni Immobili discloses a difference between the book value and the corresponding portion of shareholders' equity of € 928 thousand, to be

attributed to the latent capital gains on a portion of the subsidiary's properties not expressed in the book value of its shareholders' equity.

The equity investments in Vera Assicurazioni and Vera Vita disclose a difference between their book value and the corresponding portion of shareholders' equity of € 199.106 million and € 165.449 million respectively, to be attributed to the existing portfolio, as well as to goodwill by virtue of the future earnings prospects deriving from the partnership renewed in March 2021 with Banco BPM.

ASSOCIATED COMPANIES

The item amounted to € 9.051 million and records a decrease with respect to the previous year of € 5.421 million. The change from the previous year's value is due to the following.

Table 33 - Summary data of associated companies

Name or business name	Registered offices	Share capital	Shareholders' Equity	of which profit (+)	Equity	Value recorded in the financial statements
				or loss (-)	investment	
				for the year	%	
H-Farm s.p.a.(*)	Roncade (TV)	12,867	17,109	-12,820	3.67	467
Ima Italia Assistance s.p.a.	Sesto San Giovanni	3,857	23,372	1,244	35.00	8,584

(*) The balances for shareholders' equity and the profit (loss) for the year pertaining to the Group as at December 31st, 2019, have been shown since the 2020 financial statements had not yet been approved as at the date of approval of Cattolica's financial statements by the Board of Directors.

Increases

The increases in the year refer to the share capital increase of H-Farm S.p.A. carried out following the exercise of subscription rights for an amount of € 179 thousand.

Decreases

The decreases amounted to € 5.6 million and are mainly due to write-downs of the equity investment held in H-Farm S.p.A. (€ 1.267 million) and participative financial instruments issued by the latter (€ 4.333 million).

The Discounted Cash Flow method was used to determine the book value in the financial statements, and the consequent measurement of the write-down in the income statement, based on the company's 2020-2024 business plan, within which future management actions were weighted by the presumed probability of realisation. With reference to the valuation of the investee H-Farm, in which Cattolica Assicurazioni holds an equity investment of around 3.67%, considering its status as an Associated Company, the recoverable value was determined using the pro-rata shareholders' equity method estimated as at December 31st, 2020, net of the Participative Financial Instruments (SFP - Strumenti Finanziari Partecipativi).

OTHER

The item included equity investments entirely recorded in the long-term segment amounting to € 3.839 million (€ 31.654 million as at December 31st, 2019). During the year there were increases of € 22.511 million and decreases totalling € 50.326 million.

The increase shown above relates to the purchase of shares in UBI Banca during the year.

Subsequently, following the public purchase and exchange offer launched by Banca Intesa San Paolo (ISP) on the UBI Banca shares, the Board of Directors of the Company resolved to accept the offer for the entire share

package held. The decreases mentioned above include therefore the sale of UBI Banca shares for € 45.435 million.

Other decreases refer to transactions as listed below:

- transfer of 1% of IMA Servizi S.r.l (jointly for € 16 thousand) to the Italian non-life business subsidiaries not in run-off;
- write-down of equity investments for impairment losses of € 4.841 million, as described below.

Write-downs

With regard to the valuation of other equity investments, it should be noted that this matter is governed, from the point of view of national accounting standards, by OIC 21. This standard, in paragraph 27, provides that equity investments in fixed assets are "recognised at cost at the time of initial recognition. This cost cannot be maintained, in accordance with the provisions of Art. 2426, paragraph 1, number 3), of the Italian Civil Code, if the value of the equity investment at the end of the financial year is permanently lower than its cost value".

The following methods were used to determine the recoverable value of equity investments:

- stock market multiples: this method determines the value of a company on the basis of market multiples of comparable companies;
- Discounted Cash Flow: this method estimates the value of the company on the basis of the flows that it is able to generate.

The valuations carried out led to the recording of value adjustments on the equity investments in BBC Campania Centro (former Banca di Salerno) for € 80 thousand, Emil Banca for € 176 thousand, Banca di Credito Popolare (former Banca Popolare di Torre del Greco) for € 98 thousand and Verona Fiere for € 4.487 million.

Table 34 - Summary data of the other equity investments

Name or business name	Registered offices	Share capital	Shareholders' Equity	of which profit (+) or loss (-)	Equity investment	Value recorded in the financial statements
				for the year	%	
Banca di Credito Popolare s.c.p.a. (*)	Torre Del Greco (NA)	20,039	198,591	5,512	1.01	530
Bcc Campania Centro - CRA s.c.p.a. (*)	Salerno	2,552	118,463	1,427	2.70	2
Emil Banca Credito Coop. s.c.p.a. (*)	Bologna	102,284	337,552	21,820	0.10	26
Ima Servizi s.c.a.r.l. (***)	Sesto San Giovanni	100	1,658	0	6.00	99
Ist. di Certific. Etica nello Sport s.p.a. (***)	Verona	270	195	-11	3.70	10
Nummus.Info s.p.a. (**)	Trento	580	674	133	10.78	78
U.C.I. s.c.a.r.l. (***)	Milan	525	1,330	16	2.20	0
Verfin s.p.a.(***)	Verona	6,553	13,927	72	3.94	429
Veronafiore s.p.a.(***)	Verona	63,557	85,138	10,805	7.08	2,665

(*) The balances for the shareholders' equity and profit (loss) for the year are shown, prepared in accordance with the international accounting standards (IAS/IFRS).

(**) The balances for the shareholders' equity and profit (loss) for the year are shown, prepared in accordance with the national accounting standards.

(***) The balances for the shareholders' equity and profit (loss) for the year as at December 31st, 2019, drawn up according to national accounting standards, have been shown since the 2020 financial statements had not yet been approved as at the date of approval of Cattolica's financial statements by the Board of Directors.

Bonds issued by companies

The item, amounting to € 17.678 million, includes bonds issued by "Subsidiaries" amounting to € 17.5 million and "Associated Companies" amounting to € 178 thousand (fully recognised in the non-long-term segment). The value in the previous year was € 32.544 million and included all bonds issued by "Other investee companies".

The bonds issued by subsidiaries amounted to € 8.75 million for the non-life portfolio and € 8.75 million for the life portfolio and were issued entirely by BCC VITA S.p.A.

The bonds issued by associated companies amounted to € 23 thousand for the non-life portfolio and € 155 thousand for the life portfolio and were issued entirely by H-FARM S.p.A.

During the year, bonds issued by UBI Banca amounting to € 32,544 million were reclassified under "Bonds and other fixed-income securities" (item CIII.3) in "Other financial investments". This reclassification took place following the public purchase and exchange offer launched by Banca

Intesa San Paolo (ISP) on the UBI shares, which the Board of Directors of Cattolica resolved unanimously to accept with all the UBI shares held and the cessation of the strategic importance of the equity investment.

There were no sales or repayments during the year, while purchases amounted to € 17.678 million.

Loans to companies

The item, amounting to € 65 million, includes entirely loans granted to "Subsidiaries". During the year, a loan was disbursed to Vera Vita S.p.A. in two tranches, in July and October, for a total of € 65 million, of which € 50.05 million attributable to the non-life portfolio and € 14.95 million attributable to the life portfolio.

Other financial investments

The table, which follows, shows the breakdown of the item as of the year-end date:

Table 35 - Other financial investments - breakdown

(€ thousands)	2020	2019	Changes	
			Amount	%
Shares and holdings	34,946	46,606	-11,660	-25.0
Units of mutual investment funds	1,443,538	1,273,937	169,601	13.3
Bonds and other fixed-income securities	5,763,259	5,990,424	-227,165	-3.8
Loans	2,634	2,791	-157	-5.6
Total (item C.III)	7,244,377	7,313,758	-69,381	-0.9

The income and charges are illustrated respectively in Attachments 21 and 23 to the notes to the accounts.

Shares and holdings

Investments in shares and holdings amounted to € 34.946 million (of which € 13.275 million were traded on active markets and € 21.671 million traded on non-active markets), attributed for € 31.688 million to the life business and for € 3.258 million to the non-life business; they included exclusively securities not for long-term use.

During the year purchases for € 14.288 million, mainly attributable to the increase in listed shares, sales for € 56.18 million and other negative net changes for € 37.073 thousand were made.

The year-end valuation led to the recognition of adjustments for € 6.847 million and write-backs for € 6 thousand.

The current value as at December 31st was € 39.797 million.

Units of mutual investment funds

The investments in units of mutual investment funds do not represent fixed assets. They amounted to € 1,443.538 million at the end of the year (of which € 154.706 million were traded on active markets and € 1,288.832 million traded on non-active markets, of which € 1,428.530 was unlisted): € 817.886 million for the non-life portfolio and € 625.652 million for the life portfolio.

During the year purchases were made for € 265.919 million along with sales for € 85.333 million. Furthermore, other increases were recognised consisting of recalls in relation to share capital for commitments undertaken, equal to € 54.824 million and other decreases relating to reimbursements in relation to share capital for commitments undertaken, equal to € 33.182 million.

The year-end valuations lead to the recognition of adjustments for € 35.629 million and write-backs for € 3.001 million.

The current value of the item at the end of the year was € 1,588.195 million.

Bonds and other fixed income securities

The investments in bonds and other fixed income securities include securities not for long-term use and securities used for the long-term segment. These totalled € 5,763.259 million (of which € 5,762.533 million traded on active markets, € 668 thousand traded on non-active markets and € 58 thousand convertible): € 1,691.848 million for the non-life portfolio and € 4,071.411 million for the life portfolio.

The current value at the end of the year stood to € 6,478.815 million.

During the year, purchases were made for € 2,324.061 million, of which € 2,053.455 was in short-term stocks.

Sales and repayments amounted to € 2,588.872 million.

The period-end valuation led to the recognition of adjustments for € 1.628 million and write-backs for € 768 thousand. The negative issue discounts (costs) amounted to € 859 thousand and the positive ones (revenues) amounted to € 7.187 million; negative trading discounts (costs) totalled € 5.478 million while the positive ones (revenues) came to € 5.305 million.

Long-term investments amounted to € 2,821.892 million (of which € 184 thousand traded on unlisted markets), while short-term investments amounted to € 2,941.365 million (of which € 483 thousand traded on unlisted markets).

With reference to the securities in the long-term segment, the main changes during the year are summarised below:

- purchases amounted to € 270.606 million (all in the life business lines);
- the repayments of instruments, which have reached their natural maturity, amounted to € 197.343 million (€ 167.32 million in life and € 30.023 million in non-life);
- the positive issue discounts amounted to € 5.49 million, the negative ones to € 369 thousand;
- in conclusion, the positive trading discounts amounted to € 5.305 million, the negative ones to € 5.478 million.

No sales of securities belonging to the long-term segment were made during the year. Furthermore, steps were not taken to make any transfer from the short-term segment to the long-term one.

The information relating to the breakdown and the changes based on the use of the other financial investments and the current value are contained in Attachments 8 and 9 to the notes to the accounts.

The table below provides a breakdown of the Company's exposures in government debt securities issued or guaranteed by PIGS countries (Portugal, Ireland, Greece and Spain).

Table 36 - Exposure in government debt securities issued or guaranteed by PIGS countries (Portugal, Ireland, Greece and Spain)

<i>(€ thousands)</i>	Book value	FV
Portugal	57,473	71,099
Ireland	66,855	75,298
Greece	0	0
Spain	206,755	234,862
TOTAL	331,083	381,259

The following table shows the positions with a significant figure divided up by issuer group.

Table 37 - C.III.3 class bonds - main issuer Groups

Issuer Group	% breakdown
Italian government	48.0%
Intesa Sanpaolo Spa	6.7%
French government	4.5%
Spanish government	3.6%
Belgian government	2.5%

The amount of the instruments issued by Icelandic banks and included in the "Debt securities and other fixed-income securities" item amounted to € 178 thousand.

Loans

The item, amounting to € 2.634 million, compared with € 2.791 million in the previous year, includes mainly:

- the loan with collateral granted to Opera San Giovanni Bosco in Sicilia, for € 1.841 million. Interest accrued for € 45 thousand during the year;
- the loans on life policies for € 703 thousand (€ 905 thousand at the end of the previous year);
- other residual loans amounting to € 90 thousand, in line with the previous year.

Please see Attachment 10 for changes in the item during the year.

Deposits with credit institutions

No value had been recorded at the year-end date.

Sundry financial investments

At the end of the year, as in the previous year, no value was recorded.

Foreign currency investments

Other financial investments do not include foreign currency securities.

The balance of the item at the end of the previous year came to € 235 thousand.

Securities transferred from class D

No securities were transferred during the year.

Repurchase transactions

No repurchase transactions were carried out during the year.

Deposits with ceding companies

The item includes the deposits established with transferring insurance companies, in relation to the risks undertaken with reinsurance. During the year, the value decreased by € 318 thousand, dropping from € 9.765 million to € 9.447 million.

SECTION 3 - INVESTMENTS FOR THE BENEFIT OF LIFE ASSURANCE POLICYHOLDERS WHO BEAR THE RISK AND DERIVING FROM THE MANAGEMENT OF PENSION FUNDS (Item D)

The item, amounting to € 569.54 million, includes the assets hedging index-linked and unit-linked contracts, analytically identified in Attachment 11 to the notes to the accounts, as well as those deriving from the management of pension funds summarised in Attachment 12 to the notes to the accounts.

It is also specified that the capital gains and losses from realisation and valuation, as well as the capitalisation of the issued discounts are matched by a change for the same amount in the related mathematical provisions of the life business.

Table 38 - Investments for the benefit of life assurance policyholders who bear the investment risk and deriving from the management of pension funds - breakdown

(€ thousands)	2020	2019	Changes	
			Amount	%
Investments relating to benefits associated with investment funds and stock market indices	415,593	314,353	101,240	32.2
Investments deriving from the management of pension funds	153,947	817,993	-664,046	-81.2
TOTAL (item D)	569,540	1,132,346	-562,806	-49.7

Investments relating to benefits associated with investment funds and stock market indices

The item includes the assets hedging index-linked and unit-linked contracts for a total amount of € 415.593 million. The assets hedging the index-linked contracts amounted to € 140 thousand, those relating to unit-linked contracts totalled € 415.453 million.

Investments deriving from the management of pension funds

Investments deriving from the management of pension funds amounted to € 153.947 million, down € 664.046 million with respect to December 31st, 2019.

Tables 55 and 56 show the values of the provisions and the assets at the end of the year, as well as the gross premiums written in the period, for each pension fund. Please refer to the financial statements of the Open-end Pension Funds, attached to Cattolica's financial statements, for details and comments on the assets and the volumes produced during the year relating to the management of the afore-mentioned funds.

SECTION 4 - TECHNICAL PROVISIONS - REINSURANCE AMOUNT (Item D bis)

The reinsurance amount of technical provisions calculated using the method adopted for direct business comprises:

Table 39 - Technical provisions - reinsurance amount

(€ thousands)	2020	2019	Changes	
			Amount	%
Non-life business				
Premium provision	85,659	80,418	5,241	6.5
Provision for outstanding claims	337,610	341,621	-4,011	-1.2
Total non-life	423,269	422,039	1,230	0.3
Life business				
Mathematical provisions	14,351	15,710	-1,359	-8.7
Provision for outstanding claims	120	534	-414	-77.5
Total life	14,471	16,244	-1,773	-10.9
TOTAL (item D bis)	437,740	438,283	-543	-0.1

The reinsurance amounts of technical provisions amounted in total to € 437.74 million, of which € 423.269 million related to non-life business and € 14.471 million related to life business.

With regard to the non-life business, the premium provision amounted to € 85.659 million (of which € 16.412 million

relating to supplementary provisions) and the provision for outstanding claims for € 337.61 million.

With regard to the life business, the mathematical provisions pertaining to reinsurance amounted to € 14.351 million, while the provision for outstanding claims ended the year with a balance of € 120 thousand.

SECTION 5 - RECEIVABLES (Item E)

Receivables are made up as follows:

Table 40 - Receivables

(€ thousands)	2020	2019	Changes	
			Amount	%
Policyholders	180,089	178,693	1,396	0.8
Insurance brokers	206,579	203,512	3,067	1.5
Insurance companies - current accounts	22,587	21,815	772	3.5
Policyholders and third parties for sums to be recovered	31,947	36,833	-4,886	-13.3
Total (item E.I)	441,202	440,853	349	0.1
Insurance and reinsurance companies	54,765	82,267	-27,502	-33.4
Total (item E.II)	54,765	82,267	-27,502	-33.4
Other receivables (item E.III)	618,996	528,899	90,097	17.0
Total (item E)	1,114,963	1,052,019	62,944	6.0

Receivables deriving from reinsurance transactions

Receivables from policyholders

The item amounted to € 180.089 million, of which € 170.375 million for premiums in the year and € 9.714 million for premiums relating to previous years. As at December 31st, 2019, the item amounted to € 178.693 million.

The item was adjusted for a total of € 10.833 million, of which € 5.693 million relating to the non-life business and € 5.14 million relating to the life business, for write-downs due to doubtful collection, assumed on the basis of the experience of previous accounting years.

The write-down allowance is mainly attributed as follows: € 1.573 million to the accident, injury and health classes, € 1.262 million to the General TPL class, € 934 thousand to the other damage to assets class, € 864 thousand to the fire & natural forces class, € 463 thousand to the suretyship class, € 232 thousand to the goods in transit class and € 112 thousand to the TPL motor class and € 4.483 million to class I and € 530 thousand to class V of the life business. A total of € 90.873 million in receivables were collected during the first three months of 2021.

Receivables from insurance brokers

The balance of receivables from brokers, totalling € 206.579 million, disclosed an increase compared to last year of € 3.067 million.

Receivables from agents are stated net of the write-down allowance; it amounted to € 18.489 million and was established on the basis of the analytical assessments concerning the recoverability of said receivables.

Receivables from agents for compensation at the end of the year, net of the related accumulated amortisation, amounted to € 57.714 million (€ 55.732 million as at December 31st, 2019).

During January 2021, a total of € 155.410 million in receivables from brokers were collected.

Receivables from insurance companies - current accounts

The item, net of the write-down allowance for € 347 thousand, amounted to € 22.587 million, compared with € 21.815 million in the previous year.

Receivables from policyholders and third parties for sums to be recovered

The item, net of the write-down allowance for € 20.208 million, amounted to € 31.947 million, compared with € 36.833 million in the previous year.

The write-down allowance, calculated analytically on the basis of valuations regarding the recoverability of the receivables, disclosed an increase of € 8.767 million and uses of € 4.533 million.

Receivables deriving from reinsurance transactions

The item included the entries with credit balances through reinsurance companies and brokers and amounted to € 54.765 million (€ 82.267 million as at December 31st, 2019).

The receivables are stated net of the related write-down allowance; the entity of the allowance, € 5.614 million, is commensurate with the estimated losses due to non-collectability.

Other receivables

Other receivables amount to € 618.996 million, with respect to the € 528.899 million relating to the previous year and include the amounts due from the tax authorities, for deferred tax assets, from Group companies and other receivables.

The breakdown is shown in the table below:

Table 41 - Other receivables - breakdown

(€ thousands)	2020	2019	Changes	
			Amount	%
Receivables due from the tax authorities	354,092	253,485	100,607	39.7
Receivables for deferred tax assets	135,403	135,845	-442	-0.3
Receivables due from Group companies	80,307	94,124	-13,817	-14.7
Sundry receivables	49,194	45,445	3,749	8.2
Total (item E.III)	618,996	528,899	90,097	17.0

Receivables due from the tax authorities amounted to € 354.092 million compared with a balance of € 253.485 million in the previous year. The item refers mainly to €

102.672 million for receivables from the tax authorities for advance payments of Group IRES, € 14.956 million for receivables from the tax authorities for advance

payments of IRAP, as well as € 6.702 million for surpluses resulting from the tax returns submitted; € 10.244 million for receivables from the annual insurance tax return, € 13.318 million for withholdings made on bank interest and other withholdings, and € 1.815 million for receivables from the tax authorities transferred to the Company by the subsidiaries that participated in the tax consolidation scheme. It includes also tax advances paid pursuant to Italian Law No. 265 of November 22nd, 2002, concerning the taxation of the life provisions for € 88.553 million, and amounts due from tax authorities for the payment of the annual advance of tax on insurance premiums envisaged by Art. 9, paragraph 1-bis, of Italian Law No. 1216 of 1961, for € 106.584 million. This item increased compared to the previous year, mainly due to the higher advances paid for Group IRES and IRAP by the Company, as a result of the increases in income for the year.

Prepaid tax assets amounted to € 135.403 million. They derive from deductible timing differences relating to IRES (corporate income tax), such as write-downs and losses on receivables from policyholders for € 31.17 million, the write-down of other receivables and the provisions for risks and charges for € 28.85 million, the capital losses from valuation on shares amounting to € 1.498 million, the change in the provision for outstanding claims for € 9.227 million, the amortisation of the goodwill from business units

acquired for € 20.512 million and other adjustments for € 3.396 million.

These include also the prepaid taxes (€ 32.178 million) recorded on the goodwill and the other intangible assets freed up in accordance with Italian Decree Law No. 185 of November 29th, 2008.

The timing differences relating to IRAP amounted to € 8.572 million.

Receivables from Group companies amounted in total to € 80.307 million, of which € 43.842 million for the transfer of tax positions represented by current IRES of the companies who have settled for the tax consolidation scheme, € 5.852 million for group VAT receivables, and other intercompany receivables of € 30.613 million.

The remaining balance of other receivables, which amounted to € 49.194 million, includes mainly the receivables due for guarantee and restricted deposits amounting to approximately € 21.24 million, receivables due from customers and advances to suppliers for € 7.596 million, receivables due from unit-linked management funds and pension funds for € 4.293 million, receivables from employees of € 2.98 million, receivables from guarantee funds of € 1.918 million, receivables from tenants of € 1.243 million and other residual receivables of € 9.924 million.

SECTION 6 - OTHER ASSET ITEMS (Item F)

Tangible assets and inventories

During the year, tangible assets and inventories underwent the following changes:

Table 42 - Tangible assets and inventories

(€ thousands)	2020	2019	Changes	
			Amount	%
Furniture and equipment	1,333	1,590	-257	-16.2
Assets recorded in public registers	122	14	108	n.s.
Plant and equipment	754	744	10	1.3
TOTAL (item F)	2,209	2,348	-139	-5.9

n.s. = not significant

Table 43 - Tangible assets and inventories - gross depreciation amounts

(€ thousands)	Jan 1st, 2020	Increases	Decreases	Dec 31st, 2020
Furniture and equipment	48,967	474	49	49,392
Assets recorded in public registers	287	289	232	344
Plant and equipment	3,695	326	0	4,021
TOTAL	52,949	1,089	281	53,757

Table 44 - Tangible assets and inventories - accumulated depreciation

(€ thousands)	Jan 1st, 2020	Increases	Decreases	Dec 31st, 2020
Furniture and equipment	47,377	724	42	48,059
Assets recorded in public registers	273	36	87	222
Plant and equipment	2,951	316	0	3,267
TOTAL	50,601	1,076	129	51,548

The gross amounts came to € 53.757 million compared with € 52.949 million in the previous year. The accumulated depreciation amounted to € 51.548 million. The balance compares with € 50.601 million reported at the end of the previous year.

During the year, the increase in accumulated depreciation, totalling € 1.076 million, was substantially attributable to the depreciation charge for the year.

The decreases were consequent to the realisations and disposals, which took place during the year.

Financial lease transactions

The Company did not enter into any financial lease transactions during the year.

Cash and cash equivalent

Cash and cash equivalents amounted to € 53.285 million. During the previous year it amounted to € 87.109 million.

With regard to the change in the item, please see the Cash flow statement.

Other assets

Other assets amounted to € 93.242 million. During the previous year it amounted to € 138.083 million.

The item includes the balance of the liaison account between the non-life and life businesses for € 28.501 million registered as a credit to the non-life business. The amount is matched by an equal balance under "Other liabilities" in the non-life business.

The other amounts, which are recorded, relate mainly for € 20.185 million to the amount relating to the taxation on mathematical provisions for the life business accrued during the year, for € 14.537 million to the indemnities paid to agents who have left, not yet charged for recovery, stated net of the related write-down allowance as well as for € 9.76 million to the amounts relating to technical items for transactions under reconciliation to be settled as of the year-end date.

SECTION 7 - ACCRUALS AND DEFERRALS (Item G)

Table 45 - Accruals and deferrals

(€ thousands)	2020	2019	Changes	
			Amount	%
For interest	52,323	56,245	-3,922	-7.0
Other accruals and deferrals	1,558	914	644	70.5
TOTAL (item G)	53,881	57,159	-3,278	-5.7

The item includes almost entirely accruals relating to interest income on securities, pertaining to the year, whose coupon matures in the current year.

Balances due after twelve months have not been recorded.

SUBORDINATED ASSETS

The following table analytically discloses the subordinated assets.

The subordination with respect to the receivables with a greater level of seniority expresses its effects exclusively in the event of insolvency or winding up; the recovery on the asset up until the extent of the principal and the interest due can be realised solely further to the complete satisfaction of the more senior creditors.

Statement 1 - Subordinated assets

(amounts in €)

Description of the Security	Nominal value	Book value	Currency	% interest rate as at Dec. 31st, 2020	Early repayment clauses		
					Maturity date	First call repayment date	Call repayment price
ABNANV 4 3/4 PERP	4,000,000	3,950,650	EUR	4.75000	PERPETUAL	09/22/2027	100.00
ACAFP 2 5/8 03/17/27	11,400,000	11,081,162	EUR	2.62500	03/17/2027		
ASSGEN 7 3/4 12/12/42	800,000	800,000	EUR	7.75000	12/12/2042		
BACR 4 3/4 PERP	2,000,000	1,939,585	EUR	0.16700	PERPETUAL	03/15/2021	100.00
BACRED 3 1/2 03/22/29	48,000,000	48,000,000	EUR	1.88200	03/22/2029		
BAMIIM 4 3/8 09/21/27	4,300,000	4,385,670	EUR	4.37500	09/21/2027		
BAMIIM 6 3/8 05/31/21	2,000,000	1,964,926	EUR	6.37500	05/31/2021		
BAMIIM 7 1/8 03/01/21	1,300,000	1,308,074	EUR	7.12500	03/01/2021		
BBVASM 3 1/2 02/10/27	2,000,000	2,103,566	EUR	3.50000	02/10/2027		
BDC 3 7/8 03/15/28	2,700,000	2,688,500	EUR	3.87500	03/15/2028		
BKIASM 3 3/8 03/15/27	2,500,000	2,505,588	EUR	3.37500	03/15/2027		
BNP 2 1/4 01/11/27	8,000,000	7,952,603	EUR	2.25000	01/11/2027		
BNP 2 3/4 01/27/26	7,995,000	7,968,622	EUR	2.75000	01/27/2026		
BNP 2 5/8 10/14/27	10,700,000	10,728,996	EUR	2.62500	10/14/2027		
BPEIM 5 1/8 05/31/27	4,500,000	4,642,085	EUR	5.12500	05/31/2027		
C 4 1/4 02/25/30	2,500,000	2,867,650	EUR	4.25000	02/25/2030		
CABKSM 2 1/4 04/17/30	2,000,000	1,884,160	EUR	2.25000	04/17/2030		
CABKSM 2 3/4 07/14/28	700,000	722,616	EUR	2.75000	07/14/2028		
CMZB 4 03/23/26	4,200,000	4,237,121	EUR	4.00000	03/23/2026		
DB 4 1/2 05/19/26	3,300,000	3,381,296	EUR	4.50000	05/19/2026		
HSBC 3 1/8 06/07/28	2,000,000	1,969,591	EUR	3.12500	06/07/2028		
HSBC 4 3/4 PERP	6,900,000	6,819,135	EUR	4.75000	PERPETUAL	07/04/2029	100.00
INTNED 2 1/2 02/15/29	2,000,000	2,043,293	EUR	2.50000	02/15/2029		
INTNED 3 5/8 02/25/26	6,350,000	6,343,047	EUR	3.62500	02/25/2026		
ISPIIM 2,855 04/23/25	10,000,000	9,843,157	EUR	2.85500	04/23/2025		
ISPIIM 3,928 09/15/26	10,000,000	9,924,166	EUR	3.92800	09/15/2026		
ISPIIM 6 5/8 09/13/23	1,196,000	1,139,420	EUR	6.62500	09/13/2023		
LBBW 2 7/8 09/28/26	2,000,000	1,993,229	EUR	2.87500	09/28/2026		
LLOYDS 1 3/4 09/07/28	1,000,000	964,798	EUR	1.75000	09/07/2028		
LLOYDS 4 1/2 03/18/30	4,000,000	4,345,956	EUR	4.50000	03/18/2030		
RABOBK 2 1/2 05/26/26	1,000,000	998,830	EUR	2.50000	05/26/2026		
RABOBK 4 5/8 PERP	2,000,000	2,010,600	EUR	4.62500	PERPETUAL	12/29/2025	100.00
SANTAN 2 1/2 03/18/25	3,800,000	3,758,371	EUR	2.50000	03/18/2025		
SANTAN 2 1/8 02/08/28	3,000,000	2,902,999	EUR	2.12500	02/08/2028		
SANTAN 3 1/2 03/24/29	48,000,000	48,000,000	EUR	1.31700	03/24/2029		
SANTAN 3 1/4 04/04/26	4,000,000	3,986,415	EUR	3.25000	04/04/2026		
SANTAN 3 1/8 01/19/27	3,000,000	2,979,389	EUR	3.12500	01/19/2027		
SNSBNK 6 1/4 10/26/20	850,000	38,615	EUR	0	10/26/2020		
STANLN 3 1/8 11/19/24	2,800,000	2,793,757	EUR	3.12500	11/19/2024		

(amounts in €)

Description of the Security	Nominal value	Book value	Currency	% interest rate as at Dec. 31st, 2020	Early repayment clauses		
					Maturity date	First call repayment date	Call repayment price
TELEFO 3 3/4 PERP	1,000,000	1,022,770	EUR	3.75000	PERPETUAL	03/15/2022	100.00
UBIIM 4 1/4 05/05/26	11,900,000	11,783,123	EUR	4.25000	05/05/2026		
UBIIM 4.45 09/15/27	2,600,000	2,596,431	EUR	4.45000	09/15/2027		
UBS 4 3/4 02/12/26	400,000	402,216	EUR	4.75000	02/12/2026		
UCGIM 4 1/2 06/14/32	47,000,000	47,000,000	EUR	1.71700	06/14/2032		
UCGIM 4 3/8 01/03/27	5,000,000	4,944,945	EUR	4.37500	01/03/2027		
USIMIT 3 7/8 03/01/28	8,000,000	7,895,037	EUR	3.87500	03/01/2028		
VITTAS 5 3/4 07/11/28	36,000,000	36,000,000	EUR	5.75000	07/11/2028		
ENELIM 3 1/2 05/24/80	4,000,000	3,977,919	EUR	3.50000	05/24/2080		
SOCGEN Float 06/12/23	20,000,000	19,994,684	EUR	6.30000	06/12/2023		
RABOBK 3 1/4 PERP	2,000,000	1,995,160	EUR	3.25000	PERPETUAL	12/29/2026	100.00
ACHMEA 4 5/8 PERP	2,950,000	2,950,000	EUR	4.62500	PERPETUAL	03/24/2029	100.00
AGSBB 3 7/8 PERP	2,000,000	2,024,380	EUR	3.87500	PERPETUAL	12/10/2029	100.00
BANCAR 8 1/4 12/20/29	10,000,000	10,000,000	EUR	8.25000	12/20/2029		
UBIIM 5 7/8 PERP	2,000,000	2,030,140	EUR	5.87500	PERPETUAL	01/20/2025	100.00
CCBGBB 3 5/8 PERP	2,600,000	2,528,552	EUR	3.62500	PERPETUAL	04/16/2025	100.00
ICCREA 4 1/8 11/28/29	9,500,000	8,936,650	EUR	4.12500	11/28/2029		
IBESM 3 1/4 PERP	1,000,000	962,400	EUR	3.25000	PERPETUAL	11/12/2024	100.00
ORAFP 1 3/4 PERP	2,000,000	1,969,048	EUR	1.75000	PERPETUAL	12/19/2026	100.00
ORAFP 5 PERP	1,000,000	1,040,037	EUR	5.00000	PERPETUAL	10/01/2026	100.00
ENGIFP 1 5/8 PERP	2,000,000	2,008,399	EUR	1.62500	PERPETUAL	04/08/2025	100.00
TELIAS 3 04/04/78	1,000,000	946,000	EUR	3.00000	04/04/2078		
BNP 1 5/8 07/02/31	300,000	280,726	EUR	1.62500	07/02/2031		
INTNED 2 1/8 05/26/31	2,200,000	2,199,120	EUR	2.12500	05/26/2031		
INTNED 1 11/13/30	500,000	484,563	EUR	1.00000	11/13/2030		
KBCBB 0 1/2 12/03/29	2,600,000	2,526,632	EUR	0.50000	12/03/2029		
ACAFP 1 5/8 06/05/30	500,000	499,836	EUR	1.62500	06/05/2030		
BAMIIM 5 09/14/30	2,600,000	2,600,000	EUR	5.00000	09/14/2030		
MRKGR 1 5/8 09/09/80	1,800,000	1,800,000	EUR	1.62500	09/09/2080		
ENIIM 2 5/8 PERP	2,100,000	2,088,647	EUR	2.62500	PERPETUAL	10/13/2025	100.00
Total	425,341,000	423,455,053					

PART B

STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY

SECTION 8 - SHAREHOLDERS' EQUITY (Item A)

The breakdown of the items, which make up the Company's shareholders' equity, is provided below.

Table 46 - Shareholders' equity

(€ thousands)	2020	2019	Changes	
			Amount	%
Share capital	685,044	522,882	162,162	31.0
Share premium reserve	863,344	725,506	137,838	19.0
Revaluation reserve	62,499	62,499	0	0
Legal reserve	307,278	283,230	24,048	8.5
Other provisions	238,765	142,572	96,193	67.5
Profit (loss) for the year	3,583	120,241	-116,658	-97.0
Negative reserve for own shares in portfolio	-164,506	-49,927	-114,579	n.s.
TOTAL (item A)	1,996,007	1,807,003	189,004	10.5

n.s. = not significant

Share capital

The share capital, fully subscribed and paid up as at December 31st, amounted to € 685.044 million, an increase of € 162.162 million compared to the previous year when it amounted to € 522.882 million. The change was due to the reserved share capital increase of € 300 million subscribed in October by Assicurazioni Generali S.p.A., which subscribed 54,054,054 newly issued shares.

The post-transaction share capital is divided into 228,347,980 ordinary shares.

Share premium reserve

The share premium reserve amounted to € 863.344 million increasing by € 137.838 million compared to December 31st, 2019 when it amounted to € 725.506 million. The increase in the reserve is attributable to the higher price of the shares issued, compared to their nominal value, at the time of the reserved share capital increase subscribed in October by Assicurazioni Generali S.p.A.

Revaluation reserves

These include € 41.459 million relating to the reserves recorded pursuant to Italian Law No. 413 of December 30th, 1991 and € 21.04 million for the net balance of the revaluation of the property carried out in 2008 under the provisions of Italian Law Decree No. 185 of November 29th, 2008, converted into Italian Law No. 2 of January 28th, 2009.

Legal reserve

The legal reserve rose from € 283.23 million to € 307.278 million due to the allocation of the profit for 2019.

Other provisions

They are as follows:

- € 167.828 million for the extraordinary reserve. The increase of € 96.184 million relates entirely to non-distributed 2019 profit (loss);
- € 65.04 million for the dividend reserve, unchanged from the previous year;
- € 1.103 million for the taxed reserve, already existing at the end of 1982 and freed up as per Italian Legislative Decree No. 467 of December 18th, 1997;

- € 689 thousand for the reserve represented by the merger surplus of the companies Plotino and San Zeno;
- € 4.526 million for the reserve for unrestricted net exchange gains, unchanged from the previous year;
- the "Reserve for amounts realised on disposal of difference from cancellation of own shares" recognised in accordance with ISVAP Regulation No. 22 of April 4th, 2008, which, as at December 31st, 2020, showed a negative balance of € 441 thousand. This item did not change during 2020;
- € 11 thousand relating to the exchange deficit for the spin-off transaction concerning Duomo Uni One in the Company;
- € 9 thousand for the reserve for unrestricted net exchange gains, referring to part of the non-distributed 2019 profit (loss).

The profit reserves subject to deferred taxation, which, when used, contribute towards the formation of the Company's taxable income and which, if distributed, represent earnings for the shareholders, amounted to € 93.172 million, of which € 30.556 million recorded to the share capital.

Negative reserve for own shares in portfolio

For the effects resulting from the entry into force of Art. 6, paragraph 1, of Italian Legislative Decree No. 139 of

August 18th, 2015, by way of implementation of the Directive 2013/34/EU, own shares are recognised in the financial statements directly reducing the shareholders' equity, in accordance with the matters laid down by Art. 2357-ter.

As a result, the "Negative reserve for own shares in portfolio" amounted to € 164.506 million, of which € 124.679 million pertaining to the non-life business and € 39.827 million pertaining to the life business, corresponding to 28,045,201 shares, equal to 12.28% of the share capital. The increase compared to the previous year is due almost entirely to the purchase of own shares deriving from the right of withdrawal exercised by shareholders, pursuant to Article 2437-quater, paragraph 5, of the Italian Civil Code. A total of 20,720,350 shares were purchased through this transaction at a unit price of € 5.47, for a total value of € 113.34 million, from available reserves as per the press release of December 30th, 2020.

The following table presents an analysis of the availability and distributable nature of the shareholders' equity entries; in this regard, it is noted that the Company is also required to comply with the overall capitalisation requirements established by specific regulations proposed for their calculation in relation to the activities carried out directly and through its subsidiaries.

Table 47 - Shareholders' equity - origin, possibility of use and distribution, as well as use in previous years

(€ thousands)	Amount	Possibility of use (*)	Available portion	Summary of uses in the last three years	
				Coverage of losses	Other reasons
Share capital	685,044				
Capital reserves					
Share premium reserve	863,344	a, b, c	812,178 (**)	60,011	
Revaluation reserve	62,499	a, b, c	62,499 (***)		
Other provisions	689	a, b	689		
Profit reserves					
Legal reserve	307,278	b	307,278		
Other provisions	238,076	a, b, c	124,727	0	121,946
Negative reserve for own shares in portfolio	-164,506				
Total	1,992,424		1,307,371	60,011	121,946
Restricted portion			307,967		
Residual unrestricted portion			999,404		

(*) a - for share capital increase

b - for coverage of losses

c - for distribution to shareholders

(**) Net of the negative reserve for own shares in portfolio.

(***) The revaluation reserve can be distributed only with the observance of the provisions as per Art. 2445, paragraphs 2 and 3, of the Italian Civil Code, and the provisions envisaged by the related revaluation laws

The share capital and the share premium reserve, in particular, are available in accordance with the legal and Article of Association provisions and general meeting

resolutions, also in relation to the corporate form and the related regulations.

The following table shows the changes during the year in the shareholders' equity items.

Table 48 - Shareholders' equity - changes during the year

(€ thousands)	Share capital	Share premiums reserves	Revaluation reserve	Legal reserve	Negative reserve for own shares	Other reserves	Retained profits	Profit for the year	Total
Shareholders' equity as at Dec 31, 2018	522,882	752,970	62,499	282,537	-49,927	182,718	0	3,465	1,757,144
Allocation of profit (loss) for 2018:									
Dividend payment (€ 0.40 per share)						-67,113		-2,605	-69,718
Allocation to reserves				693		27,465		-28,158	0
Contribution to the Cattolica Foundation						-3,334		-166	-3,500
Coverage of life loss for 2018		-27,464						27,464	0
Other changes 2019:									
Cancellation of dividend on own shares						2,815			2,815
Other						21			21
Profit (loss) for 2019								120,241	120,241
Shareholders' equity as at Dec 31, 2019	522,882	725,506	62,499	283,230	-49,927	142,572	0	120,241	1,807,003
Allocation of profit (loss) for 2019:									
Allocation to reserves				24,048		96,193		-120,241	0
Other changes 2020:									
Share capital increase against payment	162,162	137,838							300,000
Other						-114,579			-114,579
Profit (loss) for 2020								3,583	3,583
Shareholders' equity as at Dec 31, 2020	685,044	863,344	62,499	307,278	-164,506	238,765	0	3,583	1,996,007

SECTION 9 - SUBORDINATED LIABILITIES (Item B)

Subordinated liabilities as at December 31st, 2020 comprise:

- a loan of € 80 million granted by UBI Banca on September 30th, 2010 with the following specifications:
 - duration: unspecified;
 - early repayment: the agreement signed in December with Ubi Banca envisages Cattolica's commitment to proceed with the repayment of the loan upon obtaining the necessary authorisations, within six months of the completion of the transfer of equity investment held by the Company in Lombarda Vita or, in the event that such authorisations are obtained after September 30th, 2021, no later than 30 days from receipt of the same;
 - interest rate: 6-month Euribor + 200 basis points;
 - subordination: with respect to all the unsubordinated creditors including the policyholders;
 - classification on the basis of the SII Directive: as a result of the agreement signed between Cattolica and Ubi Banca, since early repayment of the loan is envisaged according to the methods described above, it is no longer admissible as an element of Own Funds to cover the solvency margin envisaged by Solvency II.

The interest for the year on this loan amounted to € 1.355 million.

- a subordinated bond for € 100 million, issued on December 17th, 2013 with the following specifications:
 - duration: 30 years;

- early repayment: faculty to repay early as from tenth year (call option);
- interest rate: 7.25% until the end of the tenth year. In case of failure to exercise the call option, the rate becomes floating and is equal to the 3-month Euribor + 619 basis points;
- subordination: with respect to other non-subordinated securities;
- classification on the basis of the SII directive: Basic Own Funds Tier 2, since this is compliant with the requisites envisaged by Article 73 of the Delegated Regulation (EU) 2015/35 of the European Commission dated October 10th, 2014.

The amount of interest for the year relating to this loan amounted to € 7.25 million.

- a subordinated bond for € 500 million, issued on December 14th, 2017 with the following specifications:
 - duration: 30 years;
 - early repayment: faculty to repay early as from tenth year (call option);
 - interest rate: 4.25% until the end of the tenth year. In the event of failure to exercise the call option, the rate becomes floating and is equal to the Euribor reference rate + 4.455 basis points;
 - subordination: with respect to other non-subordinated securities;
 - classification on the basis of the SII directive: Basic Own Funds Tier 2, since this is compliant with the requisites envisaged by Article 73 of the Delegated Regulation (EU) 2015/35 of the European Commission dated October 10th, 2014.

The amount of interest pertaining to the year relating to this loan was € 21.25 million.

SECTION 10 - TECHNICAL PROVISIONS (Item C)

Table 49 - Breakdown of technical provisions

(€ thousands)	2020	2019	Changes	
			Amount	%
Premium provision	722,234	701,935	20,299	2.9
Provision for outstanding claims	2,262,442	2,465,314	-202,872	-8.2
Provision for profit-sharing and repayments	759	359	400	n.s.
Other technical provisions	111	146	-35	-24.0
Equalisation provisions	14,911	14,293	618	4.3
Total non-life business (item C.I)	3,000,457	3,182,047	-181,590	-5.7
Mathematical provisions	4,537,167	4,723,855	-186,688	-4.0
Premium provisions of supplementary insurance	511	517	-6	-1.2
Provision for outstanding claims	119,760	94,992	24,768	26.1
Provisions for profit-sharing and repayments	15	14	1	7.1
Other technical provisions	25,671	29,729	-4,058	-13.6
Total life business (item C.II)	4,683,124	4,849,107	-165,983	-3.4
TOTAL TECHNICAL PROVISIONS	7,683,581	8,031,154	-347,573	-4.3

n.s. = not significant

Non-life business

Premium provision

The premium provision amounted to € 722.234 million and comprises € 618.159 million for the provision for unearned premiums (of which € 593.279 million for direct business), € 87.793 million for supplementary provisions of the provision for unearned premiums (of which € 81.887 million for direct business) as well as € 16.282 million for the provision for current risks (of which € 15.8 million for direct business).

After the checks made, the Company deemed it appropriate to establish a supplementary provision for current risks: in accordance with the matters envisaged by paragraph 7 of Attachment No. 15 of ISVAP Regulation No. 22 dated April 4th, 2008, the Company used an empiric method to evaluate the coverage of the impending risks after the end of the accounting period, so as to cover all the compensation and costs deriving from insurance contracts entered into before that date, to the extent that the estimated cost of these risks exceeds that of the same provision for unearned premium, increased by the premiums, which will be collectable due to these policies.

This method is based on the calculation of the claims to premiums written to the pertaining year.

Based on the results of this check, the Company took steps to make the necessary integration calculated on the provision for unearned premiums and on the instalments falling due, net of the purchase commission.

The supplementary provision for current risks is allocated to class 8, fire & natural forces, for €15.8 million (€ 131 thousand to class 8 as at December 31st, 2019). The provision for current risks relating to indirect business on class 2 for € 13 thousand and € 469 thousand on class 9 has also been recognised (as at December 31st, 2019, it amounted to € 953 thousand on class 10 and € 131 thousand on class 1).

In conclusion, supplementary provisions have been recognised for a total of € 87.793 million (€ 85.66 million as at December 31st, 2019) of which € 81.887 million on direct business (€ 13.234 million on class 1, € 254 thousand on class 7, € 37.852 million on class 8, € 20.871 on class 9, € 57 thousand on class 13, € 2 thousand on class 14 and € 9.617 million on class 15) and € 5.906 million on indirect business (€ 10 thousand on class 1, € 3 thousand on class 7 and € 5.893 on class 8).

The tables, which follows, indicate the provisions for unearned premiums, for each class and separately for direct and indirect business.

Table 50 - Provisions for unearned premium - direct business

(€ thousands)	2020	2019	Changes	
			Amount	%
Classes:				
01 - Accident and injury	53,367	54,831	-1,464	-2.7
02 - Health	24,528	25,857	-1,329	-5.1
03 - Land vehicle hulls	40,865	39,169	1,696	4.3
04 - Railway rolling stock	858	707	151	21.4
05 - Aircraft hulls	20	27	-7	-25.9
06 - Ships (sea and inland water vessels)	3,793	849	2,944	n.s.
07 - Goods in transit	920	928	-8	-0.9
08 - Fire & natural forces	63,848	61,167	2,681	4.4
09 - Other damage to assets	48,777	52,916	-4,139	-7.8
10 - TPL - Land motor vehicles	246,993	255,968	-8,975	-3.5
11 - TPL - Aircraft	18	9	9	100.0
12 - TPL - Sea and inland water vessels	529	668	-139	-20.8
13 - TPL - General	65,270	53,994	11,276	20.9
14 - Credit	6,219	7,021	-802	-11.4
15 - Suretyship	10,493	10,662	-169	-1.6
16 - Sundry financial losses	7,480	6,544	936	14.3
17 - Legal protection	5,310	4,477	833	18.6
18 - Assistance	13,991	11,308	2,683	23.7
TOTAL	593,279	587,102	6,177	1.1

n.s. = not significant

Table 51 - Provisions for unearned premium - indirect business

(€ thousands)	2020	2019	Changes	
			Amount	%
Classes:				
01 - Accident and injury	1,107	1,440	-333	-23.1
02 - Health	367	383	-16	-4.2
03 - Land vehicle hulls	1,119	2,174	-1,055	-48.5
06 - Ships (sea and inland water vessels)	20	6	14	n.s.
07 - Goods in transit	6	14	-8	-57.1
08 - Fire & natural forces	10,527	11,579	-1,052	-9.1
09 - Other damage to assets	3,364	3,872	-508	-13.1
10 - TPL - Land motor vehicles	1,416	1,332	84	6.3
12 - TPL - Sea and inland water vessels	0	0	0	n.a.
13 - TPL - General	980	1,252	-272	-21.7
15 - Suretyship	5,798	5,783	15	0.3
16 - Sundry financial losses	176	123	53	43.1
17 - Legal protection	0	0	0	n.a.
TOTAL	24,880	27,958	-3,078	-11.0

n.s. = not significant

n.a. = not applicable

Provision for outstanding claims

The provision for outstanding claims amounted to € 2,262.442 million and comprises € 2,041.671 million for the provision for outstanding claims, which have occurred and been reported, € 145.126 million for the provision for outstanding claims, which have occurred but have not yet been reported, as well as € 75.645 million for the provision for settlement costs.

The estimate of the provision for outstanding claims made, as per the last cost principle, was realised by applying a multi-phase calculation procedure:

- steps are taken to separately evaluate each claim (inventory method), based on the analysis of the documentation relating to each individual damage case, realised by the staff assigned to settle the claims;

- with regard to the classes characterised by slow settlement processes and for which the analytical valuation does not make it possible to take into account all the foreseeable charges, the inventory method is flanked by an additional valuation by means of statistical-actuarial procedures or forecast systems on the evolution of the costs.

The valuation of the provision for outstanding claims, which have occurred but have not yet been reported, was carried by separately estimating the number of delayed claims expected and the related average cost.

With regard to the change during the year in the components of the premium provision and the provision for outstanding claims, please refer to Attachment 13.

Table 52 - Provision for outstanding claims - direct business

(€ thousands)	2020	2019	Changes	
			Amount	%
Classes:				
01 - Accident and injury	81,497	110,837	-29,340	-26.5
02 - Health	43,056	39,129	3,927	10.0
03 - Land vehicle hulls	21,019	23,809	-2,790	-11.7
04 - Railway rolling stock	69	253	-184	-72.7
05 - Aircraft hulls	52	33	19	57.6
06 - Ships (sea and inland water vessels)	13,155	8,865	4,290	48.4
07 - Goods in transit	11,484	11,035	449	4.1
08 - Fire & natural forces	135,712	147,856	-12,144	-8.2
09 - Other damage to assets	65,760	63,865	1,895	3.0
10 - TPL - Land motor vehicles	1,130,657	1,208,191	-77,534	-6.4
11 - TPL - Aircraft	12	10	2	20.0
12 - TPL - Sea and inland water vessels	3,987	3,307	680	20.6
13 - TPL - General	672,576	764,734	-92,158	-12.1
14 - Credit	549	745	-196	-26.3
15 - Suretyship	29,789	31,537	-1,748	-5.5
16 - Sundry financial losses	8,205	5,201	3,004	57.8
17 - Legal protection	7,462	7,742	-280	-3.6
18 - Assistance	3,858	3,590	268	7.5
TOTAL	2,228,899	2,430,739	-201,840	-8.3

Table 53 - Provision for outstanding claims - indirect business

(€ thousands)	2020	2019	Changes	
			Amount	%
Classes:				
01 - Accident and injury	1,757	3,003	-1,246	-41.5
02 - Health	494	565	-71	-12.6
03 - Land vehicle hulls	572	878	-306	-34.9
05 - Aircraft hulls	0	0	0	n.a.
06 - Ships (sea and inland water vessels)	38	31	7	22.6
07 - Goods in transit	48	81	-33	-40.7
08 - Fire & natural forces	11,360	7,935	3,425	43.2
09 - Other damage to assets	1,392	3,063	-1,671	-54.6
10 - TPL - Land motor vehicles	6,370	6,211	159	2.6
13 - TPL - General	9,396	10,736	-1,340	-12.5
14 - Credit	335	335	0	0
15 - Suretyship	1,773	1,723	50	2.9
16 - Sundry financial losses	8	14	-6	-42.9
TOTAL	33,543	34,575	-1,032	-3.0

n.a. = not applicable

Provision for profit-sharing and repayments

The item amounted to € 759 thousand, of which € 455 thousand in class 1, accident, € 36 thousand in class 2, illness, € 42 thousand in class 8, fire & natural forces and € 226 thousand in class 13, General TPL.

Other technical provisions

The item amounted to € 111 thousand (of which € 110 thousand direct business and € 1 thousand indirect business) and includes the ageing provision of the health class determined for the rise in the age of the policyholders; it was calculated using the forfeit method provided for by section 44, paragraph 3, of Attachment No. 15 of ISVAP Regulation No. 22 of April 4th, 2008.

Equalisation provisions

The item includes the equalisation provision for natural calamity risks, which amounted to € 14.911 million (of which € 14.731 million for direct business and € 180 thousand for indirect business), disclosing an increase of € 618 thousand. In detail, by class, it comprises: € 7.601 million relating to the fire & natural forces class, € 4.436 million relating to the land vehicle hull class, € 1.389 million relating to the accident and injury class, € 814 thousand relating to other damage to assets, € 635 thousand relating to the goods in transit class and € 36 thousand relating to other classes.

The calculation is compliant with the matters envisaged by Art. 1, paragraph 1, of Italian Ministerial Decree No. 705 dated November 19th, 1996.

Life business

Mathematical provisions

These amounted to € 4,537.167 million and include the provision for pure premiums, the withdrawal of premiums

relating to annual-premium payment policies, the provision for health and professional excess premiums, the provision for integration of the population and financial bases (also for pension funds), the additional provision for guaranteed rate and interest risk, the additional provision for mortality-risk and guarantee related to unit linked contracts pension funds, the additional provision to cover the cost related to the early repayment of the pure risk contracts linked to loans and the provision for risk of undertaking pure risk contracts at average rate. The mathematical provisions reported a decrease of € 186.688 million.

Provisions for outstanding claims

The provisions for outstanding claims amounted to € 119.760 million (of which € 87.677 million relating to class I, € 16.113 million relating to class III and € 15.97 million relating class V).

These reserves increased by € 24.768 million due to portfolio liquidation dynamics.

Other technical provisions

Other technical provisions, amounting to € 25.671 million, are made up of the provisions for future expense totalling € 24.741 million (of which € 17.656 million relating to class I, € 6.311 million relating to class III, € 672 thousand relating to class V and € 102 thousand relating to class IV) and of the supplementary provision relating to class I for € 930 thousand. This provision refers to the amount of the expected claims for death coverage.

With regard to the change during the year in the components of the mathematical provisions and the provision for profit-sharing and repayments, please refer to Attachment 14.

SECTION 11 - TECHNICAL PROVISIONS FOR CONTRACTS WHERE THE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND DERIVING FROM THE MANAGEMENT OF PENSION FUNDS (item D)

The item amounted in total to € 569.54 million, down by € 562.807 million with respect to the end of the previous year.

The provisions pertaining to the risk of death, the credit risk and supplementary insurance are included respectively in the items "mathematical provisions" and "premium provision of supplementary insurance".

Provisions relating to contracts whose benefits are linked to investment funds and stock market indices

These amounted to € 415.593 million and are established in the presence of index-linked and unit-linked contracts, amounting respectively to € 140 thousand and € 415.453 million, reporting an increase of € 101.239 million compared to December 31st, 2019, mainly attributable to net valuation gains.

Provisions deriving from the management of pension funds

The provisions deriving from the management of pension funds fell from € 817.993 million to € 153.947 million. For further details on the change, reference should be made to the paragraph "Class IV management" in the Management Report.

During 2020, the resources of the segments with guarantee of a return on capital and the payment of a minimum return were managed for two pre-existing pension funds. The relevant agreements expired in the first half of 2020.

Again within the sphere of the activities pertaining to pension funds, during the year the Company managed the resources of the open-end pension fund Cattolica Gestione Previdenza and the Risparmio & Previdenza open-end pension fund.

The Cattolica Gestione Previdenza open-end pension fund is a defined-contribution pension fund. It was set up by the Company in accordance with Art. 12 of Italian Legislative Decree No. 252 dated December 5th, 2005 and was authorised by means of the provision of the Pension Fund Supervisory Commission on July 29th, 1998 and started to operate on February 15th, 1999. The Fund is structured in six segments (Monetario Globale, Obbligazionario Globale, Garantito, Bilanciato Globale, Azionario Globale and Etico). During the year, the Company sees directly to the management of the Fund's assets. The benefits are disbursed directly. The functions of custodian bank for the fund's resources were carried out by DEPObank S.p.A.

During the year just ended, applications were taken by the agency channel, the head offices of the Company and the bank branches specifically appointed to do so. As at December 31st, 2020, the Fund had 7,533 active members (7,532 at the end of 2019).

The Risparmio & Previdenza open-end pension fund is a defined-contribution pension fund. It was set up by the Company in accordance with Art. 12 of Italian Legislative Decree No. 252 dated December 5th, 2005 and was authorised by means of the provision of the Pension Fund Supervisory Commission on July 29th, 1998 and started to operate on February 19th, 1999. The Fund is structured in four segments (Bilanciato Prudente, Bilanciato Globale, Etico, Garantito). For the management of each of the segments making up the Fund, authorisation has been granted to Pramerica Sgr, which operated as per the instructions imparted by the Company. The benefits are disbursed directly. The functions of Custodian Bank for the Fund's resources were carried out by RBC Investor Services Bank S.A.

As at December 31st, 2020, the Fund had 2,958 active members (3,061 at the end of 2019).

At the end of the year, the sum of the net assets intended for the benefits of the segments, which the two Funds are structured in, amounted to € 153.947 million. The change in the assets, positive, compared to 2019, amounted to € 9.819 million.

The following tables show the net assets intended for the benefits of each of the segments, which the Cattolica Gestione Previdenza open-end pension fund and the Risparmio & Previdenza open-end pension fund are structured in.

Table 54 - Cattolica Gestione Previdenza open-end pension fund - net asset value by segment

(€ thousands)	2020	2019	Changes	
			Amount	%
Azionario Globale	23,092	22,943	149	0.6
Bilanciato Globale	20,557	19,794	763	3.9
Etico	2,018	1,933	85	4.4
Garantito	48,323	42,978	5,345	12.4
Monetario Globale	4,216	3,900	316	8.1
Obbligazionario Globale	7,847	7,408	439	5.9
Total Cattolica Gestione Previdenza open-end pension fund	106,053	98,956	7,097	7.2

Table 55 - Risparmio & Previdenza open-end pension fund - net asset value by segment

(€ thousands)	2020	2019	Changes	
			Amount	%
Bilanciato Globale	15,423	14,938	485	3.2
Etico	1,354	1,277	77	6.0
Garantito	17,797	16,331	1,466	9.0
Bilanciato Prudente	13,320	12,626	694	5.5
Total Risparmio & Previdenza open-end pension fund	47,894	45,172	2,722	6.0

In the following table, provisions, assets and premiums for the year relating to the open-end pension funds are compared with the balances as at December 31st, 2019:

Table 56 - Open-end pension funds of the Company - Investments, provisions and gross premiums written

(€ thousands)	Net asset value		Class DII provisions		Gross premiums written	
	2020	2019	2020	2019	2020	2019
Cattolica Gestione Previdenza open-end pension fund	106,053	98,956	106,053	98,956	9,582	9,443
Risparmio & Previdenza open-end pension fund	47,894	45,172	47,894	45,172	3,479	3,979

With reference to the other pension funds managed by the Company in the following tables, the values of the provisions, the assets and the gross premiums written are shown, on a comparative basis with those for the previous year, along with the type and extent of the guarantee provided. At the end of the year, there were no agreements in place for the management of the resources of class VI contractual and pre-existing pension funds.

Table 57 - Other pension funds - Investments, provisions and gross premiums written

	Net asset value		Class DII provisions		Gross premiums written	
	2020	2019	2020	2019	2020	2019
(€ thousands)						
Cometa	0	460,065	0	460,065	11,034	37,901
Solidarietà Veneto - Pension fund	0	213,800	0	213,800	16,205	32,649
Total	0	673,865	0	673,865	27,239	70,550

SECTION 12 - PROVISIONS FOR RISKS AND CHARGES (Item E)

The breakdown of the provisions and the related changes with respect to the previous year are shown in the following table and analytically in Attachment 15 to the notes to the accounts.

Table 58 - Provisions for risks and charges

(€ thousands)	Jan 1st, 2020	Increases	Decreases	Dec 31st, 2020
Provision for pensions and similar obligations	1,761	111	247	1,625
Provision for taxation	3,357	0	557	2,800
Other provisions and allowances	64,426	19,592	13,645	70,373
TOTAL (item E)	69,544	19,703	14,449	74,798

The item, which rose from € 69.544 to € 74.798 million, includes provisions for retirement benefits and similar obligations for € 1.625 million, deferred tax provisions for € 2.8 million and other provisions for € 70.373 million.

The provision for retirement benefits represents the Company's financial commitment deriving from the supplementary in-house agreement dated June 1st, 1963 and subsequent amendments and additions toward employees employed until March 15th, 1982 and, if officers, up until November 17th, 1982.

It is calculated analytically for each employee working and for each pensioner.

Other provisions rose from € 64.426 million to € 70.373 million. The increases for the year amounted in total to € 19.592 million, while the decreases came to € 13.645 million.

Further to the agreements signed on July 14th, 2015, March 15th, 2016, October 10th, 2017 and December 2nd, 2020 between the Group companies (Cattolica Assicurazioni and Cattolica Services) and the company trade union delegations and the issue of the related compliance invitations, concerning the corporate

reorganisation processes and the effects of the organisational efficiency activities and the innovation and digitalisation processes, having accomplished the trade union negotiation procedures envisaged by current agreements, the parties agreed to activate - for the employees in possession of the requirements envisaged by said agreements - recourse to the extraordinary section of the Intersectoral Solidarity Fund for the insurance sector. In 2020, the agreements produced an overall liability of € 6.741 million. The income statement matching balance is recorded among the negative components of income of the extraordinary business.

With regard to the former employees who complied with the invitations, the use of the Intersectoral Fund took place during the year in the presence of payments to INPS for the extraordinary income support allowance, for the monthly contribution useful for obtaining the right to a pension as well as for the payment of the policy premiums, for a total amount of € 2.202 million.

The provision existing at the end of the year came to € 10.3 million.

Furthermore, the item comprised mainly amounts set aside for:

- legal disputes and costs for € 18.656 million (€ 6.118 million was set aside and € 2.944 used during the year);
- liabilities pertaining to the financial requirements relating to seniority bonuses of employees for € 7.965 million;
- sums to be paid out for agents' leaving indemnities, equal to € 8.415 million (€ 500 thousand was set aside during the year);
- liabilities pertaining to the financial requirements relating to health premiums of retired staff for € 10.61 million;
- disputes pending with former trustees and sundry summons, pertaining to the claims area, amounting to € 4 million (during the year, € 100 thousand was set aside and € 100 thousand was used);
- risks for the assistance of employees in the event of non-self sufficiency, for € 1.304 million;
- the estimated liability relating to open disputes relating to employment matters for € 890 thousand (€

440 thousand was set aside and € 711 thousand used during the year);

- formal notices and reports on findings that can be served by the supervisory and control authority for € 740 thousand (€ 140 thousand was set aside and € 531 thousand used during the year);
- amounts to be paid in relation to the termination of senior management positions, amounting to € 1.356 million (€ 1.244 million was set aside and € 545 thousand used during the year);

It should be noted that a provision of € 104 thousand was set aside during the year, following the tax claims received from the tax authorities concerning the applicability of VAT exemption to delegation commissions in the context of co-insurance contracts.

Moreover, the provision itself - already set aside at the end of the previous financial year - was used for an amount of € 1.651 million: this amount is mainly due to the fact that the Company adhered to the facilitated settlement of tax disputes pending as at October 24th, 2018, pursuant to Italian Law Decree No. 119/2018.

SECTION 13 - DEPOSITS RECEIVED FROM RE-INSURERS (Item F)

These are recorded in the financial statements for € 14.474 million (€ 16.605 million at the end of the previous year) and represent payables for deposits that the Company withholds in the event of reinsurance payable agreements.

SECTION 14 - PAYABLES AND OTHER LIABILITIES (Item G)

At the end of the year, these came to € 540.648 million, compared with € 464.916 million at the end of the previous year, of which € 95.288 million for insurance and reinsurance transactions; € 8.827 million for payables due to banks and financial institutions, € 5.565 million for employee severance indemnities and € 317.428 million for other payables and other liabilities.

Table 59 - Payables deriving from insurance and reinsurance transactions

(€ thousands)	2020	2019	Changes	
			Amount	%
Payables, deriving from direct insurance transactions, due to:				
Insurance brokers	22,768	20,495	2,273	11.1
Insurance companies - current accounts	1,917	2,136	-219	-10.3
Policyholders for guarantee deposits and premiums	21,219	18,473	2,746	14.9
Guarantee funds in favour of policyholders	201	123	78	63.4
Total (item G.I)	46,105	41,227	4,878	11.8
Payables, deriving from reinsurance transactions, due to:				
Insurance and reinsurance companies	49,183	22,115	27,068	n.s.
Total (item G.II)	49,183	22,115	27,068	n.s.

n.s. = not significant

Payables deriving from direct insurance transactions

Payables deriving from direct insurance transactions amounted to € 46.105 million.

Payables due to direct insurance brokers

The item amounted to € 22.768 million, of which € 21.247 million regarding the non-life business and € 1.521 million the life business. As at December 31st, 2019 it amounted to € 20.495 million.

Payables due to insurance companies - current accounts

The item amounted to € 1.917 million, fully attributed to the non-life business.

As at December 31st, 2019 it amounted to € 2.136 million.

Payables due to policyholders for guarantee deposits and premiums

The item amounted to € 21.219 million, of which € 14.996 million attributable to the non-life business and € 6.223

million to the life business, essentially pertaining to amounts collected relating to contracts issued in the following year.

As at December 31st, 2019 it amounted to € 18.473 million.

Payables deriving from reinsurance transactions

Payables due to insurance and reinsurance companies

The item amounted in total to € 49.183 million, of which € 47.094 million attributable to the non-life business and € 2.089 million to the life business, compared with € 22.115 million at the end of the previous year.

Payables due to banks and financial institutions

At the end of the financial year, there were relationships with banks for credit facilities, usable for cash flexibility. The item amounted to € 8.827 million.

As at December 31st, 2019 it amounted to € 5.235 million.

Employee severance indemnities

The employee severance indemnity provision (Art. 2427.4 of the Italian Civil Code) disclosed the changes analytically indicated in Attachment 15 during the year.

Table 60 - Employee severance indemnities

(€ thousands)	Jan 1st, 2020	Increases	Decreases	Dec 31st, 2020
Employee severance indemnities (item G.VII)	5,879	3,987	4,301	5,565

Other payables

These include payables for taxes payable by policyholders, for sundry tax liabilities, amounts due to welfare and social security institutions, due to suppliers and due to Group companies, as well as other sundry payables.

Table 61 - Other payables - breakdown

(€ thousands)	2020	2019	Changes	
			Amount	%
For taxes payable by policyholders	27,930	30,756	-2,826	-9.2
For sundry tax charges	125,140	159,404	-34,264	-21.5
Amounts due to social security and welfare institutions	2,429	2,780	-351	-12.6
Sundry payables	162,038	83,784	78,254	93.4
Total (item G.VIII)	317,537	276,724	40,813	14.7

Payables for sundry tax charges

"Payables for sundry tax charges" include mainly € 20.185 million for the current payable deriving from the assessment of the taxation on the mathematical provisions of the life business pertaining to the year, € 44.298 million for the liability for IRES, € 10.052 million for IRAP, as well as the payable, for € 43.842 million, relating to the liability for IRES of the companies taking part in the tax consolidation scheme.

Sundry payables

The item amounted to € 162.038 million. The item includes mainly the amounts payable to Group companies for €

94.821 million, sundry payables to personnel amounting to € 15.325 million, payables to management funds amounting to € 4.085 million, as well as payables to suppliers amounting to € 39.698 million and other total payables amounting to € 8.109 million.

With particular reference to the transfer of tax positions further to compliance with the tax consolidation scheme, the amounts payable to subsidiaries and associated companies included € 60.198 million relating to credit positions in relation to tax authorities, transferred to Cattolica by the companies taking part in the Group taxation scheme.

Other liabilities

Table 62 - Other liabilities - breakdown

(€ thousands)	2020	2019	Changes	
			Amount	%
Commission for premiums being collected	33,296	29,585	3,711	12.5
Sundry liabilities	58,156	83,681	-25,525	-30.5
Total (item G.IX)	91,452	113,266	-21,814	-19.3

The item includes sundry liabilities for € 58.156 million and commission for premiums being collected for € 33.296 million.

The "Sundry liabilities" item comprises the balance of the liaison account between the non-life and life business for € 28.501 million booked as a liability of the life business. In addition, a liability of € 10.289 million is recognised in respect of the voucher granted to policyholders following the national lock-down due to Covid-19 (March-April 2020). In fact, the Company has guaranteed the option for its customers to gain access to a discount voucher on

the premium paid for TPL contracts expiring between April 2020 and May 2021, expendable from May 25th, 2020 until the end of May 2021 and applicable at the time of renewal of the expiring Motor liability policy and/or for the subscription of a new RE product.

The item includes also the amounts relating to technical items for transactions in reconciliation to be settled at year-end for € 13.786 million, as well as the liability for margining on non-hedging derivative contracts amounting to € 5.34 million.

SECTION 15 - ACCRUALS AND DEFERRALS

The item amounted to € 4.042 million. Deferred income "for interest" includes € 2.696 million relating to the portion of the coupons relating to the bonds acquired with reference to the restructuring transaction of the life segregated management, deferred to subsequent years on the basis of the residual maturity of these securities, greater than 5 years. Accrued interest expense on subordinated loans amounting to € 1.346 million was also recognised.

SECTION 16 - ASSETS AND LIABILITIES RELATING TO GROUP COMPANIES AND OTHER INVESTEE COMPANIES

Attachment 16 shows the statement of assets and liabilities relating to Group companies and other investee companies.

SECTION 17 - RECEIVABLES AND PAYABLES

Receivables outstanding, with a maturity beyond December 31st, 2020 and by December 31st, 2025, concern the agent portfolio indemnity recovery for € 21.21 million and the receivables for insurance tax advance pursuant to Italian Law No. 265 of November 22nd, 2002, as amended, on the taxation of life reserves amounting to € 88.553 million.

Receivables outstanding with a maturity of more than five years concern the agent portfolio indemnity recovery for € 27.12 million.

Loans on life insurance policies have not been considered since they do not have a pre-established expiry and collection of the same is certain.

There are no payables due beyond twelve months. As at December 31st, there were no payables with secured guarantees.

Pursuant to Art. 2427, paragraph 8, of the Italian Civil Code, it is hereby specified that there are no financial charges booked during the year to the balances recorded under the statement of financial position assets.

With reference to the breakdown of the receivables and payables by geographic area, the positions

concerning other EU and non-EU countries are not significant.

SECTION 17 BIS - INDIVIDUAL PENSION FUNDS

The Company did not set up any new, individual pension funds during the year pursuant to Art. 13, paragraph 1, letters a) and b), of Italian Legislative Decree No. 252 of December 5th, 2005.

SECTION 18 - GUARANTEES, COMMITMENTS, POTENTIAL LIABILITIES AND OTHER MEMORANDUM ACCOUNTS

Table 63 - Guarantees, commitments and other memorandum accounts

(€ thousands)	2020	2019	Changes	
			Amount	%
Guarantees given	84,945	88,446	-3,501	-4.0
Guarantees received	137,255	134,380	2,875	2.1
Commitments	433,865	356,615	77,250	21.7
Third-party assets	29	30	-1	-3.3
Securities lodged with third parties	9,481,777	10,177,812	-696,035	-6.8
TOTAL	10,137,871	10,757,283	-619,412	-5.8

Guarantees given

The item, totalling € 84.945 million, includes the sureties issued on our behalf in favour of CONSAP and third parties (the guarantees pertaining to these sureties do not give rise to potential liabilities as at December 31st).

The item includes also, for € 185 thousand, the contract entered into with ANIA for compliance with SISCO, relating to the handling of non-life claims with joint-insurance.

Guarantees received

The item, amounting to a total of € 137.255 million, includes mainly the value, amounting to € 123.131 million, of the guarantees pursuant to Art. 4 ANA ed. 2003 received from agents enrolled in the Gruppo Aziendale Agenti Cattolica, formerly Duomo, Gruppo Aziendale Agenti Cattolica, formerly UniOne, Gruppi Aziendali Agenti, formerly FATA, Gruppi Aziendali Agenti TUA and Circolo Agenti Cattolica for insurance sureties entered into with COFACE.

It includes also the value of the guarantees received by agents who are not enrolled in either Gruppo Aziendale Agenti or Circolo Agenti but who have adhered to the insurance agreement entered into with COFACE directly by Cattolica amounting to € 1.613 million, those deriving from the provision of bank sureties amounting to € 4.574 million, those relating to two Cattolica (formerly Persona Life) agents amounting to € 40 thousand and those of the Agencies with Agreement for the liberalisation of the Non-life business portfolio amounting to € 25 thousand.

The item includes also the value of the guarantees (€ 3.865 million), supporting the end of management account, received from the Agents who had an agency mandate issued by Cattolica, but with whom the relationship has now ended. These guarantees are held by Cattolica and will be returned and released when the relationship ends.

Commitments

The item includes the residual commitment toward the private equity funds for € 410.415 million.

It includes also, for € 23.45 million, the commitment undertaken in relation to Vera Financial, for the purchase at nominal value of the tax credit deriving from the payment of the tax on life mathematical provisions, for the portion which can effectively be transferred, pursuant to Art. 1, paragraph 2, of Italian Law Decree No. 209/2002 converted, with amendments, into Italian Law No. No. 265/2002.

Third-party assets

This comprises the value of the Company's shares owned by the shareholders and deposited at the Company's headquarters.

Securities lodged with third parties

The item includes the amount, corresponding to the book value as at December 31st, of the securities under management or deposited care of banks and asset managers.

The securities relating to Group companies and other investee companies (class C and class D) lodged with third parties amounted to € 1,684.112 million.

There are no commitments or potential liabilities other than those already indicated in the Statement of financial position and the Income statement.

PART B

INCOME STATEMENT

SECTION 19 - INFORMATION CONCERNING THE TECHNICAL ACCOUNT - NON-LIFE BUSINESS (I)

The technical result of the non-life business amounted to € 163.817 million, of which € 193.154 million attributable to direct business and € -29.337 million to reinsurance activities.

It is characterised by:

- the decrease in premiums for the year from € 1,532.94 million to € 1,492.826 million;
- the decrease in charges relating to claims from € 972.444 million to € 836.75 million, representing 56.1% of premiums for the year (63.4% as at December 31st, 2019);
- the increase in the incidence of management expenses on premiums for the year, which rose from 29.5% to 30.6%: in absolute value these expenses rose from € 452.949 million to € 456.455 million; in particular,

other administrative expenses rose from € 145.144 million to € 148.24 million, while other management expenses rose from € 307.805 million to € 308.215 million, representing 20.6% of premiums for the year (20.1% in 2019);

- the balance of other technical items (including the change in other technical provisions and the equalisation provision), which decreased from a negative balance of € 19.912 million to a negative balance of € 35.804 million;

As at December 31st, 2019, the result of the technical account amounted to € 173.126 million.

The summary information concerning the non-life business technical account is shown in Attachments 19, 25 and 26 to the notes to the accounts.

Table 64 - Reclassified non-life technical account - Italy and foreign portfolio

(€ thousands)	Direct	Ceded	Indirect	Retroceded	Total
Gross premiums written and ceded premiums	1,700,550	-222,128	45,653	-10,667	1,513,408
Change in premium provision	-23,290	1,907	1,737	-936	-20,582
Claims incurred	-952,844	131,328	-24,065	8,831	-836,750
Change in sundry technical provisions	34	0	1	0	35
Balance of other technical items	-35,426	721	-516	0	-35,221
Operating expenses	-495,274	48,907	-11,447	1,359	-456,455
Technical balance	193,750	-39,265	11,363	-1,413	164,435
Change in equalisation provisions	-596	0	-22	0	-618
Portion of profit from investments transferred from the non-technical account	0	0	0	0	0
Result of technical account	193,154	-39,265	11,341	-1,413	163,817

Gross premiums written

Gross premiums written totalled € 1,746.203 million, of which € 1,700.55 million relating to direct business and € 45.653 million relating to indirect business. The premiums ceded and retroceded came to € 232.795 million. In the "Management Report", table 6 shows the amounts of gross premiums written by class.

This item amounted to € 1,773.959 million as at December 31st, 2019.

Portion of profit transferred from the non-technical account

The portion of profit from investments transferred from the non-technical account to the technical account of the non-life business was calculated on the basis of the criteria established by ISVAP Regulation No. 22 dated April 4th,

2008, as amended by IVASS Provision No. 53 dated December 6th, 2016.

The amount to be transferred was calculated by multiplying the value of the income from investments pertaining to the non-life business, net of the equity and financial charges recorded in the non-technical account by the percentage obtained from the ratio between the arithmetic average of the technical provisions at the start and end of the year and the same sum increased by the semi-sum of the shareholders' equity and liabilities at the start and end of the year.

For the 2020 financial statements, no transfer of profit from the non-technical account to the non-life technical account has been made as the conditions set out in the aforementioned regulation are not met.

Other technical income

The other technical income amounted to € 4.427 million (€ 6.784 million as at December 31st, 2019) and includes the use of the provision relating to the write-down of receivables due from policyholders for € 1.204 million, cancellations of commission for € 1.905 million, cancellations on premiums ceded for € 951 thousand, the recovery of legal costs for € 172 thousand and other technical items for € 195 thousand.

Claims incurred

The charges relating to claims amounted in total to € 836.75 million compared with € 972.444 million in the previous year.

Table 65 - Claims settled - direct and indirect business

(€ thousands)	2020	2019	Changes	
			Amount	%
Compensation and expenses	1,112,888	1,152,028	-39,140	-3.4
Settlement costs	75,782	84,788	-9,006	-10.6
Contribution to road accident victim fund	17,024	18,254	-1,230	-6.7
Gross amount	1,205,694	1,255,070	-49,376	-3.9

Claims settled relating to the current year amounted to € 478.606 million and include compensation and direct costs for € 419.965 million, internal and external claims settlement costs for € 41.617 million and the contribution in favour of the road accident victim guarantee fund for € 17.024 million. The total amount of the claims settled item relating to previous years came to € 727.087 million and concerned compensation and direct costs for € 692.923 million and settlement costs for € 34.165 million.

The reinsurance amount totalled € 172.601 million.

The change in the gross amount of the provision for outstanding claims came to € 203.937 million (revenue). During the previous year it amounted to € 102.862 million (revenue).

The reinsurance amount totalled € 32.441 million (cost).

The value of the initial provision for outstanding claims amounted to € 2,465.314 million (€ 2,430.739 million relating to direct business and € 34.575 million relating to indirect business); this item at the end of the year amounted to € 2,262.442 million, of which € 2,288.899 million relating to direct business and € 33.543 million to indirect business.

The balance of portfolio changes at the end of the year was € 1,066 million (revenue).

The change in recoveries, amounting to € 24.847 million, increased by € 845 thousand compared to the previous year.

Repayments and profit-sharing, net of transfers under reinsurance

The item, amounting to € 916 thousand, includes amounts paid for profit-sharing and the change in the provision for amounts still to be paid at year-end.

Commissions and profit-sharing received from re-insurers

This item amounted to € 50.265 million and includes mainly the commission received from re-insurers for € 48.69 million.

Other technical charges

This balance amounted to € 38.732 million and includes mainly the write-down of the receivables due from policyholders for the year amounting to € 898 thousand, cancellations of prior years' premiums for technical reasons for € 6.68 million, cancellations of premiums due to non-collectability for € 1.388 million, debt recovery for € 3.854 million and other technical charges relating to the cost of installing black boxes on policyholders' vehicles for € 5.757 million.

Following the national lock-down due to Covid-19 (March-April 2020), the Company has guaranteed the option for its customers to gain access to a discount voucher on the premium paid for TPL contracts expiring between April 2020 and May 2021, expendable from May 25th, 2020 until the end of May 2021 and applicable at the time of renewal of the expiring Motor liability policy and/or for the subscription of a new RE product. Therefore, in 2020, an amount equal to the estimated use of the voucher for 2021, totalling € 10.289 million, has been set aside.

The balance of the item at the end of the previous year came to € 25.313 million.

Change in equalisation provisions

The negative change for the year amounting to € 618 thousand includes the increase in the equalisation provision for natural calamity risks as per paragraphs 37 et seq. of Attachment No. 15 and paragraph 29 of Attachment No. 16 to ISVAP Regulation No. 22 of April 4th, 2008, as amended by IVASS Provision No. 53 of December 6th, 2016.

SECTION 20 - INFORMATION CONCERNING THE TECHNICAL ACCOUNT - LIFE BUSINESS (II)

The summary information concerning the life business technical account is shown in Attachments 20, 27 and 28.

The technical account closed with a negative result of € 30.086 million compared with a positive result of € 22.818 million in 2019 and was characterised by:

- the decrease in premiums for the year, which fell from € 612.36 million to € 548.855 million;
- the increase in the incidence of management expenses on premiums for the year, which rose from 8.3% to 9.2%: in absolute value these expenses fell from € 50.616 million to € 49.459 million; in particular, other administrative expenses fell from € 26.124 million to € 23.356 million, while other management expenses rose from € 24.492 million to € 26.104 million, representing 4.8% of premiums for the year (4% in 2019);
- the decrease in outstanding claims and the change in the technical provisions, which fell from € 755.932 million to € 625.809 million;
- the lower contribution of the class C financial operations with net income of € 98.965 million compared with € 175.44 million in 2019; the change with respect to the previous period is mainly attributable to the greater recording of value adjustments on investments, which, net of write-backs, amounted to € 62.851 million compared to net write-backs of € 2.108 million at the end of the previous year; net profit on the realisation of investments rose from € 20.787 million to € 20.792 million; income, net of investment management charges, fell from € 152.545 million to € 141.024 million;
- net income of class D amounted to € 24.068 million compared with € 65.21 million in the previous year;
- the balance of the other technical items whose result presented a negative balance of € 19.751 million, compared to the negative € 5.034 million recorded in 2019.

Premiums for the year, net of transfers under reinsurance

The overall amount of the gross premiums written totalled € 554.817 million, of which € 554.535 million relating to direct business and € 282 thousand relating to indirect business. The premiums ceded came to € 5.962 million. In the "Management Report", table 6 shows the amounts of gross premiums written by class.

Gross premiums written at the end of the previous year amounted to € 620.35 million. Premiums ceded totalled € 7.99 million.

Life premiums disclosed a decrease of 11.6%.

Income from investments

Attachment 21 provides a breakdown of the income from investments.

Income from class C investments amounted to € 201.026 million, of which € 20.349 million deriving from shares and holdings (of which € 18.922 million from shares and holdings of group companies and other investee companies), € 134.082 million from other investments, € 2.804 million from write-backs on investments written down in previous years and € 43.791 million from profits on the realisation of investments.

In absolute value the item therefore disclosed a decrease of € 8.226 million, mainly due to lower write-backs (€ -17.517 million) and lower income from other investments (€ -19.177 million), only partly offset by the increase in income from shares and holdings (€ +12.231 million) and gains on disposal (€ +16.237 million).

The balance of the item at the end of the previous year came to € 209.251 million.

Income and unrealised capital gains on investments benefiting policyholders who bear the investment risk

A breakdown is provided in Attachment 22 to the notes to the accounts.

Class D income amounted to € 37.762 million and disclosed a decrease of € 33.661 million.

The balance of the item at the end of the previous year came to € 71.424 million.

Other technical income

The balance recorded for € 3.433 million includes mainly income paid by mutual fund managers relating to the investment transactions mainly associated with classes III and VI policies for an amount of € 3.391 million.

The item at the end of the previous year amounted to € 4.098 million.

Claims incurred

The item in its entirety came to € 1,378.008 million and compares with a balance at the end of the previous year of € 604.676 million.

The amounts paid for benefits totalled € 1,357.068 million (of which € 1,356.742 million relating to direct business and € 326 thousand relating to indirect business). The balance includes settlement costs for the year, which amounted to € 1.949 million.

With reference to direct business, the repayment for redemptions amounted to € 284.564 million, repayments for contracts, which have matured, amounted to € 953.604 million and repayments for claims amounted to € 83.57 million.

The reinsurance amount of claims paid came to € 4.241 million.

The change in the gross amounts of the provision for outstanding claims amounted to € 24.768 million (cost), while the reinsurance amount is virtually unchanged at € 413 thousand (revenue).

Change in technical provisions

The class C technical provisions amounted to € 4,683.124 million (€ 4,849.107 million at the end of the previous year) and include the mathematical provisions, the premium provision of supplementary insurance and other technical provisions. The class D technical provisions amounted to € 569.540 million (€ 1,132.346 million at the end of the previous year).

The change in the mathematical provisions and other technical provisions net of reinsurance amount totalled € -752,199 million (revenue). This change is mainly attributable for € -562.806 million (revenue) to class D technical provisions and for € -189.393 million (revenue) to class C technical provisions.

Equity and financial charges

The overall value, equal to € 102.061 million, includes € 13.407 million for investment management charges, € 65.655 million for adjustments on investments deriving from the year-end valuations (of which € 44.445 million relating to investments held in Group companies) and € 22.999 million for losses deriving from the realisation of investments.

The balance of the item at the end of the previous year came to € 33.811 million.

An analytical statement of the equity and financial charges is provided in Attachment 23 to the notes to the accounts.

Equity and financial charges and unrealised capital losses relating to investments benefiting policyholders who bear the investment risk

The item, as per Attachment 24 to the notes to the accounts, includes the equity and financial charges and the capital losses from valuation of assets hedging the index-linked and unit-linked contracts for a total of € 13.694 million.

The balance of the item at the end of the previous year came to € 6.214 million.

Operating expenses

The item amounted overall to € 49.459 million and is made up of collection and acquisition commissions, the change in commission to be amortised and other acquisition costs for € 26.441 million and other administrative expenses for € 23.355 million; commission and profit-sharing received from re-insurers amounted to € 337 thousand.

The balance of the item at the end of the previous year came to € 50.616 million.

Other technical charges

Recorded for € 22.703 million, these are mainly attributable to maintenance commission paid to the banking and agency network for a total of € 6.467 million and the provision to the policyholder receivables write-down allowance for € 2.116 million.

The item at the end of the previous year amounted to € 9.279 million.

Portion of profit transferred to the non-technical account

The portion of profit from investments transferred to the non-technical account from the technical account of the life business was calculated on the basis of the criteria established by Art. 23 of ISVAP Regulation No. 22 dated April 4th, 2008, as amended by IVASS Provision No. 53 dated December 6th, 2016.

The amount, equal to € 6.955 million, was calculated by multiplying the value of the income from investments, net of the equity and financial charges recorded in the life business technical account by the percentage obtained from the ratio between the arithmetic average of the shareholders' equity at the start and end of the year plus the subordinated liabilities and the same sum increased

by the semi-sum of the technical provisions net of transfers under reinsurance, appropriately reduced in observance of the limit of the amount of the profits from investments acknowledged contractually to the policyholders, until its cancellation.

SECTION 21 - DEVELOPMENT OF THE CLASS TECHNICAL ITEMS

Non-life insurance

The summary of the technical accounts by individual class of the Italian portfolio is shown in Attachment 25 and the summary of all the classes is summarised in Attachment 26 to the notes to the accounts.

The recognition to the individual class of the items took place on an analytical basis as a rule. The items common to several classes have been divided up using different criteria according to the nature of the cost as illustrated in "Part A - "Accounting principles" in the notes to the accounts.

Life insurance

The summary of the technical accounts by individual class of the Italian portfolio is shown in Attachment 27 and the summary of all the classes is summarised in Attachment 28 to the notes to the accounts.

Like the Non-life business, also in the Life business the recognition to the individual class of the items took place on an analytical basis as a rule. The items common to several classes have been divided up using different criteria according to the nature of the cost as illustrated in "Part A - "Accounting principles" in the notes to the accounts.

SECTION 22 - INFORMATION CONCERNING THE NON-TECHNICAL ACCOUNT (III)

Income from investments

The item amounted to € 148.118 million.

Income from shares and holdings amounted to € 48.445 million and includes € 48.257 million from shares and holdings of subsidiaries, associated companies and other investee companies.

Income from other investments amounted to € 89.531 million, the write-backs on investments written down in previous years amounted to € 2.356 million and profit on the realisation of investments amounted to € 7.786 million.

In absolute value, the financial statements item reported a decrease of € 38.062 million. Income from other investments increased by € 27 thousand and income from shares and holdings by € 16.4 million, while write-backs on investments decreased by € 33.529 million and profit on realisation of investments by € 20.961 million.

The balance of income from investments as at December 31st, 2019 amounted to € 186.18 million.

The analytical statement of the income from investments is provided in Attachment 21.

Equity and financial charges

The overall value, equal to € 156.524 million, includes € 7.845 million for investment management charges, € 139.646 million for value adjustments deriving from the year-end valuations (of which € 112.079 million relating to investments held in Group companies and other investments) and € 9.033 million for losses deriving from the realisation of investments.

The balance of charges from investments as at December 31st, 2019 amounted to € 41.731 million.

An analytical statement of the equity and financial charges is provided in Attachment 23.

Other income

The item is made up as follows:

Table 66 - Other income - breakdown

(€ thousands)	2020	2019	Changes	
			Amount	%
Exchange gains	224	15	209	n.s.
Recoveries of administrative expenses and charges from third parties	559	536	23	4.3
Other income from Group companies	28,286	24,370	3,916	16.1
Recoveries from provision for risks and charges and write-downs	20,415	17,914	2,501	14.0
Other income	1,023	1,425	-402	-28.2
TOTAL (item III.7)	50,507	44,260	6,247	14.1

The item amounted to € 50.507 million. This includes the uses of write-down allowance and provision for risks and charges, for € 6.77 million and € 13.645 million respectively, for € 20.415 million overall.

The item includes also recoveries from Group companies for € 27.69 million relating mainly to recharging of costs for the provision of services, and intercompany secondments, as well as recovery from third parties of charges and other administrative expenses amounting to € 559 thousand and

exchange gains of € 223 thousand. Other income totalling € 1.023 thousand, of which € 811 thousand relates to interest on bank deposits.

The balance of the item at the end of the previous year came to € 44.26 million.

Other charges

The item is made up as follows:

Table 67 - Other charges - breakdown

(€ thousands)	2020	2019	Changes	
			Amount	%
Exchange losses	284	39	245	n.s.
Interest expense	29,956	30,548	-592	-1.9
Amortisation of deferred charges	21,807	25,408	-3,601	-14.2
Other taxes	4,096	4,254	-158	-3.7
Provisions and allowances for risks and charges and write-downs	30,554	28,965	1,589	5.5
Other charges	35,674	41,151	-5,477	-13.3
TOTAL (item III.8)	122,371	130,365	-7,994	-6.1

The item amounted to € 122.371 million and compares with a balance as at December 31st, 2019 of € 130.365 million.

The item includes interest expense relating to the subordinated loans for € 29.855 million; goodwill amortisation for € 21.125 million, other deferred charges for € 677 thousand and leasehold improvements for € 5 thousand; write-down allowance and provisions for risks and charges of € 17.703 million and € 12.851 million respectively, for a total of € 30.554 million; losses on receivables of € 1.709 million.

The "Other charges", which amounted to € 35.674 million, include mainly costs incurred on behalf of Group companies and charged to the same for € 27.69 million, as well as charges consequent to the payment of the amounts due to former employees who joined the Intersectoral Solidarity Fund for € 3.203 million.

Extraordinary income

The item presents a balance of € 9.622 million and includes mainly € 3.213 million relating to taxes for previous years. In addition, the item includes € 6.38 million from contingent assets for income items relating to previous

years. The balance of the item at the end of the previous year came to € 5.448 million.

Extraordinary charge

This item has a balance of € 12.22 million and consists mainly of the following components: taxation relating to previous years amounting to € 982 thousand, of which € 101 thousand to adjust the estimate of income taxes for the previous year compared to the calculation made when they were paid, the charge for 2020 incurred following the activation of the recourse to the extraordinary section of the Intersectoral Solidarity Fund for the insurance sector amounting to € 6.741 million, capital losses on disposal of long-term investments amounting to € 271 thousand, contingent liabilities for negative income components relating to previous years amounting to € 645 thousand and, finally, sundry taxes amounting to € 252 thousand.

The balance of the item at the end of the previous year came to € 6.64 million.

Income taxes for the year

Income taxes for the year disclosed a balance of € 54.235 million, made up of current taxes (IRES and IRAP) for €

54.35 million, prepaid taxes for € 5.941 million (revenue) and deferred taxes for € 557 thousand (revenue) and substitute tax pursuant to Italian Decree Law No. 185/2008 for € 6.383 million.

The prepaid taxes relating to the period have been recorded in observance of the prudent approach on the basis of the reasonable certainty that taxable income will exist, in the years in which they will reverse, which permits recovery of the recognised taxes.

The amount of the substitute tax referred to in Italian Decree Law No. 185 of November 29th, 2008, amounting to € 6.383 million, derives from the deferral of the charge for the substitute tax paid for the tax recognition of the deficit of Duomo Uni One Assicurazioni di Cattolica Previdenza, Fata and the merger of San Miniato Previdenza, as well as a consequence of the freeing-up of the equity investments recognised in the consolidated financial statements.

Table 68 - Income taxes for the year

(€ thousands)	IRES	IRAP	Total
Current taxes	44,298	10,052	54,350
Change in prepaid taxes	-4,792	-1,149	-5,941
Change in deferred taxes	-557	0	-557
Substitute tax Italian Decree Law No. 185/2008	6,383	0	6,383
TOTAL	45,332	8,903	54,235

As per Art. 2427 of the Italian Civil Code, the following table describes the timing differences, which have led to the recognition of prepaid taxes, with indication of the

changes with respect to the previous year and the amounts credited and debited to the income statement.

Table 69 - Recognition of prepaid taxes and consequent effects

(€ thousands)	Opening balance		Increases		Decreases		Closing balance	
	Taxable amount	Taxation	Taxable amount	Taxation	Taxable amount	Taxation	Taxable amount	Taxation
IRES								
Change in provision for outstanding claims	49,151	11,796	0	0	10,703	2,569	38,448	9,227
Provisions and allowances for risks and charges	52,682	12,645	27,574	6,618	7,429	1,783	72,827	17,480
Write-down of receivables from policyholders	150,660	36,157	0	0	20,780	4,987	129,880	31,170
Allowance for write-down of other receivables	36,432	8,745	17,702	4,249	6,770	1,625	47,364	11,369
Valuation capital losses	4,298	1,030	2,855	685	905	217	6,248	1,498
Excess amortisation/depreciation	74,116	17,788	13,015	3,123	1,663	399	85,468	20,512
Other adjustments	7,079	1,699	11,627	2,791	4,559	1,094	14,147	3,396
Total	374,418	89,860	72,773	17,466	52,809	12,674	394,382	94,652
IRAP								
Write-down of receivables from policyholders	34,727	2,368	0	0	4,790	328	29,937	2,040
Provisions and allowances for risks and charges	0	0	10,289	702	0	0	10,289	702
Excess amortisation/depreciation	74,116	5,055	13,015	888	1,663	113	85,468	5,830
Total	108,843	7,423	23,304	1,590	6,453	441	125,694	8,572
Other adjustments in Statement of financial position								
Total prepaid taxes		97,283		19,056		13,115		103,224
Net effect in Income statement						-5,941		

Table 70 - Recognition of deferred taxes and consequent effects

(€ thousands)	Opening balance		Increases		Decreases		Closing balance	
	Taxable amount	Taxation	Taxable amount	Taxation	Taxable amount	Taxation	Taxable amount	Taxation
IRES								
Capital gains on stocks from FATA merger	12,830	3,079	0	0	2,323	557	10,507	2,522
Total	12,830	3,079	0	0	2,323	557	10,507	2,522
IRAP								
Capital gains on stocks from FATA merger	4,080	278	0	0	0	0	4,080	278
Total	4,080	278	0	0	0	0	4,080	278
Total Deferred taxes		3,357		0		557		2,800
Net effect in Income statement						-557		

The following table shows the reconciliation between the ordinary rate and the effective rate.

Table 71 - Income taxes for the year - reconciliation between the ordinary rate and the effective rate

(value as %)	2020			2019		
	IRES	IRAP	Total	IRES	IRAP	Total
Ordinary rate applicable	24.00%	6.82%	30.82%	24.00%	6.82%	30.82%
Effect of increases (decreases) with respect to the ordinary rate:						
Permanent differences:						
Capital gains subject to the "participation exemption" regime	0.00%			-0.03%		
Capital losses subject to the "participation exemption" regime	66.73%			3.90%		
Adjustments due to the provisions on "dividend washing"	0.03%			0.41%		
Interest expense	0.50%			0.16%		
Dividends	-27.13%			-4.92%		
Non-deductible amortisation/depreciation	1.87%			0.49%		
Life provisions changes	-1.97%			-0.05%		
Provision for co-insurance VAT contingent liabilities	-0.89%			-0.28%		
Other non-deductible costs	3.18%	1.36%		2.74%	0.61%	
Other adjustments	12.08%	7.22%		1.81%	-0.46%	
Effective rate	78.40%	15.40%	93.80%	28.23%	6.97%	35.20%

SECTION 23 - SUNDRY INFORMATION RELATING TO THE INCOME STATEMENT

The following statements containing information on the income statement are attached:

- statement relating to transactions with Group companies and other investee companies (Attachment 30);
- summary statement of direct business premiums written (Attachment 31);
- statement of charges relating to staff, directors and management control committee members (Attachment 32).

Transactions on derivative contracts

Pursuant to ISVAP Regulation No. 22 dated April 4th, 2008, as amended by IVASS Provision No. 53 dated December 6th, 2016, the data and information on investment activities concerning class C and D financial derivatives is presented below.

During the year, the Company maintained a line of conduct aimed at prudence, thus observing the norms established by the ISVAP regulation indicated above and by the outline resolution on financial aspects approved by the board of directors with regard to the use of derivative products.

Derivative transactions resulted in net write-backs of € 8 thousand.

Statement 2 - Operations on derivatives - C and D classes

(€ thousands)	Number of contracts	Underlying type	Book value as at Dec. 31st, 2020	Fair value as at Dec. 31st, 2020
Class C derivative instruments - forward				
Total class C derivative instruments - forward	0		0	0
Class C derivative instruments - options				
OPTION CP FLEX 2025	1	MULTIPLE ASSETS/LIABILITIES	3,523	3,523
OPTION CP FLEX 2030	1	MULTIPLE ASSETS/LIABILITIES	1,491	1,491
OPTION CP FLEX 2035	1	MULTIPLE ASSETS/LIABILITIES	3,294	3,294
Total class C derivative instruments - options	3		8,308	8,308
TOTAL CLASS C DERIVATIVE INSTRUMENTS			8,308	8,308
Class D derivative instruments - rights				
Total class D derivative instruments - rights			0	0
TOTAL CLASS D DERIVATIVE INSTRUMENTS			0	0
TOTAL CLASS C + D DERIVATIVE INSTRUMENTS			8,308	8,308

Statement 3 - Derivatives valued at fair value - C and D classes

(€ thousands)	FV
Class C derivative instruments - options	8,308
Class C derivative instruments - warrants	0
Class C derivative instruments - rights	0
Class C derivative instruments - forward	0
Total class C derivative instruments	8,308
Class D derivative instruments - warrants	0
Class D derivative instruments - rights	0
Total class D derivative instruments	0
TOTAL CLASS C+D DERIVATIVE INSTRUMENTS	8,308

It should be noted that at the end of the financial year, 3 option contracts for guarantees given on unit-link products were recorded under "Other asset items".

NOTES TO THE ACCOUNTS

Part C - Other Information

PART C

OTHER INFORMATION

SHAREHOLDERS' EQUITY

Pursuant to ISVAP Regulation No. 22 of April 4th, 2008, the table provides, separately for non-life and life businesses, the amount of each item of shareholders' equity at the end of the financial year and following the same.

Table 72 - Change in shareholders' equity after the end of the year

(€ thousands)	Shareholders' equity at the end of the year			Shareholders' equity updated on the basis of the proposal to distribute the profit emerging from the financial statements or other equity elements and changes, which have taken place after the end of the year (*)		
	Non-life	Life	Total	Non-life	Life	Total
Share capital	470,969	214,075	685,044	470,969	214,075	685,044
Share premium reserve	654,292	209,052	863,344	654,292	175,255	829,547
Revaluation reserve	37,232	25,267	62,499	37,232	25,267	62,499
Legal reserve	254,023	53,255	307,278	94,194	42,815	137,009
Other provisions	227,492	11,273	238,765	424,701	21,713	446,414
Retained profits (accumulated losses)	0	0	0	0	0	0
Profit (loss) for the year	37,380	-33,797	3,583	0	0	0
Negative reserve for own shares in portfolio	-146,768	-17,738	-164,506	-146,768	-17,738	-164,506
TOTAL (item A)	1,534,620	461,387	1,996,007	1,534,620	461,387	1,996,007

(*) gross of the dividend pertaining to own shares

PUBLICATION OF THE FEES FOR THE ACCOUNTS AUDIT AND OTHER SERVICES OTHER THAN THE AUDIT

The following table, prepared according to Art. 149-duodecies of the CONSOB Issuers' Regulation supplemented by CONSOB Resolution No. 15915 dated May 3rd, 2007, illustrates the fees for 2020 for the accounts audit services, certification and other services provided by the Independent Auditors and bodies belonging to the same network.

The amounts do not include out-of-pocket expenses acknowledged or VAT.

Table 73 - Independent Auditors' fees

(€ thousands)			
Type of service	Party providing the service	Recipient	Fee
Accounts audit	Deloitte & Touche S.p.A.	Parent Company	1,256
	Deloitte & Touche S.p.A.	Subsidiaries	642
	Deloitte & Touche network	Subsidiaries	128
Certification service ⁽¹⁾	Deloitte & Touche S.p.A.	Parent Company	2,154
	Deloitte & Touche S.p.A.	Subsidiaries	1,162
	Deloitte & Touche network	Parent Company	100
	Deloitte & Touche network	Subsidiaries	35
Other services	Deloitte & Touche S.p.A.	Parent Company	45
	Deloitte & Touche network	Subsidiaries	6
Total			5,528

(1) Fees for segregated management schemes, internal funds, pension funds, signing of tax declarations, certification of Solvency II and Consolidated "non-financial" statement and activities related to the capital increase transaction.

ACTIVITIES CARRIED OUT WITH THE SHAREHOLDERS

After completing the matters illustrated in the management report, you are hereby informed that the premiums written in the year for contracts to which the more favourable conditions envisaged for the Shareholders have been applied, or for dedicated products, amounted to € 9.855 million for the non-life business and € 34.772 million for the life business.

As envisaged by the Articles of Association, the Shareholders have benefited from more favourable conditions when taking out policies with an economic advantage for the same of € 7.211 million.

CONSOLIDATED FINANCIAL STATEMENTS

The Company prepares the Group consolidated financial statements in compliance with the international accounting standards (IAS/IFRS), pursuant to Italian Legislative Decree No. 38 of February 28th, 2005. The consolidated financial statements have the purpose of providing more complete information on the equity, financial and economic situation of the Group.

REMUNERATION OF DIRECTORS AND MANAGEMENT CONTROL COMMITTEE

CONSOB resolution No. 18049, published on December 23rd, 2011, which implemented the provisions concerning remuneration contained in Art. 123-ter of the Consolidated Law on Finance, came into force on December 31st, 2011 and envisages the drawing up and subsequent resolution by the Shareholders' Meeting of the report on remuneration for the companies, to be made public in accordance with the terms as per the formalities envisaged by current legislation, which in Section II includes the analytical indication of the fees paid during the year for any reason by the Company and the subsidiaries and associated companies.

Pursuant to Art. 2427, paragraph 16, of the Italian Civil Code, the amount of the compensation payable to the Company's Directors and members of the Management Control Committee collectively for each category (excluding expenses, VAT and various contributions) amounted respectively to € 3.267 million for the Directors and € 568 thousand for the members of the Management Control Committee.

SIGNIFICANT EVENTS DURING THE FIRST FEW MONTHS OF 2021

Pursuant to Art. 2427, paragraph 22-quater, of the Italian Civil Code, with reference to the nature, description and capital, financial and economic effect of the significant

events after the end of the year, please refer to the specific paragraph of the "Other information" section in the Management Report.

PROPOSAL FOR THE ALLOCATION OF THE PROFIT FOR THE YEAR

Pursuant to Art. 2427, paragraph 22-septies, of the Italian Civil Code, with reference to the proposal for the allocation of the profit (loss) for the year, please refer to the section at the end of the Management Report.

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.

Note that Cattolica Group has entered into several extraordinary transactions with related parties, not atypical and/or unusual, aimed at rationalising and reorganising the corporate structure of the same, or growth by external lines. These transactions, some of which directly involved the Company, are illustrated in other sections of the financial statements.

With reference to dealings with the Group companies, pursuant to Art. 2497-bis and with other related parties pursuant to Art. 2427, paragraph 22-bis, of the Italian Civil Code, the effects that these activities have had on the business of the company and its results are illustrated. In this context it is specified that, during the year, the following have been established:

- agreements for the disbursement of general services, for services relating to the management of the investments and to other operational activities;
- insurance/reinsurance dealings, which it has been deemed appropriate to maintain with the Group;
- the joint option for tax consolidation scheme.

The calculation of the amounts recharged for the provision of intercompany services has been carried out observing the guidelines and the commitments of a general nature established in the outline agreement in force, approved by the competent bodies, and the procedure for the allocation of the intercompany costs. Agreement on the management procedures and the monitoring of the disbursement of the services has made it

possible to make an accurate allocation of the portions of cost relating to the companies using the service. The model used is that involving recharging of costs. The allocation criteria is based on the identification of specific indicators aimed at establishing the portion of cost associated with the activity to be charged to the individual companies, which benefit from the same.

Intercompany reinsurance transactions concerned the agreements entered into by the Company with ABC Assicura, BCC Assicurazioni, TUA Assicurazioni, CattRe and Vera Assicurazioni.

With regard to all intercompany treaties, with reference to Regulation IVASS No. 30 of October 26th, 2016, (Intercompany Transactions), the Company's Board of Directors gave authorisation on March 10th, 2020 to carry out agreements that are not proportional XL (excess of loss) up to a maximum exposure of € 32,175,000 (maximum exposure referring to VERA Assicurazioni's XL TPL motor agreement), which is sufficient for the reinsurance structures in place in 2020 for each subsidiary.

With regard to QS (quota share) proportional agreements, we are authorised to carry out intercompany reinsurance transactions without a threshold, given the characteristics of the transfer and not knowing in advance the final result of the transaction.

With regard to the main specificities of the transfer programmes for the subsidiaries, note that, in consideration of the sizes of the respective portfolios, the subsidiaries BCC Assicurazioni and TUA Assicurazioni transfer a proportional multi-branch bouquet partly prevalent to the Company, which in turn carries out retrocession to the reinsurance market, via its reinsurance programmes (intercompany acceptance by the Company in the capacity of reinsurer and subsequent transfer of the risks to the re-insurers as retrocession).

The retention of the proportional multi-class bouquet of the companies is further protected by excess claims coverage, which is also partly prevalent with the Company.

For the purpose of further diversifying the risk, the proportional and non-proportional agreements of subsidiaries are placed mainly with the Company and for the remaining portion directly with the reinsurance market. Moreover, in compliance with the arm's length principle, the economic conditions of these hedges are defined with counterparties outside the Group (professional reinsurers).

In particular, 65-70% of the agreements of the subsidiaries BCC Assicurazioni, TUA Assicurazioni and Vera Assicurazioni are placed with the Company and the remaining 30-35% with the reinsurance market. Exceptions are the proportional coverage of BCC Assicurazioni,

whose transfer to the Company is 60%, while the remaining 40% is placed with the reinsurance market.

In addition, in order to rationalise the coverage of the subsidiaries, the accident, injury and health, TPL Motor classes for BCC Assicurazioni and TUA Assicurazioni have also been transferred, mainly to the Company and the remainder to the reinsurance market.

Intercompany transfers are also envisaged for CattRe limited to a catastrophe coverage with claim excess.

With respect to ABC Assicura, as the placement closed in November 2017, to protect the run-off and the small amount of new production, the coverages maturing in 2019 placed entirely with the Company were renewed.

With regard to transactions with related parties, with reference to the approval procedures described in the Company's Report on Corporate Governance, shareholders are hereby informed that, for reporting purposes, a procedure has been set up for detecting the outstanding transactions, via the prior acquisition of the necessary information in relation to international accounting standards and subsequent extrapolation of the transactions relating to the same.

The table below shows the equity and economic positions deriving from the aforementioned transactions of the Company with subsidiaries and associated companies and their subsidiaries; the changes during the year are commented on in the "Significant events during the year" section.

With reference to the statement of financial position dealings, and in particular those relating to the tax consolidation, the "Other receivables" item includes mainly the amounts due from the subsidiaries for the transfer of the current IRES to Cattolica; the "Other payables" item comprises mainly the amounts due to the subsidiaries for the income recognised in the presence of tax losses transferred and amounts due for the transfer of the receivables of the subsidiaries for withholdings, for advance payments and for tax credits on mutual investment funds.

With reference to the income statement dealings, the "dividends" item include those collected from the subsidiaries. Furthermore, the "other revenues" item

includes the recharging of costs and services and sundry recoveries of administrative expenses.

The "Financial and equity revenues" item includes mainly both interest income on the loan granted to the subsidiary Vera Vita S.p.A. for € 1.221 million and interest income on the subordinated loan issued by the subsidiary BCC Vita S.p.A. for € 390 thousand.

These transactions were carried out under market conditions supported by an independent expert opinion.

"Other costs" include mainly the amounts charged by subsidiaries for services and sundry administrative expenses.

Furthermore, it should be noted that on September 22nd, 2020, the 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 December 31st, as shown in the table below in the "Other related parties" column, the Company 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 74 - Equity and economic transactions with companies subject to management and coordination and with associated companies

Equity transactions				
(€ thousands)	Subsidiaries	Associated companies and their subsidiaries	Other related parties	Total 2020
Assets				
Shares	1,671,529	9,217	1,814	1,682,560
Bonds	17,500	178	800	18,478
<i>of which subordinated bonds</i>	17,500	0	800	18,478
Mutual investment funds	0	0	34,322	34,322
Receivables of the insurance and reinsurance operations	2,982	371	817	4,170
Loans	65,000	0	0	65,000
Reinsurance technical provisions	52,288	0	0	52,288
Other receivables and other assets	81,294	235	1,088	82,617
Total	1,890,593	10,001	38,841	1,939,435
Liabilities				
Payables of the insurance and reinsurance operations	874	0	10,040	10,914
Reinsurance technical provisions	40,128	0	0	40,128
Other payables and other liabilities	94,867	910	0	95,777
Total	135,869	910	10,040	146,819
Economic transactions				
(€ thousands)	Subsidiaries	Associated companies and their subsidiaries	Other related parties	Total 2020
Profits and revenues				
Gross premiums written	2,313	0	0	2,313
Revenues from reinsurance transactions	99,119	0	0	99,119
Financial and equity revenues	1,612	2	0	1,614
Dividends	67,178	0	0	67,178
Other revenues	28,267	85	0	28,352
Total	198,489	87	0	198,576
Losses and expenses				
Costs for reinsurance transactions	95,581	2,856	0	98,437
Commissions	8,620	0	0	8,620
Other costs	131,992	2,367	0	134,359
Total	236,193	5,223	0	241,416

Overall, transactions with other related parties, other than those described above, which are formally acknowledged as having taken place in line with market values, are not considered to be significant for disclosure purposes.

The undersigned declare that these financial statements are 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.

CASH FLOW STATEMENT

CASH FLOW STATEMENT

<i>(€ thousands)</i>	2020	2019
A. CASH FLOWS DERIVING FROM OPERATING ACTIVITIES		
Profit (loss) for the year	3,583	120,241
Adjustments for non-monetary elements and other adjustments		
Adjustment of reserves:		
Change in non-life premium provision	15,058	32,041
Change in provision for outstanding claims and other non-life technical provisions	-197,877	-64,826
Change in mathematical provisions and other life technical provisions	-53,152	62,273
Amortisation/depreciation	28,151	32,476
Increase in employee severance indemnity and contractual pension fund	3,986	3,886
Net increase in other funds/provisions	5,253	4,703
Other non-monetary income and charges from financial activities	-701	-11,993
Capital gains and losses from valuation deriving from financial activities	169,564	-63,867
Write-down of receivables and loans	12,743	5,169
(Increase) / decrease in trade receivables and other assets	-18,354	-156,165
Increase / (decrease) in payables and other liabilities	49,137	89,659
CASH FLOWS FROM OPERATING ACTIVITIES (A)	17,391	53,597
B. CASH FLOWS DERIVING FROM INVESTMENT ACTIVITIES		
Intangible assets	-3,826	-35
Tangible assets	-807	-237
Property	-155	-421
Purchases of financial fixed assets and current financial assets	-3,862,148	-4,120,169
Sales of financial fixed assets and current financial assets	3,695,853	4,156,631
Loans to third parties	-64,844	79
CASH FLOWS FROM INVESTMENT ACTIVITIES (B)	-235,927	35,848
C. CASH FLOWS DERIVING FROM FINANCING ACTIVITIES		
Loan capital		
Increase/(decrease) in short-term payables due to banks	3,592	5,235
Loans taken out/(repaid)	0	0
Own equity		
Changes in shareholders' equity	300,000	0
Sale/(purchase) of own shares	-114,579	0
Seniority indemnity disbursed	-4,301	-4,540
Dividends	0	-70,403
CASH FLOWS FROM FINANCING ACTIVITIES (C)	184,712	-69,708
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)	-33,824	19,737
Cash and cash equivalent as at January 1st	87,109	67,372
Cash and cash equivalent as at December 31st	53,285	87,109
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	-33,824	19,737

The undersigned declare that these financial statements are 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.

ATTACHMENTS TO THE NOTES TO THE ACCOUNTS

Company **CATTOLICA ASSICURAZIONI S.P.A. (*)**

Subscribed share capital € 685,043,940 Paid in € 685,043,940

Registered
offices in Verona

Court in Verona

**Attachments to the Notes to the
Accounts**

Financial Year 2020

(amounts in thousands of €)

(*) Cattolica Assicurazioni Soc. Coop. up to March 31st, 2021.

Company CATTOLICA ASSICURAZIONI S.P.A.

STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

ASSETS

		Balances for the year	
A.	AMOUNTS DUE FROM SHAREHOLDERS PER SUBSCRIBED SHARE CAPITAL NOT PAID IN		1 0
	of which called capital	2 0	
B.	INTANGIBLE ASSETS		
	1. Acquisition commission to be amortised	4 0	
	2. Other acquisition expenses	6 0	
	3. Start-up and expansion costs	7 0	
	4. Goodwill	8 86,580	
	5. Other long-term costs	9 4,886	10 91,466
C.	INVESTMENTS		
I	- Land and buildings		
	1. Property used for business activities	11 55,697	
	2. Property used by third parties	12 28,615	
	3. Other property	13 0	
	4. Other realty rights	14 0	
	5. Property under construction and advance payments	15 0	16 84,312
II	- Investments in Group companies and other investee companies		
	1. Company shares and holdings:		
	a) parent companies	17 0	
	b) subsidiaries	18 1,333,077	
	c) affiliated companies	19 0	
	d) associated companies	20 8,646	
	e) other companies	21 643	22 1,342,366
	2. Bonds issued by:		
	a) parent companies	23 0	
	b) subsidiaries	24 8,750	
	c) affiliated companies	25 0	
	d) associated companies	26 23	
	e) other companies	27 0	28 8,773
	3. Loans to:		
	a) parent companies	29 0	
	b) subsidiaries	30 50,050	
	c) affiliated companies	31 0	
	d) associated companies	32 0	
	e) other companies	33 0	34 50,050
			35 1,401,189
			to be carried forward
			91,466

Financial Year 2020

Balances for the previous year

			181	0
182	0			
184	0			
186	0			
187	0			
188	99,203			
189	2,926		190	102,129
191	57,797			
192	31,760			
193	0			
194	0			
195	0	196	89,557	
197	0			
198	1,348,862			
199	0			
200	9,365			
201	23,834	202	1,382,061	
203	0			
204	0			
205	0			
206	0			
207	11,271	208	11,271	
209	0			
210	0			
211	0			
212	0			
213	0	214	0	215
				1,393,332
	to be carried forward			102,129

STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS
ASSETS

				Balances for the year	
			carry forward		91,466
C.	INVESTMENTS (continued)				
III	- Other financial investments				
	1. Shares and holdings				
	a) Listed shares	36	1,681		
	b) Unlisted shares	37	1,577		
	c) Holdings	38	0	39	3,258
	2. Units of mutual investment funds			40	817,886
	3. Bonds and other fixed-income securities				
	a) listed	41	1,691,666		
	b) unlisted	42	182		
	c) convertible bonds	43	0	44	1,691,848
	4. Loans				
	a) loans with secured guarantee	45	1,841		
	b) loans on policies	46	0		
	c) other loans	47	90	48	1,931
	5. Units in mutual investments			49	0
	6. Deposits with credit institutions			50	0
	7. Sundry financial investments			51	0
				52	2,514,923
IV	- Deposits with ceding companies			53	6,351
				54	4,006,775
D bis.	TECHNICAL PROVISIONS - REINSURANCE AMOUNT				
	I - NON-LIFE BUSINESS				
	1. Premium provision			58	85,659
	2. Provision for outstanding claims			59	337,610
	3. Provision for profit-sharing and repayments			60	0
	4. Other technical provisions			61	0
			to be carried forward		62
					423,269
					4,521,510

Balances for the previous year

	carry forward		102,129
216	1,664		
217	3,913		
218	0	219	5,577
		220	741,333
221	1,852,263		
222	8,708		
223	0	224	1,860,971
225	1,796		
226	0		
227	90	228	1,886
		229	0
		230	0
		231	0
		232	2,609,767
		233	6,475
		234	4,099,131
		238	80,418
		239	341,621
		240	0
		241	0
	to be carried forward	242	422,039
			4,623,299

STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

ASSETS

				Balances for the year	
		carry forward			4,521,510
E.	RECEIVABLES				
I	- Receivables, deriving from direct insurance transactions, due from:				
	1. Policyholders				
	a) for premiums for the year	71	163,090		
	b) for premiums for previous years	72	7,915	73	171,005
	2. Insurance brokers			74	169,753
	3. Insurance companies - current accounts			75	22,587
	4. Policyholders and third parties for sums to be recovered			76	31,947
				77	395,292
II	- Receivables deriving from reinsurance transactions, due from:				
	1. Insurance and reinsurance companies			78	48,762
	2. Reinsurance brokers			79	0
				80	48,762
III	- Other receivables			81	375,473
				82	819,527
F.	OTHER ASSET ITEMS				
I	- Tangible assets and inventories:				
	1. Furniture, office machines and internal means of transport	83	1,148		
	2. Movable assets recorded in public registers	84	121		
	3. Plant and equipment	85	698		
	4. Inventories and miscellaneous assets	86	0	87	1,967
II	- Cash and cash equivalent				
	1. Bank and postal account deposits	88	30,366		
	2. Cheques and cash amounts	89	11	90	30,377
IV	- Other assets				
	1. Transitory reinsurance accounts - receivable	92	0		
	2. Sundry assets	93	57,556	94	57,556
	of which Liaison account with the life business	901	28,501	95	89,900
G.	ACCRUALS AND DEFERRALS				
	1. For interest			96	17,763
	2. For rental fees			97	0
	3. Other accruals and deferrals			98	1,332
				99	19,095
	TOTAL ASSETS			100	5,450,032

Balances for the previous year

	carry forward			4,623,299
251	159,682			
252	6,144	253	165,826	
		254	164,969	
		255	21,815	
		256	36,833	257
				389,443
		258	77,438	
		259	0	260
				77,438
			261	320,961
				262
				787,842
		263	1,388	
		264	11	
		265	723	
		266	0	267
				2,122
		268	30,298	
		269	3	270
				30,301
		272	0	
		273	31,701	274
				31,701
				275
				64,124
		903	0	
			276	16,983
			277	0
			278	794
				279
				17,777
				280
				5,493,042

Balances for the previous year

	281	359,482	
	282	559,528	
	283	37,232	
	284	231,958	
	285	0	
	500	0	
	287	139,225	
	288	0	
	289	110,326	
	501	-38,504	290 1,399,247
			291 525,000
292	701,935		
293	2,465,314		
294	359		
295	146		
296	14,293		297 3,182,047
to be carried forward			5,106,294

STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

LIABILITIES AND SHAREHOLDERS' EQUITY

		Balances for the year		
	carry forward			5,060,077
E.	PROVISIONS FOR RISKS AND CHARGES			
1.	Provision for pensions and similar obligations	128	1,374	
2.	Provision for taxation	129	2,800	
3.	Other provisions and allowances	130	58,088	131 62,262
F.	DEPOSITS RECEIVED FROM RE-INSURERS			132 9,057
G.	PAYABLES AND OTHER LIABILITIES			
I	- Payables, deriving from direct insurance transactions, due to:			
1.	Insurance brokers	133	21,247	
2.	Insurance companies - current accounts	134	1,917	
3.	Policyholders for guarantee deposits and premiums	135	14,996	
4.	Guarantee funds in favour of policyholders	136	201	137 38,361
II	- Payables, deriving from reinsurance transactions, due to:			
1.	Insurance and reinsurance companies	138	47,094	
2.	Reinsurance brokers	139	0	140 47,094
III	- Bond loans			141 0
IV	- Payables due to banks and financial institutions			142 8,827
V	- Payables with secured guarantee			143 0
VI	- Sundry loans and other financial payables			144 0
VII	- Employee severance indemnities			145 5,130
VIII	- Other payables			
1.	For taxes payable by policyholders	146	27,286	
2.	For sundry tax charges	147	64,539	
3.	Amounts due to social security and welfare institutions	148	1,986	
4.	Sundry payables	149	71,343	150 165,154
IX	- Other liabilities			
1.	Transitory reinsurance accounts - payable	151	0	
2.	Commission for premiums being collected	152	31,808	
3.	Sundry liabilities	153	21,157	154 52,965
	of which Liaison account with the life business	902	0	155 317,531
			to be carried forward	5,448,927

Balances for the previous year

carry forward			5,106,294
	308	1,435	
	309	3,357	
	310	53,765	311 58,557
			312 8,751
313	18,908		
314	2,136		
315	12,048		
316	123	317 33,215	
318	20,241		
319	0	320 20,241	
		321 0	
		322 5,144	
		323 0	
		324 0	
		325 5,362	
326	30,424		
327	64,543		
328	249		
329	50,758	330 145,974	
331	0		
332	27,836		
333	80,309	334 108,145	335 318,081
904	70,108		
to be carried forward			5,491,683

STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

LIABILITIES AND SHAREHOLDERS' EQUITY

		Balances for the year	
	carry forward		5,448,927
H.	ACCRUALS AND DEFERRALS		
	1. For interest	156	1,105
	2. For rental fees	157	0
	3. Other accruals and deferrals	158	0
			159
			1,105
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		160
			5,450,032

Balances for the previous year

carry forward		5,491,683
	336	1,105
	337	0
	338	254
	339	1,359
	340	5,493,042

Company CATTOLICA ASSICURAZIONI S.P.A.

STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

ASSETS

		Balances for the year	
A.	AMOUNTS DUE FROM SHAREHOLDERS PER SUBSCRIBED SHARE CAPITAL NOT PAID IN		1 0
	of which called capital	2 0	
B.	INTANGIBLE ASSETS		
	1. Acquisition commission to be amortised	3 11,531	
	2. Other acquisition expenses	6 0	
	3. Start-up and expansion costs	7 0	
	4. Goodwill	8 6,411	
	5. Other long-term costs	9 1,610	10 19,552
C.	INVESTMENTS		
I	- Land and buildings		
	1. Property used for business activities	11 0	
	2. Property used by third parties	12 0	
	3. Other property	13 0	
	4. Other realty rights	14 0	
	5. Property under construction and advance payments	15 0	16 0
II	- Investments in Group companies and other investee companies		
	1. Company shares and holdings:		
	a) parent companies	17 0	
	b) subsidiaries	18 338,452	
	c) affiliated companies	19 0	
	d) associated companies	20 405	
	e) other companies	21 3,196	22 342,053
	2. Bonds issued by:		
	a) parent companies	23 0	
	b) subsidiaries	24 8,750	
	c) affiliated companies	25 0	
	d) associated companies	26 155	
	e) other companies	27 0	28 8,905
	3. Loans to:		
	a) parent companies	29 0	
	b) subsidiaries	30 14,950	
	c) affiliated companies	31 0	
	d) associated companies	32 0	
	e) other companies	33 0	34 14,950
			35 365,908
			to be carried forward
			19,552

Financial Year 2020

Balances for the previous year

			181	0
	182	0		
	183	11,452		
	186	0		
	187	0		
	188	14,913		
	189	504	190	26,869
	191	0		
	192	0		
	193	0		
	194	0		
	195	0	196	0
197	0			
198	329,150			
199	0			
200	5,107			
201	7,820	202	342,077	
203	0			
204	0			
205	0			
206	0			
207	21,273	208	21,273	
209	0			
210	0			
211	0			
212	0			
213	0	214	0	215
		to be carried forward		363,350
				26,869

STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

ASSETS

				Balances for the year	
		carry forward			5,702,021
E.	RECEIVABLES				
I	- Receivables, deriving from direct insurance transactions, due from:				
	1. Policyholders				
	a) for premiums for the year	71	7,285		
	b) for premiums for previous years	72	1,799	73	9,084
	2. Insurance brokers			74	36,826
	3. Insurance companies - current accounts			75	0
	4. Policyholders and third parties for sums to be recovered			76	0
				77	45,910
II	- Receivables deriving from reinsurance transactions, due from:				
	1. Insurance and reinsurance companies			78	6,003
	2. Reinsurance brokers			79	0
				80	6,003
III	- Other receivables			81	243,523
				82	295,436
F.	OTHER ASSET ITEMS				
I	- Tangible assets and inventories:				
	1. Furniture, office machines and internal means of transport			83	185
	2. Movable assets recorded in public registers			84	1
	3. Plant and equipment			85	56
	4. Inventories and miscellaneous assets			86	0
				87	242
II	- Cash and cash equivalent				
	1. Bank and postal account deposits			88	22,906
	2. Cheques and cash amounts			89	2
				90	22,908
IV	- Other assets				
	1. Transitory reinsurance accounts - receivable			92	0
	2. Sundry assets			93	35,686
	of which Liaison account with the non-life business			94	35,686
				95	58,836
				901	0
G.	ACCRUALS AND DEFERRALS				
	1. For interest			96	34,560
	2. For rental fees			97	0
	3. Other accruals and deferrals			98	226
				99	34,786
				100	6,091,079
	TOTAL ASSETS				

Balances for the previous year

	carry forward			6,246,090
251	9,171			
252	3,696	253	12,867	
		254	38,543	
		255	0	
		256	0	257 51,410
		258	4,829	
		259	0	260 4,829
				261 207,938 262 264,177
		263	202	
		264	3	
		265	21	
		266	0	267 226
		268	56,806	
		269	2	270 56,808
		272	0	
		273	106,382	274 106,382 275 163,416
		903	70,108	
				276 39,262
				277 0
				278 120 279 39,382
				280 6,713,065

STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

LIABILITIES AND SHAREHOLDERS' EQUITY

		Balances for the year	
A. SHAREHOLDERS' EQUITY			
I	- Subscribed share capital or equivalent fund	101	214,075
II	- Share premium reserve	102	209,052
III	- Revaluation reserves	103	25,267
IV	- Legal reserve	104	53,255
V	- Statutory reserves	105	0
VI	- Reserves for shares of the parent company	400	0
VII	- Other reserves	107	11,273
VIII	- Retained profits (accumulated losses)	108	0
IX	- Profit (loss) for the year	109	-33,797
X	- Negative reserve for own shares in portfolio	401	-17,738
		110	461,387
B. SUBORDINATED LIABILITIES			
			111
			155,000
C. TECHNICAL PROVISIONS			
II - LIFE BUSINESS			
1.	Mathematical provisions	118	4,537,167
2.	Premium provision of supplementary insurance	119	511
3.	Provision for outstanding claims	120	119,760
4.	Provision for profit-sharing and repayments	121	15
5.	Other technical provisions	122	25,671
			123
			4,683,124
D. TECHNICAL PROVISION FOR CONTRACTS WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDERS AND DERIVING FROM THE MANAGEMENT OF PENSION FUNDS			
I	- Provisions relating to contracts whose benefits are linked to investment funds and stock market indices	125	415,593
II	- Provisions deriving from the management of pension funds	126	153,947
		127	569,540
	to be carried forward		5,869,051

Balances for the previous year

	281	163,400	
	282	165,978	
	283	25,267	
	284	51,272	
	285	0	
	500	0	
	287	3,347	
	288	0	
	289	9,915	
	501	-11,423	290 407,756
			291 155,000
298	4,723,855		
299	517		
300	94,992		
301	14		
302	29,729		303 4,849,107
	305	314,353	
	306	817,993	307 1,132,346
to be carried forward			6,544,209

STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

LIABILITIES AND SHAREHOLDERS' EQUITY

		Balances for the year	
	carry forward		5,869,051
E.	PROVISIONS FOR RISKS AND CHARGES		
1.	Provision for pensions and similar obligations	128	251
2.	Provision for taxation	129	0
3.	Other provisions and allowances	130	12,285
		131	12,536
F.	DEPOSITS RECEIVED FROM RE-INSURERS		132
			5,417
G.	PAYABLES AND OTHER LIABILITIES		
I	- Payables, deriving from direct insurance transactions, due to:		
1.	Insurance brokers	133	1,521
2.	Insurance companies - current accounts	134	0
3.	Policyholders for guarantee deposits and premiums	135	6,223
4.	Guarantee funds in favour of policyholders	136	0
		137	7,744
II	- Payables, deriving from reinsurance transactions, due to:		
1.	Insurance and reinsurance companies	138	2,089
2.	Reinsurance brokers	139	0
		140	2,089
III	- Bond loans		141
			0
IV	- Payables due to banks and financial institutions		142
			0
V	- Payables with secured guarantee		143
			0
VI	- Sundry loans and other financial payables		144
			0
VII	- Employee severance indemnities		145
			435
VIII	- Other payables		
1.	For taxes payable by policyholders	146	644
2.	For sundry tax charges	147	60,601
3.	Amounts due to social security and welfare institutions	148	443
4.	Sundry payables	149	90,695
		150	152,383
IX	- Other liabilities		
1.	Transitory reinsurance accounts - payable	151	0
2.	Commission for premiums being collected	152	1,488
3.	Sundry liabilities	153	36,999
		154	38,487
	of which Liaison account with the non-life business	902	28,501
			to be carried forward
			155
			201,138
			6,088,142

Balances for the previous year

carry forward			6,544,209
	308	326	
	309	0	
	310	10,661	311 10,987
			312 7,854
313	1,587		
314	0		
315	6,425		
316	0	317 8,012	
318	1,874		
319	0	320 1,874	
		321 0	
		322 91	
		323 0	
		324 0	
		325 517	
326	332		
327	94,861		
328	2,531		
329	33,026	330 130,750	
331	0		
332	1,749		
333	3,372	334 5,121	335 146,365
904	0		
to be carried forward			6,709,415

STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS
 LIABILITIES AND SHAREHOLDERS' EQUITY

		Balances for the year	
	carry forward		6,088,142
H. ACCRUALS AND DEFERRALS			
1. For interest		156 2,937	
2. For rental fees		157 0	
3. Other accruals and deferrals		158 0	159 2,937
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			160 6,091,079

Balances for the previous year

carry forward		6,709,415	
	336	3,650	
	337	0	
	338	0	339
			3,650
		340	6,713,065

Company CATOLICA ASSICURAZIONI S.P.A.Financial Year 2020

Statement relating to the breakdown of the result for the year between non-life business and life business

	Non-life business	Life business	Total
Result of technical account	1 163,817	21 -30,086	41 133,731
Income from investments	+ 2 148,118		42 148,118
Equity and financial charges	- 3 156,524		43 156,524
Portions of profit from investments transferred from the technical account - life business		+ 24 6,955	44 6,955
Portions of profit from investments transferred from the technical account - non-life business	- 5 0		45 0
Interim operating profit (loss)	6 155,411	26 -23,131	46 132,280
Other income	+ 7 34,659	27 15,848	47 50,507
Other charges	- 8 91,609	28 30,762	48 122,371
Extraordinary income	+ 9 8,152	29 1,470	49 9,622
Extraordinary charges	- 10 9,596	30 2,624	50 12,220
Profit (loss) before taxation	11 97,017	31 -39,199	51 57,818
Income taxes for the year.....	- 12 59,637	32 -5,402	52 54,235
Profit (loss) for the year	13 37,380	33 -33,797	53 3,583

Notes to the Accounts - Attachment 4

Financial Year 2020

Company CATTOLICA ASSICURAZIONI S.P.A.

Assets - Changes during the year in intangible assets (item B) and land and buildings (item C.I)

		Intangible assets B		Land and buildings C.I
Gross opening balances.....	+	1 412,377	31	131,058
Increases during the year.....	+	2 3,826	32	234
for: purchases or increases.....		3 3,747	33	234
write-backs.....		4 0	34	0
revaluations.....		5 0	35	0
other changes.....		6 79	36	0
Decreases during the year.....	-	7 0	37	2,576
for: sales or decreases.....		8 0	38	0
permanent write-downs.....		9 0	39	2,576
other changes.....		10 0	40	0
Gross closing balances (a).....		11 416,203	41	128,716
Amortisation/depreciation:				
Opening balances.....	+	12 283,379	42	41,501
Increases during the year.....	+	13 21,806	43	2,926
for: depreciation/amortisation charge for the year.....		14 21,806	44	2,902
other changes.....		15 0	45	24
Decreases during the year.....	-	16 0	46	23
for: reductions due to disposals.....		17 0	47	0
other changes.....		18 0	48	23
Closing balances - amortisation/depreciation (b) (*).....		19 305,185	49	44,404
Book value (a - b).....		20 111,018	50	84,312
Current value.....			51	90,620
Total revaluations.....			52	0
Total write-downs.....			53	2,577

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Company CATTOLICA ASSICURAZIONI S.P.A.

Financial Year 2020

Assets - Changes during the year in investments in Group companies and other investee companies: shares and holdings (item C.II.1), bonds (item C.II.2) and loans (item C.II.3)

		Shares and holdings C.II.1	Bonds C.II.2	Loans C.II.3
Opening balances	+ 1	1,724,138	21 32,544	41 0
Increases during the year:	+ 2	165,689	22 17,678	42 0
for: purchases, subscriptions or disbursements	3	61,851	23 17,678	43 0
write-backs	4	0	24 0	44 0
revaluations	5	0		
other changes	6	103,838	26 0	46 0
Decreases during the year:	- 7	205,408	27 32,544	47 0
for: sales or reimbursements	8	3,290	28 0	48 0
write-downs	9	156,524	29 0	49 0
other changes	10	45,594	30 32,544	50 0
Book value	11	1,684,419	31 17,678	51 0
Current value	12	1,685,758	32 18,173	52 0
Total revaluations	13	0		
Total write-downs	14	156,524	34 0	54 0

The item C.II.2 includes:

Listed bonds	61	178
Unlisted bonds	62	17,500
Book value	63	17,678
of which convertible bonds	64	178

Company CATTOLICA ASSICURAZIONI S.P.A.

Assets - Statement containing information relating to investee companies (*)

Ord. No. (**)	Type (1)	Listed or unlisted (2)	Activities carried out (3)	Name and registered offices	Currency
4	b	NL	1	BCC ASSICURAZION SPA - MILAN	242
7	b	NL	1	LOMBARDA VITA SPA - BRESCIA	242
9	b	NL	1	ABC ASSICURA SPA - VERONA	242
10	b	NL	4	CATTOLICA IMMOBILIARE SPA - VERONA	242
52	b	NL	9	CATTOLICA SERVICES SCPA - VERONA	242
57	b	NL	1	BERICA VITA SPA - VERONA	242
59	b	NL	1	CATTOLICA LIFE - DUBLIN	242
67	b	NL	1	BCC VITA SPA - MILAN	242
71	b	NL	1	TUA ASSICURAZIONI SPA - MILAN	242
74	b	NL	9	CATTOLICA AGRICOLA - VERONA	242
75	b	NL	4	CATTOLICA BENI IMMOBILI - VERONA	242
80	b	NL	9	C.P. SERVIZI CONSULENZIALI SPA - VERONA	242
86	b	NL	1	VERA ASSICURAZIONI SPA - MILAN	242
87	b	NL	1	VERA VITA S.P.A. - VERONA	242
88	b	NL	1	CATTRE SA - LUXEMBOURG	242
78	d	L	9	H-FARM SPA - RONCADE	242
91	d	NL	1	IMA ITALIA ASSISTANCE SPA - SESTO SAN GIOVANNI	242
30	e	NL	9	UCI SCARL - MILAN	242
35	e	NL	2	VERFIN SPA - VERONA	242
42	e	NL	3	EMIL BANCA CRED.COOP.SOC.COOP. - BOLOGNA	242
62	e	L	3	UBI BANCA SPA - BERGAMO	242
73	e	NL	9	VERONAFIERE SPA - VERONA	242
82	e	NL	9	NUMMUS.INFO SPA - TRENTO	242
83	e	NL	3	BCA CRED POP SCPA - TORRE DEL GRECO	242
84	e	NL	3	BCC CAMPANIA CENTRO - CRA SCPA - BATTIPAGLIA	242
85	e	NL	9	ESICERT ISTITUTO CERTIFICAZIONE ETICA - VERONA	242
92	e	NL	9	IMA SERVIZI SCARL - SESTO SAN GIOVANNI	242

(*) The Group companies and the other companies in which a holding is directly held also via trust companies or third parties, must be listed.

(**) The order number must be higher than "0"

(1) Type

- a = Parent companies
- b = Subsidiaries
- c = Affiliated companies
- d = Associated companies
- e = Others

(2) Indicate L for securities listed on organised markets and NL for the others

(3) Activities carried out

- 1 = Insurance company
- 2 = Finance company
- 3 = Credit institution
- 4 = Real estate property company
- 5 = Trust company
- 6 = Mutual investment fund management or distribution company
- 7 = Consortium
- 8 = Industrial company
- 9 = Other company or body

(4) Amounts in original currency

(5) Indicate the total holding held

Share capital		Shareholders' equity (***)	Profit or Loss for the last year (***)	Holding (5)		
Amount (4)	Number of shares			(4)	(4)	Direct %
14,448	2,889,600	16,889	692	70.00		70.00
185,300	37,060,000	300,848	49,719	60.00		60.00
8,925	17,500,000	15,408	-402	100.00		100.00
400	400,000	4,966	1,333	100.00		100.00
20,954	20,954,083	58,594	-2,029	99.96	0.04	100.00
31,000	3,100,000	76,747	8,376	100.00		100.00
0	0	0	0	0		0
62,000	62,000,000	281,515	5,234	70.00		70.00
23,161	4,632,126	167,588	14,665	99.99		99.99
35,500	35,500,000	146,637	-401	100.00		100.00
7,000	7,000,000	42,239	-8,788	100.00		100.00
0	0	0	0	0		0
63,500	63,500,000	90,026	11,829	65.00		65.00
219,600	43,920,001	388,071	38,294	65.00		65.00
48,600	4,860,000	70,357	3,257	100.00		100.00
12,867	128,672,310	33,898	-6,508	3.67		3.67
3,857	33,539	23,372	1,244	35.00		35.00
525	1,029,259			2.20	1.86	4.06
6,553	1,270,000			3.94		3.94
102,284	3,902,497			0.10		0.10
0	0	0	0	0		0
63,557	63,556,827			7.08		7.08
580	580,000			10.78		10.78
20,039	7,766,938			1.01		1.01
2,552	989,296			2.70	5.00	7.70
270	270,000			3.70		3.70
100	100,000			6.00	31.65	37.65

(***) To be filled in only for subsidiaries and associated companies

Company CATTOLICA ASSICURAZIONI S.P.A.Assets - Breakdown of the changes in investments in Group companies and other investee companies:
shares and holdings

Ord. No. (1)	Type (2)	(3)	Name	Increases during the year		
				For purchases		Other increases
				Quantity	Value	
4	b	D	BCC ASSICURAZIONI SPA	0	0	3,010
4	b	V	BCC ASSICURAZIONI SPA	0	0	490
7	b	D	LOMBARDA VITA SPA	0	0	0
7	b	V	LOMBARDA VITA SPA	0	0	0
9	b	D	ABC ASSICURA SPA	7,000,000	1,000	7,000
10	b	D	CATTOLICA IMMOBILIARE SPA	0	0	0
10	b	V	CATTOLICA IMMOBILIARE SPA	0	0	159
52	b	D	CATTOLICA SERVICES SCPA	0	0	0
52	b	V	CATTOLICA SERVICES SCPA	0	0	0
57	b	D	BERICA VITA SPA	620,000	11,250	0
57	b	V	BERICA VITA SPA	620,000	11,250	0
59	b	D	CATTOLICA LIFE	126,970	420	0
59	b	V	CATTOLICA LIFE	126,970	420	0
67	b	D	BCC VITA SPA	0	0	26,250
67	b	V	BCC VITA SPA	0	0	26,250
71	b	D	TUA ASSICURAZIONI SPA	0	0	0
71	b	V	TUA ASSICURAZIONI SPA	0	0	0
74	b	D	CATTOLICA AGRICOLA	0	0	0
75	b	D	CATTOLICA BENI IMMOBILI	0	0	8,000
80	b	V	C.P. SERVIZI CONSULENZIALI SPA	0	0	0
86	b	D	VERA ASSICURAZIONI SPA	0	0	0
86	b	V	VERA ASSICURAZIONI SPA	0	0	0
87	b	D	VERA VITA S.P.A.	0	0	25,025
87	b	V	VERA VITA S.P.A.	0	0	7,475
88	b	D	CATTRE SA	1,500,000	15,000	0
			Total C.II.1			
	a		Parent companies			
	b		Subsidiaries			
	c		Affiliated companies			
	d		Associated companies			
	e		Other			
			Total D.I			
			Total D.II			

(1) Must correspond with that indicated in Attachment 6

(2) Type

- a = Parent companies
- b = Subsidiaries
- c = Affiliated companies
- d = Associated companies
- e = Others

(3) Indicate:

- D for the investments assigned to the non-life business (item C.II.1)
 - V for the investments assigned to the life business (item C.II.1)
 - V1 for the investments assigned to the life business (item D.I)
 - V2 for the investments assigned to the life business (item D.2)
- The equity investment, even if split, must in any case be assigned the same order number

Decreases during the year			Book value (4)		Purchase cost	Current value
For sales		Other decreases	Quantity	Value		
Quantity	Value					
0	0	0	1,748,208	9,715	15,215	9,715
0	0	0	274,512	2,057	2,057	2,057
0	0	0	19,948,000	214,313	245,712	214,313
0	0	0	2,288,000	24,581	28,183	24,581
0	0	0	17,500,000	11,309	23,649	11,309
0	0	0	313,250	2,366	3,433	2,366
0	0	0	86,750	815	15,722	815
0	0	1,899	20,900,369	58,449	65,537	58,449
0	0	4	45,714	128	141	128
0	0	0	1,550,000	43,800	56,250	43,800
0	0	0	1,550,000	43,800	56,250	43,800
317,425	1,620	0	0	0	0	0
317,425	1,620	0	0	0	0	0
0	0	8,599	21,700,000	80,220	105,769	80,220
0	0	8,599	21,700,000	80,220	105,769	80,220
0	0	0	3,741,166	132,770	132,770	132,770
0	0	0	890,834	31,528	31,528	31,528
0	0	1,957	35,500,000	146,543	148,500	146,543
0	0	10,418	7,000,000	43,167	68,200	43,167
0	0	159	0	0	0	0
0	0	38,174	31,781,750	198,370	251,187	198,370
0	0	11,403	9,493,250	59,253	75,030	59,253
0	0	50,073	21,981,961	321,625	400,119	321,625
0	0	14,957	6,566,040	96,070	119,516	96,070
0	0	0	4,860,000	70,430	70,430	70,430

(4) Indicate using (*) if carried at equity (only for Type b and d)

Company CATTOLICA ASSICURAZIONI S.P.A.Assets - Breakdown of the changes in investments in Group companies and other investee companies:
shares and holdings

Ord. No. (1)	Type (2)	(3)	Name	Increases during the year		
				For purchases		Other increases
				Quantity	Value	
78	d	D	H-FARM SPA	0	0	24
78	d	V	H-FARM SPA	0	0	155
91	d	D	IMA ITALIA ASSISTANCE SPA	0	0	0
30	e	D	UCI SCARL	0	0	0
35	e	D	VERFIN SPA	0	0	0
42	e	D	EMIL BANCA CRED.COOP.SOC.COOP.	0	0	0
62	e	D	UBI BANCA SPA	5,875,854	22,511	0
73	e	V	VERONAFIERE SPA	0	0	0
82	e	D	NUMMUS.INFO SPA	0	0	0
83	e	V	BCA CRED POP SCPA	0	0	0
84	e	D	BCC CAMPANIA CENTRO - CRA SCPA	0	0	0
84	e	V	BCC CAMPANIA CENTRO - CRA SCPA	0	0	0
85	e	D	ESICERT ISTITUTO CERTIFICAZIONE ETICA	0	0	0
92	e	D	IMA SERVIZI SCARL	0	0	0
			Total C.II.1		61,851	103,838
	a		Parent companies			
	b		Subsidiaries		39,340	103,659
	c		Affiliated companies			
	d		Associated companies		0	179
	e		Other		22,511	0
			Total D.I		0	0
			Total D.II		0	0

(1) Must correspond with that indicated in Attachment 6

(2) Type

- a = Parent companies
- b = Subsidiaries
- c = Affiliated companies
- d = Associated companies
- e = Others

(3) Indicate:

- D for the investments assigned to the non-life business (item C.II.1)
 - V for the investments assigned to the life business (item C.II.1)
 - V1 for the investments assigned to the life business (item D.I)
 - V2 for the investments assigned to the life business (item D.2)
- The equity investment, even if split, must in any case be assigned the same order number

Decreases during the year			Book value (4)		Purchase cost	Value value
For sales		Other decreases	Quantity	Value		
Quantity	Value					
0	0	742	625,960	62	1,430	62
0	0	4,858	4,095,596	405	9,372	405
0	0	0	11,739	8,584	8,584	9,902
0	0	0	22,664	0	7	0
0	0	0	50,000	429	516	460
0	0	176	3,734	26	317	26
0	0	45,435	0	0	0	0
0	0	4,487	4,496,673	2,665	10,148	2,665
0	0	0	62,500	78	78	78
0	0	98	78,521	530	2,376	530
0	0	40	13,345	1	41	1
0	0	40	13,345	1	41	1
0	0	0	10,000	10	10	0
3,000	50	0	6,000	99	99	99
	3,290	202,118		1,684,419	2,053,986	1,685,758
	3,240	146,242		1,671,529	2,020,967	1,671,529
	0	5,600		9,051	19,386	10,369
	50	50,276		3,839	13,633	3,860
	0	0		0	0	0
	0	0		0	0	0

(4) Indicate using (*) if carried at equity (only for Type b and d)

Assets - Changes during the year in other financial investments for long-term use: company shares and holdings, units of mutual investment funds, bonds and other fixed-income securities units in mutual investments and sundry financial investments (items C.III.1, 2, 3, 5, 7)

	Shares and holdings C.III.1	Units of mutual investment funds C.III.2	Bonds and other fixed-income securities C.III.3	Units in mutual investments C.III.5	Sundry financial investments C.III.7
Opening balances	+ 0 21	0 41	2,743,682 81	0 101	0 101
Increases during the year:	+ 0 22	0 42	281,401 82	0 102	0 102
for: purchases	0 23	0 43	270,606 83	0 103	0 103
write-backs	0 24	0 44	0 84	0 104	0 104
transfers from non-permanent portfolio	0 25	0 45	0 85	0 105	0 105
other changes	0 26	0 46	10,795 86	0 106	0 106
Decreases during the year:	- 0 27	0 47	203,191 87	0 107	0 107
for: sales.....	0 28	0 48	197,343 88	0 108	0 108
write-downs	0 29	0 49	0 89	0 109	0 109
transfers to non-permanent portfolio	0 30	0 50	0 90	0 110	0 110
other changes	0 31	0 51	5,848 91	0 111	0 111
Book value	0 32	0 52	2,821,892 92	0 112	0 112
Current value	0 33	0 53	3,257,455 93	0 113	0 113

Notes to the Accounts - Attachment 10

Financial Year 2020

Company CATTOLICA ASSICURAZIONI S.P.A.

Assets - Changes in loans and deposits with credit institutions during the year (items C.III.4, 6)

		Loans C.III.4	Deposits with credit institutions C.III.6
Opening balances.....	+ 1	2,791	21 0
Increases during the year:	+ 2	115	22 0
for: disbursements	3	70	
write-backs	4	0	
other changes	5	45	
Decreases during the year:	- 6	272	26 0
for: reimbursements	7	272	
write-downs	8	0	
other changes	9	0	
Book value	10	2,634	30 0

Assets - Statement of assets relating to benefits associated with investment funds and stock market indices (item D.1)

Fund code: 01 Fund description: Index

	Current value		Acquisition cost	
	Financial Year	Previous year	Financial Year	Previous year
I. Land and buildings	0 21	0 41	0 61	0
Investments in Group companies and other investee companies:				
1. Shares and holdings	0 22	0 42	0 62	0
2. Bonds	0 23	0 43	0 63	0
3. Loans	0 24	0 44	0 64	0
III. Units of mutual investment funds	0 25	0 45	0 65	0
IV. Other financial investments:				
1. Shares and holdings	139 26	162 46	177 66	183
2. Bonds and other fixed-income securities	0 27	0 47	0 67	0
3. Deposits with credit institutions	0 28	0 48	0 68	0
4. Sundry financial investments	0 29	0 49	0 69	0
V. Other assets	0 30	0 50	0 70	0
VI. Cash and cash equivalent	0 31	0 51	0 71	0
Other liabilities	0 32	0 52	0 72	0
.....	0 33	0 53	0 73	0
Total	139 34	162 54	177 74	183

Notes to the Accounts - Attachment 11

Company CATTOLICA ASSICURAZIONI S.P.A.

Financial Year 2020

Assets - Statement of assets relating to benefits associated with investment funds and stock market indices (item D.I)

Fund code: 02 Fund description:

Unit

	Current value		Acquisition cost	
	Financial Year	Previous year	Financial Year	Previous year
I. Land and buildings	0 21	0 41	0 61	0
II. Investments in Group companies and other investee companies:				
1. Shares and holdings.....	0 22	0 42	0 62	0
2. Bonds	0 23	0 43	0 63	0
3. Loans	0 24	0 44	0 64	0
4. Units of mutual investment funds	362,324 25	259,673 45	319,627 65	232,114
5. Other financial investments:				
1. Shares and holdings.....	0 26	0 46	0 66	0
2. Bonds and other fixed-income securities.....	42,858 27	36,058 47	41,110 67	35,655
3. Deposits with credit institutions	0 28	0 48	0 68	0
4. Sundry financial investments	0 29	0 49	0 69	0
6. Other assets	5,306 30	9,908 50	5,306 70	9,908
VI. Cash and cash equivalent	8,679 31	10,377 51	8,679 71	10,377
Other liabilities	-3,714 32	-1,825 52	-3,714 72	-1,825
7. Total	0 33	0 53	0 73	0
8. Total	415,453 34	314,191 54	371,008 74	286,229

Assets - Statement of assets relating to benefits associated with investment funds and stock market indices (item D.I)

Fund code: Fund description: TOTAL

	Current value		Acquisition cost	
	Financial Year	Previous year	Financial Year	Previous year
I. Land and buildings	0 21	0 41	0 61	0
II. Investments in Group companies and other investee companies:				
1. Shares and holdings.....	0 22	0 42	0 62	0
2. Bonds	0 23	0 43	0 63	0
3. Loans	0 24	0 44	0 64	0
III. Units of mutual investment funds	362,324 25	259,673 45	319,627 65	232,114
IV. Other financial investments:				
1. Shares and holdings.....	139 26	162 46	177 66	183
2. Bonds and other fixed-income securities.....	42,858 27	36,058 47	41,110 67	35,655
3. Deposits with credit institutions	0 28	0 48	0 68	0
4. Sundry financial investments	0 29	0 49	0 69	0
V. Other assets	5,306 30	9,908 50	5,306 70	9,908
VI. Cash and cash equivalent	8,679 31	10,377 51	8,679 71	10,377
Other liabilities	-3,714 32	-1,825 52	-3,714 72	-1,825
	0 33	0 53	0 73	0
Total	415,592 34	314,353 54	371,185 74	286,412

Company CAITOLICA ASSICURAZIONI S.P.A. Financial Year 2020

Assets - Statement of assets deriving from the management of pension funds (item D.II)

Code: 01 Pension fund description: Pension funds

	Current value		Previous year	Acquisition cost	
	Financial Year			Financial Year	Previous year
I. Investments in Group companies and other investee companies:					
1. Shares and holdings.....	0	21	0	41	0
2. Bonds	0	22	0	42	0
II. Other financial investments:					
1. Shares and holdings.....	756	23	730	43	704
2. Bonds and other fixed-income securities.....	106,983	24	765,575	44	757,524
3. Units of mutual investment funds.....	43,002	25	41,065	45	35,648
4. Deposits with credit institutions	0	26	0	46	0
5. Sundry financial investments	0	27	0	47	0
III. Other assets	3,257	28	3,128	48	3,128
IV. Cash and cash equivalent	1,871	29	10,017	49	10,017
Other liabilities	-1,922	30	-2,523	50	-2,523
Total	153,947	32	817,992	52	804,498

Company CATTOLICA ASSICURAZIONI S.P.A.Financial Year 2020

Liabilities - Changes during the year in the components of the premium provision (item C.I.1) and the provision for outstanding claims (item C.I.2) of the non-life business

Type	Financial Year	Previous year	Changes
Premium provision:			
Provisions for unearned premiums	1 705,952	11 700,720	21 5,232
Provision for current risks	2 16,282	12 1,215	22 15,067
Book value	3 722,234	13 701,935	23 20,299
Provision for outstanding claims:			
Provision for compensation and direct expenses	4 2,041,671	14 2,204,450	24 -162,779
Provision for settlement costs	5 75,645	15 81,385	25 -5,740
Provision for claims not reported	6 145,126	16 179,479	26 -34,353
Book value	7 2,262,442	17 2,465,314	27 -202,872

Company CATTOLICA ASSICURAZIONI S.P.A.

Financial Year 2020

Liabilities - Changes during the year in the components of the mathematical provisions (item C.II.1) and the provision for profit-sharing and repayments (item C.II.4)

Type	Financial Year	Previous year	Changes
Mathematical provision for pure premiums	1 4,436,344	11 4,622,988	21 -186,644
Premium carry forward.....	2 16,207	12 18,405	22 -2,198
Provision for mortality risk.....	3 10,849	13 10,649	23 200
Integration provisions.....	4 73,767	14 71,813	24 1,954
Book value	5 4,537,167	15 4,723,855	25 -186,688
Provision for profit-sharing and repayments	6 15	16 14	26 1

Liabilities - Changes during the year in provisions for risks and charges (item E) and employee severance indemnities (item G.VII)

	Provision for pensions and similar obligations	Provision for taxation	Other provisions and allowances	Employee severance indemnities
Opening balances.....	1,761 ¹¹	3,357 ²¹	64,426 ⁸¹	5,879
Provisions for the year.....	111 ¹²	0 ²²	19,592 ⁹²	3,987
Other increases.....	0 ¹³	0 ²³	0 ³³	0
Uses for the year.....	247 ¹⁴	557 ²⁴	13,645 ⁸⁴	4,227
Other decreases.....	0 ¹⁵	0 ²⁵	0 ³⁵	74
Book value	1,625¹⁶	2,800²⁶	70,373⁸⁶	5,565⁹⁶

Analytical statement of assets and liabilities relating to group companies and other investee companies

II: Liabilities

	Parent companies	Subsidiaries	Affiliated companies	Associated companies	Other	Total
Subordinated liabilities	97	98	99	100	101	102
Deposits received from re-insurers	0	0	0	0	0	0
Payables deriving from direct insurance transactions	103	104	105	106	107	108
Payables deriving from reinsurance transactions	109	110	111	112	113	114
Payables due to banks and financial institutions	115	116	117	118	119	120
Payables with secured guarantee	121	122	123	124	125	126
Other loans and other financial payables	127	128	129	130	131	132
Sundry payables	133	134	135	136	137	138
Sundry liabilities	139	140	141	142	143	144
Total	145	146	147	148	149	150
	151	152	153	154	155	156
		95,741		88	822	95,734
		43		43	0	43
		95,741		88	822	96,651

Company CATTOLICA ASSICURAZIONI S.P.A.Financial Year 2020

Disclosure on "guarantees, commitments and other memorandum accounts"

	Financial Year		Previous year	
I. Guarantees given:				
a) sureties and endorsements given in the interests of parent, subsidiary and affiliated companies	1	0	31	0
b) sureties and endorsements given in the interests of associated and other investee companies	2	0	32	0
c) sureties and endorsements given in the interests of third parties	3	84,945	33	81,701
d) other unsecured guarantees given in the interests of parent, subsidiary and affiliated companies	4	0	34	0
e) other unsecured guarantees given in the interests of associated and other investee companies	5	0	35	0
f) other unsecured guarantees given in the interests of third parties	6	0	36	0
g) secured guarantees for bonds of parent, subsidiary and affiliated companies	7	0	37	0
h) secured guarantees for bonds of associated and other investee companies	8	0	38	0
i) secured guarantees for bonds of third parties	9	0	39	0
l) guarantees given for bonds of the company	10	0	40	6,745
m) assets lodged under deposit for reinsurance transactions	11	0	41	0
Total	12	84,945	42	88,446
II. Guarantees received:				
a) from group and associated companies and other investee companies	13	0	43	0
b) from third parties	14	137,255	44	134,380
Total	15	137,255	45	134,380
III. Guarantees given by third parties in the interests of the company:				
a) from group and associated companies and other investee companies	16	0	46	0
b) from third parties	17	0	47	0
Total	18	0	48	0
IV. Commitments:				
a) commitments for purchases with obligation to resell	19	0	49	0
b) commitments for sales with obligation to repurchase	20	0	50	0
c) other commitments	21	433,865	51	356,615
Total	22	433,865	52	356,615
V. Assets pertaining to pension funds managed in the name and on behalf of third parties	23	0	53	0
VI. Securities lodged with third parties	24	9,481,777	54	10,177,812
Total	25	9,481,777	55	10,177,812

Statement of commitments for transactions on derivative contracts

Derivative contracts	Financial Year				Previous year				
	Purchase		Sale		Purchase		Sale		
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	
Futures:									
on shares	0 101	0 21	0 121	0 41	0 141	0 61	0 161	0 0	0 0
on bonds	0 102	0 22	0 122	0 42	0 142	0 62	0 162	20.000	87
on currency	0 103	0 23	0 123	0 43	0 143	0 63	0 163	0	0
on rates	0 104	0 24	0 124	0 44	0 144	0 64	0 164	0	0
other	0 105	0 25	0 125	0 45	0 145	0 65	0 165	0	0
Options:									
on shares	0 106	0 26	0 126	0 46	0 146	0 66	0 166	0	0
on bonds	0 107	0 27	0 127	0 47	0 147	0 67	0 167	0	0
on currency	0 108	0 28	0 128	0 48	0 148	0 68	0 168	0	0
on rates	0 109	0 29	0 129	0 49	0 149	0 69	0 169	0	0
other	0 110	8.308,30	0 130	0 50	0 150	8.470,70	0 170	0	0
Swaps:									
on currency	0 111	0 31	0 131	0 51	0 151	0 71	0 171	0	0
on rates	0 112	0 32	0 132	0 52	0 152	0 72	0 172	0	0
other	0 113	0 33	0 133	0 53	0 153	0 73	0 173	0	0
Other transactions									
	0 114	0 34	0 134	0 54	0 154	0 74	0 174	0	0
Total	0 115	8.308,35	0 135	0 55	0 155	8.470,75	20.000,175	87	0

Only the transactions on derivative contracts outstanding as at the date the financial statements, which involve commitments for the company, must be inserted. In the event that the contract does not exactly correspond to the figures described or in which characteristic elements of several types converge, said contract must be inserted in the nearest applicable contractual category. Offsetting of items is not permitted unless in relation to purchase/sale transactions referring to the same type of contract (same content, maturity, underlying assets, etc.).

The contracts, which envisage the exchange of two currencies, must be indicated just once, conventionally making reference to the currency to be purchased. The contracts, which envisage both the exchange of interest rates and the exchange of currency, are only indicated under the contracts on currency. The derivative contracts, which envisage the exchange of interest rates, are conventionally classified as "purchases" or as "sales" depending on whether they involve the purchase or sale of the fixed rate for the insurance company.

(1) The settlement price of derivative contracts, which involve or may involve the forward exchange of capital, is indicated for the same; the nominal value of the reference capital is indicated in all the other cases.

(2) Indicate the fair value of the derivative contracts.

Notes to the Accounts – Attachment 19

Company CAITOLICA ASSICURAZIONI S.P.A.

Financial Year 2020

Summary information concerning the technical account - non-life business

	Gross premiums written	Gross premiums for the year	Gross liability for claims	Operating expenses	Reinsurance balance
Direct insurance:					
Accident, injury and health (classes 1 and 2)	229,135 ²	230,952 ³	90,108 ⁴	71,080 ⁵	-11,658 ⁵
TPL - Land motor vehicles (class 10)	707,845 ⁷	716,820 ⁸	458,012 ⁹	186,006 ¹⁰	-1,243 ¹⁰
Land vehicle hulls (class 3)	119,173 ¹²	117,477 ¹³	69,472 ¹⁴	34,770 ¹⁵	-556 ¹⁵
Maritime, aeronautical and transport insurance (classes 4, 5, 6, 7, 11 and 12)	32,641 ¹⁷	29,656 ¹⁸	16,701 ¹⁹	7,951 ²⁰	-7,934 ²⁰
Fire and other damage to assets (classes 8 and 9)	338,685 ²²	320,807 ²³	292,669 ²⁴	105,722 ²⁵	13,373 ²⁵
TPL - General (class 13)	184,771 ²⁷	173,495 ²⁸	-5,639 ²⁹	60,392 ³⁰	-22,099 ³⁰
Credit and suretyship (classes 14 and 15)	13,513 ³²	17,718 ³³	10,127 ³⁴	4,762 ³⁵	-1,108 ³⁵
Sundry financial losses (class 16)	17,313 ³⁷	16,377 ³⁸	13,463 ³⁹	4,664 ⁴⁰	-1,918 ⁴⁰
Legal protection (class 17)	15,057 ⁴²	14,224 ⁴³	1,149 ⁴⁴	5,224 ⁴⁵	-3,171 ⁴⁵
Assistance (class 18)	42,417 ⁴⁷	39,734 ⁴⁸	6,782 ⁴⁹	14,703 ⁵⁰	-2,951 ⁵⁰
Total direct insurance	1,700,550 ⁵²	1,677,260 ⁵³	952,844 ⁵⁴	495,274 ⁵⁵	-39,265 ⁵⁵
Indirect insurance	24,076 ⁵⁷	26,220 ⁵⁸	8,825 ⁵⁹	6,706 ⁶⁰	-1,479 ⁶⁰
Total Italian portfolio	1,724,626 ⁶²	1,703,480 ⁶³	961,669 ⁶⁴	501,980 ⁶⁵	-40,744 ⁶⁵
Foreign portfolio	21,577 ⁶⁷	21,170 ⁶⁸	15,240 ⁶⁹	4,741 ⁷⁰	66 ⁷⁰
Grand total	1,746,203 ⁷²	1,724,650 ⁷³	976,909 ⁷⁴	506,721 ⁷⁵	-40,678 ⁷⁵

Company CATTOLICA ASSICURAZIONI S.P.A.

Financial Year 2020

Summary information concerning the life business relating to premiums and the reinsurance balance

	Direct business	Indirect business	Total
Gross premiums:	1 554,535	11 282	21 554,817
a) 1. for individual contracts.....	2 472,131	12 37	22 472,168
2. for collective contracts	3 82,404	13 245	23 82,649
b) 1. periodic premiums	4 204,752	14 6	24 204,758
2. single premiums	5 349,783	15 276	25 350,059
c) 1. for contracts without profit-sharing.....	6 31,387	16 244	26 31,631
2. for contracts with profit-sharing	7 369,832	17 19	27 369,851
3. for contracts when the investment risk is borne by the policyholders and for pension funds	8 153,316	18 0	28 153,316

Reinsurance balance	9 -3,156	19 0	29 -3,156
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Company CATOLICA ASSICURAZIONI S.P.A.Financial Year 2020

Income from investments (items II.2 and III.3)

	Non-life business		Life business		Total	
Income deriving from shares and holdings:						
Dividends and other income from shares and holdings of group companies and investee companies	1	48,257	41	18,922	81	67,179
Dividends and other income from shares and holdings of other companies	2	187	42	1,426	82	1,613
Total	3	48,444	43	20,348	83	68,792
Income from investments in land and buildings	4	1,656	44	0	84	1,656
Income deriving from other investments:						
Income on bonds of group companies and investee companies	5	195	45	197	85	392
Interest on loans to group companies and investee companies	6	941	46	281	86	1,222
Income deriving from units of mutual investment funds	7	34,491	47	21,096	87	55,587
Income on bonds and other fixed-income securities	8	52,192	48	112,338	88	164,530
Interest on loans	9	45	49	15	89	60
Income on units of mutual investments	10	0	50	0	90	0
Interest on deposits with credit institutions	11	0	51	0	91	0
Income on sundry financial investments	12	0	52	2	92	2
Interest on deposits with ceding companies	13	11	53	153	93	164
Total	14	87,875	54	134,082	94	221,957
Reversal of adjustment on investments relating to:						
Land and buildings	15	0	55	0	95	0
Shares and holdings of group and investee companies	16	0	56	0	96	0
Bonds issued by group and investee companies	17	0	57	0	97	0
Other shares and holdings	18	0	58	6	98	6
Other bonds	19	743	59	25	99	768
Other financial investments	20	1,613	60	2,773	100	4,386
Total	21	2,356	61	2,804	101	5,160
Profits on realisation of investments:						
Capital gains deriving from the sale of land and buildings	22	0	62	0	102	0
Profits on shares and holdings of group and investee companies	23	290	63	290	103	580
Profits on bonds issued by group and investee companies	24	0	64	0	104	0
Profits on other shares and holdings	25	646	65	1,441	105	2,087
Profits on other bonds	26	5,290	66	42,015	106	47,305
Profits on other financial investments	27	1,561	67	45	107	1,606
Total	28	7,787	68	43,791	108	51,578
GRAND TOTAL	29	148,118	69	201,025	109	349,143

Company CATTOLICA ASSICURAZIONI S.P.A.

Financial Year 2020

Income and unrealised capital gains on investments for benefit of policyholders who bear the risk and deriving from the management of pension funds (item II.3)

I. Investments relating to benefits associated with investment funds and stock market indices

	Amounts	
Income deriving from:		
Land and buildings	1	0
Investments in group and investee companies	2	0
Units of mutual investment funds	3	1,732
Other financial investments	4	1,086
- of which income from bonds	5	1,086
Other assets	6	0
Total	7	2,818
Profits on realisation of investments		
Capital gains deriving from the sale of land and buildings	8	0
Profits on investments in group and investee companies	9	0
Profits on units of mutual investment funds	10	2,267
Profits on other financial investments	11	91
- of which bonds	12	91
Other income	13	7
Total	14	2,365
Unrealised capital gains	15	21,315
GRAND TOTAL	16	26,498

II. Investments deriving from the management of pension funds

	Amounts	
Income deriving from:		
Investments in group and investee companies	21	0
Other financial investments	22	2,417
- of which income from bonds	23	1,871
Other assets	24	66
Total	25	2,483
Profits on realisation of investments		
Profits on investments in group and investee companies	26	0
Profits on other financial investments	27	851
- of which bonds	28	702
Other income	29	109
Total	30	960
Unrealised capital gains	31	7,821
GRAND TOTAL	32	11,264

Company CATTOLICA ASSICURAZIONI S.P.A.

Financial Year 2020

Equity and financial charges (items II.9 and III.5)

	Non-life business		Life business		Total	
Charges for management of investments and other charges						
Charges relating to shares and holdings	1	3,593	31	6,786	61	10,379
Charges relating to investments in land and buildings	2	1,395	32	1,236	62	2,631
Charges relating to bonds	3	2,527	33	4,854	63	7,381
Charges relating to units of mutual investment funds	4	12	34	62	64	74
Charges relating to units in mutual investments	5	0	35	0	65	0
Charges relating to sundry financial investments	6	237	36	279	66	516
Interest on deposits received from re-insurers	7	80	37	189	67	269
Total	8	7,844	38	13,406	68	21,250
Adjustment on investments relating to:						
Land and buildings	9	3,297	39	0	69	3,297
Shares and holdings of group and investee companies	10	112,079	40	44,445	70	156,524
Bonds issued by group and investee companies	11	0	41	0	71	0
Other shares and holdings	12	1,399	42	5,448	72	6,847
Other bonds	13	1,154	43	474	73	1,628
Other financial investments	14	21,717	44	15,289	74	37,006
Total	15	139,646	45	65,656	75	205,302
Losses on realisation of investments						
Capital losses deriving from the sale of land and buildings	16	0	46	0	76	0
Losses on shares and holdings	17	5,049	47	43	77	5,092
Losses on bonds	18	2,538	48	11,681	78	14,219
Losses on other financial investments	19	1,446	49	11,274	79	12,720
Total	20	9,033	50	22,998	80	32,031
GRAND TOTAL	21	156,523	51	102,060	81	258,583

Notes to the Accounts - Attachment 24

Company CATTOLICA ASSICURAZIONI S.P.A. Financial Year 2020

Equity and financial charges and unrealised capital losses on investments for benefit of policyholders who bear the risk and deriving from the management of pension funds (item II.10)

I. Investments relating to benefits associated with investment funds and stock market indices

	Amounts	
Operating expenses deriving from:		
Land and buildings	1	0
Investments in group and investee companies	2	0
Units of mutual investment funds	3	106
Other financial investments	4	3
Other assets	5	241
Total	6	350
Losses on realisation of investments		
Capital losses deriving from the sale of land and buildings	7	0
Losses on investments in group and investee companies	8	0
Losses on units of mutual investment funds	9	1,359
Losses on other financial investments	10	43
Other charges	11	9
Total	12	1,411
Unrealised capital losses	13	955
GRAND TOTAL	14	2,716

II. Investments deriving from the management of pension funds

	Amounts	
Operating expenses deriving from:		
Investments in group and investee companies	21	0
Other financial investments	22	1,336
Other assets	23	2,940
Total	24	4,276
Losses on realisation of investments		
Losses on investments in group and investee companies	25	0
Losses on other financial investments	26	5,800
Other charges	27	1
Total	28	5,801
Unrealised capital losses	29	901
GRAND TOTAL	30	10,978

Company CATOLICA ASSICURAZIONI S.P.A.

Non-life insurance - Summary statement of the technical

	Class code 01		Class code 02	
	Accident and injury (name)		Health (name)	
Direct business gross of transfers under reinsurance				
Premiums written.....	+	1 163,472	1 65,663	
Change in premium provision (+ or -).....	-	2 -488	2 -1,329	
Claims incurred.....	-	3 38,438	3 51,670	
Change in sundry technical provisions (+ or -) (1).....	-	4 0	4 -34	
Balance of other technical items (+ or -).....	+	5 -5,642	5 71	
Operating expenses.....	-	6 59,153	6 11,927	
Technical balance of direct business (+ or -)..... A		7 60,727	7 3,500	
Profit (loss) of liability reinsurance transactions (+ or -)..... B		8 -10,677	8 -981	
Net result of indirect business (+ or -)..... C		9 1,047	9 245	
Change in equalisation provisions(+ or -)..... D		10 51	10 0	
Portion of profit from investments transferred from the non-technical account..... E		11 0	11 0	
Result of technical account (+ or -)..... (A + B + C - D + E)		12 51,046	12 2,764	

	Class code 07		Class code 08	
	Goods in transit (name)		Fire & natural forces (name)	
Direct business gross of transfers under reinsurance				
Premiums written.....	+	1 6,669	1 139,070	
Change in premium provision (+ or -).....	-	2 27	2 22,017	
Claims incurred.....	-	3 3,222	3 147,236	
Change in sundry technical provisions (+ or -) (1).....	-	4 0	4 0	
Balance of other technical items (+ or -).....	+	5 -262	5 -1,386	
Operating expenses.....	-	6 1,883	6 44,515	
Technical balance of direct business (+ or -)..... A		7 1,275	7 -76,084	
Profit (loss) of liability reinsurance transactions (+ or -)..... B		8 -2,250	8 27,235	
Net result of indirect business (+ or -)..... C		9 10	9 112	
Change in equalisation provisions(+ or -)..... D		10 0	10 567	
Portion of profit from investments transferred from the non-technical account..... E		11 0	11 0	
Result of technical account (+ or -)..... (A + B + C - D + E)		12 -965	12 -49,304	

	Class code 13		Class code 14	
	TPL - General (name)		Credit (name)	
Direct business gross of transfers under reinsurance				
Premiums written.....	+	1 184,771	1 93	
Change in premium provision (+ or -).....	-	2 11,276	2 -802	
Claims incurred.....	-	3 -5,639	3 -11	
Change in sundry technical provisions (+ or -) (1).....	-	4 0	4 0	
Balance of other technical items (+ or -).....	+	5 -3,287	5 -21	
Operating expenses.....	-	6 60,392	6 808	
Technical balance of direct business (+ or -)..... A		7 115,455	7 77	
Profit (loss) of liability reinsurance transactions (+ or -)..... B		8 -22,099	8 -456	
Net result of indirect business (+ or -)..... C		9 2,422	9 -11	
Change in equalisation provisions(+ or -)..... D		10 0	10 0	
Portion of profit from investments transferred from the non-technical account..... E		11 0	11 0	
Result of technical account (+ or -)..... (A + B + C - D + E)		12 95,778	12 -390	

(1) This item includes both the change in "Other technical provisions" and the change in the "Provision for profit-sharing and repayments"

Notes to the Accounts - Attachment 25

Financial Year 2020

accounts by individual class - Italian portfolio

Class code 03 Land vehicle hulls (name)	Class code 04 Railway rolling stock (name)	Class code 05 Aircraft hulls (name)	Class code 06 Maritime vessels (name)
1 119,173	1 1,415	1 190	1 23,077
2 1,696	2 150	2 -6	2 2,944
3 69,472	3 -178	3 22	3 12,276
4 0	4 0	4 0	4 0
5 -834	5 -17	5 -51	5 -71
6 34,770	6 231	6 54	6 5,326
7 12,401	7 1,195	7 69	7 2,460
8 -556	8 -1,108	8 -344	8 -4,269
9 1,196	9 0	9 0	9 15
10 0	10 0	10 0	10 0
11 0	11 0	11 0	11 0
12 13,041	12 87	12 -275	12 -1,794

Class code 09 Other damage to assets (name)	Class code 10 TPL - Land motor vehicles (name)	Class code 11 TPL - Aircraft (name)	Class code 12 TPL - Maritime vessels (name)
1 199,615	1 707,845	1 70	1 1,220
2 -4,139	2 -8,975	2 9	2 -139
3 145,433	3 458,012	3 11	3 1,348
4 0	4 0	4 0	4 0
5 -1,678	5 -15,174	5 -4	5 -2
6 61,207	6 186,006	6 117	6 340
7 -4,564	7 57,628	7 -71	7 -331
8 -13,862	8 -1,243	8 -13	8 50
9 -135	9 3,174	9 0	9 1
10 0	10 0	10 0	10 0
11 0	11 0	11 0	11 0
12 -18,561	12 59,559	12 -84	12 -280

Class code 15 Suretyship (name)	Class code 16 Sundry financial losses (name)	Class code 17 Legal protection (name)	Class code 18 Assistance (name)
1 13,420	1 17,313	1 15,057	1 42,417
2 -3,403	2 936	2 833	2 2,683
3 10,138	3 13,463	3 1,149	3 6,782
4 0	4 0	4 0	4 0
5 -1,358	5 -188	5 -104	5 -5,418
6 3,954	6 4,664	6 5,224	6 14,703
7 1,373	7 -1,938	7 7,747	7 12,831
8 -652	8 -1,918	8 -3,171	8 -2,951
9 1,046	9 46	9 0	9 0
10 0	10 0	10 0	10 0
11 0	11 0	11 0	11 0
12 1,767	12 -3,810	12 4,576	12 9,880

Company CATOLICA ASSICURAZIONI S.P.A.

Financial Year

2020

Summary statement of the technical account recapitulating all the non-life business classes
Italian portfolio

	Direct insurance risks		Indirect insurance risks		Retained risks Total 5 = 1 - 2 + 3 - 4
	Direct risks 1	Risks transferred 2	Undertaken risks 3	Retroceded risks 4	
Premiums written	1,700,550	222,128	24,076	2,443	1,500,055
Change in premium provision (+ or -)	23,290	1,907	-2,144	-937	20,176
Charges relating to claims	952,844	131,328	8,825	901	829,440
Change in sundry technical provisions (+ or -)	-34	0	-1	0	-35
Balance of other technical items (+ or -)	-35,426	-721	-43	0	-34,748
Operating expenses	495,274	48,907	6,706	1,000	452,073
Technical balance (+ or -)	193,750	39,265	10,647	1,479	163,653
Change in equalisation provisions (+ or -)					618
Portion of profit from investments transferred from the non-technical account	0		0		0
Result of technical account (+ or -)	193,750	39,265	10,647	1,479	163,035

Company CATTOLICA ASSICURAZIONI S.P.A.

Financial Year

2020

Summary statement of the technical account recapitulating all the life business classes

Italian portfolio

	Direct insurance risks		Indirect insurance risks		Retained risks Total 5 = 1 - 2 + 3 - 4
	Direct risks 1	Risks transferred 2	Undertaken risks 3	Retroceded risks 4	
Premiums written.....	554,535 ¹¹	5,962 ²¹	263 ³¹	0 ⁴¹	548,836
Charges relating to claims	1,381,481 ¹²	3,828 ²²	355 ³²	0 ⁴²	1,378,008
Change in mathematical provisions and sundry technical provisions (+ o -)	-753,985 ¹³	-1,359 ²³	427 ³³	0 ⁴³	-752,199
Balance of other technical items (+ or -)	-19,751 ¹⁴	0 ²⁴	0 ³⁴	0 ⁴⁴	-19,751
Operating expenses	49,792 ¹⁵	337 ²⁵	2 ³⁵	0 ⁴⁵	49,457
Income from investments net of the portion transferred to the non-technical account (*)	115,930 ¹⁶		148 ²⁶		116,078
Result of technical account (+ or -)	-26,574¹⁷	3,156²⁷	-373³⁷	0⁴⁷	-30,103

(*) Algebraic sum of the items relating to the Italian portfolio included in items II.2, II.3, II.9, II.10 and II.12 of the income statement

Transactions with group and other investee companies

I: Income

	Parent companies	Subsidiaries	Affiliated companies	Associated companies	Other	Total
Income from investments						
Income from land and buildings	1. 0	2. 0	3. 0	4. 0	5. 0	6. 0
Dividends and other income from shares and holdings	7. 0	8. 67,179	9. 0	10. 0	11. 0	12. 67,179
Income on bonds	13. 0	14. 390	15. 0	16. 2	17. 0	18. 392
Interest on loans	19. 0	20. 1,221	21. 0	22. 0	23. 0	24. 1,221
Income on other financial investments	25. 0	26. 0	27. 0	28. 0	29. 0	30. 0
Interest on deposits with ceding companies	31. 0	32. 0	33. 0	34. 0	35. 0	36. 0
Total	37. 0	38. 68,790	39. 0	40. 2	41. 0	42. 68,792
Income and unrealised capital gains on investments for the benefit of the policyholders who bear the risk and deriving from pension funds	43. 0	44. 0	45. 0	46. 0	47. 0	48. 0
Other income						
Interest on receivables	49. 0	50. 0	51. 0	52. 0	53. 0	54. 0
Recoveries of administrative expenses and charges	55. 0	56. 28,246	57. 0	58. 85	59. 0	60. 28,331
Other income and recoveries	61. 0	62. 21	63. 0	64. 0	65. 0	66. 21
Total	67. 0	68. 28,267	69. 0	70. 85	71. 0	72. 28,352
Profits on realisation of investments (*)	73. 0	74. 0	75. 0	76. 0	77. 0	78. 0
Extraordinary income	79. 0	80. 0	81. 0	82. 0	83. 0	84. 0
GRAND TOTAL	85. 0	86. 97,057	87. 0	88. 87	89. 0	90. 97,144

Transactions with group and other investee companies

II: Expense

	Parent companies	Subsidiaries	Associated companies	Affiliated companies	Other	Total
Charges for management of investments and interest expense:						
Charges relating to investments	91	0	93	94	95	96
Interest on subordinated liabilities	97	98	99	100	101	102
Interest on deposits received from re-insurers	103	104	105	106	107	108
Interest on payables deriving from direct insurance transactions	109	110	111	112	113	114
Interest on payables deriving from reinsurance transactions	115	116	117	118	119	120
Interest on payables due to banks and financial institutions	121	122	123	124	125	126
Interest on payables with secured guarantee	127	128	129	130	131	132
Interest on other payables	133	134	135	136	137	138
Losses on receivables	139	140	141	142	143	144
Administrative charges and expenses on behalf of third parties ..	145	146	147	148	149	150
Sundry charges	151	152	153	154	155	156
Total	157	158	159	160	161	162
Charges and unrealised capital losses on investments for the benefit of the policyholders who bear the risk and deriving from the management of pension funds	163	164	165	166	167	168
Losses on realisation of investments (*)	169	170	171	172	173	174
Extraordinary charges	175	176	177	178	179	180
GRAND TOTAL	181	182	183	184	185	186

(*) With reference to the counterparty in the transaction

Company CATTOLICA ASSICURAZIONI S.P.A.
 Financial Year 2020

Summary statement of direct business premiums written

	Non-life business		Life business		Total	
	Establishment	L.P.S.	Establishment	L.P.S.	Establishment	L.P.S.
Premiums written:						
in Italy	1 1,692,302	5 0	11 554,351	15 0	21 2,246,653	25 0
in other European Union countries	2 0	6 4,210	12 0	16 0	22 0	26 4,210
in third countries	3 0	7 4,038	13 0	17 184	23 0	27 4,222
Total	4 1,692,302	8 8,248	14 554,351	18 184	24 2,246,653	28 8,432

Company CATTOLICA ASSICURAZIONI S.P.A.

Financial Year 2020

Statement of charges relating to staff, directors and statutory auditors

I: Personnel costs

	Non-life business		Life business		Total	
Costs for subordinate work services:						
Italian portfolio:						
- Remuneration	1	56,894	31	15,004	61	71,898
- Social security contributions	2	18,430	32	4,294	62	22,724
- Provision for employee severance indemnities and similar obligations	3	3,227	33	759	63	3,986
- Miscellaneous costs pertaining to personnel	4	4,513	34	1,045	64	5,558
Total	5	83,064	35	21,102	65	104,166
Foreign portfolio:						
- Remuneration	6	0	36	0	66	0
- Social security contributions	7	0	37	0	67	0
- Miscellaneous costs pertaining to personnel	8	0	38	0	68	0
Total	9	0	39	0	69	0
Grand total	10	83,064	40	21,102	70	104,166
Costs for freelance work services:						
Italian portfolio	11	35,513	41	0	71	35,513
Foreign portfolio	12	0	42	0	72	0
Total	13	35,513	43	0	73	35,513
Total costs for work services	14	118,577	44	21,102	74	139,679

II: Description of the items booked

	Non-life business		Life business		Total	
Charges for management of investments	15	1,658	45	3,438	75	5,096
Claims incurred	16	36,740	46	368	76	37,108
Other acquisition expenses	17	29,753	47	7,980	77	37,733
Other administrative expenses	18	44,568	48	7,571	78	52,139
Administrative charges and expenses on behalf of third parties	19	5,858	49	1,745	79	7,603
.....	20	0	50	0	80	0
Total	21	118,577	51	21,102	81	139,679

III: Average headcount during the year

	Number	
Executives	91	56
Office employees	92	909
Workers	93	0
Other	94	0
Total	95	965

IV: Directors and statutory auditors

	Number		Fees due	
Directors	96	17	98	3,835
Statutory Auditors	97	0	99	0

The undersigned declare that these financial statements are 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.

REAL ESTATE PROPERTY

(amounts in units of €)

NON-LIFE BUSINESS			Cost as at	Cost as at			Book value as at
Town or City	Address	Surface area	Dec 31st, 2019	Dec 31st, 2020	REVALUATION S	WRITE-DOWNS	December 31st, 2020 (*)
ROME	P. ZA DEI CAVALIERI DEL LAVORO, 5 -15	320	8,186	8,187	712,288	-271,963	448,511
ROME	VIA CURTATONE, 8	2,334	786,128	786,128	6,901,565	-575,510	7,112,183
ROME	VIA CURTATONE, 4	3,190	2,039,059	2,039,059	7,249,365	0	9,288,424
ROME	VIA NAZIONALE, 89 A	2,749	2,210,150	2,210,150	12,309,784	0	14,519,934
ROME	VIA DEL PESCACCIO, 30	10,348	8,530,985	8,530,986	5,340,136	-5,641,177	8,229,945
VERONA	L.GE CANGRANDE, 16	18,981	32,511,241	32,613,282	26,172,198	-4,685,020	54,100,460
ROME	VIA URBANA, 169 A/171	6,814	8,435,909	8,488,462	26,528,081	0	35,016,543
TOTAL		44,736	54,521,658	54,676,252	85,213,418	-11,173,669	128,716,000

(*) Gross of accumulated depreciation for properties amounting to € 44,403,517 as at December 31st, 2020

Managing Director
CARLO FERRARESI

Attestation of the financial statements pursuant to Article 154 bis, paragraphs 5 of Italian Legislative Decree No. 58 dated February 24th, 1998 and Article 81 ter of Consob Regulation No. 11971 dated May 14th, 1999 and subsequent amendments and additions

1. The undersigned, Carlo Ferraresi, in his capacity as Managing Director, and Atanasio Pantanotas, in his capacity as Manager in charge of preparing the financial reports of Cattolica Assicurazioni Società Cooperativa, hereby certify, also taking into account the provisions of Article 154 bis, paragraphs 3 and 4 of Italian Legislative Decree No. 58 dated February 24th, 1998:

- the adequacy in relation to the characteristics of the Company and
- the effective application,

of the administrative and accounting procedures in place for preparing the financial statements as of financial year 2020.

2. The adequacy of the administrative and accounting procedures in place for preparing the financial statements as at December 31st, 2020, has been assessed through a process established by Cattolica Assicurazioni Soc. Coop. on the basis of the COSO Framework (Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission), an internationally-accepted reference framework.

3. It is also certified that:

3.1 the financial statements as at December 31st, 2020:

- a) are prepared in compliance with the provisions of the Italian Civil Code, the Italian Legislative Decree No. 173 dated May 26th, 1997, the Italian Legislative Decree No. 209 dated September 7th, 2005 and subsequent amendments and applicable provisions, regulations and circular letters issued by IVASS;
- b) correspond to the related books and accounting records;
- c) provide a true and fair representation of the equity, economic and financial situation of the issuer.

3.2 The management report includes a reliable analysis of the performance and of the management result, as well as of the situation of the issuer, together with the description of the main risks and uncertain situations to which it is exposed.

Verona, March 24th, 2021

Carlo Ferraresi
Managing Director

Atanasio Pantanotas
Manager in charge of preparing the
Company's financial reports

MANAGEMENT CONTROL COMMITTEE'S REPORT

MANAGEMENT CONTROL COMMITTEE'S REPORT

Dear Shareholders,

For the first time, after 125 years of operations, the Shareholders' Meeting of Società Cattolica di Assicurazione (hereinafter, the Company) is open to the participation of all holders of the Company's shares, given the removal of the distinction between the status of "Socio" (member) and that of "Azionista" (shareholder) following the transformation of the company form from a co-operative to a public limited company.

In fact, this change took effect on April 1st, 2021, pursuant to a resolution adopted by the Shareholders' Meeting on July 31st, 2020.

Having said this, the Management Control Committee presents this Report pursuant to Art. 153, paragraph 1, of Italian Legislative Decree No. 58/1998 (Consolidated Law on Finance, or "TUF") and Art. 43, paragraph 1, letter i), of the Articles of Association to report on the supervisory activities carried out and on the omissions and reprehensible facts recognised in the Shareholders' Meeting called to approve the financial statements for the year ended December 31st, 2020.

*** * ***

1.- REPORT ON SUPERVISORY ACTIVITIES

Current legislation and the Articles of Association assign the tasks incumbent on the control body to the Management Control Committee (hereinafter also referred to as the Committee). The Articles of Association assign also to the Committee the responsibilities of the Control and Audit Committee pursuant to Art. 19 of Italian Legislative Decree No. 39/2010.

In the performance of its duties, the Committee attended the Shareholders' Meetings and the meetings of the Board of Directors; it held independent meetings and, in compliance with the respective Company regulations, it attended the meetings of the Control and Risks Committee to facilitate the exchange of information and tasks of mutual interest, as well as for the purpose of a more effective coordination of the control functions; it ensured the presence at the meetings of the Board Committees, usually of the Chairperson or, in case of impediment, of another member delegated for this purpose.

The aforementioned actions are summarised for 2020 as follows:

- 50 meetings of the Management Control Committee, 22 of which were joint meetings with the Control and Risks Committee;
- 31 meetings of the Board of Directors;
- 2 Shareholders' Meetings;
- 59 meetings of the Board Committees.

2.- MONITORING OF COMPLIANCE WITH THE LAW AND THE ARTICLES OF ASSOCIATION

2.1. Pursuant to Art. 43 of the previous co-operative Articles of Association (now Art. 33), the Committee monitored compliance with the law and the Articles of Association, in accordance with Art. 2409-Octiesdecies, paragraph 1, letters c-bis and d, of the Italian Civil Code, Art. 149 of the Consolidated Law on Finance, IVASS Regulation No. 38/2018, as well as taking into account the indications provided by CONSOB Communication No. 1025564 of April 6th, 2001 and subsequent amendments and additions.

Given the Company's adherence to the Code of Conduct for Listed Companies (from 2020, Corporate Governance Code in force from 01.01.2021), the Committee is entrusted with overseeing the methods for implementing the related corporate governance rules.

In addition, in its capacity as the "Internal Control and Audit Committee", the Committee carried out the following duties assigned to it by Art. 19 of Italian Legislative Decree No. 39 of January 27th, 2010, as amended by Italian Legislative Decree No. 135/2016, which can be summarised as follows: (a) informing the administrative body of the outcome of the statutory audit and sending it the additional report referred to in Art. 11 of the EU Regulation No. 537/2014 (the "EU Regulation"); (b) monitoring the financial reporting process; (c) monitoring the effectiveness of the company's internal quality control and risk management systems, and internal audit; (d) monitoring the statutory audit of the separate and consolidated financial statements, (e) verifying and monitoring the independence of the Independent Auditors, specifically with regard to the provision of non-audit services to the body subject to the statutory audit of the accounts; (f) implementing the Independent Auditors selection procedure.

The Committee's supervisory activity was based on the aforementioned regulatory framework and involved monitoring the substantial compliance with the regulations in force and the process of adopting those soon to be applied.

In this context, the share capital increase of up to € 500 million, resolved by the company's extraordinary shareholders' meeting on June 27th, 2020 with the conferral of the proxy pursuant to Article 2443 of the Italian Civil Code to the Board of Directors, is of particular importance. On August 4th, the Board of Directors exercised the proxy for the entire amount in accordance with the indications received from IVASS, providing for the issue in two tranches, the first of which, amounting to € 300 million, was reserved to Assicurazioni Generali under the commercial partnership agreements and subscribed and paid by the same, and the second, for the remaining portion, offered as an option to all shareholders. As communicated to the Market, on February 11th, 2021, the Board of Directors resolved to postpone the execution of the second tranche until July 31st of this year. For a detailed explanation of the transaction, please refer to the specific paragraph in the Management Report.

The Committee examined the Report on Corporate Governance and Ownership Structures (hereinafter, the Corporate Governance Report) for 2020 referred to in Art. 5, paragraph 2, letter i), of IVASS Regulation No. 38/2018, approved by the Board of Directors on March 24th, 2021. Again in compliance with the Borsa Italiana Code of Conduct and IVASS Regulation No. 38/2018 (formerly ISVAP No. 20/2008), in March 2020, the Board of Directors and the Management Control Committee, with the support of the Appointments Committee and with the help of a third-party company, conducted the periodic annual self-assessment process under their respective responsibility, with substantially positive results. This process was repeated at the beginning of the current year with the same results. The Corporate Governance Report provides the required information on this subject.

It should also be noted that, on March 15th, 2021, at the conclusion of the self-assessment process, the Committee confirmed the suitability of its members and the adequacy of its composition with reference to the requirements of professionalism, competence, integrity and independence required by law and, in particular, by Arts. 148, paragraph 3, letters b. and c., and 148-bis, paragraph 1, of Italian Legislative Decree No. 58/98, providing the Board of Directors with the appropriate information.

With regard to the conditions for the existence of the requirement of independence, it should be noted that the Board of Directors in its resolution of May 8th, 2013, subsequently confirmed in similar resolutions, provided for the non-application also for the Directors, of the independence requirement envisaged by point 3.C.1 e) of the Code of Conduct [loss of the requisite if an individual has been a Director of the Company for more than nine years in the last 12 years] in compliance with the recognised need to show preference with regard to an essential valuation.

In this regard, it is worth mentioning that the new Articles of Association of the public limited company, which came into force on April 1st, 2021 sanction the overcoming of this exception by providing for the elimination of the requirement in question for persons who have held the position of director for a period of nine consecutive years prior to their appointment.

Furthermore, we acknowledge that the letter of December 20th, 2020, sent by the Chairman of the Italian Committee for Corporate Governance to the Chairmen of the administrative bodies, to the Managing Directors and to the Chairmen of the control bodies of listed companies, together with the 8th Annual Report on the application of the Corporate Governance Code, was examined by this Committee and brought to the attention of the Corporate Governance Committee and the Board of Directors of the Company. The comments on the recommendations included in the aforementioned letter are included in a specific chapter of the Corporate Governance Report.

Reference should be made to the latter for further information on the management and control model adopted by the Company and the methods of application of the further recommendations of the Code of Conduct, also in terms of internal audit and risk management, in compliance with the provisions of the Private Insurance Code and IVASS Regulation No. 38/2018.

Lastly, it should be noted that the Company dealt with the health emergency caused by COVID-19 by implementing an articulated series of measures in favour of employees, agents and customers, of which the Management Report provides detail information.

With regard to the matters stated above, the Committee has no particular observations to make.

In 2020, the Committee received a complaint pursuant to Article 2408 of the Italian Civil Code from the Shareholder FINEMA S.R.L. to which it responded at the Shareholders' Meeting of June 27th, 2020.

In the last financial year, no complaints were received by the supervisory body.

2.2.- Supervisory Authorities

Within the sphere of supervisory activities, the Committee responded to the requests for information received from the Supervisory Authorities and, in particular: from CONSOB on matters concerning the proposal for proxy of powers to the Board of Directors pursuant to Article 2443 of the Italian Civil Code for the share capital increase submitted to the shareholders' meeting of June 2020 and the process for collecting the proxies for the shareholders' meeting of July 2020; from IVASS on the performance of the solvency situation of the Cattolica Group.

In this context, reference is made to that reported in last year's Report with reference to the evidence communicated to both of the aforementioned Authorities regarding potential profiles of non-compliance with the regulations on Internal Dealing and, in particular, the provisions of EU Regulation 596/2014, Articles 14 and 19, and Legislative Decree No. 107/2018, to signify that the Company has completed the planned process of reviewing and implementing the Market Abuse Policy and the related Operating Procedure.

IVASS

On January 8th, 2021, IVASS notified the Company of the results of the inspection initiated in December 2019 and the initiation of sanctioning proceedings, given the unfavourable findings of the inspections. The Institution requested also specific measures from Cattolica Assicurazioni aimed at: (i) the replacement of the members of the administrative body as soon as the company is transformed into a public limited company, in order to allow the company to carry out this replacement within a limited timeframe, consistent with the transformation process; (ii) the preparation of a plan of action (the Plan), approved by the Board of Directors, aimed at addressing the findings subject to the inspections. The proper implementation of the required measures is the responsibility of the Managing Director, while the Committee must ensure that they enable the Company to comply with the Authority's requests.

In this respect, the Committee reports the following:

- on March 5th, 2021, the Board of Directors approved the IVASS findings communication, including the aforementioned Plan, to the preparation of which the Committee contributed to the extent of its competence, which was sent to the Institution together with our relevant evaluations;
- the Company initiated promptly the process for the formation of a list of candidates for the renewal of the Board of Directors with the assistance of a leading company specialised in the sector, the results of which are

summarised in the proposal made by the same to the Shareholders' Meeting;

- on March 8th, 2021, the Company submitted its counter-arguments to the IVASS Penalties and Settlements Department in response to the findings of the inspection. The duration of the sanctioning process is two years.

CONSOB

By order of February 11th, 2021, CONSOB charged the Company with alleged violations of the protection against market abuse regulations (MAR), with reference to the management of information relating to the withdrawal of the proxies from the former Managing Director on October 31st, 2019. The Company presented its comments on the findings made by the Commission on March 18th, with the support of legal opinions that support its actions.

MiSE

In November 2020, following a report received from five shareholders regarding the alleged violation of Art. 2527 of the Italian Civil Code in the case of Assicurazioni Generali's entry into the company ownership structure and its directors being appointed to the Board of Directors, the Italian Ministry of Economic Development (MiSE) launched an extraordinary inspection of the Company.

The inspection concluded favourably without a proposal to adopt any measures against the Company.

3.- MONITORING OF COMPLIANCE WITH THE PRINCIPLES OF PROPER ADMINISTRATION

The Committee met periodically, both independently and in joint sessions with the Control and Risks Committee, the Managing Director, the heads of corporate areas and divisions, the Manager in charge of preparing the company's financial reports and the independent auditors Deloitte & Touche S.p.A. (hereinafter, the Independent Auditors), also in order to assess whether the choices made are based on decision-making processes inspired by principles of correct information and reasonableness on the basis of information flows aimed at representing the risk profiles and the effects of the decisions to be taken.

The Committee oversaw the observance of the provisions and fulfilments envisaged for the most important economic, financial and equity transactions, finding that they complied with the law and the Articles of Association and were not manifestly imprudent or risky, nor did they create any conflicts of interest, contrasting with the resolutions passed by the Shareholders' Meeting or in any case, such as to compromise the integrity of the Company's assets.

In this context, it monitored the implementation of the actions approved by the Board of Directors to address the circumstances that led to the share capital increase and the partnership agreements with Assicurazioni Generali.

It is acknowledged that, in accordance with Art. 38 of the Articles of Association and Art. 150, paragraphs 1 and 2, of the Consolidated Law on Finance, the Board of Directors has received, at least quarterly, the required periodic information on the Company's operating performance and outlook, its activities and the most significant economic, financial and equity transactions carried out by the Company and its subsidiaries, with particular attention to any transactions in which an interest, on its own behalf or on behalf of third parties, of directors is identified.

Information on the most significant events and transactions as well as those with related parties and/or intercompany of an ordinary nature is provided in specific sections of the Management Reports and Notes to the accounts of the Financial Statements and Consolidated Financial Statements, to which reference should also be made for qualitative and quantitative information on the characteristics of these transactions, as well as the related conditions agreed.

In the course of its activities, the Committee did not find any atypical and/or unusual transactions with third parties, related parties or intercompany, as defined in CONSOB Communication No. DEM/1025564 of 04/06/2001 and subsequent amendments.

With regard to the transactions with related parties outside the Group, the same are generally placeable within the sphere of market values.

Also in this regard, it should be noted that, pursuant to CONSOB Regulation No. 17221 of March 12th, 2010, and subsequent amendments, the Company has for some time now been implementing and periodically updating a specific "Procedure for the management of transactions with related parties", with the establishment of a dedicated organisational unit and specific procedures for detecting presupposed circumstances, as well as a Committee tasked with the examination of transactions not falling within the cases of exclusion. It is also acknowledged that activities have been initiated to bring company regulations into line with the provisions of the new legislation on these matters, issued by CONSOB with resolution No. 21624 of December 10th, 2020, in time for the effective date of July 1st, 2021.

The Committee supervised the exercise by the Company of its management and coordination powers pursuant to Arts. 2497 et seq. of the Italian Civil Code.

Pursuant to Art. 114, paragraph 2, of Italian Legislative Decree No. 58/1998, Società Cattolica di Assicurazione, in its capacity as issuer, has provided the necessary instructions to its subsidiaries so that they may provide all

the information required to comply with the disclosure obligations envisaged by law and by European Regulation No. 596/2014. The presence of members of the Company's Board of Directors and Senior Management in the administrative bodies of the subsidiaries helps to ensure compliance. With regard to Articles 2497-2497 septies of the Italian Civil Code, management and coordination activities were carried out in accordance with the guidelines illustrated by the Directors in the specific chapter of the Management Report.

The Management Report to the draft Separate and Consolidated Financial Statements, as well as the Report on Solvency and Financial Condition, describe the main risks to which the Cattolica Group is subject and the related management policies, with information extended to the possible impacts on the company's performance, in the foreseeable future, due to the Covid-19 health emergency.

In the insurance sector, the Committee has periodically checked compliance with the provisions of IVASS Regulation No. 24/2016 on activities intended to cover technical provisions, checking the full availability and absence of restrictions and charges on these assets and observance by the Company of the admissibility requisites and the investment limits laid down by regulations, as well as the updating of insurance registers.

In view of the above, there are no observations concerning the ongoing application of the principles of correct administration, without prejudice to the implementation of the improvement actions set out in the remedial plan.

4.- MONITORING OF THE ADEQUACY OF THE ORGANISATIONAL STRUCTURE

The Committee oversaw the organisational structure, participating actively in the decision-making phase and sharing the choices made by the Board of Directors to adapt the structure to the business and governance needs of the Company and the Group.

In place of the resigning Alberto Minali, the Shareholders' Meeting of July 31st, 2020, appointed the Delegated General Manager Carlo Ferraresi as a member of the Board of Directors, subsequently elected Managing Director by Board resolution of August 4th, 2020, which also reconfirmed the powers previously granted to him.

It should be noted that Alberto Minali, shortly after leaving the Board of Directors, through his lawyers served a summons on the Company to obtain recognition of his financial claims due following the stated revocation of the office of Managing Director without just cause.

In October, the Board of Directors, having acknowledged the resignation of Directors Pierantonio Riello, Chiara de Stefani and Carlo Napoleoni, and in execution of the partnership agreements with Assicurazioni Generali, completed the Board by co-opting Stefano Gentili, Roberto Lancellotti and Elena Vasco. The newly appointed directors Gentili and Lancellotti were also appointed chairmen of the Corporate Governance, Sustainability and Value Generation Committee and the Remuneration Committee, respectively.

At the top of the corporate organisation, emphasis was placed on the integration of the roles of deputy general managers with the establishment of four areas of competence (CFO, COO, Commercial, Non-motor Non-life and Reinsurance), which was followed by a consistent redefinition of the respective operational delegations.

The Committee monitored also the organisational changes made to key functions during the year and found that they were appropriate to the process of their development.

For further information on the Company's organisational and operational structure, please refer to the Corporate Governance Report.

5.- SUPERVISION OF THE ADEQUACY AND FUNCTIONING OF THE INTERNAL CONTROL SYSTEM

The internal control system adopted by the Group envisages the presence of the so-called "Key" Functions located at a higher organisational level than line and/or business operations, with different degrees depending on the nature of the controls to which they belong, i.e.: level II units (Risk Management, Actuarial, Compliance, Anti-Money Laundering Units) and level III units (Internal Audit Unit). These units, which are hierarchically subordinate to the Managing Director as the person responsible for the system of controls, report to the Board of Directors on the necessary independence of their respective roles.

The Committee monitored the adequacy and functioning of the internal control system and the governance and risk management process, observing their development, which, in the case of the latter, led in particular to a strengthening of the operating limits of the Solvency Ratio within the Risk Assessment Framework (RAF) adopted by the Company.

Also interacting with the Control and Risks Committee, the action was carried out within the scope of their respective competences through the participation of the heads of the control units in the joint meetings of the two Committees, during which the annual plans of each unit

were shared and the periodic reports and final reports were analysed, the results of which were assessed, improvement measures suggested as well as the processes for their implementation by the appropriate corporate structures.

For more timely information, the Internal Audit Unit sends normally the reports of the audits carried out at the end of each intervention, to the members of the Committees in question, anticipating periodic reporting.

The Committee oversaw also the adequacy, reliability and security of the information system, accounting, first and foremost, for the initiatives that have made it possible to extend the use of smart-working to all staff since the beginning of the Covid-19 emergency.

In 2020, the change in the top management of the IT Division provided new impetus to the evolutionary process towards the Data Driven Company model. Also on the basis of the assessment commissioned from a leading consulting firm, with the update of the 2020 IT Plan, a series of interventions were identified to raise the level of efficiency and effectiveness of the systems over the 2019-2021 Plan period. The Committee was informed of the contents of the report and welcomed the new approach, which provides for, inter alia: the internalisation of a strategic software (ALL-IN), the choice of a single partner for the management of IT services, a new organisational structure combined with a strengthening of skills and the Management's commitment to overcome the main gaps identified within the first few months of the current year.

In terms of operational continuity and business recovery of the information system as a whole, note was taken of the interventions carried out and planned to further reduce the degree of exposure to Cyber Risk, in particular by acting on the information and security event management system, on database monitoring tools, and on controls on access to the corporate network from mobile devices.

On the occasion of the preparation of the financial statements, the consolidated financial statements and the half-yearly financial report, the Committee met with the Manager in charge of preparing the company's financial reports, in their capacity as a control officer for the management of risks relating to financial reporting pursuant to Art. 154-bis of the Consolidated Law on Finance, to confirm compliance with the relevant provisions. In addition, when attending meetings of the Control and Risks Committee, they monitored the results of controls carried out to measure the reliability of the processes used to prepare corporate accounting documents. In this respect, there are no specific comments

During the year, the Committee interacted with the Supervisory Body pursuant to Italian Legislative Decree No. 231/2001 in collective meetings, or with the participation of the Chairman alone, to provide information on their respective activities of mutual interest and, in particular, on internal dealing issues relating to the events mentioned above. We reviewed also the periodic reports on the activities carried out and the annual Activity Plan produced by the Body, as well as the process of updating the Organisation, Management and Control Model to incorporate, though not solely, the new offences included in Catalogue 231.

Via the presence during the meetings of the Chairman or their delegated person, the control body took also part in the activities of the board committees (Related Parties Committee, Corporate Governance and Sustainability Committee, Remuneration Committee, Appointments Committee) in relation to which the preliminary and support activities for the decisions of the management body in accordance with the respective duties, were ascertained.

In particular, the Committee monitored the correct application of the rules relating to the remuneration of the managers of key functions in coordination with the Remuneration Committee and the Control and Risks Committee.

During the year under review, where required, the Committee provided the opinions and observations envisaged by legislation.

Having said this, from the analyses carried out and on the basis of the elements acquired, also taking into account the evidence found during the IVASS inspection, we acknowledge the need to continue the process of strengthening the internal control and risk management system as outlined in the Remedial Plan.

6.- MONITORING OF THE ADEQUACY OF THE ADMINISTRATIVE AND ACCOUNTING SYSTEM

The Committee monitored the adequacy of the administrative and accounting system, with particular reference to the effectiveness of the company's internal quality control and risk management systems, the reliability of its structure and its ability to correctly represent the Company's and the Group's operating performance.

In order to perform the supervisory duties referred to in Art. 19, paragraph 1, letter c), of Italian Legislative Decree No. 39/2010 on financial reporting, the activity included monitoring the related process and the effectiveness of the internal quality control and risk management systems for the purposes of Italian Law No. 262/05. The action

included in-depth sessions and discussions with the Manager in charge of preparing the company's financial reports pursuant to Art. 154-bis of the Consolidated Law TUF during which specific aspects of this information were analysed, the activities included in the related annual plan were evaluated and the results of the periodic controls carried out by the relevant organisational unit were examined, as well as sharing of the interventions and actions to strengthen the internal control system relating to this reporting.

In joint meetings with the Control and Risks Committee, the Manager in charge for preparing the company's financial reports, the managers of the administrative area and the Independent Auditors, the Committee provided its contribution in assessing the correct use of the accounting principles for the preparation of the separate and consolidated financial statements. In particular, the guidelines of the Impairment Test procedures conducted on goodwill, on the valuation of equity securities classified as "available for sale" and on illiquid securities were examined. These results were confirmed by the findings of the analysis conducted by a leading consulting firm, which expressed its opinion on the overall consistency of the recoverable values estimated by the Company with the recalculation exercises used, although subject to the uncertainty inherent in each estimation exercise.

The valuation process of real estate assets aimed at calculating their fair value was also examined, including by comparing it with another control method based on an income/financial criterion.

More generally, the activities carried out have made it possible to verify that the financial statements have been prepared in compliance with the provisions of Italian Legislative Decree No. 209/2005, ISVAP Regulation No. 22/2008, as amended by IVASS Provision No. 53/2016, and Italian Legislative Decree No. 173/1997, as amended to implement Directive 2009/138/EC, Solvency II and Directive 2013/34/EU, Accounting.

The accounting standards adopted are those in force in Italy and established by legal provisions, as updated during the year. There are no exceptions to the legal provisions relating to the preparation of financial statements.

When drawing up the financial reports, the recommendations contained in the joint Bank of Italy/CONSOB/IVASS Documents and the CONSOB communications regarding the areas deemed to be of greatest relevance indicated by ESMA were taken into consideration.

The 2020 Consolidated Financial Statements have been prepared by Cattolica Assicurazioni, in its capacity as Parent Company, pursuant to Art. 154-ter, paragraph 1, of Italian Legislative Decree No. 58/1998 and Art. 95 of Italian Legislative Decree No. 209/2005, in compliance with the

IAS/IFRS international accounting standards and SIC/IFRS interpretations, having as reference those approved by the European Commission by December 31st, 2020. They comply also with the instructions set out in ISVAP Regulation No. 7/2007 and take into account the provisions of the CONSOB regulation adopted by Resolution No. 11971/1999 and subsequent amendments and additions.

The Managing Director and the Manager in charge of preparing the company's financial reports have issued the attestations required by Art. 154-bis, paragraph 5, of the Consolidated Law on Finance.

To the extent of its competence, the Committee examined the process of preparing the Consolidated Non-Financial Statement in compliance with the provisions of Italian Legislative Decree No. 254/2016. This activity included, in particular, progress meetings with the manager of the operating unit in charge, attached to the Communication Division, and monitoring the implementation of the processes and procedures designed to provide the information required by the legislation in question, as well as examination of the Final Report.

The aforementioned documents were approved by the Board of Directors on March 24th, 2021.

In 2020, the Committee oversaw the process of preparing the financial information summarised in the Report on the Solvency and Financial Condition and the Periodic Information to IVASS pursuant to IVASS Regulation No. 33/206 for the year ended December 31st, 2019, approved by the Board of Directors at its meetings on March 18th and April 7th, 2020, respectively.

The Company conducted its annual internal assessment of its current and prospective risk and solvency profile (Own Risk and Solvency Assessment - ORSA) with reference to the date of December 31st, 2019 and over a three-year period set out in the update of the 2020-2022 Rolling Business Plan. The process was completed by sending the final report to IVASS, following approval by the Board of Directors on July 13th, 2020.

In compliance with the provisions issued by IVASS on March 17th, 2020 with regard to the tensions recorded on the financial markets as a result of the Covid-19 epidemiological emergency, the Company activated the additional periodic reporting on the solvency data of the Company and the Group in order to continuously monitor the increasing volatility.

The dynamics of the solvency position of the Cattolica Group and of the Company impacted by the economic trend of the financial indicators led the Board of Directors to resolve the proposal to strengthen the Own Funds via the share capital increase described above, the terms

and timing of implementation of which initially envisaged were subsequently redefined in compliance with the indications of the Supervisory Authority.

Società Cattolica Assicurazioni has activated 2 Pension Funds ("Fondo Pensione Aperto Cattolica Gestione Previdenza - a Contribuzione Definita" and "Fondo Pensione Aperto Risparmio & Previdenza - a Contribuzione Definita") and 4 Individual Pension Plans (PIP). During the year, the Committee met with the Manager responsible for monitoring performance. The Board of Directors examined and approved the 2020 statements of the same at the meeting called for March 17th, having noted the reports issued on the same date by the Independent Auditors certifying that the statements of the accumulation phase of the various segments of the Funds provide a true and fair view of the balance sheet and financial position as at December 31st, 2020, and of the change in net assets allocated to services for the year ended on that date, in accordance with the provisions governing their preparation. The annual reports of the Manager of the Pension Funds and PIPs, intended for COVIP, also concluded without irregularities.

Based on the overall findings, as well as on the observations of the Independent Auditors, the Committee believes that the administrative and accounting system of the Company and the Group is substantially adequate and reliable, as it is able to ensure the completeness, correctness and timeliness of financial information regarding management events and the preparation of the financial statements and other financial communications.

7.- MONITORING OF THE STATUTORY AUDIT PROCESS

During the meetings held with the Independent Auditors for the exchange of information as per Art. 150, paragraph 3, of Italian Legislative Decree No. 58/98, no significant aspects emerged, as well as further to the periodic check as per Art. 14, paragraph 1, letter b), of Italian Legislative Decree No. 39/2010. The Committee oversaw also the statutory audit of the annual accounts and the consolidated accounts, in compliance with Art. 19, paragraph 1, letter d), of Italian Legislative Decree No. 39/2010, by means of specific meetings aimed at examining the relevant aspects of the audit plan and the verification actions planned and implemented.

The review of the Company's and Group's results was carried out on the basis of a Plan drawn up for the purpose by the Independent Auditors and submitted for the examination of the Committee, which discussed the

contents, checking the adequacy of the planned checks and controls.

On April 21st, 2021, the Independent Auditors Deloitte & Touche S.p.A. issued the reports pursuant to Art. 14 of Italian Legislative Decree No. 39/2010, Art. 10 of EU Regulation No. 537/2014 and Art. 102 of Italian Legislative Decree No. 209/2005, for the Company's Financial Statements and the Group's Consolidated Financial Statements as at December 31st, 2020, which show that the financial statements provide a true and fair view of the balance sheet and financial position at that date, as well as of the economic result for the year, in compliance with the reference standards and regulations. An opinion has also been expressed on the consistency - with the financial statements - of the Management Reports and the envisaged information presented in the Report on corporate governance and the ownership structures, as well as the opinion on their compliance with the law. The statements referred to in Art. 14, paragraph 2, letter e), made on the basis of the knowledge and understanding of the company and its context acquired during the audit activity, without any evidence, follow. Finally, within the meaning of Italian Legislative Decree No. 209/2005, with reference to the financial statements, an opinion is expressed on the sufficiency of the technical provisions pursuant to Art. 102, paragraph 2.

Also on April 21st, 2021, Deloitte & Touche issued to the Committee, in its capacity as the Internal Control and Audit Committee, the Additional Report referred to in Art. 11 of EU Regulation No. 537/2014, which does not show significant deficiencies in the internal control system in relation to the financial reporting process and cases of actual or alleged non-compliance with laws and regulations or Articles of Association provisions. In turn, the Committee will forward the said Report to the Board of Directors in accordance with Art. 19, paragraph 1, letter a), of Italian Legislative Decree No. 39/2010, without comments.

On the latter date, pursuant to Article 3, paragraph 10, of Italian Legislative Decree No. 254/2016 and Article 5 of CONSOB Regulation No. 20267/2018, Deloitte & Touche presented the Report on the Consolidated non-financial statement of the Cattolica Assicurazioni Group relating to the financial year 2020, which concludes with the declaration of compliance with the requirements of Articles 3 and 4 of said Decree and the Global Reporting Initiative Sustainability Reporting Standards, as well as the annual note confirming independence pursuant to Article 6, paragraph 2, of European Regulation No. 537/2014 and paragraph 17 of ISA Italia 260.

With regard to the Report on Solvency and Financial Condition (SFCR) for the year 2020, Deloitte & Touche

submitted its report on April 8th, 2021, in accordance with Art. 47-septies, paragraph 7, of Italian Legislative Decree No. 209/2005 and Art. 4, paragraph 1, letters a) and b), of IVASS Regulation No. 42/2018. As part of the procedures carried out with reference to the solvency reporting included in the SFCR, the Independent Auditors pursuant to Art. 12 of the aforementioned Regulation highlighted certain aspects that could be improved, although not the nature of significant deficiencies or shortcomings. These were brought to the attention of the Board of Directors. Some of the reports issued by Deloitte & Touche on the final statements of the pension schemes in operation at the company have already been mentioned in the previous paragraph.

The Company granted the Independent Auditors Deloitte & Touche S.p.A. a number of responsibilities other than the accounts audit, whose costs, excluding out-of-pocket expenses and VAT, are indicated below:

- examination of the "annual pension funds management report", € 12,480;
- examination of the "annual internal funds management report", € 176,800;
- certification of the annual rate of return for segregated management schemes, € 110,424;
- solvency II certificate, € 663,300;
- consolidated non-financial statement pursuant to Italian Legislative Decree No. 254/16, € 73,228;
- checking the Unico 2019 form and 770 form, € 17,725;
- other responsibilities: € 5,735 for the English language translation of the 2019 consolidated financial statements; € 5,735 for the English language translation of the consolidated half-yearly report; € 15,450 for the English language translation of the 2019 financial statements; € 12,000 for the English language translation of the Solvency and Financial Condition report; € 6,030 for the English language translation of the Consolidated Non-Financial Statement pursuant to Legislative Decree 254/16; a total of € 1,100,000 for preparatory activities for the share capital increase, including (i) the fairness opinion on the share price pursuant to Art. 2441 of the Italian Civil Code, (ii) the voluntary review of Solvency II data as at September 30th and (iii) activities aimed at issuing a comfort letter on the information prospectus.

In addition, it should be noted that, within the scope of the other companies included in the scope of consolidation and subject to audit activities, the value of non-audit appointments assigned to the aforementioned Independent Auditors, for checking the Unico 2020 form and 770 form, for the certification of the annual rate of

return for segregated management schemes, for the examination of the "annual report on internal funds management", for the examination of the "annual report on pension funds management" and for the Solvency II certification amounted to € 1,162,477 (excluding out-of-pocket expenses and VAT).

The table summarising the services provided to the Company and its subsidiaries by the Independent Auditors and by the bodies belonging to its network, with an indication of the fees paid, is included in the Financial Report (Table 73).

It should be noted that the Committee, in its capacity as the Internal Control and Audit Committee, has, as a general rule, examined in advance the proposals for services other than the statutory audit offered by the appointed Independent Auditors and the companies belonging to the relevant network, assessing their compatibility with the limits set out in Art. 5 of EU Regulation No. 537/2014 and the absence of potential threats to the independence of the statutory audit, supported by consistent statements issued by the auditor appointed.

In order to ascertain the possible granting of appointments to parties linked by on-going relations with the Auditors and the related costs, a specific request was made to Deloitte & Touche S.p.A. with regard to the parties linked to the same by these types of relationship. The latter, in a note of February 8th, 2021, addressed to the Company, with reference to its "network" as defined in accordance with Art. 149-bis, paragraph 2, of the Issuers' Regulation (limited to the countries in which Cattolica Assicurazioni Group entities are present), disclosed that:

- the operating entities with registered offices in Italy are: Deloitte & Touche S.p.A., Deloitte Italy S.p.A., Deloitte Central Mediterranean S.r.l., Deloitte Consulting S.r.l., Deloitte Business Solutions S.r.l., Deloitte Financial Advisory S.r.l., Deloitte Risk Advisory S.r.l., Studio Tributario Societario Deloitte - StP S.r.l., Deloitte Legal S.t.A.r.l., IN2Law S.r.l., Deloitte Touche Tohmatsu Tax Services S.r.l. a socio unico, Office Innovazione S.r.l., Clustin S.r.l. a socio unico, Consorzio Deloitte Consulting and Fondazione Deloitte.

- the operating entities with registered offices in Ireland are: Deloitte Ireland LLP, Deloitte Services, Deloitte R&D Incentives Ireland, Deloitte (NI) Ltd, Deloitte Consultants Ltd, Deloitte Unlimited Company, Deloitte Management Services Unlimited Company, Deloitte International (Ireland) DAC, Deloitte Indirect Tax Services Ltd, Leaf Securities Ltd, Merrion Registrars Unlimited Company, Deloitte Technology Holdings Ltd, Deloitte Technology

Solutions Ltd, DT Tech Solutions UK Ltd and DNR Technologies Solutions Ltd.

- the operating entities with registered offices in Luxembourg are: Deloitte Touche Tohmatsu S.à r.l., Deloitte Audit S.à r.l., Deloitte Tax & Consulting S.à r.l., Deloitte General Services S.à r.l., Aerogolf Business Center S.à r.l., Deloitte Solutions S.à r.l., Deloitte Tax Reporting Services S.A., Fiduciaire Générale de Luxembourg S.à r.l., Deloitte LIS S.à r.l.

From the checks carried out, it appears that the Company appointed also Deloitte Financial Advisory S.r.l. at a cost of € 100,000 for the activities aimed at issuing a comfort letter on the prospective data to be represented in the information prospectus of the share capital increase transaction.

In view of the above, the Committee believes that no critical aspects have emerged with regard to the independence of the Independent Auditors.

Lastly, it should be noted that the Company, in its capacity as Parent Company, by resolution of the Shareholders' Meeting of June 27th, 2020, concluded the process for the selection of the Group's Independence Auditors for the period 2021-2029, appointing PricewaterhouseCoopers S.p.A. (PWC), accepting the recommendation made by this Committee.

8. - MUTUAL PURPOSE

Pursuant to Art. 2545 of the Italian Civil Code, with reference to the corporate management for the pursuit of the mutual purpose, please refer to the information provided in the Management Report in the specific chapter "Shareholders" - "Mutual purpose of the Company". On a consistent basis with the related Articles of Association provision, the Company permits the shareholders to take out insurance policies under particularly favourable conditions. The entity of the premiums of the shareholders and the amount of the benefits enjoyed are specified in the notes to the accounts, in the "Activities carried out with the shareholders" chapter.

9. - CONCLUSIONS

Dear Shareholders,

Taking into account the foregoing and considering the process for the preparation of the annual financial statements, the opinions expressed by the Independent Auditors and the attestations of the Managing Director and the Manager in charge of preparing the financial reports, the Committee, to the extent of its own competence, does not find any reasons to prevent the approval of the Financial Statements as at

December 31st, 2020, and the Management Report, as prepared by the Board of Directors.

The Committee expresses a favourable opinion on the proposal to allocate the profit for the year of € 3,582,754 to the extraordinary reserve and the consequent proposals to allocate the separate results of the Non-Life and Life businesses detailed in the Notes to the accounts, summarised as follows:

- for the excess of € 33,797,571 of non-life business profit over the aforementioned profit for the year, to the extraordinary reserve pertaining to this business;

- coverage of the loss of € 33,797,571 from life business through use of the share premium reserve.

Verona, April 21st, 2021

Finally, there are no impediments to the approval of the following additional proposals:

- to allocate the surplus of the legal reserve over one-fifth of the share capital to a specific reserve, which became available for a total of € 170,269,291 as a result of the transformation into a public limited company, of which € 159,829,200 relates to non-life business and € 10,440,091 to life business;

- to make the reserve for exchange gains available for the amount of € 9,071 to be allocated in full to life business.

THE MANAGEMENT CONTROL COMMITTEE

Mr Giovanni Glisenti - Chairman

Ms Federica Bonato

Mr Cesare Brena

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010,
ARTICLE 10 OF THE EU REGULATION N. 537/2014
AND ARTICLE 102 OF LEGISLATIVE DECREE No.209 OF SEPTEMBER 7, 2005

To the Shareholders of
Società Cattolica di Assicurazione S.p.A.
(formerly Società Cattolica di Assicurazione – Società Cooperativa)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Società Cattolica di Assicurazione – Società Cooperativa (from April 1, 2021, Società Cattolica di Assicurazione S.p.A. and the Company), which comprise the balance sheet as at December 31, 2020, the income statement for the year then ended and the explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at December 31, 2020 and of its financial performance for the year then ended in accordance with the Italian law governing financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of the recoverability of investments in subsidiaries

Description of the key audit matter In the financial statements for the year ended December 31, 2020 the Company recorded, in the item C.II "Investments in Group companies and in other investees", investments in subsidiaries for Euro 1,671.5 million.

Investments in subsidiaries, existing a long-term connection, are classified in the long-term use portfolio and recorded at purchase cost net of any identified impairment losses.

In order to verify the possible existence of permanent losses in the value of investments in subsidiaries recorded in the financial statements, the Company carried out specific analytical evaluations, determining the recoverable amount of these investments based on their ability to generate future cash flows.

As indicated by the Directors in the "Part A – Accounting standards" of the explanatory notes, the analyses aimed at identifying permanent impairment losses for equity investments classified in the long-term portfolio involve a high use of discretionary valuations, assumptions, estimates and hypothesis whose variation could cause deviations in the related results; moreover, the continued uncertainties arising from the emergency situation due to Covid-19 could also have effects on the assumptions based on the estimates made.

In particular, the evaluation process adopted by the Company is based on assumptions concerning, among others, the expected cash flow forecast of the companies subject to assessment, which are based on the projections of the economic results for the period 2021-2023, the determination of the cost of capital and of the long-term growth rate, the definition of the Solvency Ratio level, the identification of the combined ratio for equity investments in the "non-life" business and the new business for investments in the "life" business. For the companies Vera Vita, Vera Assicurazioni and Vera Protezione, a multi-year approach has been used, weighing the possible different effects deriving from the new agreement with Banco BPM S.p.A..

The section related to investments in subsidiaries of the "Part B - Information on the Statement of financial position and Income statement" of the explanatory notes, contains the disclosure of the aspects described above together with the amount of the adjustments recognized by the Company following the analytical assessments performed during the year.

In consideration of the complexity and subjectivity of the embedded in the estimate processes relating to the determination of the expected cash flows related to the above mentioned subsidiaries and the key variables used in the valuations, even because of the uncertainty surrounding the pandemic situation and taking into account the relevance of the item, we considered the assessment of the recoverability of investments in subsidiaries a key matter for the audit of the financial statements as at December 31, 2020 of the Company.

Audit procedures performed

The audit procedures carried out also taking into consideration the exceptional situation resulting from the pandemic emergency and with the support of experts belonging to the Deloitte network, have included, among others, the following:

- examination of the methods used to determine the recoverable amount of investments in subsidiaries, analyzing methods and assumptions adopted in order to develop the evaluation models;
- understanding and recognition of the relevant controls carried out by the Company on the process for determining the recoverable amount;
- analysis of the reasonableness of the main assumptions adopted used to determine of the expected cash flow forecasts, also by analyzing available sector data and obtaining information from the management;
- analysis and understanding of the process of determining cash flows with reference to Vera Vita, Vera Assicurazioni and Vera Protezione in the different scenarios used for the calculation of the recoverable value of the investment in these companies, also through the examination of the new agreement signed with Banco BPM S.p.A.;
- analysis of the reasonableness of the variables used in the evaluation model, such as the cost of capital and the long-term growth rate, the Solvency Ratio, the combined ratio for companies operating in the "non-life" business and the new business for companies operating in the "life" business;
- verification of the mathematical accuracy of the calculations made to determine the recoverable amount of investments in subsidiaries and the related sensitivity analysis;
- control of the correct calculation of the carrying value of investments in subsidiaries and of the related adjustments for permanent impairment losses;
- control of the completeness and adequacy of the information provided by the Company in accordance with the applicable regulation.

Valuation of unlisted debt securities and debt securities listed on non-active markets

Description of the key audit matter

The financial statements of the Company as at December 31, 2020 includes, in the item C.III "Other financial investments", unlisted debt securities and debt securities listed on non-active markets (hereinafter "debt securities not listed on active markets") for a total amount of Euro 1,048.1 million.

As noted by the Directors in the "Part A – Accounting standards" of the explanatory notes, the identification of the fair value of financial instruments, if not directly observable on an active market, involves a high recourse to discretionary evaluations, assumptions, estimates and hypotheses, whose variation could cause deviations in relation to those figures. Moreover, the continued uncertainties arising from the emergency situation due to Covid-19 could also have effects on the assumptions based on the estimates made.

The Company describes, in "Part A - Accounting standards" of the explanatory notes, the criteria used to determine the market value of the financial assets and the main evaluation techniques for defining the market value for the different kinds of financial instruments held in the portfolio.

In consideration of the relevance of the amount of debt securities not listed on active markets, of the degree of subjectivity inherent in the valuation of these financial instruments, also taking into account the uncertainties related to the correct and complete identification of the same and those connected with the current situation characterized by the pandemic crisis, we considered the valuation of the debt securities not listed on active markets a key matter for the audit of the Company's financial statements for the year ended December 31, 2020.

Audit procedures performed

We have preliminarily acquired a knowledge of the investment process followed by the Company, which included the understanding of management and strategic guidelines. In this context, the audit procedures included the detection and understanding of the relevant controls implemented by the Company and the performance of procedures regarding compliance with corporate guidelines and investment management policies.

With reference to debt securities not listed on active markets, we have carried out also taking into consideration the exceptional situation resulting from the pandemic emergency and with the support of experts belonging to the Deloitte network, the following main procedures:

- understanding and recognition of the controls carried out by the Company in identifying and in the process of determining the fair value of such financial instruments;
- verification, on a sample basis, of the correct identification of such kind of financial instruments by the management of the Company;
- understanding of the valuation models and related input data used by the Company for the determination of the fair value of debt securities not listed on active markets and analysis of their reasonableness, also considering the market standards or market best practices;

- analysis of the sources used and verification of the reliability of the main inputs included in the evaluation model, by comparison with the main info providers;
- recalculation of the market value for a sample of such financial instruments;
- verification of the completeness and adequacy of the information provided by the Company with respect to the provisions of the applicable regulations.

Valuation of the provisions for outstanding claims of the TPL – Land motor vehicles classes and TPL – General classes

Description of the key audit matter

At December 31, 2020 the Company recorded, in the item C.I " Technical provisions – Non life business", provisions for outstanding claims for a total amount of Euro 2,262.4 million, of which Euro 1,137 million related to the Ministerial class 10 TPL – Land motor vehicles class and Euro 682 million related to Ministerial class 13 TPL – General class (hereinafter the "Provisions for outstanding claims of the TPL – Land motor vehicles classes and TPL – General classes").

As reported in the "Part A – Accounting standards" of the notes, the provisions for outstanding claims are calculated according to the provisions of Attachment 15 of ISVAP regulation no. 22 of April 4, 2008.

In particular, for the definition of the provision for outstanding claims reference was made to the concept of the ultimate cost, which consists in the separate assessment of each claim (inventory method), based on the analysis of the documentation relating to each individual damage case made by the staff assigned to the claims settlement; with regard to the classes characterized by slow settlement processes or for which the analytical valuation does not make it possible to take into account all possible charges, the valuation based on the inventory method is supplemented by an additional valuation, which requires the use of methodologies and statistical-actuarial calculation models.

As noted by the Directors in the "Part A - Accounting standards" of the explanatory notes, the valuation process of the provisions for outstanding claims involves an articulated valuation activity by the Company's management, which presumes the formulation of subjective hypotheses, the variation of which could impact on the final result. In particular, the main assumptions used in the application of the statistical-actuarial methodologies concern the technical variables, including the time interval for deferring payments and the trend in the cost of claims, linked to the length of payment, as well as the prospective assessments of the economic scenario. In the financial statements for the year ended December 31, 2020, the process of determining provisions for outstanding claims has also considered the uncertainties related to the current macroeconomic context following the Covid-19 pandemic.

The explanatory notes in "Part A - Accounting standards" highlight the criteria followed in the estimate of the provisions for outstanding claims and the statistical-actuarial methodologies applied to verify the adequacy of the ultimate cost.

In consideration of the relevance of the amount of the provisions for outstanding claims of the TPL – Land motor vehicles classes and TPL – General classes recorded in the financial statement, of the peculiarity of these classes, of the complexity of the valuation models, that also require the use of statistical and actuarial techniques and calculations, of the uncertainty connected to the definition of the assumptions and hypotheses on the effects deriving from future events that could be affected by the uncertainties arising from the current pandemic situation, we considered the evaluation of the provisions for outstanding claims of the TPL – Land motor vehicles classes and TPL – General classes a key matter for the audit of the Company's financial statements for the year ended December 31, 2020.

Audit procedures performed

The audit procedures, carried out also taking into consideration the exceptional situation resulting from the pandemic emergency and with the support of experts belonging to the Deloitte network, have included, among others, the following:

- understanding of the process of evaluation of the Provisions for outstanding claims of the TPL – Land motor vehicles classes and TPL – General classes which included the knowledge of management and settlement guidelines and any possible changes in the legal and regulatory framework of the sector;
- recognition and test of the relevant controls performed by the Company on the estimating process of the Provisions for outstanding claims of the TPL – Land motor vehicles classes and TPL – General classes;
- controls on the completeness and adequacy of the portfolios and the used key data;
- reading and analyzing the Actuarial Function report, with reference to the TPL – Land motor vehicles classes;
- comparative analyses through the recalculation of the relevant indices observed in historical series and an examination of their correlation with other significant indicators. In particular we analyzed appropriate technical indicators and relevant figures, comparing them with comparable data and information related to previous periods and available data for the sector;
- comparison between the estimate of the Provisions for outstanding claims of the TPL – Land motor vehicles classes and TPL – General classes performed in previous periods and what subsequently took place, with an analysis of the nature of the run-off;
- verification, on a sample basis, of the coherence of the estimate of the Provisions for outstanding claims of the TPL – Land motor vehicles

classes and TPL – General classes with the corporate documentary evidences and with the results of written confirmations received from external lawyers, where applicable;

- analysis of the reasonableness of the methodologies and the main technical and evolutionary assumptions used to estimate the Provisions for outstanding claims of the TPL – Land motor vehicles classes and TPL – General classes, also by checking their coherence with those used in previous years, considering the applicable regulations;
- identification of a range of reasonable outcomes and verification that the estimated Provisions for outstanding claims of the TPL – Land motor vehicles classes and TPL – General classes fell into such range;
- verification of the completeness and adequacy of the information provided by the Company with respect to the provisions of the applicable regulations.

Valuation of mathematical provisions

Description of the key audit matter

At December 31, 2020, the Company recorded in the financial statements in the item C.II "Technical provision - Life business" mathematical provisions for a total amount of Euro 4,537.2 million.

As reported in the "Part A - Accounting standards" of the explanatory notes, the mathematical provisions related to the life insurance business have been evaluated on the basis of the actuarial principles provided in Attachment 14 of ISVAP regulation no. 22 of April 4, 2008.

As noted by the Directors, in the "Part A - Accounting standards" of the explanatory notes, the process of formation of the mathematical provisions is based, among other, on data flows deriving from the main characteristic processes and, by its nature, is affected by risks typical of an insurance company, linked to the financial management of investments and the complexity and variety of the insurance portfolio.

The process of formation of the mathematical provisions also includes the determination of additional provisions, provided to cover mortality or other risks, such as guaranteed benefits on maturity or guaranteed redemption values.

The definition of the mathematical provisions therefore entails a high use of discretionary evaluations, assumptions, estimates and hypotheses, the modification of which could lead to a change in the final result of the amounts recorded in the financial statements. In the financial statements for the year ended December 31, 2020, the process of determining mathematical provisions also took account of uncertainties related to the current macroeconomic context following the Covid-19 pandemic.

The Company reports in the "Part A - Accounting standards" of the explanatory notes the criteria followed and the methodologies applied in determining the mathematical provisions.

In consideration of the significance of the amount of the mathematical provisions recorded in the financial statements and the existence of the discretionary component inherent in the estimation nature of certain additional provisions that has also considered the uncertainty following the pandemic situation, we considered the evaluation of the mathematical provisions a key matter for the audit of the financial statements of the Company as of December 31, 2020.

Audit procedures performed

The audit procedures, carried out also taking into consideration the exceptional situation resulting from the pandemic emergency and with the support of experts belonging to the Deloitte network, have included, among others, the following:

- understanding of the process of valuation of the mathematical provisions which included the knowledge of management and underwriting guidelines and any possible changes in the legal and regulatory framework of the sector;
- recognition and test of the relevant controls performed by the Company on the process of preparing financial information in the area of mathematical provisions;
- controls on the completeness and appropriateness of the portfolios and the key data used;
- reading and analyzing the Actuarial Function reports prepared by the competent corporate departments;
- verification of the valuation of the mathematical provisions through the application of simplified methods (so-called "recurring accounting method") in order to assess the reasonableness of the provision determined by the Management;
- recalculating, on a sample basis, of the value of the mathematical provision as at December 31, 2020, using the calculation formulas contained in the technical documentation and analyzing the compliance of the calculation with the company procedures and the applicable legislation;
- analysis of the reasonableness of the methods and of the main technical and evolutionary hypotheses on which the estimates of the additional reserves included in the mathematical provisions were based, in accordance with the applicable regulations;
- verification of the completeness and adequacy of the information provided by the Company with respect to the provisions of the applicable regulations.

Responsibilities of the Directors and the Management Control Committee for the Financial Statements

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

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, and, in preparing the financial statements, for the appropriateness of using the going concern assumption, as well as for adequate disclosure in matter.

The Directors use the going concern assumption in the preparation of the financial statements unless they have assessed that the conditions exist for the liquidation of the Company or for the interruption of the activity or do not have realistic alternatives to such choices.

The Management Control Committee is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or unintentional behaviour or events, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or unintentional behaviour or events and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or unintentional behaviour or events, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from unintentional behaviour or events, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Società Cattolica di Assicurazione – Società Cooperativa has appointed us on April 21, 2012 as auditors of the Company for the years from December 31, 2012 to December 31, 2020.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Management Control Committee, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14, paragraph 2 (e), of Legislative Decree no. 39 of January 27, 2010, and art. 123-bis, paragraph 4, of Legislative Decree no. 58 of February 24, 1998

The Directors of are responsible for the preparation of the report on operations and the report on corporate governance and the ownership structures the Company as at December 31, 2020, including their consistency with the related financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and some specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree no. 58 of February 24, 1998, with the financial statements of the Company as at December 31, 2020 and on their compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned report on operations and some specific information contained in the report on corporate governance and the ownership structure are consistent with the financial statements of the Company as at December 31, 2020 and are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree no. 39 of January 27, 2010, made on the basis of the knowledge and understanding of the Company and of the related context acquired during the audit, we have nothing to report.

Opinion in accordance with the art. 102, no. 2, of the Legislative Decree no. 209 of September 7, 2005, relating to the non-life technical reserves

In carrying out the engagement appointed by the Company, in accordance with the art. 102, no. 2, of the Legislative Decree no. 209 of September 7, 2005, we have audited the items relating to the non-life insurance technical reserves, included in the liabilities of the balance sheet of the Company for the year ended December 31, 2020. The Company's Directors are responsible to establish technical reserves to the extent necessary to guarantee the insurance and reinsurance obligations.

On the basis of the procedures performed in accordance with the art. 102, no. 2, of the Legislative Decree no. 209 of September 7, 2005, with the ISVAP Regulation n. 22 of April 4, 2008, and the related guidelines included in the application document published by IVASS on January 31, 2017 on its website, the above mentioned technical reserves included in the liabilities of the balance sheet of the Company for the year ended December 31, 2020 are sufficient in accordance with the applicable law and regulations and correct actuarial techniques, in compliance with the principles set out in the ISVAP Regulation 22 of April 4, 2008.

Opinion in accordance with the art. 102, no. 2, of the Legislative Decree no. 209 of September 7, 2005, relating to life technical reserves

In carrying out the engagement appointed by the Company, in accordance with the art. 102, no. 2, of the Legislative Decree no. 209 of September 7, 2005, we have audited the items relating to the life insurance technical reserves, included in the liabilities of the balance sheet of the Company for the year ended December 31, 2020. The Company's Directors are responsible to establish technical reserves to the extent necessary to guarantee the insurance and reinsurance obligations. On the basis of the procedures performed in accordance with the art. 102, no. 2, of the Legislative Decree no. 209 of September 7, 2005, with the ISVAP Regulation n. 22 of April 4, 2008, and the related guidelines included in the application document published by IVASS on January 31, 2017 on its website, the above mentioned technical reserves included in the liabilities of the balance sheet of the Company for the year ended December 31, 2020 are sufficient in accordance with the applicable law and regulations and correct actuarial techniques, in compliance with the principles set out in the ISVAP Regulation 22 of April 4, 2008.

Other Matters

The evaluation of the technical reserves is a complex estimation process that includes many subjective variables whose change may involve a significant variation in the final result. Therefore, we have developed a range of values considered reasonable, to take into account the level of the uncertainty embedded into these variables. In order to evaluate the sufficiency of the technical reserves, we have also verified that such reserves are within such range.

DELOITTE & TOUCHE S.p.A.

Signed by
Andrea Paiola
Partner

Milan, April 21, 2021



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ASSICURAZIONI
DAL 1896

abc ASSICURAZIONI

BCC Assicurazioni

CATTRe

TUA
ASSICURAZIONI

VERA Assicurazioni

BCC Vita

BERICA VITA

LombardaVita

VERA Financial

VERA Protezione

VERA Vita

