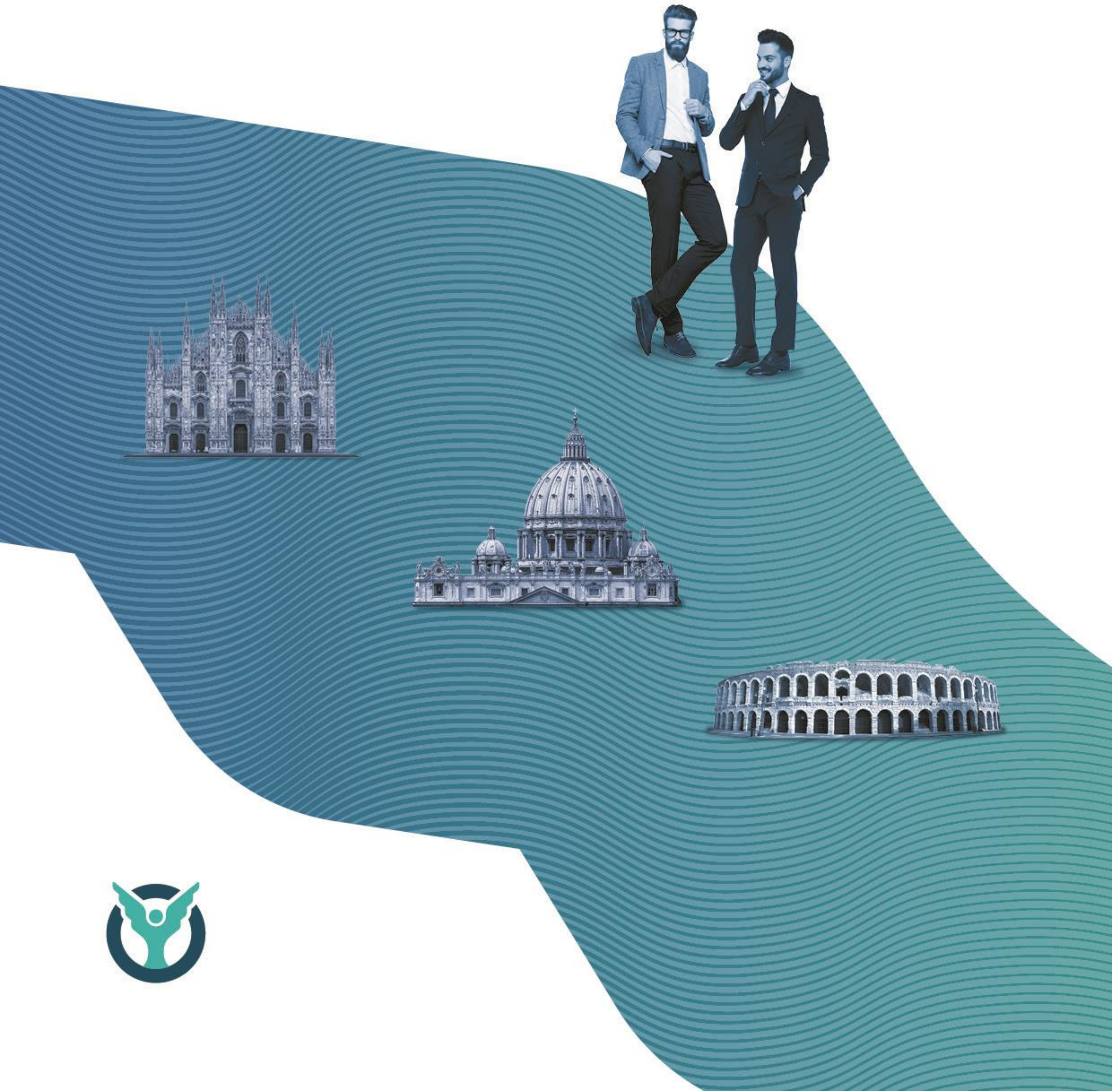
2021

CONSOLIDATED FINANCIAL STATEMENT OF CATTOLICA AND ITS SUBSIDIARIES



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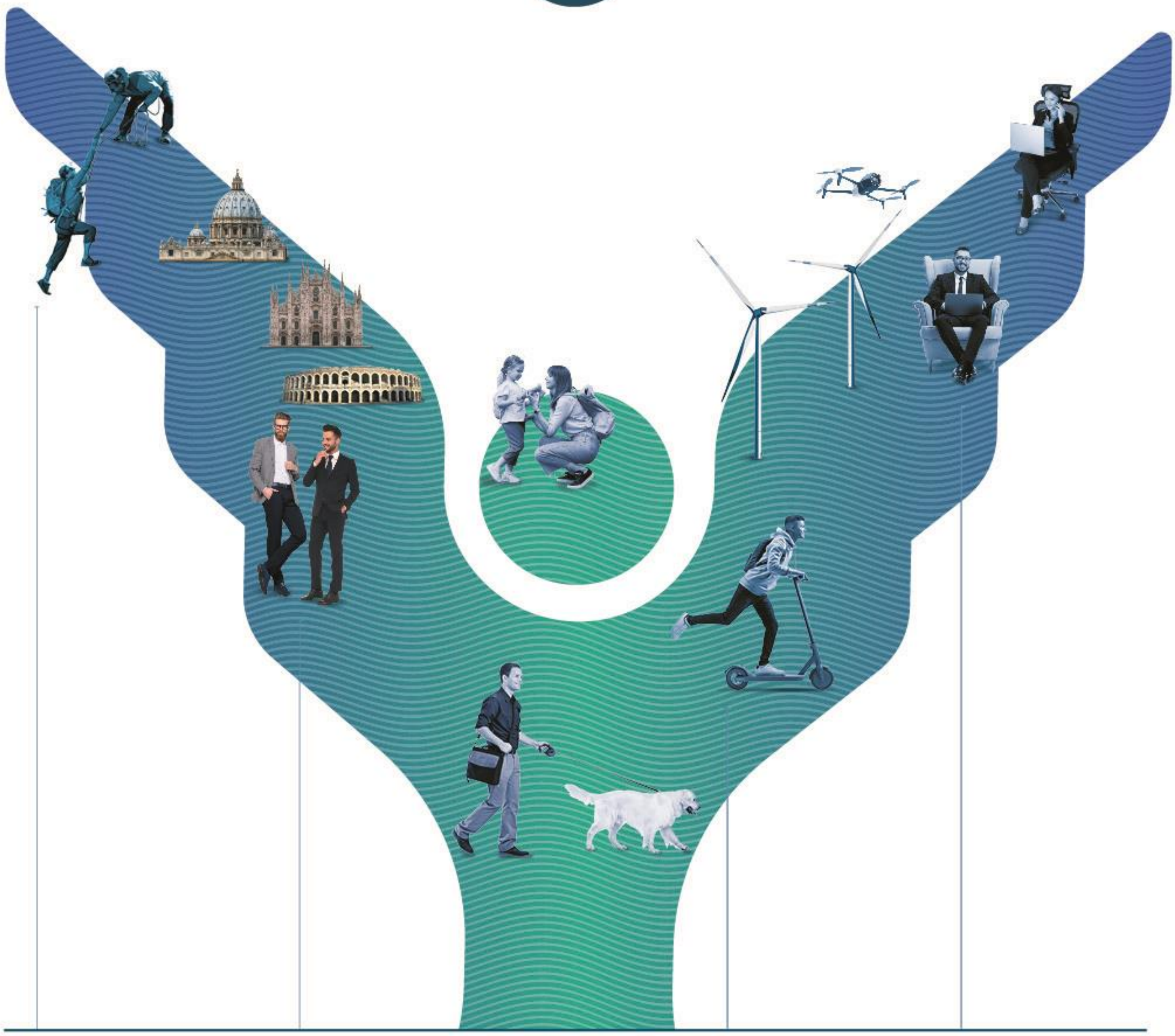
Please note that original Report is in Italian.
In case of doubt the Italian version prevails.



2022 REPORT ON REMUNERATION POLICY AND 2021 REMUNERATION

CONSOLIDATED FINANCIAL STATEMENT OF CATTOLICA AND ITS SUBSIDIARIES

ANNUAL REPORT AND FINANCIAL STATEMENTS

SUSTAINABILITY REPORT OF CATTOLICA AND ITS SUBSIDIARIES

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

2021

CONSOLIDATED FINANCIAL STATEMENT OF CATTOLICA AND ITS SUBSIDIARIES

APPROVED BY THE BOARD OF DIRECTORS ON MARCH 14TH, 2022

LETTER FROM THE CHAIRMAN

Dear shareholders,

2021 was a very significant year in Cattolica Assicurazioni's growth path.

Since last May, the newly formed Board of Directors, which I have the honour of chairing, has been entrusted with the task of guiding the corporate and industrial evolution of one of the most important insurance companies in Italy in terms of history and size. As Directors, we are aware that we have a great past behind us and it is on this solid foundation that we have configured the future of the Company. The strategic governance and control activity of the Board of Directors was therefore developed with the aim of preserving the strengths and distinctive features of Cattolica and its subsidiaries and of increasing their value, by leveraging the professional and human qualities of management, employees, Agents and collaborators. You will see numerous positive examples of this by consulting these Financial Statements.

During the course of the year, the drive to develop *governance* and the industrial initiatives provided mutual impetus, propelling Cattolica towards an important new dimension. Looking back, the first step of this path was the definition in June 2020 of the strategic partnership agreement signed with Assicurazioni Generali, by virtue of which Cattolica was transformed into a joint-stock company with effect from April 1st, 2021. The second, decisive step was Assicurazioni Generali's subsequent Public Tender Offer for all Cattolica's shares, which took place at a price of € 6.75 per share. In the best interest of all shareholders, the Board of Directors - after having taken note of the Offer and having taken into account the fairness opinions expressed by the financial advisors - deemed the Offer to be congruous from a financial point of view and tendered all the own shares held by Cattolica.

The benefits of the transaction, aimed at creating value, have been highlighted by several parties. For example, as a direct consequence of the result of the PTO, Standard & Poor's raised Cattolica Assicurazioni's rating to A- with a positive outlook and raised the rating of its bond issues to BBB, while AM Best assigned it a Financial Strength Rating of A (Excellent) and a Long-Term Issuer Credit Rating of "a+" (Excellent), with a stable outlook. At the same time, the improvement in Cattolica's solvency margin led us to submit, for the assessment of IVASS, the elimination of the need to proceed with the execution of the second tranche of the share capital increase. Following the successful conclusion of the PTO, Cattolica is now a stronger and more solid company within a leading international insurance Group that is Generali.

In parallel with corporate events, Cattolica and its people have been able to meet customers' expectations, working arduously and dependably to protect the well-being of the communities in which we operate, while contributing to the achievement of excellent financial performances. In fact, never before, on the margins of a complex crisis such as that triggered by the pandemic and in light of the serious events linked to the war in Ukraine, has it been evident how much economy and society are interconnected and how important it is to operate in a way that reconciles ethics and business. They all deserve my heartfelt thanks.

The path briefly outlined here and the results achieved allow me to declare that, in all respects, we are making Cattolica a stronger company than it was when we found it, in the best interest of shareholders and all stakeholders. In light of this, at the end of the financial year the Board of Directors decided to propose to the Shareholders' Meeting to return to distributing a dividend to shareholders, for the amount of € 0.15 per share.

Davide Croff
Chairman

LETTER FROM THE MANAGING DIRECTOR

Dear shareholders,

The Financial Statements you are about to read come at the end of a year marked by the relaunch of the country's economic and social activities, with a GDP that is growing strongly and a broad and widespread distribution of the Covid-19 vaccine. These initial signs of recovery, encouraged and supported by EU and government measures, are now threatened by an extremely tense and complicated context due to inflationary market pressures. The geopolitical tensions on the borders of Europe in recent years have resulted in a terrible conflict in Ukraine with serious human and social consequences. The war seriously threatens our freedom and the world's balance, as well as generating strong pressure on the cost of energy and raw materials.

In spite of the complex and articulated situation in which we operated, Cattolica achieved very positive results, throwing away the guidance in relation to operating income, which stood at € 300 million. This figure summarises the great work carried out by Cattolica's management team and people - employees and distribution networks - and confirms the validity of the choices we have made.

Total premiums written recorded significant growth of 9.8% to € 5.2 billion, up in both business classes and particularly in Life, which posted a remarkable +16.6% thanks to strong growth in Unit Linked. At the same time, we maintained a high level of technical excellence, with a combined ratio still below 90%, only a modest increase compared to the previous year, which as you know had recorded a sharp drop in claims frequency due to the pandemic restrictions.

The Group's net profit, despite discounting write-downs of € 164 million, improved significantly to € 96 million, while adjusted profit, including the capital gain on the sale of Lombarda Vita, came to € 253 million compared with € 192 million in the previous year. Cattolica Assicurazioni's equity solidity profile was also excellent, with a Solvency II ratio of 203% after the distribution of the planned dividend.

As you may recall, in June 2020, at the launch of the partnership with Generali, we activated a number of business initiatives in 4 strategic business areas: Asset Management, Reinsurance, IoT and Health. The project streams developed in line with the planned schedule, generating value for customers, distribution networks and stakeholders. Following the successful conclusion of the PTO, the partnership has now evolved into a closer operational integration, aimed at simplifying processes and developing synergies between the two entities. The principles guiding our integration into the Generali Group are growth, the creation of value and the well-being of the communities in which we operate, and this is even more true today, in light of these results, which confirm that we are one of the leading players in the sector.

Finally, let me say a few words about the sustainability initiatives undertaken by Cattolica and its subsidiaries, of which I am very proud. In recent years we paid increasing attention to the various aspects of sustainability, updating our approach to environmental, social and governance issues. An independent and authoritative operator such as *Standard Ethics* judged our strategy to be consistent with the voluntary guidelines of the *UN*, *OECD* and European Union, raising Cattolica Assicurazioni's rating to "EE-" from the previous "E+" and reconfirming its assessment at the beginning of this year.

As the figures in this Financial Statements show, Cattolica is already a virtuous and profitable company, capable of doing business in a sustainable manner. Nevertheless, there is still a lot of potential that we are capable of expressing and I am sure that, thanks to the new corporate structure and the commitment of our people, the Cattolica of the future will continue to exceed the expectations of all our stakeholders.

Carlo Ferraresi
Managing Director

E-MARKET SDIR CERTIFIED

CONTENTS

Summary index of tables

HIGHLIGHTS OF CATTOLICA AND ITS SUBSIDIARIES

Total premiums written

5,166
€ million (+9.8%)

Consolidated profit

108
€ million (+52.9%)

Operating result

300
€ million (-14.7%)

Operating ROE

7.3%
(-1.3 pp)

Our People

1,789
(-0.4%)

760 (+1.2%)
WOMEN

1,029 (-1.5%)
MEN

Our Customers [1]

3,362,611
(-2.2%)

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

NON-LIFE SEGMENT

Gross premiums written - direct non-life business

2,134
€ million (+1.4%)

Operating result

248
€ million (-10%)

Combined ratio of retained business

89.1%
(+2.3 pp)

LIFE SEGMENT

Gross premiums written - direct life business

3,008
€ million (+16.6%)

Operating result

55
€ million (-30.8%)

Our Distributors

1,828 (-1.2%)
AGENTS

1,326 (-2.5%)
AGENCIES

5,314 (-10.8%)
BRANCHES

Life / Non-life insurance companies

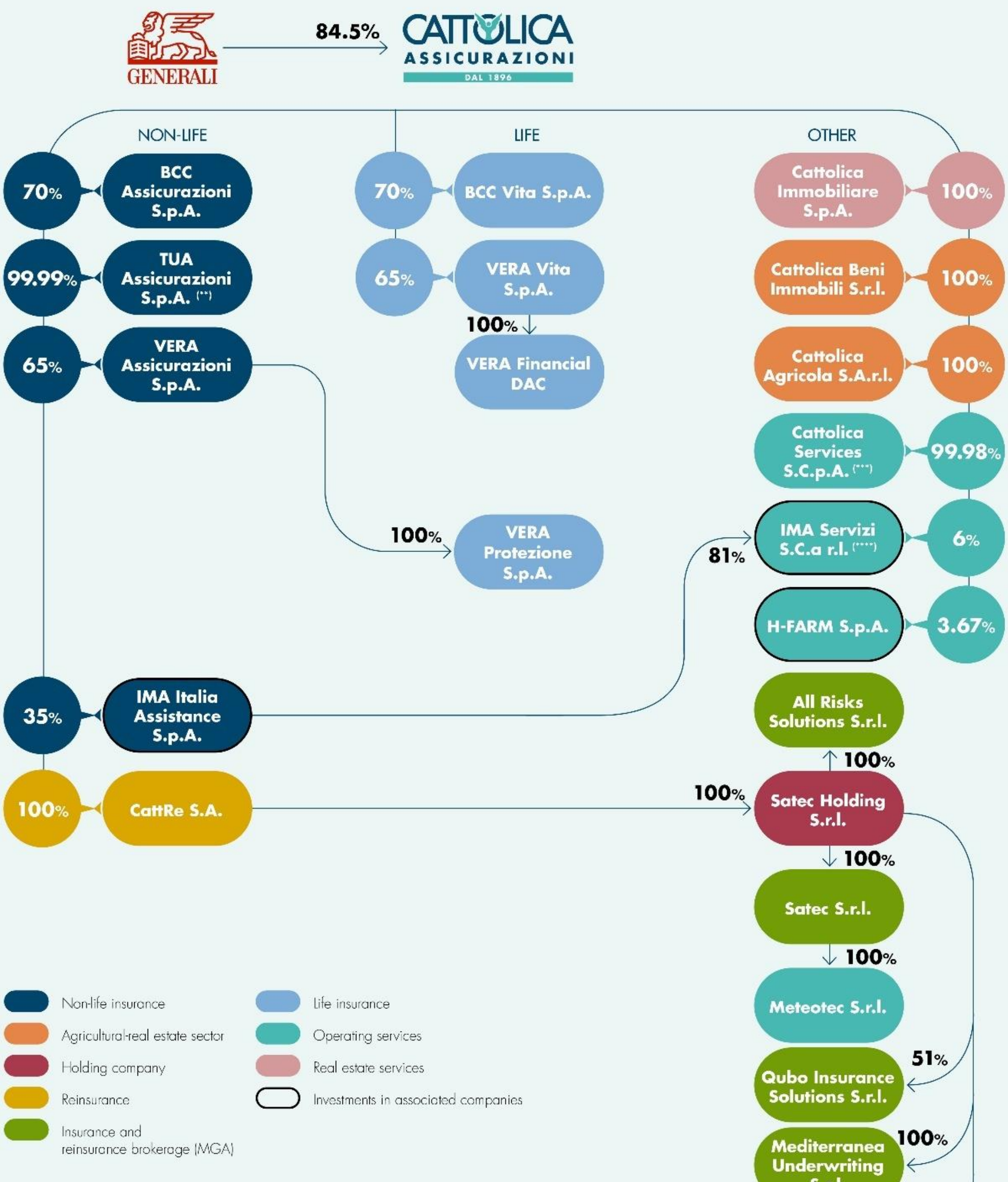
9

Non-insurance companies

10

SUB-GROUP STRUCTURE

SUB-GROUP STRUCTURE



(*) Please note that Cattolica Assicurazioni is subject to the Direction and Coordination of Assicurazioni Generali S.p.A.
(**) TUA Assicurazioni wholly owns TUA Retail.
(***) 0.005% of the share capital is held individually by BCC Assicurazioni, BCC Vita, and Cattolica Immobiliare, and 0.01% is held by TUA Assicurazioni.
(****) The remaining 4% is held individually for 1% by Cattolica Services, BCC Assicurazioni, TUA Assicurazioni and VERA Assicurazioni.

As at December 31st, 2021(*)

SIGNIFICANT EVENTS IN 2021

SIGNIFICANT EVENTS IN 2021

FEBRUARY/MARCH

With reference to the **capital increase** approved by the Shareholders' Meeting of June 27th, 2020, on February 11th, the Board of Directors 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**.

On March 5th, **Banco BPM** and **Cattolica Assicurazioni** announced that they had reached an agreement by which their respective differences were resolved 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. On April 16th, the parties signed **the final agreements**, in line with what was agreed on March 5th.

APRIL

On April 1st, following the shareholders' resolution of July 31st, 2020, the transformation of Cattolica from a co-operative to a **joint-stock company** and the related adoption of a new text of the Articles of Association became effective.

On April 7th, Cattolica's Board of Directors approved the plan for the **merger by incorporation** of ABC Assicura S.p.A. and Berica Vita S.p.A.. Having obtained the necessary authorisations from the competent Authorities, on August 5th, Cattolica's Board of Directors resolved the merger by incorporation of ABC Assicura S.p.A. and Berica Vita S.p.A. into Cattolica itself, whose merger deeds were formalised on December 3rd and recorded on December 27th with the competent Verona Companies' Register: the aforementioned mergers took effect as from 11:59 p.m. on December 31st, 2021, with accounting and tax effects prior to January 1st, 2021.

On April 12th, implementing the binding agreement entered into, in December 2020, with UBI Banca concerning the early termination, with respect to the deadline of June 30th, 2021, of the life bancassurance agreements between the parties, the **sale of the equity investment** held by Cattolica **in Lombarda Vita** was carried out in favour of Intesa Sanpaolo S.p.A., which succeeded UBI Banca as a result of the merger completed on the same date.
As provided for in the agreements, the equity investment was sold for € 299.8 million: the purchaser paid Cattolica € 219.8 million. The remaining balance of € 80 million was paid at the same time as repayment of the loan outstanding at the time in favour of Cattolica for the same amount following receipt of the necessary authorisations from IVASS. Following completion of the transaction, Cattolica achieved a **capital gain from the disposal** of around € 104 million net of tax in the 2021 consolidated financial statements and approximately € 60 million in Cattolica's statutory financial statements.

MAY

On May 14th, the **Ordinary Shareholders' Meeting** of Cattolica Assicurazioni was held, which approved:

- the new Shareholders' Meeting Regulations regarding the transformation of Cattolica into a joint-stock company;
- the 2020 financial statements and the accompanying reports, with consequent and correlated resolutions;
- the determination of the number of members of the Board of Directors at 15 for the financial years 2021 – 2023 pursuant to Article 19 of the Articles of Association;
- the appointment of the members of the Board of Directors, including the members of the Management Control Committee for the financial years 2021-2023;
- the 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;
- the Report on the remuneration policy and on compensation paid;
- fee plans based on financial instruments;
- the authorisation to purchase and sell own shares in accordance with the law.

In May, the Board of Directors of Assicurazioni Generali approved the promotion of **a voluntary Public Tender Offer (PTO)** for cash on all the ordinary shares of Società Cattolica di Assicurazione S.p.A., including own shares, minus the shares already held by Generali.

JUNE/SEPTEMBER

Following the launch of the PTO promoted by Assicurazioni Generali on May 31st, 2021, Cattolica, on June 7th, resolved to **postpone the execution of the second tranche of the capital increase** for the remaining € 200 million to a date subsequent to the closing of the aforementioned offer.

On September 28th, Assicurazioni Generali announced, pursuant to Article 38, paragraph 2, of the Issuers' Regulations, that it had published the **Offer Document**. Pursuant to Article 40 of the Issuers' Regulations, the enrolment period, agreed with Borsa Italiana S.p.A., started at 8:30 a.m. (Italian time) on October 4th, 2021 and ended at 5:30 p.m. (Italian time) on October 29th, 2021 (extremes included).

OCTOBER/NOVEMBER

On October 29th, Generali announced, pursuant to Article 36 of the Issuers' Regulations, the **closure of the so-called enrolment period of the PTO**.

On November 4th, Assicurazioni Generali communicated, pursuant to Article 41, paragraph 6, of the Issuers' Regulations, **the final results of the PTO**: during the enrolment period, 138,842,677 Shares were offered, equal to approximately 79.660% of the Shares subject to the Offer and 60.803% of Cattolica's share capital. Therefore, taking into account the 138,842,677 Shares offered and the 54,054,054 Shares already held by Generali, as a result of the settlement of the Offer, Generali came to hold a total of 192,896,731 Shares, **equal to 84.475%** of Cattolica's share capital.
Consequently, Cattolica formalised, at the Companies' Register, the subjection of the Company to the management and coordination of Assicurazioni Generali S.p.A..

DECEMBER

Cattolica's Board of Directors, which met on December 3rd, 2021, having acknowledged the positive outcome of the PTO launched by Assicurazioni Generali and the simultaneous increase of the value of almost all the own shares previously held by Cattolica, with a consequent further improvement in Cattolica's solvency margins, resolved to submit to IVASS for assessment the fact that it is **no longer** necessary to proceed with the execution of the **second tranche of the increase in share capital** under option of € 200 million.

On December 23rd, Cattolica's Ordinary Shareholders' Meeting, on the basis of the aforementioned opinion and recommendation formulated by the Management Control Committee, resolved the **consensual early termination** of the appointment of **PricewaterhouseCoopers S.p.A.** as **independent auditors** and the simultaneous **appointment** for the 2021-2029 nine-year period of the independent auditors **BDO Italia S.p.A.**. Similar resolutions were taken by the subsidiaries by the end of 2021.

On December 27th, the French group Inter Mutuelles Assistance formalised the exercise of its **purchase option on 35%** of the share capital of **IMA Italia Assistance S.p.A.** and a **10% of the capital of Ima Servizi S.c.a.r.l.**. This option, provided for by the agreements signed in 2018 for the possibility of change of control of Cattolica, was exercised following the completion of the Generali PTO.

Market share

6.2 % Non-life

2.7 % Life

REFERENCE SCENARIO

REFERENCE SCENARIO

MACROECONOMIC SCENARIO

In 2021, the exceptional global recovery, which had been underway since the end of the previous year thanks to the climate of confidence resulting from the roll-out of vaccines for the Covid-19 virus, the gradual reopening of economies and fiscal and monetary stimuli, gradually lost momentum in recent quarters due to the lingering effects of the global pandemic. Indeed, the pandemic has not continued to influence the economy, however, it still be a major source of uncertainty for the prospects of global growth and inflation. Several waves of infections had an affect over the course of the year, due to virus mutations that occurred, first with the Delta variant and, more recently, with Omicron. The response adopted by the authorities in the most advanced countries has been based on an acceleration of vaccinations and the tightening of restrictive measures (albeit relatively mild compared to the lock-downs experienced during 2020 and mainly aimed at the non-vaccinated people), resulting in reduced mobility. The divergence in economic growth among developed countries, which was particularly pronounced in 2020, narrowed during 2021.

The latter part of the year was characterised by inflation, which turned out to be much higher and more persistent than expected, making the future economic outlook more uncertain and raising significant challenges for governments and central banks. Restrictions due to the pandemic caused severe supply bottlenecks, putting pressure on commodity and intermediate goods prices and causing a slowdown in global trade and manufacturing activity.

In the United States, the commanding measures taken to support households and businesses, in particular the two fiscal stimulus packages approved between late 2020 and early 2021, allowed the economy to recover almost completely by the beginning of the year, bringing GDP back to pre-pandemic levels by mid-2021. After a 3.4% decline in 2020, overall growth in 2021 is expected to be between 5.5% and 6%, according to the latest available estimates. The recovery was driven both by consumption of goods and services, supported by the record accumulation of savings, and by investments. The labour market, despite rapid and substantial improvement, has seen overall employment growth below expectations, with the unemployment rate falling during 2021 from 6.7% to 3.9%. Against this backdrop, wage growth contributed to accelerating inflation, which was already burdened by rising commodity costs. The consumer price index increased 7% overall, with the core figure coming in at 5.5%.

In order to counter inflationary pressures, which are stronger and more persistent than initially anticipated, the Fed in the last quarter has progressively assumed a more aggressive stance, envisaging a more rapid reduction in net purchases of bonds, ending tapering in March and leaving room for an advance of the first official rate increase in the first part of 2022.

In the Eurozone, the recovery had a similar trend, marking a strong upturn in the early months of 2021, but with signs of a slowdown in the last period. The main causes are linked to the deceleration in consumption as a result of higher prices, especially those for energy goods and services, as well as the slowdown in manufacturing production due to difficulties in procuring supplies at a global level. The labour market reports a declining unemployment rate in November 2021 at 7.2% compared to 8.1% at the end of 2020.

GDP, after losing 6.4% during 2020, is expected to grow at around 5% according to the latest estimates, with funds from the Next Generation EU programme having already begun to be disbursed in the second half of 2021, although they are expected to provide benefits mainly in the 2022-2023 two-year period. However, it is the strong increase in inflation that characterises the year, with price growth estimated at 5% per year in December for the overall figure and 2.6% for the core index.

With regard to monetary policy, the ECB confirmed a much more patient approach than the Fed. After increasing its purchases of Pandemic Emergency Purchase Programme (PEPP) securities in the second and third quarters, it reduced them from the fourth quarter onwards, with a plan to phase them out in April 2022, but compensating in part with an increase in the standard APP (Asset Purchase Programme), which will continue next year. Also on the rate front, the ECB remained more cautious and less concerned about inflation than the Fed, suggesting that no rate hike will take place, at least through 2022.

In Italy, the progress of the vaccination campaign and the recovery of mobility had important results on business and consumer confidence and behaviour, with growth strengthening in the second quarter of 2021 and continuing in the third quarter, driven by domestic demand. In particular, there was a strong recovery in households spending, especially in services, while business investments continued to grow. Foreign trade also made a positive contribution to growth. GDP, which, following a -8.9% in 2020, according to the latest estimates should exceed 6% in 2021, presents several downside risks at the end of the

year in line with the trends recorded for the Eurozone. Inflation also rose during the year, registering an annual rate of 4.2% in December 2021, driven by the sharp rise in energy prices.
2021 was another volatile year for the Japanese economy, with alternating expansion and contraction, albeit less markedly than in 2020, due to the pandemic and restrictions imposed to counter it affecting domestic demand, especially for the consumption component. Growth, after a -4.5% in 2020, is expected to be around 2% for 2021, while inflation returned above zero in the fourth quarter, driven by energy. China, after the increase in Covid-19 cases in mid-August, faced two more bouts of infection between late September and mid-November, followed by another at the end of the year: although numbers remain extremely low compared to other countries, the zero-tolerance strategy on Covid-19 will continue to limit the recovery of consumption and services, as well as foreign trade. GDP growth slowed in the second half of the year, from +7.9% in the second quarter to +4.9% in the third quarter, and again registering +4% in the fourth quarter: overall, the 2021 figure is up 8.1%. The slowdown was noticeable in both the services sector, held back by measures to contain infections, and in the industry sector.

Bond markets

2021 was a complex and difficult year for global bond markets, on which the easing of risks related to the spread of the pandemic and the strengthening of growth that marked the first half of the year weighed heavily, in addition to pressures on the prices and the general commencement of the processes for gradual normalisation of monetary policies by the various Central Banks, which dominated the second half of the year.
The general rise in inflation expectations, although in a differentiated manner among the various geographical areas, based on the different speeds of implementation of the vaccination campaigns, led to a rethinking of the volume of fiscal stimuli and the consequent prospects of the economic recovery.
The greatest impact was recorded on the US curve, which, at the end of March, saw the spread between 10- and 2-year rates hit a record high since 2015. The Fed's monetary policy, which is still extremely accommodative, meant that the short-term rate remained anchored at historic lows at 0.1%. In fact, initially, the ten-year rate accelerated the movement begun the previous summer, reaching a high of 1.74% at the end of March, up from 0.91% at the beginning of the year, to then gradually fall back below 1.50% at the end of June.
Already at the end of the first half of the year, following the meeting of the Fed in June, which generated expectations of an earlier rise in rates, the two-year node of the curve increased by around ten basis points, settling at 0.25%, whilst, from September onwards, announcements of a forthcoming and more rapid tightening of monetary policy by the Federal Reserve contributed to pushing it up further, to 0.73% at the end of the year, while the yield on the ten-year, which fell below 1.30% during the summer, closed at 1.51% for the year.
A similar movement, but of lesser extent and more delayed in time, has occurred on the German interest rate curve. The two-year node hovered around late 2020 levels throughout the year, while the 10-year started the year on the upswing, in line with rising inflation expectations, ending the first half at -0.21%. In September, the announcement of a forthcoming monetary tightening by the Federal Reserve and the persistent inflation expectations also pushed up the German ten-year rate, which, after the fall in the summer months, closed the year with an increase to -0.18%. Italian rates also remained unchanged in short maturities in the first three quarters, before rising to -0.07% at the end of the year. The long term experienced a less linear rise, also influenced by domestic political events. After briefly following the rise in the German rate, the ten-year domestic rate fell in early February, following the appointment of Mario Draghi, reaching an all-time low of 0.45%, before peaking above 1.10% at the height of the "reflation trade" in mid-May and falling back below 0.60% in August. Beginning in September, it experienced a marked rise, ending the year at 1.17%. As a result, the Btp-Bund spread, thanks to the maintenance of favourable financial conditions by the Eurosystem, fluctuated around 110 up to October, to increase to 135 at the end of the year.

For corporate bonds, the Investment Grade segment was characterised by extremely low spread volatility in 2021 due to the combination of sustained economic growth and monetary and fiscal support. Only in the last months of the year the new increase in infections, persistent inflationary pressures and the less accommodative approach of central banks influenced the market, increasing volatility. A similar trend can be observed in the High Yield segment, which generally benefited from improved company fundamentals over the previous year and fiscal and monetary support that supported the asset class, despite increases in production costs and bottlenecks in supply chains.

Stock markets

In the first half of the year the world's stock markets performed well overall, driven by developed countries, especially the USA and Europe, whilst Japan and emerging countries performed less well.
The American stock exchange, already positive in the first quarter, accelerated in the second, closing the first half of the year with a new all-time record of the S&P500 index at

+15.2%, including dividends, while the Nasdaq, after a bumpy start, closed at +12.9%.

European stock exchanges also recorded one of the best first half-years in over twenty years, bolstered by a combination of economic factors (corporate profits, macroeconomic data, monetary and fiscal policies) and contextual factors (reopening of almost all businesses, recovery of confidence, acceleration of vaccination campaigns). Unlike the American and Asian stock exchanges, which already recovered their pre-pandemic levels last year, most European markets, with the exception of Germany, had to wait until the second quarter of this year to recover their losses.

The second half of the year was also positive, thanks to the faster-than-expected economic recovery, with effects on quarterly corporate accounts that often turned out to be better than expected, and the actions of Central Banks that maintained an accommodating monetary policy, keeping bond yields at contained levels. In the United States, the S&P 500 closed at its highest level, registering +30.9%, including dividends, since the beginning of the year, as did the Nasdaq, which registered +21.4%. In the Eurozone, share prices continued to rise in the second half of the year, although the positive effect of the announcement of higher-than-expected earnings was partly offset by fears of possible interest rate increases and the dynamics of energy prices. Among the best indices are the Italian FTSE MIB, which closed at +26.8%, and the French CAC40 at +31.9%. Further back, the German index was more penalised by bottlenecks, especially in the automotive sector, with the DAX up by 15.8%.

Foreign exchange markets

The transition from 2020 to 2021 coincided with a reversal of the euro/dollar exchange rate. After the constant weakening of the greenback in the second half of 2020, mainly caused by the massive monetary policy interventions of the Fed, the exchange rate reached a peak of 1.23 at the turn of the year.

In the first quarter, expectations for a faster and stronger recovery of the US economy than that of the Eurozone led to a reversal, pushing the exchange rate towards 1.17. In the second quarter, the euro returned to strengthen thanks to renewed confidence in the economic recovery and the acceleration of the vaccination campaign, but following the less accommodating than expected tone at the June meeting of the Fed, the dollar recovered sharply and closed the half-year at 1.185.

In the second half of the year the dollar progressively appreciated, favoured by expectations of faster normalisation of the Fed's monetary policy than previously expected, not only in terms of acceleration of tapering but also with reference to the increase in rates, the commencement of which was further anticipated at the FOMC (Federal Open Market Committee) on December 15th, from 2023 to 2022: the exchange rate at the end of the year was 1.137, after having reached a minimum of 1.119 at the end of November.

The strengthening of the dollar was even more pronounced against the Japanese yen. The exchange rate went from 103 yen per dollar at the end of 2020 to 111 yen per dollar on 30 June 2021, closing the year at 115.

Real estate market

During the first nine months of the year there were 5.1 billion transactions across Italy, up 6% from the same period in 2020. With transactions closing in the fourth quarter, the volume invested in 2021 is expected to be around the average of the last five years, or slightly below 10 billion.

In terms of asset class, logistics continues to set a new record; for the first time it has become the top asset class in the Italian market, overtaking offices. Interest in this asset class is linked to the expansion of e-commerce. As for other asset classes, offices maintain their interest but only in core operations. Value added products are beginning to be analysed, but have not yet been transacted.

In terms of cities, transaction volume in Milan is in line with what has been observed since 2016. Milan remains the gateway for capital to the Italian market and the city where the best core products are found. These products achieve very low yields, around 3%. The city of Rome, on the other hand, suffers from a lack of core products that investors are interested in, which have not been created over the past few years. Core plus or value added products are currently considered too risky by investors.

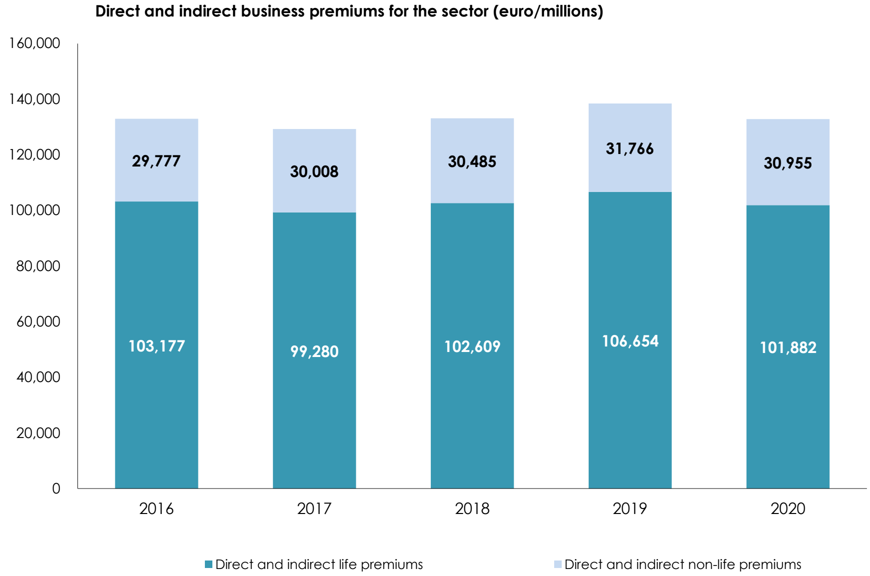
In terms of nationality, the market in Italy remains dominated by foreign investors. The pandemic crisis is not only Italian but global, therefore all countries are in the same situation and the approach of investors is similar. The Italian market remains on the radar of foreign investors, both those who have been active for many years and new players entering for the first time and trying to find opportunities in line with their expectations. This is partly the result of the high liquidity that central banks continue to maintain in the markets.

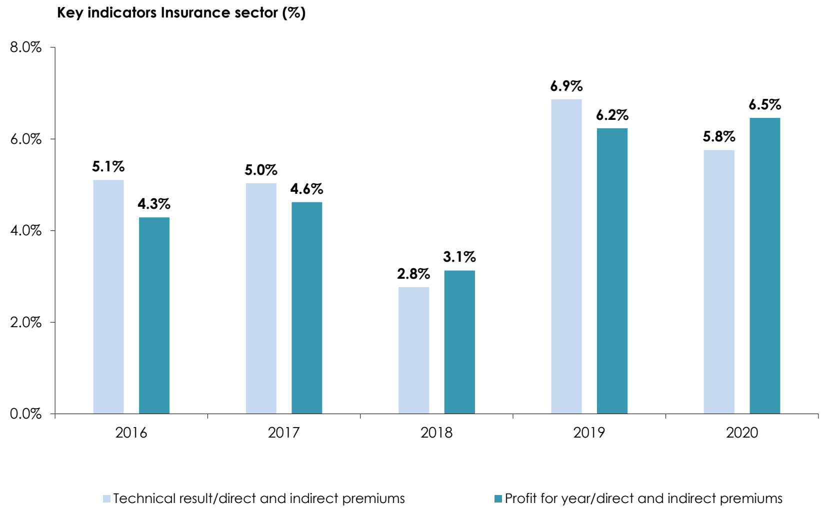
Therefore, prime yields remain at the low levels reached before the crisis and, in the case of logistics, are falling further, from 7.8% in 2014 to 4.25%. Logistics is the only asset class to have experienced such a significant and continuous reduction in rates over the past few years. Office yields remained around 3% in Milan and 3.75% in Rome, with prime rent levels remaining stable.

The only yields that are increasing are in retail, particularly shopping centres; this is a product that is going through a transition phase that began well before this crisis. On the other hand, luxury street products (i.e. High Street segment) suffered a correction, due to Covid-19, which should be limited to this stage of the economic situation.

INSURANCE INDUSTRY

The graphs below show certain summary figures published by ANIA[1] for the insurance industry for the period 2016-2020.





In 2021 the Italian insurance market, with reference only to companies with registered offices in Italy, is expected to record growth in premiums written of around 7%, for an overall volume, for the life and non-life businesses, of over € 144 billion (€ 135 billion in 2020). Last year, premiums were down nearly 4% from 2019 due to the negative effects associated with the spread of the Covid-19 pandemic and the economic/financial crisis it generated. Although there are still some elements of uncertainty regarding the evolution of the pandemic (deriving mainly from the spread of variants of the virus), the progress of the vaccination campaign, the lifting of restrictions on mobility at national and international levels and the recovery of GDP should all be driving factors that will contribute in 2021

[1] Source ANIA - L'assicurazione italiana 2020-2021, publication dated July 2021.

to a return to growth, both in the life business (+8.5%) and in the non-life business (+2.8%).

Due to a significant recovery in GDP (estimated to be in the range of almost +5% at the end of 2021), the ratio of insurance premiums to GDP would rise slightly from 8.1% in 2020 to 8.3% in 2021.
After the contraction in 2020, attributable to the effects of the Covid-19 pandemic, which implied a decline in the operations of insurance companies (especially in the lock-down phase in the first half of the year) and a drop in the underwriting of contracts in important classes (such as in the motor segment), a return to growth is expected in 2021, reflecting the economic recovery. Premiums written for the Italian direct portfolio of non-life business would grow at the end of 2021 by just under 3% compared to 2020 for € 34.4 billion (€ 33.5 billion in 2020). This would return to an expansionary cycle that was abruptly interrupted in 2020, when premiums in this segment fell by 2.3%. The only class, with a weight on total non-life premiums that is still very significant, even if in progressive decline (35% in 2021 and 37% in 2020), for which a contraction in premiums would continue to be recorded (-4.5%) is the TPL motor class; the decrease in premiums during 2021 would bring the overall volume below € 12 billion, a value that was recorded in 1998. The reduction in premiums in 2021 (equal to almost € 500 million, which would be added to that of € 750 million in 2020) would be the combined effect of a review of tariff policies, which would accept the technical evidence of a reduction in the claims rate, and an intense competitive pressure, which would induce companies to grant further discounts at the time of policy renewal. With this further contraction in premiums written, from 2011 to 2021 the TPL motor class would record an overall drop in premiums written of almost € 6 billion in absolute terms and 33% in percentage terms. However, the negative result of the TPL motor class would be offset by a positive contribution from all other non-life classes. Indeed, premiums in this segment would be positively affected by the impetus of the economic recovery and the fact that many expiring policies were not renewed during 2020 (during the lock-down and also due to the uncertainties linked to the economic crisis).

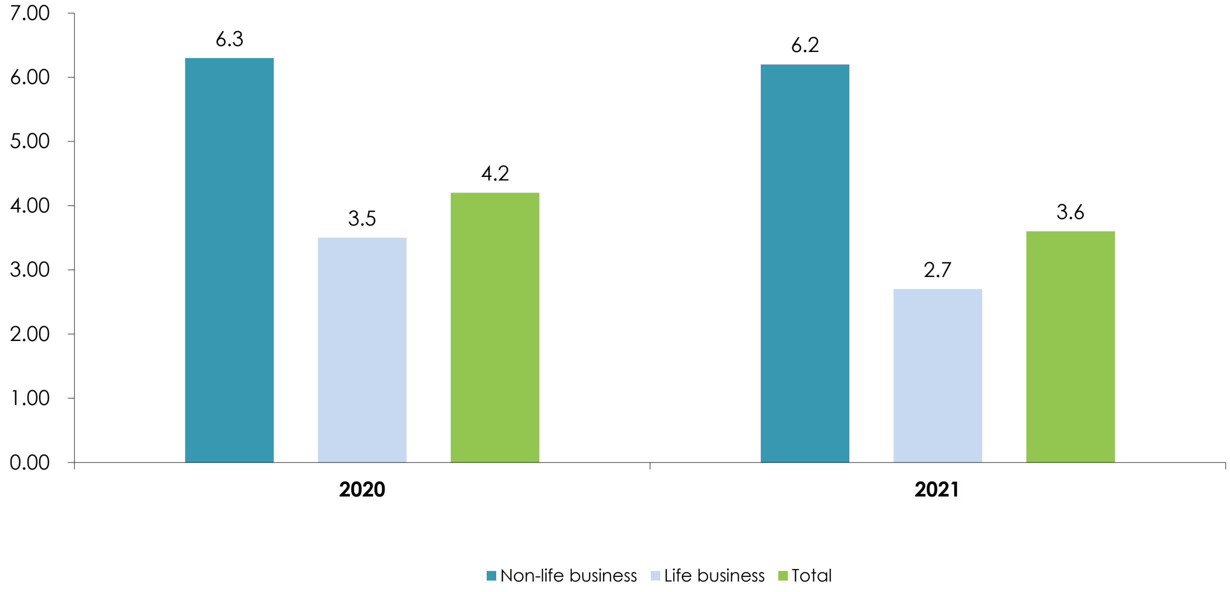
It is plausible to imagine that, with a return to more favourable economic conditions, there will be a resumption of insurance cover that had been suspended. Overall, the volume of premiums written would increase by over 7% with positive changes in all classes; among the most important business sectors for which growth would be higher than the market average, the development in the following sectors should be noted:

- health (+11%): the Covid-19 pandemic would have triggered an increase in demand for private health coverage, partly as a reflection of the difficulty in accessing public facilities during the health emergency;
- property (fire +8% and other damage to assets +7.5%): after a year of stagnation in the purchase of homes, there should be a boost in the property market (also due to the effect of subsidised mortgages for young people), which would increase the demand for insurance protection;
- land vehicle hulls (i.e. vehicle fire/theft and collision guarantees) should record a marked increase in premiums (+6.5%) due to an increase in the sale of new vehicles (at the end of June new registrations grew by almost 55%) and the purchase of used vehicles (transfers of ownership, again at the end of June, increased by 35%).

In 2021, non-life premiums as a percentage of GDP would, in any case, remain unaltered (2%). Despite the fact that the economic crisis linked to the uncertainties regarding the evolution of the Covid-19 pandemic (especially in the first few months of 2021) has slowed down household consumption, the demand for life insurance products has not diminished: in the current year, premiums in this business should record an increase of 8.5% for a volume that should be close to € 110 billion (they were just over € 100 billion at the end of 2020), thus managing to more than compensate for the loss of premiums written during 2020 (-4.4%). The growth would particularly concern class III (unit-linked), whose premiums would increase by 45% (for a volume of 43 billion), as a result of a general recovery of the financial and stock markets that, at the beginning of June 2021, were well above pre-crisis levels. On the other hand, premiums relating to traditional class I policies would continue to fall (-3.5%) due to the persistence of the scenario of very low or even negative interest rates.
The incidence of the volume of premiums written in the life business with respect to GDP would slightly rise from 6.1% in 2020 to 6.4% in 2021.

On the basis of the market figures for gross premiums written as at September 30th, 2021, of Italian companies and non-EU representative agencies, (Ania Trends, No. 1, January 2022) total life and non-life premiums were up 8.6%, the non-life business were up 2% and the life business up 10.8%. Non-life business fell 2.5% in the motor classes and rose 6.4% in the non-motor classes.

Total Group market share held by sub-Group (%)



MANAGEMENT REPORT

Total premiums written

5,166 € mln

MANAGEMENT REPORT

Cattolica and its subsidiaries in 2021

Business performance for the year

Risk management

Headcount and sales network

Significant events and other information

CATTOLICA AND ITS SUBSIDIARIES IN 2021

As of November 5th, 2021, Società Cattolica and, with it, all of its subsidiaries became part of the Assicurazioni Generali Group, following the successful Public Tender Offer (PTO) promoted by the same. Therefore, for the sake of clarity, these consolidated financial statements will refer to the sub-group consisting of Società Cattolica and its subsidiaries. For the sake of brevity, both the terms "Group" and "sub-Group" will be used in the text, in any case indicating the sub-group consisting of Società Cattolica and its subsidiaries.

The Group's industrial capabilities and disciplined management of the business enabled it to present very solid year-end results from a technical and operational standpoint. Premiums written are up in both segments of business, with strong growth in unit-linked and an excellent Non-life profitability ratio. Moreover, the sharp rise in net profit confirms the Group's solid technical and commercial performance. These results are the expression of the Cattolica Group's ability to generate profits, also thanks to a widespread and broad presence throughout Italy and the professionalism of our people and the agency and banking networks.
The partnership with the Generali Group has accelerated our performance and the increasing integration of skills and technologies will allow us, also in light of the new control structure, to become increasingly appreciated by the market and the communities in which we operate.

The performance indicators are positive, confirming the work carried out by the Group and its distribution networks, both agency and banking, thanks to the strategic directions of focus on income quality. Cattolica's fundamentals made it possible to slightly exceed the guidance given to the market, with an operating result of € 300.3 million.

The transformation into a joint-stock company starting from April 1st, 2021 and the strategic guidelines for the future are the challenges that generated value for all stakeholders during 2021.

Thanks to the partnership with the Generali Group, the effects of the industrial and commercial agreements in four strategic areas (asset management, internet of things, health business and reinsurance) have also come to fruition, reinforcing the relevance of this strategic focus in the direction of the social relevance of the offer and digital service innovation.

After the Shareholders' Meeting of May 14th, which renewed the members of the Board of Directors for the financial years 2021-2023, including the members of the Management Control Committee, at the end of May, Assicurazioni Generali announced its decision to promote a voluntary Public Tender Offer (PTO) on all Cattolica's ordinary shares pursuant to Article 102 of the Consolidated Finance Law and on June 18th, 2021, Assicurazioni Generali filed with CONSOB the document relating to the Offer, pursuant to Articles 102 and 106, paragraph 4, of the Consolidated Finance Law, concerning all the ordinary shares of Cattolica, listed on the MTA (Mercato Telematico Azionario - screen-based stock exchange) organised and managed by Borsa Italiana S.p.A.

On November 4th, Assicurazioni Generali communicated, pursuant to Article 41, paragraph 6, of the Issuers' Regulation, the final results of the PTO, whose enrolment period began on October 4th and ended on October 29th, 2021.
On the basis of the final results communicated by Equita, during the enrolment period, 138,842,677 Shares were offered, equal to approximately 79.660% of the Shares subject to the Offer and 60.803% of Cattolica's share capital. Taking into account the 138,842,677 Shares offered and the 54,054,054 Shares already held by Assicurazioni Generali, as a result of the settlement of the Offer, Generali came to hold a total of 192,896,731 Shares, equal to 84.475% of Cattolica's share capital.

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The Cattolica Group closed the year with consolidated operating income[2] of € 300.3 million, marking a 14.7% drop mainly due to the combined ratio, which fell from 86.8% to 89.1%.

In the non-life business, the operating result was € 248.6 million (-10%), in the life business it amounted to € 55.1 million (-30.8%).
The consolidated profit came to € 108 million (+52.9%). The adjusted profit[3] was € 253 million, up sharply from FY2020 (€ 192 million). This KPI includes the capital gain of € 104 million,

[2] 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 assets, as well as those belonging to class D, are considered in the operating result.

[3] 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

net of tax, from the sale of Lombarda Vita to Intesa Sanpaolo.
The Group's net profit[4], amounting to € 95.9 million (€ 36.4 million as at December 31st, 2020), showed a marked improvement despite € 164 million of write-downs (of which € 145.3 million linked to the goodwill of the companies in joint ventures with the BPM group).

Total premiums written for direct and indirect business - life and non-life - came to € 5,165.8 million (+9.8%).

Premiums written for direct non-life business amounted to € 2,133.7 million (+1.4%). The non-Motor segment contributed to the result for € 1,128.6 million (+5.4%). Premiums in the Motor segment amounted to € 1,005.1 million (-2.7%): this change was influenced by the drop in the average premium due to competitive pressure on the market and the small decline in TPL policies (around 61,500 transactions in 2021).
The combined ratio of retained business at 89.1%, is confirmed at an excellent level, benefiting from the positive performance of both Motor and Non-motor, albeit up by 2.3 pps compared to FY2020, It should be noted that last year had benefited from a sharp drop in claims frequency following the very strict *lock-down*.
The claims ratio of retained business rose to 57.7% (+2.8 pps) due to the recovery in the frequency of claims in the Motor segment. The expense ratio worsened slightly to 29.9% (+0.8 pps), due to the increase in acquisition costs, whilst the G&A expense ratio fell slightly (-0.3 pps to 7.6%) despite extraordinary expenses linked to the relief plan shared with the supervisory authority and corporate transactions. The component of other technical items on premiums fell from 2.8 to 1.5 pps; it should be noted that last year the effect of the voucher on motor TPL policies had an impact of 0.7 pps.

In the Life business, direct business premiums came to € 3,008.5 million (+16.6%). In the production mix, there was a significant increase in unit-linked products (+152.3%), which accounted for over 50% of new production.
The revaluable component of new Life insurance policy issues with zero guaranteed rates encouraged a progressive further decline in the average guaranteed minimum of the sub-group's reserve stock to 0.57% (-3 bps compared to FY2020). In addition, all new traditional issues are characterised by low capital absorption due to their low risk profile.
The result of investments[5], amounted to € 309.8 million (+3.9%), with an increase in the ordinary non-life component (+8%). The components of this result are discussed in the "Financial and asset management" section in the "Business performance for the year" chapter.

pertaining to the Group) and goodwill impairment, which have an impact on Group profit but do not affect the Solvency position.
[4] Net of minority interests.

As at December 31st, the investments amounted to € 25,388.1 million (+3.8%), including the real estate investments classified as tangible assets and cash and cash equivalents. Gross technical provisions for non-life business amounted to € 3,411.6 million (-2.4%). Provisions for life business, inclusive of financial liabilities, amounted to € 19,579.9 million (+2.4%).

Consolidated shareholders' equity amounted to € 2,840.8 million (+8.7%). Group shareholders' equity amounted to € 2,408.3 million (+12.5%). This increase is also attributable to the result for the year and to the 27,004,484 own shares taken up under the PTO, equal to 11.8% of the share capital, corresponding to almost all the own shares held by Cattolica, after deducting the 1,040,717 own shares assigned to the beneficiaries in execution of the Performance Shares Plans.

KEY PERFORMANCE INDICATORS FOR CATTOLICA AND ITS SUBSIDIARIES

According to the international accounting standards, the schedules below show (compared with those as at December 31st, 2020), respectively:

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

The income statement figures as at December 31st, 2020 and 2021 of Lombardia Vita, the sale of which was carried out on April 12th, 2021, have been reclassified in the appropriate "held for sale" items pursuant to IFRS 5. The figures commented in the following report are therefore on a like-for-like basis without the contribution of Lombarda Vita, which is summarised in the profit from discontinued operations together with the capital gain from the disposal. In this report, the term "premiums written" means the sum of the insurance premiums (as defined by IFRS 4) and the

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

amounts relating to investment contracts (as defined by IFRS 4, which refers the related discipline to IAS 39).

Table 1 - Key economic indicators

(€ thousands)	2021	2020	Changes Absolute value	Changes %
Total premiums written	**5,165,833**	**4,705,084**	**460,749**	**9.8**
of which				
Gross premiums written	**5,165,642**	**4,677,604**	**488,038**	**10.4**
Direct business - non-life	2,133,660	2,103,497	30,163	1.4
Direct business - life	3,008,328	2,552,072	456,256	17.9
Indirect business - non-life	23,654	21,997	1,657	7.5
Indirect business - life	0	38	-38	n.s.
of which				
Investment contracts	**191**	**27,480**	**-27,289**	**-99.3**
Profit (loss) from discontinued operations	108,438	60,929	47,509	78.0
Operating result	**300,268**	**352,120**	**-51,852**	**-14.7**
Consolidated net profit for the year	**107,989**	**70,635**	**37,354**	**52.9**
Group net profit for the year	**95,907**	**36,433**	**59,474**	**163.2**

n.s. = not significant

Table 2 - Key equity indicators

(€ thousands)	2021	2020	Changes Absolute value	Changes %
Investments	**25,388,126**	**24,455,975**	**932,151**	**3.8**
Assets of disposal group held for sale	**9,311**	**9,362,508**	**-9,353,197**	**-99.9**
Technical provisions net of reinsurance amount	**22,587,024**	**22,114,287**	**472,737**	**2.1**
Financial liabilities relating to investment contracts	**212,040**	**352,437**	**-140,397**	**-39.8**
Liabilities of disposal group held for sale	**0**	**9,132,268**	**-9,132,268**	**-100.0**
Consolidated shareholders' equity	**2,840,828**	**2,613,284**	**227,544**	**8.7**

Table 3 - Headcount and sales network

(number)	2021	2020	Changes Absolute value	Changes %
Total headcount	**1,789**	1,796	-7	-0.4%
Full-time equivalent headcount	**1,740**	1,746	-6	-0.3%
Direct network:				
Agencies	**1,326**	1,360	-34	-2.5%
Partner networks:				
Bank branches	**5,314**	5,960	-646	-10.8%

Table 4 - Reclassified consolidated statement of financial position

(€ thousands)	2021	2020	Changes Absolute value	%	Items from obligatory statements (*)
Assets					
Investment property	964,010	974,683	-10,673	-1.1	*4.1*
Property	189,027	201,314	-12,287	-6.1	*2.1*
Investments in subsidiaries, associated companies and joint ventures	179,448	174,094	5,354	3.1	*4.2*
Loans and receivables	1,032,859	1,193,915	-161,056	-13.5	*4.4*
Held to maturity investments	100,396	183,607	-83,211	-45.3	*4.3*
Available for sale financial assets	17,217,656	17,147,346	70,310	0.4	*4.5*
Financial assets at fair value through profit or loss	5,305,572	4,220,672	1,084,900	25.7	*4.6*
Cash and cash equivalents	399,158	360,344	38,814	10.8	*7*
Total Investments	**25,388,126**	**24,455,975**	**932,151**	**3.8**	
Intangible assets	514,798	705,094	-190,296	-27.0	*1*
Technical provisions - reinsurance amount	558,173	580,280	-22,107	-3.8	*3*
Sundry receivables, other tangible assets and other assets items	1,819,268	11,429,185	-9,609,917	-84.1	*(**)*
of which assets of a disposal group held for sale	*9,311*	*9,362,508*	*-9,353,197*	-99.9	*6.1*
TOTAL ASSETS	**28,280,365**	**37,170,534**	**-8,890,169**	**-23.9**	
Shareholders' equity and liabilities					
Group capital and reserves	2,312,435	2,103,742	208,693	9.9	
Group profit (loss) for the year	95,907	36,433	59,474	163.2	*1.1.9*
Shareholders' equity pertaining to the Group	***2,408,342***	***2,140,175***	***268,167***	***12.5***	*1.1*
Capital and reserves pertaining to minority interests	420,404	438,907	-18,503	-4.2	
Profit (loss) for the year pertaining to minority interests	12,082	34,202	-22,120	-64.7	*1.2.3*
Shareholders' equity pertaining to minority interests	***432,486***	***473,109***	***-40,623***	***-8.6***	*1.2*
Total Capital and reserves	**2,840,828**	**2,613,284**	**227,544**	**8.7**	*1*
Premium provision	885,464	892,123	-6,659	-0.7	
Provision for outstanding claims	2,526,175	2,603,994	-77,819	-3.0	
Gross technical provisions - non-life	**3,411,639**	**3,496,117**	**-84,478**	**-2.4**	*3*
Gross technical provisions - life	**19,367,894**	**18,771,296**	**596,598**	**3.2**	*3*
Other gross non-life technical provisions	3,471	3,126	345	11.0	*3*
Other gross life technical provisions	362,193	424,028	-61,835	-14.6	*3*
Financial liabilities	1,028,229	1,262,691	-234,462	-18.6	*4*
of which deposits from policyholders	*212,040*	*352,437*	*-140,397*	-39.8	
Allowances, payables and other liabilities items	1,266,111	10,599,992	-9,333,881	-88.1	*(***)*
of which liabilities of a disposal group held for sale	*0*	*9,132,268*	*-9,132,268*	-100.0	*6.1*
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**28,280,365**	**37,170,534**	**-8,890,169**	**-23.9**	

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

E-MARKET SDIR CERTIFIED

Table 5 - Reclassified consolidated income statement

(€ thousands)	2021	2020	Changes Absolute value	Changes %	*Items from obligatory statements (*)*
Net premiums	4,891,365	4,405,251	486,114	11.0	*1.1*
Net charges relating to claims	-4,297,256	-3,618,466	-678,790	-18.8	*2.1*
Operating expenses	-760,314	-697,192	-63,122	-9.1	
of which commission and other acquisition costs	-555,424	-497,242	-58,182	-11.7	*2.5.1*
of which other administrative expenses	-204,890	-199,950	-4,940	-2.5	*2.5.3*
Other revenues net of other costs (other technical income and charges)	-72,244	-92,658	20,414	22.0	*1.6 - 2.6*
Net income from financial instruments at fair value through profit or loss	236,049	65,782	170,267	258.8	*1.3*
Result from class D financial operations	231,420	69,209	162,211	234.4	
Net income from investments in subsidiaries, associated companies and joint ventures	4,227	-13,053	17,280	-132.4	*1.4 - 2.3*
Net income from other financial instruments and investment property	356,076	362,383	-6,307	-1.7	*1.5 - 2.4*
of which net interest	227,859	260,384	-32,525	-12.5	*1.5.1 - 2.4.1*
of which other income net of other charges	96,622	79,458	17,164	21.6	*1.5.2 - 2.4.2*
of which net profits realised	81,116	71,372	9,744	13.7	*1.5.3 - 2.4.3*
of which net valuation profits on financial assets	-49,521	-48,831	-690	-1.4	*1.5.4 - 2.4.4*
Commissions income net of commissions expense	-2,113	-1,825	-288	-15.7	*1.2 - 2.2*
Operating expenses relating to investments	-53,083	-48,245	-4,838	-10.0	*2.5.2*
RESULT OF INSURANCE BUSINESS AND FINANCIAL OPERATIONS	**302,707**	**361,977**	**-59,270**	**-16.4**	
Other revenues net of other costs (excluding other technical income and charges included under insurance business)	-209,417	-249,145	39,728	15.9	*1.6 - 2.6*
PROFIT (LOSS) BEFORE TAXATION FOR THE YEAR	**93,290**	**112,832**	**-19,542**	**-17.3**	
Taxes	-93,739	-103,126	9,387	9.1	3
NET PROFIT (LOSS) FOR THE YEAR	**-449**	**9,706**	**-10,155**	**104.6**	
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	**108,438**	**60,929**	**47,509**	**78.0**	**4**
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	**107,989**	**70,635**	**37,354**	**52.9**	
Profit (loss) for the year pertaining to minority interests	12,082	34,202	-22,120	-64.7	
PROFIT (LOSS) FOR THE YEAR PERTAINING TO THE GROUP	**95,907**	**36,433**	**59,474**	**163.2**	

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

Table 6 - Reclassified consolidated income statement by business segment

(€ thousands)	NON-LIFE 2021	NON-LIFE 2020	LIFE 2021	LIFE 2020	OTHER 2021	OTHER 2020	TOTAL 2021	TOTAL 2020
Net premiums	1,902,588	1,867,707	2,988,777	2,537,544	0	0	4,891,365	4,405,251
Net charges relating to claims	-1,098,498	-1,025,066	-3,198,758	-2,593,400	0	0	-4,297,256	-3,618,466
Operating expenses	-569,635	-544,503	-190,602	-152,601	-77	-88	-760,314	-697,192
of which commission and other acquisition costs	-424,257	-396,283	-131,167	-100,959	0	0	-555,424	-497,242
of which other administrative expenses	-145,378	-148,220	-59,435	-51,642	-77	-88	-204,890	-199,950
Other revenues net of other costs (other technical income and charges)	-27,882	-52,489	-44,362	-40,169	0	0	-72,244	-92,658
Net income from financial instruments at fair value through profit or loss	127	-1,265	235,927	67,050	-5	-3	236,049	65,782
*Result from class D financial operations **	0	0	231,420	69,209	0	0	231,420	69,209
Net income from investments in subsidiaries, associated companies and	3,046	-4,764	1,181	-8,289	0	0	4,227	-13,053
Net income from other financial instruments and investment property	63,828	61,683	299,267	310,245	-7,019	-9,545	356,076	362,383
Commissions income net of commissions expense	0	0	-2,113	-1,825	0	0	-2,113	-1,825
Operating expenses relating to investments **	-12,630	-10,079	-37,220	-35,193	-3,233	-2,973	-53,083	-48,245
RESULT OF INSURANCE BUSINESS AND FINANCIAL OPERATIONS	**260,944**	**291,224**	**52,097**	**83,362**	**-10,334**	**-12,609**	**302,707**	**361,977**
Other revenues net of other costs (excluding other technical income and charges included under insurance	-70,385	-75,943	-136,096	-172,597	-2,936	-605	-209,417	-249,145
PROFIT (LOSS) BEFORE TAXATION FOR THE YEAR	**190,559**	**215,281**	**-83,999**	**-89,235**	**-13,270**	**-13,214**	**93,290**	**112,832**
Taxes	-86,580	-90,874	-10,525	-15,290	3,366	3,038	-93,739	-103,126
NET PROFIT (LOSS) FOR THE YEAR	**103,979**	**124,407**	**-94,524**	**-104,525**	**-9,904**	**-10,176**	**-449**	**9,706**
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	**561**	**0**	**107,877**	**60,929**	**0**	**0**	**108,438**	**60,929**
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	**104,540**	**124,407**	**13,353**	**-43,596**	**-9,904**	**-10,176**	**107,989**	**70,635**
Profit (loss) for the year pertaining to minority interests	4,681	3,870	7,401	30,332	0	0	12,082	34,202
PROFIT (LOSS) FOR THE YEAR PERTAINING TO THE GROUP	**99,859**	**120,537**	**5,952**	**-73,928**	**-9,904**	**-10,176**	**95,907**	**36,433**

(*) Includes the Class D profits recognised in the operating expenses relating to investments amounting to € 855 thousand, other revenues amounting to € 48 thousand and interest on liquidity for € 37 thousand.

(**) Includes operating expenses relating to class D investments amounting to € 855 thousand.

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Table 7 - Operating result by business segment

	NON-LIFE		LIFE		OTHER		TOTAL	
(€ thousands)	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Net premiums	1,902,588	1,867,707	2,988,777	2,537,544	0	0	4,891,365	4,405,251
Net charges relating to claims	-1,098,498	-1,025,066	-3,198,758	-2,593,400	0	0	-4,297,256	-3,618,466
Operating expenses	-569,635	-544,503	-175,088	-152,601	-77	-88	-744,800	-697,192
of which commission and other acquisition costs	*-424,257*	*-396,283*	*-131,167*	*-100,959*	*0*	*0*	*-555,424*	*-497,242*
of which other administrative expenses	*-145,378*	*-148,220*	*-43,921*	*-51,642*	*-77*	*-88*	*-189,376*	*-199,950*
Other revenues net of other costs (other technical income and charges)	-27,882	-52,489	-44,362	-40,169	0	0	-72,244	-92,658
Income from gross ordinary investments	91,549	84,780	542,623	386,305	-49	-483	634,123	470,602
Net income from investments in subsidiaries, associated companies and joint ventures	4,762	3,870	1,612	-4,386	0	0	6,374	-516
Commissions income net of commissions expense	0	0	-2,113	-1,825	0	0	-2,113	-1,825
Operating expenses relating to investments	-12,630	-10,079	-37,220	-35,193	-3,233	-2,973	-53,083	-48,245
RESULT OF INSURANCE BUSINESS AND FINANCIAL OPERATIONS	**290,254**	**324,220**	**75,471**	**96,275**	**-3,359**	**-3,544**	**362,366**	**416,951**
Other revenues net of other operating costs	-41,674	-47,972	-20,340	-16,587	-84	-272	-62,098	-64,831
OPERATING RESULT	**248,580**	**276,248**	**55,131**	**79,688**	**-3,443**	**-3,816**	**300,268**	**352,120**
Realised and valuation gains	-6,486	-811	3,731	-1,443	-6,975	-9,065	-9,730	-11,319
Subordinated interest	-21,108	-23,551	-11,160	-7,567	0	0	-32,268	-31,118
Net income from investments in non-operating subsidiaries, associated companies and joint ventures	-1,716	-8,634	-431	-3,903	0	0	-2,147	-12,537
Other revenues net of other non-operating costs	-28,711	-27,971	-131,270	-156,010	-2,852	-333	-162,833	-184,314
PROFIT (LOSS) BEFORE TAXATION FOR THE YEAR	**190,559**	**215,281**	**-83,999**	**-89,235**	**-13,270**	**-13,214**	**93,290**	**112,832**
Taxes	-86,580	-90,874	-10,525	-15,290	3,366	3,038	-93,739	-103,126
PROFIT (LOSS) FOR THE YEAR NET OF TAXATION	**103,979**	**124,407**	**-94,524**	**-104,525**	**-9,904**	**-10,176**	**-449**	**9,706**
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	561	0	107,877	60,929	0	0	108,438	60,929
CONSOLIDATED PROFIT (LOSS)	**104,540**	**124,407**	**13,353**	**-43,596**	**-9,904**	**-10,176**	**107,989**	**70,635**
pertaining to the Group	99,859	120,537	5,952	-73,928	-9,904	-10,176	95,907	36,433
pertaining to minority interests	4,681	3,870	7,401	30,332	0	0	12,082	34,202
ADJUSTED GROUP RESULT (*)	**133,092**	**133,598**	**129,925**	**68,728**	**-9,904**	**-10,175**	**253,113**	**192,151**

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

Table 8 - Key efficiency and profitability indicators

	2021	2020
Non-life ratios for retained business		
Claims ratio (Net charges relating to claims / Net premiums)	57.7%	54.9%
G&A ratio (Other administrative expenses / Net premiums)	7.6%	7.9%
Commission ratio (Acquisition costs / Net premiums)	22.3%	21.2%
Total Expense ratio (Operating expenses / Net premiums)	29.9%	29.1%
Combined ratio (1 - (Technical balance / Net premiums))	89.1%	86.8%
Non-life ratios for direct business		
Claims ratio (Net charges relating to claims / Premiums for the year)	55.9%	54.5%
G&A ratio (Other administrative expenses / Premiums for the year)	6.8%	7.1%
Commission ratio (Acquisition costs / Premiums for the year)	23.0%	21.6%
Total Expense ratio (Operating expenses / Premiums for the year)	29.8%	28.7%
Combined ratio (1 - (Technical balance / Premiums for the year))	87.3%	85.9%
Life ratios		
G&A ratio (Other administrative expenses / Premiums written)	2.0%	2.0%
Commission ratio (Acquisition costs / Premiums written)	4.4%	3.9%
Total Expense ratio (Operating expenses / Premiums written)	6.4%	5.9%
Total ratios		
G&A ratio (Other administrative expenses / Premiums written)	4.0%	4.2%

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

COVID-19 EMERGENCY MANAGEMENT

Similar to 2020, 2021 was a year in which the world lived with the Covid-19 pandemic. After the early winter months, still characterised by high rates of positive cases, for a short period in the summer season, there were signs that the worst was behind us; but the beginning of autumn and the lowering of temperatures have brought a new wave and the spread of the new Omicron variant. Observation of the infection, hospitalisation and death trends, and the comparison of the same with other countries, together with the massive vaccination campaign carried out worldwide, is leading many scientists to hypothesise that 2022 could finally be the year of the downgrade of the pandemic to a purely epidemic status, with the consequent end of the restrictions adopted in different parts of the world to counteract the spread and perniciousness of the virus.

The Covid-19 pandemic brought about a number of paradigm shifts for society as a whole, including in the consequences that embrace individual and collective spheres, within social and economic aspects, with a feeling of uncertainty surrounding forecasts on when the world's population may be considered reasonably safe from the pandemic, as well as the lifestyles of individuals. The economic crisis that affected the sector should not be ignored, especially in terms of production, strongly penalised by the situation, even though the outlook regarding recovery seems very fragmented and anticipates a speed of adaptation and recovery of activities and of the generation of profits very different depending on global location and productive sector.

From the overall picture the conviction that the perception of risk is changing in the population emerges: the insurance sector is called upon to respond to the new balance in society that is being created ("new normal") in order to be ready for the challenges and opportunities that are being generated, evolving and even transforming the consolidated business model where necessary, redesigning the solutions and offering an increasingly personalised purchasing experience.

The effective impact on the insurance world is still to be assessed in its entirety, although it consists of a mix of contrasting effects, still being defined and stabilised.

In 2020, the effects of contingency on the segment'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 Motor TPL 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.
The downward trend in claims reported with respect to the pre-pandemic period, especially in the TPL motor class, was also confirmed in 2021 (about -20% compared to 2019 in the class 10+12).
There is an increasingly clear tendency for 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 also accentuated trends that cannot be overlooked and that, along with the digital acceleration of society as a whole, draw the attention of companies to the need to intercept, on the one hand, the growing health 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 omni channel communication with the customer at the centre of the relationship between the intermediary and company and a plurality of forms of contact seems to be at a point of no return, just as the life habits of workers are changing with a new balance between home and work, including the adoption of hybrid forms regarding home working, and the increasingly important awareness of the market and consumers towards environmental and sustainability issues in general.
The undoubtedly spontaneous vocation of Cattolica to be close to the territories and all stakeholders, in addition to the growing attention to the new digital logic of interaction with customers and agents but above all a decisive growth in the service component offered in addition to the more “core businesses”, in terms of prevention and assistance, can be a strong point in the current context. With the entry into the Generali Group, the effects of industrial and commercial agreements in four strategic areas (asset management, internet of things, health business and reinsurance) have also come to fruition, reinforcing the relevance of this strategic focus in the direction of the social relevance of the offer and digital service innovation.
Safety and proximity continue to be the guidelines through which Cattolica and its subsidiaries have approached the Covid-19 emergency from the very beginning, paying close attention to its employees, customers, agents and the entire community.
In this delicate period, Cattolica has made extensive use of internal communication channels, which in the meantime have been enriched by a new, more involving and immediate tool (corporate television). The sense of community and the sharing of common values and interests are the common thread of a reassuring and "single voice" communication plan, activated both internally and externally, to ensure a clear, updated and continuous flow of information, in order to reassure all stakeholders and widely disseminate the initiatives undertaken.

Employees measures

In order to protect its health and safety, Cattolica adopted, as early as the onset of the first cases of Covid-19 in late February 2020 and in advance of most of the industry, a series of precautionary measures activating remote working for almost all its employees and collaborators. Remote working, a project that Cattolica and its subsidiaries had already started in 2017, guaranteed continuity of processes and activities, without penalising corporate productivity; as early as March 2020, up to 98% of the workforce had worked in this mode, thus guaranteeing business continuity while protecting the well-being and safety of personnel of Cattolica and its subsidiaries. Partial returns to usual workplaces, assisted both by a structured set of "workforce protection" measures (including sanitisation of environments, testing and adaptation of equipment, identification and preparation of social distancing pathways and processes, purchase of PPE and serological tests on voluntary request) and by a mandatory training course in order to ensure a "fully safe" return, have been coordinated in order to always maintain a vigilant and prudent attitude towards the health of employees, and in the periods of greatest escalation of the perniciousness of the virus, the option to use the full smart-working mode has always been favoured.
It is possible to go to the workplace only in exceptional cases and with special authorisations, and with access only to the areas of the company designated for a specific purpose and subject to continuous sanitation. During the most dramatic period of emergency, in order to promote useful initiatives to protect the psycho-physical well-being of employees, a psychological support and listening service was activated. To assist employees in the cultural transformation necessary to better deal with the new remote operating model, training courses were activated on several levels in order to facilitate the transition to the new organisational, managerial and collaborative mindset.
Since April 15th, 2021, the new Wellbeing platform has been operational. Wellbeing is defined by the Group as the state of wellness in which the individual is able to make the most of their cognitive and emotional abilities, establishing satisfactory and mature relationships, participating constructively in changes in their environment. The WE (Wellbeing Experience) platform offers initiatives to take care of one's physical and emotional well-being, as well as two sections dedicated to the theme of sustainability, one specifically dedicated to the work environment and one to

the external environment, with initiatives in the area of solidarity and environmental sustainability.

Agents' measures

Great attention was immediately paid to the agency network, in relation to which the Company prepared an additional plan, which began before the summer of 2020, to support the stability of the economics, structured on complementary interventions aimed at protecting the agency network revenues, enriched by a virtuous mechanism that rewarded with additional incentives the ability of the network to better manage the contingency and the use of a new tool that allows the management of collections remotely (pay-by-link), in addition to a procedure for the remote selling of Motor policies. With the start of the second lock-down phase in the fall of 2020, and with even greater vigour in 2021, the focus on these digital tools was then further also strengthened thanks to the constant support of the reference figures (Digital Coach). Since the beginning of 2021, several Web Meetings were also held, individually dedicated to the relevant topics related to the various departments and business segments (Motor, Non-motor, Life, Claims), focused on agents, but also with a specific edition aimed at agency staff and front offices. Relevant, finally, is the role of the network in the above mentioned internal communication flow. With their stories from the territory (Cattolica Stories) agents recounted their experience during the Covid-19 crisis, as early as 2020, highlighting their fundamental role of social closeness, albeit with contact methods completely adapted to the context. Interaction in the agency network continued also in 2021 through the Agents' Facebook Community and the ViviCattolica App, and the close working with the Cattolica agency network as witnessed by the 2021 Agents Tour, which saw the DGM and Commercial Manager Marco Lamola return to meet the network live during the Route 44 Tour.

Customers measures

In order to meet the most urgent needs of its customers, Cattolica and its subsidiaries have put in place substantial measures, starting with their mandatory businesses, which have also accompanied the customers through the lock-down phase. Extending the expiry dates of non-life policies and facilitating the suspension of motor TPL policies were among the first measures adopted. In the very first weeks of the emergency, in order to respond to the demand of the commercial businesses (stores, bars, services) forced by the emergency measure of the Authorities to compulsorily close and to comply with the restrictive measures imposed following the threat of an epidemic, Cattolica, with a "social responsibility statement", introduced the "*Active Business NonStop*" policy dedicated to the protection of the commercial activities in order to indemnify them if they are forced to close by decree of the local or national Authorities; the sale of this product was almost immediately blocked following the extension of the restrictive measure throughout the country.

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.

During the lock-down period, new discount systems were introduced in addition to the extension of the payment deadlines for due receipts. A relief measure was introduced for customers due to lack of or reduced travel during the closure period: with the land motor vehicles initiative "Con noi un mese ha 30 giorni di più" (With us a month has 30 days more), the so-called "Voucher Auto" was introduced, active for Cattolica agencies since May 25th, 2020, according to which a benefit was 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 and/or by entering into a new Non-Motor policy, thus increasing the level of protection. Since June 17th, 2020, the voucher was also activated for TUA Assicurazioni agencies, in relation to which it could be used as an alternative and also in addition to the discount on renewal, to purchase the driver's accident guarantee or legal protection at € 1, or to obtain a discount on a new Non-Motor policy, and is also extended from June 2020 to the bancassurance channel (Vera Assicurazioni and BCC Assicurazioni).

From January 2021, Cattolica also combined measures to support motor policyholders with the Auto Voucher.

Also in 2021, following the Italian Government's extension of the so-called "110% Superbonus", initially part of the incentive measures enacted in May 2020 to encourage economic recovery, Cattolica promoted the initiative dedicated to customers with which the tax credit purchase service is offered, acknowledging to private individuals an amount equal to 102% and to companies 101% of the expense sustained for initial works, with the possibility of being able to combine the assignment of the credit with a series of insurance covers geared to the type of applicant (construction company, condominium, professional or private individual).

Community measures

In collaboration with the Fondazione Cattolica, Cattolica and its subsidiaries supported the Communities most affected by the pandemic, through the donation in 2020 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 December 2020, support was given to the "Proteggiti dal Covid per le feste" (Protect yourself from Covid for the holidays) initiative of the Cultura&Solidarietà Association to allow for an antigenic swab to be taken by those who for whatever reason are unable to access the service.
In 2021, support was provided, in the creation of the communication campaign for the "Metropolisana: prossima fermata, la tua salute" (Healthycity: next stop, your health) initiative, consisting of the opening of "health points" within the Milan subway managed in collaboration with the main specialist outpatient clinics in the area, providing support for Lombardy's public healthcare system and an opportunity for access to Covid-19 prevention services at reduced prices.

Main impacts on the business of Cattolica and its subsidiaries

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 individual companies is performed periodically, as well as weekly reporting on the main KPIs of the business.
In 2020, the lock-down phase, which began before mid-March and also lasted for the entire month of April, led to a sharp drop in premiums written from 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 2020, 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 LoBs and Life business). The return to pre-Covid standards in the bancassurance field has been more gradual in Life business, while in Non-life business new premiums have consistently remained lower than in the first few weeks of 2020. With the second wave of infection that began in autumn, and the new restrictive measures imposed by the Italian Prime Ministerial Decrees that followed, especially from the beginning of November 2020 (lock-down 2), the effect on new production was to determine a new contraction in the Motor sector, about -21%, i.e. of a much lower intensity than lock-down 1, while in the other business segments no new discontinuity was seen with respect to the recovery trends that began in the recovery period (between May and October). The 2021 trend was in continuity with that of the last few months of 2020 of partial lock-down, i.e. without substantial impact on new production, while the measures taken to counteract the contingency in 2020 (motor vouchers, policy renewals without policy increases) had significant consequences in terms of TPL motor premium decreases due to the drop in the average premium.
If alongside the aforementioned contraction in new business in 2020, the Life business was simultaneously characterised by a reduction in redemptions (over -75% in the lock-down phase 1 compared to the first 8 weeks of the year), the year 2021 did not record further discontinuities in this regard, thus confirming figures in line with the second half of 2020.
Cattolica's TPL motor retention substantially followed the movements of the market curve, and the dynamics of the curves of previous years, with higher values, and with the drop in the third quarter more marked than in 2020 and 2019, this is also the result of the peak generated in the spring months, largely due to the mix of receipts renewed in March and April, with the incidence of policies at first renewal on the total of receipts lower than the standard (2020 lock-down effect), with a positive effect on retention. On the one hand, the intense activity of the sales structure in the area and the use by the agencies of a new digital platform (ARENA Project, active from April 2020 and then from July throughout the network), which facilitated agencies in their customer loyalty activities and in the monitoring of their own secondary network, and on the other hand the car voucher initiative, supported the positive performance of the indicator.
The decline in total claims in the Non-life business for 2020 was more than 20%, in particular in some key sectors such as the Motor one; compared to the first half of 2019, taken as the equal period unaffected by the pandemic, the trend is currently being confirmed in 2021 as well, although with less intensity than last year, and more limited to the Motor class rather than generalised across all Non-life business.
In the area of Human Resources, already in 2020, 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). As a result of the continuation of company operations for a large part of the year under generalised remote working, the trend (also in this case compared to 2019) also continues in 2021.

With regard to the investment portfolio, 2021 observed a "Gain or loss on available-for-sale financial assets" reserve, net of taxes and shadows, in shareholders' equity of € 74.9 million and a valuation in the income statement in relation to "financial instruments at fair value through profit or loss" of € 169 million in net 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.

With regard to going concern and the uncertainty of estimates, in particular with regard to goodwill and impairment testing, please refer to the specific sections of the Notes to the Accounts (Principles, Going concern and Goodwill).

STRATEGIC LINES

The strategy is based on the consolidation of the strengths acquired in the previous three-year period of the business plan, and the continuation of the projects undertaken that still have room for improvement in the coming years. With the changed economic and financial market context, it will also be necessary to focus on the relaunch of life profitability and the efficiency and simplification of operations. The strategic partnership with Generali, which began in 2020 and then resulted in the PTO at the end of 2021, with which Cattolica became a subsidiary of the Generali Group, makes it possible to develop important synergies in terms of services offered, asset management efficiency and reinsurance. Finally, the strengthening of the ESG strategy is recognised as a fundamental objective for a business transformation, which is increasingly oriented towards sustainability.
Consolidation, focus and sustainability are therefore the strategic guidelines for the three-year period 2021-2023.

Consolidation actions focus in particular on strengthening the value of the agency network and on monitoring Non-life profitability. With regard to the first point, in 2021, the rationalisation of Cattolica's agency network continued as at the end of 2020; recruiting activities led to the recruitment of more than 320 new employees including sub-agents and newcomers. As regards the enhancement of the distinctive segments of the Group, and in particular the attention paid to voluntary work, mention should be made of the new insurance coverage "formula Bene Comune", created as part of the joint venture between Cattolica and Iccrea Banca and marketed by BCC Assicurazioni, which offers guarantees on Health and Assets for volunteers and directors of the insured entity belonging to the Third Sector. TPL motor profitability is better than expected, with the dynamics of the Group's average TPL motor premium declining, as in general in the insurance market, and with a change in TPL motor frequency, which, although positive compared to 2020 characterised by the travel restrictions in March and April, still significantly decreases compared to 2019. In general, the rebalancing of the non-life mix towards an increase in the incidence of Non-motor, +2 pps compared to 2020, continues, preserving the positive performance of technical profitability.
With a view to an increasingly digital and technological approach to business development, two tools were made available during the year to agents and, consequently, to customers in the underwriting phase, namely the advanced quotation tool (a project that was already being implemented at the end of the previous business plan) and remote risk analysis. The first allows for improvements in risk assessment and the consequent pricing activity thanks to a platform that cross-checks customer information already available with other information from third-party sources (such as the economic-financial situation of the company, possible prejudices, etc.); on the other hand, the possibility to carry out remote analysis consists of the option to undertake remote inspections in live 360° streaming through a 360° video camera and a virtual reality viewer. Furthermore, to support agents, these innovations are accompanied by the increasingly widespread use by the network of the ARENA commercial platform, supplied to all agencies from June 2020, a tool that acts as a single touchpoint for access to all relevant information from a commercial point of view, including that relating to the management of the settlement in all its phases (planning, processing and monitoring).
Finally, again with regard to the strategy of consolidation and in particular, sustainable development, following the Italian Government's extension of the so-called "110% Superbonus", the initiative, already described in the previous section "Covid-19 emergency management", was promoted in favour of customers, thanks to which a tax credit purchase service is offered to customers, assigning to individuals an amount equal to 102% and to companies 101% of the expense incurred for the initial works.

With regard to the initiatives undertaken by virtue of the partnership with Generali, since April, the new motor on-line product "Active Live" has been available throughout the Cattolica agency network, with two different types ("*Active Live Voice*" and "*Active Live Protect*", depending on whether the classic assistance component is also associated with the anti-theft alarm system), the result of the combination of the specific skills of the two companies in the motor sector and the technological innovation skills of Generali Jeniot. At the end of the first half of the year, the product was also already being placed for the entire TUA Assicurazioni network. As evidence of its excellent reception by customers, the penetration of the new product on total new Motor production reached the highest levels in Cattolica's history, with a rate of approximately 34%, calculated in relation to Cattolica agencies and relating only to new issues of individual Motor products.
With regard to the Health segment, the "*Active Benessere*" product ("Più Salute" is the name adopted in the banking distribution channels), developed in collaboration with Generali Welion, was finalised and made available to all

non-life companies of the Cattolica sub-Group. This innovative product gives access to a widespread health network throughout Italy with dedicated tariffs, video medical consultations, a wellness coach and personalised prevention courses. The paradigms of prevention and protection are thus united in the offer. The new product is also active in the event of epidemics or pandemics. Thanks to the expertise gained in the sector, Welion will enable savings to be made in the process of settling claims, an activity that in relation to the accident component has already been transferred to Welion since April, ahead of the timeframe envisaged in the initial agreement between the parties. New production premiums linked to the product reached € 3.5 million, despite the fact that placement began at the end of the first half-year for Cattolica, TUA Assicurazioni and BCC Assicurazioni, and only in the last two months of the year for Vera Assicurazioni.
The transfer of part of the Investment portfolio to GIAM (Generali Asset Management), aimed at increasing efficiency, was also completed. Furthermore, the proportion of Cattolica's investment portfolio to so-called alternative securities was increased, whose incidence on the total compared to the end of 2020 grew by almost 2 pps in 2021.

Finally, the reinsurance of a portion of premiums to Generali in line with the terms of the partnership agreement is proceeding as planned.

With regard to the areas identified according to the strategic focus, in addition to the projects regarding synergies with Generali outlined above, it is essential to underline the new agreement reached at the beginning of the year between Banco BPM and Cattolica on exit rights and the commercial partnership. The agreement provided for, among other things, a revision of the production targets to which under-performance penalties and over-performance premiums are linked, at the expense/in favour of Banco BPM, as distributor. At the same time, Cattolica was guaranteed greater control over the product mix.
The fundamental profitability KPIs of the Life business have improved considerably, and in particular on new production there has been a progressive change in the business mix with a significant increase in the incidence of class III (+29 pps in relation to new production).
Finally, returning to the theme of technological innovation, a new digital solution was established between Cattolica and Munich Re, with the task of managing the underwriting process for protection policies, to enable agencies to simplify and speed up the underwriting process. On the one hand, the aim is to shorten the sales process and, on the other, to provide customers with an innovative customer journey that is more in line with their needs. The solution, implemented on the accelerated underwriting tool of Munich Re Automation Solutions (a subsidiary of the Bavarian reinsurance company that has the task of developing digital offers for life companies) has been used since July, as part of the new protection product being placed "*Active Vita*", which realised approximately 2.5 million in new production premiums in the second half of the year alone.

As for the strategic direction related to sustainability, both at corporate and financial product level, the deadline on disclosure of March 10th according to EU Regulations 2019/2088 and 2020/852 was met.
As already reported, WE, the new on-line platform dedicated to Wellbeing, has been active since April.

As part of the enhancement of the Cattolica estates, all legal activities were carried out to make the "Energia Verde" (Green Energy) initiative operational, which will see the construction of a plant for the production of biomethane.

SHARE CAPITAL INCREASE

With reference to the capital increase approved by the Shareholders' Meeting of June 27th, 2020, on February 11th, the Board of Directors 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.

Subsequently, following the launch of the PTO promoted by Assicurazioni Generali, Cattolica, on June 7th, 2021, resolved to postpone the execution of the second tranche of the capital increase for the remaining € 200 million to a date subsequent to the closing of the aforementioned Offer.

On July 21st, CONSOB authorised the publication of the prospectus relating to the admission to trading on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. ("MTA") of Cattolica's ordinary shares arising from the reserved capital increase resolved by the Board of Directors on August 4th, 2020, in execution of the proxy granted by the Shareholders' Meeting of June 27th, 2020, subscribed and executed by Assicurazioni Generali S.p.A. on October 23rd, 2020.
In particular, the Reserved Capital Increase was carried out against payment for a total value of € 299,999,999.70, for a nominal value of € 162,162,162.00, indivisible, by means of the issue of 54,054,054 Cattolica ordinary shares, with no nominal value, at an issue price of € 5.55 per share, of which € 2.55 as share premium (the "Reserved Shares"). The

Reserved Shares were issued with coupon No. 30 and temporarily assigned ISIN code IT0005424897. At the same time as admission to trading on the MTA, following publication of the Prospectus, the Reserved Shares acquired ISIN code IT0000784154, i.e. the same ISIN code attributed to Cattolica's ordinary shares in circulation to date.
The Reserved Shares have regular dividend entitlement and, following admission to trading on the MTA, will be fungible with the other ordinary shares of Cattolica. The Reserved Shares have not been subject to any public offering, since they have already been fully subscribed by Assicurazioni Generali S.p.A.

Cattolica's Board of Directors, which met on December 3rd, 2021, having acknowledged the positive outcome of the tender offer launched by Assicurazioni Generali and the simultaneous increase of the value of almost all the own shares previously held by Cattolica, with a consequent further improvement in Cattolica's solvency margins, resolved to submit to IVASS for assessment the fact that it is no longer necessary to proceed with the execution of the second tranche of the increase in share capital under option of € 200 million.

On January 18th, 2022, Cattolica received notification from IVASS that the Institute did not see any obstacles to the decision taken by the Board of Directors that the second tranche of the € 200 million capital increase was no longer necessary.

GENERALI PUBLIC TENDER OFFER

In May, the Board of Directors of Assicurazioni Generali, as already reported, approved the promotion of a voluntary Public Tender Offer (PTO) for cash on all the ordinary shares of Società Cattolica di Assicurazione S.p.A., including own shares, minus the shares already held by Generali.

Assicurazioni Generali, after having filed the document relating to the PTO with CONSOB in June, and after having received all the necessary authorisations between September and October, concluded the transaction in November with the acquisition of an equity investment equal to 84.475% of Cattolica's share capital.

For details of the transactions relating to the PTO, reference should be made to the "Significant events and other information" chapter.

METHODS FOR PROMOTING THE IMAGE AND DISCLOSING INFORMATION IN RELATION TO CATTOLICA AND ITS SUBSIDIARIES

The Investor Relations Unit

The Investor Relations Unit maintained an on-going dialogue with the financial community, involving relations marked by clarity and transparency, in order to ensure market visibility of the results and strategies of the sub-Group.

During 2021, six brokers followed Cattolica stock with analyses and comments.

Public conference calls were also organised at the time of the approval of the results.

Rating

On February 8th, 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 field of ESG (Environmental, Social and Governance) issues has been adequately focused on environmental and social aspects and has also covered non-financial reporting, financial asset management and commercial aspects. According to the agency, the strategy appeared consistent with the voluntary indications of the UN, the OECD and the European Union. Following the decisions deriving from the transformation into a S.p.A. and the capital increase launched in 2020, the issue of sustainability has also entered the context of corporate governance. The assignment of the Long Term Expected Rating "EE+" incorporates, according to Standard Ethics, expectations on the future quality of governance instruments and ESG policies.

On November 11th, Standard & Poor's raised Cattolica Assicurazioni's rating from BBB to A- with a positive outlook. It also raised the rating of Cattolica's bond issues from BB+ to BBB. The rating upgrade is a direct consequence of the result of the PTO launched by Generali, which led the latter to hold 84.475% of Cattolica Assicurazioni's share capital. S&P believes that Cattolica has become of highly strategic importance to Generali and that the two groups together would be resilient even in a hypothetical Italian government bond default scenario. The agency believes that over the next 24 months it could raise the Cattolica's rating to A in the event of news of a rapid integration of Cattolica within the Generali Group.

On December 7th, the AM Best rating for Cattolica Assicurazioni, TUA Assicurazioni and CattRe was made public. The AM Best agency announced that it has assigned Cattolica Assicurazioni and TUA Assicurazioni a Financial Strength Rating of A (Excellent) and a Long-Term Issuer Credit Rating of "a+" (Excellent). The relative outlook for these credit ratings is stable. According to AM Best, the ratings reflect Cattolica's capital strength, which is rated as strong, as well as its adequate operating performance, in-line business profile and appropriate enterprise risk management. The ratings also take into account, as a strengthening element, AM Best's expectation that Assicurazioni Generali will fully integrate Cattolica within its group. AM Best also assigned CattRe with a Financial Strength Rating of A- (Excellent) and a Long-Term Issuer Credit Rating of "a-" (Excellent). The outlook for these credit ratings is stable. The ratings reflect CattRe's capital strength, which AM Best rates as very strong, as well as its adequate operating performance, limited business profile and appropriate business risk management. For CattRe, the ratings also take into account, as a strengthening element, the entry of the company into the Generali Group.

Operating Result

Life Business

55 € mln

Non-life Business

248 € mln

Other

-3 € mln

MANAGEMENT REPORT

Cattolica and its subsidiaries in 2021

Business performance for the year

Risk management

Headcount and sales network

Significant events and other information

E-MARKET SDIR CERTIFIED

BUSINESS PERFORMANCE FOR THE YEAR

A BRIEF OUTLINE OF THE BUSINESS PERFORMANCE

The Group by main financial statements aggregates

Sectors of business

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

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

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

For an analysis of results per business segment, reference should be made to Table 6, where each segment is represented net of the eliminations between sectors. The Notes to the Accounts contain tables relating to the operating segments envisaged by ISVAP Regulation No. 7 dated July 13th, 2007 (gross of eliminations between sectors).

Profit (loss) for the year

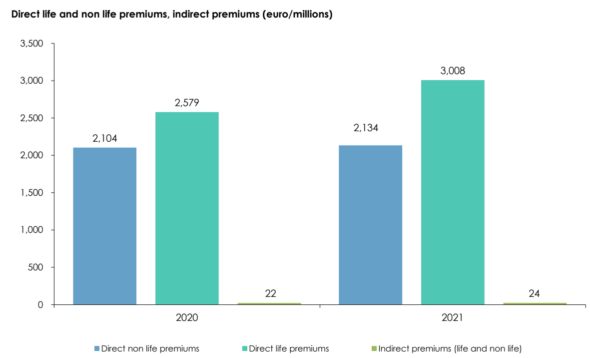
The year ended with a consolidated net result of € 108 million (+52.9%), attributable to the Non-life business for € 104.5 million (-16%), the Life business with a profit of € 13.4 million compared to a loss of € 43.6 million as at December 31st, 2020 and Other business with a loss of € 9.9 million (-2.7%).

The Group's net profit amounted to € 95.9 million (+163.2%).

The operating result came to € 300.3 million (-14.7%). Both the Non-life business (€ 248 million compared to € 276 million in 2020) and Life business (€ 55 million compared to € 79 million in 2020) results were down.
The operating RoE[6] stands at 7.3%.

Premiums

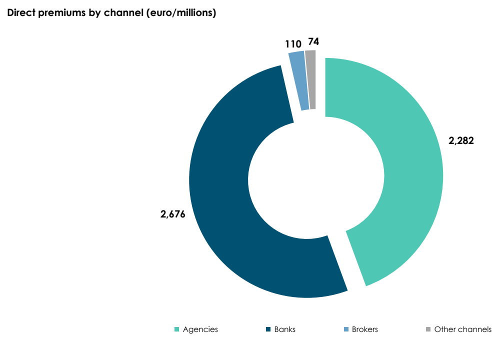
Gross consolidated premiums (which comply with the definition of insurance policy as per IFRS 4) amounted to € 5,165.6 million (+10.4%). Investment contracts are not significant.



Gross direct non-life premiums totalled € 2,133.7 million (+1.4%) and accounted for 41.6% of total direct premium (45.2% as at December 31st, 2020).

Gross direct life premiums totalled € 3,008.3 million (+17.9%): investment contracts amounted to € 191 thousand.
Life premiums represented the majority share of total direct business (58.4% compared with 54.8%).

Direct business premiums written, per distribution channel, is broken down as follows: agencies 44.4%, banks 52.1%, brokers 2.1%, and other channels 1.4%.



[6] The operating ROE is the ratio between the sum of the operating result minus the cost of employment, taxes and minority interest and the average of the Group shareholders' equity (excluding the AFS reserve).

Other administrative expenses

Other administrative expenses totalled € 204.9 million (+2.5%), due to the increase in personnel, IT and consulting costs, partly linked to the recovery plan submitted to IVASS and the corporate transactions.

With reference to direct business, the ratio of other non-life administrative expenses to premiums written for the year fell from 7.1% to 6.8%, while the ratio of other life administrative expenses to life premiums is 2%, in line with 2020.

The Group by segments

Non-life business

Non-life business, as already reported, closed the year with a profit of € 104.5 million compared to € 124.4 million in 2020. Net non-life premiums amounted to € 1,902.6 million (+1.9%). The combined ratio of direct business was 87.3%, versus 85.9% in 2020. The claims ratio (claim/premium ratio) is equal to 55.9% (54.5%), while the ratio of other administrative expenses fell from 7.1% to 6.8%. The combined ratio of retained business increased from 86.8% to 89.1%.

Financial operations, which were affected by write-downs before taxes for € 10.725 million, closed with a result of € 54.4 million (+19.3%) and were mainly characterised by net income deriving from other financial instruments and investment property for € 63.8 million (+3.5%), with net interest and other net income amounting to € 79.9 million (+16.4%), with net realised gains totalling € 1.7 million (-87.1%) and with net losses from valuation that came to € 17.8 million (-11.6%).

The contribution of financial operations to operating income, i.e. net of interest expense on subordinated loans, realisation and valuation results, amounted to € 78.9 million compared to € 74.7 million last year.

Operating income, amounting to € 248.6 million (-10%), albeit at excellent levels, was affected by the recovery in the frequency of motor claims.

Life business

The Life business closed the year with a profit of € 13.4 million compared to a loss of € 43.6 million in 2020.

Net Life premiums amounted to € 2,988.8 million (+17.8%) and financial operations[7] closed with a result of € 265.7 million (+0.2%), affected by write-downs gross of taxes of € 16.188 million, with net income from other financial instruments and investment property of € 299.3 million (-3.5%), of which interest and other net income amounted to € 244.1 million (-9.9%), net realised gains of € 79.4 million (+36.4%) and net losses from valuation of € 24.2 million (+27.4%).

Operating income, amounting to € 55.1 million (-30.8%), was negatively impacted by the decision to set aside a provision for risks of € 7 million against potential claims linked to the so-called "dormant policies" reported by IVASS. In addition to this, there are negative impacts deriving from the business mix (several unit-linked lines show lower revenues in the issue year against higher margins in subsequent years) and from the increase in reserves linked to the particularly low level of rates.

Other business

At the end of the year, Other business reported a loss of € 9.9 million (-2.7%), mainly due to the write-down of investment property of € 5 million and capital losses on disposals of € 2 million, net of the tax effect.

Sectors by geographic area

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

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

Investments

Investments amounted to € 25,338.1 million (+3.8%). Their breakdown and variation compared to 2020 are represented in the following table.

Table 9 - Total investments

(€ thousands)	2021	% of total	2020	% of total	Changes Absolute value	Changes %
Investment property	964,010	3.8	974,683	4.0	-10,673	-1.1
Property	189,027	0.7	201,314	0.8	-12,287	-6.1
Investments in subsidiaries, associated companies and joint ventures	179,448	0.7	174,094	0.7	5,354	3.1
Loans and receivables	1,032,859	4.1	1,193,915	4.9	-161,056	-13.5
Held to maturity investments	100,396	0.4	183,607	0.7	-83,211	-45.3
Available for sale financial assets	17,217,656	67.8	17,147,346	70.1	70,310	0.4
Financial assets at fair value through profit or loss	5,305,572	20.9	4,220,672	17.3	1,084,900	25.7
Cash and cash equivalents	399,158	1.6	360,344	1.5	38,814	10.8
TOTAL	**25,388,126**	**100.0**	**24,455,975**	**100.0**	**932,151**	**3.8**

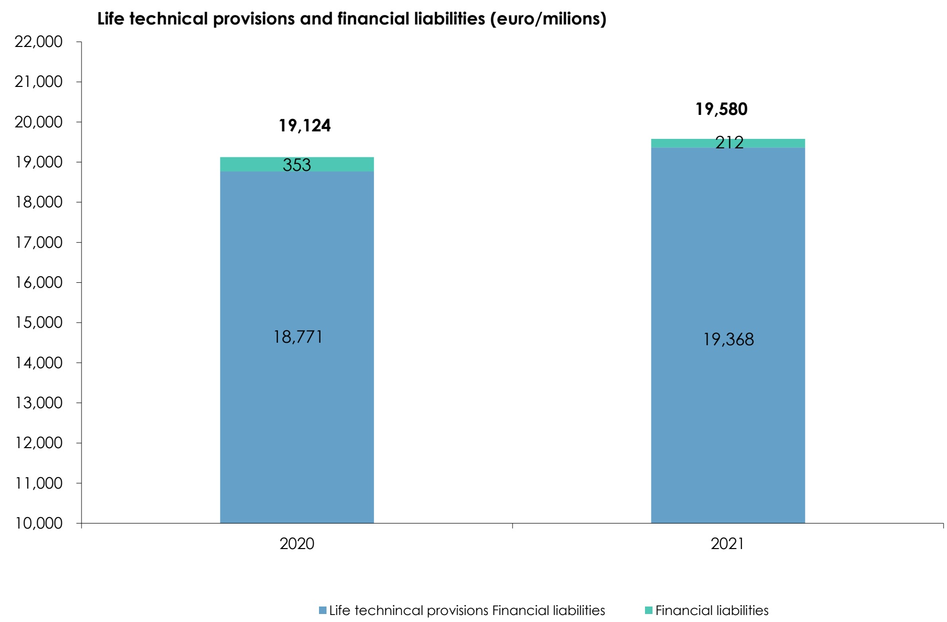
The result of financial operations, with the exclusion of investments whose risk is borne by the policyholders and gross of the tax effects and the change in other financial liabilities, came - as already mentioned - to € 309.8 million (+3.9%).

Technical Provisions

Non-life technical provisions (premiums and claims) amounted to € 3,411.6 million (-2.4%).

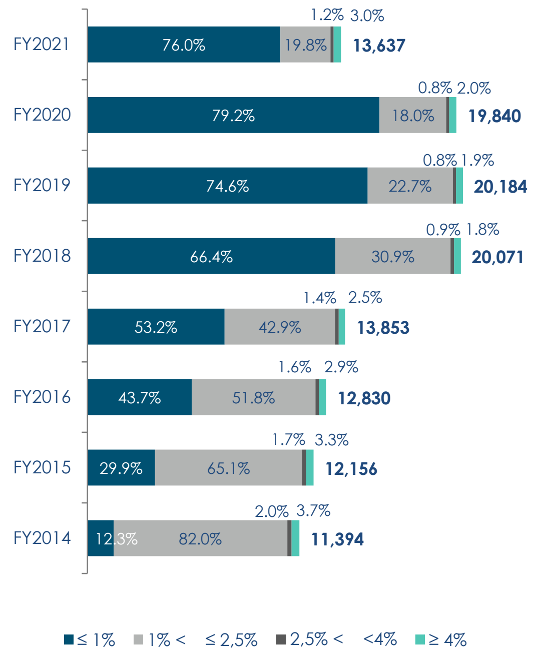
Life technical provisions (mathematical provisions inclusive of shadow accounting) amounted to € 19,367.9 million (+3.2%). Also taking into account financial liabilities relating to investment contracts, the technical provisions and deposits relating to life business amounted to € 19,579.9 million (+2.4%).

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



With reference to the composition of the Segregated Management Schemes, the Technical Provisions for Guaranteed Minimum are represented below. The average guaranteed minimum rate for the Group's stock of provisions as at December 31st, 2021, was 0.57% (-3 bps compared to FY2020).

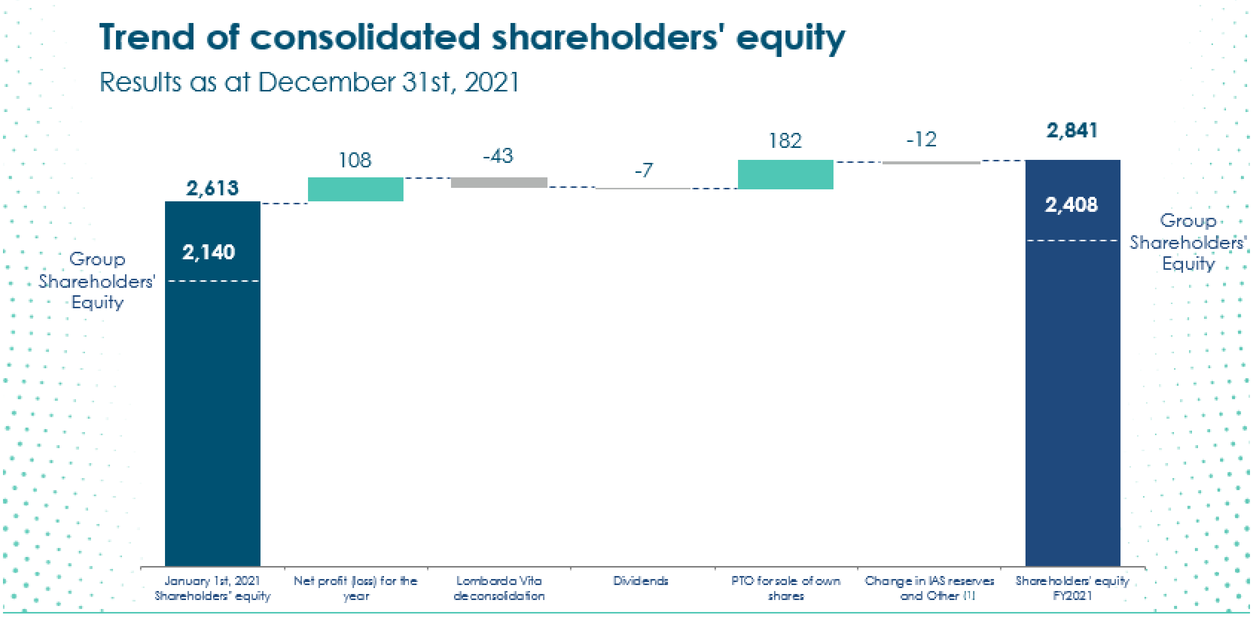
€ mln



Shareholders' equity and its trend

The change in consolidated shareholders' equity compared with last year is mainly due to the result for the year of € 108 million, the deconsolidation of Lombarda Vita with a negative effect of € 43 million, dividends of € -7 million, the sale of own shares with a positive effect of € 182 million and the change in the IAS and other reserves of € -12 million (including the change in the AFS reserve and the gains/losses recognised directly in shareholders' equity).

Consolidated shareholders' equity amounted to € 2,840.8 million (+8.7%).
The Group shareholders' equity amounted to € 2,408.3 million (+12.5%) and includes gains on available-for-sale financial assets amounting to € 71.2 million (-8.7%).
Portions of shareholders' equity pertaining to minority interests amounted to € 432.5 million (-8.6%) and include gains on available-for-sale financial assets amounting to € 3.7 million (-79.2%).



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

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INSURANCE BUSINESS AND OTHER BUSINESS SECTORS

Summary of the activities carried out by the Group companies

As at December 31st, the consolidation scope comprised the insurance Parent Company, eight insurance companies, of which a reinsurance company, a holding company, a real estate services company, seven service companies, two companies in the agricultural-real estate sector and six real estate funds.

Società Cattolica di Assicurazione S.p.A. operates throughout Italy in the life and non-life businesses, ideally targeting the medium/high range of the personal segment, and controls the following companies:

Non-life companies

BCC Assicurazioni S.p.A., with headquarters in Milan, share capital of € 14.4 million, is authorised to operate in the non-life business and distributes its products using the network of branches of the ICCREA Group. Cattolica holds 70% of the share capital;

CattRe S.A., with headquarters in Luxembourg, share capital of € 63.6 million, is authorised to conduct reinsurance business. Cattolica holds 100% of the company;

TUA Assicurazioni S.p.A., with headquarters in Milan, share capital of € 23.2 million, carries out insurance activities in the non-life business, offering the market a specialist range of insurance and financial products/services to meet the needs of personal line customers. Cattolica holds 99.99% of the share capital;

Vera Assicurazioni S.p.A., with headquarters in Verona, share capital of € 63.5 million, is authorised to operate in the non-life business. Cattolica holds 65% of the company;

All Risks Solutions S.r.l., with headquarters in Milan, carries out insurance brokerage activities, with a share capital of € 10 thousand. It is wholly-owned by Satec Holding S.r.l.;

Satec Holding S.r.l., with headquarters in Venice, is a holding company, share capital of € 81 thousand. CattRe S.A. holds 100% of its capital;

Mediterranea Underwriting S.r.l. (MUW S.r.l.), with registered office in Genoa, carries out insurance and reinsurance brokerage activities, share capital € 60 thousand. It is wholly-owned by Satec Holding;

Meteotec S.r.l., with headquarters in Venice, carries out meteorological and climatic research activities, share capital of € 30 thousand. It is wholly-owned by Satec;

Qubo Insurance Solutions S.r.l., with headquarters in Milan, carries out insurance brokerage activities, share capital of € 10 thousand. Satec Holding holds 51% of the company;

Satec S.r.l., with headquarters in Venice, carries out insurance brokerage activities, share capital of € 135 thousand. It is wholly-owned by Satec Holding;

Fondo Andromaca is a closed-end real estate mutual investment fund, managed by Finanziaria Internazionale Investments SGR, wholly-owned by Cattolica. Part of the interests is allocated in the non-life portfolio;

Fondo Euripide is a closed-end real estate mutual investment fund, managed by Finanziaria Internazionale Investments SGR. The overall interests held are: Cattolica 67.95%, Vera Vita 9.82%, BCC Vita 2.5%, TUA Assicurazioni 1.82%, Vera Protezione 1.3% and Vera Assicurazioni 0.5%. Part of said interests is allocated to the non-life portfolios of Cattolica, TUA Assicurazioni and Vera Assicurazioni;

Fondo Girolamo is a closed-end real estate mutual investment fund managed by Savills IM SGR. It is 74.51% owned by Cattolica, 15.75% by BCC Vita, 9.13% by TUA Assicurazioni and 0.61% by BCC Assicurazioni. Part of the interests is allocated to Cattolica, BCC Assicurazioni and TUA Assicurazioni's non-life portfolio;

Fondo Innovazione Salute is a closed-end real estate mutual investment fund, managed by Savills IM SGR and dedicated to housing for the elderly. The interests are held: 74.91% by Cattolica, 6.56% by TUA Assicurazioni and 0.67% by BCC Assicurazioni. Part of the same is allocated to Cattolica, BCC Assicurazioni and TUA Assicurazioni's non-life portfolio;

Fondo Perseide is a closed-end real estate mutual fund dedicated to investment in renewable energies, managed by Finanziaria Internazionale Investments SGR. The overall interests held are: Cattolica 79.42, TUA Assicurazioni 5.09% and BCC Vita 4.63%. Part of said interests is allocated to Cattolica and TUA Assicurazioni's non-life portfolio;

Fondo San Zeno is a closed-end real estate mutual investment fund, managed by CB Richard Ellis. The overall interests held are: Cattolica 67.89% and BCC Vita 19.61%.

Part of said interests is allocated to Cattolica's non-life portfolio;

Campo dei Fiori, is a limited liability company, 100% controlled by Fondo San Zeno of which Cattolica holds 67.89%.

Life companies

BCC Vita S.p.A., with headquarters in Milan, share capital of € 62 million, is authorised to carry out insurance activities in the life business and distributes its products via the branches of the ICCREA Group. Cattolica holds 70% of the share capital;

Vera Financial DAC, is a life insurance company with headquarters in Dublin, Ireland, share capital of € 803 thousand, specialising in class III life insurance policies. Cattolica holds 65% of Vera Vita, which in turn holds 100% of the company;

Vera Protezione S.p.A., with headquarters in Verona, share capital of € 47.5 million, is authorised to operate in the life business and specialises in TCM (temporary life insurance) policies. Cattolica holds 65% of Vera Assicurazioni, which in turn holds 100% of the company;

Vera Vita S.p.A., with headquarters in Verona, share capital of € 219.6 million, is authorised to operate in the life business and specialises in the savings and investment products business. Cattolica holds 65% of the company;

Fondo Andromaca is a closed-end real estate mutual investment fund, managed by Finanziaria Internazionale Investments SGR, wholly-owned by Cattolica. Part of the interests is allocated in the life portfolio;

Fondo Euripide is a closed-end real estate mutual investment fund, managed by Finanziaria Internazionale Investments SGR. The overall interests held are: Cattolica 67.95%, Vera Vita 9.82%, BCC Vita 2.5%, TUA Assicurazioni 1.82%, Vera Protezione 1.3% and Vera Assicurazioni 0.5%. Part of said interests is allocated to the life portfolios of Cattolica, BCC Vita, Vera Protezione and Vera Vita;

Fondo Girolamo is a closed-end real estate mutual investment fund managed by Savills IM SGR. It is 74.51% owned by Cattolica, 15.75% by BCC Vita, 9.13% by TUA Assicurazioni and 0.61% by BCC Assicurazioni. Part of the interests is allocated to Cattolica and BCC Vita's life portfolio;

Fondo Innovazione Salute is a closed-end real estate mutual investment fund, managed by Savills IM SGR and dedicated to housing for the elderly. The interests are held: 74.91% by Cattolica, 6.56% by TUA Assicurazioni and 0.67% by BCC Assicurazioni. Part of said interests is allocated to Cattolica's life portfolio;

Fondo Perseide is a closed-end real estate mutual fund dedicated to investment in renewable energies, managed by Finanziaria Internazionale Investments SGR. The overall interests held are: Cattolica 79.42%, TUA Assicurazioni 5.09% and BCC Vita 4.63%. Part of the same are allocated to Cattolica and BCC Vita's life portfolio;

Fondo San Zeno is a closed-end real estate mutual investment fund, managed by CB Richard Ellis. The overall interests held are: Cattolica 67.89% and BCC Vita 19.61%. Part of the same are allocated to Cattolica and BCC Vita's life portfolio.

Other companies

Agricultural - real estate sector

Cattolica Agricola S.A.r.l. was established in 2012 by Cattolica, the single-member company within the scope of the purchase of the real estate complex known as Tenuta Ca' Tron. It has headquarters in Verona and share capital of € 35.5 million. It is a single-member limited liability company whose sole purpose is the exclusive exercise of agricultural activities pursuant to Art. 2135 of the Italian Civil Code;

Cattolica Beni Immobili S.r.l. was established in 2012 by Cattolica, the single-member company within the scope of the purchase of the real estate complex known as Tenuta Ca' Tron. It is a limited liability company with single member. It has headquarters in Verona and share capital of € 7 million and manages, amongst other aspects, the properties not instrumental to the agricultural activities related to said estate, as well as the "Cattolica Center" real estate complex, located in Via Germania, Verona.

Service companies

Cattolica Immobiliare S.p.A., with headquarters in Verona, share capital of € 400 thousand, carries out activities for developing and leveraging the real estate assets and those typical of real estate services. It is wholly-owned by Cattolica;

Cattolica Services S.C.p.A., a consortium company, which carries out service activities, with headquarters in Verona and share capital of € 21 million. The services and activities provided are: planning, implementation and management of IT applications and operating processes, along with the services relating to telecommunications systems; supervision of the digital innovation with regard to IT and organisational aspects; handling of the settlement of Group claims with the exception of the security, crop hail and transport classes; teaching and training services for the Group resources; Business operations and accounting and financial statements of the Group companies. It is 99.98% owned by the Cattolica, while the remaining portion is held by other companies (BCC Assicurazioni, BCC Vita, Cattolica Immobiliare, which individually hold 0.005%, and by TUA Assicurazioni, which holds 0.01%).

Group insurance business

Insurance premiums are shown in the table below, with indication of the percentage in relation to total direct business and changes as compared with the previous year, together with investment contracts.

Table 10 - Total premiums written

					Changes	
(€ thousands)	2021	% of total	2020	% of total	Absolute value	%
Accident and injury	200,460	3.9	202,924	4.4	-2,464	-1.2
Health	90,002	1.8	93,118	2.0	-3,116	-3.3
Land vehicle hulls	169,253	3.3	154,432	3.3	14,821	9.6
Goods in transit	6,465	0.1	6,702	0.1	-237	-3.5
Fire & natural forces	174,169	3.4	168,128	3.6	6,041	3.6
Other damage to assets	247,924	4.8	234,834	5.0	13,090	5.6
TPL - Land motor vehicles	835,828	16.3	878,518	18.9	-42,690	-4.9
TPL - General	220,274	4.3	206,749	4.5	13,525	6.5
Credit	262	n.s.	93	n.s.	169	n.a.
Suretyship	25,799	0.5	22,298	0.5	3,501	15.7
Sundry financial losses	43,572	0.9	31,917	0.7	11,655	36.5
Legal protection	25,000	0.5	22,229	0.5	2,771	12.5
Assistance	59,113	1.2	54,753	1.2	4,360	8.0
Other classes [1]	35,539	0.6	26,802	0.5	8,737	32.6
Total non-life business	**2,133,660**	**41.6**	**2,103,497**	**45.2**	**30,163**	**1.4**
Insurance on the duration of human life - class I	1,462,167	28.4	1,912,873	41.1	-450,706	-23.6
Insurance on the duration of human life linked to investment funds - class III	1,520,320	29.6	602,522	12.9	917,798	152.3
Health insurance - class IV	1,492	n.s.	1,266	n.s.	226	n.a.
Capitalisation transactions - class V	11,863	0.2	22,350	0.5	-10,487	-46.9
Pension funds - class VI	12,486	0.2	13,061	0.3	-575	-4.4
Total life business	**3,008,328**	**58.4**	**2,552,072**	**54.8**	**456,256**	**17.9**
Total direct business	**5,141,988**	**100.0**	**4,655,569**	**100.0**	**486,419**	**10.4**
Indirect business	**23,654**		**22,035**		**1,619**	**7.3**
Total insurance premiums	**5,165,642**		**4,677,604**		**488,038**	**10.4**
Insurance on the duration of human life linked to investment funds - class III	0	0	19	0.1	-19	n.s.
Pension funds - class VI	191	100.0	27,461	99.9	-27,270	-99.3
Total investment contracts	**191**	**100.0**	**27,480**	**100.0**	**-27,289**	**-99.3**
TOTAL PREMIUMS WRITTEN	**5,165,833**		**4,705,084**		**460,749**	**9.8**

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

n.s. = not significant

n.a. = not applicable

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

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

Life business					**Changes**	
(€ thousands)	**2021**	**% of total**	**2020**	**% of total**	**Absolute value**	**%**
Insurance on the duration of human life - class I	1,462,167	48.6	1,912,873	74.2	-450,706	-23.6
Insurance on the duration of human life linked to investment funds - class III	1,520,320	50.5	602,541	23.3	917,779	n.s.
Health insurance - class IV	1,492	0.1	1,266	n.s.	226	17.8
Capitalisation transactions - class V	11,863	0.4	22,350	0.9	-10,487	-46.9
Pension funds - class VI	12,677	0.4	40,522	1.6	-27,845	-68.7
Total life premiums - direct business	**3,008,519**	**100.0**	**2,579,552**	**100.0**	**428,967**	**16.6**

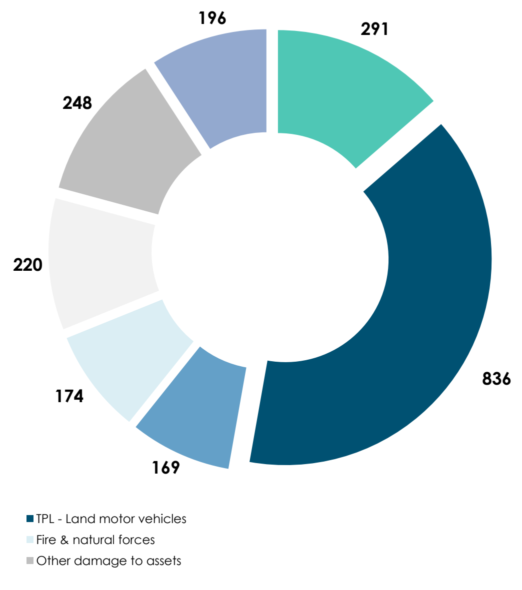
n.s. = not significant

Non-life business - Premiums written

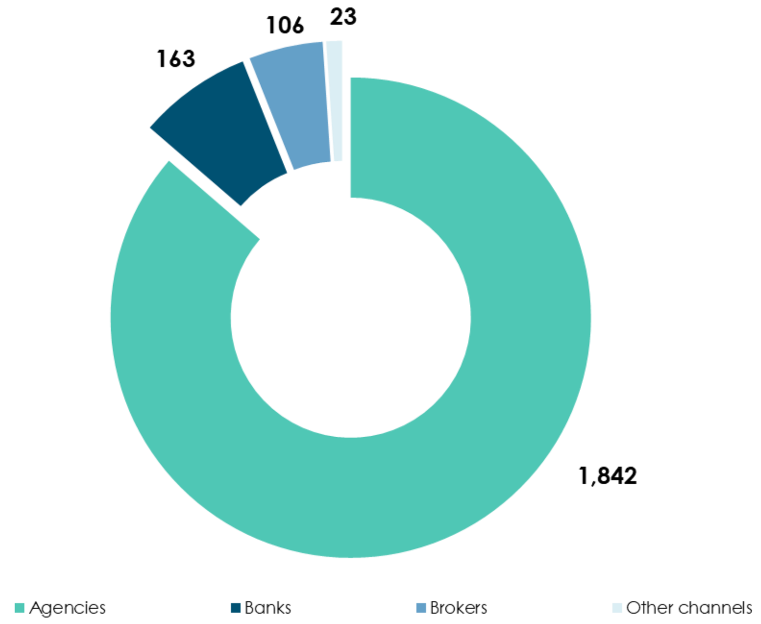
The direct premiums written of the non-life business increased by 1.4% to € 2,133.7 million, of which € 1,005.1 million in the motor segment, -2.7%, mainly due to the drop in premiums written during the lock-down phase and the effect of initiatives in favour of policyholders, including the voucher. The non-motor segment showed premiums written, up 5.4%, to € 1,128.6 million.

Indirect premiums came to € 23.7 million (+7.5%).
Direct non-life premiums written were generated as follows: the agency channel with € 1,842.2 million (-0.3%), the banking channel with € 162.9 million (+24.5%), brokers with € 106.2 million (+38.4%) and other channels with € 22.4 million (-52.8%).

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

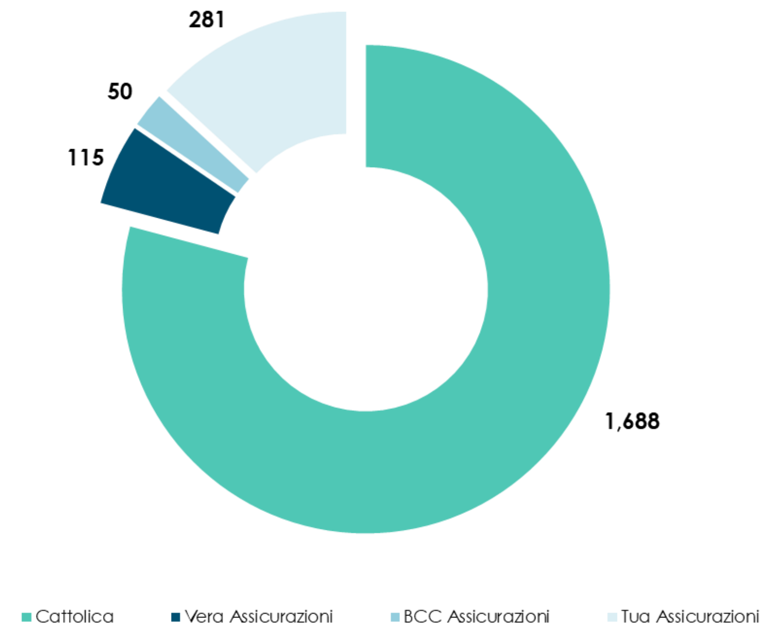


Premiums by channel, non life direct premiums (euro/millions)



Direct non-life premiums are attributable mainly to Cattolica for € 1,688.5 million, BCC Assicurazioni for € 49.5 million, TUA Assicurazioni for € 280.9 million and Vera Assicurazioni for € 114.8 million.

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



Non-life business - Research and development activities: new products

During the year, the companies adjusted the contractual documentation of marketed products in accordance with IVASS Regulation No. 41 of August 2nd, 2018, and in accordance with the provisions of IVASS Regulation No. 45 of August 4th, 2020, on Product Oversight Governance (POG).
The companies also revised their 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 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.

Cattolica

The path taken by Cattolica since May 2018, aimed at innovation in the Motor area, continued in 2021 with the new digital solutions dedicated to the "*Active Auto*" and "*Active Veicoli Commerciali*" products. Thanks to the partnership with Assicurazioni Generali, in April, Cattolica released the new connected solution "*Active Live*", with the dual "*Voice*" and "*Protect*" configuration, to extend the protection of those who get behind the wheel.

In the event of an accident, both solutions guarantee an automatic call from the Assistance Centre for impacts above certain thresholds, as well as the collection and processing of data for the reconstruction of the dynamics of the accident and its management. The two solutions differ from each other in the technologies used and the services offered: "*Active Live Voice*" involves the installation on the vehicle windscreen of a box equipped with a speakerphone and an emergency button to be pressed to be contacted by the Assistance Centre; "*Active Live Protect*" involves the "Protect Box" black box, installed in a hidden point of the vehicle, which in the event of movement of the car with the engine off automatically triggers the anti-theft alarm, activating the satellite tracking of the vehicle.

With regard to the Motor segment, during the year a new edition of the CVT tariff was also released, which primarily concerned the restyling of the CVT Truck product, in order to increase its commercial appeal by revising the tariff and content; several of the new features introduced were extended across the Motor Vehicles and Moped/Motorcycle segments.

"*Cattolica&Agricoltura - Rischi Zootecnici*" was updated in January for the 2021 campaign: the product was improved, concerning the part relating to supplementary non-facilitated coverage, with the guarantee relating to the death and slaughter of cattle and buffalo as a result of neuro-toxin toxicity produced by Clostridium botulinum.

The "*Cattolica&Agricoltura - Avversità Atmosferiche*" product was also revised and updated for the 2021 campaign, in compliance with the regulatory adjustments resulting from the issue of the new Risk Management Plan (PGRA). The new version of the product will be made available starting in February.

With the restyling of "*Cattolica&Casa - Condominio 360°*", in place since May, a number of interventions were carried out aimed at: improving the competitiveness of the product on the market, rationalising certain aspects of the issue of the policy proposal and refining certain aspects of the pricing of the individual guarantees.

"*Active Benessere*", the new Health product, developed with the services of Generali Welion and released in June, is a broad and modular solution, thanks to the different formulas dedicated to individuals, families and employees of companies. In addition to traditional insurance coverage, customers can actively contribute to protecting their health through innovative services dedicated to improving lifestyle and physical well-being, as well as through solutions and tools for the phases of prevention, diagnosis, care and convalescence:

- Prevention: by accessing the dedicated web portal, it is possible to build one's own prevention path and interact with the Wellness Coach, a qualified figure who works alongside the customer explaining and further personalising the pathway; it is also possible to open a claim, consult one's own medical record and calendar of health appointments, activate the service for home delivery of medicines, take advantage of a tele-consultation or video-consultation 24 hours a day without the need for booking through the Welion App, thanks to a third-party provider partner of Generali Welion and access affiliated facilities, specialist visits and diagnostic examinations at reduced rates through the Welion Card;

- Diagnosis: the product provides for the payment or reimbursement of specialist visits, examinations and diagnostic tests carried out in affiliated professional studios or conventional analysis laboratories;
- Care: the offer provides for a daily allowance in the event of hospitalisation and direct payment of healthcare expenses at affiliated facilities or reimbursement following hospitalisation with or without surgery, or surgery including outpatient surgery;
- Convalescence: thanks to the specific allowance and the reimbursement of expenses for therapeutic and rehabilitative treatments incurred, the convalescence period becomes a time to recover health and well-being with the completion of services through nurses and physiotherapists at home, the provision of medical equipment, the organisation of the transfer from home and the return from the nursing home with the most appropriate means of transport, a personal trainer and telephone consultation with a nutritionist.

"*Active Benessere*", which is also active in the event of epidemics or pandemics (including Covid-19), also provides a series of special solutions and guarantees designed ad hoc, for example, the range dedicated to future parents and their children with services that cover psychological support for a new mother, telephone information on maternity, nurseries and administrative practices, the organisation of paediatric home visits, any surgical interventions for the newborn as well. Furthermore, among the guarantees, there is protection from cases of malpractice: a coverage that helps the insured to defend their rights, covering any legal expenses.

"*Cattolica&Agricoltura - Agricola 360°*" has undergone a restyling, with a new version of the product on sale from September, which pursues the objectives of simplification in

the risk assumption phase (e.g. simplification of the choice of supply chains and guarantees that may be purchased to protect the secondary activity) and updating of the product to better meet the specific needs of the owner and the farm, through the introduction of new coverage and revision of specific guarantees.

The "*Cattolica&Professioni*" product, available in the two independent modules, Offices and Activities, was supplemented with the new derivations to cover the risks relating to the performance of the following activities: administrator of condominiums, legal activities, technical activities and technical activities in agriculture (in the September release) and healthcare activities, property agents and IT and data processing centres (in the November release).

In December, the new "*Cattolica&NonProfit*" product was released, aimed at Entities, Associations and Social Enterprises operating in the non-profit world, which pursues specific objectives related to the protection of the Entity and the parties who work within it or who benefit from its services; it provides various covers to protect both the assets of the organisation from events such as fire, theft and robbery, damage to electrical and electronic equipment, cyber risk, and the assets of the entity, protecting it from possible claims for damages made by third parties; it also aims to protect the physical integrity of individuals from the risks of injury or illness during the performance of their activities as volunteers or associates, helping them also in the event that they are financially exposed.

BCC Assicurazioni

Since March, "*Formula Bene Comune*", the innovative insurance solution dedicated to the Entities of the "Third Sector" to provide all-round protection for volunteers and the people who work in that sector, has been available in agencies. A solution dedicated to the specific segment of donations has been included in the catalogue for the company's agency channel.

In the first days of May, the marketing of "*Formula Salute*" began at the BCC banks belonging to the ICCREA Group. This is a new concept product for the well-being of the individual and the household thanks to its prevention, assistance, care, diagnosis and convalescence programmes. This is a set of innovative services and technological content to support when needed and encourages a healthy and balanced lifestyle.

The leasing insurance segment has also been expanded, thanks to the strengthening of the commercial collaboration between BCC Assicurazioni and the companies Iccrea Banca Impresa and BCC Lease. As of June 1st, 4 property leasing policies, 19 instrumental leasing policies and 4 land vehicle hull policies were updated with regard to the role of leading company, now 100% BCC Assicurazioni. The policies are placed "directly" by Iccrea Banca Impresa/Bcc Lease and "indirectly" by the Credito Cooperativo (Co-operative banks) banks of the ICCREA group.

In October, "*Formula Azienda*", the modular protection solution for Small and Micro Enterprises, was launched. The flexible and complete product is dedicated to natural and legal persons who are business owners, with a turnover up to € 10 million, who carry out the following types of activities: industrial, artisan, production businesses or transformation of assets; retail or wholesale trade, street vendors and public businesses; service activities.
Each sector has a different exposure to the risks linked to the working environment, therefore the product offers specific guarantees for each production sector and makes it possible to insure the structures, goods and people involved in the production and distribution of the products and services that represent the primary risk for the company.

September 21st marked the start of the Formula Salute Contest, valid through December 31st. All customers who requested a quote for the "*Formula Salute*" insurance product, received a complimentary 100% discount code valid for the purchase of a free quarterly subscription to Fitprime TV.

As part of the Month of Financial Education, the "October in BCC" initiative gave all customers of BCC branches the opportunity to take advantage of a discount to buy a selection of the company's products in the catalogue at advantageous prices. The 15% discount was applicable to "*Formula Casa e Famiglia*", "*Formula Casa Sicura*", "*Formula Animali Protetti*" and "*Formula Salute*".

TUA Assicurazioni

Starting from April 14th, for the whole network of the company, the new Motor connected solution linked to the telematic services offered by Jeniot has been made available.
In particular, the offer is split into the following solutions:

"*TUA Voice Drive*": behavioural solution for professional installation with windscreen box equipped with integrated speakerphone;

"*TUA Protect Drive*": behavioural solution for professional installation with box hidden in the engine and with telematic anti-theft function for the recovery of the vehicle after theft.

In June, the new "*TUA Benessere*" solution was marketed, which proposes to work alongside the National Health System, corresponding to the various needs and prerequisites of the same that can be detected in the various phases of the customer's health with a view to:

- Prevention, thus promoting the prevention of the event and the conditions that allow for a healthy lifestyle;
- Diagnosis, identifying the cause of the problem in a timely manner;
- Care, using the best solutions required in the event of surgery or therapeutic treatments;
- Convalescence, intervening help to address the recovery phase.

The Policyholder also has access to the new Wellbing Portal for the use of digital services related to the world of Prevention.

In October, the "*Droni*" product was distributed to the entire network: the offer protects operators from the risks they run when flying with a remotely piloted aircraft system (SAPR). The policy covers both material damage to the equipment ("Insurance of the Body of the SAPR equipment") and damage caused to third parties and is aimed at all SAPR operators who use the equipment for professional purposes.

In November, the new tariff edition, November 2021, of the "*Tua Motor*" product was released: it mainly concerns the restyling of the "*Autocarri*" product, with some new features, inherent to the connected option, also introduced in the motor vehicle sector. The interventions are aimed both at increasing the competitiveness of the product from a pricing point of view, and at innovating it in terms of the guarantees offered by expanding the services offered within the assistance guarantee for heavy vehicles (>3500 kilos).

At the end of the year a product was launched in the test area, brokered only by the agency Satec, dedicated to all video gamers and content creators that aims to protect and support users in the event that they encounter problems, damages and/or injuries related to the world of gamers. In particular, the product is divided into the "*STREAMGAMERS*" solution, dedicated to professional gamers and the "*EVERYDAYGAMERS*" solution, for all amateur players who have recently entered this digital world.

Vera Assicurazioni and Vera Protezione

At the beginning of March, Vera Assicurazioni completed the restyling of "*CASApiùFAMIGLIA*", which envisages the possibility of extending cover to buildings under construction, renovation or extraordinary maintenance when a mortgage has been taken out (Mutui SAL), and the revision of the fire, third-party liability and natural disaster rates.

As of May 11th, the "*CONDOMINIOpiùPROTETTO*" product is available at Banco BPM branches; this new solution is dedicated to the protection of condominiums in the event of natural disasters and also provides additional services for damage to photovoltaic and/or thermal solar panels and for legal protection.

For Vera Assicurazioni and Vera Protezione, again in May, the duration of the newly issued "*CPI PMI MUTUI CHIROGRAFARI*" policies was extended from 7 to 10 years following the change in the duration of unsecured loans.

On June 1st, the new product called "*PPI 4.0*" was launched on the AGOS network for Agos customers who have taken out a personal loan and who want a coverage in the event of a serious event such as an accident or illness or death and which provides some new guarantees such as hospitalisation and extension to Total Permanent Disability in the event of illness.

In early August, the restyling of the "*TCM CAPITALE DECRESCENTE*" policies for newly issued loans was launched. These are contracts with optional assignment, which cover the risk of death from accident or illness of people who sign a financing contract in the form of a mortgage loan. They may be combined with new or existing loans. An important element of innovation concerns a new way to ascertain the health status of the Customer: in the event of a request for the compilation of the Medical Examination Report or at the proposal of Vera Protezione, the Policyholder will be able to avail of the free telephone examination service provided by the company.

The placement of "*SALUTEpiùBENESSERE*", the new and innovative health protection solution of Vera Assicurazioni, which represents an important evolution in the current offer of insurance products linked to the health world, began on November 8th.

In order to best meet the different needs of customers, there are three different formulas: "*Person*", "*Family*", "*Business*".

Within the four modules of the product, with a view to enriching the guarantees and services offered, among the new features, we find numerous digital prevention services, Check-up and Health Card.

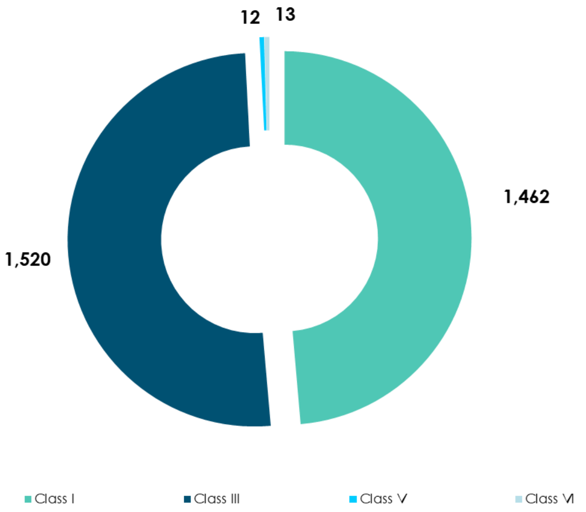
Commercial initiatives continued on several non-life policies. Specifically:

- "*Black Friday*", which, on some Fridays of the month, offers a promotion with a 20% discount on the first annual policy instalment on several products in the catalogue;
- "*Black Week*" *and* "*Protection Week*" weekly promotions on health, home and family or business legal protection policies;
- "*Insiemesivince Auto*", the initiative launched last year continued until May, which provided for a one-month policy discount for all renewed policies.

Life business – Premiums written

Insurance premiums in the life business totalled € 3,008.3 million (+17.9%). Premiums written relating to investment contracts in the year were not significant.

Main life classes, direct premiums (euro/millions)



In the course of the year, the Group continued its strategy focused on the offer of investment solutions connected with multi-class products with the segregated management component characterised by "non cliquet" guarantee, which allow less capital absorption. In fact, the results show a reduction, compared to 2020, in the incidence of class I on the total premiums for the year and an increase in the incidence of class III; this is attributable to the Group's strategic decision to promote the offer of multi-class products with a maximum quota of 50% of the capital that can be invested in segregated management.

Group life premiums written continue to be drawn along by the bancassurance channel.

The performance of premiums written linked to segregated management are constantly monitored with a view to ensuring the sustainability of the returns offered over time.

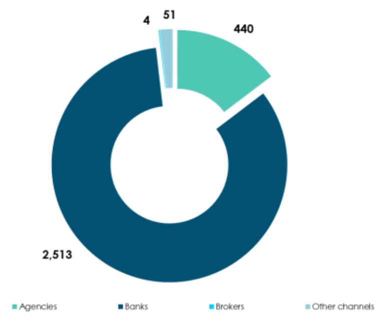
Class I premiums written amounted to € 1,462.2 million (-23.6%).

Class III premiums written (insurance on the duration of human life linked to investment funds) amounted to € 1,520.3 million compared to € 602.5 million as at December 31st, 2020, and consisted mainly of Class III policies within Multi-class policies.

Class V premiums written (capitalisation) amounted to € 11.9 million (-46.9%).

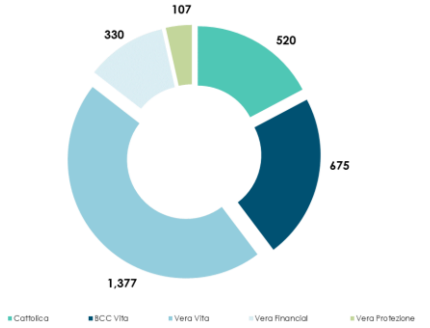
Total class VI premiums written (pension funds) amounted to € 12.7 million (-68.7%): investment contracts amounted to € 191 thousand.

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



Direct life premiums written were generated as follows: the agency channel with € 440.4 million (+0.4%), the banking channel with € 2,512.7 million (+21.7%), brokers with € 3.8 million (-21.3%) and other channels with € 51.4 million (-27.2%).

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



The contribution made to the consolidated amount on life premiums attributable to Cattolica totalled € 519.6 million, to BCC Vita € 675.3 million, to Vera Financial € 330 million, to Vera Protezione € 106.5 million and to Vera Vita € 1,377.1 million.

Life business - Research and development activities: new products

In addition to that reported in the introduction to non-life products, with respect to life products, EU Regulation 2019/2088 on sustainable investment transparency came into force on March 10th, 2021, with the intention of expanding and standardising the disclosures that financial market participants are required to make to investors.

The disclosure to be provided relates to the way in which ESG (Environmental, Social and Governance) factors are integrated at company level (disclosure on website) and at the level of products being placed (pre-contractual disclosure).
Following the entry into force of the aforementioned regulation, while also awaiting a fully definitive regulatory framework, the Group's investment insurance products (IBIPs) have been classified as pursuant to Article 6, i.e. products that supplement environmental, social and governance (identified by the acronym ESG) sustainability factors in investment choices, but which do not promote ESG characteristics (Article 8) or which do not have specific sustainability objectives (Article 9). For further information on the supplementation of sustainability risks in investment decision-making processes, please refer to the specific "Sustainability" section of Cattolica's website.

Cattolica

Cattolica's attention remained focused on growth, profitability and the sustainability of the offer, always in compliance with the strategic lines provided for in the Business Plan, by means of the promotion on the market of products, which meet the new customer requirements and are beneficial in terms of profitability.

In the savings/investment business area, the development of "Capital Light" type solutions was pursued with the aim of combining a traditional offer of products linked to separate management assets with sustainability with respect to current market contexts.
At the same time, the objective was to achieve an optimal overall mix of premiums written, seeking growth in the class III component, in particular through the ongoing development of multi-class solutions. In fact, these are the most suitable solutions to offer a balance between the need to protect one's own savings on the part of the investment in segregated assets and the need to grow one's own capital, exploiting through internal funds the various opportunities for returns on the financial market.

During the second half-year, with a view to maintaining customer interest in its products, meeting current market requirements and increasing competitiveness, the company updated its range of investment products.
On this occasion, the main multi-class "*Active Investimento*" product was revised, intervening in particular on the term of the contract, on the underlying investment options, also making available two internal funds already active in the previous multi-class products, in relation to the advantages provided for in the event of reinvestment, extending, finally, also to protection life products, the incentive dedicated to investors susceptible to increasing/supplementing the insurance protection of assets with personal protection or protection of their loved ones.

The intervention made the product more sustainable from an income point of view and allowed for a strong rationalisation of the multi-class investment offer in the catalogue.

On the "Protection" side, in order to bring the offer dedicated to protection products ever closer to the needs of customers, the company launched "*Active Vita*" on the market through the agent channel, the new modular insurance product (also with the option of insuring two people at the same time for several covers), aimed at protecting individuals, their family, children and the most fragile persons from the serious unexpected events of life.

The guarantees are numerous and allow for the Insured to personalise the policy according to their needs, activating one or more of the guarantees present and the corresponding optional guarantees, a single insurance contract designed to offer, depending on the customer's needs, the following help:

- a lump sum in the event of premature death, aimed at maintaining the economic stability of the household or loved ones;
- a lump sum in the event of serious illness, for expenses incurred in the event of the onset of a specific illness;
- an immediate monthly annuity, for the first three years, in the event of loss of self-sufficiency, which allows the Insured to sustain the first necessary expenses arising from the new health condition;
- specific Assistance services (Class 18) dedicated to offering help in the immediate aftermath of the event, to the client or beneficiaries.

BCC Vita

With reference to savings/investment products, in January, the "*BCC Vita – Unica*" product was launched, a Multi-class policy with a predefined duration, single premium with the possibility of additional single premiums and additional benefits in the event of death, which replaces the previous "*StartEvolution 3.1*" product.

In May, the offer included the version dedicated to asset management called "*BCC Vita - Unica Accumulo*", also in this case through a multi-class product with a predefined duration and additional benefit in the event of death with recurring single premiums with the possibility of additional premiums. The policy allows premiums to be invested in the segregated management "*BCC Vita Futuro*" and in internal funds with differentiated risk/return profiles, including a fund with the objective of partial protection of the invested capital. Two possible investment profiles (Self and Millennials) and Life-Cycle allocation are available in the product.

In terms of protection, the current offer is in line with current market needs and competitive with the offerings of other players.

During the second half of the year, the company added further characterisation elements to the "*BCC Vita – Unica*" product.

This newly conceived multi-class product (Segregated Management, Internal Funds and External Funds) offers diversified and customisable solutions, both in terms of investment and management of savings, and allows investment strategies to be modified throughout the life of the contract to adapt them to changing needs and risk appetite.

The intervention carried out has enhanced and optimised the peculiarities of the product, increasing the options available, increasing its flexibility and offering new additional investment combinations.

Below are the main changes introduced:

- Scheduled Payment Plan Option: an option that provides for the payment of additional individual premiums in a predefined (in terms of amount and frequency) and automatic manner. This option may be activated by the Policyholder at the time of subscription or at any later time during the term of the contract;
- Modification of the Take Profit Option: on this option, which can be activated individually and exclusively on the internal funds, the frequency of detection of any capital gain realised on the internal fund has been increased from annual to quarterly and the threshold of capital gain on the internal fund has been modified from 10% to 3% beyond which the automatic switch to the segregated management is triggered, with the aim of consolidating such financial result;
- Updating of the list of External Funds: the list of external funds linked to the product was renewed with the intention of identifying the best market opportunities in relation to the macroeconomic context and the performance of the reference markets, and a number of index funds were added to increase the investment strategies available.

Following the periodic monitoring activity and the qualitative/quantitative analysis that the company carries out in order to safeguard and efficiently manage the Policyholder's investments, it was deemed appropriate to revise the list of external funds of the class III product (Unit Linked) "*BCC Vita – Autore Sinergia 2.0*", characterised by the payment of a single premium and any additional single premiums, with benefits linked to the value of shares of external funds, also offering an additional benefit in the event of death.

At the same time as the replacement of the UCITS, the KID scenarios for all the individual underlying financial options were updated.

The company's offer dedicated to protection products remained unchanged, being already in line with the main competitors and market drivers.

Vera Vita

The following new investment solutions were launched during the year: the multi-class product "*Vera Vita–PrimaVera 2.0 Multiramo*" and the class I product "*Vera Vita – SempreVera 2.0*".

Furthermore, research and development activities were carried out, which concerned the revision of existing products ("*Vera Vita – PrimaVera Multiramo*", "*Vera Vita – CapitalePiùOpportunità*" and "*Vera Vita Private Insurance Select*", a product dedicated to Banca Aletti) according to the guidelines dictated by the agreement between Cattolica and Banco BPM.

Vera Financial

Research and development activities were developed along two main lines: the start-up of the project to implement a new life platform and the release of new products according to a work plan agreed with the network.

As regards the plan for the release of new products, five new class III products were made available to the distributor: "*Top Brands Europe Growth*", "*Top Brands Megatrend*", "*Top Brands Megatrend 2*", "*Top Brands New World*" and "*Top Brands Valore Reale*", characterised by an asset allocation that aims at medium-long term capital growth through the implementation of a systematic allocation strategy on two different portfolio components, with different risk profiles, in compliance with a predefined risk budget.

Reinsurance

Non-life business

Cattolica'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) and the assistance, legal defence and sundry financial losses classes.

Based on the actuarial analyses carried out to determine the efficient reinsurance programme according to a value-based methodology, there was no need to make changes to the proportional coverages falling due.

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

- increase in the agreement priority from € 250 thousand to € 350 thousand for the accident, injury and health classes;
- increase in the Property agreement priority for risk from € 3 to € 5 million;
- increase in Group Catastrophic agreement priority from € 15 to € 20 million.

For the year 2021, with regard to D&O (Directors & Officers) policies, the proportional coverage, which is due to expire, has been renewed with a 60% transfer percentage and an increase in capacity from € 10 to € 12 million (maximum up to € 15 million for a limited number of risks/year). The retention is covered by the main TPL general claim excess agreements.

With reference to the hail class, the proportional coverage was renewed with a reduction of the expiring transfer portion from 20% to 11.5%. This coverage acts on the retention of a stop loss agreement with unchanged structure compared to that expiring (70% vs 110%).

For BCC Assicurazioni, TUA Assicurazioni, Vera Assicurazioni and CattRe, relating to the fire class, coverage with claim excess for the "Conflagration Risk" (concentration of risks located within a 200-metre radius) was renewed and placed partially with the Parent Company and partially with the reinsurance market with an increase in the agreement limit from € 15 to € 20 million.

During 2021, for Cattolica and the companies BCC Assicurazioni, TUA Assicurazioni and Vera Assicurazioni, underwriting of the "*Active Benessere*" – *Critical Illness*" product began, for the protection of which a quota share agreement was signed with a Specialised Reinsurer (50% transfer percentage).

In order to improve the risk profile of Cattolica, TUA Assicurazioni and CattRe and to guarantee a higher level of solvency in the 2020–2022 period, in 2020, a quota share reinsurance cover was underwritten to protect the net retention of the Motor TPL and general TPL classes for Cattolica and TUA Assicurazioni, and all the lines of business under licence for CattRe.

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

In 2021, the transfer percentages for CattRe were 15% on all business lines, for TUA Assicurazioni 5% on both the motor and general TPL classes, and for Cattolica 1% on the motor TPL class and 5% on the general TPL class.

Life business

As regards the individual and collective policy portfolios, for Cattolica, BCC Vita, Berica Vita (merged by incorporation into Cattolica with accounting and tax effects from January 1st, 2021), Vera Protezione, Vera Vita and Lombarda Vita (transferred to Intesa San Paolo on April 12th, 2021), the non-proportional agreements by risk and by event were renewed with the same conditions as the previous year.

On the other hand, the proportional agreement relating to the transfer of one-fifth of the salary for employees was not renewed.

In order to improve and make BCC Vita's risk profile more efficient, in 2020, a five-year cover was activated (expiry date July 30th, 2025) proportional to the net retention of part of the in-force portfolio of single-year Temporary Life Insurance policies. This coverage provides for a proportional QS transfer with a transfer amount equal to 90% of the portfolio considered net falling within the scope of the transfer and has a duration of ten years (with the possibility of cancellation by both parties after five years).

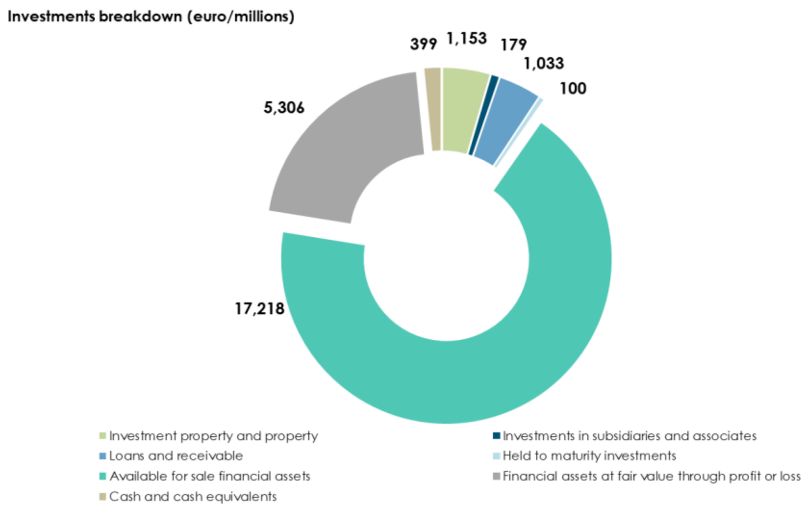
In 2021, Cattolica began underwriting the "*Active Vita*" product by means of tele-underwriting, for the protection of which a quota share agreement was signed with a Specialised Reinsurer (transfer percentage 50%).

***

Dealings with reinsurance companies, which present the best prospects of continuity over the long-term, have been preferred for Cattolica and its subsidiaries. When selecting partners, particular attention was paid to the solidity and reliability of the same, directing the choice towards those with the best rating or those less exposed, in the composition of the portfolio, to risk categories liable to technical-economic imbalances. When defining the reinsurance programme, the companies adhered to the internal guidelines contained in the reinsurance policy and to the provisions of IVASS regulation No. 38 of July 3rd, 2018.

In November and December 2020, the Board of Directors approved the changes provided in the plan of Reinsurance transfers for the year 2021.

FINANCIAL AND ASSET MANAGEMENT



Investment property and properties

During the year, several property transactions were finalised.
In particular, the following are pointed out:

- the purchase, by Fondo Mercury Nuovo Tirreno, as a continuation of the Fund's investment activities: 1) in January, of two supermarkets in Sardinia, in Olbia and Oristano, for an amount of € 18.6 million plus taxes and purchase costs; 2) in December, of a supermarket in Liguria, in Arma di Taggia, for an amount of € 35 million plus taxes and purchase costs;
- the signing of a preliminary purchase agreement for a building for management purposes in Milan by Fondo Andromaca, with payment of € 12.5 million into the fund as a down payment;
- Cattolica's investment, in June, in the "Hines European Core Fund" pan-European foreign real estate fund, managed by Hines Luxembourg Investment Management S.à r.l., for € 6.5 million;
- a further tranche of investment by Cattolica in the "Encore+" pan-European foreign real estate fund, managed by LaSalle AIFM Europe Sarl, for € 4.2 million (for a total exposure to the Fund of € 6.5 million, the first tranche of € 2.3 million was invested in 2020);
- the investment in October by Vera Vita S.p.A. in the foreign real estate fund Altera Retail Fund managed by Altera Vastgoed N.V., for € 5.3 million.

Securities investments

During the year, the diversification of portfolios continued, with further acceleration, thanks to the reduction in terms of volumes of the domestic component with an overall decrease in duration. These operations were carried out above all in the first quarter, when a reduction in Italian government securities was carried out, including through forward sales, in conjunction with the narrowing of the spread of Italian government securities with German securities. Furthermore, in June, in order to further diversify the portfolio of Cattolica and its subsidiaries and contribute to the stabilisation of the Solvency Ratio, the companies subscribed to a flexible bond fund whose objective is the physical replication of the EIOPA portfolio.

The corporate component increased overall during the year. The increase was achieved more than proportionally on issuers with an investment grade rating where, for almost all of 2021, spread volatility was at extremely low levels due to economic growth and central bank purchases. At a sector level, the preference was primarily toward the financial and non-cyclical consumer sectors.

The share segment saw a slight increase in exposure with the aim of improving the sector diversification of the portfolio by focusing exposure mainly on foreign companies denominated in euro, representative of cyclical and defensive sectors.

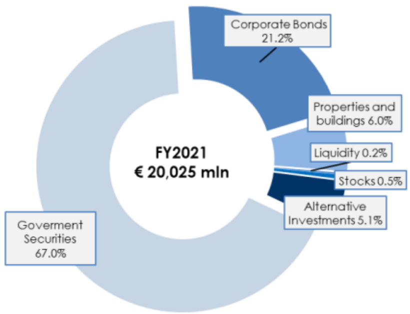
The gradual increase in alternative investments continued with subscriptions to private debt, private equity and infrastructure funds, mainly positioned on the European market, thus contributing to the strategy of overall portfolio diversification and maintaining adequate levels of profitability. Calls from funds already in the portfolio continued.

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

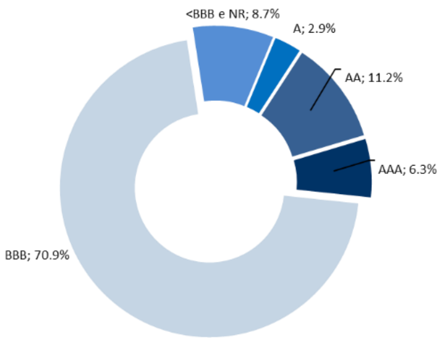
The portfolio is denominated principally in Euro, with marginal exposures in US dollars and GBP. Issuers place products primarily in Europe, and to a lesser extent in the United States.

With reference to the volumes managed as at December 31st, 2021 (excluding the equity investments and contributions of foreign companies), the following details are highlighted:

Asset allocation



Bond rating breakdown



Financial operations

Financial operations closed with a result, gross of tax effects, amounting to € 309.8 million (+3.9%). With reference to net income from other financial instruments and investment property, the item is characterised by a decrease in net income from interest and other net proceeds, which amounted to € 324.5 million (-4.5%), net realised profits of € 81.1 million (+13.7%) and net impairment losses on financial assets of € 49.5 million (+1.4%), as well as net profits deriving from investments in associated companies of € 4.2 million compared to € 13.1 million of net losses in 2020.

With reference to net income deriving from financial assets held for trading, the result from financial operations was characterised by negative income from net interest and other net proceeds of € 1.9 million compared to € 334 thousand in 2020, net impairment losses of € 2.6 million compared to € 234 thousand in 2020 and realised profits of € 8.4 million compared to losses of € 1.8 million in 2020.

PERFORMANCE IN THE 4TH QUARTER

The Group result as at December 31st, was affected by a loss of approximately € 20 million in the fourth quarter, while the consolidated result was affected by a loss of € 14 million in the fourth quarter.

UNREALISED CAPITAL GAINS AND LOSSES

At year end, unrealised capital gains net of tax effects were recorded on held-to-maturity investments for € 10 million, along with unrealised capital gains net of tax effects on loans and receivables for € 101.9 million, relating to bonds and other fixed-income securities.

The overall fair value of the held-to-maturity investments and loans and receivables as at December 31st, amounted to € 1,295 million.

Net of the tax effects on properties and on investment property, unrealised capital gains - on the basis of estimates made by appointed outside experts - totalled € 170.2 million. The overall fair value of property and investment property came to € 1,399.1 million.

Pillar Risks
1

Pillar Risks
2

MANAGEMENT REPORT

E-MARKET SDIR CERTIFIED

RISK MANAGEMENT

RISK MANAGEMENT PROCEDURES

Cattolica and its subsidiaries have a Risk Management System that is formalised in the policies issued pursuant to IVASS Regulation No. 38 of July 3rd, 2018, and to Article 30-bis, paragraph 4 of the Italian Private Insurance Code, by their respective Boards of Directors.

The risk management system pursues the objective of ensuring effective monitoring of risks arising from carrying out activities by paying special attention to the most important risks, which are those risks that can undermine the solvency of the companies or observance of the corporate goals, including those established by the resolution of risk appetite. The main objective of the Risk Management System is to guarantee the capability of meeting commitments relating to policyholders, beneficiaries and injured parties and, in more general terms, the various stakeholders. This objective is also pursued by applying a risk management strategy based on three fundamental principles:

- responsibility in relation to customers and understanding of their needs;
- clear understanding of various risks, which affect the Companies;
- consistency with the aspiring principles of the Parent Company.

In order to keep the risk management system in line with the regulatory framework and the evolution of the socio-economic scenario, the Group, with a view to continual refinement, has strengthened the overall structure of the system, in order to implement a complete process that can continuously capture the real risk profile.

The risk management process takes into account the objectives of the Plan and the annual budget. This process is divided up into the following macro-phases, recursively carried out:

- identification of the risks and definition of their taxonomy (risk map and risk register);
- procedures and methods for measuring the risks;
- definition of the risk propensity system;
- monitoring of the risks;
- mitigation techniques and escalation processes;
- information flows and reporting.

The risk measurement phase is carried out by using a set of methodologies, differentiated according to the categories of risks to which the Group is exposed. At least quarterly, the complete assessment of the solvency position is up-dated, including therein the detailed records of the risk exposures. Analyses of sensitivity to the market risk factors are also conducted with the same frequency since they are volatile to a greater extent owing to their nature, and actions to mitigate operational risks detected for each company are also monitored. The continuous management of the risks to which the companies are exposed is also pursued by monitoring the solvency position once a month and by monitoring early warning indicators, whose recent and prospective trends require specific attention. Information flows from first level control units to the Risk Management Unit and the Compliance Unit[8] are also provided periodically and occasionally for particularly important events or specially formalised events based on relevance to the Group's risk profile. This second scenario takes on particular importance within the scope of preventive checks for investments, in application of IVASS Regulation No. 24 dated June 6th, 2016. Results emerging from these analyses and information flows are brought to the attention of the Board of Directors of each Italian insurance company at least once every quarter.

The exposure of each company to the different types of risks is also summarised using the risk map, whose purpose is to form a point where the detailed information collected, monitored and managed comes together to provide a unified and effective representation of the risk position. The risk register is also significant. This represents the complete, analytical and dynamic declination of the risks catalogued in the risk map and on which the management process focuses.

The identification, analysis and assessment of the internal and external risks to which the Group is exposed, as well as the periodic review of the same for considering the changes in the risk factors, the evolution of the activities and the market context, required the involvement of the operational functions, which carry out first level controls, identified as risk-taking areas. The Risk Management Unit and the Compliance Unit also carried out their mandates with the contribution of contacts belonging to different operational areas, and they carried out the second level control activity.

[8] Limited to the risk of non-compliance with legislation.

Risk Appetite, supplemented by other policy processes, contributes toward guiding strategic decisions of the companies, and forms the reference based on which operating limits are assigned to the units. Accordingly, the Group has adopted a framework structured on three dimensions, namely:

1. **risk appetite level,** of quantitative nature, defined with capital adequacy indicators. Risk propensity is established in terms of a solvency target, a specific threshold of risk appetite, defined as the ratio of eligible own funds to the Solvency Capital Requirement;
2. **risk appetite by type of risk,** defined through relevant thresholds for each identified risk category;
3. **operating limits**.

This structure on the operational level translates into the definition of thresholds representing points of attention/intervention (soft and hard limits), namely a target that depicts the risk appetite to which each Company aspires.

In order to keep the risk profile in line with the risk appetite established by the Board of Directors, each company assigned operating limits to their identified managers; their observance was monitored by the Risk Management unit in collaboration with the same managers. The Risk Management Unit brings the quarterly monitoring of these limits to the attention of the Board of Directors of the company and, if necessary, corrective actions are taken following the procedures established by the administrative body.

Risk measurement is primarily carried out through the use of regulatory capital requirements, as uniformly established for the whole market by EIOPA (European Supervisory Authority); specifically, limited to non-life risks (Non-life and Health NSLT[9]), Cattolica and TUA Assicurazioni, availing themselves of the option provided for by regulations, have received authorisation from IVASS[10] to replace a subset of the parameters of the standard formula with specific business parameters (so-called USP - Undertaking Specific Parameters) in order to reflect the risk profile more accurately. The assessment deriving from the application of the regulatory capital requirements is also streamlined and supplemented by assessments inherent to the specific exposure on occurrence of adverse scenarios deemed to be particularly significant. With regard to the risks not included in the Standard Formula, the assessment method is structured in relation to the specificities of the type of risk and the formalities by means of which the same could turn into a detriment for the companies. This area comprises the liquidity risk, the risk of belonging to the Group, reputational risk, the risk of non-compliance with legislation, cyber risk, the risk of outsourcing, strategic risk, money laundering risk and sustainability risk.

Internal risk and solvency assessment

The current and forecast own risk and solvency assessment (so-called ORSA), pursuant to IVASS Regulation No. 32 of November 9th, 2016, consists of the assessment - over a three-year time horizon consistent with the Business Plan - of observation of the minimum solvency level required by legislation on an ongoing basis, the requirement of necessary capital in relation to the risk profile and to the business strategy, and the need, if any, for actions to correct the risk profile or the equity resources. During the year, the Group carried out the current and forecast assessment of the risks and solvency with reference to the end of the previous year (December 31st, 2020). The results of the assessments at Group level and of individual companies, carried out following the ORSA guidelines, were approved by the respective Boards of Directors. Moreover, the Board of Directors of Cattolica approved the Group single document of internal risk and solvency assessment in compliance with the instructions of the aforementioned regulation.
In this regard, the process followed by the Group can be summed up in the following macro-phases:

1. **Projection of the economic results** consequent to projections on the life and non-life business trend, and in consideration of the evolution of the macroeconomic scenario;
2. **Risk assessment** by the Risk Management unit according to processes and methodologies formalised within the ORSA Report and approved by the Board of Directors;
3. **Projection of the risk and solvency profile** of the Group and of the single companies emerging from the projection of the economic results;
4. **Sending of the ORSA report to the Supervisory Authority** following discussion and approval by the Board of Directors of the Parent Company;
5. **Monitoring** of the evolution of the risk and solvency profile and continuous observance of the capital requirements.

Approval of the ORSA report followed the approval of the results of the ORSA in the Boards of Directors of the individual insurance companies.

[9] Health NSLT (Not Similar to Life Techniques) is the same as health insurance assigned to the activity areas for the non-life insurance obligations.

[10] Authorisation received on May 11th, 2017, with application starting from the figures as at December 31st, 2016.

Purpose of the ORSA process

The company's risk and solvency assessment is a complex managerial process that involves many company units, each in its own area of expertise. The Risk Management Unit plays a central role in the assessment activity and is aided by the Actuarial Unit with regard to technical provisions. The decision-taking process ends with discussion and approval of the Board of Directors.

The ORSA process highlights the connections between the current and forecast risk profile, the risk propensity, the relevant thresholds and the ability to continuously satisfy the mandatory capital requirements and the technical provision requirements. The results of this process are used in establishing the risk propensity with which the target risk profile and tolerance levels are established. These figures guide the main key processes such as strategic planning, budget, product plans, strategic asset allocation, which contribute to the strategic direction of the companies. In this context, the Risk Management unit verified the sustainability of the plan's three-year economic forecasts from a risk and solvency viewpoint in order to satisfy the risk appetite system with a view to the future.

The return on capital objectives of business units based on risk restrictions and absorption of capital are monitored over time as part of the capital management process.

PILLAR 1 RISKS

Non-life insurance technical risks (Non-life and Health NSLT)

Risk concerning tariff rating, reservation risk, early extinction and catastrophe risk

Cattolica Assicurazioni and its Subsidiaries identify four categories of Non-life (Non-life and Health NSLT) insurance technical risks:

1. Risk concerning tariff rating tied to risk underwriting, the events covered by the signed insurance contracts and the trend of claims;
2. Reservation risk tied to the quantification of technical provisions to meet the commitments undertaken with policyholders and injured parties;
3. Risk of early extinction, tied to the increase of the technical provisions without the risk margin caused by the cessation of 40% of policies;
4. Catastrophe risk, linked to the uncertainty surrounding the hypotheses for calculation of the premiums and establishment of the provision in relation to extreme and unforeseeable events.

These risks are monitored using specific processes, particularly linked to the system of operating limits that the Companies have in applying the risk appetite system. The system of limits in fact represents a fundamental element of risk management.

With reference to the technical risks of the Non-life area (Non-life and Health NSLT), the most important parameters monitored concern the trend of premiums written for important groups of lines of business, the technical trend (measuring, for example, the claims to premiums ratio accrued in the current year, settlement velocity and average cost of claims) and the evolution of the provisions. This monitoring is also guaranteed by independent access to data that the Risk Management Unit requires. The unit has the authority to check what is received from the managers of first level controls.

Although it is to be considered a very important type of risk, also as a consequence of the nature of the business of the companies and their risk profile, there are no concentrations such as to prejudice the latter. The exposures monitored concern natural catastrophes, earthquakes, floods and crop hail, the concentration for the risk of Fire and the concentration for Security risk.

Based on the scenarios identified by the Risk Management unit, sensitivity analyses are performed both within the ORSA process and separately.

The process and methodologies adopted by the companies regarding Non-life (Non-Life and Health NSLT) underwriting risks require sensitivity analysis of the most significant risk factors to be conducted at least annually on the solvency position.

In particular, actual and forecast stress tests were conducted during the year, based on the joint assessment, at an interest rate, of possible adverse changes in the main technical and market risk factors.

In relation to Non-life and Health NSLT risks, the scenario has been calibrated based on:

- 80th percentile of the aggregate loss distribution;
- Seismic event with period of return of one year out of 5.

As part of the ORSA process, a stress test was also conducted with the objective of verifying the resilience of the Companies to the joint occurrence of the following insurance shocks:

- increased inflation rate by 2.24 percentage points with impact on the provisions outstanding claims;
- seismic event with period of return equal to a year out of 200.

In addition, a stress test was carried out aimed at quantifying the impact of a prolongation and escalation of the Covid-19 pandemic on the portfolios of individual Companies.

The results of the analyses carried out confirm compliance with the Risk Appetite thresholds defined by the Board of Directors of each company.

The main mitigation technique for the underwriting risk is represented by recourse to reinsurance.

Insurance risk - life business

Tariff rating, redemption, expense, demographic and catastrophe risks

The main insurance risks in the Life business to which Cattolica and its subsidiaries are exposed are risks associated with the conduct of policyholders (redemption risk), followed by expense risk, demographic risk and lastly catastrophe risk.
The redemption risk also includes the modelling of dynamic redemptions, the analysis and prospective evaluation of the expected behaviour of policyholders and represents the risk factor subject to greater volatility, due to the close connection with financial variables and consequently by their more unpredictable nature.
The quantitative measurement of these risks is made with the standard formula, considered adequate in consideration of two elements:

- product and customer profile of the Group companies' portfolio, which is basically in line with the market;
- demographic characteristics of policyholders in Italy similar to European figures.

These risks are monitored using specific processes, particularly linked to the system of operating limits that each Group company has adopted in applying the risk propensity system. As mentioned previously, the limits system is a fundamental element when managing risks.
For technical risks of the Life business, special attention is paid to the trend of premiums written per business line (concisely measuring the riskiness connected with revaluable, unit-linked and non-revaluable products) and to parameters characterising the quality and profitability of premiums.
The underwriting risk of the life business is also already monitored during the underwriting stage by using metrics for measuring the sustainability of guarantees offered, both according to traditional insurance management logics and in a market consistent perspective.
There were no concentrations that could affect the risk profile of the companies; in particular, exposure per single insured person is managed in a risk concentration framework, also through recourse to reinsurance.

Market and credit risks

The main risks of this type which Cattolica and the Subsidiaries are exposed to are the risk of changes in credit spreads, real estate risk, equity risks and, to a lesser extent, concentration and currency risks. The interest rate risk, which is closely monitored, is particularly significant for life insurance companies.
Exposure to spread risk is connected to the relevant share of bonds in which the total portfolio is invested, including a portion of corporate issuer securities. The real estate risk is the direct consequence of the overall exposure to real estate assets, which is associated with a percentage-wise significant capital absorption at present.
In applying the requisites of the "prudent person principle", the portfolio of assets as a whole is invested for each Group company into assets and instruments whose risks can be adequately identified, measured, monitored, managed, controlled, described in the periodical reports and flagged 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, 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 the definitions of the Risk Appetite framework and therefore with the risk appetite of each 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.

In regards to market risks, Cattolica and the other Subsidiaries determine its risk positioning with respect to its appetite by defining the Strategic Asset Allocation. The process of defining it is closely connected with the significant ORSA processes, with the basis for a conscious and properly managed assumption of risk formed. The composition of the portfolio is therefore based on the process of identifying the strategic asset allocation, considering a target percentage allocation and a set of maximum allocation limits. Consideration of these limits helps to ensure an adequate level of diversification among the various financial risks, in accordance with the desired risk profile.

The assessment of these risks is carried out using the standard formula, currently considered appropriate given the investment profile of Cattolica and the other Subsidiaries, which is in line with the insurance market. In applying the standard formula, special attention is paid to proper application of the look-through approach, 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.

Market risks are also monitored in an asset & liability management perspective, in keeping with the processes defined by the Investment Policies, in particular in the section on the asset and liability management policy, which regulates methods for periodically assessing key investment parameters, with particular focus on the comparison between asset allocation and its strategic forecast.

Lastly, the investment policies and operating limits assigned by the Board of Directors of each company customise the Risk Propensity System since specific aggregated and detailed parameters on which the investment activity is steered are defined. 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, which has independent access to all data relevant to risk control and makes independent assessments of the consistency of the most significant amounts.

A broad set of limits is defined for each company 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. Therefore, values indicative of the exposure to interest rate risk (duration mismatch between the asset and the liability), the risk of change in the credit spread (spread duration) are measured, in addition to a series of indicators aimed at measuring the exposure in specific categories of assets.

As part of the market risk assessment, 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 solvency position of Cattolica and its Subsidiaries is monitored at least once a month, in order to capture the effects of changes in market conditions. Sensitivity analyses are also performed both within the ORSA process and separately.

The process and the methods adopted by the Group with regard to the analysis on the market risks can be summarised as follows:

- Analyses of sensitivity to the most significant risk factors conducted at least quarterly on the solvency position. In particular, on December 31st, the exposure to the upward risk in interest rates and of government and corporate credit spreads is assessed, in addition to the upward exposure of the credit spread on Italian government securities only and the risk of reducing equity prices and the value of real estate. The downward sensitivity of interest rates was also tested.

  The results are shown in the following table. All figures are stated net of the tax effect and without taking into account the retrocession of losses on insurance liabilities:

Table 12 - Sensitivity analysis on market risks

(€ millions)

Financial Statements Category	Risk-free rates +50 bps	Spread on government and corporate bonds + +50 bps	Spread on Italian government bonds +50 bps	Equity -25%	Property -25% (1)	Risk-free rates -50 bps
Impact on IAS Shareholders' Equity	-430.5	-388.9	-204.3	-90.6	-192.0	431.1
Impact on Income Statement	-1.1	-1.1	-0.3	-22.5	-90.1	0.5

(1) Excluding properties for own use and gross of shadow accounting

- Stress tests, both final and prospective, identified on the basis of the portfolio losses they would cause and calibrated on the basis of historically observed scenarios over a defined time horizon. The prevailing risk factor assessed is the trend of credit spreads on government securities as a result of the significant exposure in the portfolio.

The data coming out of the analyses carried out allows us to confirm compliance with the regulatory solvency threshold following the defined stresses.

Credit risks

Credit risks, understood as counterparty default risks and therefore not including the risk of spreads on bonds, to which Cattolica and its Subsidiaries are exposed relate to exposure to receivables from brokers and insured parties, from reinsurers and current accounts.
The assessment of these risks is conducted with the standard formula, today considered appropriate since the profile of assets in question held by the Group companies is 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 performance 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 that aims at appropriately managing the most significant exposures is also defined by assigning limits for each Group company 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 counterparty risk undertaken as a consequence of recourse to reinsurance is also subject to assessment within the reinsurer selection process, as laid out in the related policy.
No particular credit risk mitigation techniques are applied.
The consistency of the undertaken risk with the Risk Appetite defined by each company is maintained by selecting counterparties and managing the related exposure.

Liquidity risk

Liquidity risk is assessed for each Group company following the provisions of the relevant policy, which set out to establish a monitoring level focused on precise financial planning while also taking into account variability elements that affect the trend of the future cash flows.
The trend of the investment portfolio is also monitored and reported periodically in order to constantly assess the assets readily available for any cash requirements.
The reporting connected to this monitoring is periodically shared with Senior Management.
In the most important cases, the liquidity risk is mitigated by setting up specific credit facilities that allow temporary cash shortages to be made up whenever necessary.

The Group companies conduct sensitivity analyses as part of their financial planning process, and they are aimed at determining the sustainability of any stress scenarios in a future cash flow perspective. The process includes the independent definition of stress scenarios by the Risk Management Unit, which receives and assesses the results of application of the scenarios by the competent units afterwards.

Operational risk

The goal of the Group operational Risk Management System is to prevent and reduce any losses that should arise when damaging events occur by means of a process that calls for their identification, gauging and mitigation and the systematic disclosure of the risk based culture in daily operations. This approach makes it possible to enhance the internal audit system, improve the efficiency and efficacy of the management processes and encourage dialogue with the Board of Directors, the Control and Risks Committee, Senior Management and the Board of Statutory Auditors of Group companies (Management Control Committee for Cattolica and Tua Assicurazioni).
Two different methods for measuring the operational risks are envisaged in the Group:

- a quantitative assessment for regulatory purposes every quarter, where the capital to satisfy the solvency requirement of the operational risk module (OpSCR) is calculated applying the standard formula of the Solvency II legislation.
- an internal quali-quantitative assessment carried out by the managers of company processes and the Risk Management Unit, where risks are identified and classified by risk factors (persons, procedures, external systems and events) and by type of event according to the taxonomy shown below:
  - internal fraud;
  - external fraud;
  - employment and occupational safety;
  - customers, products and business practices;
  - damages to tangible assets;
  - interruptions in operations and malfunctions of computer systems;
  - process execution, delivery and management.

Risk exposure is measured using a qualitative scale determined based on a logic of probability of occurrence and potential economic impact, which has a minimum value of 1 (very low) and a maximum value of 10 (very high).

Operational risks identified and assessed are subjected to an ongoing monitoring process and are reassessed as a whole at least once a year. Furthermore, those responsible for the company processes have the obligation to promptly alert the Risk Management unit in the presence of operational risk events with a potential exposure such as to affect the Group's risk profile, so that suitable risk management measures can be adopted.

There are three event types to which the Group is exposed to a greater extent in terms of both number and level of exposure: 1) execution, delivery and management of processes ascribable to events occurring in everyday business operations, also in consideration of activities that Group companies outsourced to other Group companies as well as outside suppliers, 2) fraud connected with settlement and underwriting activities and 3) interruption of operations and malfunctions of computer systems. The predominant type is the one concerning the execution of processes, while the risks of fraud - on the other hand ingrained in the business and common to the insurance system - are numerically reduced, even if the phenomenon as a whole in any case is a significant risk. With regard to these risks, actual concentrations are however not recorded.
In particular, for Cyber Risk a qualitative scenario analysis approach has been adopted, articulating the risk assessment with respect to specific "focal points" relating to the status of the controls implemented and the vulnerabilities identified. Specifically, in the face of an ever-changing general context, characterised by the emergence of new threats and significant organisational and technological changes, the following are considered: the management of backups and Disaster Recovery, the evidence of Vulnerability Assessment and Penetration Tests, the monitoring of security events and incident management, the state of ICT Governance and management processes (policies and guidelines adopted), the security rating of systems exposed on the internet, the state of availability of infrastructure and business applications.

PILLAR 2 RISKS

Risk of non-compliance with legislation

The management of the risk of non-compliance with legislation, understood as the risk of incurring judicial or administrative sanctions, suffering losses or reputational damages as a result of non-compliance with directly applicable laws, regulations or European standards, measures of the Supervisory Authorities and corporate governance rules, such as articles of association, codes of conduct or corporate governance code, is carried out by the Compliance unit, as provided for in IVASS Regulation No. 38 of July 3rd, 2018, the Directives issued on corporate governance and the Compliance Policy.

For the performance of the activities related to the mandate, independently from the operating functions and the other key units, the Cattolica Function relies on adequate human and financial resources, which are appropriate both in qualitative and quantitative terms.

The Head of the Compliance Unit is appointed by the Board of Directors, having verified the requirements of eligibility for the office provided for in the relevant policy; the Administrative Body is also responsible for revoking the appointment.

The Compliance unit of Cattolica also carries out, on the basis of specific service contracts, activities for all the Italian insurance companies according to the rationale of economy, reliability, efficiency and professional specialisation.

During the year, the Unit carried out its activities in accordance with the provisions of its Plan of Activities defined for 2021.
The Unit also performed in the context of so-called "assessments of the risk of non-compliance" activities to support and advise the various corporate units on matters for which the risk of non-compliance is significant, with particular reference, by way of example, to the issue of new products, the revision of existing products, the activation of commercial initiatives, the updating of corporate policies and guidelines and the issue of internal circulars.

The Unit also carried out follow-up activities on the assessments carried out in previous years.

The Compliance unit also collaborated with the various corporate functions on regulatory projects such as, for example, the project to consolidate IDD processes, also in view of the regulatory changes issued by IVASS. It has also carried out projects to update the Organisational Model pursuant to Italian Legislative Decree No. 231 of June 8th, 2001, for a number of Subsidiaries.

The Unit prepared periodic quarterly information flows to the Board of Directors, subject to review by the Control and Risks Committee, Senior Management, the corporate bodies, including the Supervisory Bodies of the companies, referred to in Italian Legislative Decree No. 231 of June 8th, 2001, and ensured constant direct alignment with the units included in the Internal Control System.

Reputational risk

The Group considers reputational risk mainly as a "second level risk", i.e. as a derivation of other risks, in particular the risk of non-compliance with legislation, operational risk and cyber risk, amplifying their negative impact on the Company. However, media events with an impact on the corporate environment also play an important role in this assessment and influence the performance of the stock.
The importance of reputational risk comes from the low tolerance level defined by the Board of Directors in addition to the historical roots of the Group that make it an economic subject that considers reputation as one of the key elements for the generation of value for the stakeholders. To mitigate this risk, a centralised internal and external communication structure has been set up at Cattolica in order to enhance the response and management of events that may impact the Group's reputation.

Agencies

1,326

Branches

5,314

MANAGEMENT REPORT

HEADCOUNT AND SALES NETWORK

HUMAN RESOURCES

Human Resources Management

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

2021 was marked by the Covid-19 pandemic, which saw the extension of the emergency status and which involved the Human Resources (HR) Division in supporting the protection and safety of its corporate population, in close collaboration with the Prevention and Protection Service.

The HR Division invested in the digital transformation journey to ensure the development of tools that support remote working and the training of its staff to develop a digital mindset.
New ways of working and new ways of interpreting corporate spaces were at the heart of HR's 2021 plans.

The HR 4.0 project continued, with the activation of the new Payroll platform and the launch of the new HR management software called "My HR Space", which made it possible to develop a new way of communicating between the company and its employees involving the latter as the main protagonists. Each employee, in fact, has the ability to view and update their personal and career data, consult the corporate structure in terms of positions associated with each employee, and has a tool at their disposal, created with a view to simplifying the user experience.

Digitisation also entered the personnel selection processes where innovative methods have been implemented, increasing activities on on-line platforms and setting up digital recruiting initiatives mainly oriented towards junior targets and the Z generation.
During the year, 81 people were placed within the sub-Group and 33 training projects were activated.

Again with a view to enhancement, internal mobility activities should be highlighted, which involved 272 people during the year, of which 19% were involved in vertical growth (assumption of responsibilities) and the remainder involved horizontal growth to enrich skills, in line with the focus on the corporate value of meritocracy.

As at December 31st, the headcount of Cattolica and its subsidiaries included 1,789 employees compared to 1,796 as at December 31st, 2020 (-7). The staff is broken down as follows: 64 executives (-2 with respect to 2020), 461 officials (+16 with respect to 2020) and 1,264 office workers (-21 with respect to 2020).

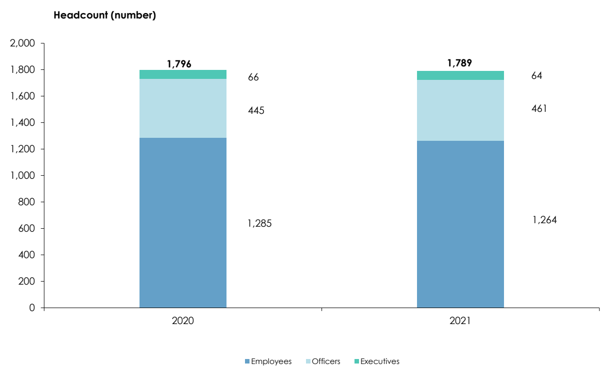


Table 13 - Headcount of Cattolica and its subsidiaries

Company (*)	Registered offices	2020	Increases	Decreases	Changes	2021
ABC Assicura S.p.A. (**)	Verona	7	0	7	-7	0
BCC Assicurazioni S.p.A.	Milan	1	0	0	0	1
TUA Assicurazioni S.p.A.	Milan	80	2	2	0	80
VERA Assicurazioni S.p.A.	Verona	5	0	0	0	5
CattRe S.A.	Luxembourg	11	2	3	-1	10
BCC Vita S.p.A.	Milan	10	1	3	-2	8
Berica Vita S.p.A. (**)	Verona	3	0	3	-3	0
Lombarda Vita S.p.A. (***)	Brescia	10	0	10	-10	0
VERA Financial DAC	Dublin (Ireland)	23	3	5	-2	21
VERA Protezione S.p.A.	Verona	2	0	0	0	2
VERA Vita S.p.A.	Verona	9	0	0	0	9
Cattolica Assicurazioni S.p.A.	Verona	998	86 1)	55 2)	31	1,029
All Risks Solutions S.r.l.	Milan	0	1	0	1	1
Cattolica Agricola S.A.r.l.	Verona	9	1	0	1	10
Cattolica Beni Immobili S.r.l.	Verona	2	1	0	1	3
Cattolica Immobiliare S.p.A.	Verona	9	1	2	-1	8
Cattolica Services S.C.p.A.	Verona	578	29 3)	50 4)	-21	557
Satec Holding S.r.l.	Venice	2	0	0	0	2
Satec S.r.l.	Venice	23	13	8	5	28
Meteotec S.r.l.	Venice	2	0	0	0	2
Qubo Insurance Solutions S.r.l.	Milan	3	4	3	1	4
Mediterranea Underwriting S.r.l.	Genoa	9	1	1	0	9
Total		**1,796**	**145**	**152**	**-7**	**1,789**

(*) Number of employees relating to companies consolidated line-by-line excluding the resources covering maternity leave.
(**) Merged by incorporation into Cattolica Assicurazioni with effect from 11.59 p.m. on December 31st, 2021.
(***) Sold on April 12th, 2021, to Intesa Sanpaolo.

1) of which 52 intercompany transfers.
2) of which 8 intercompany transfers.
3) of which 12 intercompany transfers.
4) of which 32 intercompany transfers.

Academy & People Development

In response to the demands of the economic and social context and the changing competitive dynamics, Cattolica has rapidly repositioned its Academy and People Development initiatives, orienting them towards three strategic directions:

- developing people's engagement and empowerment;
- ensuring the dissemination of know-how and continuous learning;
- increasing people's level of accountability for their own professional development and learning processes.

These goals were pursued through:

- the increase of the value of data (analytics) for the definition of development and training plans;
- the development of a new mindset to enable people to be active and aware protagonists of change, capable of directing their own performance and professional development;
- the structuring of a knowledge management system that enhances the value of internal experts to nurture professional communities and the creation of a training ecosystem capable of making internal and external training resources available;
- the intensification of well-being and caring initiatives.

E-MARKET SDIR CERTIFIED

PEOPLE DEVELOPMENT

Putting people and their professional development at the centre is the strategy that enabled Cattolica to grow even in times of profound change and on which the Company continued to focus in order to make people increasingly active and aware protagonists of their own professional growth.

The "WITH-We Improve Together" system has been confirmed as the main element of performance enhancement that addresses and recognises the contribution of people to the achievement of corporate objectives.

During the year, "PresentAction" was launched, an initiative which was extended to more than 800 employees offering all employees of Cattolica and its subsidiaries the opportunity to have a third-party perspective on their skills, develop awareness and understand how to direct their professional growth.
The data collected by "WITH" and "PresentAction" will make it possible to update the "Talent Matrix" that relates the skills possessed by staff with the performance expressed, allowing for a detailed mapping of resources, the definition of targeted training and development pathways and the identification of talents and their characteristics.

The M-UP! project is close to completing the first cycle of mapping the professional profiles present and surveying the level of knowledge possessed by people. In 2021, the project, launched in July 2020, further expanded the mapping of profiles to include areas such as non-life and life underwriting, settlements, control, actuarial, finance, IT, data analytics, administrative, HR and organisational, and bancassurance.
The model made it possible to identify more than 350 knowledge assets divided into 14 macro-areas and 82 professional profiles aggregated into 11 families, involving 1,300 colleagues.
The results of the M-UP surveys, together with performance data and the "Talent matrix", have been used in dialogue with managers to map out development pathways, both role-related and professional, on which to base training.

KNOWLEDGE MANAGEMENT: FACULTIES AND KNOWLEDGE SHARERS

With the aim of enhancing, maintaining and developing technical-professional knowledge, the process of implementing the knowledge management system has been initiated through the establishment of internal faculties of professional families.
The faculties will be the point of reference for all colleagues, recognised for their specialised technical knowledge, committed to sharing their know-how inside and outside of the company.
Through M-UP, an initial census of "expert" colleagues with the highest levels of knowledge to be involved in faculties was initiated. A dedicated training and development course for the role, the "Knowledge Sharer Training Program", lasting 28 hours, was created to develop skills in training design, communication and storytelling, with particular attention to new digital tools useful for effective knowledge sharing. Participants had the opportunity for one-to-one meetings with specialist trainers to reflect on the role and associated skills on which to implement an individual development plan.
In 2021, the first 4 Knowledge Sharer groups were formed with a total of 56 expert colleagues from 8 professional families.

TRAINING

Cattolica maintained ongoing investments in training, directing them on the basis of an in-depth analysis of company needs, market developments and the regulatory context, with respect to the various professional profiles present in the companies.
The digital acceleration, the growth of digital culture and skills, made it possible to create a learning ecosystem strongly oriented to "continuous learning" with the adoption of a teaching model based on more effective learning methods and tools and renewed ways for the integration of different knowledge.

ROLE TRAINING: PROGRAMMES FOR MANAGERS AND PROFESSIONALS

2021 saw the consolidation of the training architecture designed last year to accompany and support our people, managers and professionals, in facing the new remote working methods and developing the mindset and skills necessary to be effective in the new working context.
Starting from an analysis of the current socio-economic and work context at a global level, managers were involved in sessions of reflection and discussion on the skills and behaviours effective in the "new ways of working".
The "InspirEvolution" course, dedicated to Executives and which saw them engaged in three two-hour appointments, was inspiring and created discussion on the current work environment, best practices and the profile of the manager in the new and next normal.
Training was offered on the same themes, lasting a total of 30 hours, for middle managers, with the "New leadership for best performance" pathway with courses on "The 3 hats of the manager", "Tools and methods for agile working", "Diversity manager" and "Digital leadership journey".
For newly appointed managers, the "Learning Path Neo Manager" has been developed, an on-line open-learning pathway consisting of 19 modules, lasting a total of 7 hours,

aimed at developing the skills of leadership in the digital era, team coordination and performance management.

The approach and the most effective methodologies to be adopted in the new working environment were also the focus of the training aimed at professionals, offered in the 7-hour "Tools and methods for agile working" learning pathway.

For all employees, we have also renewed our open learning Training Offer to increase self-efficacy by developing organisational, time management, communication and digital tools skills at our disposal, consisting of 42 titles.

Much attention has been paid to the process of adopting digital tools to foster digital collaboration, in particular "Adoption of Teams", with the launch of a pathway of dedicated video lessons and Labs, available to all business functions.

Between April and December there were 15 editions of Labs, workshops with a focus on the Teams application and the OneDrive and SharePoint tools, which reached all business functions.

The remote working and digital acceleration also imposed a reflection on the regulatory aspects related to smart-working and the Right to disconnection, topics covered in an on-line course proposed to the entire corporate population with the aim of increasing knowledge of recent regulations and developing awareness on techno-stress and work-life balance in the era of remote working.

As part of the initiatives to support the performance of our people in a global and interconnected context characterised by increasing multiculturalism and internalisation, language training courses were offered, particularly in English, differentiated by role and according to the impact that language skills have on activities.

For Executives and positions strongly impacted by language skills, "English One to One" has been proposed, a personalised offer realised through individual meetings with certified teachers.

“English4All" has been activated for all employees, a diversified programme based on the level of knowledge, created through an on-line platform and participation in conversation groups.

In the current environment, communication and sharing skills are becoming increasingly important. The "Presentation Bootcamp", the 15-hour virtual course that provides methodologies to build persuasive presentations and be increasingly effective in conveying messages to the audience, continued with four editions between May and December. 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.

"Innovation Plus" is the open learning space on innovation and digital that aims to provide colleagues with an up-to-date and well-rounded view on the evolution inside and outside the company.

Opened in late 2020, "Innovation Plus" was promoted in 2021 and enhanced with a bi-weekly newsletter. The portal currently offers 54 courses, each month new content is released in the areas of Society, Technology, Marketing, Human skills, Business, Design and Future of work, separated by Basic and Advanced level of knowledge.

SPECIALISED TECHNICAL TRAINING

Specific training has been developed to meet functional needs that emerge within Divisions as a result of regulatory changes, the adoption of new tools, the introduction of new operating methods or organisational and process changes.

Collaborations with major universities, associations and research centres were consolidated in 2021, including: Università Cattolica del Sacro Cuore di Milano (CETIF), Università Bocconi di Milano (School of Business Management), Università degli Studi di Verona, Cineas, Politecnico di Milano, Università La Sapienza - Roma 3, MIB Trieste School of Manager, TAG Talent Garden, H-Farm.

Of particular importance are the training and updating plans being implemented to consolidate and develop the technical skills of colleagues working in Cattolica's control and staff functions: Audit, Compliance, Risk Management, Distribution oversight, Privacy, Corporate affairs.

The training plans are designed and implemented in collaboration with professional associations and with the Cattolica di Milano (CeTIF) university and the Università degli Studi di Verona, and propose pathways of integration and homogenisation of technical-specialist skills, insights and specialisation through participation in masters and advanced courses; membership in professional associations also allows access to resources for updating and continuing education.

To support the evolution of the organisational structure, which has led people with different professional backgrounds to interact with each other with respect to common areas of action, the "Life Fundamentals" course has been created for the employees of the Life Operations Division, aimed at updating and reinforcing the technical and regulatory skills for all the roles involved in Life processes.

Regarding the Fondo Unico di Giustizia, a webinar was held in June, in two editions of 2 hours each, dedicated to the staff of the Settlements Office, which involved 6 participants.

On the subject of "customer centricity", an intervention dedicated to the CRM 2.0 (Customer Relationship Management) application was proposed, with a session of a technical nature and a session of in-depth, practical nature.

The development of role skills continued for colleagues in the Claims Division, to whom a course was dedicated, involving around 30 people for a total of 418 hours of training, aimed at developing and consolidating those soft skills identified as critical success factors for the role.

For the Administration and Budget Division, the "Be Great" pathway was concluded with the identification of three project streams aimed at improving communication, feedback and the shared vision, developing internal know-how and co-creating solutions to facilitate collaboration and development within the Division.

For the benefit of colleagues in the Non-life System function 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.

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 impacted continued for the entire 2021. In the first half of the year, further general and horizontal training sessions were held, with the aim of training the company areas affected by the new standards and providing information on the strategic choices made, thus involving colleagues who had not previously been able to participate. In the second half of the year, specialist and vertical training was carried out at the same time as the development of the standard compliance workshops, with different variations depending on the role, with the aim of deepening knowledge of the standards, understanding of the impacts and implementation methods of Cattolica.

Two interventions were carried out for the HR Division: The first, "HR goes Agile", enabled the entire Division to get to know and develop a mindset oriented towards experimentation and project management through the Agile methodology; the second, "Assessor Training", dedicated to people in Talent Acquisition and Talent Management, enabled them to develop knowledge and skills in managing selection and development interviews and the main tools for assessing skills.

REGULATORY TRAINING AND RISK PREVENTION

Particular attention is given to training related to regulatory implementation and risk prevention. Attendance is mandatory and is governed by internal procedure.

Specific interventions were carried out dedicated to the implementation of the Market Abuse Regulation - MAR procedure and the resumption and updating of Italian Legislative Decree No. 231 of June 8th, 2001 - Administrative responsibility of companies and new types of offences.

For all employees, the course aimed at developing awareness and knowledge of the risks linked to Cyber security continued: an on-line course on the subject was created, while at the same time the project aimed at raising awareness of cyber-attacks through training videos linked to simulated phishing and spear phishing continued.

On the subject of Safety in the Workplace, the Group continued to provide on-line and webinar training in accordance with Italian Legislative Decree No. 81 of April 9th, 2008.
Worth mentioning is 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 Cattolica's specific policy on the issue of returning to work safety. Attendance at the course has been made compulsory and preparatory for returning to work in the company.

In 2021, the Safety Management System of Cattolica and its subsidiaries was updated according to the recent international standard ISO 45001 and, in order to inform the population, in May, a mandatory information course was launched in on-line mode.

For those functions and roles most impacted by regulations and related compliance risks, an in-depth module on anti-money laundering has been created, again in on-line mode.

During 2021, 5,135 training man/days were held for Cattolica and its subsidiaries.

Training for the Board of Directors

In compliance with IVASS regulation No. 38 of July 3rd, 2018, and IVASS regulation No. 44 of February 12th, 2019, a collection of training needs is periodically carried out with the involvement of the supervisory bodies and functions and Cattolica's Senior Management.
On the basis of the multi-year training plans addressed to the members of the Administrative Bodies of Cattolica and its subsidiaries, for 2021, the theme of "Twenty years of Italian Legislative Decree No. 231/2001: experiences, cases and

guidelines of case-law" was identified. The intervention, organised in collaboration with the Università Cattolica del Sacro Cuore di Milano and by Professors Centonze and Lionzo, was addressed to the members of the Boards of Directors of Cattolica and its subsidiaries and to all Executives.

CATTOLICA WELL-BEING, MENS SANA IN CORPORE SANO: the "Prenditi cura di te" initiative

The "Prenditi cura di te" (Take care of yourself) project, an integrated programme of initiatives for the well-being of individuals now in its fourth year, continued for 2021 and includes a wide range of activities aimed at improving the working environment and cohesion between colleagues, as well as promoting a healthier and more active lifestyle in psycho-physical terms.
Well-being at Cattolica taken on increasing consideration to the point of creating, in March 2020, an organisational function called Well-being, whose activities focus on the following areas: physical sphere, emotional sphere, work environment and solidarity&sustainability.
In order to better respond to the Well-being needs of the corporate population, in April 2021 WE, the Wellbeing Experience platform was created: a single point of access to all Well-being activities, integrated with SSO (single sign-on) to the corporate Intranet. This is a virtual square where you can find all the initiatives organised into "boxes" of relevance: IN SHAPE-physical sphere; IN BALANCE-emotional sphere; TOGETHER-work environment; IMPACT-sustainability&solidarity. Added to the four areas was IN LISTENING, a section dedicated to podcasts featuring the voices of our colleagues. WE is not only a complete repository of initiatives but allows for feedback and targeting of initiatives towards the needs identified.
At the end of November 2021, the platform had approximately 820 enrolees. In relation to the 4 spheres of reference, there have been many ongoing initiatives and new features introduced.
With reference to the physical sphere, a partnership with a new sports provider started in February 2021, which not only provides access, where possible, to a network of affiliated structures throughout the country, with a subscription cost reduced by 70%, but also freely provides all employees with the possibility of a home workout full of live and on-demand lessons. There is also the possibility of availing of a nutritionist to create a personalised food plan.

With regard to the emotional sphere, in 2021, Cattolica organised training masters dedicated to caregivers and parents, expanding the range offer related to the latter target with the launch of the "genitori che nascono, genitori che crescono" (parents who are born, parents who grow) training proposed to parents of 0-3 and 4-18 year-old children and officially launched on May 18th, 2021. Webinars aimed at employees with topics related to soft skills also continued.
The figures are positive, approximately 733 webinar attendees, and 60 enrolees in the various masters training programmes.
New for 2021, related to the emotional sphere, is the course on Mindfulness.

In the area of sustainability and solidarity, there was continued support for Giusy Versace's non-profit organisation Disabili No Limits and a new partnership with Plasticfree, with which a series of 3 webinars entitled "CONOSCIAMO LA PLASTICA" (LET'S GET TO KNOW PLASTICS) on the correct use and disposal of plastic was organised.
As for the work environment, a number of agreements and conventions persist. In addition, the Business Agreements Portal was launched in December 2020, which complements, manages and enriches the range of pre-existing agreements.
Another novelty in the "AMBIENTE DI LAVORO" (WORK ENVIRONMENT) area is the pilot phase of the "BeaTogether project", created thanks to Cattolica's participation in the Open Italy 2021 programme. The aim of this project is to measure the well-being of teams, whether hierarchical or project-based, by processing smart data from specific pulse surveys.

Industrial relations and disputes

Meetings with trade unions on important personnel issues continued throughout 2021. The Company and the Trade Unions have been in constant contact, through the continuation of the health emergency that still finds all workers in smart-working mode, and organised frequent round tables that have enabled important agreements to be defined on issues of major interest to the Company and the Workers.

Since February, the Parties engaged in intense discussions regarding renewal of the Corporate Collective Agreement (CCA), the Holiday Agreement and the Agreement on employment protection, which led to the signing of agreements in May.
In particular, in the renewal of the CCA that came into force on January 1st, 2022, with a five-year maturity, a number of important facilities were introduced and renewed: consolidation of individual remuneration through the transformation of the results bonus into an ad personam bonus, introduction of a new variable bonus tied partly to company results and partly to individual parameters. Also in this renewal, emphasis was placed on corporate welfare,

with an increase in the Welfare package made available to all employees.

In the Holiday agreement, the Parties aimed to promote organic planning of holidays, providing for the elimination of the backlog over the three-year period and the use of holidays due within the year in which they accrue.

Finally, the Company and the Trade unions confirmed the contents of the July 2020 agreement on employment protection, extending its validity and effectiveness to December 31st, 2023, thereby guaranteeing the overall stability of employment levels and favouring, as a priority, recourse to forms of incentive-based exit or recourse to the extraordinary section of the Solidarity Fund, already in use for years.

In February, as provided for in the agreement signed between the Parties in December 2020, 34 employees who will accrue pension requirements by February 28th, 2026, terminated their employment, bringing forward their retirement by up to 5 years.

In May, the Company opened the procedure for negotiations with the trade unions, pursuant to Article 15 of the National Collective Labour Agreement, regarding the reorganisation of certain areas of the Claims Division, which became necessary, both with a view to the evolution of the Division itself, and as a result of new requirements deriving from the changed organisational context.
In particular, the reorganisation, which involved a total of 88 people, aimed at rationalising the organisational structure of the Claims Division, focusing several new organisational units on "core" activities for the Division itself, providing for a progressively better articulation of the settlement network in the territory, managing the impact deriving from the agreements signed with the Generali Group in terms of accident and, subsequently, health claims.
After lengthy discussions, the procedure was concluded with the signing of a trade union agreement.

A further agreement pursuant to Art. 15 of the National Collective Labour Agreement was signed in July for the reorganisation of TUA Assicurazioni, with the aim of rationalising and making the company's organisational structure more efficient by transferring certain activities to the structures, in order to improve synergies; the aim of the reorganisation was also to revise the network assistance model and provide for greater specialisation of the Motor and Non-motor classes and the related product provider.
The reorganisation involved a total of 9 people who were accompanied in the change of their duties by specific training courses.

Finally, in October, the Company initiated the trade union procedure pursuant to Article 15 of the National Collective Labour Agreement and Article 2012 of the Italian Civil Code, following the merger of ABC Assicura and Berica Vita into Cattolica, as part of the strategy to simplify and rationalise the sub-Group.
The procedure was concluded with the signing of an agreement between the Parties in which all the workers involved (7 of ABC Assicura and 3 of Berica Vita) were guaranteed to retain their place of employment, unchanged regulatory and economic treatment and performance of the same tasks.

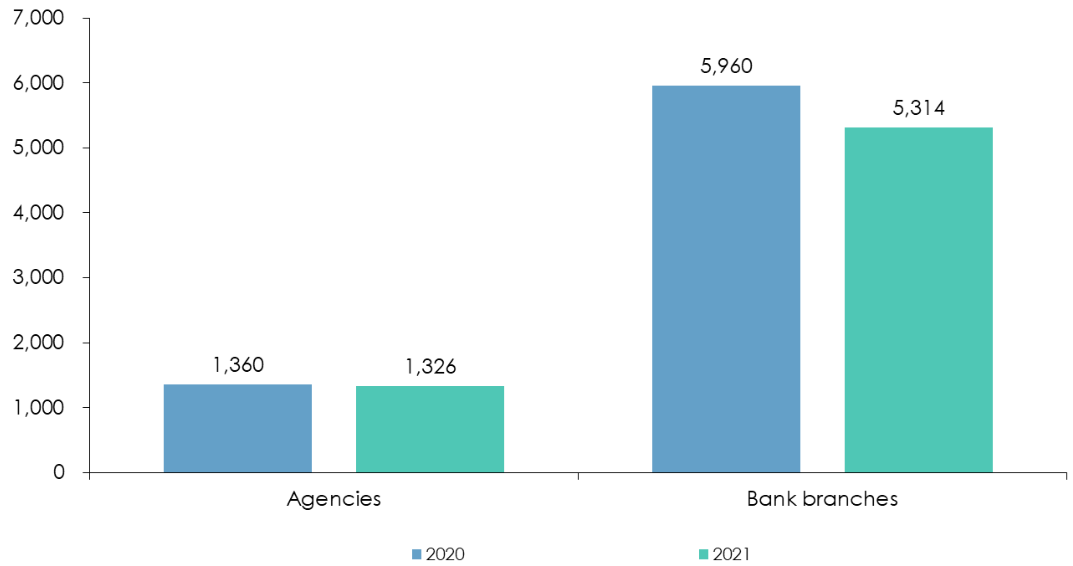
In October, trade union discussions regarding renewal of the smart-working agreement were concluded, with a view to a return to Company offices in accordance with new rules, which had to take into account the need for efficiency, health protection and work-life balance.
The undersigned agreement guarantees all workers who wish to adhere to it, the option of carrying out their work, with tools and internet connection made available by the Company, up to 4 days a week outside company premises. In this way, in accordance with company requirements, ample flexibility is guaranteed in managing the organisation of work performance.
The provisions, already confirmed in the 2018 agreement, in relation to the right to disconnect, were confirmed as a further guarantee of Cattolica's attention to the well-being of its employees.

In October, an agreement was also signed with the Trade Unions providing for a further tender for access to the Intersectorial Solidarity Fund. By adhering to this tender, employees who will accrue the pension requirements by January 31st, 2027, will have the opportunity to terminate their employment on January 31st, 2022, bringing retirement forward by up to 5 years. All 21 applications meeting the requirements for access to the Fund were accepted.

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

SALES NETWORK

Sales channels (Number)



Agency distribution

The sub-Group closed the year with a total of 1,326 agencies (1,360 as at December 31st, 2020), distributed as follows: 49.5% in northern Italy, 26.4% in central Italy and 24.1% in the south and islands. There are 789 agencies of Cattolica.

Agent network training

Also in 2021, training activities continued with a preference for distance learning methods. Attention to the training of the agency network took the form of quality training, appreciated by the agents, carried out through a wide-ranging programme of activities aimed at developing both technical and relational skills, with a view to creating a relationship of trust and transparency with the customer to be preserved over time. Investments aimed at enhancing the professionalism of distributors and the activation of training courses dedicated to agency and secondary networks continued, which involved employees and agency collaborators.

As part of the training certified for the purposes of professional development required by IVASS, almost 200,000 hours of training were provided through the 180 on-line courses available on the ForMaMentis training platform, while the 186 editions of webinars made it possible to certify over 10,000 hours of training for over 1400 intermediaries.
All training offerings, since the beginning of the Covid-19 emergency, have been redesigned to be delivered and enjoyed on-line, through eLearning and virtual classrooms.

The creation in April last year of the single learning management platform, called ForMaMentis, has made it possible to use distance learning in a more convenient manner, available from any device. The benefits were appreciated by the network, which was able to continue its growth even though the pandemic caused a halt for in-person classroom attendance.
The new platform provides reporting, which allows the responsible functions to carry out continuous monitoring of the progress of training activities. In addition, reports dedicated to Cattolica staff working alongside the agencies in the area were implemented, in order to allow for precise monitoring and targeted support, aimed at promoting the development of specific skills.

The structure dedicated to the development of skills and training of the agency network of the Company 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: the development of the skills of its networks (mandatory and non-mandatory training) and the digital transformation of the same.

Training on product, project and regulations

In line with IVASS indications regarding the mandatory nature of product training, implementation of the control between ForMaMentis and the issuing applications "PASS" and "ALLin" was completed, which does not allow the policy to be issued in the absence of specific training; the control was made operative on all pre-existing catalogue products; furthermore, each intermediary has the possibility of downloading an individual report from ForMaMentis with their own training situation for a prior check on this obligation.
Training was provided in line with the product plan. On-line courses have been published on the main insurance solutions and webinar training has been delivered. The main initiatives included:

- "*Active Live*": to support the release of the new Motor solutions, courses and webinars have been set up dedicated to the pilot Agencies and subsequently to all Agencies in the roll-out phase. The courses dedicated to the motor sector "*Cattolica&Motori V.03/21*" and "*Cattolica&Motori CVT V.07/21*" have been updated;
- "*Active Benessere*": to support the roll out of the new health coverage, an on-line course was released and virtual classrooms were provided especially for pilot agencies and all agencies in the roll-out phase;
- "*Active Vita*": to support the release of the new product, the schedule included a launch event dedicated to the best performing agencies in the life business, a course and 29 virtual classrooms dedicated to all Agencies. The training concluded with sessions devoted entirely to the issuing process;
- "*Cattolica&Professioni*" in conjunction with the two new releases, the related training modules have been published;
- "*Agricola 360*", as a result of the product restyling, an updated course has been released to which 6 classrooms have been added, reserved for those agencies most active in the Agricultural sector;
- "*Cattolica&NonProfit*": this is a new training course aimed at illustrating the commercial potential inherent in the Third Sector, as well as transferring the technical notions of the new policy and is designed to identify the needs of an area with specific requirements and peculiarities for which Cattolica is the market leader;
- "*Cattolica&Agricoltura Rischi Zootecnici*": four meetings were organised aimed at raising Agents' awareness of the opportunities offered by Zootechnical Risk policies, an area of business in which the Company is a key player;
- "*Active Business*" and "*Active Casa&Persona*": attention was also paid to products already in the catalogue, supporting their distribution with 8 training classrooms.

Training related to life business was completed with the updating of 7 courses in line with the changes made to the KIDs of the relevant products, with a final on-line module that incorporates the new features introduced in the new Life Consistency Questionnaire.

The provision of virtual classrooms dedicated to intermediaries is always preceded by a session aimed at company personnel who interface with agencies, in order to facilitate the activity carried out on the territory directly by Area Managers and Business Managers aimed at strengthening the technical and commercial preparation of intermediaries.
In addition to activities related to the product plan, training was provided to accompany the implementation of specific projects such as:

- Preventivatore Evoluto (advanced quotation tool): for 110 selected Agencies, 6 webinars were held in February to present the new tool made available by the Company to simplify Agency operations;
- 110 Bonus: in February three virtual classrooms dedicated to all Agents were held, during which the design and the operational aspects of the dedicated platform were illustrated. In May, the regulatory aspect was examined in depth, involving the 131 best-performing agencies. On-line courses were released in June for all intermediaries, in support of the training webinars. Additional training was held on December 1st for the 30 or so agencies most affected by the project;
- Commercial and Technical Reform: 8 webinar training sessions were provided, dedicated to all Agencies, aimed at illustrating the main characteristics and advantages of the commercial and technical reform of contracts in the portfolio;
- "Top Life", after the classroom in June dedicated to the "*Active Vita*" product, the technical training reserved for Top Performer Vita Agencies continued, aimed at supporting the distribution of multi-class policies. In September, the event focused on the new features of the "*Active Investimento*" product and on the awareness of ETFs (Exchange traded funds), while in December the classroom focused on volatility management.

A special focus was placed on cyber risk. In line with the IVASS recommendations concerning preparation for cyber risks, 6 new courses were made available on the online training platform dealing with specific content on these topics and 3 specialist webinars were provided for the entire Network, concerning the "*Cattolica&Cyber risk*" product, with a focus also on the guarantees covering the cyber risk present in the "*Active Casa*" and "*Active Business*" products.

The training programme also involved the agencies in a course dedicated to claims in the context of Cattolica, with particular attention to the 3 objectives of the claims division in relation to the agencies: channelling towards the body repair shops, CONSAP redemptions under the CARD Debitrice regime and the reduction of legal interventions in claims, with a focus on regulations and dedicated digital solutions.
With reference to the new regulations introduced by IVASS with provision No. 97 of August 4th, 2020, and Regulation No. 45 of August 4th, 2020, in force as from March 31st, 2021, an integrated training course of professional development has been launched with the aim of enabling the intermediary to adapt their behaviour towards the customer to the new regulatory provisions, which provide for:

- a basic on-line training course available to all intermediaries entitled "Corso base Provv. 97 e Reg. 45 IVASS" (Prov. 97 and Reg. 25 IVASS basic course) lasting 1 hour and 30 minutes;
- 3 different in-depth seminars in webinar mode, aimed at Agents and Employees, for a total of 30 editions.

The "Prima Formazione 60 ore" (60 hour induction training course) reserved for newcomers, provided for by IVASS Regulation No. 40 of August 2nd, 2018, has also been updated, which aims at registration in Section E of the Single Register of Intermediaries and provides access to the activity of intermediation. The pathway has been embedded and supplemented with new courses, to enrich the skills of individuals who have decided to undertake the role of intermediary with Cattolica. 296 people signed up for the course and 210 completed it.

Lastly, a "Benvenuto in Cattolica" (Welcome to Cattolica) training course was set up for all new employees, which includes a welcome plenary session with presentation of the Commercial Division structure and a subsequent training course on the main Non-life and Life&Welfare products as well as digital applications.

Higher Education Programmes

For years, Cattolica has been promoting and delivering two important high-level training programmes dedicated to the agency network, with the aim of developing the business, commercial, managerial, technical and digital skills of intermediaries. During the year, courses were provided in the area of:

- **Master Professione Agente - MPA (Agent Profession Masters)**: the programme dedicated to young agency talent - children of agents or young employees. In January, the 5th edition of the Masters commenced, which provided a landmark shift in collaboration thanks to the partnership initiated with the Politecnico di Milano university. New content and a refresh of the teaching staff are the characteristics of the training cycle that involves 23 participants. The Master, based on 7 specific Challenges, was delivered, for the first time, entirely in webinar mode. At the end of the course, the master students developed project works in relation to specific business areas, under the supervision of academic tutors and Company managers.
- **Master Executive Agenti - MEA (Executive Agents Masters)**: the advanced training course reserved for Cattolica Agents, which aims to consolidate the fundamental skills of the "Agent profession" and create increasingly professional and highly competitive networks. During the course of the year, the delivery methods were redesigned for 100% online use. The need to always stay abreast of the market environment and in line with new training requirements has led to a progressive updating of the contents and the design of new modules. During the second half of the year, two new modules were released, the first dedicated to the world of Non-profit, Third Sector and Religious Bodies, the second aimed at deepening the themes of Health with particular reference to welfare systems and the needs of families, in a perspective of care and well-being planning.

Digital transformation and adoption

The Digital Coach structure continued to work alongside the agencies to increase the use of the digital tools made available by the Company to the network, with a particular focus on:

- SFV (Sistema Forza Vendite, Sales Force System) - with the aim of spreading the culture in relation to the correct configuration of systems and the relative authorisations to use them;
- ARENA (commercial platform) - with the aim of disseminating the new commercial approach during the important stage of settlement in order to improve the relationship with the customer;
- FEA (firma elettronica, electronic signature) - with the goal of leading the network to the dematerialisation of policies;

- multi-channel access tools for the customer (narw - Nuova Area Riservata WEB and app) and remote payment (pay-by-link).

Between February and June, training and support activities were carried out for the pilot Agencies of the "Vendita a distanza" (Remote Selling) project, in order to activate a remote sales and consulting process with existing customers, but above all with prospects, all perfectly in line with regulatory requirements.
Training was also provided (8 editions) on "Vendere in Digitale" (Digital Selling) to strengthen the Agency's Front Office structure in the area of customer approach using digital communication tools.

With reference to TUA Assicurazioni, from January 4th, the updated "Edulife 5" version of the on-line training platform "TUA Scuola" was made available to the agency network and colleagues in the territory, the many benefits and improvements relating to its use were noted by both intermediaries and management administrators.

In order to make all the training usable remotely, the entire training process for new Agencies has been reorganised, creating an a-hoc path called "Benvenuti in Tua" and redesigning the entire 60-hour training path for new employees, making it completely usable on-line. As at December 31st, 51 of 112 attendees had completed training.
During the year, 56,000 hours of professional refresher courses were provided in the FAD and Virtual Classroom modes and 32 professional refresher courses via webinar for a total of 74 editions (about 750 actual participants with 1,500 final exams passed): 49 editions dedicated to updating on the company's products; 8 editions relating to technical courses; 17 editions dedicated to topics, such as digital marketing and remote selling, including "Proximity Selling Training" an important training course, made available to the company's 40 best Agencies, in terms of performance, in two separate versions: one dedicated to Agents and one to Agency employees, with the aim of encouraging an increase in knowledge and the development of key skills.
Distance Learning was enriched with 32 hours of professional refresher courses divided into 33 new courses for a total of more than 49,000 passed final exams.
During the year, the following were published:

- 3 new courses on the products: "*Tua Benessere*", "*Tua Voice Drive*", "*Tua Protect Drive*" and "*Tua&Agricoltura - Avversità Atmosferiche*",
- 14 new courses related to technical insurance topics, such as the in-depth study and classification of elementary classes;
- 4 new modules delivered in FAD mode, with a total duration of 6 hours, in line with the recommendations of IVASS regarding knowledge of IT risks;
- 4 distance learning courses for regulatory updates, including one dedicated to "The new regulations for insurance distribution as of April 1st, 2021";
- 8 courses dedicated to other topics: one course on claims management and 3 operational courses on the tools and systems provided by the company: "Quotti Cauzioni", "SFV: Censimento di un soggetto fisico" and "PASS 5.0".

As regards TUA agencies with a Cattolica life mandate, dedicated training was provided for the last 8 agencies migrated to the "ALLin" IT system.

Bank coverage

The bancassurance channel is overseen by Cattolica by means of a partnership strategy with banking operators based on both commercial agreements with numerous institutions for the sale of insurance products via bank branches, and through the insurance companies in which Cattolica, which has control, and its banking partners hold interests.
The number of branches distributing bancassurance products are 5,314 compared to 5,960 branches as at December 31st, 2020, and includes 3,482 branches of Banche di Credito Cooperativo, 1,245 branches of Banco BPM, Banca Aletti & C. S.p.A. and the financial company Agos Ducato S.p.A.

Bancassurance partner training

In compliance with the requirements of IVASS Regulation No. 40 of August 2nd, 2018, companies, in collaboration with intermediaries and using certified training companies, have taken steps to make available, in compliance with the collaboration and partnership agreements, the professional training and refresher courses as well as the product-specific courses aimed at complying with the obligation of professional training and refresher courses for their distribution networks.

In the context of the health emergency that has continued into 2021, the companies have designed the activity through training courses that are fully usable in e-learning and/or webinar mode, which have explored the thematic areas and modules provided for in Annex 6 of the aforementioned regulation.

Assicurazioni Generali's
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Covid-19 emergency

MANAGEMENT REPORT

Cattolica and its subsidiaries in 2021

Business performance for the year

Risk management

Headcount and sales network

Significant events and other information

SIGNIFICANT EVENTS AND OTHER INFORMATION

SIGNIFICANT TRANSACTIONS CARRIED OUT 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 Cattolica'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.

It should be noted, as already reported, that the term "Group" is to be understood as referring to the "Cattolica Group", in its formal meaning, until November 5th, 2021, and as "Cattolica and related subsidiaries", as from that date.

Cattolica and its subsidiaries

On March 5th, TUA Assicurazioni S.p.A. obtained the authorisation from IVASS to extend the exercise of the insurance business to Class 4 - Railway rolling stock, Class 5 - Aircraft hulls and Class 11 - TPL aircraft.

On April 1st, following the shareholders' resolution of July 31st, 2020, the transformation of Cattolica from a co-operative to a joint-stock company and the related adoption of a new text of the Articles of Association became effective.

On April 15th, the Board of Directors of Cattolica Assicurazioni concluded the process, started on February 4th, aimed at presenting a list, in view of the renewal of the Board itself for the 2021-2023 three-year period and in compliance with the Shareholders' Meeting rules following the transformation into a joint-stock company.
In line with the guideline on the optimal qualitative and quantitative composition of the Company's Board of Directors, the Appointments Committee, supported by the advisor Spencer Stuart, after having examined a significant number of potential candidates, has submitted a proposal for a list of 15 candidates for the Board of Directors for the appointment of 15 Board members. The Board of Directors discussed the proposal and approved unanimously the aforementioned list of candidates, which was submitted to the Shareholders' Meeting on May 13th/14th, respectively, on first and second call.

On April 19th, it was announced that, in relation to the appointment of the members of the Board of Directors and of the Management Control Committee on the agenda of the Ordinary Shareholders' Meeting of Cattolica Assicurazioni convened for May 13th/14th, 2021, only one list had been submitted by the deadline, April 18th.
Therefore, pursuant to Article 22.7 of the Articles of Association as well as in compliance with point 3 of the Operating Procedures for the submission of the list published on April 3rd, said deadline for the submission of the list was extended to April 21st, 2021, by 5:00 p.m. The thresholds set out for the legitimacy of the presentation were therefore reduced by half, or equal to 1.25% of the share capital.

On May 14th, the Ordinary Shareholders' Meeting of Cattolica Assicurazioni was held and considering the emergency related to the Covid-19 epidemic and the purposes of maximum protection and safety, it was held exclusively through the Designated Representative (Computershare S.p.A.), pursuant to Italian Legislative Decree No. 58 of February 24th, 1998, to which the shareholders had granted a proxy containing the voting instructions on the items on the agenda. A total of 109,652,358 ordinary shares, representing approximately 48.02% of the share capital, were represented at the Shareholders' Meeting through the Designated Representative. The Shareholders' Meeting has approved the following items on the agenda:

- Approval of the new Shareholders' Meeting Regulations: with regard to the transformation of Cattolica into a joint-stock company, it was necessary to proceed with the approval of the new Shareholders' Meeting Regulations, so as to update the rules for holding the shareholders' meeting in compliance with the changed conditions and the different business name;

- Approval of the 2020 financial statements and the accompanying reports, with consequent and correlated resolutions;
- Determination of the number of members of the Board of Directors (15) for the financial years 2021 – 2023 pursuant to Article 19 of the Articles of Association;
- Appointment of the members of the Board of Directors, including the members of the Management Control Committee for the years 2021–2023: the Shareholders' Meeting appointed the following members of the Board of Directors: Davide Croff, Camillo Candia, Luigi Migliavacca, Carlo Ferraresi, Stefano Gentili, Roberto Lancellotti, Cristiana Procopio, Daniela Saitta, Giulia Staderini, Elena Vasco, Silvia Arlanch and Laura Santori all from the list submitted by the Board of Directors and the one that obtained the highest number of votes ("Majority List"). The directors Paolo Andrea Rossi, Laura Ciambellotti and Michele Rutigliano were also elected from the list that obtained the second highest number of votes (List No. 2). Directors Michele Rutigliano, Silvia Arlanch and Laura Santori are also members of the Management Control Committee for the 2021-2023 three-year period, of which Michele Rutigliano is Chairperson. Carlo Ferraresi was also appointed as Managing Director, as a candidate included in the Majority List pursuant to Article 22.5 of the Articles of Association;
- Determination of the remuneration of the members of the Board of Directors and the Management Control Committee, as well as the related attendance allowance for the years 2021-2023: the Shareholders' Meeting resolved to set the total gross annual remuneration at € 1,770,000 for the members of the Board of Directors other than the members of the Management Control Committee, for the attendance in the Board Committees as well as for the special offices resolved on by the Board of Directors. It also set at € 110,000 the specific fee for each member of the Board of Directors who is also a member of the Management Control Committee and at € 165,000 the fee for the Chairman of the Management Control Committee;
- Report on the remuneration policy and on compensations paid;
- Fee plans based on financial instruments;
- Authorisation to purchase and sell own shares in accordance with the law.

The Board of Directors of Cattolica, which met at the end of the Shareholders' Meeting, verified the independence requirements set forth by current legislation and the Articles of Association applicable to the directors appointed. Therefore, the Board qualified all the directors as independent pursuant to Article 148, paragraph 3, of Italian Legislative Decree No. 58 of February 24th, 1998, except for the Managing Director, Carlo Ferraresi, and the director, Giulia Staderini. In addition, all directors, with the exception of the Managing Director and the director Giulia Staderini, declared that they meet the independence requirements set forth in the Corporate Governance Code of Borsa Italiana S.p.A., to which the Company has adhered. Therefore, the provisions of Article 20.2 of the Articles of Association, according to which at least 10 Directors shall meet the independence requirements established by Article 148, paragraph 3, of Italian Legislative Decree No. 58 of February 24th, 1998, were complied with, in addition to the provisions of the Corporate Governance Code. Furthermore, the Board of Directors assigned additional corporate offices to the Directors appointed by the Shareholders' Meeting itself. Davide Croff was appointed Chairman, Carlo Ferraresi was confirmed as Managing Director, Camillo Candia was appointed Acting Deputy Chairman, Luigi Migliavacca was appointed Deputy Chairman; Roberto Lancellotti (Chairman), Paolo Andrea Rossi and Cristiana Procopio were appointed as members of the newly established Appointments and Remuneration Committee. Camillo Candia (Chairman), Luigi Migliavacca, Laura Santori, Roberto Lancellotti and Daniela Saitta were appointed as members of the Control and Risk Committee. Laura Ciambellotti (Chairperson), Luigi Migliavacca and Elena Vasco were appointed as members of the Related Parties Committee. Giulia Staderini (Chairperson), Stefano Gentili and Camillo Candia were appointed as members of the Corporate Governance and Sustainability Committee.

On May 18th, the Board of Directors of Cattolica, on the basis of the prior opinion of the Appointments and Remuneration Committee, appointed Stefano Gentili as a member of the Control and Risk Committee. Stefano Gentili takes over from Ms Laura Santori, who resigned from said Committee in line with the approach, promoted by the Chairman of the Management Control Committee and subject to extensive discussion by the Board, of avoiding overlapping with the office of member of the Management Control Committee.

On May 26th, following the press release issued by Cattolica on August 1st, 2020, it was announced that the Judge for Preliminary Investigations of the Court of Verona, accepting the motion submitted by the Public Prosecutor, dismissed for unfoundedness of the crime the proceedings initiated against several corporate representatives who had been notified on July 31st, 2020 of a notice of investigation on the alleged violation of Article 2636 of the

Italian Civil Code (unlawful influence on the Shareholders' Meeting), relating to the meetings of April 13th, 2019, June 27th, 2020 and July 31st, 2020.

Pursuant to the preliminary purchase agreement dated July 11th, 2019, between ICCREA Banca and Cattolica, a price adjustment was defined, which amounted to a total of € 68,001 as at June 30th, 2021.

On July 21st, ICCREA Banca purchased the shares held by BCC Vita and BCC Assicurazioni in BCC Servizi Assicurativi. Each of the companies held 0.156% of the share capital and sold their shares for a consideration of € 1,515.63.

On November 23rd, Cattolica, having acknowledged (i) the opinion prepared by the Management Control Committee, pursuant to Article 7 of Italian Ministerial Decree No. 262/2012, for the consensual termination of the auditing engagement currently being carried out by PricewaterhouseCoopers S.p.A. and (ii) the recommendation, prepared by the same Committee, pursuant to Article 16 EU Regulation 537/2014, for the consequent appointment of the new independent auditor of the Company (the "Recommendation") resolved to call, for the following December 23rd, 2021, the Ordinary Shareholders' Meeting for the adoption of the consequent decisions. The termination, by mutual consent, of the audit engagement and the appointment of a new independent auditor became necessary after Cattolica became a legal subsidiary of Generali on November 5th, 2021, and following the PTO launched by Generali. In fact, the acquisition of control by Generali created a situation of incompatibility in relation to PricewaterhouseCoopers S.p.A., in view of the services rendered by the auditing firm and entities belonging to its network in favour of Generali and its Group. The activity of the Management Control Committee to prepare the Recommendation, which was promptly initiated, had to take into account, for its own assessments, many elements, including those that had already occurred, and was actually concluded, albeit in a very short time, on November 18th, 2021.

On December 23rd, Cattolica's Ordinary Shareholders' Meeting, on the basis of the aforementioned opinion and recommendation formulated by the Management Control Committee, resolved the consensual early termination of the appointment of PricewaterhouseCoopers S.p.A. as independent auditors and the simultaneous appointment for the 2021-2029 nine-year period of the independent auditors BDO Italia S.p.A. Similar resolutions were taken by the subsidiaries by the end of 2021.

On December 27th, the French group Inter Mutuelles Assistance formalised the exercise of its purchase option on 35% of the share capital of IMA Italia Assistance S.p.A. and a 10% of the share capital of Ima Servizi S.c.a.r.l. This option, provided for by the agreements signed in 2018 for the possibility of change of control of Cattolica, was exercised following the completion of the Generali PTO.

Generali PTO

Cattolica's Board of Directors, which met on June 7th, in acknowledging Assicurazioni Generali's decision of May 31st to promote a voluntary Public Tender Offer for all Cattolica's ordinary shares pursuant to Article 102 of the Consolidated Finance Law (the "Offer"), resolved, informing the Supervisory Authorities, to defer implementation of the € 200 million Option Increase to a date subsequent to closure of the Offer.
The reason for the postponement follows Generali's decision to make the effectiveness of the Offer conditional, among other things, on the circumstance that "between the date of this Communication and the date of payment of the Consideration, Cattolica does not execute the second tranche of the capital increase for a total of € 200 million resolved by the Board of Directors on August 4th and February 11th, in execution of the proxy granted pursuant to Article 2443 of the Italian Civil Code by the Extraordinary Shareholders' Meeting of June 27th, 2020".

On June 18th, 2021, Assicurazioni Generali filed the relative document (the "Offer Document") with CONSOB, pursuant to Articles 102 and 106, paragraph 4 of the Consolidated Finance Law, concerning all the ordinary shares of Cattolica, listed on the MTA organised and managed by Borsa Italiana S.p.A.

On June 30th, Cattolica's Board of Directors, with regard to the PTO related to Cattolica launched by Assicurazioni Generali, appointed Citigroup Global Markets Europe and KPMG Corporate Finance as financial advisors and Chiomenti Studio Legale as legal advisor.

On September 17th, Assicurazioni Generali announced that it had received authorisation from IVASS to acquire, as a result of the Offer, a controlling interest in Cattolica, pursuant to Articles 68 et seq. of Italian Legislative Decree No. 209 of September 7th, 2005, as subsequently amended and supplemented, and, accordingly, in the insurance companies it controls or in which it holds a qualifying equity investment. Generali also received prior authorisation from the Commissariat aux Assurances to acquire indirect control of CattRe S.A. and prior authorisation from Central Bank of Ireland to acquire indirect control of Vera Financial Dac.

On September 22nd, Generali announced that, with reference to the Offer Document, filed on June 18th, 2021, with CONSOB and following the press releases of June 18th, 2021, and September 17th, 2021, CONSOB, by resolution No. 22006 of September 22nd, 2021, approved, pursuant to Article 102, paragraph 4, of the Consolidated Finance Law, the Offer Document.

On September 28th, Generali announced, pursuant to Article 38, paragraph 2, of the Issuers' Regulations, that it had published the Offer Document. Attached to the Offer Document is the "issuer's statement", drafted pursuant to Article 103, paragraph 3, of the Consolidated Finance Law and Article 39 of the Issuers' Regulations, approved by Cattolica's Board of Directors at the Board meeting held on September 28th, 2021, and related attachments. Pursuant to Article 40 of the Issuers' Regulations, the enrolment period, agreed with Borsa Italiana S.p.A., started at 8:30 a.m. (Italian time) on October 4th, 2021, and ended at 5:30 p.m. (Italian time) on October 29th, 2021 (extremes included). Therefore, October 29th, 2021, represented the closing date of the enrolment period for the Offer and the payment date for the Shares offered was the fifth trading day following the closing of the enrolment period, therefore November 5th, 2021.

On October 5th, Cattolica's Board of Directors, in consideration of the fact that on September 30th, 2021, the suspension period for the disbursement of variable remuneration expired as previously requested by IVASS, agreed to proceed as per the Regulations of the 2018-2020 LTI Performance Share Plan, thus assigning to the beneficiaries the up-front portion (equal to 341,549 shares) and maintaining a deferral portion of said 2018-2020 Plan (equal to 246,414 shares), which will be assigned to the beneficiaries within one month of the end of the total deferral period of 5 years, scheduled to expire on 12/31/2022. In the same meeting, the Board of Directors, in compliance with the provisions of the related Regulation of the 2021-2023 Performance Share Plan, also resolved, subject to the successful outcome of the Offer, the early assignment of one year (12 months out of a total of 36 months) of the 2021-2023 Plan, through an up-front portion (equal to 248,771 shares) and a deferred portion (equal to 203,983 shares) that will be assigned to the beneficiaries at the end of the total deferment period of 5 years envisaged with expiry on 12/31/2025, with consequent closure of the Plan.

In light of the above, the number of own shares offered, in execution of the resolution passed by the Board of Directors on September 28th, 2021, after obtaining the favourable opinion of the Related Parties Committee, amounted to 27,004,484 shares, equal to 11.8% of the share capital, corresponding to all the own shares held by Cattolica less 1,040,717 own shares assigned to the beneficiaries in execution of the Performance Shares Plans.

On October 29th, pursuant to Article 36 of the Issuers' Regulations, Generali announced that, as a result of the shares offered on that date, Generali held more than 66.67% of Cattolica's share capital with voting rights. Therefore, the so-called Minimum Threshold Condition had to be considered fulfilled.

On October 29th, Generali announced, pursuant to Article 36 of the Issuers' Regulations, the closure of the so-called enrolment period of the Offer.

On the basis of the provisional results communicated by Equita, advisor and Intermediary responsible for coordinating the collection of acceptances to the offer, during the enrolment period, 138,842,677 Shares were offered, equal to approximately 79.660% of the Shares subject to the Offer and 60.803% of Cattolica's share capital. Generali has not purchased Cattolica Shares outside of the Offer during the period between the date of the Offer Document and the closing date of the enrolment period.

Therefore, taking into account the 138,842,677 Shares offered and the 54,054,054 Shares already held by Generali, the latter would have come to hold, as a result of the settlement of the Offer, if the aforementioned provisional results had been confirmed, a total of 192,896,731 Shares, equal to 84.475% of Cattolica's share capital. Generali also announced that the so-called Own Shares Condition had been fulfilled, as Cattolica had offered all own shares held, with the exception of those granted in execution of compensation plans based on financial instruments, and that the so-called Antitrust Condition had been fulfilled, as announced by Generali on October 21st, 2021, as well as the so-called Minimum Threshold Condition.

On November 4th, Generali announced, pursuant to Article 41, paragraph 6, of the Issuers' Regulations, the final results of the Offer. On the basis of the final results communicated by Equita, during the enrolment period, 138,842,677 Shares were offered, equal to approximately 79.660% of the Shares subject to the Offer and 60.803% of Cattolica's share capital. Generali did not purchase Cattolica Shares outside of the Offer during the period between the date of the Offer Document and the date of communication of the final results. Therefore, taking into account the 138,842,677 Shares offered and the 54,054,054 Shares already held by Generali, as a result of the settlement of the Offer, Generali came to hold a total of 192,896,731 Shares, equal to 84.475% of Cattolica's share capital. Consequently, Cattolica formalised, at the Companies' Register, the subjection of the Company to the management and coordination of Assicurazioni Generali S.p.A..

On December 16th, Cattolica's Board of Directors resolved to amend the Articles of Association to incorporate, pursuant to IVASS Regulation No. 22 dated June 1st, 2016, Cattolica's entry into the Generali Group, subsequently proceeding with the start of the envisaged authorisation process before the Supervisory Authority.

Merger of ABC Assicura and Berica Vita into Cattolica

On April 7th, Cattolica's Board of Directors approved the plan for the merger by incorporation of the wholly-owned companies ABC Assicura S.p.A. and Berica Vita S.p.A. On April 16th, these subsidiaries also approved their plans to merge into their parent company. On July 21st, Cattolica, having obtained the necessary authorisations from the competent Authorities, made the plans for the merger by incorporation of the companies available to the public. On August 5th, Cattolica's Board of Directors resolved the merger by incorporation of ABC Assicura S.p.A. and Berica Vita S.p.A. into Cattolica itself.
On August 9th, the aforementioned board resolutions were registered in the competent Verona Companies' Register and were made available to the public on August 11th.

On December 3rd, the merger deeds were formalised, and were registered on December 27th with the competent Verona Companies' Register; consequently, since registration took place by December 31st, 2021, the aforementioned mergers became effective as from 11:59 p.m. on December 31st, 2021, with accounting and tax effects predated January 1st, 2021, as provided for by the aforementioned deeds.

Sale of Lombarda Vita to Intesa Sanpaolo

On April 12th, implementing the binding agreement entered into, in December 2020, with UBI Banca concerning the early termination, with respect to the deadline of June 30th, 2021, of the life bancassurance agreements between the parties, the sale of the equity investment held by Cattolica in Lombarda Vita was carried out in favour of Intesa Sanpaolo S.p.A., which succeeded UBI Banca as a result of the merger completed on the same date.
As provided for in the agreements, the equity investment was sold for € 299.8 million: the purchaser paid Cattolica € 219.8 million. The remaining balance of € 80 million was paid at the same time as repayment of the loan outstanding at the time in favour of Cattolica for the same amount following receipt of the necessary authorisations from IVASS. In the 2021 Consolidated Financial Statements, a capital gain from the sale of approximately € 104 million, net of tax, was realised following the completion of the transaction.

As part of the same transaction, Lombarda Vita sold the equity investment held in Cattolica Services to Cattolica, for a consideration of € 1,710.40. Lastly, Cattolica and Cattolica Services, on the one hand, and Lombarda Vita, on the other hand, signed two contracts on April 12th, 2021, for the outsourcing of some temporary services connected with the dissolution of the partnership. These agreements were to run until December 31st, 2021.

Partnership with Banco BPM

On March 5th, Banco BPM and Cattolica Assicurazioni announced that they had reached an agreement by which their respective differences were resolved 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 envisaged, 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 12.31.24. 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, 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 case that for a period of 4 years no events have occurred, which would have an effect on the control of Cattolica by Generali or other parties, including jointly, and the profits up to the date of transfer of the equity investments. The agreement provided 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 extraordinary reserves/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 December 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 December 31st, 2030, without any additional components and without the application of protection mechanisms.
The agreement between Banco BPM and Cattolica also envisaged 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 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 resulted in a review of the various contracts currently governing the partnership.
On April 16th, the parties signed the final agreements, in line with what was agreed on March 5th.

Recapitalisations and share capital increases

With a value date of March 3rd, Cattolica resolved a capitalisation intervention for Cattolica Services, in the form of a capital contribution, for € 2.03 million, to promptly cover the loss for FY2020.

On May 26th, Cattolica participated in the share capital increase of Veronafiere S.p.A. by subscribing a portion equal to 50% of the share capital increase, reserved to the latter, paying the total amount of € 1,061,250, including the related share premium.

In order to support a high rating level in 2021, as already envisaged in the Group Plan approved by the Board of Directors of Cattolica on January 28th, 2021, on March 15th CattRe benefited from a share capital increase of € 15 million, fully subscribed by Cattolica as sole shareholder.

Italian Revenue Agency

Cattolica Assicurazioni was admitted to the Collaborative Compliance (Adempimento Collaborativo) regime pursuant to Italian Legislative Decree 128/2015. The measure of admission was notified by the Italian Revenue Agency on December 23rd, 2021, at the conclusion of a proceeding to verify the formal and substantive eligibility requirements.
Cattolica will be entered in the register of taxpayers who operate in full transparency and collaboration with the Italian Tax Authority, published on the institutional website of the Italian Revenue Agency.
Admission to this regime, effective as of the 2020 tax year, implements a closer relationship of trust and collaboration between Cattolica and the Tax Authorities, which makes it possible to increase the level of certainty on relevant tax issues in full transparency.
The development of an effective tax risk management model, adoption of the Tax Strategy and admission to the Collaborative Compliance regime will enable the Company to effectively mitigate and guard against tax risk. With the admission to this scheme, Cattolica confirms the values, principles and objectives for the correct management of the tax variable already provided for in its Tax Strategy.

Supervisory Authority

On January 8th, 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 same.
Following the inspections carried out, the Supervisory Authority reported shortcomings referring to situations related to the years 2018 and 2019 and to the first months of 2020, concerning the corporate governance, risk management and internal control system, since the Cattolica's Board of Directors did not base its actions on principles of sound and prudent management, thus putting the Group's solvency at risk, with the consequent necessary strengthening of equity and the overcoming of the cooperative form thus significantly exposing Cattolica to legal and reputational risks. IVASS therefore requested Cattolica to adopt a recovery plan aimed at eliminating the critical points detected and also initiated a sanctioning procedure against Cattolica in relation to the legal violations contested.
By order of February 11th, CONSOB, also on the basis of certain inspection evidence, made certain objections to Cattolica 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. Cattolica submitted its response on the remarks made by the Commission on March 18th. In a memorandum dated August 20th, the Administrative Fines Office made its report to the Commission, to which Cattolica replied on September 16th. Finally, with its resolution of October 20th, the Commission fined Cattolica a total of € 90 thousand. Cattolica appealed against the resolution to the Venice Court of Appeal on November 30th, 2021.

On March 5th, the Board of Directors approved the findings communication, including the Recovery Plan, to the note from IVASS of January 8th, 2021, in which the latter formulated requests and provided indications to Cattolica regarding the adoption of certain measures and a recovery plan to overcome the elements of sensitivity found in the context of the aforementioned inspections. The content of the communication was broken down into the following areas of intervention:

- Replacement of members of the administrative body;
- Revision of the remuneration policy;
- Limitation on cash 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. Strengthening measures have been divided into three macro-areas of intervention:
  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 also approved 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: adoption of a strategic plan on information and communication technology (ICT), which included 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 real estate investments: the Plan also envisages actions aimed at strengthening (i) control over investments in the real estate and agricultural sectors and (ii) the process of assessing real estate investments to be allocated to segregated assets.
  c) Management of the agency network and the agreements with Coldiretti: the Plan defines interventions on the management of the agency network and the agreements with Coldiretti based on the following guidelines: (i) remuneration and incentive system of the agency network, (ii) initiatives aimed at restructuring of loss-making agency portfolios, (iii and iv) control processes on the agency network and the agreements with Coldiretti.

On March 16th, the officials of the Italian Ministry for Economic Development, as the Authority with supervisory powers over co-operative companies, completed an extraordinary inspection of Cattolica, started 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 that would have resulted if Cattolica's Board of Directors included Generali among its shareholders and directors appointed by Generali among the members of the same Board of Directors.
During its course, the inspection extended to various profiles and was concluded favourably for Cattolica, 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 the Shareholders' Meeting of June 2020 and considering Article 2527, paragraph 2, of the Italian Civil Code to be inapplicable to Cattolica.

On April 6th, an inspection began at Vera Vita, pursuant to Article 189 of Italian Legislative Decree No. 209 of September 7th, 2005. The inspection, which was completed at the end of May, was aimed at verifying the management of settlement processes.

On November 9th, 2021, IVASS notified Vera Vita of the inspection report, with a partially favourable opinion, to which the company responded by providing its own considerations, on the following December 9th.

With a provision dated September 23rd, CONSOB raised certain objections against Cattolica and a number of corporate officers in office at the time of the events, regarding the alleged breach of Article 123-bis, paragraph 2, letter a) of the Consolidated Finance Law, with reference to the lack of transparency in the representation of Cattolica's actual corporate governance structure, provided in Cattolica's Reports on Corporate Governance and Ownership Structure with reference to the 2019 and 2020 financial years. These violations are punishable by fines of an amount not indicated in the order, but only at the conclusion of the administrative procedure.

Cattolica submitted its response on the remarks made by the Commission on December 10th.

PREVENTION AND FIGHTING OF FRAUD

Cattolica, whilst also implementing legislative provisions concerning the fight against fraud in the motor TPL sector, has adopted a policy to prevent and counter fraud, in implementation of the policy prepared at sub-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 countering fraud is integrated into the internal control system and is similarly structured along three lines of defence. Responsibility is pervasive and widespread throughout the corporate organisation.

In compliance with the provisions of Art. 30 of Italian Law No. 27 of March 24th, 2012, and the IVASS Protocol No. 47-14-000982 dated March 11th, 2014, the estimate of the reduction of the charges for motor TPL claims deriving from the assessment of fraud, consequent to control and fraud suppression activities, for Cattolica and its subsidiaries, is quantified at € 26.9 million, with an increase of approximately € 1 million compared to December 31st, 2020.

HANDLING OF COMPLAINTS BY CATTOLICA AND ITS SUBSIDIARIES

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.

Following the entry into force, as of March 31st, 2021, of IVASS measure No. 97 of August 4th, 2020, complaints are counted by also taking into account the number of complaints relating to the conduct of intermediaries registered in section D of the RUI (Consolidated Register of Insurance Brokers).

During the year, with reference to Cattolica and its subsidiaries, a total of 4,196 written complaints were registered, of which 753 were upheld. The complaints were dealt with, on average, within 16 days, compared with 19 in 2020.

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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 allowed for a faster and more effective management of projects requiring the analysis of large amounts of data, favouring the implementation of a series of initiatives aimed at increasing internal efficiency and improving sales processes.
During the year, the first releases were carried out to integrate the "Anti-Fraud Predictive Model" on the new technological platform and the completion of a new "extended CAR" (Customer Analytical Record), to enable further sophistication of motor pricing.

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.

Work continued on upgrading the software to support the placement of life and non-life products as part of the partnership with Banco BPM. At the same time, initiatives to develop the partnership with ICCREA were continued.

Initiatives aimed at optimising the operations of the distribution networks or the service offered to customers were completed, such as the Arena project (Cattolica Agencies), Vendita a Distanza (Remote Selling) (Cattolica Agencies), Fly 2 Quality (Cattolica Agencies), Smart settlement and E-underwriting in support of new products.

In 2021, corporate reorganisation initiatives were varied. In the first half of the year, following the transformation of Cattolica into a joint-stock company, the systems were adapted to the new business name.
Following the sale of Lombarda Vita to the Intesa San Paolo Group, services were provided for the management of information systems and the migration of IT data.

Infrastructures and security

With reference to the project to create a unique 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 release of functions for the Nuova Area Riservata Web (New Web Reserved Area) was completed.

Development of the new risk management system was completed, as well as work on the integration of derivatives operations within the current application architecture of the Finance area.
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. The objectives set were achieved as per the Plan.

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) accounting standards, in the adaptation to the new CONSOB regulation on related-party transactions and in the regulatory update of the IVASS Claims Database.

IT security initiatives were completed in line with the guidelines contained in the Security Masterplan. In this context, measures were implemented to evolve the SIEM (Sistema di gestione delle informazioni e degli eventi di sicurezza or Information and Security Event Management System), the database monitoring tools, technological solutions to control the security status of all devices with access to the company network and to protect company mobile devices, and a series of other initiatives aimed at further reducing Cyber Risk.
During the year, the necessary adjustments were made with a view to continuous improvement.

MANAGEMENT AND COORDINATION ACCORDING TO ARTS. 2497 ET SEQ. OF THE ITALIAN CIVIL CODE

Cattolica Assicurazioni S.p.A. and its subsidiaries are subject to management and coordination by Assicurazioni Generali S.p.A. – Trieste.

TAX CONSOLIDATION

The subsidiaries participating in the national tax consolidation scheme are: BCC Assicurazioni, BCC 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 sub-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 Cattolica the amount corresponding to lower tax paid by the same due to the effects of the use of tax losses transferred by subsidiaries.

CONSOLIDATED NON-FINANCIAL STATEMENT

The consolidated non-financial statement of Società Cattolica di Assicurazione S.p.A., prepared pursuant to Italian Legislative Decree No. 254 of December 30th, 2016, includes a separate report (Sustainability Report) from this management report, as provided for by Art. 5, paragraph 3, letter b) of the above-mentioned legislative decree, and is available on the website www.cattolica.it, in the "Sustainability" section.

OWN SHARES HELD BY THE PARENT COMPANY OR ITS SUBSIDIARIES

The Shareholders' Meeting of May 14th, 2021, approved the authorisation to purchase and sell 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 Cattolica, for a period of 18 months from the date of the shareholders' meeting resolution. The minimum purchase price of the shares may not be more than 20% lower, and the maximum purchase price may not be more than 20% higher than the official price of Cattolica shares recorded by Borsa Italiana S.p.A. in the stock exchange session prior to each individual transaction.
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. Amongst these, it was confirmed that Cattolica would proceed to dispose of the package of own shares acquired upon redemption to the withdrawing shareholders within the maximum term set forth by IVASS, in compliance with the applicable legal and regulatory provisions.
As already reported, Cattolica's Board of Directors, which met on October 5th, in consideration of the fact that on September 30th, 2021 the suspension period for the disbursement of variable remuneration expired as previously requested by IVASS, agreed to proceed as per the Regulations of the 2018-2020 LTI Performance Share Plan, thus assigning to the beneficiaries the up-front portion (equal to 341,549 shares) and maintaining a deferral portion of said 2018-2020 Plan (equal to 246,414 shares), which will be assigned to the beneficiaries within one month of the end of the total deferment period of 5 years, scheduled to expire on 12/31/2022. In the same meeting, the Board of Directors, in compliance with the provisions of the related Regulation of the 2021-2023 Performance Share Plan, also resolved, subject to the successful outcome of

the Offer (as defined below), the early assignment of one year (12 months out of a total of 36 months) of the 2021-2023 Plan, through an up-front portion (equal to 248,771 shares) and a deferred portion (equal to 203,983 shares) that will be assigned to the beneficiaries at the end of the total deferment period of 5 years envisaged with expiry on 12/31/2025, with consequent closure of the Plan.
In light of the foregoing, the number of own shares that were tendered to the voluntary total PTO promoted by Assicurazioni Generali S.p.A. in relation to Cattolica's ordinary shares, in execution of the resolution passed by the Board of Directors on September 28th, 2021 subject to the favourable opinion of the Related Parties Committee, was equal to 27,004,484 shares, or 11.8% of the share capital, corresponding to all the own shares held by Cattolica minus the 1,040,717 own shares assigned to the beneficiaries in execution of the Performance Shares Plans.

At the closing of the PTO, Assicurazioni Generali announced that the own shares condition had been fulfilled, since Cattolica offered all the own shares held, with the exception of those assigned in execution of compensation plans based on financial instruments.

With reference to the latter, as at December 31st, Cattolica held 450,397 own shares, equal to 0.197% of the share capital, recognised in the reserve for own shares in portfolio, for a value of € 2.64 million.

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 updated by resolution of December 19th, 2019, up to June 30, 2021, was applied to the situations envisaged by regulations. On April 30th, Cattolica's Board of Directors, following the favourable opinion issued by the Related Parties Committee, resolved to adjust, with effect from July 1st, 2021, the "Procedure for the management of transactions with related parties" to the amendments of CONSOB Regulation No. 17221/2010, most recently made by resolution No. 21624 of December 10th, 2020.
The document relating to this procedure - which should be referred to for details - is published on the website of the Company at www.cattolica.it, under the "Governance" section.

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

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 consolidated financial statements, on April 12th, the sale of the equity investment held by Cattolica in Lombarda Vita to Intesa Sanpaolo S.p.A. was completed, for an amount of € 299.8 million. In the 2021 Consolidated Financial Statements, a capital gain from the sale of approximately € 104 million, net of tax, was realised following the completion of the transaction.
Moreover, it should be noted that 27,004,484 own shares were offered, equal to 11.8% of the share capital, for a value of approximately € 182 million.

PERFORMANCE OF CATTOLICA STOCK

During the year, Cattolica shares recorded a minimum price of € 3.85 and a maximum price of € 7.2. The Market capitalisation of the stock as at December 31st amounted to approximately € 1,322 million.
During the year the performance of the stock reported an increase of 26.3% with respect to an increase of 23% in the FTSE Mib Index and an increase of 30.6% in the FTSE Italia All-Share Insurance Index.
Average daily volumes traded in the year were 895,228 transactions.

RATIOS PER SHARE

A summary of the main ratios per share is presented below as at December 31st:

Table 14 - Ratios per share

(amounts in €)	2021	2020
Number of outstanding shares (*)	227,897,583	177,190,280
Premiums written per share (insurance premiums and investment contracts)	22.67	26.55
Group profit per share	0.42	0.21
- from current operations	-0.05	-0.02
- from discontinued operations	0.47	0.23
Group shareholders' equity per share	10.57	12.08

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

SIGNIFICANT EVENTS DURING THE FIRST FEW MONTHS OF 2022

On January 18th, 2022, Cattolica received notification from IVASS that the Institute does not see any obstacles to the decision taken by the Board of Directors that the second tranche of the € 200 million capital increase was no longer necessary.

On the same date, IVASS authorised the amendments to the Articles of Association resolved by the Board of Directors on December 16th, 2021, which were subsequently registered with the competent Verona Companies' Register and are now fully effective.

On February 14th, 2022, Giulia Staderini, non-executive and non-independent director, resigned from her position as Director of Cattolica on account of unexpected professional commitments that do not allow her to dedicate the necessary time to the role, and, at the same time, as Chairperson of the Corporate Governance, Sustainability and Value Generation Committee.

On February 23rd, 2022, the Board of Directors of Cattolica Assicurazioni co-opted Cristina Rustignoli among its members as a non-independent, non-executive director, taking over from Giulia Staderini, who resigned. The Board of Directors also appointed Cristina Rustignoli as Chairperson of the Corporate Governance, Sustainability and Value Generation Committee.

Moreover, on the same date, Laura Santori, non-executive and independent director, resigned, due to professional commitments that do not allow her to dedicate the necessary time to the role, from her position as Director of Cattolica and, at the same time, as member of the Management Control Committee.

OUTLOOK FOR BUSINESS ACTIVITIES

In 2022, Cattolica Assicurazioni and its subsidiaries are engaged in the first phase of operational integration with the companies of the parent company Assicurazioni Generali. The integration could lead to the emergence of the first synergies, as well as one-off costs for its implementation.

In terms of business, and net of the effects mentioned above, it is expected that the development of the economic scenario, also following the expected slowdown of the Covid-19 emergency, may lead to a recovery in the claims frequency, particularly in the motor sector. Combined with competitiveness on motor tariffs, this phenomenon should lead to a material decline in the operating result of the Non-life sector. This decrease is expected to be partly offset by the strengthening of the Life operating result, due to the growth in volumes and the improved business mix achieved in recent years, and the absence of several negative items recorded in 2021.

With regard to the effects of the war currently underway in Ukraine, it should be noted that Cattolica and its subsidiaries have a completely insignificant exposure in terms of assets and liabilities in the two countries involved in the conflict, and at present no material consequences on the 2022 economic performance are expected from the ongoing events. In any case, Cattolica will continue to carefully monitor further developments and the impact on the macroeconomic variables such as, for example, the possible acceleration in the growth of the inflation rate, which currently does not show trends that deviate from the level at the end of 2021, as far as the non-life insurance business is concerned.

THE BOARD OF DIRECTORS

Verona, March 14th, 2022

Total assets

28,280 € mln

Total shareholders' equity

2,841 € mln

CONSOLIDATED FINANCIAL STATEMENTS

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STATEMENT OF FINANCIAL POSITION

CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31st, 2021
ASSETS

Company: CATTOLICA ASSICURAZIONI SUB-GROUP

(€ thousands)		2021	2020
1	**INTANGIBLE ASSETS**	**514,798**	**705,094**
1.1	Goodwill	265,039	410,325
1.2	Other intangible assets	249,759	294,769
2	**TANGIBLE ASSETS**	**210,325**	**226,539**
2.1	Property	189,027	201,314
2.2	Other tangible assets	21,298	25,225
3	**TECHNICAL PROVISIONS - REINSURANCE AMOUNT**	**558,173**	**580,280**
4	**INVESTMENTS**	**24,799,941**	**23,894,317**
4.1	Investment Property	964,010	974,683
4.2	Investments in subsidiaries, associated companies and joint ventures	179,448	174,094
4.3	Held to maturity investments	100,396	183,607
4.4	Loans and receivables	1,032,859	1,193,915
4.5	Available for sale financial assets	17,217,656	17,147,346
4.6	Financial assets at fair value through profit or loss	5,305,572	4,220,672
5	**SUNDRY RECEIVABLES**	**590,654**	**663,203**
5.1	Receivables deriving from direct insurance transactions	394,400	452,300
5.2	Receivables deriving from reinsurance transactions	70,549	81,767
5.3	Other receivables	125,705	129,136
6	**OTHER ASSET ITEMS**	**1,207,316**	**10,740,757**
6.1	Non-current assets or disposal group held for sale	9,311	9,362,508
6.2	Deferred acquisition costs	12,183	15,222
6.3	Deferred tax assets	410,966	634,170
6.4	Current tax assets	543,594	559,088
6.5	Other assets	231,262	169,769
7	**CASH AND CASH EQUIVALENTS**	**399,158**	**360,344**
	TOTAL ASSETS	**28,280,365**	**37,170,534**

CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31st, 2021 SHAREHOLDERS' EQUITY AND LIABILITIES

Company: CATTOLICA ASSICURAZIONI SUB-GROUP

(€ thousands)		2021	2020
1	**SHAREHOLDERS' EQUITY**	**2,840,828**	**2,613,284**
1.1	**pertaining to the Group**	**2,408,342**	**2,140,175**
1.1.1	Share capital	685,044	685,044
1.1.2	Other equity instruments	0	0
1.1.3	Capital reserves	813,557	847,277
1.1.4	Revenue reserves and other equity reserves	748,432	656,431
1.1.5	(Own shares)	−2,642	−164,506
1.1.6	Reserve for net exchange differences	0	0
1.1.7	Gains or losses on available for sale financial assets	71,229	78,022
1.1.8	Other gains or losses recognised directly in equity	−3,185	1,474
1.1.9	Profit (loss) for the year pertaining to the Group	95,907	36,433
1.2	**pertaining to minority interests**	**432,486**	**473,109**
1.2.1	Capital and reserves pertaining to minority interests	416,692	421,021
1.2.2	Profits or losses recognised directly in equity	3,712	17,886
1.2.3	Profit (loss) for the year pertaining to minority interests	12,082	34,202
2	**PROVISIONS AND ALLOWANCES**	**76,871**	**67,158**
3	**TECHNICAL PROVISIONS**	**23,145,197**	**22,694,567**
4	**FINANCIAL LIABILITIES**	**1,028,229**	**1,262,691**
4.1	Financial liabilities at fair value through profit or loss	212,034	361,800
4.2	Other financial liabilities	816,195	900,891
5	**PAYABLES**	**416,287**	**445,870**
5.1	Payables deriving from direct insurance transactions	116,207	118,381
5.2	Payables deriving from reinsurance transactions	86,663	79,039
5.3	Other payables	213,417	248,450
6	**OTHER LIABILITY ITEMS**	**772,953**	**10,086,964**
6.1	Liabilities of disposal group held for sale	0	9,132,268
6.2	Deferred tax liabilities	444,591	634,446
6.3	Current tax liabilities	133,029	188,518
6.4	Other liabilities	195,333	131,732
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**28,280,365**	**37,170,534**

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INCOME STATEMENT

CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31st, 2021 INCOME STATEMENT

Company: CATTOLICA ASSICURAZIONI SUB-GROUP

(€ thousands)		2021	2020 (*)
1.1	Net premiums	4,891,365	4,405,251
1.1.1	*Gross premiums written*	5,171,899	4,665,411
1.1.2	*Ceded premiums*	−280,534	−260,160
1.2	Commissions income	25	1,814
1.3	Income and charges from financial instruments at fair value through profit or loss	236,049	65,782
1.4	Income from investments in subsidiaries, associated companies and joint ventures	7,678	5,318
1.5	Income from other financial instruments and investment property	573,198	618,345
1.5.1	*Interest income*	338,778	389,391
1.5.2	*Other income*	98,460	81,870
1.5.3	*Realised gains*	134,529	147,084
1.5.4	*Valuation gains*	1,431	0
1.6	Other revenues	190,468	112,647
1	**TOTAL REVENUES AND INCOME**	**5,898,783**	**5,209,157**
2.1	Net charges relating to claims	−4,297,256	−3,618,466
2.1.1	*Amounts paid and change in technical provisions*	−4,420,507	−3,756,360
2.1.2	*Reinsurance amount*	123,251	137,894
2.2	Commissions expense	−2,138	−3,639
2.3	Charges from investments in subsidiaries, associated companies and joint ventures	−3,451	−18,371
2.4	Charges from other financial instruments and investment property	−217,122	−255,962
2.4.1	*Interest expense*	−110,919	−129,007
2.4.2	*Other charges*	−1,838	−2,412
2.4.3	*Realised losses*	−53,413	−75,712
2.4.4	*Valuation losses*	−50,952	−48,831
2.5	Operating expenses	−813,397	−745,437
2.5.1	*Commission and other acquisition costs*	−555,424	−497,242
2.5.2	*Operating expenses relating to investments*	−53,083	−48,245
2.5.3	*Other administrative expenses*	−204,890	−199,950
2.6	Other costs	−472,129	−454,450
2	**TOTAL COSTS AND CHARGES**	**−5,805,493**	**−5,096,325**
	PROFIT (LOSS) FOR THE PERIOD BEFORE TAXATION	**93,290**	**112,832**
3	Taxation	−93,739	−103,126
	PROFIT (LOSS) FOR THE YEAR NET OF TAXATION	**−449**	**9,706**
4	**PROFIT (LOSS) FROM DISCONTINUED OPERATIONS**	**108,438**	**60,929**
	CONSOLIDATED PROFIT (LOSS)	**107,989**	**70,635**
	pertaining to the Group	**95,907**	**36,433**
	pertaining to minority interests	**12,082**	**34,202**

(*) 2020 figures have been restated in accordance with IFRS 5.

STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31st, 2021
STATEMENT OF COMPREHENSIVE INCOME – Net amounts

Company: CATTOLICA ASSICURAZIONI SUB-GROUP

(€ thousands)	2021	2020
CONSOLIDATED PROFIT (LOSS)	**107,989**	**70,635**
Other income components net of income taxes without reclassification in the income statement	**554**	**−336**
Change in the shareholders' equity of investee companies	0	0
Change in intangible assets revaluation reserve	0	0
Change in tangible assets revaluation reserve	0	0
Income and charges relating to non-current assets or disposal group held for sale	61	9
Actuarial gains and losses and adjustments related to defined-benefit plans	493	−345
Other items	0	0
Other income components net of income taxes with reclassification in the income statement	**−26,180**	**13,700**
Change in reserve for net exchange differences	0	0
Gains or losses on available for sale financial assets	−16,214	11,097
Profits or losses on cash flow hedging instruments	0	0
Profits or losses on instruments hedging a net investment in foreign operations	0	0
Change in the shareholders' equity of investee companies	2,764	−1,555
Income and charges relating to non-current assets or disposal group held for sale	−12,730	4,158
Other items	0	0
TOTAL OF THE OTHER COMPONENTS OF THE STATEMENT OF COMPREHENSIVE INCOME	**−25,626**	**13,364**
TOTAL OF THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	**82,363**	**83,999**
pertaining to the Group	**84,455**	**42,899**
pertaining to minority interests	**−2,092**	**41,100**

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 ____________________ (**)

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

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

CASH FLOW STATEMENT

CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31st, 2021

Company: CATTOLICA ASSICURAZIONI SUB-GROUP

(€ thousands)	2021	2020
Profit (loss) for the year before taxation	**93,290**	**112,832**
Changes in non-monetary items	**1,238,003**	**629,530**
Change in non-life premium provision	−6,977	11,672
Change in provision for outstanding claims and other non-life technical provisions	−61,455	−219,194
Change in mathematical provisions and other life technical provisions	1,176,726	410,338
Change in deferred acquisition costs	1,108	1,396
Change in provisions and allowances	9,713	6,230
Non-monetary income and charges from financial instruments, investment property and equity investments	−70,380	123,449
Other changes	189,268	295,639
Change in receivables and payables generated by operating activities	**50,005**	**65,992**
Change in receivables and payables deriving from direct insurance and reinsurance transactions	88,836	71,781
Change in other receivables/payables, other assets/liabilities	−38,831	−5,789
Taxes paid	**−88,945**	**−200,225**
Net liquidity generated/absorbed by monetary items pertaining to investments and financing activities	**−150,470**	**−878,209**
Liabilities from financial contracts issued by insurance companies	−150,470	−878,209
Payables due to banking and interbank customers	0	0
Loans and receivables due from banking and interbank customers	0	0
Other financial instruments at fair value through profit or loss	0	0
TOTAL NET LIQUIDITY DERIVING FROM OPERATING ACTIVITIES	**1,141,883**	**−270,080**
Net liquidity generated/absorbed by investment property	−19,220	−155,530
Net liquidity generated/absorbed by investments in subsidiaries, associated companies and joint ventures	1,636	−28,855
Net liquidity generated/absorbed by loans and receivables	159,881	−160,846
Net liquidity generated/absorbed by held to maturity investments	82,490	8,638
Net liquidity generated/absorbed by available for sale financial assets	−803,400	−621,067
Net liquidity generated/absorbed by tangible and intangible assets	−22,707	−55,635
Other net liquidity flows generated/absorbed by investment activities	−598,078	925,973
TOTAL NET LIQUIDITY DERIVING FROM INVESTMENT ACTIVITIES	**−1,199,398**	**−87,322**
Net liquidity generated/absorbed by capital instruments pertaining to the Group	0	273,908
Net liquidity generated/absorbed by own shares	182,280	−114,579
Distribution of dividends pertaining to the Group	0	0
Net liquidity generated/absorbed by capital and reserves pertaining to minority interests	−6,835	19,330
Net liquidity generated/absorbed by subordinated liabilities and by participative financial instruments	−80,000	41,723
Net liquidity generated/absorbed by sundry financial liabilities	884	28,979
TOTAL NET LIQUIDITY DERIVING FROM FINANCING ACTIVITIES	**96,329**	**249,361**
Effect of the exchange differences on cash and cash equivalents	**0**	**0**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	360,344	468,385
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	38,814	−108,041
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	399,158	360,344

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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31st, 2021

Company: CATTOLICA ASSICURAZIONI SUB-GROUP

(€ thousands)		Balance as at December 31st, 2019	Change in closing balances	Charges	Adjustments from reclassification to income statement	Transfers	Changes in investment holdings	Balance as at December 31st, 2020
	Share capital	522,882	0	162,162		0		685,044
	Other equity instruments	0	0	0		0		0
Shareholders' equity	Capital reserves	712,031	0	135,246		0		847,277
pertaining to	Revenue reserves and other equity reserves	560,475	0	76,585		0	19,371	656,431
the Group	(Own shares)	−49,927	0	0		−114,579		−164,506
	Profit (loss) for the year	75,140	0	−38,707		0		36,433
	Other components of the statement of comprehensive income	73,030	0	50,027	−43,561	0	0	79,496
	Total pertaining to the Group	**1,893,631**	**0**	**385,313**	**−43,561**	**−114,579**	**19,371**	**2,140,175**
Shareholders' equity	Capital and reserves pertaining to minority interests	418,506	0	69,608		−24,222	−42,871	421,021
pertaining to	Profit (loss) for the year	27,886	0	6,316		0		34,202
minority interests	Other components of the statement of comprehensive income	10,988	0	43,353	−36,455	0	0	17,886
	Total pertaining to minority interests	**457,380**	**0**	**119,277**	**−36,455**	**−24,222**	**−42,871**	**473,109**
TOTAL		**2,351,011**	**0**	**504,590**	**−80,016**	**−138,801**	**−23,500**	**2,613,284**

(€ thousands)		Balance as at December 31st, 2020	Change in closing balances	Charges	Adjustments from reclassification to income statement	Transfers	Changes in investment holdings	Balance as at December 31st, 2021
	Share capital	685,044	0	0		0		685,044
	Other equity instruments	0	0	0		0		0
Shareholders' equity	Capital reserves	847,277	0	−33,720		0		813,557
pertaining to	Revenue reserves and other equity reserves	656,431	0	92,001		0	0	748,432
the Group	(Own shares)	−164,506	0	161,864		0		−2,642
	Profit (loss) for the year	36,433	0	59,474		0		95,907
	Other components of the statement of comprehensive income	79,496	0	92,912	−104,364	0	0	68,044
	Total pertaining to the Group	**2,140,175**	**0**	**372,531**	**−104,364**	**0**	**0**	**2,408,342**
Shareholders' equity	Capital and reserves pertaining to minority interests	421,021	0	30,189		−3,932	−30,586	416,692
pertaining to	Profit (loss) for the year	34,202	0	−22,120		0		12,082
minority interests	Other components of the statement of comprehensive income	17,886	0	31,843	−46,017	0	0	3,712
	Total pertaining to minority interests	**473,109**	**0**	**39,912**	**−46,017**	**−3,932**	**−30,586**	**432,486**
TOTAL		**2,613,284**	**0**	**412,443**	**−150,381**	**−3,932**	**−30,586**	**2,840,828**

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 ______________________ (**)

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

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

RECONCILIATION STATEMENT OF THE RESULT OF THE YEAR AND SHAREHOLDERS' EQUITY OF CATTOLICA AND THE PARENT COMPANY

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RECONCILIATION STATEMENT OF THE RESULT OF THE YEAR AND SHAREHOLDERS' EQUITY OF THE GROUP AND THE PARENT COMPANY

CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31st, 2021

Company: CATTOLICA ASSICURAZIONI SUB-GROUP

(€ thousands)	Capital and reserves	Profit (loss) for the year	Shareholders' equity
Parent Company amounts It Gaap	**2,182,387**	**6,991**	**2,189,378**
IAS/IFRS Adjustment - Parent Company	416,919	22,500	439,419
Parent Company IAS/IFRS amounts	**2,599,306**	**29,491**	**2,628,797**
Netting of the book values of the equity investments included in the consolidation area:			
- difference between the book value and the pro-quota value of the shareholders' equity	−263,041	0	−263,041
- pro-quota results of investee companies	0	73,300	73,300
- capital gains from sale of equity investments recorded in the consolidated fin. stat.	−41,838	41,838	0
- goodwill	396,139	−145,286	250,853
- value of portfolio	100,137	−17,232	82,905
Netting of intercompany transactions:			
- dividends from consolidated companies	54,386	−54,386	0
- write-back of effects of equity investment transfers	0	0	0
- reversal of intercompany real estate transactions	0	0	0
- reversal of effects of mergers/disposals of business segments among Group companies	−329,358	0	−329,358
- writebacks of write-downs	−161,621	161,621	0
- reversal of the effects of business combinations	0	0	0
- reversal of intercompany transactions	20,885	14,317	35,202
Tax effects of above-mentioned consolidation adjustments	**−36,128**	**−1,262**	**−37,390**
Effects associated with non-consolidated companies:			
Effects associated with the valuation of non-consolidated companies	−37,410	4,484	−32,926
Dividends from associated companies	10,978	−10,978	0
Shareholders' equity and profit pertaining to the Group	**2,312,435**	**95,907**	**2,408,342**
Shareholders' equity and profit pertaining to minority interests	**420,404**	**12,082**	**432,486**
CONSOLIDATED SHAREHOLDERS' EQUITY AND NET PROFIT	**2,732,839**	**107,989**	**2,840,828**

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 (**)

(**)

(**)

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NOTES TO THE ACCOUNTS

NOTES TO THE ACCOUNTS

Part A - Basis of presentation and consolidation area

PART A
BASIS OF PRESENTATION AND CONSOLIDATION AREA

Applicable legislation

The consolidated financial statements were prepared by Società Cattolica di Assicurazione S.p.A. pursuant to Art. 154-ter, paragraph 1 of Italian Legislative Decree No. 58 of February 24th, 1998, "Regulations concerning financial brokers" and Art. 95 of Italian Legislative Decree No. 209 of September 7th, 2005, in compliance with the provisions of the IAS/IFRS international accounting standards and the SIC/IFRIC interpretations, taking as reference those approved by the European Commission by December 31st, 2021; they are compliant with the ISVAP Regulation No. 7 dated July 13th, 2007, relating to the technical forms of the consolidated financial statements drawn up on the basis of international accounting standards (IAS/IFRS).

It should be noted that the following have been reclassified in the appropriate "held for sale" items pursuant to IFRS 5:

- the income statement figures as at December 31st, 2021, of Lombarda Vita, the sale of which took place on April 12th, 2021;
- the economic result and the value as at December 31st, 2021, of the equity investment held by the Cattolica sub-group in IMA Italia Assistance and IMA Servizi respectively.

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

Account has also been taken of the recommendations contained in the joint Bank of Italy/CONSOB/IVASS documents on the application of IAS/IFRS, the provisions of the 2021 ESMA guidelines on financial statements contained in the document (Public Statement) of October 29th, 2021 ("European common enforcement priorities for 2021 annual financial reports").

Directive 2004/109/EC (the "Transparency Directive") and Delegated Regulation (EU) 2019/815 introduced the requirement for issuers of securities listed on regulated markets in the European Union to prepare their annual financial report in the XHTML language, based on the ESMA-approved European Single Electronic Format (ESEF). For 2021, it is expected that the consolidated financial statement schedules must be "branded" in relation to the ESEF taxonomy, using an integrated computer language (iXBRL).

The consolidated financial statements as at December 31st, 2021, have been audited by BDO Italia S.p.A., appointed as independent auditors for the 2021-2029 nine-year period.

Accounting reference date

The Consolidated Financial Statements closed as at December 31st, 2021, a date which coincides with that of the Financial Statements of all the companies included within the consolidation scope.

The statements drawn up according to the international accounting standards (IAS/IFRS) as approved by the Boards of Directors of the respective companies who are not obliged to adopt the aforementioned international accounting standards for the purpose of drawing up the annual financial statements have been used for the preparation of the Consolidated Financial Statements. Vera Financial prepared its financial statements in compliance with international accounting standards. The statements prepared by the management companies were used for the funds, which were then adjusted in accordance with the IAS/IFRS international accounting standards adopted by the Cattolica sub-group.
The consolidated financial statements were authorised for issue on March 14th, 2022.

CONSOLIDATION METHODS

a) Line-by-line consolidation

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

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

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

In the periods subsequent to the acquisition of control, the difference between the book value of the equity investment and the portion of shareholders' equity pertaining to the sub-group is recorded, for the part exceeding the above described allocation referring to the acquisition date, in the "revenue reserves and other equity reserves" item.

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

b) Equity method

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

By means of this method, the book value of the equity investment is adjusted in the consolidated financial statements in order to reflect the book value of the shareholders' equity pertaining to the sub-group, which can be taken from the last financial statements of the investee company and adjusted by the total amount of the dividends distributed by said company.

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

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

c) Companies carried at cost

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

d) Main consolidation adjustments

The main consolidation adjustments are:

- the derecognition of balances and intercompany transactions, including revenues, costs and dividends collected;
- the derecognition of gains and losses deriving from intercompany transactions included in the book value of the assets and liabilities;
- the determination of the deferred taxation, in accordance with the methods envisaged by IAS 12, on the temporary differences deriving from the derecognition of gains or losses originating from intercompany transactions;
- the adjustment of the effects recorded in individual financial statements, generated by extraordinary intercompany transactions;
- the amortisation of intangible assets recognised as a result of business combinations in accordance with IFRS 3.

The decreases in value emerging subsequent to intercompany transactions, where existing, are maintained in the consolidated financial statements.

CONSOLIDATION AREA

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

During the year, the consolidation area changed compared to December 31st, 2020, following the transfer of 60% of Lombarda Vita S.p.A. to Intesa Sanpaolo S.p.A. on April 12th.

As at December 31st, 2021, the consolidation area comprised 8 insurance companies, one reinsurance company, two companies, which carry out agricultural-real estate activities, one holding company, one real estate services company, three service companies, four insurance and reinsurance brokerage companies and six real estate mutual funds.
As previously reported, on August 6th, 2021, the Board of Directors of Cattolica Assicurazioni resolved to merge the subsidiaries Berica Vita and Abc Assicura into Cattolica as from 11:59 p.m. on December 31st, 2021, with accounting and tax effects from January 1st, 2021.
In addition to companies in the consolidation area, the sub-group includes two service companies, an insurance and reinsurance brokerage company, the Fondo Immobiliare Mercury, structured into three segments, the Fondo HCampus, which is divided into two classes of units and the Fondo Mercury Nuovo Tirreno, measured at equity being under joint control.

On December 27th, 2021, the CALL option was exercised by the controlling shareholders of IMA Italia Assistance S.p.A., governed by the agreements originally signed between the parties, which provides for the purchase, under certain contractual conditions, of the equity investments held by the Cattolica sub-group in IMA Italia Assistance S.p.A. and in IMA Servizi S.p.A, amounting to 35% and 10%, respectively.
The exercise price of the CALL option is higher than the carrying value of the equity investments in the consolidated financial statements.
Profit or loss and the value of the equity investment held by Cattolica sub-Group in IMA Italia Assistanche and IMA Servizi, respectively, are restated as at December 31st, 2021, according to the IFRS 5 accounting standard. In this regard, reference should be made to paragraph 6.1 "Non-current assets or disposal group held for sale".

Significant assumptions and assessments for establishing the consolidation area

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

- exercise of power over the investee company;
- being subject in a significant manner to the variable returns of the entity subject to investment;
- being able to exercise its power over the investee company so as to affect the amount of the investee company's returns.

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

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

The following table lists the companies included in the consolidated financial statements on a consolidated line-by-line basis, in accordance with IFRS 10.

Table 15 - Consolidation area (ISVAP Regulation No. 7 dated July 13th, 2007)

Company name	Registered offices and operating headquarters	Method (1)	Activity (2)	% direct investment	% total holding (3)	% of votes available during ordinary shareholders' meetings (4)	% consolidation
Società Cattolica di Assicurazione - s.p.a.	086	G	1				
BCC Assicurazioni s.p.a.	086	G	1	70.00%	70.00%		100%
BCC Vita s.p.a.	086	G	1	70.00%	70.00%		100%
Cattolica Agricola s.a.r.l.	086	G	10	100.00%	100.00%		100%
Cattolica Beni Immobili s.r.l.	086	G	10	100.00%	100.00%		100%
Cattolica Immobiliare s.p.a.	086	G	11	100.00%	100.00%		100%
Cattolica Services s.c.p.a.	086	G	11	99.98%	99.99%		100%
Fondo Euripide	086	G	10	67.95%	79.07%		100%
Fondo San Zeno	086	G	10	67.89%	81.62%		100%
Fondo Perseide	086	G	10	79.42%	87.75%		100%
TUA Assicurazioni s.p.a.	086	G	1	99.99%	99.99%		100%
Vera Assicurazioni s.p.a.	086	G	1	65.00%	65.00%		100%
Vera Financial d.a.c.	040	G	2		65.00%		100%
Vera Protezione s.p.a.	086	G	1		65.00%		100%
Vera Vita s.p.a.	086	G	1	65.00%	65.00%		100%
Fondo Innovazione Salute	086	G	10	74.91%	81.94%		100%
Fondo Andromaca	086	G	10	100.00%	100.00%		100%
CattRe s.a.	092	G	5	100.00%	100.00%		100%
Satec Holding s.r.l. (formerly Estinvest s.r.l.)	086	G	9		100.00%		100%
Meteotec s.r.l.	086	G	11		100.00%		100%
Satec s.r.l.	086	G	11		100.00%		100%
Qubo Insurance Solutions s.r.l.	086	G	11		51.00%		100%
All Risks Solutions s.r.l.	086	G	11		100.00%		100%
Fondo Girolamo	086	G	10	74.51%	95.09%		100%
Campo dei Fiori s.r.l.	086	G	11		81.62%		100%
Mediterranea Underwriting s.r.l.	086	G	11		100.00%		100%

(1) Consolidation method: Line-by-line = G, Proportional = P, Line-by-line by single HQ = U.

(2) 1 = Italian insurance; 2 = EU insurance; 3 = non-EU insurance; 4 = insurance holding company; 4.1 = mixed financial holding company; 5 = EU reinsurance; 6 = non-EU reinsurance; 7 = banks; 8 = asset management companies; 9 = other holding; 10 = real estate; 11 = other.

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

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

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

The agreements envisage also that the Cattolica sub-Group and the banking partners shall operate in favour of the investee companies making sure that in the same the protective rights of the minorities are recognised, in particular within the sphere of extraordinary transactions and/or the undertaking of strategic policies inconsistent with the shared objectives of the partnerships.

The agreements have the purpose of protecting both parties from the risk of any conduct not consistent with the pacts. In conclusion, these protective rights relate to qualified majorities envisaged for deeds of collective disposal of assets or rights, deeds of transfer of businesses or business segments, as well as equity investments, provided that the consideration for an individual transaction is higher than pre-established thresholds, as well as to financial transactions of any kind when the related consideration for the individual transaction is higher than pre-established thresholds of shareholders' equity.

The table, which follows, includes the information pursuant to IFRS 12 on sub-Group's subsidiaries with significant minority interest.

Table 16 - Consolidation area: equity investments in companies with significant minority interests (ISVAP Regulation No. 7 dated July 13th, 2007)

(€ thousands)					Summary income statement-financial figures							
Company name	% Minority interests	% of votes available during ordinary shareholders' meetings to minority	Consolidated profit (loss) pertaining to minority interests	Shareholders' equity pertaining to minority interests	Total assets	Investments	Technical provisions	Financial liabilities	Shareholders' Equity	Net profit (loss) for the year	Dividends distributed to minority interests	Gross premiums written
BCC Assicurazioni s.p.a.	30.00%		359	5,673	102,109	49,537	58,718	1,689	18,909	1,195	0	49,490
BCC Vita s.p.a.	30.00%		3,350	91,578	4,521,087	4,322,825	4,078,675	26,387	305,261	11,166	0	675,277
Fondo Euripide	20.93%		2,131	90,773	442,608	420,945	0	0	433,698	10,180	2,011	0
Fondo San Zeno	18.38%		764	30,154	167,105	159,655	0	0	164,057	4,155	915	0
Fondo Perseide	12.25%		1,032	13,887	120,255	87,427	0	3,030	113,365	8,425	646	0
Fondo Girolamo	4.91%		127	6,511	133,245	126,353	0	0	132,615	2,579	178	0
Vera Assicurazioni s.p.a.	35.00%		8,210	37,092	299,379	250,576	160,331	1,150	105,976	23,456	3,932	114,792
Vera Financial d.a.c.	35.00%		663	26,132	1,875,586	1,768,814	1,625,302	154,445	74,664	1,895	0	330,023
Vera Protezione s.p.a.	35.00%		1,216	31,974	421,265	364,260	297,074	819	91,355	3,474	5,104	106,489
Vera Vita s.p.a.	35.00%		5,682	143,399	8,590,825	8,257,830	7,891,828	158,169	409,711	16,233	0	1,376,955
Fondo Innovazione Salute	18.06%		304	13,197	106,317	100,500	0	32,670	73,071	1,682	302	0
Qubo Insurance Solutions s.r.l.	49.00%		99	138	1,290	0	0	56	281	203	93	0

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

The non-consolidated structured entities identified by the sub-Group include a total of € 789.138 million represented by special purpose vehicles (SPVs) with underlying securities issued by the Italian government and swaps and € 469.847 million represented by investment funds.

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

The companies valued using the equity or cost method follow:

1) The following companies are accounted for using the **equity method** in accordance with IAS 28 and IFRS 11:

Associated companies and Joint Ventures

- **Multi-segment real estate investment fund** known as "**Mercury**". Cattolica Assicurazioni holds 51.01% in the Tirreno segment, 52.55% in the Central-Northern segment and 33.97% in the Adriatic segment, a segment in which the subsidiary BCC Vita has also invested for a 17.08% share. The total recognised value amounted to € 80.977 million;
- **Real estate investment fund** called "**HCampus**" divided into two classes of units. Cattolica Assicurazioni holds Class A and Class B units equal to 59.76% for a total book value of € 27.360 million;
- **Real estate investment fund** called "**Mercury Nuovo Tirreno**". The sub-Group holds units equal to 90.04% for a book value of € 70.843 million, of which 67.18% are held by Cattolica Assicurazioni, 13.66% by the subsidiary BCC Vita, 8.58% by the subsidiary TUA Assicurazioni and 0.62% by the subsidiary Bcc Assicurazioni;
- **H-FARM S.p.A.** with registered office in Roncade, share capital of € 12.867 million, engaged in the field of innovation. The direct equity investment of Cattolica Assicurazioni amounts to 3.67% for a book value of € 209 thousand including participative financial instruments;
- **ALADDIN S.r.l.**, a newly-established company whose business is insurance and reinsurance brokerage in which Satec Holding holds 45% of the share capital, amounting to € 20 thousand. The figure recorded in the financial statements is € 9 thousand.

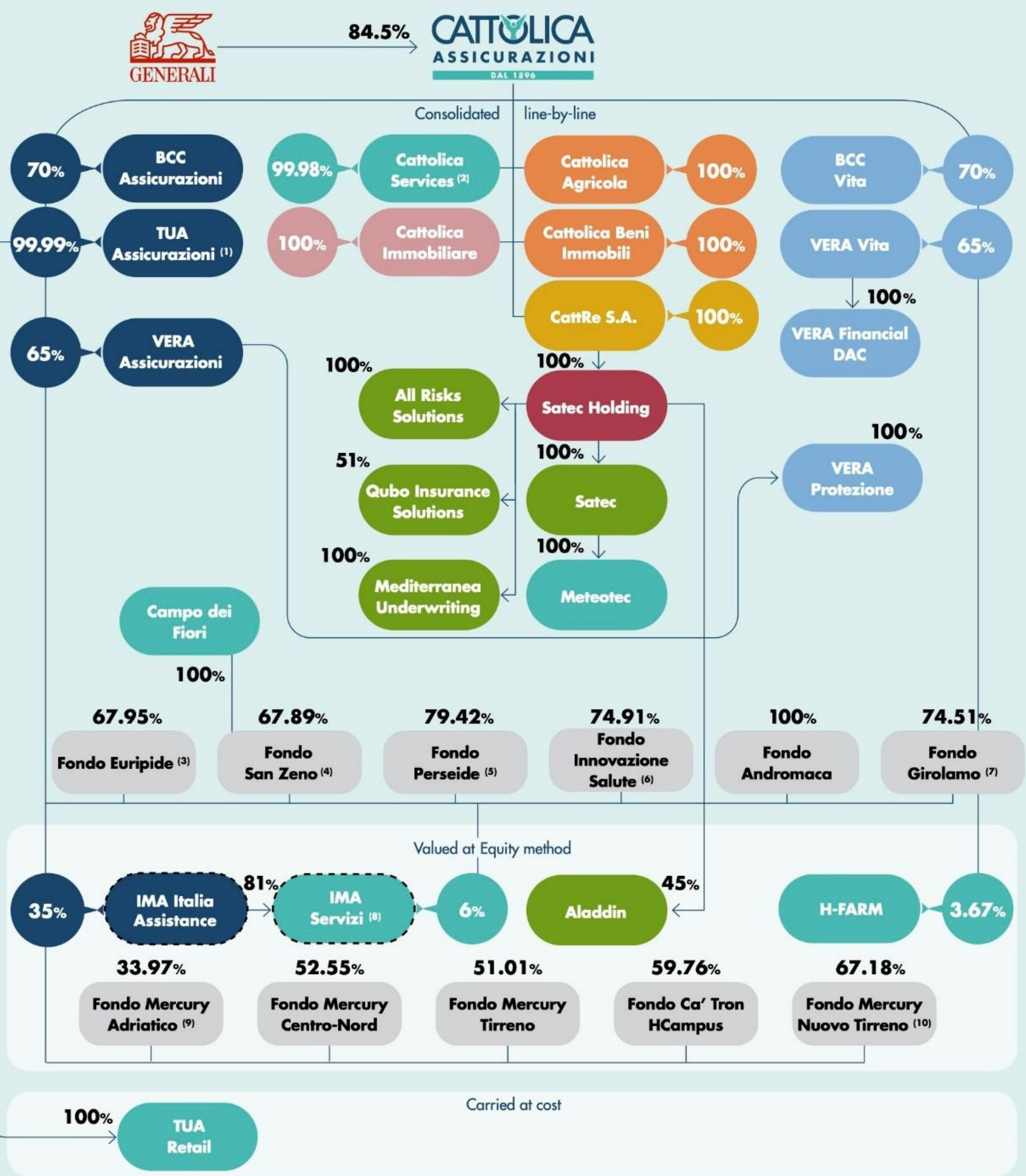
2) The following company has been valued at **cost** in the consolidated financial statements, since it is not significant and its exclusion from the consolidation area does not prejudice the reliability of the representation

of the financial and equity standing, the economic result and the financial flows of the sub-Group:

Subsidiary company

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

A schedule of the sub-Group's companies with indication of the consolidation method adopted is shown below.



(*) Please note that Cattolica Assicurazioni is subject to the Direction and Coordination of Assicurazioni Generali S.p.A..
(1) TUA Assicurazioni wholly owns TUA Retail.
(2) 0.005% of the share capital of Cattolica Services is held individually by BCC Assicurazioni, BCC Vita and Cattolica Immobiliare. TUA Assicurazioni holds 0.01% of the share capital of Cattolica Services.
(3) The remaining 15.94% is held as follows: 9.82% by VERA Vita, 2.5% by BCC Vita, 1.82% by TUA Assicurazioni,1.3% by VERA Protezione and 0.5% by VERA Assicurazioni.
(4) The remaining 19.61% is held by BCC Vita.
(5) The remaining 9.72% is held as follows: 5.09% by TUA Assicurazioni and 4.63% by BCC Vita.
(6) The remaining 7.23% is held as follows: 6.56% by TUA Assicurazioni and 0.67% by BCC Assicurazioni.
(7) The remaining 25.49% is held as follows: 15.75% by BCC Vita, 9.13% by TUA Assicurazioni and 0.61% by BCC Assicurazioni.
(8) The remaining 4% is held individually by Cattolica Services for 1%, BCC Assicurazioni for1%, TUA Assicurazioni for1% and VERA Assicurazioni for1%.
(9) The remaining 17.08% is held by BCC Vita.
(10) The remaining 22.86% is held as follows: 13.66% by BCC Vita, 8.58% by TUA Assicurazioni and 0.62% by BCC Assicurazioni.

Non-life insurance
Life insurance
Holding company
Operating services
Agricultural-real estate sector
Real estate services
Reinsurance
Insurance and reinsurance brokerage (MGA)
Funds
Assets held for sale as at December 31st, 2021 pursuant to IFRS 5

As at December 31st, 2021(*)

NOTES TO THE ACCOUNTS

Part B - Accounting principles

PART B ACCOUNTING PRINCIPLES

Format

The statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and these notes to the accounts have been drawn up in accordance with the formats laid down by the instructions in ISVAP Regulation No. 7 dated July 13th, 2007, amended by means of IVASS Provision No. 53 dated December 6th, 2016.

Accounting standards

The accounting standards adopted for the preparation of the consolidated financial statements are consistent with the provisions of each IAS/IFRS standard and each SIC/IFRIC, taking as reference those endorsed by the European Commission.

New accounting standards

IFRS 17

On May 18th, 2017, the IASB published IFRS 17 - *Insurance Contracts*, which is intended to replace IFRS 4 - *Insurance Contracts*. The objective of the new standard is to ensure that an entity provides relevant information so that the rights and obligations arising from insurance contracts issued are faithfully represented. IASB developed the standard for eliminating the inconsistencies of the existing accounting policies by providing a single principle-based framework to take into account all types of insurance contracts, including reinsurance contracts that an insurer holds.
It is intended to be applied from January 1st, 2023.
The new standard will have a significant impact on the measurement and representation of the financial statement items involved. The sub-Group conducted the methodological analysis of IFRS 9 and IFRS 17 accounting standards, also carrying out several impact analyses, and is preparing for the start of the implementation phase.

Finally, it should be remembered that the Cattolica sub-Group decided to avail itself of the "Temporary Exemption" provided for by IFRS 4, which allows for the deferral of the application of IFRS 9 (and consequently the continued application of IAS 39), until IFRS 17 comes into force.
To this end, the requirements of paragraph 20 B of IFRS 4 in terms of predominance of the insurance business were verified. For further information, see the paragraph "Additional information" in Part C Statement of Financial Position - Assets in the notes to the accounts.

Reporting currency used in the financial statements

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

Foreign currency items

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

Section 1

Illustration of the accounting principles

The accounting principles used to draw up the consolidated financial statements are the same as those used to prepare the IAS/IFRS statements of Cattolica Assicurazioni and the other sub-Group's companies who are not obliged to adopt the aforementioned international accounting standards for the purpose of drawing up the financial statements. Vera Financial prepared its financial statements in compliance with international accounting standards.

No consolidation adjustments were necessary to bring the accounting standards and measurement criteria of the consolidated companies in line with those of Cattolica Assicurazioni, with the exception of investment property held by real estate funds that, in their accounts, value these properties at fair value and therefore, for the purposes of the consolidated financial statements, are reported at historical cost net of the related accumulated depreciation.

The preparation of the consolidated 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.
The main areas of the financial statements that involve significant recourse to discretionary judgements, assumptions, estimates and assumptions about issues, which by nature are uncertain, are set out below:

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

Going concern

In accordance with the provisions of Bank of Italy/CONSOB/ISVAP document No. 2 of February 6th, 2009, it should be noted that, despite the uncertainties in the outlook connected with both the current situation regarding the Covid-19 pandemic and the recent geo-political and military events that are affecting Ukraine, the solidity of the sub-Group's fundamentals does not generate or leave any doubts as to its ability to continue as a going concern. Cattolica Assicurazioni's Solvency Ratio as at December 31st, 2021, stands at 206%, before the proposed dividend distribution. It is estimated that the changes in the financial market scenario that took place between December 31st, 2021, and the end of February (spread of Italian government bonds with respect to the substantially aligned risk-free curve and a marked increase in risk-free rates) led to an improvement in the Company's Solvency Position.
In this regard, it should be noted that Cattolica's Board of Directors, which met on December 3rd, 2021, having acknowledged the positive outcome of the PTO launched by Assicurazioni Generali and the simultaneous increase of the value of almost all the own shares previously held by Cattolica, with a consequent further improvement in Cattolica's solvency margins, resolved to submit to IVASS for assessment the fact that it is no longer necessary to proceed with the execution of the second tranche of the increase in share capital under option of € 200 million.
On January 18th, 2022, Cattolica received notification from IVASS that the Institute did not see any obstacles to the decision taken by the Board of Directors that the second tranche of the € 200 million capital increase was no longer necessary.

STATEMENT OF FINANCIAL POSITION

INTANGIBLE ASSETS

Goodwill

The item comprises the goodwill acquired in the business combinations as established by IFRS 3.
The goodwill deriving from consolidation represents the additional value of the purchase cost when compared with the value of the assets, liabilities and potential liabilities, valued at fair value, of the subsidiary company. The goodwill is stated as an asset and recorded at cost less the cumulative impairment losses. As prescribed by IAS 36, an impairment test is carried out at least once a year, the procedure having been approved by the Board of Directors. On the basis of the provisions of IAS 36, it is established whether any trigger events have taken place such as stock market capitalisation lower than the sub-Group shareholders' equity or whether the flows of the cash-generating units (CGUs) to which the goodwill is allocated have registered significant negative deviations; if this occurs, the value of the goodwill is subjected to a specific impairment test. An impairment loss is recorded if the book value of the CGU to which the goodwill refers is greater than its recoverable value, or the greater value between the value in use and the fair value net of the sales costs; this loss in value reduces the book value of the goodwill and, residually, if the conditions required by IAS 36 are met, of the other assets of the CGU proportionally to their book value.

In the event of the disposal of a subsidiary company, the residual amount of the goodwill ascribable to the same is included in the disposal value and therefore in the determination of the capital gain or loss on the disposal.

Other intangible assets

The item comprises the assets defined and governed by IAS 38. It also includes the value of the insurance portfolio acquired as part of the business combination and by contrast, excludes deferred purchase costs.
An intangible asset is recorded among the assets, and therefore capitalised, only when it is subject to the control of the company, it is identifiable and it is probable that it will generate future economic benefits and when the cost can be reliably determined.

These assets are valued at cost net of accumulated amortisation and write-downs to impairment losses.
There are no intangible assets present in the financial statements with an indefinite useful life as established in IAS 38.

The amortisable value is systematically allocated to the accounting periods, which make up the useful life of the asset, starting from the moment that said asset becomes available for use, or finds itself in the position and under the conditions necessary for being used according to the intentions of the Company.
In general, except in specific cases, the useful life is set as five years with an amortisation rate of 20% per annum for all the intangible assets with the exclusion of insurance portfolios whose amortisation period ranges from six to twelve years depending on the residual duration of the portfolio.
Intangible assets are periodically subject to the impairment test.

TANGIBLE ASSETS

Property

This item includes the property intended to be used for business activities.

These assets are valued at cost net of related accumulated depreciation and any impairment losses. Cost comprises the related charges directly ascribable to the purchase and the putting into operation of the asset.

For entire premises, the value of the land is separated from the value of the building; the latter is depreciated.
The depreciation of the buildings is calculated, on a straight-line basis, in relation to the useful life estimated as thirty-three years.

Ordinary maintenance costs are charged to the income statement; those, which by contrast lead to an increase in value, or of the functionality or useful life of the assets, are allocated to the assets and depreciated.

Property intended to be used for business activities is periodically subject to verification of whether the book value is recoverable or not and is eliminated from the financial statements following disposal or in the event of the depletion of the expected economic benefits.

Other tangible assets

This category includes movable assets, furnishings, office machines, means of transport, plant and equipment.

These assets are valued at cost net of accumulated depreciation and any impairment losses. The depreciation is calculated, on a straight-line basis, in relation to the estimated useful life of the related assets using economic-technical rates.

The book value of the tangible assets is subject to verification so as to reveal any impairment losses.

INVESTMENTS

Investment property

This item includes the property held for investment purposes (IAS 40), whose ownership is intended to allow the Company to receive rental payments, or to increase the value of the investments, or both. This category includes also property intended to be sold, which in any event does not comply with the requisites anticipated by IFRS 5, since these are assets originally held so as to gain profit from the appreciation of the capital.
For entire premises, the value of the land is separated from the value of the building; the latter is depreciated.

These assets are valued at cost net of related accumulated depreciation and any impairment losses.
The depreciation of the buildings is calculated, on a straight-line basis, in relation to the useful life.

Ordinary maintenance costs are charged to the income statement in the year that they are incurred; those, which, by contrast, lead to an increase in value, or of the functionality or useful life of the assets, are allocated to the assets and depreciated.

Investment property is periodically subject to verification of whether the book value is recoverable or not and are derecognised from the financial statements following disposal or in the event of the depletion of the expected economic benefits.

Taking into account the macroeconomic scenario linked to Covid-19, which has generated financial difficulties for several tenants, the sub-Group has taken steps to introduce from the 2020 Financial Statements a strengthening of the valuation process of property assets. In particular, if the valuation method identified as most suitable is the so-called comparative method (which can be traced back to the "Market Approach" method), this so-called "main" valuation was accompanied by the use of one or more "control methods", discounted cash-flow (which can be traced back to the "Financial Income Method"), evaluating, where deemed appropriate, the application of further sensitivity valuations.

Investments in subsidiaries, associated companies and joint ventures

When determining the investment relationship, the definitions of control, significant influence and joint control anticipated by IFRS 10 and IFRS 11 have been used.

This item also includes equity investments in subsidiaries considered to be insignificant with respect to the sub-Group.

Equity investments in associated companies and joint ventures are accounted for in the Consolidated Financial Statements using the equity method.
The book value is subject to assessment so as to reveal any impairment losses.
Equity investments in subsidiary, associated companies and joint ventures are derecognised from the financial statements when, following disposal or other events, the requisites envisaged by IFRS 10 and IFRS 11 for their recording cease to exist.

FINANCIAL ASSETS

The definition of financial assets includes the receivables from financing activities, debt securities and equities, units in mutual investment funds, loans on policies, reinsurance deposits and other assets.

Financial assets are derecognised from the financial statements when, subsequent to maturity, disposal or another event, the contractual rights on the related cash flows are transferred, in addition to the associated risks and benefits.

The purchases and sales of a financial asset are recorded as at the transaction date.

The main accounting criterion with regard to financial assets is the fair value, which 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. 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, which does not have a sufficient or permanent number of transactions, the fair value is determined by means of the use of valuation models, generally applied and accepted by the market, with the aim of determining the exchange price of a hypothetical transaction that has taken place under market conditions, which 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.
The main techniques used are as follows:

- market approach: prices and other significant information are used, generated by market transactions carried out on identical or similar instruments;
- cost approach: this reflects the approach, which would be requested at the time of the valuation to replace the service capacity of an asset;
- income approach: the future cash flows are converted to their current value.

For the financial assets and liabilities in the portfolio as at the valuation date, the "market approach" and "income approach" type techniques are mainly used.

The fair value hierarchical levels are based on the nature and the degree of observability of the inputs used in the valuation techniques employed:

- level 1: these are listed prices (not adjusted) observed on active markets;
- level 2: these are inputs other than the prices listed on active markets as per level 1 and which can be observed for the asset or liability both directly and indirectly (for example prices listed on active markets for similar assets and liabilities, prices listed for identical assets and liabilities on non-active markets, input other than listed prices, which can be observed on the market, input corroborated by the market);
- level 3: these are inputs that cannot be observed for the asset or liability, which reflect the assumptions that the market participants should use in the recognition of the assets and liabilities, including the risk hypotheses.

The identification of the hierarchical level to be assigned to a financial instrument is carried out on the basis of the hierarchical level corresponding to that of the lowest significant input used.

Suitable controls are carried out on all the valuations used, including those deriving from third parties. The instruments for which the inputs used are not corroborated by the market are considered at level 3 of the fair value hierarchy. Unlisted securities or those listed on non-active markets, such as corporate and government bonds, securities issued by Special Purpose Vehicles and unlisted derivatives valued using models that use inputs, which can be observed on the market, mortgage debt securities, unlisted UCITS and SICAV units, are classified as level 2 in the fair value hierarchy.

Corporate and government bonds, securities issued by Special Purpose Vehicles and unlisted derivatives valued using models that use inputs, which cannot be observed on the market, instruments unlisted or listed on non-active and illiquid markets such as unlisted real estate funds, unlisted hedge funds, private equity, are classified as level 3 in the fair value hierarchy. This level also includes debt securities and equities in default if valued at the recovery value on the basis of non-observable input and Enel Ania notes.
With regard to financial liabilities valued at fair value, the estimate of the fair value is carried out with reference to the level of the corresponding asset.

Held to maturity investments (HTM)

Financial assets considered to be of long-term use, excluding financial derivative instruments, with a pre-established maturity and fixed or determinable payments, which the individual sub-Group's companies intend to and have the ability to hold until maturity, are classified in this category.
The initial recording takes place at cost inclusive of the charges and income directly attributable thereto. Subsequently, investments are valued at amortised cost, using the effective interest rate, net of any impairment losses. The amortisation rate thus calculated is recorded in the income statement.

On the closure of each set of financial statements, it is assessed if objective proof exists of any impairment losses.
In accordance with the provisions of IAS 39, it is possible to make a reversal of impairment, if the reasons for the impairment losses have been removed, up to the limit of the previous write-down.

In the event of early disposal or transfer to another category of a significant amount not justified by particular events, the entire category is reclassified among the assets available for sale.

Loans and receivables

This category includes assets, excluding derivative financial instruments, with fixed maturity and fixed or determinable payments, not listed on active markets and listed on non-active markets.
Specifically, the category includes all the loans and financing, the deposits from re-insurers with ceding companies and bonds, not listed on active markets and

listed on inactive markets, considered to be of long-term use.

Loans and receivables are valued at amortised cost, net of any impairment losses, using the effective interest rate. The amortisation rate thus calculated is recorded in the income statement.
On the closure of each set of financial statements, it is assessed if objective proof exists of any impairment losses.

Available for sale financial assets (AFS)

On a residual basis, this category includes all the equities, debt securities that are not classified as "loans and receivables", "held to maturity investments", and "financial assets at fair value through profit or loss".

As a rule, equities classified as available for sale are valued at fair value with a matching balance represented by a net equity reserve. In the event that the equities do not have a market price listed on an active market and whose fair value cannot be reliably determined, they are valued at cost. By contrast, the mixed accounting method is used for debt securities, characterised by the joint existence of the amortised cost method and the valuation at fair value (with a matching balance represented by the same net equity reserve anticipated for equities).

The net equity reserve remains recorded until the assets are disposed of or undergo a permanent loss. On occurrence of such events, the gains and losses recorded in the reserve are freed up and recorded in the income statement.
On the closure of each financial statements, it is assessed if proof exists of a reduction in value of the financial assets.

Indicators of a possible reduction in value of the financial assets are for example:

- significant financial difficulties of the issuer;
- defaults or lack of payment of interest and principal;
- the disappearance of an active market.

The process for recognising any impairment in particular envisages the identification of the assets, which have lost value, by checking of the presence:

- for equities, open-ended mutual investment funds and ETFs, for all sectors, as well as real estate funds and closed-end non real estate funds with a fair value trend more than 30% lower than the initial book value or with a price lower than the initial book value for a continuous period of more than 12 months; for closed-end non real estate funds the 12 months are counted from the closing of the investment period of each fund;
- for debt securities, factors originating inside the company subject to the evaluation; for example, significant difficulties of the issuer with deviations from budget targets, announcement of restructuring plans, downward review of the rating assigned by specialised companies greater than class "C".

Financial assets at fair value through profit or loss

This category comprises all the financial assets included under trading activities, including derivatives, and all those that, despite not having been acquired in order to be sold over the short term, are included therein due to the decision of the companies of the sub-Group, as from their initial recognition.
Specifically, the designated assets include the financial assets covering insurance or investment polices whose investment risk is borne by the policyholders and those relating to the management of pension funds.

Initial recognition takes place at cost, understood to be the fair value of the instrument net of costs or income directly or indirectly ascribable. Valuation gains and losses emerging subsequently from the changes in the fair value, are recorded directly in the income statement.

SUNDRY RECEIVABLES

This category comprises the amounts receivable for premiums relating to policyholders not yet received, amounts receivable from insurance agents and brokers and distributing banks, and co-insurance and reinsurance companies, amounts receivable for liability excesses and other receivables. The receivables are recorded at nominal value; discounting back methods are not used.

On the closure of each financial statements, an assessment is carried out on whether there is objective proof of any impairment losses and, following the implementation of the impairment test, steps may be taken to effect a write-down.

OTHER ASSET ITEMS

Non-current assets or disposal group held for sale

All the non-current assets or those undergoing disposal whose sale is highly probable in accordance with the provisions established by IFRS 5, are recorded in this item.

The non-current assets or disposal group held for sale are recorded at their book value or the fair value, whichever is the lower, net of the sales costs (discounted back in the event of sales, which will conclude beyond 12 months).

Deferred acquisition costs

This category includes the acquisition commissions relating to life insurance contracts.

Life acquisition commissions are divided up, net of reinsurance amount, for a period of no longer than the duration of the contracts and in any event within the limit of the charges present in the tariff.

Acquisition commissions relating to non-life insurance contracts are not capitalised as a result of the 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.

Deferred tax assets

Deferred tax assets are recorded - except in the cases expressly anticipated by IAS 12 - for all the temporary differences, to the extent that it is probable that taxable income against which they can be used will be generated.

In the presence of tax losses, which can be carried forward, or tax credits not utilised, deferred tax assets are recorded to the extent that it is probable that future taxable income will be available against which the aforementioned tax losses or unused tax credits can be used.

The deferred tax assets are calculated on the basis of the tax rates and tax legislation in force or effectively in force as at the date of the financial statement and are subject to verification with regards to the recoverable nature if changes in the applicable tax legislation have occurred.

Current tax assets

Current tax assets include the assets relating to current taxes as established and governed by IAS 12. These assets are recorded on the basis of the tax rates in force.

Other assets

Other assets comprise deferred acquisition costs relating to investment contracts.
The deferred acquisition costs are spread out over the estimated life of said policies according to a constant percentage of the current value of the income generated by the investment contracts for the entire period of their permanence in the portfolio.

The income margin determined at the time of the issue of policies is checked on a periodic basis and any discrepancies are recorded directly in the income statement as additional amortisation of capitalised acquisition costs.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents and on-demand deposits recorded at nominal value are classified in this category.

SHAREHOLDERS' EQUITY

Shareholders' equity pertaining to the Group

This account group includes the instruments representative of the share capital, the components representative of the share capital included in compound financial instruments and the associated equity reserves pertaining to the sub-Group.

Share capital

The ordinary shares are stated at their nominal value as share capital.

Capital reserves

In particular, the item includes the share premiums reserve of Cattolica Assicurazioni.

Revenue reserves and other equity reserves

The item includes:

- the gains and losses deriving from the initial application of the international accounting standards in accordance with the provisions of IFRS 1;
- the disaster reserves and the equalisation reserves not permitted among the technical liabilities in accordance with IFRS 4;
- the reserves anticipated prior to the adoption of the international accounting standards;
- the consolidation reserves;
- the reserve for equity-settled share-based payment in accordance with IFRS 2;
- the parent company's share reserve.

Own shares

In accordance with the provisions of IAS 32, this item includes any instruments representative of the share capital of the company, which draws up the consolidated financial statements, held by the company itself and the other consolidated companies.

Reserve for net exchange differences

This item includes the exchange differences to be charged against the shareholders' equity, in accordance with IAS 21, deriving from foreign currency transactions.

Gains or losses on available for sale financial assets

The item includes the gains and losses deriving from the valuation of available for sale financial assets, as previously described in the corresponding item of the financial investments.
The amounts are stated net of the corresponding deferred taxation and the portions pertaining to the policyholders.

Other gains or losses recognised directly in equity

The item includes the reserve deriving from changes in the shareholders' equity of the investee companies in accordance with IAS 28, the gains and losses on instruments hedging cash flows and the actuarial gains and losses and adjustments relating to defined-benefit plans as per IAS 19 and income and charges relating to non-current assets or disposal group held for sale recognised directly in the shareholders' equity in accordance with IFRS 5.

Shareholders' equity pertaining to minority interests

This account group comprises the instruments and components representative of the share capital, which make up the shareholders' equity pertaining to minority interests. Specifically, the account group includes "gains or losses on available for sale financial assets" referable to shareholders' equity pertaining to minority interests.

PROVISIONS AND ALLOWANCES

The provisions and allowances are recorded when it is believed that steps will have to be taken to meet an obligation (legal or implied) deriving from a past event or in relation to which deployment of resources is possible whose amount can be reliably calculated.

TECHNICAL PROVISIONS

Life provisions

This item includes the technical provisions associated with insurance contracts, insurance policies involving discretionary participation features and investment contracts involving discretionary participation features.

Annually, at year end, an assessment is made of the adequacy of these provisions by means of the liability adequacy test. This test is carried out by comparing the mathematical provisions, net of the deferred acquisition costs and the value of any other related intangible assets, with the current value of the future cash flows expected by the portfolio. These flows are obtained by projecting the expected flows as at the valuation date on the basis of hypothesis, considered reasonable, relating to the trend in reversals, expenses, redemption and the mortality.

With regards to investment contracts without discretionary participations features, the separation of the component relating to the insurance risk is carried out if present.

The technical provisions, for the exercise of private life assurance, have been valued on the basis of the Actuarial Standards set forth by Attachment No. 14 of ISVAP Regulation No. 22 dated April 4th, 2008, introduced 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 forming technical 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, which are included among the actuarial provisions.

The provisions as per Articles 21 et seq. of the aforementioned attachment, have been applied, regarding the determination of the foreseeable return of the additional provisions for financial risk, along with those of Articles 36 et seq., regarding the establishment and calculation of an additional provision for demographic risk.

Furthermore, Article 41 of said attachment has been applied, envisaging the coverage of the credit risk of index-linked policies with benefits falling due guaranteed by the companies.

The provisions relating to acceptances are calculated in relation to the criteria envisaged in title I, chapter II, section I of the Part III of the ISVAP Regulation No. 33 dated March 10th, 2010.
The reinsurance amount of technical provisions includes 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.

Provisions for outstanding claims

The provisions for outstanding claims are made up of the amounts necessary for covering the payment of capital and accrued returns, redemptions and claims to be settled.

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 Articles 39 et seq. of Attachment No. 14 of 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.

Shadow accounting

In relation to life contracts linked to segregated management arrangements, by means of an accounting technique known as shadow accounting, IFRS 4 makes it possible to limit the effects of misalignments between the valuation of assets and liabilities. The misalignments can be traced back to the recording in the accounts of both the capital losses and capital gains from the valuation of the assets at fair value against liabilities, which are not affected by these changes. This technique makes it possible to allocate part of the fair value changes in the related hedging assets to the technical provisions associated with segregated management.

Non-life provisions

This item includes the technical provisions associated with insurance contracts.

Premium provision

The provision for unearned premiums is calculated analytically using the pro-rata temporis method in accordance with Art. 2, paragraph 2 of Attachment No. 15 to 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 acquisition commissions and other acquisition costs, limited to directly attributable costs, for the portion attributable to the year.

The book value thus obtained has been supplemented by the provisions for suretyship, calculated according to the criteria envisaged by Article 9 of attachment 15 of the ISVAP Regulation No. 22, dated April 4th, 2008.

The provision for current risks is calculated 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 Article 6, paragraph 1, of Attachment No. 15 of ISVAP Regulation No. 22, dated April 4th, 2008.

The premium provisions relating to transfers to re-insurers have been 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 dated March 10th, 2010.

Provision for outstanding claims

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.

The companies make reference, when defining the provisions for outstanding claims, to the concept of last estimated cost, identifying this value in accordance with the mixed assessment system, in compliance with the provisions present in Arts. 23 et seq. of Attachment No. 15 of ISVAP Regulation No. 22 dated April 4th, 2008.
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 and Mack Incurred.
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 companies avail themselves, as envisaged by Art. 25, paragraph 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 security classes) for classes which due to technical features lend themselves to the application of the same criterion. 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.
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 December 31st, 2021, for non-delayed claims of the 2018-2021 generations (claims that occurred and were reported in the year i) was analysed.

With reference to credit and suretyship classes, the provision for outstanding claims is established on the basis of the provisions laid down by Articles 32, 33 and 34 of Attachment No. 15 of ISVAP Regulation No. 22 dated April 4th, 2008.

The provision for outstanding claims also includes the evaluation of the claims, which have occurred but have not been reported as at the year end, determined on the basis of the provisions set out in Articles 27 et seq. of Attachment No. 15 of ISVAP Regulation No. 22 dated April 4th, 2008.

The amount was determined on the basis of experience acquired in previous years, separately estimating 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 2015-2021 time period.
The average cost was obtained by observing the average costs reported late for the 2016-2021 generations.

The provision for outstanding claims regarding Card and No Card claims of the land vehicle TPL class are established on the basis of Article 30 of Attachment No. 15 of ISVAP Regulation No. 22 dated April 4th, 2008; the overall amount of the provision is calculated in relation to the matters laid down by Article 31 of the same attachment.

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.

The criteria used for the determination of the non-life technical provisions, the premiums' provisions (supplemented by a possible allocation to the current risk provisions) and provisions for outstanding claims are in line with the matters envisaged by the LAT in compliance with IFRS 4.

Other technical provisions

They include the ageing provision of the health class for the rise in the age of policyholders, in accordance with Articles 42 et seq. of Attachment No. 15 of ISVAP Regulation No. 22, dated April 4th, 2008, and title I, chapter III, section IV of Part III of ISVAP Regulation No. 33 dated March 10th, 2010.

FINANCIAL LIABILITIES

This account group includes the financial liabilities at fair value through profit or loss and the financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

This item includes the financial liabilities falling within the sphere of trading activities, and the liabilities relating to index-linked and unit-linked investment contracts and pension funds, where the risk of the investments is borne by the policyholders.
The valuation is made at fair value and the gains or losses, which emerge, are booked to the income statement.

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Other financial liabilities

The item includes the financial liabilities defined and governed by IAS 39 not included in the financial liabilities at fair value through profit or loss but valued at amortised cost. Subordinated liabilities, for which the right to reimbursement by the creditor - in the event of winding up of the company - may only be exercised after all the other creditors and bonds have been satisfied, are classified in this item. The item includes also deposits received from re-insurers, other loans obtained and provisions linked to contracts with specific provision of assets.

PAYABLES

The item includes the payables deriving from insurance and other transactions. In particular, payables deriving from direct and indirect insurance transactions are included. The account group includes also the liabilities associated with defined benefit plans in favour of the employees, which involve disbursements subsequent to the termination of the employment relationship and the other long-term benefits (including therein the employee severance indemnity), which, in compliance with IAS 19R, are subject to an actuarial assessment by means of use of the so-called "Project Unit Credit Method". According to this method, the liability is determined by taking into account a series of variables (such as the mortality rate, the forecast of future salary changes, the estimated rate of inflation, the foreseeable return on the investments, etc.). The liability recorded in the financial statements represents the effective value of the foreseeable obligation, net of any assets serving the plans, adjusted to reflect any actuarial losses or gains not amortised. The discounting back of the future cash flows is carried out on the basis of the interest rate of high quality corporate securities. The actuarial assumptions used for the purposes of the calculation are periodically reviewed so as to confirm their validity.

The other long-term benefits concern the health bonuses for retired staff and seniority bonuses, which mature in the 25th and 35th year of service with some companies as envisaged by the related CCNL (National Collective Labour Agreement). The frequency of the evaluations and the method of accounting are similar to those used for the defined benefit pension plans.
Following the reform of the employee severance indemnity (TFR), culminating in the implementing decrees of the "Finanziaria 2007" Law concerning the transfer of employee severance indemnities (TFR) and Supplementary welfare (Italian Official Gazette No. 26 dated February 1st, 2007), the application of the afore-mentioned method differs according to whether the company being assessed has a number of employees less than or at least equal to 50.

On the basis of Italian Law No. 296/06, for companies with at least 50 employees, the transfer of the portions of employee severance indemnities (TFR) to a specific Treasury Fund set up with INPS (national social security institute) is envisaged. In line with the matters indicated by the OIC (Italian Accounting Organisation) in the attachment to Operating Guide No. 1 for the transition to international accounting standards (chapter 13), for companies with at least 50 employees, steps were not taken to make the actuarial calculation relating to the employee severance indemnity (TFR) accruing as from January 1st, 2007. This is equivalent to considering the employee severance indemnity accrued up until December 31st, 2006, as a defined benefit plan (and therefore subject to actuarial calculation) and the employee severance indemnity as from January 1st, 2007, to the Treasury Fund set up with INPS as a fixed contribution plan (and therefore not subject to actuarial calculation). With reference to the employee severance indemnity accrued up until December 31st, 2006, since the contribution period has fully matured, the weighting of the outlays no longer applies.

With regards to companies with less than 50 employees, in the absence of transfer of the contributions subsequent to December 31st, 2007, to the Treasury Fund set up with INPS, the entire liability has been considered to be a defined benefit plan. Actuarial gains and losses realised during the year have been recorded in the financial statements for all companies of the sub-Group.

OTHER LIABILITY ITEMS

Liabilities of disposal group held for sale

This item contains all the non-current liabilities or liabilities of disposal group whose sale is highly probable.
The non-current liabilities or liabilities of disposal group held for sale are stated at their book value or the fair value, whichever is lower, net of the sales costs (discounted back in the event of sales that will be finalised beyond 12 months).

Current and deferred tax liabilities

Current taxes are calculated on the basis of the taxable income for the year. The liabilities for current taxes are stated at the value, which is expected to be paid, applying the rates and tax legislation in force.
Deferred taxes are included, which have arisen from taxable timing differences due to the deferral of the taxability of positive income elements realised and recorded through profit or loss, which will be settled in

subsequent accounting periods when the aforementioned revenues will be taxed.
When the results of the transactions are booked directly to the shareholders' equity, the current taxes and liabilities for deferred taxes are also booked to shareholders' equity.

Other liabilities

The other liabilities include deferred revenues (DIR - deferred income reserve) relating to investment contracts.

The IAS/IFRS standards envisage a different method for determining and representing the provision for management costs; specifically, the component referring to contracts no longer classified as insurance but as "investment" (DIR - deferred income reserve) is classified among the other liabilities and booked to the income statement on the basis of the timing of the costs incurred for the management of the contracts.

INCOME STATEMENT

REVENUES

Net premiums

This item includes the net premiums relating to insurance policies and investment contracts with discretionary participation features, net of transfers under reinsurance.

Income and charges from financial instruments at fair value through profit or loss

This item comprises realised gains and losses, interest, dividends and positive and negative changes in the value of the financial assets and liabilities at fair value through profit or loss.

The item also includes the charges on the financial liabilities linked to investment contracts without discretionary participation features.

Income from investments in subsidiaries, associated companies and joint ventures

This account group includes the income generated by investments in subsidiaries, associated companies and joint ventures recorded in the corresponding asset item.

Income from other financial instruments and investment property

The income from financial instruments and other investments includes the income deriving from financial instruments not valued at fair value through profit or loss and from investment property.

In particular, the following are included: interest income on financial instruments valued using the effective interest method; other income from investments, including dividends and revenues, which derive from the use, by third parties, of the properties intended for investment purposes; the gains realised following the sale of a financial asset or liability or investment property, and the positive changes deriving from the reversal of impairment.

Other revenues

Other revenues include the commissions income for financial services provided, revenues deriving from the sale of assets, from the provision of services other than those of a financial nature and from the use by third parties of the tangible assets and the other assets of the Company. They include also realised gains and reversal of impairment relating to intangible assets and other assets, the exchange differences to be charged to the income statement in accordance with IAS 21 and other net technical income associated with insurance contracts. Specifically, the account group includes commissions income associated with investment contracts.

COSTS

Net charges relating to claims

The charges relating to claims include the amounts paid out during the period for claims, maturities and redemptions as well as the amount relating to the changes in the technical provisions, net of the recoveries and the transfers under reinsurance. This account also includes the component to be booked to the income statement concerning the change in the deferred liabilities due to policyholders and the change in the provision for the default risk.

Charges from investments in subsidiaries, associated companies and joint ventures

This item includes the charges deriving from investments in subsidiaries, associated companies and joint ventures recorded in the corresponding asset item.

Charges from other financial instruments and investment property

The item includes the charges deriving from financial instruments not valued at fair value with effects on the income statement and charges deriving from investment property.

Specifically, the costs relating to investment property include condominium fees and maintenance and repair expenses not increasing the value of the investment property, the losses realised following the derecognition of an investment property, amortisation and depreciation and impairment.

Charges deriving from financial instruments include interest expenses stated using the criteria of the effective interest rate, the losses realised following the derecognition of a financial asset or liability and impairment.

Operating expenses

For the insurance companies, operating expenses include mainly commissions, other acquisition costs and the administrative expenses relating to contracts falling within the scope of IFRS 4 and to investment contracts without discretionary participation features. The item also includes the administrative expenses of the companies who do not carry out insurance activities.

It includes also administrative expenses, comprising general expenses and expenses for employees, as well as those relating to the management of financial instruments, investment property and equity investments.

Other costs

The item includes commissions expense for financial services received, the other net technical charges associated with insurance contracts, the exchange differences to be charged to the income statement in accordance with IAS 21, the portions of provisions for the year, the losses generated, the impairment losses and the depreciation/amortisation relating to both the tangible assets, not otherwise allocated to other cost items, and intangible assets.

Current taxes

The income taxes calculated in accordance with current legislation is recorded in this item.

Compliance with the tax consolidation scheme does not lead to exceptions or changes to the standards illustrated above.

Deferred taxes

The item includes income taxes due in future accounting periods, relating to taxable or deductible temporary differences.

Profit (loss) from discontinued operations

This item includes the economic results relating to discontinued operations.

NOTES TO THE ACCOUNTS

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

PART C
STATEMENT OF FINANCIAL POSITION - ASSETS

In accordance with ISVAP Regulation No. 7 dated July 13th, 2007, the statement of financial position by sector of activities is presented below.

Table 17 - Statement of financial position by sector of activities (ISVAP Regulation No. 7 dated July 13th, 2007)

		Non-life business		Life business		Other		Eliminations between sectors		Total	
	(€ thousands)	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
1	**INTANGIBLE ASSETS**	**226,464**	**226,861**	**120,799**	**109,802**	**121,173**	**139,825**	**46,362**	**228,606**	**514,798**	**705,094**
2	**TANGIBLE ASSETS**	**44,915**	**53,713**	**3,918**	**4,285**	**161,496**	**168,545**	**-4**	**-4**	**210,325**	**226,539**
3	**TECHNICAL PROVISIONS - REINSURANCE AMOUNT**	**597,143**	**573,707**	**99,230**	**104,328**	**0**	**0**	**-138,200**	**-97,755**	**558,173**	**580,280**
4	**INVESTMENTS**	**5,883,576**	**5,690,149**	**21,634,672**	**21,288,751**	**22,697**	**35,309**	**-2,741,004**	**-3,119,892**	**24,799,941**	**23,894,317**
	4.1 Investment property	477,536	427,242	465,760	515,841	21,558	32,445	-844	-845	964,010	974,683
	4.2 Investments in subsidiaries, associated companies and joint ventures	1,302,677	1,681,168	310,810	412,468	1	1	-1,434,040	-1,919,543	179,448	174,094
	4.3 Held to maturity investments	38,183	106,397	62,213	77,210	0	0	0	0	100,396	183,607
	4.4 Loans and receivables	576,508	574,234	536,496	699,588	1,071	1,308	-81,216	-81,215	1,032,859	1,193,915
	4.5 Available for sale financial assets	3,334,521	2,823,296	15,107,972	15,442,285	67	54	-1,224,904	-1,118,289	17,217,656	17,147,346
	4.6 Financial assets at fair value through profit or loss	154,151	77,812	5,151,421	4,141,359	0	1,501	0	0	5,305,572	4,220,672
5	**SUNDRY RECEIVABLES**	**535,525**	**563,660**	**159,842**	**230,527**	**47,205**	**59,577**	**-151,918**	**-190,561**	**590,654**	**663,203**
6	**OTHER ASSET ITEMS**	**512,807**	**450,826**	**669,955**	**10,427,830**	**27,730**	**23,127**	**-3,176**	**-161,026**	**1,207,316**	**10,740,757**
	6.1 Deferred acquisition costs	0	0	12,183	15,222	0	0	0	0	12,183	15,222
	6.2 Other assets	512,807	450,826	657,772	10,412,608	27,730	23,127	-3,176	-161,026	1,195,133	10,725,535
7	**CASH AND CASH EQUIVALENTS**	**119,454**	**107,285**	**266,405**	**245,736**	**13,299**	**7,323**	**0**	**0**	**399,158**	**360,344**
	TOTAL ASSETS	**7,919,884**	**7,666,201**	**22,954,821**	**32,411,259**	**393,600**	**433,706**	**-2,987,940**	**-3,340,632**	**28,280,365**	**37,170,534**
1	**SHAREHOLDERS' EQUITY**									**2,840,828**	**2,613,284**
2	**PROVISIONS AND ALLOWANCES**	**46,785**	**46,912**	**21,503**	**11,769**	**8,583**	**8,477**	**0**	**0**	**76,871**	**67,158**
3	**TECHNICAL PROVISIONS**	**3,551,378**	**3,596,373**	**19,825,087**	**19,256,532**	**0**	**0**	**-231,268**	**-158,338**	**23,145,197**	**22,694,567**
4	**FINANCIAL LIABILITIES**	**545,180**	**579,023**	**482,467**	**674,708**	**84,665**	**93,050**	**-84,083**	**-84,090**	**1,028,229**	**1,262,691**
	4.1 Financial liabilities at fair value through profit or loss	0	0	212,034	361,800	0	0	0	0	212,034	361,800
	4.2 Other financial liabilities	545,180	579,023	270,433	312,908	84,665	93,050	-84,083	-84,090	816,195	900,891
5	**PAYABLES**	**331,857**	**320,644**	**156,613**	**221,524**	**52,550**	**77,678**	**-124,733**	**-173,976**	**416,287**	**445,870**
6	**OTHER LIABILITY ITEMS**	**249,611**	**259,184**	**508,682**	**9,843,184**	**3,756**	**2,020**	**10,904**	**-17,424**	**772,953**	**10,086,964**
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES									**28,280,365**	**37,170,534**

1. INTANGIBLE ASSETS

Table 18 - Intangible assets

(€ thousands)	2021	2020	Changes Absolute value	%
Goodwill	265,039	410,325	-145,286	-35.4
Other intangible assets:	249,759	294,769	-45,010	-15.3
insurance portfolios	122,771	148,722	-25,951	-17.4
software	107,057	116,880	-9,823	-8.4
models and projects	332	715	-383	-53.5
patent rights, trademarks and similar rights	10,808	10,660	148	1.4
other	8,791	17,792	-9,001	-50.6
Total	**514,798**	**705,094**	**-190,296**	**-27.0**

1.1 Goodwill

The goodwill item decreased by € 145.286 million compared to December 31st, 2020, due to write-downs.

Table 19 - Goodwill - changes during the year

(€ thousands)	Goodwill
Net balance as at December 31st, 2020	**410,325**
Decreases due to:	**145,286**
write-downs	145,286
Net balance as at December 31st, 2021	**265,039**
of which cumulative impairment losses as at December 31st, 2021	*376,721*

Goodwill is recorded at the relative value resulting from the Purchase Price Allocation (PPA) process net of any impairment losses in accordance with IFRS 3.

In order to ascertain any impairment losses, goodwill has been allocated to cash-generating units (CGUs) or to groups of units in observance of the maximum aggregation restriction, which cannot exceed the individual operating sector (non-life, life and other).

Therefore, when assigning goodwill to cash-generating units, the minimum level at which goodwill is monitored for internal management control purposes was considered, i.e. the Cattolica Danni CGU, Cattolica Vita CGU, Vera Assicurazioni CGU, Vera Protezione CGU, Vera Vita CGU (including Vera Financial), CattRe CGU (including subsidiaries) and legal entities included within the consolidation area.

In detail, the goodwill recognised in relation to the various CGUs as at December 31st, 2021, is the following:

- € 150.64 million concerning the Cattolica Danni CGU, represented by the goodwill relating to the purchase transactions of Duomo Assicurazioni, Uni One Assicurazioni, FATA Assicurazioni and the partial demerger of B.P.Vi Fondi SGR, which to date have been merged into the Cattolica Danni CGU;
- € 2.977 million in Cattolica Vita, represented by the goodwill relating to the initial acquisition of 50% of Berica Vita;
- € 30.089 million in Vera Assicurazioni, following the acquisition of 65% of the company;
- € 27.944 million in Vera Protezione, following the acquisition of 65% of the company;

- € 41.144 million in Vera Vita, following the acquisition of 65% of the company;
- € 12.245 million in CattRe, relating to the acquisition of the companies included in this CGU.

The recoverable value of the CGUs is defined as the fair value less cost to sell, or the value in use, whichever is higher. It should be noted that Cattolica stock prices do not express the real value of CGUs, therefore, in order to establish the recoverable value and subsequently compare with the book value of the CGUs, the value in use was used, since it provides an impairment opinion guided by principles of economic rationality.

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 CGUs and the Solvency II Appraisal Value for Life CGUs.

The sub-Group's impairment test is carried out for the purpose of preparing the annual financial statements and only in the presence of trigger events is the test updated at the time of the interim report. The impairment test conducted as at December 31st, 2021, is based on the guidelines and projections of economic results for the 2022-2024 period approved by Cattolica Assicurazioni's Board of Directors on February 23rd, 2022. These projections will form the basis of the ORSA 2022-2024 Evaluation (pursuant to Regulation No. 32/2016). For Vera Assicurazioni, Vera Protezione and Vera Vita CGUs, reference was made to the agreement entered into with the shareholder Banco BPM on March 5th, 2021, ratified with the updated shareholders' agreements signed on April 16th, 2021. In fact, on this date, 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, against 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 set out until 2033, which can be exercised in the period between January 1st, 2023 and June 30th, 2023, which may be postponed by the Bank six months at a time, for three times, until December 31, 2024. In particular, the parties agreed in favour of Banco BPM on an unconditional option to purchase the 65% held by Cattolica Assicurazioni; the price to exercise the purchase option has been set for 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 extraordinary reserves/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 December 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 December 31st, 2030, without any additional components and without the application of protection mechanisms.

The agreement between Banco BPM and Cattolica also envisaged 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.

Therefore, as part of the impairment exercise, this arrangement was taken into account through multi-scenario modelling. On November 5th, 2021, the total PTO launched by Assicurazioni Generali in relation to Cattolica was concluded, with 84.475% of the share capital

subscribing. Moreover, on November 5th, 2021, Banco BPM presented its 2022-2024 Business Plan to the markets, under which the complete internalisation of the bancassurance business was assumed, making explicit the possibility of exercising, among other things, the call option on the Vera Companies in the first half of 2023. The valuation exercise for the Vera CGUs was therefore carried out considering the almost certain probability of the call option being exercised in 2023 by the shareholder Banco BPM.
Lastly, as part of the impairment test of the Consolidated Financial Statements, the overall results were reconciled with the consolidated estimates made by the equity analysts who follow the Cattolica stock on the basis of external information.

The underlying assumptions to which the value in use of each group of units is most sensitive are:

- the combined ratio for the cash-generating units falling within the non-life business and the new business value for cash-generating units falling within the life business;
- the cost of own capital;
- 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 value in use 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) was estimated for each business unit, equal to 7.63% for the life business CGUs (Cattolica Vita, BCC Vita, Vera Protezione, Vera Vita) and 6.05% for the non-life business CGUs (Cattolica Danni, TUA, BCC Assicurazioni, Vera Assicurazioni, CattRe). The long-term growth rate ("g") was 1.50% for all CGUs. 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.
The Solvency Ratio parameter determines the excess capital potentially distributable to shareholders for the non-life business CGUs with a view to valorising all the cash flows that can potentially be extracted. In the life business CGUs, on the other hand, the value of the Risk Margin (reported at 100% of the SCR in the Solvency regulations) implicit in the Appraisal Value Own Funds is adjusted to take into account the potential value to be extracted. The parameter is determined consistently with the Soft threshold established in the Risk Appetite Framework (RAF) of each company.

The outcome of the test carried out in accordance with IAS 36 on insurance companies as at December 31st, 2021, led to a write-down of € 145.286 million on the value of goodwill recognised in the Consolidated Financial Statements (of which € 50.845 million in the first half of the year on Vera Vita, Vera Protezione and Vera Assicurazioni), entirely to be attributed to:

- Vera Vita CGU for € 90.192 million;
- Vera Assicurazioni for € 31 million;
- Vera Protezione for € 24.094 million.

An analysis by scenarios on the level of the cost of capital and the growth rate in the terminal value (g) was conducted for purposes of sensitivity analyses. For CGUs on which goodwill was allocated and not subject to impairment during the period, the table below shows the excess of the recoverable value (RV) with respect to the pro rata book value (C) and the estimates of the cost of capital, the long-term growth rate (g) necessary for rendering the recoverable value of each CGU equal to their book value. Sensitivity analyses were also carried out on the basis of the Solvency Ratio used in the models, as there were no significant deviations in the valuation of the individual CGUs.

Table 20 - Changes in the cost of own capital and the long-term growth rate necessary for rendering the recoverable amount equal to the book value

(€ thousands)	Excess of the recoverable value in the consolidated financial statements (ViU vs. C)	Rate which renders ViU = C	Rate g which renders ViU = C
NON-LIFE			
Cattolica Danni CGU	180.3	6.86%	n.a.
CattRe CGU	61.2	9.87%	-37.45%
LIFE			
Cattolica Vita CGU	237.7	n.a.	n.a.

n.a. = not applicable

1.2 Other intangible assets

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

Table 21 - Other intangible assets - changes during the year

(€ thousands)	Insurance portfolios	Software	Models and projects	Patent rights, trademarks and similar rights	Other intangible assets	Total
Gross balance as at December 31st, 2020	**279,181**	**433,077**	**7,729**	**17,707**	**20,514**	**758,208**
Accumulated amortisation	130,459	316,197	7,014	7,047	2,722	463,439
Net balance as at December 31st, 2020	**148,722**	**116,880**	**715**	**10,660**	**17,792**	**294,769**
Increases due to:	**0**	**46,782**	**0**	**3,846**	**2,028**	**52,656**
purchase	0	36,572	0	3,546	1,543	41,661
other	0	10,210	0	300	485	10,995
Decreases due to:	**0**	**8,975**	**0**	**747**	**10,551**	**20,273**
write-downs	0	2,555	0	252	0	2,807
other	0	6,420	0	495	10,551	17,466
Gross balance as at December 31st, 2021	**279,181**	**470,884**	**7,729**	**20,806**	**11,991**	**790,591**
Amortisation	25,951	50,771	383	3,220	554	80,879
Other changes in acc. amortisation	0	-3,141	0	-269	-76	-3,486
Accumulated amortisation	**156,410**	**363,827**	**7,397**	**9,998**	**3,200**	**540,832**
Net balance as at December 31st, 2021	**122,771**	**107,057**	**332**	**10,808**	**8,791**	**249,759**
of which cumulative impairment losses as at December 31st, 2021	*1,969*	*3,206*	*0*	*252*	*0*	*5,427*

The "other intangible assets" held by the sub-Group are characterised by a finite useful life and as such these are subjected, as indicated in the accounting principles, to a systematic amortisation process whose period:

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

The item includes € 120.295 million attributable to the insurance portfolios acquired in 2018 with reference to the subsidiaries Vera Vita, Vera Financial, Vera Assicurazioni and Vera Protezione. This value corresponds to the estimate of the implied earnings in the insurance portfolios

subject to the purchase, which is an intangible asset with finite useful life and, as a result, its amortisation process was determined consistent with the estimate of the run-down of the insurance portfolios of reference (expected cash flows).
The item also includes € 4.713 million relating to the Cattolica Danni CGU, deriving from the incorporation of Fata, which took place in December 2016. In particular, the following intangible assets were reported: agency and customer relationship network (reported under insurance portfolios), for a total of € 2.476 million and brands (reported under patent, trademarks and similar rights), for a total of € 2.237 million.

The sub-Group has software in use or software being created or developed held mainly by Cattolica Services. This includes software already operative used in previous years, software that was enhanced and adapted to legal provisions during the year, as well as software "under construction" referring to projects launched but not yet concluded and therefore not yet used during the year.
The increases in the other item are mainly attributable to the commissioning of assets under development. The write-downs recognised during the year relate to systems being discontinued.
The cumulative impairment losses during previous years have been deducted from the gross amount and are due to the obsolescence of some software.

2. TANGIBLE ASSETS

Tangible assets, governed by IAS 16, showed the following changes during the year:

Table 22 - Tangible assets

			Changes	
(€ thousands)	2021	2020	Absolute value	%
Property	189,027	201,314	-12,287	-6.1
Other tangible assets:	21,298	25,225	-3,927	-11.1
furniture, office machines and internal means of transport	4,918	7,731	-2,813	-28.3
movable assets recorded in public registers	1,787	2,368	-581	-3.5
plant and equipment	13,674	14,173	-499	-3.5
inventories and miscellaneous assets	919	953	-34	-3.6
Total	**210,325**	**226,539**	**-16,214**	**-6.7**

2.1 Property

The item includes property used for the performance of the sub-Group companies' activities; in particular it includes the property belonging to Cattolica Assicurazioni, Cattolica Agricola and Satec. In addition, € 29.993 million in property under right of use pursuant to IFRS 16 have been recognised. The decreases are mainly attributable to depreciation and the write-down of a property owned by Cattolica Assicurazioni amounting to € 6.315 million.

The fair value of the property held by the sub-Group, updated as at December 31st, 2021, with the support of independent experts, is € 194.289 million.

2.2 Other tangible assets

The item comprises the assets governed by IAS 16 and IFRS 16, not included under the property category. Right-of-use assets attributable to furniture, office machinery and means of transport are recognised for € 2.653 million and movable assets recorded in public registers for € 1.728 million.

Table 23 - Property and other tangible assets - changes during the year

(€ thousands)	Property	Furniture, office machines and internal means of transport	Movable assets recorded in public registers	Plant and equipment	Inventories and miscellaneous assets	Total
Gross balance as at December 31st, 2020	**229,161**	**68,910**	**4,465**	**21,300**	**953**	**324,789**
Accumulated depreciation	27,847	61,179	2,097	7,127	0	98,250
Net balance as at December 31st, 2020	**201,314**	**7,731**	**2,368**	**14,173**	**953**	**226,539**
Increases due to:	**1,094**	**472**	**954**	**1,754**	**919**	**5,193**
purchases	0	464	207	664	0	1,335
new contracts IFRS 16	1,010	8	747	0	0	1,765
other	84	0	0	1,090	919	2,093
Decreases due to:	**8,051**	**5,615**	**1,005**	**1,111**	**953**	**16,735**
sales	105	1	477	199	0	782
end of contracts IFRS 16	1,495	623	498	0	0	2,616
write-downs	6,315	0	0	67	0	6,382
other	136	4,991	30	845	953	6,955
Gross balance as at December 31st, 2021	**222,204**	**63,767**	**4,414**	**21,943**	**919**	**313,247**
Depreciation	5,762	2,693	1,144	1,250	0	10,849
Other changes in acc. depreciation	-432	-5,023	-614	-108	0	-6,177
Accumulated depreciation	**33,177**	**58,849**	**2,627**	**8,269**	**0**	**102,922**
Net balance as at December 31st, 2021	**189,027**	**4,918**	**1,787**	**13,674**	**919**	**210,325**
of which cumulative impairment losses as at December 31st, 2021	*7,499*	*40*	*0*	*67*	*0*	*7,606*

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

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

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

3. TECHNICAL PROVISIONS - REINSURANCE AMOUNT

Table 24 - Analysis of technical provisions - reinsurance amount (ISVAP Regulation No. 7 dated July 13th, 2007)

	Direct business		Indirect business		Total book value	
(€ thousands)	2021	2020	2021	2020	2021	2020
Non-life provisions	**405,163**	**443,240**	**55,712**	**33,337**	**460,875**	**476,577**
Premium provision	87,802	90,122	13,005	10,368	100,807	100,490
Provision for outstanding claims	316,587	352,295	41,101	21,363	357,688	373,658
Other provisions	774	823	1,606	1,606	2,380	2,429
Life provisions	**97,298**	**103,703**	**0**	**0**	**97,298**	**103,703**
Provision for outstanding claims	15,613	16,006	0	0	15,613	16,006
Mathematical provisions	81,124	86,981	0	0	81,124	86,981
Technical provisions for contracts where the investment risk is borne by the policyholders and deriving from the management of pension funds	0	0	0	0	0	0
Other provisions	561	716	0	0	561	716
Total technical provisions - reinsurance amount	**502,461**	**546,943**	**55,712**	**33,337**	**558,173**	**580,280**

The reinsurance amount of technical provisions is calculated using the method adopted for provisions pertaining to direct business, taking into account individual agreement provisions.

4. INVESTMENTS

Table 25 - Investments

			Changes	
(€ thousands)	2021	2020	Absolute value	%
Investment property	964,010	974,683	-10,673	-1.1
Investments in subsidiaries, associated companies and joint ventures	179,448	174,094	5,354	3.1
Held to maturity investments	100,396	183,607	-83,211	-45.3
Loans and receivables	1,032,859	1,193,915	-161,056	-13.5
Available for sale financial assets	17,217,656	17,147,346	70,310	0.4
Financial assets at fair value through profit or loss	5,305,572	4,220,672	1,084,900	25.7
Total	**24,799,941**	**23,894,317**	**905,624**	**3.8**

4.1 Investment property

"Investment property" is represented by the property not occupied by sub-Group's companies. The item includes land and buildings belonging to Euripide, San Zeno, Perseide, Andromaca, Innovazione Salute, Girolamo funds and those of Cattolica Agricola, Cattolica Beni Immobili and Cattolica Assicurazioni.

Table 26 - Investment property - changes during the year

(€ thousands)	Investment property	Property under construction and advance payments	Total
Gross balance as at December 31st, 2020	**1,063,600**	**130**	**1,063,730**
Accumulated depreciation	89,047	0	89,047
Net balance as at December 31st, 2020	**974,553**	**130**	**974,683**
Increases due to:	**11,526**	**11,745**	**23,271**
purchase	0	11,729	11,729
write-backs	394	0	394
other	11,132	16	11,148
Decreases due to:	**15,405**	**27**	**15,432**
sales	4,377	0	4,377
write-downs	11,028	0	11,028
other	0	27	27
Gross balance as at December 31st, 2021	**1,059,721**	**11,848**	**1,071,569**
depreciation	18,865	0	18,865
other changes in acc. depreciation	-353	0	-353
Accumulated depreciation	**107,559**	**0**	**107,559**
Net balance as at December 31st, 2021	**952,162**	**11,848**	**964,010**
of which cumulative impairment losses as at December 31st, 2021	*35,546*	*0*	*35,546*

During the year, the Andromaca fund paid an advance of € 11.729 million for the purchase of a property. The other increases, on the other hand, refer to incremental expenses incurred on property owned.
The decreases are mainly attributable to depreciation and write-downs (€ 6.972 million for property owned by Cattolica Beni Immobili, € 2.338 for property owned by Cattolica Assicurazioni, € 1.319 for property owned by Fondo Euripide, € 363 thousand for property owned by Fondo Andromaca and € 36 thousand for property owned by Fondo Innovazione Salute).

Revenues for rents generated during the year amounted to € 64.965 million (€ 55.334 million as at December 31st, 2020).

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

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

The fair value of the investment property held by the sub-Group, estimated by an external and independent expert, at the end of the reporting period, amounted to € 1,204.776 million.

Taking into account the macroeconomic scenario linked to Covid-19, which has generated financial difficulties for several tenants since last year, in continuity with the previous year, the sub-Group adopted an enhanced process for the valuation of property assets. In particular, if the valuation method identified as most suitable is the so-called comparative method (which can be traced back to the "Market Approach" method), this so-called "main" valuation was accompanied by the use of one or more "control methods", discounted cash-flow (which can be traced back to the "Financial Income Method"), evaluating, where deemed appropriate, the application of further sensitivity valuations.
The main procedures for estimating the value of properties are as follows:

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

- Cost Approach: based on the depreciated replacement cost used for certain properties, with particular characteristics. The estimate of the fair value of the assets by means of the depreciated replacement cost is broken down into three phases and is carried out on the basis of the technical parameter of the gross surface area:
  - the estimate of the current value of the land referring to the purchase cost of similar land in terms of location and intended use;
  - the estimate of the depreciation reconstruction cost obtained from the estimate of the reconstruction cost as new of the building appropriately depreciated in relation to the useful and residual life of the buildings;
  - the estimate of the market value of the assets as the sum of the market value of the area and the depreciated replacement cost of the constructions.
- Financial Profit Method based on two approaches:
  - direct capitalisation: this is based on the capitalisation at a rate taken from the property market, of the net future income generated;
  - discounted cash flows, based on the determination: for a period of n years of the future income deriving from the lease; on the market value of the property by means of perpetual capitalisation, at the end of this period, of the net income and in conclusion on the discounting, as at the date of assessment, of the net income (cash flows).

As explained in the accounting principles and the table presented below, the sub-Group applied the cost criterion, net of accumulated depreciation and any impairment losses, to total assets governed by IAS 40, IAS 16 and IAS 38.

Table 27 - Analysis of tangible and intangible assets (ISVAP Regulation No. 7 dated July 13th, 2007)

(€ thousands)	At cost	At re-determined value or at fair value	Total book value
Investment property	964,010		964,010
Other property	189,027		189,027
Other tangible assets	21,298		21,298
Other intangible assets	249,759		249,759

4.2 Investments in subsidiaries, associated companies and joint ventures

Table 28 - Investments in subsidiaries, associated companies and joint ventures

(€ thousands)	2021	2020	Changes: Absolute value	Changes: %
Subsidiaries	50	50	0	0.0
Associated companies and joint ventures	179,398	174,044	5,354	3.1
Total	**179,448**	**174,094**	**5,354**	**3.1**

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

Investments in subsidiaries

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

Investments in associated companies and joint ventures

The item includes investments, accounting for using the equity method, in companies over which Cattolica exercises significant influence, such as the multi-segment real estate investment fund called "Mercury", the real estate funds Cà Tron H-Campus, the "Mercury Nuovo Tirreno" fund, H-FARM and Aladdin.

As already mentioned, the value as at December 31st, 2021, of the equity investment held by the Cattolica sub-Group in IMA Italia Assistance and in IMA Servizi, respectively, was reclassified in the specific "held for sale" items pursuant to "IFRS 5".

As at December 31st, 2021, the investment in H-Farm was written down by € 258 thousand and the assets of the Fondo H-Campus, of which H-Farm is the sole manager of the real estate project, for € 2.633 million following the adjustment of certain parameters used in the Discounted Cash Flow representing the "risk premium" associated with the tenant H-FARM.

Table 29 - Analysis of non-consolidated equity investments (ISVAP Regulation No. 7 dated July 13th, 2007)

(€ thousands) **Company name**	**Registered offices and operating headquarters**	**Assets (1)**	**Type (2)**	**% direct investment**	**% total holding (3)**	**% of votes available during ordinary shareholders' meetings (4)**	**Book value**
TUA Retail s.r.l.	086	11	a	0.00%	99.99%		50
Fondo Mercury Centronord	086	10	c	52.55%	52.55%		26,766
Fondo Mercury Adriatico	086	10	c	33.97%	45.93%		26,431
Fondo Mercury Tirreno	086	10	c	51.01%	51.01%		27,780
Fondo Mercury Nuovo Tirreno	086	10	c	67.18%	85.76%		70,843
Fondo Ca' Tron Hcampus	086	10	c	59.76%	59.76%		27,360
H-Farm S.p.a.	086	11	b	3.67%	3.67%		209
Aladdin S.r.l.	086	11	b	0.00%	45.00%		9
Total							**179,448**

(1) 1 = Italian insurance; 2 = EU insurance; 3 = non-EU insurance; 4 = insurance holding companies; 4.1= mixed financial holding companies; 5 = EU reinsurance; 6 = non-EU reinsurance; 7 = banks; 8 = SGR; 9 = other holding; 10 = real estate; 11 = other.

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

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

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

A summary of the most significant equity and income highlights of the companies not included within the consolidation area is presented below.

Table 30 - Summary data of non-consolidated subsidiaries and associated companies and joint ventures

(€ thousands) Name or business name		Registered offices	Share capital	Total assets	Total liabilities	Shareholders' equity	of which profit (+) or loss (-) for the year	Revenues	Dividends received in the year
Subsidiaries									
TUA Retail s.r.l.		Milan	50	1,758	1,643	115	7	774	0
Associated companies									
Fondo Mercury Centronord		Milan	n.a.	114,281	63,350	50,931	2,928	7,797	2,540
Fondo Mercury Adriatico		Milan	n.a.	111,505	60,754	50,751	2,014	7,848	2,131
Fondo Mercury Tirreno		Milan	n.a.	130,648	76,192	54,456	1,646	9,370	2,950
Fondo Mercury Nuovo Tirreno		Milan	n.a.	151,634	73,174	78,460	2,517	7,127	3,357
Fondo Ca' Tron Hcampus		Roncade (Tv)	n.a.	74,747	28,965	45,782	-5,343	2,670	0
H-Farm S.p.a.	(1)(2)	Roncade (Tv)	12,867	66,535	54,140	12,392	-14,753	48,301	0
Aladdin S.r.l.		Milan	20	228	183	45	25	120	0

(*) Financial statements figures as at December 31st, 2020. For H-Farm, the figures refer to the consolidated financial statements.

(2) The shareholders' equity and the result for the year of H-Farm S.p.A. refer to group figures.

n.a. = not applicable

Financial investments

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

No significant category reclassifications have taken place during the year and in previous years, therefore compilation of the analysis of reclassified financial assets and the effects on the income statement and on comprehensive profitability pursuant to ISVAP Regulation No. 7 dated July 13th, 2007, was not carried out.

The reclassifications carried out in 2008 relate to securities transferred from the "financial assets at fair value through profit or loss" to the "available-for-sale financial assets" for a book value of € 21.141 million as at December 31st, 2021. If this reclassification had not been carried out, capital gains of € 1.191 million would have been recorded in the income statement during the year.

Table -31 Financial Investments

(€ thousands)	2021	%	2020	%	Changes Absolute value	Changes %
Held to maturity investments	100,396	0.4	183,607	0.8	-83,211	-45.3
Loans and receivables	1,032,859	4.4	1,193,915	5.2	-161,056	-13.5
Available for sale financial assets	17,217,656	72.8	17,147,346	75.4	70,310	0.4
Financial assets at fair value through profit or loss	5,305,572	22.4	4,220,672	18.6	1,084,900	25.7
Total	**23,656,483**	**100.0**	**22,745,540**	**100.0**	**910,943**	**4.0**

Table 32 - Analysis of financial assets (ISVAP Regulation No. 7 dated July 13th, 2007)

							Financial assets at fair value through profit or loss					
Financial investments (disciplined by IAS 39)	**Held to maturity investments**		**Loans and receivables**		**Available for sale financial assets**		**Financial assets held for trading**		**Financial assets at fair value through profit or loss**		**Total book value**	
(€ thousands)	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Equities and derivatives carried at cost	0	0	0	0	0	0	0	0	0	0	0	0
Equities at fair value	0	0	0	0	44,451	44,926	5,351	2,882	93,044	40,677	142,846	88,485
of which listed securities	*0*	*0*	*0*	*0*	*18,948*	*17,700*	*5,351*	*2,882*	*93,043*	*40,677*	*117,342*	*61,259*
Debt securities	100,396	183,607	954,364	1,115,730	15,611,853	16,306,797	616,994	629,391	1,069,163	877,720	18,352,770	19,113,245
of which listed securities	*100,396*	*183,607*	*0*	*0*	*15,571,117*	*16,262,688*	*616,994*	*629,208*	*1,069,163*	*877,720*	*17,357,670*	*17,953,223*
UCIT units	0	0	0	0	1,561,352	795,623	5,602	8,348	3,510,101	2,653,346	5,077,055	3,457,317
Loans and receivables due from banking customers	0	0	0	0	0	0	0	0	0	0	0	0
Interbank loans and receivables	0	0	0	0	0	0	0	0	0	0	0	0
Deposits with ceding companies	0	0	13,449	13,595	0	0	0	0	0	0	13,449	13,595
Receivable financial components of insurance contracts	0	0	0	0	0	0	0	0	0	0	0	0
Other loans and receivables	0	0	65,046	64,590	0	0	0	0	0	0	65,046	64,590
Non-hedging derivatives	0	0	0	0	0	0	5,317	8,308	0	0	5,317	8,308
Hedging derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Other financial investments	0	0	0	0	0	0	0	0	0	0	0	0
Total	**100,396**	**183,607**	**1,032,859**	**1,193,915**	**17,217,656**	**17,147,346**	**633,264**	**648,929**	**4,672,308**	**3,571,743**	**23,656,483**	**22,745,540**

Reference should be made to the related table in the comments on the income statement for an analysis of the financial income and charges from investments.

4.3 Held to maturity investments

All financial assets, excluding derivatives, with a pre-established maturity and fixed and determinable payments, which the Group intends to or has the ability to hold until maturity, are classified in this category.

In detail, the item includes mainly Italian government securities. As at December 31st, 2021, this item amounted to € 100.369 million, a decrease of € 83.211 million compared to December 31st, 2020. This change is mainly due to the repayments of instruments that have reached maturity for € 67.5 million and to sales for € 14.99 million, the latter occurring close to the maturity date of the securities.

4.4 Loans and receivables

This category includes assets with a pre-established maturity and payments, which are fixed or can be determined, that are not listed on active markets.

Specifically, the category includes all the loans and financing, amounts receivable for agent compensation, deposits from re-insurers with ceding companies and bonds not listed on active markets.

As at December 31st, 2021, this item amounted to € 1,032.859 million, a decrease of € 161.056 million compared to December 31st, 2020. This change is mainly due to the repayments of instruments that have reached maturity for € 160.069 million.

4.5 Available for sale financial assets

This category includes all the financial assets, valued at fair value, other than derivative instruments, both debt instruments and equities, which are not classified in the other categories and are disciplined by IAS 39.

The item includes financial instruments amounting to € 17,217.656 million, of which € 15,225.745 million are classified in level 1 of the fair value hierarchy (€ 15,202.884 million in debt instruments and € 22.861 million in shares and funds), € 975.267 million in level 2 (€ 386.494 million in debt instruments and € 588.773 million in shares and funds) and €

1,016.644 million in level 3 (€ 22.474 million in debt instruments and € 994.170 million in shares and funds).
This category comprises the equity investments deemed to be strategic in companies, which are not subsidiaries or associated companies, whose fair value derives from prices taken from active markets, or, in the case of securities not listed or securities listed on inactive markets, from commonly applied valuation methods. In particular, the valuation methods adopted were chosen taking into account the pertinent sector.

The Board of Directors of the sub-Group, in continuity with the year 2020, approved the following thresholds for determining impairment losses, in line with maximum prudence principles, at its February 23rd, 2022, meeting.

Equities are written down against a reduction in the fair value calculated on the valuation date:

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

Following the performance of the impairment test on all the financial instruments included in the “loans and receivables”, “held to maturity investments”, and “available-for-sale financial assets” categories, as governed by IAS 39, impairment losses were revealed, before tax effects, on shares totalling € 9.466 million and on mutual investment funds for € 11.034 million.

4.6 Financial assets at fair value through profit or loss

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

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

The change in the item compared with the end of the previous year is mainly attributable to the increase in Class III net premiums of Cattolica Assicurazioni. BCC Vita and Vera Vita.

Derivatives

The consolidated balance sheet assets include non-hedging derivatives amounting to € 5.317 million, held for trading.

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The tables below provide a breakdown of the Cattolica sub-Group’s residual exposures as at December 31st, 2021, in debt securities issued or guaranteed by European Union countries.
It should also be noted that the Cattolica sub-Group does not have significant direct exposure to debt securities issued or guaranteed by the Russian, Ukrainian and Belarussian governments.
As at December 31st, 2021, there were debt securities issued or guaranteed by the Russian government amounting to € 2.8 million.

Table 33 - Exposure in government debt securities issued or guaranteed by EU zone countries - Available for sale financial assets

Country (€ thousands)	Maturity up to 5 years	Maturing from 6 to 10 years	Maturity beyond 10 years	Total fair value	Gross AFS provision
Italy	2,760,263	1,775,491	2,954,434	**7,490,188**	427,151
Spain	270,911	768,787	453,317	**1,493,015**	63,200
Portugal	1,965	47,539	62,790	**112,294**	10,880
Ireland	2,954	48,606	16,687	**68,247**	5,048
France	248,151	541,531	409,224	**1,198,906**	984
Germany	24,219	128,933	774,886	**928,038**	-2,578
Other EU countries	50,021	287,121	251,848	**588,990**	12,095
TOTAL	**3,358,484**	**3,598,008**	**4,923,186**	**11,879,678**	**516,780**

Table 34 - Exposure in government debt securities issued or guaranteed by EU zone countries - Financial assets at fair value through profit or loss

Country (€ thousands)	Maturity up to 5 years	Maturing from 6 to 10 years	Maturity beyond 10 years	Total fair value*
Italy	392,488	59,248	52,998	**504,734**
Spain	19,442	7,293	13,991	**40,726**
Portugal	3,629	3,279	1,376	**8,284**
Ireland	0	124	975	**1,099**
France	320,292	10,290	25,348	**355,930**
Germany	28,928	13,991	24,387	**67,306**
Other EU countries	3,062	12,490	17,990	**33,542**
TOTAL	**767,841**	**106,715**	**137,065**	**1,011,621**

* Of which the value of financial assets at fair value through profit or loss amounted to € 395.484 million.

Table 35 - Exposure in government debt securities issued or guaranteed by EU zone countries - Held to maturity investments

Country (€ thousands)	Maturity up to 5 years	Maturity from 6 to 10 years	Maturity beyond 10 years	Total book value	Total fair value
Italy	95,255	1,803	0	**97,058**	110,395
TOTAL	**95,255**	**1,803**	**0**	**97,058**	**110,395**

***

Table 36 - Assets and liabilities valued at fair value on a recurrent and non-recurrent basis: breakdown by fair value hierarchy (ISVAP Regulation No. 7 dated July 13th, 2007)

(€ thousands)		Level 1 2021	Level 1 2020	Level 2 2021	Level 2 2020	Level 3 2021	Level 3 2020	Total 2021	Total 2020
Assets and liabilities valued at fair value on a recurrent basis									
Available for sale financial assets		15,225,745	15,905,044	975,267	536,683	1,016,644	705,619	17,217,656	17,147,346
Financial assets at fair value through profit or loss	Financial assets held for trading	626,854	638,762	458	1,186	5,952	8,981	633,264	648,929
	Financial assets at fair value through profit or loss	1,302,312	1,113,329	3,260,103	2,380,631	109,893	77,783	4,672,308	3,571,743
Investment property		0	0	0	0	0	0	0	0
Tangible assets		0	0	0	0	0	0	0	0
Intangible assets		0	0	0	0	0	0	0	0
Total assets at fair value on a recurrent basis		**17,154,911**	**17,657,135**	**4,235,828**	**2,918,500**	**1,132,489**	**792,383**	**22,523,228**	**21,368,018**
Financial liabilities at fair value through profit or loss	Financial liabilities held for trading	0	0	0	0	0	9,369	0	9,369
	Financial liabilities at fair value through profit or loss	0	0	212,034	352,431	0	0	212,034	352,431
Total liabilities at fair value on a recurrent basis		**0**	**0**	**212,034**	**352,431**	**0**	**9,369**	**212,034**	**361,800**

Fair value valuation techniques for financial investments

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

Debt securities

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

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

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

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

Equities

If available and if the market is defined as active, the fair value is equal to the market price.
Otherwise, the fair value is determined using the market approach and the income approach. The main input for the market approach are prices listed for identical or comparable assets on active markets, where the comparability between the security and the benchmark determines the fair value level; depending on the possibility

of observing these parameters, the security is classified in level 2 or level 3.

UCITS

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

Derivatives

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

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

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

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

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

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

- estimates and assumptions used to value unlisted hedge funds, private equity, unlisted real estate funds: with regard to these investments, it is very difficult to estimate the fair value's sensitivity to changes in various, non-observable inputs, which together could have off-setting effects, therefore the reasonableness of the effects caused by the stated changes on the objective elements considered in the valuations are verified;
- estimated recovery values for securities in a declared state of bankruptcy;
- estimates and assumptions based on input data relating to historical volatility for the valuation of securities issued by vehicles with underlying government bonds related to inflation (btp repack);
- unlisted share rights if the Exercise Price is not known with certainty;
- estimates and assumptions for securities with a high degree of illiquidity. Estimates and assumptions used to value equity investments in unlisted companies using the stock market multiples method, which determines the economic capital value of a company or of a business unit based on market multipliers (Stock Market Multipliers) and the Discounted Cash Flow, which estimates the value of a company or of a business unit on the basis of the future cash flows.

Table 37 - Analysis of changes in level 3 financial assets and liabilities valued at fair value on a recurrent basis (ISVAP Regulation No. 7 dated July 13th, 2007)

(€ thousands)	Available for sale financial assets	Financial assets at fair value through profit or loss: Financial assets held for trading	Financial assets at fair value through profit or loss: Financial assets at fair value through profit or loss	Investments property	Tangible assets	Intangible assets	Financial liabilities at fair value through profit or loss: Financial liabilities held for trading	Financial liabilities at fair value through profit or loss: Financial liabilities at fair value through profit or loss
Opening balance	**705,619**	**8,981**	**77,783**	**0**	**0**	**0**	**9,369**	**0**
Purchases/Issues	371,617	57,401	0	0	0	0	0	0
Sales/Repurchases	-52,913	-33,703	0	0	0	0	0	0
Reimbursements	-120	-23,910	0	0	0	0	-9,369	0
Gain or loss through profit or loss	149	-3,013	32,110	0	0	0	0	0
- of which valuation profits/losses	-18,420	0	0	0	0	0	0	0
Gain or loss recorded in other components of the statement of comprehensive income	28,082	0	0	0	0	0	0	0
Transfers to level 3	0	196	0	0	0	0	0	0
Transfers to other levels	-38,055	0	0	0	0	0	0	0
Other changes	2,265	0	0	0	0	0	0	0
Closing balance	**1,016,644**	**5,952**	**109,893**	**0**	**0**	**0**	**0**	**0**

The transfers from level 2 to level 3 involved bonds classified under financial assets held for trading amounting to € 196 thousand.

Transfers from level 3 to level 2 amounted to € 38.055 million and concerned financial assets available for sale: bonds for € 27.184 million and funds for € 10.871 million.

The transfers from level 1 to 2, for € 60.513 million, concerned:

- bonds classified as available-for-sale financial assets amounting to € 56.854 million;
- bonds classified as financial assets at fair value through profit or loss of € 3.659 million.

In conclusion, the transfers from level 2 to level 1 amounted to € 55.307 million and concerned:

- bonds classified as available-for-sale financial assets amounting to € 45.223 million;
- bonds classified as financial assets at fair value through profit or loss of € 10.084 million.

Table 38 - Assets and liabilities not valued at fair value: breakdown by fair value hierarchy (ISVAP Regulation No. 7 dated July 13th, 2007)

	Book value		**Fair Value**							
			Level 1		**Level 2**		**Level 3**		**Total**	
(€ thousands)	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Assets										
Held to maturity investments	100,396	183,607	110,395	199,962	4,485	5,319	0	0	114,880	205,281
Loans and receivables	1,032,859	1,193,915	0	0	217,012	221,674	963,086	1,199,538	1,180,098	1,421,212
Investments in subsidiaries, associated companies and joint ventures	179,448	174,094	0	0	0	0	200,577	191,942	200,577	191,942
Investment property	964,010	974,683	0	0	0	0	1,204,776	1,173,138	1,204,776	1,173,138
Tangible assets	210,325	226,539	0	0	0	0	215,587	240,964	215,587	240,964
Total assets	**2,487,038**	**2,752,838**	**110,395**	**199,962**	**221,497**	**226,993**	**2,584,026**	**2,805,582**	**2,915,918**	**3,232,537**
Liabilities	**816,195**	**900,891**	**0**	**0**	**871,535**	**897,626**	**37,707**	**30,127**	**909,242**	**927,753**
Other financial liabilities	816,195	900,891	0	0	871,535	897,626	37,707	30,127	909,242	927,753

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

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

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

Table 39 - Analysis of assets and liabilities relating to contracts issued by insurance companies where the investment risk is borne by the policyholder and deriving from pension fund management (ISVAP Regulation No. 7 dated July 13th, 2007)

(€ thousands)	Benefits associated with investment funds and stock market indices		Benefits associated with the management of pension funds		Total	
	2021	2020	2021	2020	2021	2020
Assets in the financial statements	4,686,275	3,543,158	154,367	161,287	4,840,642	3,704,445
Intercompany assets*	0	0	0	0	0	0
Total Assets	**4,686,275**	**3,543,158**	**154,367**	**161,287**	**4,840,642**	**3,704,445**
Financial liabilities in the financial statements	204,938	344,953	6,965	7,340	211,903	352,293
Technical provisions in the financial statements	4,481,337	3,198,205	147,402	153,947	4,628,739	3,352,152
Intercompany liabilities*	0	0	0	0	0	0
Total Liabilities	**4,686,275**	**3,543,158**	**154,367**	**161,287**	**4,840,642**	**3,704,445**

* Assets and liabilities derecognised during the consolidation process

5. SUNDRY RECEIVABLES

Table 40 - Sundry receivables

(€ thousands)	2021	2020	Changes	
			Absolute value	%
Receivables deriving from direct insurance transactions	**394,400**	**452,300**	**-57,900**	**-12.8**
Policyholders	191,027	211,498	-20,471	-9.7
Insurance brokers	133,695	178,564	-44,869	-25.1
Insurance companies - current accounts	42,324	27,761	14,563	52.5
Policyholders and third parties for claims to be settled	27,354	34,477	-7,123	-20.7
Receivables deriving from reinsurance transactions	**70,549**	**81,767**	**-11,218**	**-13.7**
Insurance and reinsurance companies	70,549	81,767	-11,218	-13.7
Other receivables	**125,705**	**129,136**	**-3,431**	**-2.7**
Total	**590,654**	**663,203**	**-72,549**	**-10.9**

The decrease with respect to the previous year in the Receivables from insurance brokers item is primarily due to the collection of receivables recorded during the year, especially by Cattolica Assicurazioni.
Receivable items have been adjusted for a total of € 73.493 million so as to take into account any write-downs for presumed collectability based on the experience of previous years.
Other receivables primarily include receivables from tenants, receivables for advances to suppliers, receivables from employees, receivables due for guarantee and restricted deposits.

E-MARKET SDIR CERTIFIED

6. OTHER ASSET ITEMS

Other asset items are made up as follows:

Table 41 - Other assets items

(€ thousands)	2021	2020	Changes Absolute value	Changes %
Non-current assets or disposal group held for sale	9,311	9,362,508	-9,353,197	-99.9
Deferred acquisition costs	12,183	15,222	-3,039	-20.0
Deferred tax assets	410,966	634,170	-223,204	-35.2
Current tax assets	543,594	559,088	-15,494	-2.8
Other assets	231,262	169,769	61,493	36.2
Total	**1,207,316**	**10,740,757**	**-9,533,441**	**-88.8**

6.1 Non-current assets or disposal group held for sale

The change in this item compared to the previous year was mainly due to the sale of the investment held in Lombarda Vita S.p.A. to Intesa Sanpaolo. The sale took place at a price higher than the related book value of the investment in the consolidated financial statements and therefore a capital gain was recorded as reported in detail in Part E - Transfers.

This item also includes the value of the investments in IMA Italia Assistance S.p.A and IMA Servizi S.p.A, amounting to € 9.145 million and € 166 thousand, respectively, which, as already mentioned, have been reclassified in accordance with IFRS 5 as assets being sold.

6.2 Deferred acquisition costs

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

Deferred and current tax assets

6.3 Deferred tax assets

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

Amounts receivable for deferred tax assets, recorded under "Deferred tax assets" derive from the deductible timing differences, such as the write-down of receivables, the deductible portion of the change in the provision for outstanding non-life business claims, the capital losses on shares, the amortisation of the insurance portfolios, the allowances to provisions for risks and charges, as well as from the carrying forward of tax losses not used and the freeing up as per Italian Decree Law No. 185/2008, for € 49.688 million, of the prepaid taxes recorded on goodwill and on other intangible assets.

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

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

6.4 Current tax assets

This item is represented by amounts due from tax authorities and derives mainly from the surplus emerging from the tax returns submitted, withholdings made on bank interest, tax credits on income deriving from equity investments in mutual investment funds, the advance tax on employee severance indemnity as per Article 3, paragraph 213 of Italian Law No. 662 dated December 23rd, 1996 and from amounts due from tax authorities transferred to Cattolica Assicurazioni by the subsidiaries who have complied with the tax consolidation scheme. Amounts due from tax authorities also comprise prepaid taxes pursuant to Italian Law No. 265 dated November 22nd, 2002, concerning the taxation of the life provisions, and amounts due from tax authorities for the payment of the annual advance of tax on premiums envisaged by Article 9, paragraph 1-bis, of Italian Law No. 1216.

6.5 Other assets

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

Table 42 - Other assets

(€ thousands)	2021	2020	Changes Absolute value	Changes %
Deferred commissions expense associated with investment contracts	0	25	-25	-100.0
Accruals and deferrals	17,398	13,422	3,976	29.6
Sundry assets	213,864	156,322	57,542	36.8
Total	**231,262**	**169,769**	**61,493**	**36.2**

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

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

Sundry assets mainly include the amount relating to taxation on the mathematical provisions of the life business accrued during the year for € 67.363 million, the balance of the liaison account between the life and non-life businesses of the sub-Group insurance companies for € 104.865 million, which has a matching balance under other liabilities, and the balances of transactions to be settled for € 6.889 million.

7. CASH AND CASH EQUIVALENTS

The "Cash and cash equivalents" item represents the balance as at the end of the accounting period of the current accounts held with various banks. Cash and cash equivalents amounted to € 399.158 million. During the year, the item reported an increase of € 38.814 million. The book value of these assets approximates significantly their fair value. Deposits and bank current accounts are remunerated at both fixed and floating rates.

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PART C
STATEMENT OF FINANCIAL POSITION - LIABILITIES

1. SHAREHOLDERS' EQUITY

As at December 31st, 2021, this item was made up as follows:

Table 43 - Shareholders' equity

			Changes	
(€ thousands)	**2021**	**2020**	**Absolute value**	**%**
Shareholders' equity				
pertaining to the Group	**2,408,342**	**2,140,175**	**268,167**	**12.5**
Share capital	685,044	685,044	0	0
Capital reserves	813,557	847,277	-33,720	-4.0
Revenue reserves and other equity reserves	748,432	656,431	92,001	14.0
(Own shares)	-2,642	-164,506	161,864	98.4
Gains or losses on available for sale financial assets	71,229	78,022	-6,793	-8.7
Other gains or losses recognised directly in equity	-3,185	1,474	-4,659	n.s.
Profit (loss) for the year pertaining to the Group	95,907	36,433	59,474	n.s.
pertaining to minority interests	**432,486**	**473,109**	**-40,623**	**-8.6**
Capital and reserves pertaining to minority interests	416,692	421,021	-4,329	-1.0
Gains and losses recognised directly in equity	3,712	17,886	-14,174	-79.2
Profit (loss) for the year pertaining to minority interests	12,082	34,202	-22,120	-64.7
Total	**2,840,828**	**2,613,284**	**227,544**	**8.7**

n.s. = not significant

1.1 Shareholders' equity pertaining to the Group

This totalled € 2,408.342 million and comprises the following items:

1.1.1 Share capital

The fully subscribed and paid in share capital amounts to € 685.044 million and is divided into 228,347,980 ordinary shares, with no nominal value.

1.1.3 Capital reserves

This item includes the share premiums reserve of Cattolica Assicurazioni. The change with respect to the previous year, through the use of this reserve for an amount of € 33.72 million, is consequent to the coverage of the 2020 loss relating to the life business of Cattolica Assicurazioni.

1.1.4 Revenue reserves and other equity reserves

This item comprises the gains and losses deriving from initial application of international accounting standard (IFRS 1), the reserves envisaged by the Italian Civil Code (consolidation reserve, legal reserve and extraordinary reserve) and by special laws prior to the adoption of international accounting standards and the provision relating to the stock-based payment of Cattolica Assicurazioni, in relation to the Performance Shares plan. The movement for the year consists of undistributed 2020 earnings and a change in the reserve associated with the performance shares plan for costs attributable to 2021.

Following the PTO launched by Assicurazioni Generali, the value of the capital gain from the sale of own shares to Assicurazioni Generali was recorded in a specific reserve for an amount of € 23.879 million.
It was also necessary to set up a restricted reserve, the amount of which corresponds to the book value of the Assicurazioni Generali shares held by Cattolica Assicurazioni. The amount of this reserve, coming to € 2.194 million, was taken from the extraordinary reserve.

1.1.5 Own shares

As at December 31st, 2021, Cattolica Assicurazioni held 450,397 own shares. As a result of the PTO, 27,004,484 shares were allocated to Assicurazioni Generali for a value of € 182.280 million. During the year, 590,320 shares were also granted to employees based on the 2018-2020 and 2021-2023 performance share plans.

1.1.7 Gains or losses on available for sale financial assets

The changes reported during the year are mainly attributable to:

- the transfer of net capital gains to the income statement following disposals for € 114.623 million, and net capital losses from impairment for € 18.17 million;
- net positive fair value changes in financial instruments included in the corresponding asset item for € 89.66 million.

1.1.8 Other gains or losses recognised directly in equity

The change is almost entirely due to the effects of the deconsolidation of Lombarda Vita following its sale in the first half of 2021. In fact, as at December 31st, 2020, this item included the equity reserve related to the income and charges of the assets and liabilities classified as held for sale of Lombarda Vita, in accordance with IFRS 5. The year also saw an increase of € 2.763 million in the value of the equity reserves of associated companies and joint ventures, and an increase of € 451 thousand in actuarial gains and losses deriving from the valuation of employee benefits in accordance with the revised IAS 19.

1.2 Shareholders' equity pertaining to minority interests

This account comprises the values pertaining to minority interests regarding the companies included in the consolidation area. With regard to the "Capital and reserves pertaining to minority interests" item, the change compared to the previous year includes the (negative) effects resulting from the deconsolidation of Lombarda Vita, sold during the first half of 2021, for a total amount of approximately € 30.586 million. In particular, these effects can be traced to: (i) the decrease in shareholders' equity attributable to minority interests, equal to 40% held by them in Lombarda Vita as at December 31st, which has now been removed from the consolidation area; (ii) the increase in shareholders' equity attributable to minority interests in the consolidated real estate funds Euripide, San Zeno and Perseide, whose shares are still partly held by Lombarda Vita.
With regard to the "Profits or losses recognised directly in equity" item, the changes occurred during the year mainly concerned the following cases:

- positive effect of net fair value changes in financial instruments included in the corresponding asset item for € 31.777 million;
- negative effect of transfer of net capital gains to the income statement, following realisation: € 35.835 million;
- the negative effect of net capital losses from impairment totalling € 198 thousand and other negative changes totalling € 766 thousand;
- negative effect of the deconsolidation of Lombarda Vita: in the previous year a positive reserve of € 4.795 million was recorded relating to the minority interests in income and charges on assets and liabilities classified as held for sale of Lombarda Vita.

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2. PROVISIONS AND ALLOWANCES

Table 44 - Provisions and allowances - changes during the year

(€ thousands)	2020	Increases	Decreases	2021
Provisions and allowances	**67,158**	31,509	21,796	**76,871**

As at December 31st, the item comprised mainly amounts set aside for:

- legal disputes and costs for € 25.054 million (€ 12.741 million was set aside and € 9.595 million used during the year);
- intersectoral solidarity fund of € 17.112 million (€ 5.577 million was set aside and € 6.243 million was used during the year);
- the provision for the agents' leaving indemnity of € 9.647 million (€ 597 thousand was set aside in the year);
- claims division fund for € 4.512 million (€ 390 thousand used during the year);
- formal notices or reports on findings, which can be served for violations of law or for other findings for € 1.684 million (€ 449 thousand was set aside and € 1.099 thousand used during the year);
- probable future liabilities relating to CPI products of € 1.405 million (€ 274 thousand was used during the year);
- amounts allocated to cover the risk of assistance to employees in the event of non-self-sufficiency (long term care) amounting to €1.313 million (no significant changes took place during the year);
- provision relating to rulings filed with the Court of Cassation concerning the applicability of VAT exemption to delegation fees on co-insurance contracts amounting to € 650 thousand (€ 5 thousand was set aside and € 47 thousand used during the year);
- disputes outstanding with regard to labour or tax issues for € 607 thousand (€ 73 thousand was set aside and € 696 thousand was used during the year);
- the risk provision for defence expense of € 442 thousand (no changes occurred during the year);
- a provision of € 7.311 million to cover potential claims relating to so-called "dormant policies" reported by IVASS. This item is linked to the emergence of cases of deaths covered by temporary life insurance policies (Temporanea Caso Morte - TCM), of which the companies were not aware and of which no report has yet been made. Therefore, it is not possible to ascertain the actual settlement;
- a provision of € 1.183 million to cover potential claims relating to so-called "dormant policies" in the accident and injury class, as reported by IVASS.

The outlays are envisaged over the short-term and therefore are not subject to any discounting. With regard to the legal and tax-related disputes, account is taken of the advice of legal/tax advisors with regard to the outcome of the same. As regards IVASS sanctions, account has been taken of those already notified as well as the historical series recorded by the sub-Group companies in the past.

3. TECHNICAL PROVISIONS

This item includes provisions associated with insurance contracts, and those deriving from investment contracts involving Discretionary Participation Features (DPF), gross of reinsurance.

The fairness of the liabilities as at December 31st, 2021, was ascertained by means of the method envisaged by paragraphs 15 et seq. of IFRS 4 (liability adequacy test). The assessment was carried out on liabilities relating to portfolios classified as insurance contracts or financial contracts with Discretionary Participation Features (DPF).
The test was carried out by comparing the technical provisions, decreased by the acquisition costs still to be amortised and the value of any other related intangible assets, with the current value of the expected cash flows generated by the policy, including the liquidation and management costs.
In the event of insufficiency of the provisions, the difference is booked to the income statement with an increase in liabilities.

With regard to non-life business, for the purpose of checking the fairness of the insurance liabilities, a check is carried out at ministerial class level by testing the calculation of the supplementary provision for current risks with the simplified method as envisaged by Article 8 of Attachment No. 15 of the ISVAP Regulation No. 22 dated April 4th, 2008, amended by means of IVASS Provision No. 53 dated December 6th, 2016. Since the claims for the year were valued at ultimate cost, and not discounted back, it is possible to consider the future flows of the payments as implicitly checked.

The analyses carried out have confirmed that the provisions as at December 31st, 2021, are adequate and therefore no supplementary provision is required.

Table 45 - Analysis of technical provisions (ISVAP Regulation No. 7 dated July 13th, 2007)

(€ thousands)	Direct business 2021	Direct business 2020	Indirect business 2021	Indirect business 2020	Total book value 2021	Total book value 2020
Non-life provisions	**3,389,791**	**3,478,926**	**25,319**	**20,317**	**3,415,110**	**3,499,243**
Premium provision	882,882	888,968	2,582	3,155	885,464	892,123
Provision for outstanding claims	2,503,439	2,586,833	22,736	17,161	2,526,175	2,603,994
Other provisions	3,470	3,125	1	1	3,471	3,126
Life provisions	**19,727,487**	**19,191,983**	**2,600**	**3,341**	**19,730,087**	**19,195,324**
Provision for outstanding claims	294,033	356,749	-29	0	294,004	356,749
Mathematical provisions	14,159,935	14,145,927	2,570	3,268	14,162,505	14,149,195
Technical provisions for contracts where the investment risk is borne by the policyholders and deriving from the management of pension funds	4,628,739	3,352,152	0	0	4,628,739	3,352,152
Other provisions	644,780	1,337,155	59	73	644,839	1,337,228
of which deferred liabilities due to policyholders	*576,650*	*1,269,949*	*0*	*0*	*576,650*	*1,269,949*
Total Technical Provisions	**23,117,278**	**22,670,909**	**27,919**	**23,658**	**23,145,197**	**22,694,567**

NON-LIFE BUSINESS

Premium provision

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

Provision for outstanding claims

The table below provides an analysis of the provision for outstanding claims per direct and indirect class.

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Table 46 - Details of the provision for outstanding claims per class

(€ thousands)	2021	2020	Changes	
			Absolute value	%
Classes:				
01 - Accident and injury	97,950	96,367	1,583	1.6
02 - Health	69,423	60,785	8,638	14.2
03 - Land vehicle hulls	38,785	29,538	9,247	31.3
04 - Railway rolling stock	69	69	0	-0.3
05 - Aircraft hulls	1,016	52	964	n.s.
06 - Ships (sea and inland water vessels)	19,941	13,324	6,617	49.7
07 - Goods in transit	12,045	11,535	510	4.4
08 - Fire & natural forces	157,134	157,443	-309	-0.2
09 - Other damage to assets	78,701	74,250	4,451	6.0
10 - TPL - Land motor vehicles	1,354,448	1,382,513	-28,065	-2.0
11 - TPL - Aircraft	46	12	34	n.s.
12 - TPL - Sea and inland water vessels	4,371	4,373	-2	-0.1
13 - TPL - General	622,850	707,584	-84,734	-12.0
14 - Credit	1,579	884	695	78.6
15 - Suretyship	28,931	32,156	-3,225	-10.0
16 - Sundry financial losses	20,785	17,682	3,103	17.5
17 - Legal protection	12,075	10,121	1,954	19.3
18 - Assistance	6,026	5,306	720	13.6
TOTAL	**2,526,175**	**2,603,994**	**-77,819**	**-3.0**

n.s. = not significant

LIFE BUSINESS

Mathematical provisions

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

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

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

Other provisions

Other provisions mainly comprise provisions for future costs associated with insurance contracts for € 65.108 million (€ 63.224 million as at December 31st, 2020) and the shadow accounting provision totalling € 576.65 million (€ 1,269.949 million as at December 31st, 2020).

4. FINANCIAL LIABILITIES

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

Table 47 - Analysis of financial liabilities (ISVAP Regulation No. 7 dated July 13th, 2007)

	Financial liabilities at fair value through profit or loss							
	Financial liabilities held for trading		**Financial liabilities at fair value through profit or loss**		**Other financial liabilities**		**Total value for the year**	
(€ thousands)	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Participative financial instruments	0	0	0	0	0	0	0	0
Subordinated liabilities	0	0	0	0	642,921	722,497	642,921	722,497
Liabilities from financial contracts issued by insurance companies deriving	0	0	212,034	352,431	6	6	212,040	352,437
from contracts where the investment risk is borne by the policyholders	*0*	*0*	*204,938*	*344,953*	*0*	*0*	*204,938*	*344,953*
from the management of pension funds	*0*	*0*	*6,965*	*7,340*	*0*	*0*	*6,965*	*7,340*
from other contracts	*0*	*0*	*131*	*138*	*6*	*6*	*137*	*144*
Deposits received from re-insurers	0	0	0	0	37,701	30,121	37,701	30,121
Financial liability components of insurance contracts	0	0	0	0	0	0	0	0
Debt securities issued	0	0	0	0	0	0	0	0
Payables due to banking customers	0	0	0	0	0	0	0	0
Interbanking payables	0	0	0	0	0	0	0	0
Other loans received	0	0	0	0	0	0	0	0
Non-hedging derivatives	0	0	0	0	0	0	0	0
Hedging derivatives	0	9,369	0	0	0	0	0	9,369
Sundry financial liabilities	0	0	0	0	135,567	148,267	135,567	148,267
Total	**0**	**9,369**	**212,034**	**352,431**	**816,195**	**900,891**	**1,028,229**	**1,262,691**

4.1 Financial liabilities at fair value through profit or loss

The item, which represents 20.6% of total financial liabilities, includes the financial liabilities at fair value through profit or loss, defined and disciplined by IAS 39, relating to:

- investment contracts, not falling within the scope of IFRS 4, issued by sub-Group insurance companies, where the investment risk is borne by the policyholders;
- management of pension funds, not falling within the scope of IFRS 4;
- hedging derivatives for trading purposes.

The change in the item compared to the end of the previous year was mainly due to payments for Unit Linked products, which reached maturity for € 74.944 million relating to Vera Vita and further settlements for € 65.317 million relating to Vera Financial.

4.2 Other financial liabilities

The item represents 79.4% of total financial liabilities.

The item includes the financial liabilities defined and regulated by IAS 39 not included in the category financial liabilities at fair value through profit or loss.

Other financial liabilities include loans of € 99.371 million and liabilities recognised by effect of the adoption of IFRS 16 of € 36.196 million.

It should be noted that on October 12th, 2021, Cattolica Assicurazioni repaid the loan of € 80 million disbursed by UBI Banca in 2010.

As envisaged by the agreement signed in December 2020, this repayment took place after the release of the necessary authorisations following the completion of the transfer of Cattolica's equity investment in Lombarda Vita (sold on April 12th, 2021, to Intesa Sanpaolo).

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

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Table 48 - Analysis of other financial liabilities

(€ thousands)

Beneficiary company	Type of liability	Amount	Contracting bank	Stipulation date	Maturity	Interest rate	Repayment plan
Società Cattolica di Assicurazione	Subordinated loan	100,057		December 2013	December 2043	7.25% until the end of the tenth year. If the call option is not exercised, the rate becomes floating, calculated on the basis of the 3-month Euribor rate increased by a spread of 6.19% per year	The possibilities for optional early repayment are envisaged after 10 years from issue and on each payment date of the subsequent coupon. The securities can be reimbursed in advance and subject to IVASS authorisation, also in the presence of regulatory or tax changes or changes in accounting principles implemented by the rating agencies.
Società Cattolica di Assicurazione	Subordinated loan	499,554		December 2017	December 2047	4.25% until the end of the tenth year. If the call option is not exercised, the rate becomes floating, calculated on the basis of the 3-month Euribor rate increased by a spread of 4.455% per year	The possibilities for optional early repayment are envisaged after 10 years from issue and on each payment date of the subsequent coupon. The securities can be reimbursed in advance and subject to IVASS authorisation, also in the presence of regulatory or tax changes or changes in accounting principles implemented by the rating agencies.
Società Cattolica di Assicurazione	Balance due for credit facility	3,053	Banca Intesa Sanpaolo				
TUA Assicurazioni	Balance due for credit facility	2,796	Banco BPM				
BCC Assicurazioni	Balance due for credit facility	172	Banca di Verona				
Vera Vita	Subordinated loan	17,923	Banco BPM	July 2020	July 2030	5.75% per year	Reimbursement on the relevant due date. Optional early repayment options are provided after 5 years from the issue, in whole or in part (for an amount of at least € 5 million and its multiples), giving creditors at least 10 days written notice. Securities may also be redeemed early for regulatory and/or tax reasons.
Vera Vita	Subordinated loan	17,723	Banco BPM	October 2020	October 2030	5.50% per year	Reimbursement on the relevant due date. Optional early repayment options are provided after 5 years from the issue, in whole or in part (for an amount of at least € 5 million and its multiples), giving creditors at least 10 days written notice. Securities may also be redeemed early for regulatory and/or tax reasons.
BCC Vita	Subordinated loan	7,664	Iccrea Banca Impresa	August 2020	August 2030	5.50% per year	Reimbursement on the relevant due date. Optional early repayment options for all securities (and not in part) are provided at the first Call Date and at each subsequent interest payment date, giving creditors no less than 30 and no more than 60 calendar days notice. Securities may also be redeemed early for regulatory and/or tax reasons.
Cattolica Agricola	Mortgage	2,012	Banca di Verona	October 2020	October 2025	3-month Euribor + 1.25 bps (minimum rate 1.25%)	The loan is repayable in half-yearly instalments.

Cattolica Services	Unsecured loan	20,033	Banca Popolare di Sondrio	June 2019	June 2022	0.65 % (fixed rate)	The loan is repayable in quarterly instalments.
Cattolica Services	Loan	10,005	UBI	December 2019	December 2022	0.65 % (fixed rate)	The loan is repayable in quarterly instalments.
Cattolica Services	Loan	10,005	Banca Popolare di Sondrio	June 2020	June 2023	0.65 % (fixed rate)	Single repayment at the maturity date.
Cattolica Services	Loan	3,500	Banca di Verona	September 2020	June 2022	0.70% (fixed rate)	Single repayment at the maturity date.
Cattolica Services	Loan	12,014	UBI	October 2020	October 2023	0.65 % (fixed rate)	The loan is repayable in quarterly instalments.
Fondo Perseide	Finance lease	2,035	Iccrea Banca Impresa	June 2009	January 2029	3-month Euribor (with floor at 0.94%) increased by 2.05	The loan is repayable in monthly instalments.
Fondo Perseide	Finance lease	995	Unicredit leasing	December 2020	April 2028	3-month Euribor (with floor at 0.30%) + 3% spread.	The loan is repayable in monthly instalments.
Fondo Innovazione Salute	Mortgage loan	32,670	UBI, BPER	July 2018	July 2025	2.611% (fixed rate) 2.25% (fixed rate)	Single repayment at the maturity date.
Satec	Unsecured loan	61	Credem	April 2017	May 2023	2.85%	The debt will be extinguished by the system of gradual amortisation in constant deferred instalments including capital and interest.
Qubo	Unsecured loan	20	Cassa rurale di Ledro	December 2021		2.85%	The debt will be repaid in equal monthly deferred instalments.
TOTAL FINANCIAL INDEBTEDNESS		**742,292**					

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5. PAYABLES

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

Table 49 - Payables

(€ thousands)	2021	2020	Changes Absolute value	%
Payables deriving from direct insurance transactions	**116,207**	**118,381**	**-2,174**	**-1.8**
Insurance brokers	77,902	74,864	3,038	4.1
Insurance companies - current accounts	7,814	8,647	-833	-9.6
Policyholders for guarantee deposits and premiums	30,233	34,383	-4,150	-12.1
Guarantee funds in favour of policyholders	258	487	-229	-47.1
Payables deriving from reinsurance transactions	**86,663**	**79,039**	**7,624**	**9.6**
Insurance and reinsurance companies	86,663	79,039	7,624	9.6
Other payables	**213,417**	**248,450**	**-35,033**	**-14.1**
For taxes payable by policyholders	44,373	44,852	-479	-1.1
Amounts due to social security and welfare institutions	5,228	5,107	121	2.4
Sundry payables	163,816	198,491	-34,675	-17.5
Total	**416,287**	**445,870**	**-29,583**	**-6.6**

5.1 Payables deriving from direct insurance transactions

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

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

5.2 Payables deriving from reinsurance transactions

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

5.3 Other payables

Other payables mainly include trade payables of € 76.794 million and payables to employees of € 51.877 million; the latter include employee benefits pursuant to the revised IAS 19, of which € 11.24 million in employee severance indemnity, € 9.519 million in seniority bonuses and € 12.699 million in health bonuses for retired employees.

The employee severance indemnity is subject to actuarial calculation, which takes into account the future developments of the employment relationship. The future flows of the employee severance indemnity have been discounted back as at the reference date on the basis of the method expressly requested by paragraph 68 of IAS 19, known as the Projected Unit Credit Method.
The projected benefits, which can be disbursed in the event of death, incapacity, resignation or retirement based on the applicable actuarial bases, have been determined for all the employees active as at the date of assessment and distributed uniformly over all the years of service for each employee as from the date of employment until the date the events take place.

The employee severance indemnity represents the effective value of the foreseeable obligation, net of any assets serving the plans, adjusted to reflect any actuarial losses or gains not amortised. The discounting back of the future cash flows is carried out on the basis of the interest rate of high quality corporate securities. The main assumptions used are: discount rate of 1%, inflation rate of 1.75%, revaluation rate of 2.33% (already net of the tax of 17%, in force as from January 1st, 2015), salary increases of 2.9%, mortality based on the most recent ANIA A62 mortality tables broken down by gender and the disability/incapacity, adopted in the INPS model for 2010 projections. For the retirement age of the generic asset, it was assumed that the pension requirements valid for Compulsory General Insurance ("Assicurazione Generale Obbligatoria" - AGO, 67 years of age for males and females) were met. In relation to the resignation frequency, a table has been used in line with the expected value of the resignation rate over the long-term for Cattolica Assicurazioni.

The categories of employee benefits, which are governed by revised IAS 19 include the indemnities represented by seniority bonuses.

In compliance with the revised IAS 19, the actuarial valuations were carried out on the basis of the method of the benefits accrued using the Projected Unit Credit Method.
This method makes it possible to calculate the seniority bonuses at their maturity date in an actuarial sense, distributing the liability for all the years of residual permanence of the outstanding workers. No longer as a cost to be settled, should the company cease its business activities as at the financial statements date, this cost is gradually set aside according to the residual period of employment of the employees.
The method makes it possible to calculate certain demographic and financial variables at the reference date of the valuation, including in particular the liability relating to the service already provided by the workers represented by the DBO - Defined Benefit Obligation (also known as Past Service Liability). It is obtained by calculating the current value of the services due to the workers deriving from the seniority already accrued as at the valuation date.
The demographic and financial assumptions used are identical to those used for the valuation of the employee severance indemnity described previously.

Among the categories of benefits, identified by revised IAS 19 as other long-term benefits, for which an actuarial-type valuation is required, are the indemnities represented by health bonuses provided to retired staff.
With reference to the health bonuses for retired employees, revised IAS 19 confirms the need to make assessments taking into due consideration the period in which the aforementioned benefits will presumably be provided with the consequent need to quantify them in terms of average current values.
The provisions, which govern the aforementioned benefits, are presented in the National Collective Labour Agreement for employees and executives and in the in-house collective contract of the sub-Group companies. Explicit reference was made to these provisions and rules for the creation of the technical valuation model.

The actuarial valuations of the health bonuses were carried out, in compliance with the revised IAS 19, on the basis of the method of the benefits accrued using the projected unit credit method.
With reference to the demographic hypotheses, the recent ANIA A62 mortality tables were used. For the retirement age of the generic asset (officer or executive), it was assumed that the pension requirements valid for Compulsory General Insurance (AGO, 67 years of age for males and females) were met. With regard to the probability of ceasing work activities, for reasons other than death, the turn-over probabilities detected in the companies were used, both for active officials and active executives. The financial assumptions used are identical to those used for the valuation of the employee severance indemnity described previously.
In accordance with revised IAS 19, sensitivity analysis has been carried out on the value of defined benefit obligation (DBO) based on changes in the main valuation hypotheses. In detail, the change in the value of the DBO has been gauged consequent to a change in the amount of the discount rate, a change in retirement age, a change in the inflation rate, a change in the mortality table and a change in the frequency of voluntary resignations. In light of these changes, the parameters associated with the figure amended in accordance with the matters indicated in the following table have also been changed, again in observance of the central hypothesis.

Table 50 - Sensitivity test hypotheses

	Central hypothesis	**Hypothesis 1**	**Hypothesis 2**	**Hypothesis 3**	**Hypothesis 4**	**Hypothesis 5**	**Hypothesis 6**	**Hypothesis 7**	**Hypothesis 8**	**Hypothesis 9**	**Hypothesis 10**
		Discount rate +0.5%	Discount rate -0.5%	Retirement age +2 years	Retirement age -2 years	Inflation rate +0.5%	Inflation rate -0.5%	Mortality table increase of 10%	Mortality table decrease of 10%	Resignation frequency increase of 10%	Resignation frequency decrease of 10%
Discount rate	1.0%	1.5%	0.5%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Retirement age	67	67	67	69	65	67	67	67	67	67	67
Inflation rate	1.8%	1.8%	1.8%	1.8%	1.8%	2.3%	1.3%	1.8%	1.8%	1.8%	1.8%
Salary increase rate	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Employee severance indemnity revaluation rate	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
Mortality table	A 62	A 62	A 62	A 62	A 62	A 62	A 62	A 62 +10%	A 62 -10%	A 62	A 62
Voluntary resignation frequency	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.2%	1.8%

The results of the sensitivity test on the value of the DBO as at December 31st, 2021, are shown in the table below.

Table 51 - Sensitivity test results

(€ thousands)	**Value of the obligation for defined benefits as at December 31st, 2021**	**% Sensitivity**
Central hypothesis	33,458	
Hypothesis 1	32,100	-4.0%
Hypothesis 2	35,232	5.4%
Hypothesis 3	33,501	0.2%
Hypothesis 4	33,348	-0.2%
Hypothesis 5	34,357	2.8%
Hypothesis 6	31,571	-5.6%
Hypothesis 7	32,966	-1.4%
Hypothesis 8	33,546	0.4%
Hypothesis 9	32,285	-3.4%
Hypothesis 10	33,997	1.7%

Table 52 - Employee severance indemnity, seniority bonus and premiums on health contracts

(€ thousands)	Liabilities for employee benefits
Balance as at December 31st, 2020	**33,545**
Interest cost	132
Service cost	2,255
Change in the demographic actuarial component	148
Change in the rate actuarial component	-855
Disbursements and transfers	-2,218
Other	451
Balance as at December 31st, 2021	**33,458**

6. OTHER LIABILITY ITEMS

Table 53 - Other liabilities items

			Changes	
(€ thousands)	2021	2020	Absolute value	%
Liabilities of disposal group held for sale	0	9,132,268	-9,132,268	-100.0
Deferred tax liabilities	444,591	634,446	-189,855	-29.9
Current tax liabilities	133,029	188,518	-55,489	-29.4
Other liabilities	195,333	131,732	63,601	48.3
Total	**772,953**	**10,086,964**	**-9,314,011**	**-92.3**

6.1 Liabilities of disposal group held for sale

The change in the item compared to the previous year is attributable to the sale of the investment held in Lombarda Vita S.p.A. to Intesa Sanpaolo. The sale took place at a price higher than the related book value of the equity investment in the consolidated financial statements and therefore a capital gain was recorded as reported in detail in Part E - Transfers.

6.2 Deferred tax liabilities

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

As at December 31st, 2021, "deferred tax liabilities" included:

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

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

6.3 Current tax liabilities

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

6.4 Other liabilities

Table 54 - Other liabilities

(€ thousands)	2021	2020	Changes Absolute value	Changes %
Deferred income revenue (DIR)	696	2,652	-1,956	-73.8
Transitory reinsurance accounts - payable	52	105	-53	-50.4
Liaison account	104,865	28,506	76,359	n.s.
Other liabilities	76,301	87,848	-11,547	-13.1
Accrued expenses and deferred income	13,419	12,621	798	6.3
of which for interest	*1,986*	*2,697*	*-711*	*-26.3*
Total	**195,333**	**131,732**	**63,601**	**48.3**

n.s. = not significant

The "deferred income revenue" item was mainly chargeable to unit-linked investment contracts, where the investment risk is borne by the policyholders.

The liaison account between the life and non-life businesses for sub-Group companies that provide both non-life and life insurance is recognised equally among the other assets.

Other liabilities mainly include balances for premiums collected on policies being issued amounting to € 19.457 million and commissions on premiums being collected amounting to € 41.54 million.

Deferred income includes Cattolica Assicurazioni's portion of the coupon relating to bonds acquired with reference to the restructuring transaction of the segregated life management, deferred to subsequent years on the basis of the residual maturity of these securities, greater than 5 years.

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PART C
INCOME STATEMENT

The income statement closed with a consolidated profit of € 107.989 million (€ 70.635 million as at December 31st, 2020).

INSURANCE BUSINESS

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

The table below shows the breakdown of the gross premiums written relating to direct and indirect business.

Table 55 - Breakdown of direct and indirect gross premiums written

(€ thousands)	Direct business	Indirect business			%
Classes	**Italy**	**Italy**	**Abroad**	**Total business**	**of total**
Accident and injury	200,460	0	245	200,705	3.9
Health	90,002	0	16	90,018	1.7
Land vehicle hulls	169,253	0	746	169,999	3.3
Goods in transit	6,465	0	338	6,803	0.1
Fire & natural forces	174,169	330	21,312	195,811	3.8
Other damage to assets	247,924	0	159	248,083	4.8
TPL - Land motor vehicles	835,828	0	0	835,828	16.2
TPL - General	220,274	138	32	220,444	4.3
Credit	262	0	0	262	n.s.
Suretyship	25,799	0	45	25,844	0.5
Sundry financial losses	43,572	0	0	43,572	0.9
Legal protection	25,000	0	0	25,000	0.5
Assistance	59,113	0	0	59,113	1.1
Other classes (1)	35,539	0	293	35,832	0.7
Total non-life business	**2,133,660**	**468**	**23,186**	**2,157,314**	**41.8**
Class I	1,462,167	0	0	1,462,167	28.3
Class III	1,520,320	0	0	1,520,320	29.5
Class IV	1,492	0	0	1,492	n.s.
Class V	11,863	0	0	11,863	0.2
Class VI	12,486	0	0	12,486	0.2
Total life business	**3,008,328**	**0**	**0**	**3,008,328**	**58.2**
Total insurance premiums	**5,141,988**	**468**	**23,186**	**5,165,642**	**100.0**
Class III	0	0	0	0	0
Class VI	191	0	0	191	n.s.
Total investment contracts	**191**	**0**	**0**	**191**	**n.s.**
TOTAL PREMIUMS WRITTEN	**5,142,179**	**468**	**23,186**	**5,165,833**	**100.0**

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

n.s. = not significant

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

Table 56 - Insurance business

(€ thousands)	2021 Gross amount	2021 Reinsurance amount	2021 Net balance	2020 Gross amount	2020 Reinsurance amount	2020 Net balance
Non-life business						
NET PREMIUMS	**2,163,571**	**-260,983**	**1,902,588**	**2,113,301**	**-245,594**	**1,867,707**
a Premiums written	2,157,314	-260,727	1,896,587	2,125,494	-234,968	1,890,526
b Change in premium provision	6,257	-256	6,001	-12,193	-10,626	-22,819
NET CHARGES RELATING TO CLAIMS	**-1,215,004**	**116,506**	**-1,098,498**	**-1,157,622**	**132,556**	**-1,025,066**
a Claims paid	-1,312,197	131,616	-1,180,581	-1,402,515	178,256	-1,224,259
b Change in provision for outstanding claims	77,715	-15,165	62,550	219,954	-45,656	174,298
c Change in recoveries	20,252	0	20,252	25,744	0	25,744
d Change in other technical provisions	-774	55	-719	-805	-44	-849
Life business						
NET PREMIUMS	**3,008,328**	**-19,551**	**2,988,777**	**2,552,110**	**-14,566**	**2,537,544**
NET CHARGES RELATING TO CLAIMS	**-3,205,503**	**6,745**	**-3,198,758**	**-2,598,738**	**5,338**	**-2,593,400**
a Claims paid	-2,034,828	13,172	-2,021,656	-2,731,741	11,877	-2,719,864
b Change in provision for outstanding claims	62,746	-389	62,357	-20,518	-1,018	-21,536
c Change in mathematical provisions	-13,977	-5,884	-19,861	197,790	-5,577	192,213
d Change in technical provisions for contracts where the investment risk is borne by the policyholders and deriving from the management of pension funds	-1,275,920	0	-1,275,920	-133,721	0	-133,721
e Change in other technical provisions	56,476	-154	56,322	89,452	56	89,508

Table 57 - Analysis of insurance operating expenses

(€ thousands)	Non-life business 2021	Non-life business 2020	Life business 2021	Life business 2020
Commissions and other acquisition costs, net of commissions and profit-sharing received from re-insurers	-424,257	-396,283	-131,167	-100,959
Acquisition commissions	*-386,133*	*-369,154*	*-99,641*	*-71,641*
Other acquisition costs	*-94,323*	*-74,036*	*-27,881*	*-24,221*
Change in deferred acquisition costs	*0*	*0*	*-1,340*	*-1,683*
Collection commissions	*-14,170*	*-13,917*	*-5,150*	*-5,110*
Commissions and profit-sharing received from re-insurers	*70,369*	*60,824*	*2,845*	*1,696*
Operating expenses relating to investments	-12,630	-10,079	-37,220	-35,193
Other administrative expenses	-145,378	-148,220	-59,435	-51,642
Total	**-582,265**	**-554,582**	**-227,822**	**-187,794**

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

FINANCIAL OPERATIONS

The table below discloses the income and charges deriving from financial operations as presented in the income statement for the year.

Table 58 - Financial operations

(€ thousands)	2021	2020	Changes Absolute value	%
Net income from financial instruments at fair value through profit or loss	**236,049**	**65,782**	**170,267**	**n.s.**
Income from investments in subsidiaries, associated companies and joint ventures	7,678	5,318	2,360	44.4
Charges from investments in subsidiaries, associated companies and joint ventures	-3,451	-18,371	14,920	81.2
Result deriving from equity investments in subsidiaries, associated companies and joint ventures	**4,227**	**-13,053**	**17,280**	**n.s.**
Income from other financial instruments and investment property	573,198	618,345	-45,147	-7.3
Charges from other financial instruments and investment property	-217,122	-255,962	38,840	15.2
Result deriving from other financial instruments and investment property	**356,076**	**362,383**	**-6,307**	**-1.7**

n.s. = not significant

The table below shows financial income and charges from investments in accordance with ISVAP Regulation No. 7 of July 13th, 2007.

Table 59 - Financial and investment income and charges (ISVAP Regulation No. 7 dated July 13th, 2007)

(€ thousands)	Interest	Other income	Other charges	Realised gains	Realised losses	Total realised income and charges	Valuation gains		Valuation losses		Total unrealised income and charges	Total income and charges 2021	Total income and charges 2020
							Valuation capital gains	Value write-back	Valuation capital losses	Write-down			
Result of investments	**285,584**	**111,678**	**-30,473**	**211,602**	**-65,851**	**512,540**	**210,838**	**1,431**	**-61,255**	**-31,786**	**119,228**	**631,768**	**429,196**
a Deriving from investment property	0	64,965	-1,742	0	0	63,223	0	394	-18,865	-11,028	-29,499	33,724	21,807
b Deriving from investments in subsidiaries, associated companies and joint ventures	0	7,678	-3,193	0	0	4,485	0	0	0	-258	-258	4,227	-13,053
c Deriving from held-to-maturity investments	5,492	0	0	53	0	5,545	0	0	0	0	0	5,545	8,772
d Deriving from loans and receivables	44,035	710	0	0	0	44,745	0	1,037	-559	0	478	45,223	44,134
e Deriving from available for sale financial assets	213,043	32,785	-96	134,476	-53,413	326,795	0	0	0	-20,500	-20,500	306,295	322,137
f Deriving from financial assets held for trading	933	203	-3,071	9,898	-1,515	6,448	1,529	0	-4,118	0	-2,589	3,859	-2,419
g Deriving from financial assets at fair value through profit or loss	22,081	5,337	-22,371	67,175	-10,923	61,299	209,309	0	-37,713	0	171,596	232,895	47,818
Result of sundry receivables	**1,423**	**0**	**0**	**0**	**0**	**1,423**	**0**	**0**	**0**	**0**	**0**	**1,423**	**891**
Result of cash and cash equivalents	**-451**	**0**	**0**	**0**	**0**	**-451**	**0**	**0**	**0**	**0**	**0**	**-451**	**-203**
Result of financial liabilities	**-35,430**	**0**	**0**	**0**	**0**	**-35,430**	**0**	**0**	**-705**	**0**	**-705**	**-36,135**	**-14,451**
a Deriving from financial liabilities held for trading	0	0	0	0	0	0	0	0	0	0	0	0	0
b Deriving from financial liabilities at fair value through profit or loss	0	0	0	0	0	0	0	0	-705	0	-705	-705	20,383
c Deriving from other financial liabilities	-35,430	0	0	0	0	-35,430	0	0	0	0	0	-35,430	-34,834
Result of payables	**-253**	**0**	**0**	**0**	**0**	**-253**	**0**	**0**	**0**	**0**	**0**	**-253**	**-321**
Total	**250,873**	**111,678**	**-30,473**	**211,602**	**-65,851**	**477,829**	**210,838**	**1,431**	**-61,960**	**-31,786**	**118,523**	**596,352**	**415,112**

Commissions income

Commissions income, amounting to € 25 thousand, mainly comprises the commission relating to investment contracts issued by the sub-Group's insurance companies (DIR); specifically, the item includes the explicit and implicit premium loading encumbering the investment contracts issued.

Commissions expense

The item, amounting to € 2.138 million, includes acquisition costs related to investment contracts (DAC) pertaining to the year.

OTHER REVENUES AND OTHER COSTS

Other revenues

The item amounted to € 190.468 million, of which € 82.517 million in other net technical income associated with insurance contracts and € 107.951 million for other revenues.
Other technical income is mainly represented by reversals of commissions relating to premiums from previous years cancelled for € 27.326 million, management fees for € 16.12 million and the release of the Covid-19 voucher fund for € 13.757 million.
Other revenues mainly comprise € 19.473 million relating to recoveries from provisions for risks and charges, € 14.174 million for withdrawals from the write-down allowance, € 10.179 million relating to the patent box facility, € 5.906 million relating to the sale of products in the agricultural sector and € 155 thousand for retrocession commissions. It should also be noted, pursuant to Italian Decree Law No. 34 dated April 30th, 2019, converted into Italian Law No. 58 dated June 28th, 2019, that Cattolica Services received € 340 thousand from the Fondo Banche Assicurazioni for the implementation of employee training courses.

Other costs

The item, amounting to € 472.129 million, includes other net technical charges connected with insurance contracts for € 154.761 million, of which € 8.494 million relating to provisions to cover the possible outlay linked to dormant policies currently being assessed, and other charges amounting to € 317.368 million. The latter consist mainly of amortisation of intangible assets amounting to € 80.879 million, adjustments to receivables amounting to € 13.19 million, provisions for risks and charges amounting to € 21.137 million, the write-down of goodwill recorded in the Consolidated Financial Statements amounting to € 148.093 million and charges incurred for the sale of agricultural products amounting to € 4.405 million.

TAXES

Table 60 - Income taxes for the year

			Changes	
(€ thousands)	2021	2020	Absolute value	%
Current taxes	**-48,950**	**-89,562**	**40,612**	**45.3**
Change in prepaid taxes	-23,082	-8,154	-14,928	n.s.
Change in deferred taxes	-21,707	-5,410	-16,297	n.s.
Balance of deferred taxes	**-44,789**	**-13,564**	**-31,225**	**n.s.**
TOTAL	**-93,739**	**-103,126**	**9,387**	**9.1**

n.s. = not significant

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

Table 61 - Reconciliation of the tax rate - analysis

(value as %)	2021	2020
Applicable rate	30.82%	30.82%
Impairment and write-downs	46.85%	39.57%
Non-deductible costs and charges	7.90%	4.91%
Tax effect and other taxation	5.60%	5.11%
Other	9.31%	10.99%
Tax rate on pre-tax profit	**100.48%**	**91.40%**

The overall tax rate was most affected by the non-deductibility of impairment losses on the goodwill of the business units belonging to the life business.

STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income for 2021 amounted to € 82.363 million, of which € 84.455 million pertaining to the sub-Group.

The figures for the year and the previous year shown in the table do not include the results of discontinued operations.

The analysis of other components in the statement of comprehensive income pursuant to ISVAP Regulation No. 7 dated July 13th, 2007, is presented below. The balances are stated net of income taxes, which is in any event indicated in the specific column.

Table 62 - Analysis of the statement of other comprehensive income - net amounts (ISVAP Regulation No. 7 dated July 13th, 2007)

	Charges		Adjustments from reclassification to income statement		Other changes		Total changes		Taxes		Balance	
(€ thousands)	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Other income components net of income taxes without reclassification in the income statement	**554**	**-336**	**0**	**0**	**0**	**0**	**554**	**-336**	**247**	**-150**	**-1,951**	**-2,566**
Income and charges relating to non-current assets or disposal group held for sale	61	9	0	0	0	0	61	9	27	4	61	9
Actuarial gains and losses and adjustments related to defined-benefit plans	493	-345	0	0	0	0	493	-345	220	-154	-2,012	-2,575
Other income components net of income taxes with reclassification in the income statement	**124,201**	**93,716**	**-150,381**	**-80,016**	**0**	**0**	**-26,180**	**13,700**	**-11,663**	**6,103**	**73,830**	**99,948**
Gains or losses on available for sale financial assets	121,437	91,113	-137,651	-80,016	0	0	-16,214	11,097	-7,223	4,944	74,943	99,729
Provisions deriving from changes in the shareholders' equity of investee companies	2,764	-1,555	0	0	0	0	2,764	-1,555	1,231	-693	-1,174	-3,939
Income and charges relating to non-current assets or disposal group held for sale	0	4,158	-12,730	0	0	0	-12,730	4,158	-5,671	1,852	61	4,158
TOTAL OF THE OTHER COMPONENTS OF THE STATEMENT OF COMPREHENSIVE INCOME	**124,755**	**93,380**	**-150,381**	**-80,016**	**0**	**0**	**-25,626**	**13,364**	**-11,416**	**5,953**	**71,879**	**97,382**

OTHER IVASS TABLES

Pursuant to ISVAP Regulation No. 7 dated July 13th, 2007, the income statement by sector of activities, the analysis of the technical insurance items and the analysis of the insurance operating expenses, gross of eliminations within sectors, are presented as follows.

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Table 63 - Income statement by sector of activities (ISVAP Regulation No. 7 dated July 13th, 2007)

	Non-life business		Life business		Other		Eliminations between sectors		Total	
(€ thousands)	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
1.1 Net premiums	1,904,029	1,869,227	2,990,041	2,538,680	0	0	-2,705	-2,656	4,891,365	4,405,251
1.1.1 Gross premiums written	2,286,265	2,214,508	3,010,534	2,553,490	0	0	-124,900	-102,587	5,171,899	4,665,411
1.1.2 Ceded premiums	-382,236	-345,281	-20,493	-14,810	0	0	122,195	99,931	-280,534	-260,160
1.2 Commissions income	0	0	25	1,814	0	0	0	0	25	1,814
1.3 Income and charges from financial instruments at fair value through profit or loss	127	-1,265	235,927	67,050	-5	-3	0	0	236,049	65,782
1.4 Income from investments in subsidiaries, associated companies and joint ventures	81,179	48,481	9,298	19,077	0	0	-82,799	-62,240	7,678	5,318
1.5 Income from other financial instruments and investment property	142,383	144,420	476,184	514,966	614	753	-45,983	-41,794	573,198	618,345
1.6 Other revenues	271,301	221,975	126,121	102,663	10,330	11,020	-217,284	-223,011	190,468	112,647
1 TOTAL REVENUES AND INCOME	**2,399,019**	**2,282,838**	**3,837,596**	**3,244,250**	**10,939**	**11,770**	**-348,771**	**-329,701**	**5,898,783**	**5,209,157**
2.1 Net charges relating to claims	-1,134,352	-1,062,628	-3,211,532	-2,602,864	0	0	48,628	47,026	-4,297,256	-3,618,466
2.1.1 Amounts paid and change in technical provisions	-1,339,005	-1,254,155	-3,219,605	-2,608,827	0	0	138,103	106,622	-4,420,507	-3,756,360
2.1.2 Reinsurance amount	204,653	191,527	8,073	5,963	0	0	-89,475	-59,596	123,251	137,894
2.2 Commissions expense	0	0	-2,138	-3,639	0	0	0	0	-2,138	-3,639
2.3 Charges from investments in subsidiaries, associated companies and joint ventures	-126,626	-111,999	-35,252	-39,796	0	0	158,427	133,424	-3,451	-18,371
2.4 Charges from other financial instruments and investment property	-57,125	-66,174	-162,110	-195,785	-7,631	-10,038	9,744	16,035	-217,122	-255,962
2.5 Operating expenses	-679,218	-654,609	-269,276	-221,772	-4,670	-4,306	139,767	135,250	-813,397	-745,437
2.6 Other costs	-202,948	-198,959	-124,339	-107,842	-10,507	-8,229	-134,335	-139,420	-472,129	-454,450
2 TOTAL COSTS AND CHARGES	**-2,200,269**	**-2,094,369**	**-3,804,647**	**-3,171,698**	**-22,808**	**-22,573**	**222,231**	**192,315**	**-5,805,493**	**-5,096,325**
PROFIT (LOSS) FOR THE YEAR BEFORE TAXATION	**198,750**	**188,469**	**32,949**	**72,552**	**-11,869**	**-10,803**	**-126,540**	**-137,386**	**93,290**	**112,832**

Table 64 - Analysis of technical insurance items (ISVAP Regulation No. 7 dated July 13th, 2007)

(€ thousands)	2021 Gross amount	2021 Reinsurance amount	2021 Net balance	2020 Gross amount	2020 Reinsurance amount	2020 Net balance
Non-life business						
NET PREMIUMS	**2,286,265**	**-382,236**	**1,904,029**	**2,214,508**	**-345,281**	**1,869,227**
a Premiums written	2,288,003	-389,976	1,898,027	2,234,887	-342,841	1,892,046
b Change in premium provision	-1,738	7,740	6,002	-20,379	-2,440	-22,819
NET CHARGES RELATING TO CLAIMS	**-1,339,005**	**204,653**	**-1,134,352**	**-1,254,155**	**191,527**	**-1,062,628**
a Claims paid	-1,394,690	178,934	-1,215,756	-1,490,286	228,512	-1,261,774
b Change in provision for outstanding claims	36,885	25,664	62,549	211,239	-36,941	174,298
c Change in recoveries	20,252	0	20,252	25,744	0	25,744
d Change in other technical provisions	-1,452	55	-1,397	-852	-44	-896
Life business						
NET PREMIUMS	**3,010,534**	**-20,493**	**2,990,041**	**2,553,490**	**-14,810**	**2,538,680**
NET CHARGES RELATING TO CLAIMS	**-3,219,605**	**8,073**	**-3,211,532**	**-2,608,827**	**5,963**	**-2,602,864**
a Claims paid	-2,037,958	13,172	-2,024,786	-2,734,910	11,877	-2,723,033
b Change in provision for outstanding claims	62,746	-368	62,378	-20,547	-989	-21,536
c Change in mathematical provisions	-15,258	-4,577	-19,835	197,194	-4,981	192,213
d Change in technical provisions for contracts where the investment risk is borne by the policyholders and deriving from the management of pension funds	-1,275,920	0	-1,275,920	-133,721	0	-133,721
e Change in other technical provisions	46,785	-154	46,631	83,157	56	83,213

Table 65 - Analysis of insurance operating expenses (ISVAP Regulation No. 7 dated July 13th, 2007)

(€ thousands)	Non-life business 2021	Non-life business 2020	Life business 2021	Life business 2020
Gross commissions and other acquisition costs	-550,683	-503,180	-137,426	-105,441
a Acquisition commissions	*-423,901*	*-401,373*	*-99,643*	*-71,641*
b Other acquisition costs	*-112,606*	*-87,885*	*-31,293*	*-27,007*
c Change in deferred acquisition costs	*0*	*0*	*-1,340*	*-1,683*
d Collection commissions	*-14,176*	*-13,922*	*-5,150*	*-5,110*
Commissions and profit-sharing received from re-insurers	97,493	82,545	2,845	1,696
Operating expenses relating to investments	-17,468	-13,444	-48,317	-46,023
Other administrative expenses	-208,560	-220,530	-86,378	-72,004
Total	**-679,218**	**-654,609**	**-269,276**	**-221,772**

NOTES TO THE ACCOUNTS

Part D – Other information

PART D
OTHER INFORMATION

Sub-Group headcount

Sub-Group headcount calculated as per FTE, amounted to 1,740, compared with 1,746 as at December 31st, 2020.

Directors, Statutory Auditors' and strategic executives' fees.

CONSOB resolution No. 18049, published in 2011, implemented the provisions concerning remuneration contained in Article 123-ter of the Consolidated Finance Law (TUF) and envisages the drawing up and subsequent resolution by the Shareholders' Meeting of the remuneration report 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 Cattolica and its subsidiaries and associated companies.

Publication of the fees for the accounts audit and other services other than the audit

With reference to the fees for auditing and non-auditing services, for the sub-Group, reference should be made to the table in the Notes to the Accounts - Part C - Other information in the Cattolica 2021 Financial Statements.

Atypical and unusual transactions and non-recurrent significant events and operations

With reference to non-recurrent significant events and transactions and positions or transactions deriving from atypical and/or unusual operations, reference should be made to the "Other information" section in the Management Report.

Earnings for shares in circulation

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

Information on risks

With regard to the disclosure required by IFRS 13 concerning outstanding risks, reference should be made to the "Risk management" section in the Management Report.

Transactions with related parties

As already disclosed in the Interim Management Report, pursuant to CONSOB Regulation No. 17221 dated March 12th, 2010, and subsequent amendments and additions, as from January 1st, 2011, the "Procedure for the management of transactions with related parties" approved by the Board of Directors and updated by resolution of December 19th, 2019, until June 30th, 2021, has been applied to the situations envisaged by the regulations. On April 30th, 2021, Cattolica Assicurazioni's Board of Directors, after receiving a favourable opinion issued by the Related Parties Committee, resolved to adapt, effective as of July 1st, 2021, the "Procedure for the management of transactions with related parties" to the amendments to CONSOB Regulation No. 17221/2010, most recently made by resolution No. 21624 of December 10th, 2020.
The document relating to this procedure - which should be referred to for details - is published on the website of Cattolica Assicurazioni at www.cattolica.it, in the "Governance" section.

With regard to transactions with related parties, it should be noted that, for reporting purposes, a procedure has been set up for detecting the outstanding transactions, via the prior acquisition of the information needed to identify related parties in relation to the international accounting standard (IAS 24) and subsequent extrapolation of the transactions relating to the same.

The table shows the equity transactions and relationships resulting from the aforementioned related/party transactions as at December 31st, 2021. The values indicated include the economic amounts of Lombarda Vita before the sale.

The amounts presented in the "Joint ventures, associated companies and their subsidiaries" column represents investments in companies, over which the sub-Group exercises significant influence: these include the real estate investment fund "Mercury", the real estate fund "HCampus", H-Farm and Aladdin; they also include the associated companies IMA Italia Assistance and IMA Servizi, both of which are being sold.

Following the successful outcome of the PTO launched by Assicurazioni Generali on all the ordinary shares of Società Cattolica di Assicurazione S.p.A., and completion in November 2021, the Company and its subsidiaries became legal subsidiaries of Assicurazioni Generali, which carried out management and coordination. For further information, reference should be made to the "Generali PTO" section in the Management Report. It should be noted that the Generali Group already constituted a related party at the time of the 2020 Consolidated Financial Statements, in accordance with the industrial and commercial agreements entered into on June 24th, 2020, and then updated in September 23rd, 2020, with an amending framework agreement.

The sub-Group holds securities issued by the Assicurazioni Generali Group and, moreover, by virtue of the industrial and commercial agreements mentioned above, the partnership with the Generali Group should be noted, with reference to four strategic business areas: asset management, internet of things, health business and reinsurance. The reinsurance relationship between Generali Italia and Cattolica and its subsidiaries envisages Generali's participation in the programmes of all non-life companies with an average share of 30%. The related economic and equity effects are provided in a specific column in the table below.

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

Table 66 - Transactions with related parties

Equity transactions (€ thousands)	**Joint Ventures, associated companies and their subsidiaries**	**Assicurazioni Generali and its subsidiaries**	**Other related parties**	**Total Dec 31st, 2021**
Assets				
Equity investments and shares	179,448	2,371	0	181,819
Loans granted	45	0	0	45
Subordinated bonds	0	89,692	0	89,692
Unsubordinated bonds	195	0	0	195
Provisions	0	62,935	0	62,935
Derivatives	0	0	0	0
Other receivables	1,422	947	0	2,369
Current account transactions	0	1,088	0	1,088
Total	**181,110**	**157,033**	**0**	**338,143**
Liabilities				
Loans received	0	5,867	0	5,867
Other payables	1,555	28,695	838	31,088
Total	**1,555**	**34,562**	**838**	**36,955**

Economic transactions (€ thousands)	**Joint Ventures, associated companies and their subsidiaries**	**Assicurazioni Generali and its subsidiaries**	**Other related parties**	**Total Dec 31st, 2021**
Revenues and income				
Premiums	-14,666	-13,772	0	-28,438
of which reinsurance items	*-14,666*	*-13,772*	*0*	*-28,438*
Financial income	16	5,935	0	5,951
Capital gains for financial disposals	0	88	0	88
Other revenues	2,428	1,892	0	4,320
Total	**-12,222**	**-5,857**	**0**	**-18,079**
Costs and charges				
Claims	-8,737	-6,982	28	-15,691
of which reinsurance items	*-9,052*	*-6,982*	*0*	*-16,034*
Financial charges	0	668	0	668
Capital losses for financial disposals	0	0	0	0
Commissions	0	-848	0	-848
Other costs	955	681	8,654	10,290
Total	**-7,782**	**-6,481**	**8,682**	**-5,581**

ADDITIONAL INFORMATION

Information about the deferred adoption of IFRS 9 "Financial Instruments"

The Cattolica sub-Group, considering to meet the requirements of paragraph 20 D of IFRS 4 in terms of predominance of the insurance business, opted for the temporary exemption from IFRS 9.

In particular, in accordance with the aforementioned paragraph, an insurance company or an insurance group performs an activity prevalently connected with insurance business, if and only if:

a) the book value of the liabilities deriving from agreements covered by IFRS 4 (including deposit components or embedded derivatives separated from insurance agreements), is significant with respect to the total book value of all its liabilities and
b) the percentage of the total book value of its liabilities connected with the insurance business, with respect to the total book value of all its liabilities is:

   i. greater than 90% or
   ii. equal to or lower than 90%, but greater than 80%, and the insurer does not exercise a significant activity lacking any connection with the insurance business.

This assessment is required to be carried out on the basis of the book values on the ending date of the year immediately preceding April 1st, 2016, or on a subsequent ending date if, after that date, a significant change has occurred in the activity of the Company.

The standard requires the performance of this test at the level of each individual entity in the insurance Group because although some of them can benefit from the temporary exemption at consolidated level, they must apply IFRS 9 in their own individual financial statements if they prepare or are required to prepare IAS/IFRS financial statements.

The Cattolica sub-Group does not present the aforementioned case in its own consolidation area.

With reference to the requirement under letter a) above, the book value of liabilities arising from contracts falling within the scope of IFRS 4, amounting to € 18,899.621 million, is considered significant compared to the total book value of all liabilities, determined as the difference between total liabilities and shareholders' equity, as at December 31st, 2015 (€ 21,884.797 million).

Specifically, insurance liabilities account for about 86% of total liabilities.

With reference to point b), it should be noted that the percentage of the total book value of insurance-related liabilities out of the total book value of all liabilities as at December 31st, 2015, is 93.8%, which is above the 90% limit introduced by IFRS 4.

For the purposes of calculating the ratio, in addition to the technical reserves, liabilities arising from non-derivative investment contracts measured at fair value with a balancing entry in the income statement of € 1,622.526 million were taken into account.

Even with the entry into the Cattolica sub-Group of Vera Vita, Vera Protezione, Vera Assicurazioni and Vera Financial, the requirements, envisaged by IFRS 4, to benefit from the temporary exemption are still met.

In light of the above, in compliance with the provisions set out in paragraph 39 E of IFRS 4, the following table indicates the fair value as at December 31st, 2021, and the amount of the fair value change for 2021, separately for the following two groups of assets:

a) Group 1: financial assets with contractual terms that prescribe, at determined dates, cash flows represented solely by payments of the principal and interest on the amount of the principal to be repaid;
b) Group 2: financial assets with contractual terms that do not prescribe, at determined dates, cash flows represented solely by payments of principal and interest on the amount of the principal to be repaid.

Table 67 – Change in the fair value of the financial instruments in the scope of application of IFRS 9

(€ thousands)	Group 1		Group 2	
Categories of financial instruments	**Fair Value**	**Fair value change**	**Fair Value**	**Fair value change**
Held to maturity investments	114,879	14,483	0	0
Loans and receivables - Debt securities	769,364	98,080	332,853	49,772
Available for sale financial assets	15,520,298	-511,880	1,697,358	37,227
Debt securities	*15,520,299*	*-511,880*	*91,554*	*3,362*
Equities	*0*	*0*	*44,451*	*-1,249*
Units of mutual investment funds	*0*	*0*	*1,561,352*	*35,114*
Total	**16,404,541**	**-399,317**	**2,030,211**	**86,999**

As at December 31st, 2021, the financial statements include financial assets at fair value through profit or loss amounting to € 5,305.572 million with fair value change of € 169.007 million.

The following table shows the exposure to the credit risk pertaining to the financial assets with contractual terms that prescribe, at determined dates, cash flows represented solely by payments of the principal and interest on the amount of the principal to be repaid (Group 1):

Table 68 – Book value and fair value by rating class of the debt securities that include Group 1 cash flows

(€ thousands)

Rating	Book Value	Fair Value
AAA	1,135,720	1,135,720
AA	1,644,201	1,644,201
A	1,176,483	1,174,845
BBB	11,042,829	11,056,165
BB	601,103	602,250
B	35,300	35,300
CCC	2,816	2,816
N.R.	653,526	753,244
Total	**16,291,978**	**16,404,541**

The following table shows, in relation to the financial assets per the previous table, which do not have a low credit risk at the date of the financial statements, the fair value and the accounting value in application of IAS 39 at the end date of the financial statements.

Table 69 – Group 1 financial instruments that do not have a low credit risk and have no rating

(€ thousands)

Financial instruments	Book value	Fair Value
Loans and receivables	608,218	707,936
Held to maturity investments	3,338	4,485
Available for sale financial assets	681,189	681,189

As at December 31st, 2021, the risk profile of the instruments listed in Group 1 is broken down as follows: financial instruments with a BBB rating account for 67.79% of the group total, those with a rating equal to or lower than BB, or without rating, account for approximately 7.93%, those with a rating equal to or higher than A account for 24.28%.

NOTES TO THE ACCOUNTS

Part E – Transfers

PART E
TRANSFERS

ADDITIONAL INFORMATION ON TRANSFERS

This section of the Notes to the accounts includes the information required by *IFRS* 5 relating to discontinued operations.

Business transfers

On December 23rd, 2020, Cattolica Assicurazioni signed a binding agreement with UBI Banca concerning the early termination, with respect to the original expiry date envisaged of June 30th, 2021, of the life bancassurance agreements existing between the parties, via the exercise by the bank of the purchase transaction of the 60% equity investment held by Cattolica in Lombarda Vita.
On April 12th, 2021, the closing of the transaction was carried out through the sale of the equity investment to Intesa Sanpaolo S.p.A., which succeeded UBI Banca, originally Cattolica Assicurazioni's banking partner in Lombarda Vita.
As envisaged in the agreements, the purchaser paid Cattolica € 219.8 million. The residual balance of € 80 million will be paid on repayment of the subordinated loan of the same amount disbursed by UBI Banca to Cattolica Assicurazioni in 2010.
Based on the sale price and the relative book value of the subsidiary in the consolidated financial statements, the capital gain from the sale amounted to € 104 million, net of the tax effect.
The amount includes the economic result achieved by Lombarda Vita up to the date of sale, equal to approximately € 1.5 million, also net of the tax effect.

The "4 Profit (loss) from discontinued operations" item in the Consolidated Income Statement for the year ended December 31st, 2021 also includes the derecognition of Lombarda Vita's intercompany costs to sub-Group companies up to the date of transfer, amounting to € 3.014 million.
The final total value of the item relating to the profit (loss) from discontinued operations therefore amounts to € 108.438 million.

The contribution to the consolidated income statement of Lombarda Vita, net of derecognition of the related intercompany items and consolidation entries, and the table showing the breakdown of gross premiums written by class are provided below, bearing in mind that the figures shown refer to the period in which the company was consolidated.

Table 70 - Income statement of Lombarda Vita

INCOME STATEMENT

	(€ millions)	Apr 12th, 2021	Dec 31st, 2020
1.1	Net premiums	171,172	1,118,347
1.1.	*Gross premiums written*	172,210	1,123,305
1.1.	*Ceded premiums*	-1,038	-4,958
1.2	Commissions income	0	1
1.3	Income and charges from financial instruments at fair value through profit or loss	32,474	59,905
1.4	Income from investments in subsidiaries, associated companies and joint ventures	0	0
1.5	Income from other financial instruments and investment property	48,719	226,076
1.5.	*Interest income*	35,015	152,012
1.5.	*Other income*	1,166	4,725
1.5.	*Realised gains*	12,140	69,339
1.5.	*Valuation gains*	398	0
1.6	Other revenues	6,940	23,031
1	**TOTAL REVENUES AND INCOME**	**259,305**	**1,427,360**
2.1	Net charges relating to claims	-230,962	-1,249,550
2.1.	*Amounts paid and change in technical provisions*	-231,570	-1,253,533
2.1.	*Reinsurance amount*	608	3,983
2.2	Commissions expense	-209	-815
2.3	Charges from investments in subsidiaries, associated companies and joint ventures	0	0
2.4	Charges from other financial instruments and investment property	-2,390	-26,220
2.4.	*Interest expense*	-1,654	-5,809
2.4.	*Other charges*	0	-744
2.4.	*Realised losses*	-20	-11,004
2.4.	*Valuation losses*	-716	-8,663
2.5	Operating expenses	-4,088	-22,445
2.5.	*Commission and other acquisition costs*	-2,835	-15,821
2.5.	*Operating expenses relating to investments*	-1,250	-5,010
2.5.	*Other administrative expenses*	-3	-1,614
2.6	Other costs	-15,690	-44,702
2	**TOTAL COSTS AND CHARGES**	**-253,339**	**-1,343,732**
	PROFIT (LOSS) FOR THE YEAR BEFORE TAXATION	**5,966**	**83,628**
3	Taxes	-304	-22,699
	PROFIT (LOSS) FOR THE YEAR NET OF TAXATION	**5,662**	**60,929**

Lombarda Vita's net premiums account for 3.38% of the total item and net charges relating to claims account for 5.1%. With regard to financial management, Lombarda Vita accounts for 12.09% of net income deriving from financial instruments at fair value through profit or loss and 11.51% of net income from other financial instruments and investment property.

The table below provides details of the premiums relating to Lombarda Vita.

Table 71 - Lombarda Vita premiums

Classes (€ millions)	**Apr 12th, 2021**	**Dec 31st, 2020**
Class I	130,958	797,605
Class II	0	0
Class III	39,783	273,017
Class IV	24	134
Class V	1,445	52,549
Class VI	0	0
Total life business	**172,210**	**1,123,305**
Total direct business	**172,210**	**1,123,305**
Indirect business	**0**	**0**
Total insurance premiums	**172,210**	**1,123,305**
Class I	0	0
Class II	0	0
Class III	250	34,511
Class IV	0	0
Class V	0	0
Class VI	0	0
Total investment contracts	**250**	**34,511**
TOTAL PREMIUMS WRITTEN	**172,460**	**1,157,816**

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 signer.

Attestation of the consolidated 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 Pantarrotas, in his capacity as Manager in charge of preparing the financial reports of Cattolica Assicurazioni S.p.A., 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 consolidated financial statements as of financial year 2021.

2. The adequacy of the administrative and accounting procedures in place for preparing the consolidated financial statements as at December 31st, 2021, has been assessed through a process established by Cattolica Assicurazioni S.p.A. 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 consolidated financial statements as at December 31st, 2021:

   a) are prepared in compliance with applicable international accounting standards recognized by the European Community pursuant to EC Regulation No. 1606/2002 of the European Parliament and of the Council dated July 19th, 2002, as well as the provisions pursuant to Italian Legislative Decree No. 38 dated February 28th, 2005, the Italian Civil Code, 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 and of all the companies included in the scope of consolidation;

   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 and all the companies included in the scope of consolidation, together with the description of the main risks and uncertain situations to which they are exposed.

Verona, March 14th, 2022

Carlo Ferraresi	Atanasio Pantarrotas
Managing Director	Manager in charge of preparing the Company's financial reports
	(signed on the original)

Società Cattolica di Assicurazione S.p.A.
Lungadige Cangrande 16, 37126 Verona - Italia - Pec cattolica.assicurazioni@pec.gruppocattolica.it - Tel. +39 045 8 391 111 - Fax +39 045 8 391 112
Cap. Soc. Euro 685.043.940,00 i.v. - C. F. e iscr. Reg. Imp. di VR n. 00320160237 - R.E.A. della C.C.I.A.A. di Verona n. 9962 - P. IVA del Gruppo IVA Cattolica Assicurazioni n. 04596530230 - Albo Imprese presso IVASS n. 1.00012 - Rappresentante del Gruppo IVA Cattolica Assicurazioni - Società soggetta all'attività di direzione e coordinamento da parte della società Assicurazioni Generali S.p.A. - Trieste - Società del Gruppo Generali, iscritto all'Albo dei gruppi assicurativi al n. 26 - Impresa autorizzata all'esercizio delle assicurazioni a norma dell'art. 65 R.D.L. numero 966 del 29 aprile 1923.
www.cattolica.it

INDEPENDENT AUDITORS' REPORT

BDO

Tel: +39 02 58.20.10
www.bdo.it

Viale Abruzzi, 94
20131 Milano

Independent auditor's Report

pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010, article 10 of EU Regulation n. 537/2014 and article 102 of Legislative Decree n. 209, dated September 7, 2005

To the Shareholders of
Società Cattolica di Assicurazione S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Società Cattolica di Assicurazione S.p.A. (also "Cattolica Assicurazioni") and its subsidiaries (together "Cattolica Assicurazioni Sub-group"), which comprise the consolidated balance sheet as at December 31, 2021, the consolidated statement of comprehensive income, the consolidated income statement, the consolidated statement of changes in shareholders' equity, the consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Cattolica Assicurazioni and its subsidiaries at December 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as the regulation issued pursuant to article 90 of Legislative Decree no.209 dated September 7, 2005.

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 consolidated financial statements* section of our report. We are independent of Cattolica Assicurazioni in accordance with the ethical and independence requirements applicable in Italy to the audit of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Audit responses
Valuation of the recoverability of goodwill The consolidate financial statements information relating to goodwill is reported in the following parts and sections of the notes to the accounts: • *Part B - Accounting principles - Goodwill;* • *Part C - Information on the Consolidated Statement of financial information and Income statement, Section 1.1 of Statement of financial position - Assets - Investments.* Goodwill as at December 31, 2021 amounts to € 265 million. This item was considered significant for audit activities considering its amount and the subjectivity and complexity inherent in the valuation processes aimed at verifying the recoverability of its book values; the recoverability of the goodwill values recognized in the consolidated financial statements is related to the occurrence of the assumptions underlying business plans, the discount rates of the relevant cash flows for the impairment test, the future growth rates used and further parameters characterized by subjectivity.	Our main audit procedures carried out, also performed with the support of our specialist, consisted in: • understanding of the estimation process used to determine the recoverable value of goodwill, through the analysis of the procedure, methods and assumptions adopted for the development of valuation models; • analysis of the reasonableness of the main assumptions adopted for the estimation of the expected cash flows, considering also the existing agreements related to bancassurance joint ventures, also by obtaining information from the Management; • analysis of the reasonableness of the variables used in the valuation model, such as the cost of capital and the long-term growth rate, as well as the main figures used to determine the expected cash flows (Solvency Ratio, combined ratio for non-life entities, new business value for life entities); • examination of the mathematical accuracy of the calculations made to determine the recoverable value of the investments in subsidiaries and the related sensitivity analysis; • examination of the correct determination of the book value of investments in subsidiaries and of the related adjustments for impairment losses; • examination of the completeness and adequacy of the information provided in the notes to the accounts.

Valuation of unlisted debt securities and debt securities listed on non-active markets

The consolidate financial statements information relating to unlisted financial instruments and financial instruments listed on non-active markets is reported in the following parts and sections of the the notes to the accounts:

- *Part B - Accounting principles - Financial Assets;*
- *Part C - Information on the Consolidated Statement of financial information and Income statement, Section 4 of Statement of financial position - Assets - Investments.*

As at December 31, 2021, item "4.5 Available for sale financial assets" includes unlisted debt securities and debt securities listed on non-active markets for a total amount of € 409 million, of which € 386.5 million classified as level 2 financial instruments according to the fair value hierarchy and € 22.5 million as level 3 financial instruments.

This item was considered significant for audit activities considering its amount and the subjectivity inherent in the process of determining its value.

Our main audit procedures carried out consisted in:

- analysis of the Company procedures and processes for evaluating this type of financial instruments;
- understanding of the design and implementation of the internal control system and examination of the operational effectiveness of the relevant controls for the purpose of evaluating this type of financial instruments;
- carrying out test of details, with the support of our specialists, aimed at:
  - understanding of the valuation models and related input data used by Cattolica Assicurazioni Sub-group to determine the value of unlisted debt securities and debt securities listed on non-active markets and analysis of their reasonableness, also with respect to the standards or market best practices;
  - analysis, on a sample basis, of the sources used and the examination of the reliability of the main input data included in the evaluation model, by comparison with the main info-providers;
  - reperforming on a sample basis of the market value of these financial instruments;
- examination of the completeness and adequacy of the information provided in the notes to the accounts.

Key audit matter	Audit responses
Valuation of provision for outstanding claims The consolidated financial statements information relating to provision for outstanding claims is reported in the following parts and sections of the the notes to the accounts: • *Part B - Accounting principles - Technical provisions - provision for outstanding claims;* • *Part C - Information on the Consolidated Statement of financial information and Income statement, Section 3 of Statement of financial position - Liabilities - Technical Reserves.* The Caption "3. Technical Provisions" as at December 31, 2021 includes outstanding claims reserves for an amount of € 2,526.2 million, corresponding to approximately 9% of the total shareholders' equity and liabilities. Claims reserves is the item which by its nature is more subject to a risk of material misstatement, as it is characterized by a high degree of subjectivity and is the result of an estimation process based on numerous assumptions and variables and on the use of complex valuation methodologies. The main assumptions that involve a high degree of judgment concern the evolution of the costs of reported claims and the estimate of claims incurred but not yet reported. For these reasons, we considered the valuation of the provision for outstanding claims as a key audit matter.	Our main audit procedures carried out consisted in: • understanding of the process of estimating the claims reserve and the related IT environment, as well as the design and implementation of the internal control system and the performance of audit procedures aimed at verifying the operational effectiveness of the relevant controls for the purposes of assessing the claims reserve; • understanding of the control activity carried out by the actuarial function of the Company, through inquiries and analysis of the report prepared by the actuarial function manager; • carrying out matching and reconciliation procedures between the technical data present in the technical systems and the accounting data; • performing comparative analyses with reference to suitable significant ratios and trends observed in historical series by main line of business and by generation year; • understanding and analysis of the methodologies and main assumptions adopted by Management for the estimate of claims reserve, also through the use of the work of our expert in statistical-actuarial sciences, verifying their compliance with the best practices and recognized international principles; • carrying out, through the use of the expert in statistical-actuarial sciences, independent assessments of the claims reserves of the main lines of business using statistical-actuarial methodologies, aimed at identifying a range of values of the claims reserve deemed reasonable; • discussion with the expert in statistical-actuarial sciences in order to assess the adequacy of his work and, therefore, to understand the relevance and reasonableness of controls performed and the reached conclusions, also with regard to the application of methods and significant assumptions; • verification of the completeness and adequacy of the information provided in the notes of the accounts.

Valuation of Life technical provisions

The consolidated financial statements information relating to Life technical provision is reported in the following parts and sections of the the notes to the accounts:

- *Part B - Accounting principles - Technical provisions - Life provisions;*
- *Part C - Information on the Consolidated Statement of financial information and Income statement, Section 3 of Statement of financial position - Liabilities - Technical Reserves.*

The caption “3. Technical provisions” as at December 31, 2021 includes Life technical provisions for an amount equal to € 14,162.5 million, corresponding to approximately 50% of shareholders’ equity and liabilities.

This item was considered significant for audit activities considering the importance in numerical terms, the complexity of the calculation algorithms and the subjectivity inherent in some types of reserves, being the result of an estimation process based on numerous assumptions and variables (financial , demographic, expense, mortality, redemption) and on the use of complex valuation methodologies

Our main audit procedures carried out consisted in:

- understanding of the process of calculating the life technical provisions and the related IT environment, as well as the design and implementation of the internal control system and the performance of audit procedures aimed at verifying the operational effectiveness of the controls relevant to the determination of the life technical reserves;
- understanding of the control activity carried out by the actuarial function of the Company, through inquiries and analysis of the report prepared by the actuarial function manager;
- carrying out matching and reconciliation procedures between the technical data present in the technical systems and the accounting data;
- performing comparative analysis procedures relating to the different types of reserves;
- understanding and assessment, also through the use of our expert in statistical-actuarial sciences, of the compliance of the methodology used by Cattolica Assicurazioni Sub-group for the determination of the various reserve components in respect to what is required by sector regulations;
- carrying out, through the use of our expert in statistical-actuarial sciences, independent recalculations on a sample basis for various reserve components;
- discussion with the expert in statistical-actuarial sciences, in order to assess the adequacy of his work and, therefore, understand the relevance and reasonableness of controls performed and conclusions reached, also with regard to the application of methods and significant assumptions;
- verification of the completeness and adequacy of the information provided in the notes of the accounts.

Other Matters

Cattolica Assicurazioni Group's 2020 consolidated financial statements were audited by other auditors, who expressed an unqualified opinion thereon on April 21, 2021.

Responsibilities of the Directors and the Management Control Committee for the consolidated financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, as well as the regulation issued pursuant to article 90 of Legislative Decree no.209 dated September 7, 2005 and, within the terms prescribed by the law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Cattolica Assicurazioni Sub-group's ability to continue as a going concern, and, in preparing the consolidated 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 consolidated 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 are responsible for overseeing, within the terms established by laws, the Cattolica Assicurazioni Sub-group financial reporting process.

Auditor's Responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or errors and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgment and maintain professional scepticism throughout the audit. We also have:

- identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks and obtained 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 errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtained 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 Cattolica Assicurazioni and its subsidiaries internal control;
- evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- concluded on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Cattolica Assicurazioni Sub-group 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 consolidated 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 Sub-group to cease to continue as a going concern;

- evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Sub-group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Sub-group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We have communicated with those charged with governance, as properly identified in accordance with ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we have identified during our audit.

We have also provided those charged with governance with a statement that we have complied with relevant ethical and independence requirements applicable in Italy, and communicated 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 determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described those matters in our auditor's report.

Other information communicated pursuant to article 10 of EU Regulation 537/2014

We were initially engaged by the Shareholders meeting of Società Cattolica di Assicurazioni S.p.A. on December 23, 2021 to perform the audits of the Company's and the consolidated financial statements of the Sub-group of each fiscal year starting from December 31, 2021 to December 31, 2029.

We declare that we did not provide prohibited non-audit services, referred to article 5, paragraph 1, of EU Regulation 537/2014, and that we remained independent of the Company in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this audit report is consistent with the content of the additional report prepared in accordance with article 11 of the EU Regulation n.537/2014, submitted to The Management Control Committee, in its role of Audit Committee.

Reports on other legal and regulatory requirements

Opinion on the compliance to the requirements of Delegated Regulation (EU) 2019/815

The Directors of Società Cattolica di Assicurazioni S.p.A. are responsible for the application of the requirements of Delegated Regulation (EU) 2019/815 of European Commission regarding the regulatory technical standards pertaining the electronic reporting format specifications (ESEF - European Single Electronic Format) (hereinafter the "Delegated Regulation") to the consolidated financial statements, to be included in the Annual financial report.

We have performed the procedures required under audit standard (SA Italia) no. 700B in order to express an opinion on the compliance of the consolidated financial statements to the requirements of the Delegated Regulation.

In our opinion, the consolidated financial statements have been prepared in XHTML format and have been marked-up, in all material respects, in compliance to the requirements of Delegated Regulation.

Opinion pursuant to article 14, paragraph 2, (e), of Legislative Decree n. 39 dated 27 January 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998.

The Directors of Società Cattolica di Assicurazione S.p.A. are responsible for the preparation of the management report and of the report on corporate governance and the ownership structure of Società Cattolica di Assicurazione S.p.A. as at December 31, 2021, including their consistency with the consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard (SA Italia) n. 720B in order to express an opinion on the consistency of the management report and of specific information of the report on corporate governance and the ownership structure as provided by article 123-bis, paragraph. 4, of Legislative Decree n. 58/'98, with the consolidated financial statements of Cattolica Assicurazioni Sub-group as at December 31, 2021 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the management report and the above mentioned specific information of the report on corporate governance and the ownership structure are consistent with the consolidated financial statements of Cattolica Assicurazioni and its subsidiaries as at December 31, 2021 and are compliant with applicable laws and regulations.

With reference to the statement pursuant to article 14, paragraph. 2, (e), of Legislative Decree n. 39/'10, made on the basis of our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Statement in accordance with article 4 of Consob Regulation in application of Legislative Decree no. 254, of December 30, 2016

The Directors of Società Cattolica di Assicurazione S.p.A. are responsible for the preparation of the non-financial statement pursuant to Legislative Decree no.254, of December 30,2016.

We have checked that the Directors had approved the consolidated non-financial statement.

According to article 3, paragraph 10, of Legislative Decree n.254, of December 30, 2016, this statement is subject to a separate attestation issued by another auditor.

Milan, April 1, 2022

BDO Italia S.p.A.
Signed by

Andrea Mezzadra
Partner

Società Cattolica di Assicurazione S.p.A.
Registered office:
Lungadige Cangrande, 16
37126 Verona (Italy)
cattolica.assicurazioni@pec.gruppocattolica.it
Tel: +39 045 8 391 111
Fax: +39 045 8 391 112

Share capital fully paid-in € 685,043,940.00
Verona Companies' Register
Tax Code: 00320160237
REA (Economic and Administrative Register) no. 9962
VAT no. of the Cattolica Assicurazioni VAT Group: 04596530230
Companies' Register with IVASS no. 1.00012
Representative of the Cattolica Assicurazioni VAT Group

Company subject to the management and coordination of
Assicurazioni Generali S.p.A. - Trieste
Company of the Generali group, enrolled in the Register of
insurance groups at no. 26

Company authorised to conduct insurance business pursuant to
Article 65 of Royal Decree Law no. 966 of 29 April 1923

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