



UnipolSai Assicurazioni
Annual Report
 2020



PROUDLY ITALIAN.

2020 will be remembered for the COVID-19 pandemic that descended on Italy and on the entire world; a historic moment in which all of us - people, businesses, institutions, communities - were called upon to show unprecedented responsibility and commitment.

Being such a profoundly Italian Group, we felt an even stronger need - in the midst of this difficult health, economic and social scenario - to remain close to the country and our stakeholders with wide-ranging initiatives for our customers, for all our partners and for the entire community, starting with those working on the front line against the virus, at healthcare and institutional level, yet continuing to generate value also for our shareholders.

We will be using images to accompany this account, a picture story of situations we have all lived through. Situations that bring us together, such as our common bond with the red, white and green that has flown on our balconies in recent months, that has brightened our monuments and buildings and which, as a sign of solidarity, we saw light up the whole world in the moment when Italy was hurting the most.

A symbol that we wanted to also include in our trademark, making the soul-binding pride that drives us even more evident. A pride that is pure Italian.



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Company bodies

BOARD OF DIRECTORS	CHAIRMAN	Carlo Cimbri	
	VICE CHAIRMEN	Fabio Cerchiai	
		Pierluigi Stefanini	
	DIRECTORS	Fabrizio Chiodini	Nicla Picchi
		Mario Cifiello	Roberto Pittalis
		Lorenzo Cottignoli	Giuseppe Recchi
		Ernesto Dalle Rive	Elisabetta Righini
		Cristina De Benetti	Antonio Rizzi
		Massimo Masotti	Barbara Tadolini
		Maria Lillà Montagnani	Francesco Vella
SECRETARY OF THE BOARD OF DIRECTORS		Alessandro Nardi	
GENERAL MANAGER	Matteo Laterza		
BOARD OF STATUTORY AUDITORS	CHAIRMAN	Paolo Fumagalli	
	STATUTORY AUDITORS	Giuseppe Angiolini	
		Silvia Bocci	
	ALTERNATE AUDITORS	Domenico Livio Trombone	
		Luciana Ravicini	
Sara Fornasiero			
MANAGER IN CHARGE OF FINANCIAL REPORTING	Maurizio Castellina		
INDEPENDENT AUDITORS	PricewaterhouseCoopers S.p.A.		

Introduction

Macroeconomic background and market performance

Macroeconomic background

The COVID-19 pandemic brought about a decline of 3.7% in global GDP in 2020 (+2.5% in 2019). The recession was more accentuated in the first half of the year, when the spread of infection imposed restrictive health measures and closures of production and commercial activities. After GDP bounced back in the third quarter (+7.3% compared to the previous quarter), in the fourth quarter of 2020 the pandemic scenario worsened once again and the uncertainty as to how the pandemic would evolve helped keep the global GDP at the end of 2020 lower than that of 2019.

In the United States, GDP decreased by 3.5% in 2020 (+2.2% in 2019). In particular, the collapse of private consumption made a negative contribution, whilst the economy was upheld primarily by public spending. Against slowing economic activity, there was a strong increase in unemployment, which rose from 3.7% in 2019 to 8.1% in 2020. In this context, the economic policy authorities implemented fiscal stimuli (particularly to households) and monetary stimuli (the Fed cut the rate on Fed Funds to 0.0%-0.125% and launched a new bond purchase programme), stopping inflation from falling below 1.3% (from 1.8% in 2019).

China closed 2020 with GDP growth of 2.3% (6.0% in 2019). The country, the first struck by the spread of COVID-19, recorded a 6.8% decline in the first quarter of 2020 compared to the first quarter of 2019. However, highly restrictive health measures allowed the country to more rapidly overcome the acute phase of the epidemic. This allowed a fast recovery of the previous year's production levels already from the second quarter of 2020. Investments and exports in particular drove the recovery, with the manufacturing sector (which in 2019 was impacted by trade tensions with the United States) back at 2019 levels by the end of 2020. In this context, the average inflation rate in 2020 was 2.5%. Aided by China's contribution, the GDP in the emerging countries bloc was able to limit the loss to -1.7% (after the 3.9% growth of 2019).

Japan closed 2020 with a 4.8% decline in GDP (+0.3% in 2019). After a highly negative first part of the year, the final quarter recorded higher than expected growth, driven by rising exports and investments, in addition to the recovery in consumption. Despite the ultra-accommodative monetary policy of recent decades and the further decrease in the policy rate implemented by the Bank of Japan (-0.03% at the end of 2020), a deflation of consumer prices was recorded in 2020 (-0.02%). In this context, unemployment remained very low in 2020 (2.8%), only marginally increasing from 2019 (2.4%).

In the Euro Area, GDP fell by 6.8% in 2020 (after a 1.3% growth in 2019). The recession was stronger in the first part of the year, when the region was hit by the epidemic. After rising in the third quarter, new closures in the fourth quarter (combatting the new waves of the pandemic) slowed the economy even further. In this phase, Euro Area countries introduced unprecedented expansionary fiscal measures, both at national and EU level, with the aim of keeping value chains and the demand for goods intact. These measures blocked an increase in the unemployment rate, which in 2020 was 8.0% on average (7.6% in 2019). In the context illustrated, the ECB strengthened the expansionary tone of its monetary policy, in particular enhancing the monetary easing.

Italian GDP fell by 8.9% in 2020 (after the moderate growth of 0.3% in 2019). The recession was more intense in the first part of the year, with second-quarter GDP declining by -13.0% on the first quarter. The closures especially affected private consumption, as well as making the already weak investments scenario deteriorate further. The block on dismissals and loans to the Wages Guarantee Fund, however, helped to keep the unemployment rate steady, standing at 9.2% at the end of 2020. In this context, the inflation rate was negative in 2020, at -0.1% on average.

Financial markets

The new expansionary measures announced by the ECB in 2020 to overcome the COVID-19 pandemic, including the activation of the new PEPP bond purchase programme for a total of €1,850bn lasting until March 2022, again drove all European interest rate curves downwards. The 3-month Euribor rate closed 2020 at -0.54%, down by 16 basis points compared to the figures at the end of 2019, while the 10-year Swap rate declined in the same period by 48 basis points, closing 2020 at -0.26%.

The expansionary monetary policies also brought down government interest rates in the main Euro Area countries. In Germany, the 10-year Bund closed 2020 at -0.55%, down 39 basis points on the values at the end of 2019, whilst in Italy the 10-year BTP closed 2020 at 0.54%, down 87 basis points. The 10-year spread between Italian and German rates was 109 basis points at the end of 2020, down by 48 basis points compared to the end of 2019.

The year 2020 closed negatively for the European stock markets which, however, after overcoming the most acute phase of the pandemic crisis, limited the extent of losses. The Eurostoxx 50 index, referring to the Euro Area prices, showed a 5.62% decline in 2020 compared to the values at the end of 2019, whilst the FTSE Mib, referring to Italian listed companies, declined by 5.98% in the same period.

In 2020, the Fed also made its monetary policy even more expansionary in response to the pandemic crisis, returning to zero policy rates and launching a new bond purchase programme of a potentially unlimited amount and duration. These measures supported the US stock indexes, allowing the S&P 500 to close 2020 up 16.6% compared to the end of 2019. The year 2020 also closed up for emerging market indexes: the Morgan Stanley Emerging Markets index rose by 15.0% in 2020.

Insurance Sector

In 2020, due to the expected evolution of the last part of the year, taking into consideration the final Life business data relating to 2020, MV TPL data relating to the third quarter of 2020 and Non-MV Non-Life business data relating to the second quarter of 2020, Italian insurance premiums should reach €134.5bn, down 4.1% compared to 2019.

Total premiums of the Italian direct portfolio in the Non-Life business (direct business) are expected to decline in 2020 by 3.4% compared to 2019. In the MV sector, consisting of MV TPL, Marine Vessels TPL and Land Vehicle Hulls, premiums should be down compared to 2019 (-5.2%). In the same period, total premiums in the MV TPL + Marine Vessels TPL premiums should decline by 6.2%, while Land Vehicle Hulls should be down by 0.9%. According to ANIA data, in 2020 the average premium in the MV TPL business saw a decrease of 3.8% compared to 2019, to €335. The ISTAT index of the MV TPL prices, the value of which reflects the price lists and not those actually applied by companies, instead recorded a 0.8% decline in 2020.

Non-MV Non-Life premiums should decline by 1.8% in 2020 compared to 2019. The Healthcare segment should fall by 4.1%, due to the strong decline in Health (-4.9%) and the more limited decrease in Accident (-3.3%). The Property class should be down slightly (-1.4%) thanks to the good stability of Other Damage to Property (+1.2%) and the Fire class (+0.5%). Other Non-Life premiums should instead rise by 2.3% thanks to the increase in Transport (+6.6%), Legal Expenses (+4.7%) and Credit (+3.6%), while General TPL is expected to decline by 0.6%.

In the MV sector, the negative trend for the agency channel should continue in 2020, with premiums down by 5.0% compared to 2019 and an overall weight of 82.7% on total premiums, against a decrease in premiums in the Direct (-4.5%), Brokers (-6.5%) and banking (-8.4%) channels. For the Non-MV classes, premiums for the agency channel are expected to decline by 1.9%, whilst those from direct sales should increase (+4.9%) against a decline in premiums for the banking channel (-6.8%) and the Brokers channel (-1.1%).

Life segment premiums (direct business) decreased in 2020 by 4.4% compared to 2019, due especially to the significant decline in Class I premiums (-9.4%) and Class V premiums (-24.1%). Growth continued, however, for Class III (+6.2%), Class IV (+21.7%) and Class VI (+39.2%).

In 2020, the agency channel in the Life segment was down by 3.2%, with an overall weight of 14.6% on total premiums. The Consultants and Banks channels were also down, by 4.7% and 6.6%, respectively, compared to 2019, accounting for 72.8% of total premiums, whilst the Direct and Brokers channels rose by 6.5%.

Pension funds

In 2020, net income from asset management (mutual funds, individual asset management, collective and individual pension schemes) amounted to roughly €14.6bn, which was however impacted by the particularly negative figure recorded in December 2020 on the management of institutional portfolios relating to an extraordinary administrative simplification of the portfolio management service of an institutional customer of GIAM SpA (-€25.1bn).

Pension asset management, with net income of roughly +€1.5bn, contributed positively for 10.5% to total net income. After an initial negative quarter (-€0.5bn), net pension fund income was positive throughout 2020: it made positive contributions in the second (+0.6bn), third (+0.7bn) and fourth (+0.8bn) quarters. Asset management referring to pension funds (pension funds and individual pension plans) therefore amounted to €108bn at the end of 2020, equal to 4.5% of total assets under management, up 7.6% on 2019.

In 2020, existing positions with pension funds increased by 236k compared to the end of 2019. The annual increase of 2.6% was however more limited than in the previous two-year period (+4.4% in 2019 and +5.3% in 2018). In December 2020, there were therefore 9.353m existing positions, of which 72.1% held by employees. As certain individuals participate simultaneously in multiple pension schemes, this number of existing positions corresponds to around 8.480m enrolees (+2.6%).

In line with aggregate trends, in 2020 there was an expansion in open-end funds which recorded an increase of 4.9% in existing positions, corresponding to 10.7% growth in assets under management; for occupational funds (also inclusive of welfare funds), the increase came to 10.5%. There was also an increase in existing positions of 2.6% for "new PIPs", in which, against a decline in assets managed for other pension schemes that include them (-4.4%), the resources allocated to services were up by 10.4%. Lastly, pre-existing pension funds experienced a slight downturn in the number of existing positions (-0.4%), but an expansion of 9.8% in assets under management, thanks to a revaluation effect.

Thanks to the speedy equity market recovery in the second half of the year, in 2020 average 1-year returns of supplementary pension schemes were down compared to 2019, although they remained higher than the benchmark represented by the revaluation of post-employment benefits (1.2%). The best performance can be attributed to occupational pension funds, with a net yield of 3.1% (7.2% in 2019), followed by open pension funds with a net yield of 2.9% (8.3% in 2019), thanks to the contribution of balanced and equity. The net yield on "new" PIPs structured as segregated funds remained stable (1.4% against 1.7% in 2019), while the net yield of "new" PIPs structured as unit-linked plummeted from 12.2% in 2019 to -0.2% in 2020 (due to the negative contribution of equity, -1.3%).

Real Estate market

According to the Real Estate Market Observatory of the Tax Authorities, in 2020 sales in the residential sector dropped by 14.5% due to the block on real estate activities in April and May and the decline in demand for housing linked to the economic crisis. Milan, which was confirmed as one of the most active markets in Italy in 2019, was the market that saw the strongest loss in 2020 (-19.0%) among the major cities, followed by Naples (-18.1%), Turin (-16.7%) and Bologna (-16.6%).

The economic crisis also impacted housing prices, with home prices in the 13 major cities down 1.4% in 2020 compared to 2019. However, prices showed more rigidity than sales thanks to the substantial stability in the course of 2020 of the average time between the assignment of the engagement and the sale, and the average discount requested.

In the major cities, residential rents were also down compared to 2019 (-0.9%), but less than the decline in existing housing prices (-1.5%) and with an increasing cap rate (from 5.22% in 2019 to 5.25% in 2020). The decrease in rent impacted nearly all of the major cities, except for Milan and Bologna, which showed substantial price and rent stability.

In 2020, sales in the non-residential sector were down by 27.3% on 2019, with the loss spread among the various segments: manufacturing (-29.5%), stores (-26.8%) and offices (-26.5%). The worst performance, however, was seen in the hotels segment (-39.3%) which was heavily affected by the restrictions imposed to contain the pandemic.

As observed for housing, the pandemic also impacted non-residential real estate prices. The declining prices for stores and offices, which has now persisted over 26 half-years, continued again in 2020 and, due to the economic crisis, was greater than that recorded in 2019. Prices of offices declined by 2.3%, while those of stores were down by 2.4%. Rents also decreased, but at a slower pace than the sale prices (-1.8% for offices and for stores) with cap rates up both for stores (from 7.34% in 2019 to 7.38% in 2020) and for offices (from 5.12% in 2019 to 5.15% in 2020).

Main regulatory developments

In 2020, the reference regulatory framework for the sectors in which the Company carries on business saw several changes.

Relevant regulations for the insurance sector

As regards prudential insurance regulations, the **Solvency II** Directive was amended by Directive (EU) 2019/2177 of 18 December 2019 (transposed in Italy by **Decree Law no. 18 of 17 March 2020**), which introduces corrections to the function of the national component of the **Volatility Adjustment**. Specifically, the limit for triggering the national components of the volatility adjustment was lowered (from 100 to 85 basis points). As a result of this calibration, the Volatility Adjustment should trigger more frequently, allowing stronger stabilisation of insurance companies' own funds when faced with market turbulence.

On the same issue, the **EIOPA Opinion on the Solvency II review** was published on 17 December 2020, in response to the request for advice issued by the European Commission. The main amendments suggested by EIOPA refer to: (i) a review of the long-term guarantees and changes to the Volatility Adjustment, both in terms of currency and national components, with effects on the discount rates for insurance liabilities; (ii) removal of the zero lower bound from the interest rate risk module, which would call for calculation of the impact on solvency of scenarios affected by strongly negative interest rates; (iii) introduction of a macro-prudential framework with the aim of requiring additional capital buffers for the insurance sector in order to overcome systemic shocks and the introduction of crisis management tools, such as resolution mechanisms or insurance guarantee schemes.

On **30 March 2020**, IVASS issued a notification to Italian insurance companies and groups requesting that they adopt extreme prudence in the **distribution of dividends** and other equity instruments **as well as in the payment of the variable remuneration component to corporate officers**, taking into account the COVID-19 epidemiological emergency and in line with the analogous recommendations issued at European level. This recommendation was also reiterated towards the end of 2020 by IVASS which requested by means of a press release dated **29 December 2020**, in line with the renewed recommendations from the ESRB and EIOPA, that companies not belonging to groups and ultimate Italian parent companies of insurance groups carefully and responsibly evaluate the impacts of the actions mentioned above that they intend to undertake, with reference to the year 2019 as well as 2020, and first contact IVASS itself to verify their compatibility.

On the domestic front, IVASS and CONSOB adopted **measures transposing Directive (EU) 2016/97 on insurance distribution** (the Insurance Distribution Directive – IDD), expected to enter into force on 31 March 2021. Specifically, IVASS issued **Regulation no. 45 of 4 August 2020** containing provisions on governance and control requirements for insurance products, governing the insurance product approval process by the manufacturer and the mechanisms for distribution and information to customers. At the same time, **IVASS Measure no. 97 of 4 August 2020** applied an overall review of IVASS Regulation no. 40/2018 on insurance distribution by introducing, among other things, new conduct and transparency obligations for the distribution of insurance-based investment products (IBIPs). In addition, that Measure amended the previous Regulations issued by the Authority on: disclosure, advertising and manufacture of insurance products (no. 41/2018); transparency of MV and boat TPL premiums (no. 23/2008); complaints management (no. 24/2008) and corporate governance (no. 38/2018). Lastly, **CONSOB Resolution no. 21466 of 29 July 2020** amended the Intermediaries' Regulation as regards, among other things, the rules of conduct and reporting obligations with which intermediaries entered in section D of the Single Intermediaries' Register (including banks and financial intermediaries) and their partners must comply in the distribution of insurance investment products.

On 27 January 2021, IVASS also issued Measure no. 108 with amendments to Regulation no. 43 of 12 February 2019, which implement the further extension of the regulation to 2020. In detail, the option extended is that allowing businesses preparing financial statements according to Italian GAAP to apply an extraordinary exception to provisions of the Italian Civil Code regarding the measurement criteria for securities not held as long term among their assets. Entities closing 2020 with a capital loss on short-term securities held in the portfolio can use the value recognised in the 2019 financial statements or, for securities not held at 31 December 2019, can measure them at acquisition cost. However, this option does not refer to impairment losses.

Other regulations

As concerns **sustainable finance**, note the issue of **Regulation (EU) no. 2020/852 of 22 June 2020** (the "**Taxonomy Regulation**") which establishes an EU-level classification system (the first in the world) to provide the public with a common taxonomy of economic activities considered eco-sustainable. The regulatory framework is based on six precisely identified environmental goals and allows an economic activity to be classified as sustainable from an environmental point of view if it contributes to at least one of these goals, satisfies the technical criteria defined by the European Commission and does not significantly harm the others. The Taxonomy Regulation entered into force on 12 July 2020, whilst the Delegated Acts relating to the technical criteria for the climate change mitigation and adaptation goals (the first two of the 6 environmental goals) will apply from 1 January 2022. The Delegated Acts relating to the technical criteria for the remaining 4 goals should be adopted by 31 December 2021 and will apply from 1 January 2023.

Lastly, on 10 March 2021 **Regulation (EU) no. 2019/2088 of 27 November 2019** (the **Disclosure Regulation**) entered into force, imposing transparency obligations on financial market operators in relation to the methods for integrating ESG (Environmental, Social and Governance) factors into investment activities and internal processes. For the insurance sector, the integration of pre-contractual and periodic disclosures of insurance-based investment products (IBIPs) is envisaged in order to ensure transparency of the potential impact of environmental or social changes on product yields and of the sectors in which income relating to individual products sold is invested (separating products investing in green sectors from national products). In addition, financial market operators are required to publish on their websites the effects of decisions to make corporate investments in environmental or social matters, as well as the remuneration policies of the business in relation to the integration of sustainability risks.

Tax regulations

Numerous urgent legislative measures were issued in 2020, introducing provisions for safeguarding businesses against the effects of measures to contain the COVID-19 pandemic emergency. The regulations mainly aimed to limit the liquidity crisis generated in particular economic sectors, introduce subsidies for supporting and relaunching the economy and protecting jobs, and order the extension and suspension of procedural deadlines and audit and collection activities by the Tax Authorities, together with the deferral of payments and other tax obligations.

These refer in particular to the following Decrees, later converted to law:

- Decree Law no. 18 of 17 March 2020 ("*Cure Italy Decree*");
- Decree Law no. 23 of 8 April 2020 ("*Liquidity Decree*");
- Decree Law no. 34 of 19 May 2020 ("*Relaunch Decree*");
- Decree Law no. 104 of 14 August 2020 ("*August Decree*");
- Decree Law no. 137 of 28 October 2020 ("*Relief Decree*"), Decree Law no. 149 of 9 November 2020 ("*Relief Decree 2*"), Decree Law no. 154 of 23 November 2020 ("*Relief Decree 3*") and Decree Law no. 157 of 30 November 2020 ("*Relief Decree 4*"), the last three formally repealed by Law no. 176/2020 converting the Relief Decree which in any event reiterated the contents and retained the medium-term effects produced;
- Decree Law no. 172 of 18 December 2020 ("*Christmas Decree*").

The provisions of interest to the Company include:

- the Relaunch Decree, which introduced the "*110% Superbonus*" subsidy designed to stimulate energy and anti-seismic improvements to buildings by increasing the deductions on certain works to 110%, with the option of transforming the tax deductions into a discount on the price and/or tax credit transferable to other parties, including banks, insurance companies and other financial intermediaries. It is envisaged only for incentivised anti-seismic improvement works where the credit is transferred to an insurance company and a policy is simultaneously taken out to cover the risk of catastrophic events and the premium paid is 90% deductible.

- The provisions of the August Decree introduced the option for OIC adopters to revalue business assets held at 31 December 2019 in their 2020 financial statements, even separately for each asset without the restriction of standardised categories, envisaging a reduced substitute tax at the single rate of 3% if the transaction was significant for tax purposes. The option is also envisaged for OIC and IAS adopters of realigning, by paying a 3% substitute tax, the value differences existing where carrying amounts are higher than the tax values on "revaluable" assets. These are mainly misalignments referring to extraordinary transactions.

Law no.178 of 30 December 2020 (the "2021 Budget Law") contains the following provisions:

- extension until 30 June 2022 (in some cases up to 31 December 2022) of the "110% Superbonus" deduction introduced by the Relaunch Decree, extending the subsidised works, beneficiaries and provisions allowing credit transfer and a discount in the invoice;
- extension of the tax deductions on energy renovation works, recovery of building assets and those relating to the "facades bonus" also for 2021;
- expansion of the revaluation and realignment introduced by the Relaunch Decree, extending the option to align lower tax values of goodwill and other intangible assets by payment of a 3% substitute tax;
- introduction of a tax credit for losses deriving from specific long-term savings plans (PIR PMI) established from 1 January 2021 and usable by subscribers in 10 equal amounts per year.

In 2020, no significant changes occurred in the series of national accounting standards issued by the OIC (Italian Accounting Standards Setter).



1

MANAGEMENT REPORT

1 Management Report

Information on significant events

COVID-19 - Impacts and initiatives of the Group

2020 was characterised by the progressive spread of the COVID-19 pandemic, which initially arose in China at the end of 2019 and then spread globally, becoming a pandemic, in the early months of 2020, with significant repercussions on global economic and financial market trends. Subsequent action by the central banks, which announced monetary policies due to remain strongly expansive in the long term and Recovery Fund initiatives, including non-repayable subsidies, to encourage economic recovery, then allowed the various securities to recover. For information in this regard, please refer to the “Macroeconomic background and market performance” section of this Report.

A disclosure is provided below, also in compliance with the recommendations of Consob laid out in the informational notes no. 6/20 of 9 April 2020, no. 8/20 of 16 July 2020 and no. 1/21 of 16 February 2021, concerning “Covid-19 - Informational note on financial reporting” (hereinafter, also the “**Consob informational notes**”), concerning the effects on operations and the initiatives enacted by the Unipol Group to deal with the emergency.

The spread of the COVID-19 pandemic in Italy from the end of February 2020, and the lockdown period that followed with the aim of combating it, immediately triggered a considerable decline in premiums collected, despite these never having caused particular difficulties in terms of cash flow management, considering the liquidity of our investments and the level of liquidity normally held, for this situation also prudently increased. After the end of the first lockdown there was a rapid recovery in collections, whereas the effects of the second wave, with new selective lockdowns introduced from November 2020 at regional level, less pervasive than the previous lockdown in the spring, did not have significant effects on premiums collected and on the activities of our sales networks. The Group’s financial investments were therefore managed normally, obtaining significant gross portfolio profitability of 2.9%. During the year, also as a result of trends recorded on the financial markets in the initial spread of the pandemic and their repercussions on Group solvency levels and with a view to reducing Solvency ratio volatility, the asset allocation was significantly reviewed, decreasing the percentage of Italian government securities held in the portfolio from 50.1% to 42.2% and selling part of the investments subject to equity risk in favour of “core Europe” government securities, high-rating corporate bonds and real assets.

The limited decline recorded in the Group’s non-life income at year end (-3.5%) was linked primarily to the decline in the average MV TPL premium, thanks to discounts provided to customers enabled by the reduction in the claims frequency resulting from restrictions on circulation. Life premiums were also down (-26%), though in this segment a decline was expected compared to the previous year, due to commercial decisions as well as the comparison with 2019 in which there was strong growth, also resulting from one-off contracts of significant amounts. Instead, it is important to emphasise the decrease recorded in the surrender rate of our customers, demonstrating the importance and security perceived in investment in life policies.

In a context strongly influenced by the effects of the pandemic, the year-end valuations of technical provisions involved maintaining strong prudential margins as shock absorbers against any future repercussions, not yet known, on the global insurance guarantees provided by the Group. Despite this, in terms of Non-Life technical results, the year closed with a Combined Ratio, net of reinsurance, that had improved by more than 7 points compared to the previous year, due to the limitation of claims, particularly in the MV TPL segment, recorded in the two lockdown periods.

The improvement in the Combined Ratio can also be attributed to the decline in overhead costs, particularly for personnel, due to the trade union agreements which, against reduced company operations, permitted the use of back holidays and recourse to the Inter-Sector Fund. There were also lower costs due to the suspension of overtime, travel and employee training in the classroom. On the other hand, expenses increased (roughly €8m) due to increasingly intensive sanitisation and cleaning of the offices and the costs/investments linked to the IT equipment, allowing access to smart working for all the Group’s personnel (remotely or from home).

Against the technical improvements recorded, linked to not using vehicles or using them less during the first lockdown period, UnipolSai decided to give its customers a discount equal to one month (1/12) of the premium paid previously when they renewed their MV TPL policies. The discount can be activated using a voucher that can be downloaded from the UnipolSai app. In this regard, considering that the benefits deriving from the block on the circulation of vehicles during the lockdown were completely exhausted in 2020, the overall cost expected from the initiative was recognised in full at 31 December 2020, also by adding to the provision for unexpired risks. As an incentive to our customers, the initiative was extended in 2021 to customers who, for whatever reason, had not yet used the voucher to renew their MV TPL policy.

Overall, therefore, the performance achieved by the Group in the insurance business is considered rather satisfactory, demonstrating substantial resilience and response capacity to the difficulties of the year just ended.

With reference to other businesses of the Group, the most significant effects were seen for the company Gruppo UNA, active in the hotel sector, on which the COVID-19 pandemic had a very significant impact. Already at the end of February, the company closed the majority of its hotels (27 out of a total of 31) concentrated in major Italian cities and in some tourist areas, and made recourse to the Salary Integrity Fund for all office and hotel employees. Selective re-openings were arranged during the summer, but very quickly - when the second wave arrived - most of the facilities were closed again. The company consequently recorded a 73% drop in turnover and, despite the cost containment action promptly taken, recorded a loss of earnings of around €23m.

The other Group companies, active in other types of businesses and moreover with sizes that are not particularly relevant within the Group, did not record significant impacts in terms of the Income Statement for the period.

In drafting the Consolidated Financial Statements at 31 December 2020, appropriate analyses were conducted to carefully consider what is laid out in the Consob informational notes, particularly with regard to the measurement of assets pursuant to IAS 36 and the identification of any impacts, due to risks and uncertainties linked to COVID-19, on the going concern assumption, strategic planning and plan targets.

In particular, the financial statement measurements to determine the recoverable value of goodwill as part of the impairment testing procedure are based on long-term economic and financial projections developed to take into account the Budget approved by the Board of Directors for 2021, strategic actions defined also for subsequent years and the related market scenario impacted by the COVID-19 pandemic.

On the basis of the long-term economic and financial projections prepared on information currently available, taking into account the nature and characteristics of the Group's businesses, it is not considered that the effects of COVID-19 can significantly jeopardise the achievement of strategic objectives disclosed to the market and/or compromise going concern.

The Group continues its careful and constant monitoring of the liquidity and solvency positions, made even more stringent from March 2020 given the strong volatility and uncertainty as the pandemic spread, also further to specific requests from the Supervisory Authority, to make it possible to promptly take any required risk profile optimisation measures.

Main initiatives of the Group in response to the health emergency in 2020

At operating level, actions and initiatives were implemented, adapting them over time as the health emergency and related regulatory measures developed.

At the end of February 2020, an internal task force was formed, dedicated to managing the emergency through:

- initiatives for employees, subject to disclosure and dialogue with the company's insurance sector trade union representatives;
- initiatives for agents, with the creation of a permanent roundtable with the representation of agents, intended to provide support to their liquidity situation (e.g., early payment of contributions and fees, deferment of payment plans due from agents) and safety (e.g., provision of masks and sanitising gel).

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As far as **employees** are concerned, a series of initiatives were promptly activated to limit the risks of contagion, including: suspension of travel and limitation of all forms of assembly; intensification of office disinfection activities, expansion of flexibility in entry and exit times, parental leave, as well as daily monitoring of the situation by the task force.

As the health emergency worsened, in March 2020 all offices throughout the country were gradually closed. At the same time, activities were launched to progressively enable smart working by employees, until reaching 6,800 UnipolSai employees (roughly 97%) and 9,300 employees of the Group (roughly 90%).

Furthermore, resources and structures for which presence at the office was required to ensure business continuity were identified, and dedicated authorisations, managed by the task force, were issued for them to guarantee the minimisation of people present at the office and respect for safety protocols.

In relation to the temporary decrease in business volumes at the beginning of the emergency period, also in order to facilitate the contractual management of employment relationships pending the large-scale implementation of smart working for employees, leave paid by the company was first recognised along with the use of holidays, and minimum sizing possibilities were then formulated to guarantee the functioning of the operating mechanism, resulting in a reduction in working days through the use by workers of holidays and the paid contractual options available, or unpaid leave jointly with leave paid by the company.

Taking into account the continuing decline in business, following the signing of dedicated trade union agreements, in the main companies applying the national insurance agreement, from 4 May to 9 August 2020 18 days of suspension from work activities were provided for, first through the use of holidays accrued and unused at 31 March 2020 and subsequently recourse to the ordinary Inter-Sector Solidarity Fund, guaranteeing full protection for wages and the correlated contributions by supplementing the allowance disbursed by the Fund.

In some of the diversified companies, like Gruppo UNA, Midi and Tenute del Cerro, based on specific trade union agreements, recourse was made to the social safety nets established for the respective sectors (FIS and CISOA, respectively), due to the temporary interruption in production activities.

Also in light of the national launch in May of "Phase 2", all analyses were performed in preparation for the safe reopening of the offices. To this end, a specific technical panel was set up in May within the task force and a detailed analysis was conducted on the logistics and capacity of all the Group offices and necessary action taken to make them safe (e.g., adoption of thermoscanners, purchase of personal protection equipment and sanitiser gel dispensers, definition of specific procedures and rules of conduct). In addition, the actual effectiveness of smart working was verified, therefore allowing the start-up in July of a pilot return project, with alternating presence in the management offices and a limited number of local offices, involving roughly 1,500 workers. At the same time, the option was given under controlled circumstances for sales and technical personnel to travel in order to guarantee the necessary support to the Agencies. Following the success of the pilot project, the gradual return to the office of all Group employees began from the end of September, with a system of office attendance for 2 days out of 5 and continuing to facilitate smart working in line with the national context.

From the end of October, however, as the national pandemic figures began to rise once more, the Group again decided to limit access to the workplace and enable smart working for the entire week.

Initiatives to support the agency network acted on two fronts, with the goal of ensuring adequate liquidity to the agencies while also providing support so they could continue to operate safely.

The liquidity support actions included:

- early payment of commission incentives and contributions for the year 2019;
- suspension until the end of the year of the reimbursement repayment plans, with the possibility to defer the entire plan with no additional costs for agents;
- extraordinary support to agencies with liquidity issues by paying fees early commensurate with the estimated reduction in collections in the March-June 2020 period compared to the same period of the previous year.

The actions to support operations included:

- enabling all Agencies to make mobile remote sales by strengthening multichannelling functions;
- activation of the dedicated UniSalute Medical Centre service for all agents, sub-agents, producers and employees of the agency networks;
- establishment within the Sales Department of dedicated crisis units to handle any closures of agencies or points of sale on the basis of measures of the Health Authorities;
- support with the provision of health materials and personal protection equipment for the Agencies.

Aside from the initiatives in favour of employees and agents, the Group also enacted a series of **interventions to support customers and communities**, summarised below.

Initiatives in support of customers

- **Un Mese Per Te:** as mentioned previously, considering the improved incidence of claims due to the first lockdown, UnipolSai provided its customers with a voucher worth 1/12 of the MV TPL premium paid on policies effective when the initiative was launched, which can be used when the policy is renewed, originally valid until 31 May 2021, and later extended to 31 December 2021.
- **Extension of the expiration of terms for the payment of premiums from 15 to 30 days** from the date of expiry for all Non-Life policies (MV and Non-MV). Extension to 90 days for the payment of premiums on Life policies falling due during the lockdown period.
- **Free extension to cover customers** insured with health policies with daily indemnities also following at-home quarantines after testing positive for COVID-19.
- **Medical consulting on Covid-19 24/7** through the Unisalute medical operation centre for policyholders with a health policy.
- **#UniSalutePerTe:** UnipolSai decided to give its 10 million customers, even if holders of just one Home or Life policy, a UniSalute healthcare policy to cover the potential consequences of COVID-19. The initiative can be enabled via the UnipolSai app by 31 March 2021 and offers specific free healthcare coverage.

New products to protect customers

- **#Andràtuttobene:** #Andràtuttobene (Businesses) and #Andràtuttobene Premium (Retail), which include both specific coverage (e.g., daily benefits for hospitalisation, indemnity for intensive care hospitalisation) and dedicated services (including telephone assistance, video consultations and psychological support);
- **#Andràtuttobenefree:** free UnipolSai policy for customers dealing with hospitalisation caused by COVID-19. Free for customers who renew a Non-Life (MV or Non-MV) policy expiring in March, April or May 2020 and register or access the Private Area;
- **#Sicuriripartiamo CARD:** the new card designed for the world of work, which offers businesses a package of useful services to be shared safely and to guarantee the protection and safeguarding of the health of all workers. The card provides many benefits, including access to health services at special rates, and is dedicated to all types of businesses: from large enterprises to small companies, to retail establishments with a VAT number;
- **UnipolSai Salute&Prevenzione:** a product that increases the healthcare range with coverage focusing on preventive care and on illness or accident diagnostics.

Initiatives in support of the community

In March 2020, UnipolSai, set aside €20m to deal with the coronavirus emergency in the most impacted areas of Italy. In close agreement with the Regional Authorities, Civil Protection and all institutional stakeholders involved in managing the emergency, Unipol allocated those resources to increase the availability of beds in hospitals, particularly those in intensive and sub-intensive care, and for the acquisition of the health equipment required to deal with the spread of the pandemic. In agreement with the Lombardy Region, €6m was disbursed for:

- the extraordinary purchase of pulmonary ventilators and consumables such as masks, protective suits, disinfectants and the instruments needed by healthcare facilities to limit the opportunities for contagion;
- the creation of a new emergency medical facility in the Fiera Milano City pavilions.

At the same time, the Group offered its support to the community of Bergamo, one of those most impacted by the COVID-19 emergency, by supporting the activities of the humanitarian organisation Cesvi. The Company donated €1m to purchase a mobile CT scanner, a machine that was fundamental during the emergency phase, for the field hospital set up by the Italian Alpine soldiers in Bergamo. This new CT scanner will also allow patient monitoring and enhanced diagnosis of COVID-19 infection.

Furthermore, in agreement with the Emilia-Romagna region, €5.5m was donated for:

- the construction of a new pavilion at Sant'Orsola Hospital in Bologna, dedicated to treating patients suffering from coronavirus, with 90 beds of which 44 for intensive and sub-intensive care;
- the creation of new recovery areas at Bellaria Hospital in Bologna with 88 beds, of which 73 for intensive and sub-intensive care and the strengthening of the emergency medicine area.

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Support was also provided to the law enforcement authorities for the efforts made to deal with the emergency, with €1m distributed equally between the Carabinieri, the State Police, the Italian Tax Police and the Fire Brigades, and €1m to Civil Protection to acquire protection equipment.

Another €1m was donated to Civil Protection for a specific initiative to support the families of doctors and healthcare workers who died as a result of the COVID-19 pandemic.

A €1m contribution was made to support initiatives to handle the emergency in the Marche Region, €0.2m was provided to the City of Turin local health authority for the acquisition of protection equipment and materials for the Intensive Care Unit at Martini Hospital and €0.3m was donated for the purchase of 15 pulmonary ventilators for hospitals located in Lombardy and Emilia-Romagna.

Thanks to the donations made by Group employees, agents and their associates, it was also possible to donate two million meals that were distributed, in the form of groceries, by the Food Bank through 7,500 associations and charitable groups that offer aid to people in need throughout Italy.

Mergers and spin-offs within the Group

As part of the transactions aimed at rationalising and simplifying the corporate structures of the Group, a deed of merger by incorporation of Pronto Assistenza S.p.A. in UnipolSai was signed on 21 January 2020 (the "Merger").

The Merger, pursuant to Art. 2505 of the Italian Civil Code, did not result in any share swap or ensuing share capital increase of the incorporating company as the entire share capital of the incorporated company was already directly held by UnipolSai. The Merger took effect for legal purposes on 1 February 2020, and from 1 January 2020 for accounting and tax purposes.

Also on 21 January 2020, deeds were signed regarding (i) the global spin-off of Ambra Property S.r.l. in favour of UnipolSai, Gruppo UNA S.p.A. and Midi S.r.l., (ii) the global spin-off of Villa Ragionieri S.r.l. in favour of UnipolSai and Casa di Cura Villa Donatello S.p.A. and (iii) the partial spin-off of the latter in favour of UnipolSai. These spin-off operations, pursuant to Art. 2505 of the Italian Civil Code, as referred to in Art. 2506-ter, did not involve any share swap or ensuing increase in the share capital of the beneficiary companies given that the entire share capital of the spun off companies and the beneficiary companies other than UnipolSai was already held directly by UnipolSai. The global spin-offs became effective from 1 February 2020, effective from 1 January 2020 for accounting and tax purposes. The partial spin-off of Casa di Cura Villa Donatello took effect on 1 February 2020, effective from the same date for accounting and tax purposes.

The Merger and the spin-offs were recognised with continuity of carrying amounts, allocating any increased cost of the equity investment in the incorporated company and the spun-off companies to the assets which had implicit capital gains.

The table below shows the effects of the individual transactions attributable to UnipolSai:

Amounts in €k

	Effects after the merger of Pronto Assistance	Effects after the spin-off of Villa Ragionieri	Effects after the spin-off of Villa Donatello	Effects after the spin-off of Ambra Property
ASSETS				
Intangible assets	5			23
Investments	27,075	(379)		6,148
I - Land and buildings		7,634	9,128	43,564
II - Investments in group companies and other investees	(12,376)	(8,013)	(9,128)	(37,417)
Shares and holdings	(12,376)	(8,013)	(3,531)	(37,417)
Loans to Group Companies			(5,597)	
III - Other financial investments	39,451			
Receivables	2,306	417		882
I - Receivables relating to direct insurance business	773			
II - Receivables relating to reinsurance business	35			
III - Other receivables	1,497	417		882
Other assets	2,743			4,032
I - Property, plant and equipment and inventories	1			3,778
II - Cash and cash equivalents	1,142			
IV - Other assets	1,600			254
Accruals and deferrals	78	2		
TOTAL ASSETS	32,207	39		11,084
LIABILITIES AND SHAREHOLDERS' EQUITY				
Shareholders' equity	30,271			
VII - Other reserves	30,271			
Technical provisions	1,412			
I - Non-Life business	1,412			
Provisions for risks and charges				17
Payables and other liabilities	524	39		11,067
II - Payables arising from reinsurance business	(802)			
V - Collateralised payables				9,460
VII - Post-employment benefits	85			
VIII - Other payables	514	39		1,356
IX - Other liabilities	726			252
TOTAL LIABILITY AND SHAREHOLDERS' EQUITY	32,207	39		11,084

Negative amounts refer to the eliminations, made by UnipolSai, of intragroup relations with the incorporated company and those spun-off.

Agreement with Intesa Sanpaolo SpA

On 17 February 2020, UnipolSai Assicurazioni and Unipol Gruppo, in relation:

- i) to the promotion by Intesa Sanpaolo of a surprise voluntary public exchange offer on all shares of UBI Banca SpA (the "PEO");
 - ii) to the acquisition by BPER Banca SpA ("BPER"), having positively concluded the PEO, of a business unit consisting of bank branches and the assets, liabilities and legal relationships connected to them (the "Banking Business"), jointly notified the market that UnipolSai Assicurazioni had entered into an agreement with Intesa, subject to the fulfilment of specific conditions, for the subsequent acquisition, either directly or through a subsidiary, of business units linked to one or more insurance companies invested in at the time by UBI Banca (BancAssurance Popolari SpA, Lombarda Vita SpA and Aviva Vita SpA), consisting of Life insurance policies taken out by customers in the Banking Business and the relative assets, liabilities and legal relationships (the "Insurance Businesses").
- In this regard, please note that some of the conditions set forth in the agreement and referring to the acquisition have been fulfilled and specifically:

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- on 30 July 2020, the Public Purchase and Exchange Offer promoted by Intesa Sanpaolo on UBI Banca shares was successfully concluded;
- on 3 November 2020, the BPER Banca share capital increase was successfully concluded, in order to provide the bank with the resources necessary to acquire the Banking Business, in which Unipol and UnipolSai participated, in proportion with their shareholdings in BPER Banca, paying €75m and €73m, respectively;
- on 22 February 2021, the acquisition of the Banking Business by BPER was completed.

On the basis of the agreement, when additional conditions are fulfilled, including, inter alia, the assumption of control of Lombarda Vita and Aviva Vita by Intesa Sanpaolo, the latter and UnipolSai Assicurazioni shall proceed with the definition of the Insurance Businesses and their subsequent transfer. The consideration for the transfer of the Insurance Businesses will be determined on the basis of the same valuation criteria as those adopted for the determination of the price paid by UBI Banca for the acquisition of control of Lombarda Vita and Aviva Vita as well as, as concerns the Insurance Business of BancAssurance Popolari, by making reference to its asset value.

Fitch updates UnipolSai's rating to "BBB"

On 7 May 2020, the rating agency Fitch Ratings automatically revised the Insurer Financial Strength Rating (IFSR) of UnipolSai Assicurazioni S.p.A. to "BBB" from "BBB+" after Italy's sovereign rating was downgraded, and also revised the ratings of the debt issues, all updated by 1 notch:

- the subordinated bonds maturing in 2021 and 2023 of UnipolSai Assicurazioni S.p.A. are now "BB+";
- the subordinated bond maturing in 2028 of UnipolSai Assicurazioni S.p.A. is now "BB" and;
- the perpetual subordinated bond of UnipolSai Assicurazioni S.p.A. is now "BB".

At the same time, the rating agency improved the outlook of the above-mentioned ratings, transitioning them from "negative" to "stable".

First DBRS Morningstar rating

On 8 October 2020, the rating agency DBRS Morningstar (DBRS) awarded ratings for the first time, at the request of the interested party, to UnipolSai Assicurazioni SpA.. DBRS awarded a Financial Strength Rating of "A (high)" and an Issuer Rating of "A (high)".

Repayment of subordinated liabilities

In July 2020, UnipolSai Assicurazioni repaid the second tranche of €80m of the Mediobanca Tier 1 subordinated loan. Additional annual repayments in equal amounts are planned until 2023, in order to pay off the entire subordinated loan with an original nominal value of €400m.

Restricted Tier 1 regulatory capital issue

In October 2020, the Board of Directors of UnipolSai authorised the issue by the Company of a "Restricted Tier 1" regulatory capital instrument in Euro - perpetual, non-convertible and fixed rate - for a maximum nominal amount not to exceed €500m (the "Issue" or the "RT1 Instrument"), to be placed exclusively with Italian and foreign qualified investors (with the exception of US investors) and to be listed on the Luxembourg Stock Exchange regulated market, with an issue and settlement date of 27 October 2020. The Issue, the placement of which with Italian and foreign institutional investors was completed on 20 October 2020, enabled UnipolSai to refinance its outstanding Restricted Tier 1 bonds in time, with a view to replacing them taking into account the upcoming progressive maturities, with benefits also in terms of improving the debt/capital ratio.

The RT1 Instrument is perpetual and may be called up by UnipolSai, subject to the requirements of applicable legislation in force, starting from 27 October 2030. If not called up on the first possible date, it may be called up at each interest payment date, expected to take place every six months. The RT1 Instrument is issued at par and pays a fixed coupon on a yearly basis of 6.375%. The first reset date is scheduled after 10 years, on 27 October 2030. After this date, the coupon will be fixed every five years and will be equal to the 5-year mid swap rate reported at each reset date, plus a margin of 6.744%.

The issue met with strong investor interest, confirming the solid reputation that UnipolSai and the Unipol Group enjoy in international markets. During the placement, orders in excess of €1.5bn were indeed received, covering the book by more than 3 times. More than 80% of the RT1 Instrument was placed with foreign institutional investors.

The confirmed rating of the RT1 Instrument is B1 for Moody's and B+ for Fitch.

Repayment of Tier 2 subordinated loans

In line with proactive debt management and the limitation of the Company's financial leverage, in October 2020, the UnipolSai Board of Directors also approved the exercise, in the case of a favourable outcome of the RT1 Instrument issue, of the option for early repayment of two outstanding Tier 2 issues, maturing in June 2021 (XS0130717134 - €300m outstanding) and July 2023 (XS0173649798 - €262m outstanding), with respect to which the RT1 Instrument constitutes higher quality regulatory capital. Consistent with this resolution and having obtained authorisation from the competent supervisory authorities, on 15 March 2021 UnipolSai finalised the early repayment of the Tier 2 issue maturing in 2021. At the same time as the repayment by UnipolSai, Unipol extinguished, for a residual nominal value equal to €39m, the outstanding loan with UnipolSai granted previously when UnipolSai took over the role of issuer of that subordinated bond loan.

Issue of Azzurro Re II CAT-Bond

In July 2020, through sponsorship by UnipolSai, the issue of a CAT-Bond was finalised for a nominal €100m by Azzurro Re II DAC, a multi-arrangement Irish special purpose reinsurance vehicle. The issue will provide UnipolSai with €100m in collateralised protection against earthquakes in Italy and neighbouring countries for a period of 3.5 years. Azzurro Re II is the first multi-arrangement vehicle authorised by the Central Bank of Ireland for CAT-Bond transactions, and will allow UnipolSai to sponsor future CAT-Bond transactions more quickly and affordably.

UnipolRental, the commercial brand of long-term rental

On 31 July 2020 Car Server, a leader in the Italian long-term rental market for company car fleets and, more generally, in the management of business mobility, acquired by UnipolSai in August 2019, changed its name to UnipolRental S.p.A. The goal is to become a leader in the long-term rental segment for the retail target and a point of reference in the corporate segment for companies that are already UnipolSai customers, creating synergy with the 2,400 UnipolSai insurance agencies and the service and assistance networks represented by other companies within the Mobility ecosystem, such as the Auto Presto&Bene repair shops and My Glass glass-fitting centres.

Cambiomarcia S.r.l.

On 22 December 2020, with the authorisation of IVASS for the acquisition of control, the proposed acquisition of 100% of the company Cambiomarcia Srl was carried out. The total price of €5,925k was paid out, with €5,275k paid directly to the sellers and €650k deposited in bank accounts in the name of UnipolSai restricted in favour of the individual sellers. This amount was withheld by UnipolSai to back the indemnities set forth in the preliminary sale agreement in relation to the obligations and warranties of the sellers and the negative price adjustment that should result from the verification of the financial position of Cambiomarcia at the transfer date.

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110% Superbonus - UnipolSai offer

To support energy and seismic requalification activities on the Italian real estate assets subject to tax relief (110% Superbonus) on the basis of the "Relaunch Decree", starting in autumn 2020 UnipolSai has offered to purchase the tax credit, transferrable to third parties according to the provisions of the same Decree, offering 102% of tax expense recognised to the owners of property or businesses involved in the development works that take over ownership of the credit. UnipolSai also offers a broad range of insurance solutions to cover the property subject to the work and the work execution phase, guaranteeing both the owner and the business.

Patent Box Agreement with the Tax Authorities

On 18 December 2020, UnipolSai entered into a Patent Box agreement with the Central Directorate of the Tax Authorities for the determination of subsidisable income, limited to the years from 2015 to 2019, for the UnipolSai trademark and certain software subject to the request. On the same date, a similar agreement concerning the subsidiary Arca Vita was also signed, with reference only to the Arca Vita trademark.

Participation in the Patent Box system allows for a partial reduction of tax on income deriving from the exploitation of the intangible assets subject to the request. As part of the agreement, the methods and criteria were also agreed upon for calculating the tax benefit, which was requested by submitting the appropriate supplementary income tax returns for the 2015-2019 five-year period.

The tax benefit achieved by UnipolSai for the entire five-year period amounted to €45m, while that of Arca Vita came to €5.5m.

Unica Lab S.r.l.

On 26 February 2020, the sole member company Unica Lab S.r.l. a socio unico (100% UnipolSai Assicurazioni) was registered with the Register of Companies, in order to leverage the skills developed over the years by Unica by offering training courses and services to customers outside the Group.

In July 2020, just a few months after its establishment, Unica Lab obtained the ISO 9001:2015 Quality Certification, already recognised to Unica since 2019.

New UnipolSai advertising campaign

In June 2020, UnipolSai returned to the TV screens with its advertising campaign "Sempre un passo avanti (Always One Step Ahead)". After the ads dedicated to the car world and in particular Unibox and the UnipolSai app, now the new communication blitz features home security, with Unibox Casa and the connected telematic devices.

In September 2020, UnipolSai resumed its ad campaign by launching a new TV theme dedicated to protecting people's health.

Partnership between UnipolSai and Ducati Corse

On 27 January 2020, UnipolSai confirmed its partnership that once again saw the company as the official sponsor of Ducati Corse in the MotoGP 2020 World Championship. The partnership with the Ducati Team entailed the UnipolSai brand appearing on the tail of the two red sport bikes of Borgo Panigale and on the team uniforms.

UnipolSai Title Sponsor of the top basketball championship

In September 2020 the Serie A Basketball League and UnipolSai signed a major sponsorship agreement, based on which the Serie A basketball championship will have UnipolSai as its Title Sponsor for three consecutive seasons from 2020/21. UnipolSai was also awarded the Presenting Sponsorship for the Final Eight of the Italian Cup and the Supercup.

UnipolSai Premium Partner of Festival dello Sport

The 3-day non-stop Festival dello Sport (Sport Festival), held in DIGILIVE format from 9 to 11 October 2020 and with more than 60 events and over 100 sports guests, consolidated its partnership - now in its third year - with UnipolSai.

Unipol wins the MF Innovazione award

The 2020 Milan Insurance Festival was held from 17 to 19 November 2020 in a new digital format. Three days of online conventions dedicated to innovation, risks and opportunities which, in this most recent period characterised by the COVID-19, marked a radical change in the way insurance companies communicate and do business. During the final evening on 19 November, featuring winners of the MF Innovazione Awards, the Unipol Group won the MF Innovazione Award in the "Motor vehicles and Mobility Protection" category with the product SuperEasy 2Ruote.

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Insurance business highlights

<i>(Amounts in €m)</i>	Financial Statements 2020	Financial Statements 2019
Gross premiums	10,130.3	11,080.8
<i>% variation (1)</i>	<i>(8.6)</i>	<i>10.4</i>
Direct premiums	9,870.4	11,069.8
<i>% variation (1)</i>	<i>(10.8)</i>	<i>10.4</i>
Payments (claims, expiries, surrenders and annuities)	8,240.0	9,016.1
<i>% variation (1)</i>	<i>(8.6)</i>	<i>16.5</i>
Operating expenses (net of reinsurance)	2,209.7	2,152.5
<i>% variation (1)</i>	<i>2.7</i>	<i>3.6</i>
Expense ratio Non-Life business (2)	29.4%	28.5%
Expense ratio Life business (2)	4.7%	3.8%
Loss ratio with OTI ratio (3)	56.9%	66.2%
Combined ratio direct business with OTI ratio (4)	86.3%	94.7%
Net gains on investments and realised gains		
-excluding class 'D' and impairment	1,279.7	1,426.1
<i>% variation (1)</i>	<i>(10.3)</i>	<i>(1.9)</i>
-excluding class 'D' and including impairment	1,087.3	1,497.0
<i>% variation (1)</i>	<i>(27.4)</i>	<i>53.4</i>
Net profit (loss)	814.3	701.2
<i>% variation (1)</i>	<i>16.1</i>	<i>69.9</i>
No. of agencies	2,314	2,434
No. of agents	4,090	4,180
No. staff (5)	7,149	7,527

(1) Variation on 31/12 of the previous year

(2) Percentage ratio of operating expenses to premiums written for the direct business

(3) Loss ratio for direct business, including OTI ratio, i.e. the ratio between the net balance of other technical items and the change in other technical provisions and earned premiums

(4) Sum of the loss ratio and the operating expense/written premiums ratio

(5) Full Time Equivalent - FTE: 6,926 (7,287 in 2019)

<i>(Amounts in €m)</i>	Financial Statements 2020	Financial Statements 2019
Investments and cash and cash equivalents	48,813.5	48,768.8
<i>% variation (1)</i>	<i>0.1</i>	<i>2.1</i>
Technical provisions	43,588.2	44,029.9
<i>% variation (1)</i>	<i>(1.0)</i>	<i>1.2</i>
% Technical provisions/Premiums ratio		
- Non-Life	183.0	191.6
- Life	991.4	750.5
- Non-Life + Life	430.3	397.4
Shareholders' equity	6,450.9	6,057.8
<i>% variation (1)</i>	<i>6.5</i>	<i>5.1</i>

(1) Variation on 31/12 of the previous year

Share performance

Information on share performance

At the end of December 2020, the listed price of an ordinary UnipolSai share was €2.17, recording a decline of 16.2% in the last 12 months, versus decreases of 5.6% in the FTSE Italia All-share index, of 5.4% in the FTSE MIB index and of 22.1% in the FTSE Italia All Share Insurance index.

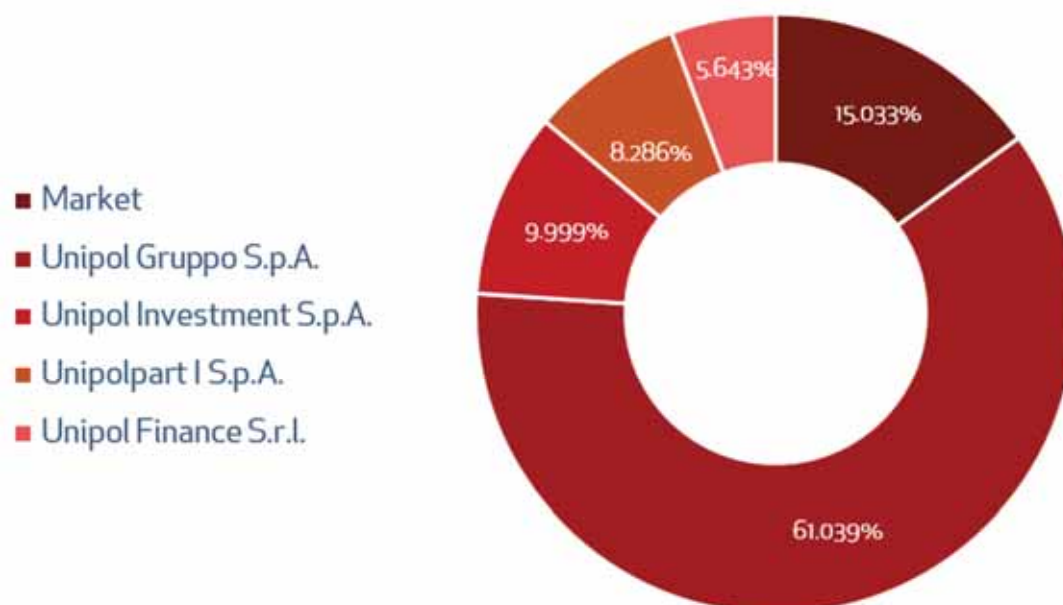
Capitalisation values

Capitalisation at 31 December 2020 amounted to €6,140m (€7,329m at 31/12/2019).

Shareholding structure

The company is controlled by Unipol Gruppo, pursuant to Art. 2359, paragraph 1 of the Civil Code. The shareholding structure at 31 December 2020 is shown in the chart below:

Main Shareholders of UnipolSai Assicurazioni



The companies Unipol Finance, Unipol Investment and Unipolpart I are subsidiaries of Unipol Gruppo.

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Operating performance

The year 2020 was significantly impacted by the consequences of the health emergency caused by the COVID-19 pandemic, which, in particular, influenced both commercial activity and claim trends.

In this context, in 2020 the direct premiums of UnipolSai, gross of reinsurance, stood at €9,870.4m (€11,069.8m at 31/12/2019, with a decline of -10.8%).

In more detail, Non-Life direct premiums amounted to €6,771.7m at 31 December 2020 (€6,990.0m at 31/12/2019), down by 3.1%. The Company reacted to the difficult context by putting measures into place to protect customers, such as the #UnMesePerTe initiative which, due to the improvement in claims caused by the limitations imposed on circulation, offered existing customers a discount amounting to 1/12 (one month) of the premium paid previously when they renewed their MV TPL policies. This resulted in a drop in the average premium which caused a downturn in MV TPL premiums by 7.2% (€2,969.7m compared to €3,200.8m at 31/12/2019). On the other hand, growth in the Land Vehicle Hulls business was confirmed, with premiums amounting to €756.3m (+5.4%), thanks to the increase in the incidence of guarantees provided compared to the number of vehicles insured.

Non-MV premiums, totalling €3,035.8m, showed a limited decline (-0.9%), thanks to the positive performance of certain segments and the sale of new products, also linked to the health emergency.

In terms of claims, as noted above, the slowdown in road traffic triggered by the measures for the containment of the COVID-19 pandemic required during the two waves in the course of 2020 had a positive effect. There was therefore a reduction in the frequency of MV TPL claims and other guarantees linked to vehicles. The year 2020 was impacted to a lesser extent than 2019 by damage from atmospheric events, which in any event remained at sustained levels, bearing witness to climate changes under way and on which there were lower recoveries from reinsurers.

The direct business combined ratio was 86.3% (94.7% at 31/12/2019), with a loss ratio, inclusive of the balance of other technical items, of 56.9%, against 66.2% in 2019 and an expense ratio at 29.4% of premiums for the period (28.5% at 31/12/2019). The expense ratio was up primarily due to the increase in the incidence of commissions referring to the distribution network, which benefitted from the variable claims-based commissions mechanism, along with actions to support agencies put into place by the Company during the most critical phases of the lockdown.

In the Life business, the Company recorded direct premiums of €3,098.6m in 2020, marking a decline of 24.0% due not only to the effects of the health emergency, but especially to the commercial policies adopted during the period in order to limit risks, as well as the comparison with 2019, when there was a high business volume, also due to the presence of one-off components, relating in particular to pension funds. Therefore, the normalised decline without considering one-off effects would be -9.9%.

The commercial strategy followed in 2020, especially starting in the second half of the year when interest rates were quite low, was mainly intended to maintain the income balance of the segregated funds, orienting business towards multi-segment and Class III products.

As far as financial investment management is concerned, after a first part of 2020 corresponding to the most acute phase of the health emergency during which the main financial asset classes recorded impairment and extremely high peaks of volatility, the remainder of the year was characterised by a significant recovery in values referring to financial assets, thanks to the subsequent improvement in the health situation and decisive action by the Central Banks, characterised by monetary policies destined to remain highly expansionary and the commitment of aid, including non-repayable, to favour economies (Recovery Fund).

In this context, the gross profitability of the Company's insurance financial investment portfolio maintained an overall yield of 3.1% of the invested assets in 2020 (4.4% at 31/12/2019, which benefitted from net recoveries on financial investments for €146m), with a yield for only coupons and dividends of 3.3% and impairment of around €115m.

Real estate management continued to focus on the renovation of a number of properties, particularly in high-end areas of Milan, in order to seek out opportunities to increase value or generate income, as well as structures intended for business use. In particular, construction continued on a new multi-storey headquarters building in Piazza Gae Aulenti (Porta Nuova Garibaldi area).

The main transactions during the year regarded the contribution of several properties owned by the Company to two funds, Tikal and Oikos, whose shares are wholly owned by the Company, for a total of roughly €800m, and the investment of around €217m in units of Fondo Emporion, which acquired a commercial real estate portfolio from Coop Alleanza 3.0 consisting of medium and small sized supermarkets, which were then leased to the seller.

As regards sales, aside from the transfer of several properties or property units in Milan, Turin, Rome and Florence, in December the notary deed was signed for the sale of the piazza Velasca property (Torre Velasca) in Milan. The effects of this sale will be seen in 2021, when the recognition deed will be entered into certifying the Public Administration's failure to exercise the pre-emption right.

UnipolSai closed 2020 with net profit of €814.3m, marking significant growth compared to the €701.2m profit recorded in the previous year. Please note that the profit for the previous year was impacted by the provision of €95.5m for expenses in relation to agreements signed with the company's trade union representatives on pre-retirement arrangements for employees.

The aspects with the most impact on the operating performance are as follows:

- A. At the end of 2020, premiums were €10,130.3m, of which €9,870.4m in direct business, with breakdown as follows:

Amounts in €m

Premiums	Non-Life	Life	Total 2020	Total 2019	% Var.	Var.on 2019
Direct business	6,771.7	3,098.6	9,870.4	11,069.8	(10.8)	(1,199.4)
Indirect business	259.9	0.1	260.0	11.0	2256.4	248.9
	7,031.6	3,098.7	10,130.3	11,080.8	(8.6)	(950.5)
Premiums ceded	282.8	5.7	288.5	420.4	(31.4)	(131.9)
Premiums retained	6,748.8	3,093.0	9,841.8	10,660.4	(7.7)	(818.6)
% breakdown	68.6	31.4	100.0			

The net retention of acquired premiums was 97.2%, up compared to the previous year (96.2%).

The result from technical insurance management, which also includes operating expenses and allocation of the share of gains on investments, was overall positive for €926.2m (€808.5m in 2019) with the breakdown showing -€9.9m for the Life business and €936.1m for the Non-Life business.

- B. Total operating expenses (including acquisition and collection commissions and other acquisition and administrative expenses) were €2,209.7m (+2.7% compared to 2019), with an incidence on (Life and Non-Life) premiums of 21.8% (19.4% in 2019). Net of reinsurers' commissions, total operating expenses were equal to €2,126.7m (+6.5% compared to 2019).
- C. Investments and cash and cash equivalents reached €48,813.5m (net of impairment), (€48,768.8m in 2019), of which €5,085.7m (€5,625.8m in 2019) relating to investments in Class D.
- D. Gains on investments and cash commitments (net of losses on investments and financial charges, excluding those benefiting policyholders that bear the risk and investments arising from pension fund management - Class D), amounted to €1,170.6m down €77.9m on 31 December 2019. Ordinary and extraordinary gains on investments, including net realised capital gains and impairment and reversals of impairment losses, amounted to €1,087.3m, decreasing by €409.7m (-27.4%) compared with 31 December 2019.

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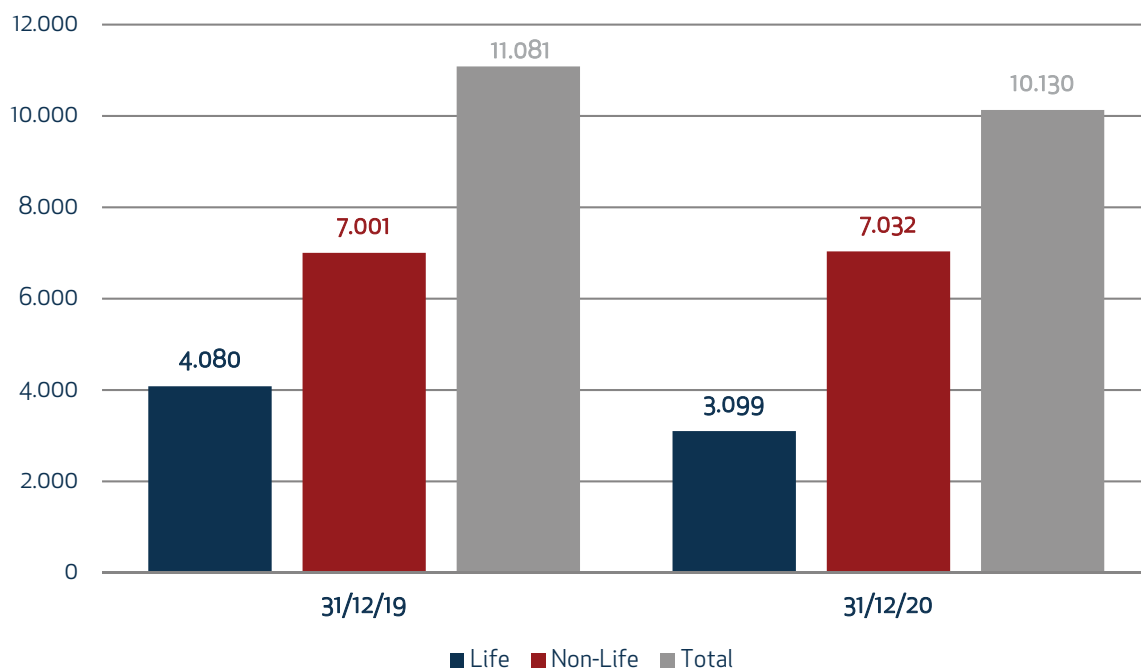
- E. Technical provisions for the Life and Non-Life businesses reached a total amount, at the end of 2020, of €43,588.2m (-1.0%), €43,031.4m net of the reinsurers' share (-0.8%). The technical provisions-premiums ratio was 183.0% in the Non-Life business (191.6% in 2019) and 991.4% in the Life business (750.5% in 2019).
- F. Profit from ordinary operations amounted to €835.7m, while profit from extraordinary operations was also positive, and came to €262.8m, bringing pre-tax profit to €1,098.6m.
- G. Taxes for the period had a negative effect on the profit for the period of €284.2m.

Therefore, the net profit for the year amounted to €814.3m, an increase of €113.1m compared with the previous year.

The shareholders' equity of the Company, including the profit for the year, was €6,450.9m.

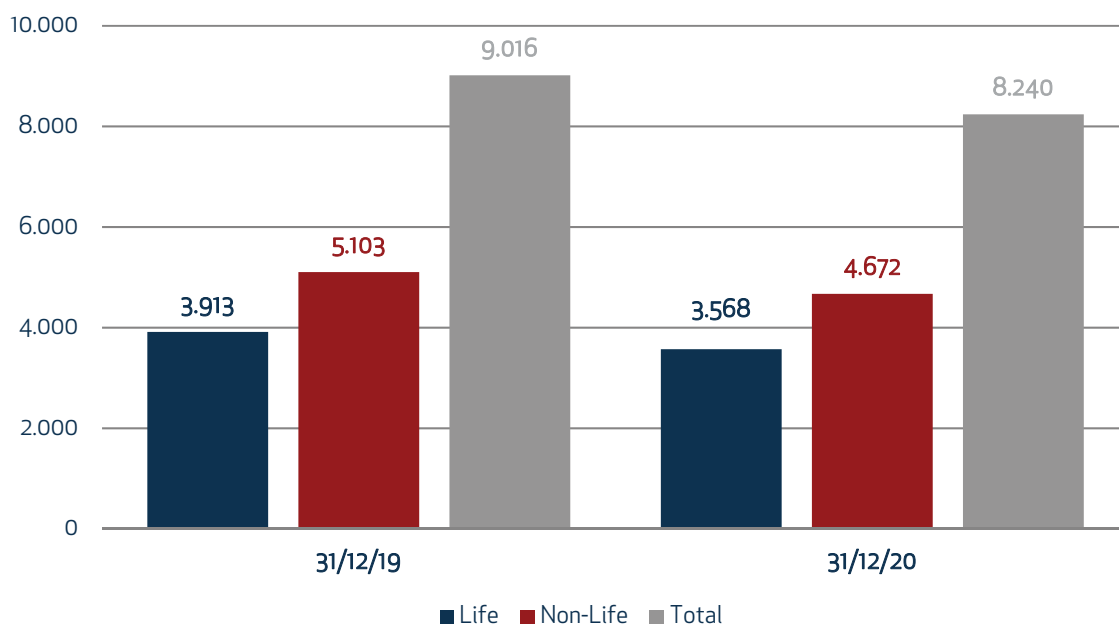
Total premiums

Amounts in €m



Payments

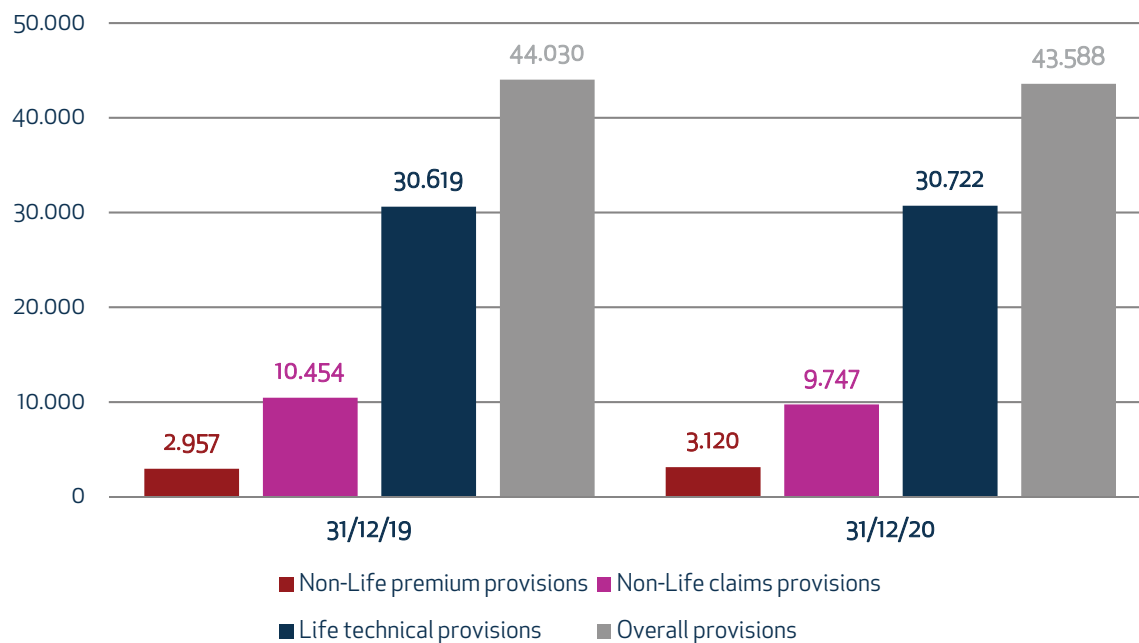
Amounts in €m



1 Management Report

Technical provisions

Amounts in €m



NB. Non-Life premium provisions also include supplementary provisions

Premiums

Premiums acquired at 31 December 2020 amounted to a total of €10,130.3m, a decrease of 8.6%.

The breakdown of premiums by class, the composition ratios and the percent variations on the previous year are shown in the table below, complying with the classification of risks set out in Italian Legislative Decree 209 of 7 September 2005 ("Insurance Code"), Art. 2, paragraph 1 (Life business), and paragraph 3 (Non-Life business).

Premiums by class

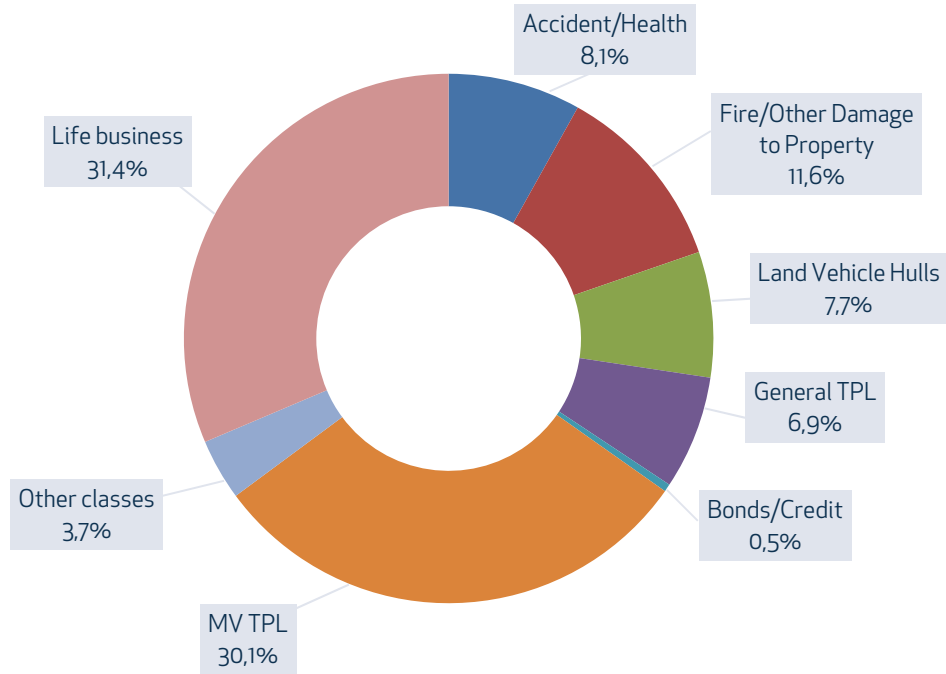
Amounts in €k

Code	Class	FY	%	FY	%	Variation 2020/2019	
		2020	Comp.	2019	Comp.	amount	%
ITALIAN DIRECT BUSINESS							
Non-Life business							
1	Accident	618,892	6.3	628,352	5.7	(9,460)	(1.5)
2	Health	181,771	1.8	177,638	1.6	4,133	2.3
3	Land Vehicle Hulls	756,346	7.7	717,643	6.5	38,704	5.4
4	Railway rolling stock	1,037	0.0	1,912	0.0	(875)	(45.8)
5	Aircraft	891	0.0	779	0.0	113	14.5
6	Sea, lake and river vessels	5,828	0.1	5,701	0.1	127	2.2
7	Goods in transit	14,389	0.1	15,823	0.1	(1,434)	(9.1)
8	Fire	544,795	5.5	544,650	4.9	146	0.0
9	Other damage to property	599,502	6.1	603,542	5.5	(4,040)	(0.7)
10	Land Vehicle TPL	2,969,684	30.1	3,200,768	28.9	(231,084)	(7.2)
11	Aircraft TPL	1,029	0.0	757	0.0	273	36.0
12	Sea, lake and river TPL	9,885	0.1	8,517	0.1	1,368	16.1
13	General TPL	684,952	6.9	710,171	6.4	(25,219)	(3.6)
14	Credit	363	0.0	210	0.0	154	73.2
15	Bonds	46,923	0.5	49,435	0.4	(2,511)	(5.1)
16	Pecuniary losses	60,803	0.6	68,522	0.6	(7,719)	(11.3)
17	Legal expenses	76,832	0.8	70,647	0.6	6,185	8.8
18	Assistance	197,791	2.0	184,912	1.7	12,880	7.0
Total Non-Life business		6,771,718	68.6	6,989,978	63.1	(218,260)	(3.1)
Life business							
I	Whole and term life insurance	1,862,061	18.9	2,199,689	19.9	(337,628)	(15.3)
III	Unit-linked/index-linked policies	165,018	1.7	129,449	1.2	35,569	27.5
IV	Health	6,685	0.1	5,820	0.1	864	14.9
V	Capitalisation insurance	360,816	3.7	480,905	4.3	(120,090)	(25.0)
VI	Pension funds	704,059	7.1	1,263,953	11.4	(559,894)	(44.3)
Total Life business		3,098,638	31.4	4,079,816	36.9	(981,178)	(24.0)
Total Direct business		9,870,356	100.0	11,069,794	100.0	(1,199,438)	(10.8)
INDIRECT BUSINESS							
Non-Life business		259,862	100.0	10,926	99.0	248,936	2,278.3
Life business		96	0.0	106	1.0	(10)	(9.6)
Total Indirect business		259,958	100.0	11,032	100.0	248,926	2,256.4
TOTAL PREMIUMS		10,130,314		11,080,826		(950,512)	(8.6)

In 2020, taxes (borne by policyholders) amounting to €1.020.314k were collected on premiums, along with contributions to the National Health Service amounting to €314.604k

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Direct premiums



Non-Life insurance business

The health emergency linked to COVID-19, with the block on production activities during the periods of the lockdown and the restrictions adopted to limit contagion, which continued throughout 2020, triggered a significant decline in claims, on one hand, and a slowdown in premiums on the other.

Direct business premiums at 31 December 2020 amounted to €6,771.7m, down compared to premiums in 2019 by 3.1%, driven by the MV segment, which marked a 4.9% reduction compared to the contraction of 0.9% in the Non-MV business. Also considering indirect business, premiums acquired during the year amounted to €7,031.6m (€7,000.9m in 2019).

In the MV segment, the result in the first half of the year was confirmed, with a reduction in premiums due to the MV TPL class (-7.2%) as a result of the decline in the average premium, also impacted by the facilitation provided to customers as part of the #UnMesePerTe campaign, offset by sustained growth in Land Vehicle Hulls business during the period.

In the Non-MV business, the reduction in premiums was seen across segments, with the exception of Health, driven by the programmes put into place for the COVID-19 emergency.

With regard to claims reported, during the year 1,852,513 claims were received for all Non-Life classes, a decrease of 20.8% from those received in 2019.

In 2020, the Claims Department managed 1,133,925 claims reported during the year for the Company (of which more than 79% have already been settled with payment) in addition to 459,369 claims from previous years existing at 1 January or reopened (of which nearly 67% settleable claims already settled with payment).

"Fault" claims (Non-Card, Debtor Card or Natural Card) totalled 432,507, down by 27.4% (595,455 in 2019). The decline in claims was caused by the decreased circulation of vehicles due to the governmental restrictions imposed to limit the spread of COVID-19. The decrease in claims regarded in particular those in the medium-low range, while the average cost of claims reported was generally higher than in the past.

Claims that present at least a Debtor Card claims handling totalled 242,458, down by 28.7% compared to the same period in the previous year.

Handler Card claims totalled 310,377 (including 75,293 Natural Card claims, claims between policyholders at the same company), down by 30.7%. The settlement rate in 2020 was 81.6%, down from the same period of last year (82.5%).

The weight of cases to which the Card agreement may be applied (both Handler Card and Debtor Card claims)¹ out of total cases (Non-Card + Handler Card + Debtor Card) in 2020 came to 82.8% (84.2% in 2019).

The average cost (amount paid plus amount reserved) for claims reported and handled (including claims reported late) increased by 6.1% in 2020 (-0.8% in 2019). The average cost of the amount paid out rose by 4.1% (+6.1% in 2019).

The table below, regarding Italian direct business and for the main classes concerned, illustrates the claims settlement rate at 31 December 2020 and the comparison with 31 December 2019, obtained by comparing the number of claims paid out to the number of claims reported in the period or set aside at the end of the previous year, net of those cancelled as they were not followed up on.

Percentage amounts

Class	Current claims		Prior-year claims	
	2020	2019	2020	2019
Accident	60.1	60.6	58.7	54.0
Health	79.5	79.5	73.0	67.8
Land Vehicle Hulls	86.8	83.6	88.9	86.9
Fire	71.5	67.3	77.5	77.0
Other damage to property	77.0	75.1	83.3	80.1
General TPL	60.6	60.3	40.4	39.8
Motor TPL under management (NC+HC) *	77.7	78.8	57.8	59.2
"Non-Card" Motor TPL	62.9	62.8	45.5	47.9
"Handler Card" Motor TPL	81.7	82.6	69.6	70.6
"Debtor Card" Motor TPL	76.5	75.8	77.0	80.2

* (NC = No Card - CG = Handler Card)

Overall, charges relating to claims for the current and previous years came to €3,747.2m, and dropped compared with 2019 (-10.5%).

With regard to Italian direct business, claims paid from the current and previous years resulted in an outlay (net of coinsurers' share and recoveries, including appraisal costs) of €4,166.1m, a decrease of €475.2m compared with 2019 (-10.2%).

¹ "Debtor Card claims" are those claims managed by other companies for which their policyholders are fully or partially liable, and are settled through a specific clearing house set up at CONSAP.

"Handler Card claims" are those managed by companies whose policyholders are not liable, either fully or partially. In these cases, the company receives a lump-sum repayment from the counterparty's insurance company. Lastly, Non-Card claims are those which do not fall within the Card agreement.

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Total non-life technical provisions reached €12,866.6m at the end of the year, a decrease of €544.4m (-4.1% compared with 31/12/2019), amounting to 183.0% of premiums acquired (191.6% at 31/12/2019).

The “combined ratio” (including OTI ratio), which also includes operating expenses, came to 86.3% of premiums for the year (94.7% at 31/12/2019).

Operating expenses in the Non-Life business, including acquisition and collection commissions and other acquisition costs and administrative expenses, amounted to €1,982.6m compared with €1,842.0m in 2019. The impact on premiums written - direct business came to 29.4% (28.5% in 2019). The increase can be attributed primarily to expenses for the acquisition of indirect business deriving from the new treaty activated on 1 January 2020 with UniSalute.

The technical result showed a positive balance of €936.1m (€543.6m in the previous year). The transfer of the share of net gains on investments came to €156.3m, compared with €200.5m in the previous year. Below we provide information on the technical performance of the main classes.

CLASS	Italian Direct Business - Non-Life business	Claims Paid			Claims Reported		
		2020	2019	% Variation	2020	2019	% Variation
<i>Amounts in €k</i>					<i>Number</i>	<i>Number</i>	
1	Accident	242,842	267,734	(9.3)%	77,269	112,683	(31.4)%
2	Health	131,154	132,883	(1.3)%	310,233	384,913	(19.4)%
4	Railway rolling stock	1,427	(1)	n.s.	2	2	0.0%
5	Aircraft	(463)	560	(182.6)%	9	12	(25.0)%
6	Sea, lake and river vessels	4,731	8,912	(46.9)%	375	444	(15.5)%
7	Goods in transit	3,799	3,826	(0.7)%	1,262	2,713	(53.5)%
8	Fire	370,312	334,611	10.7%	69,442	76,129	(8.8)%
9	Other damage to property	374,139	400,519	(6.6)%	227,965	237,468	(4.0)%
11	Aircraft TPL	157	263	(40.4)%	16	13	23.1%
12	Sea, lake and river TPL	10,350	13,314	(22.3)%	1,197	1,117	7.2%
13	General TPL	410,346	445,665	(7.9)%	80,472	91,179	(11.7)%
14	Credit	85	(8)	1149.9%			0.0%
15	Bonds	22,700	18,824	20.6%	488	669	(27.1)%
16	Pecuniary losses	21,648	31,111	(30.4)%	30,263	42,194	(28.3)%
17	Legal expenses	11,125	12,829	(13.3)%	7,353	7,676	(4.2)%
18	Assistance	80,485	83,320	(3.4)%	346,303	446,428	(22.4)%
	TOTAL NON-MV BUSINESS	1,684,837	1,754,360	(4.0)%	1,152,649	1,403,640	(17.9)%
10	Land Vehicle TPL	2,041,159	2,426,431	(15.9)%	432,507	595,455	(27.4)%
3	Land Vehicle Hulls	440,092	460,509	(4.4)%	267,357	339,159	(21.2)%
	TOTAL MV BUSINESS	2,481,252	2,886,940	(14.1)%	699,864	934,614	(25.1)%
	TOTAL NON-LIFE BUSINESS	4,166,089	4,641,300	(10.2)%	1,852,513	2,338,254	(20.8)%

Accidents

Direct premiums €618.9m (-1.5%)
Number of claims reported 77,269 (-31.4%)
Claims paid out €242.8m (-9.3%)
Charges relating to claims €247.9m (-17.4%)

The year closed with Accident premiums down, as a result especially of the health emergency, which also negatively impacted the last months of the year.

In the retail area, the numerous and specific commercial initiatives activated to guarantee support to customers and the sales network were able to support retention but offset only to a limited extent the decline in new business.

Both the number of claims and the total cost of claims marked a significant reduction following the restrictive measures and initiatives to limit the pandemic adopted at national or local level, which triggered a slowdown in activities in sectors characterised by a high frequency of occurrence.

The above trends make it possible for the class to obtain a largely positive technical balance.

Health

Direct premiums €181.8m (+2.3%)
Number of claims reported 310,233 (-19.4%)
Claims paid out €131.2m (-1.3%)
Charges relating to claims €113.2m (-8.9%)

In the course of 2020, Health premiums were characterised by initiatives linked to the COVID-19 Programme which made it possible to close the year with an increase which offset the objective difficulty recorded for the traditional policies sector caused by the lower financial resources in certain customer sectors.

In particular, the *#AndràTuttoBene* offer especially for businesses, to protect personnel in the case of hospitalisation due to COVID-19, met with significant success; other new products included *#AndràTuttoBene Premium* for the protection of households and *#AndràTuttoBene Tempo Libero* for the protection of members of associations and participants in recreational activities and summer camps.

The activity even continued outside the COVID-19 Programme, with the release in September of the *Salute&Prevenzione* health protection product.

Claims reported were down as a result of the continuation of the pandemic, which reduced requests for services, especially not strictly urgent diagnostics/specialist services; while the reduction in the cost of claims was less evident, as activities linked to services referring to the most severe situations continued almost normally. The class therefore showed an improvement in the technical result thanks to the increase in premiums and the reduction in claims.

Land Vehicle Hulls

Direct premiums €756.3m (+5.4%)
Number of claims reported 267,357 (-21.2%)
Claims paid out €440.1m (-4.4%)
Charges relating to claims €416.5m (-22.1%)

Premiums recorded an increase in both single and cumulative policies.

The average premium in the main guarantees provided increased, in particular those linked to Natural Disasters, which require a gradual but important process of adjustment as a result of critical issues linked to the climate emergency.

1 Management Report

The number of claims declined significantly, particularly due to guarantees more strictly connected to road traffic trends, as well as the cost of claims.

The overall result of this class, as a result of the factors described above, is positive and improving compared to previous years.

Fire

Direct premiums €544.8m (+0.0%)
Number of claims reported 69,442 (-8.8%)
Claims paid out €370.3m (+10.7%)
Charges relating to claims €335.4m (-10.8%)

In the Fire class, premiums were stable compared to 2019, thanks to the contribution of the Individuals line and, in the Businesses sector, of premiums deriving from the most significant risks. The small and medium-sized enterprises segment was down slightly due to the initial signs of a crisis deriving from the pandemic.

Both the number and the cost of claims were down, benefitting from a lower incidence of damages from atmospheric events compared to the prior year, despite the increased presence of significant claims.

The class result improved.

Other Damage to Property

Direct premiums €599.5m (-0.7%)
Number of claims reported 227,965 (-4.0%)
Claims paid out €374.1m (-6.6%)
Charges relating to claims €370.5m (-10.5%)

Other Damage to Property premiums were down slightly due to the combined effect of two opposing trends: on one hand, there was a good increase in coverage for residences and condominiums, and on the other hand, there was a reduction in the industry, trade and public and private works contract sectors, due to the pandemic situation, in addition to the significant decline deriving from the hail segment underwriting policy, which reduced the consistency of the portfolio through a simultaneous revision of the local commitment.

The reduction of claims reported and costs, for the most part ascribable to the hail segment and to a lesser extent to damages from theft in the trade sector, resulted in an improvement in the class's technical result.

Land Vehicle TPL

Direct premiums €2,969.7m (-7.2%)
Number of claims reported 432,507 (-27.4%)
Claims paid out €2,041.2m (-15.9%)
Charges relating to claims €1,699.7m (-25.4%)

The year 2020 recorded a significant decline in premiums, primarily due to the reduction in the average premium, like what occurred in general in the market and also as a result of the *#UnMesePerTe* campaign, which provides a discount on renewal of the policy equal to one month of coverage for all customers.

During the year, significant investments continued to be made to support our range of products and services, in particular the interest-free loan and the installation of "black boxes", a segment in which the Company has confirmed its position as leader with more than 4.0m devices installed and circulating.

On the claims front, frequency has improved due to the substantial reduction in vehicles used on the road caused by the continuation of restrictions on circulation imposed as a result of the pandemic. On the other hand, the average cost of claims rose due to the reduction in the number of claims for lower amounts, although in terms of overall cost, the reduction was significant and positively influenced the class's result.

Other TPL

Direct premiums €685.0m (-3.6%)
Number of claims reported 80,472 (-11.7%)
Claims paid out €410.3m (-7.9%)
Charges relating to claims €325.4m (+30.7%)

In the Other TPL class, premiums decreased due primarily to the unique emergency situation caused by COVID-19 generalised across the various segments, with a larger decline in the Professionals sector, also due to the reform actions take on the portion of the portfolio with the worst performance.

The careful risk selection policy during the underwriting phase and portfolio improvement activities caused a further decline in the number of claims reported despite the emergence of claims linked to the COVID-19 emergency. As regards overall charges, there was an impact from provisions for potential requests for compensation linked to the health emergency which, although it did not jeopardise the positive result for the class, did cause the year to close with worse performance than last year.

Credit and Bonds

Direct premiums €47.3m (-4.7%)
Number of claims reported 488 (-27.1%)
Claims paid out €22.8m (+21.1%)
Charges relating to claims €29.2m (+48.1%)

The year 2020 concluded with a reduction in premiums written, with a trend of new issues which, considering the context, showed more than satisfactory data.

The underwriting policies are inspired by greater caution given the high degree of uncertainty on the future performance of the national economy in relation to the ongoing pandemic. Indeed, customer assistance cannot fail to take into consideration a careful and selective creditworthiness assessment.

The claim reduction trend was confirmed in terms of new claims, but settlements showed a rise attributable to the settlement of disputes and/or negotiations already under way. At the moment, there are no relevant repercussions generated by the economic crisis, while provisions remain inspired by criteria of particular prudence with positive medium/long-term effects. The technical result of this class was confirmed as positive on the whole.

In the Credit segment, the Company operates only on request of customers without any commercial initiatives required. Premiums confirmed a marginal amount, based on extremely modest, insignificant values.

Pecuniary Losses

Direct premiums €60.8m (-11.3%)
Number of claims reported 30,263 (-28.3%)
Claims paid out €21.6m (-30.4%)
Charges relating to claims €15.7m (-46.5%)

The reduction in premiums was impacted by the loss of significant contracts in the Tourism sector and the decline in MV premiums, of which this class mainly consists.

The contraction in claims reported and the total cost was caused by the same trends and further improved the usual positive result of the class.

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Legal Expenses

Direct premiums €76.8m (+8.8%)
Number of claims 7,353 reported (-4.2%)
Claims paid out €11.1m (-13.3%)
Charges relating to claims €13.0m (+10.1%)

Class premiums grew considerably and regarded all segments: MV, Businesses, Public Institutions and Individuals. The number of claims and their cost are down, particularly in MV and in the Individuals segment, resulting, along with premium growth, in a confirmation of the positive technical result for this class.

Assistance

Direct premiums €197.8m (+7.0%)
Number of claims reported 346,303 (-22.4%)
Claims paid out €80.5m (-3.4%)
Charges relating to claims €74.8m (-14.4%)

The significant increase in premiums was caused by the increase in the average premium, which was gradually adjusted to the quality of the guarantees provided in MV products.

The number of claims and the cost of compensation were down considerably, due to restrictions on circulation already described in the classes with guarantees mainly linked to mobility.

The improved result is consistent with the business objectives that call for bringing the margins of this class to the best market levels.

Goods in Transit

Direct premiums €14.4m (-9.1%)
Number of claims reported 1,262 (-53.5%)
Claims paid out €3.8m (-0.7%)
Charges relating to claims -€2.7m (-213.0%)

The final result of the class for 2020 shows a reduction in premiums and in the number of claims reported as a result of the decline in activities triggered by the measures to combat the pandemic.

The cost for claims paid out remained basically stable.

Marine Vessels

Direct premiums €5.8m (+2.2%)
Number of claims reported 375 (-15.5%)
Claims paid out €4.7m (-46.9%)
Charges relating to claims €3.4m (-11.5%)

In the Marine Vessels class, the increase in premiums was confirmed, due to the continued good performance of the sportscraft segment as well as a product launched in April 2019.

Claims declined, in terms of both number and costs, although the comparison with the year 2019 was impacted by the presence during the previous year of claims of significant amounts attributed to weather events taking place in October 2018.

The technical result of this class improved as a result.

The new Non-Life Products

Please note the following during the period:

- The new anti-abandonment device Qshino, created by UnipolSai in partnership with AlfaEvolution Technology and designed to combat the frequent phenomenon of children being forgotten in the car. The device, developed to boost growth in the Mobilityecosystem, is certified and compliant with the technical requirements of decree no. 122 of 2 October 2019, called "Salva Bebè", which made the installation of anti-abandonment devices compulsory for those who drive with children under 4 years old in the car.

As concerns the Non-MV product line, in 2020 specific Health products were created in order to combat the COVID-19 health emergency, as described below:

- Polizza Salute - #AndràTuttoBene and UnipolSai Salute Ricovero - #AndràTuttoBene Premium, designed as the insurance response to the COVID-19 emergency and intended, as concerns the former, for businesses wishing to insure their employees (with the possibility of extending coverage to family members as well) and as regards the latter for natural persons and their nuclear families (free of charge for children from 0 to 14 years of age);
- "*#AndràTuttoBene Tempo Libero*" for the protection of members of associations and participants in recreational activities and summer camps;
- Health Card *#SicuriRipartiamo* designed for the world of work. To provide concrete support to businesses in living with the coronavirus;
- "*UnipolSai Salute&Prevenzione*" which increases the healthcare range with coverage focusing on preventive care and on illness or accident diagnostics;
- "*UnipolSai Salute Ricovero +SalutePerTe Fidelity*", targeting all customers who have used the UnipolSai app to activate insurance coverage reserved by the "*#UniSalutePerTe*" initiative for themselves and their family members, and "*UnipolSai Salute Ricovero +SalutePerTe*" for all new UnipolSai customers or customers who were unable to activate coverage under the *#UniSalutePerTe* initiative through the UnipolSai app.

Please also take note of the following actions:

- new "*UnipolSai Infortuni Premium 2.0*" product, the distinctive feature of which is the personalisation of the insurance coverage, to be selected from the Individual or Nuclear Family options;
- new "*UnipolSai Mondo Professionista*" product, designed as the insurance response to a continuously evolving sector, in relation to how people carry out professional activities and in relation to the attribution of completely new functions to professionals, proposing significant new features in the content of the guarantees offered.

Life business and Pension Funds

Total premiums (direct and indirect business) for 2020 came to €3,098.7m, down significantly compared with the previous year (-24.0%).

Direct premiums acquired during the year totalled €3,098.6m. The breakdown into individual and collective policies and between first year premiums, subsequent year premiums and single premiums is shown in the following table:

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<i>Amounts in €m</i>	FY 2020	FY 2019	Variation 2020/2019	
			amount	%
Direct Business				
Individual	1,873	2,302	(429)	(18.6)
Group	1,226	1,778	(552)	(31.0)
Total	3,099	4,080	(981)	(24.0)
Periodic premiums	578	566	12	(0.6)
Single premiums	2,521	3,514	(993)	(28.3)
Total	3,099	4,080	(981)	(24.0)
Ministerial Class				
Class I	1,862	2,200	(338)	(15.3)
Class III	165	129	36	27.5
Class IV	7	6	1	14.9
Class V	361	481	(120)	(25.0)
Class VI	704	1,264	(560)	(44.3)
Total	3,099	4,080	(981)	(24.0)

The individual policies sector declined by 18.6% compared to 31 December 2019, due primarily to Class I premiums. Although the amounts were limited in absolute value, there was also an increase in Class III premiums (+27.5%) thanks to the good performance of single-premium Unit-linked and Multisegment products.

Premiums on collective policies showed a sharp decrease compared with the same period of the previous year (-31.0%), due almost entirely to Class VI (-45.4%). The comparison is impacted by a figure from the previous year which benefitted from the contribution of two new agreements for a total of €684.9m.

The decrease in first year premiums compared to the previous year (-4.8%) can be attributed to a generalised decline in business across all classes: Class I premiums declined by 5.0%, Class III by 2.5% and Class IV by 25.5%.

Operating expenses, including acquisition and collection commissions and other acquisition and administrative expenses totalled €144.1m (down by 7.2% compared to 31/12/2019), with a 4.7% impact on premiums written - direct business (3.8% in the previous year). The growth in the impact was due primarily to the decrease in the volume of premiums.

The amounts paid (direct and indirect business) came to a total of €3,568.4m, a decrease of 8.8% compared with the same period of the previous year, broken down as follows:

<i>Amounts in €m</i>	2020	2019	% Variation on 2019
Class I	1,709	1,874	(8.8)
Class III	64	97	(34.2)
Class IV			n.s.
Class V	385	1,484	(74.0)
Class VI	1,410	458	208.0
Total	3,568	3,913	(8.8)

The considerable increase recorded in Class VI compared to the previous year (+208.0%) was impacted primarily by the liquidation of the "Cometa" pension fund as the mandate had come to an end, in the amount of €1,038m, while the significant reduction Class V (-74%) was influenced by the liquidation in 2019 of two important agreements that had reached their expiry.

The following table shows the breakdown of the amounts paid according to the reason for payment, compared to the previous year.

<i>Amounts in €m</i>	2020	2019	% Variation on 2019
Capital and annuities accrued	1,923	1,857	3.5
Surrenders and advances	1,422	1,822	(22.0)
Claims	218	228	(4.2)
Settlement expenses	4	5	(4.5)
Indirect business	1	2	(48.3)
Total	3,568	3,913	(8.8)

Maturing payments (capital and annuities) rose by 3.5%. Payments for redemption and advances (-22.0%) and claims (-4.2%) were both down.

Technical provisions for the direct and indirect portfolios came to €30,721.7m, an increase of 0.3% compared with the previous year.

The technical account result shows a negative balance of -€9.9m, compared to €264.9m in the previous year, primarily due to the lower financial profitability linked in particular to the securities portfolio not covering segregated funds.

Pension Funds

In 2020, due to the continuation of unfavourable financial market conditions, UnipolSai decided to participate only in certain tenders to renew management mandates with guaranteed results that were expiring.

The Company managed a total of 21 occupational pension fund mandates at 31 December 2020 (17 of them for accounts "with guaranteed capital and/or minimum return").

Resources under management totalled €4,011.5m (€3,414.3m with guaranteed capital) at the same date.

The assets of the open pension fund "UnipolSai Previdenza FPA" amounted to €863.2m; the fund has 40,235 members.

The new Life Products

The update of the Class I product range in the first quarter of 2020 with the new version of the Investimento Garantito Fidelity product introduced as its main new feature the recognition of financial guarantees in the case of surrender starting from the tenth year with a minimum benefit equal to the capital invested. At the same time, a minimum contract duration of 15 years was established.

In Class V, the new version of the Investimento Capital Fidelity product introduces the recognition of a financial guarantee only on expiry of the contract.

In the second quarter, the Investimento GestiMix multisegment product was restyled to incorporate the same new elements as those introduced by the Investimento Garantito Fidelity product.

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As of September 2020, the Company began marketing the new single premium multisegment product UnipolSai Investimento MixSostenibile, with the option of making additional payments. The new product was designed with a view to offering a product with the unique feature of integrating ESG (Environmental, Social and Governance) factors within investment selection and management, combining yield and risk control objectives with the target of promoting responsible and environmentally friendly development.

To complement the Protection offer, in November 2020 the new product UnipolSai TCM KeyPlayer began being marketed, a single-year insurance providing coverage in the case of the death of key players holding strategic roles or who are difficult to replace in the case of their premature death, which would generate damages for their company.

Sales and settlement organisation

Structure of the sales organisation

At 31 December 2020, the agency network comprised 2,314 agencies (2,434 at 31/12/2019), of which 2,309 private agencies and 5 corporate agencies, employing 4,090 agents.

Again in the course of 2020, UnipolSai placed products through the bank branches of BPER Banca. In this regard, please note that the banking activities set forth in a new agreement signed by UnipolSai and BPER effective 1 May 2020, were initiated in reduced form as a result of the COVID-19 restrictions.

At 31 December 2020, the rationalisation of the agency network throughout the country was consolidated, completing 294 reorganisation initiatives, 132 of which were groupings with transfer of portfolio or operations aimed at promoting the growth of the size of the involved agencies, 84 management changes and 78 agent replacements. 17 administrative initiatives were carried out, directed at changing the agency structures. In the same period, 5 new agencies were opened, while the liberalisation of 6 agencies was also activated.

The main measures taken to support the business included:

- the hiring of 209 sub-agents who contributed significantly to income results, 237 new specialists and 171 Business Specialists. At 31 December 2020, the specialist network consisted of 1,529 salespeople, of which 908 Family Welfare Specialists and 621 Business Specialists;
- additional initiatives to accelerate agency use of new digital instruments such as the advanced electronic signature, with more than 4.2m digital transactions at 31 December 2020 (21.0% of the total, compared to 11.7% in 2019) and the use of the Personal Advisory Tool to provide advisory services to customers;
- the UnipolSai website and App have evolved further to expand and improve the services they offer. At 31 December 2020, 4.18m customers had registered in the reserved area. At the same date, nearly 3.2m had downloaded the App. At the end of 2020, cumulative visits to the website and the App reached 45m, while nearly 4,500 claims were reported online and there were roughly 1m accesses to online tracking, which makes it possible to enter into contact with the appraiser and the adjuster. Lastly, also in the same period, nearly 10.5m notifications were issued on the App relating to electronic MV devices.

In 2020, the Large Scale Retail and New Distribution Channels division continued with the placement of insurance products (Non-Life and Life), through the channels that make up its sales network.

Sustainable Agencies

On 22 April 2020, to mark the 50th anniversary of Earth Day, the launch of the Sustainable Agencies project was announced, promoted by the Sustainability Department and the Sales Department of the Unipol Group, which has always been sensitive to environmental matters. The project is part of the 2019-2021 Strategic Plan and meets the needs of the "Guidelines on reporting climate-related information" published by the European Commission in 2019. The goal is to enhance the agencies with a "certification" of their environmental and social sustainability, within a context in which attention to environmental matters is constantly on the rise. The certifications will be issued in partnership with Legambiente, a recognised and well-established Third Sector player, and may be exhibited by the agencies as a veritable "label of quality". The project began with a pilot phase involving 56 agencies located throughout the country, which were provided with a tool to map their virtuous behaviours in order to obtain the certification, and it was gradually extended during the year.

Multichannelling

As of July 2020, it is possible for all UnipolSai customers to use credit cards to pay amounts due for certain types of policies from their Reserved Area (online or using the app). This initiative was inspired by IVASS Regulation no. 41 of 2 August 2018, which significantly strengthened digitalisation by reinforcing functions in the Reserved Areas of customers on the websites of insurance companies and for UnipolSai was the result of the combined efforts of multiple business areas.

Therefore, the challenge is not only regulatory compliance but also the definition of a new commercial and operating model to protect retention objectives, maximise sales opportunities for agencies and guarantee fair and effective operations while leveraging the experience between the Company, the agency and the customer. This effort also encompasses the evolution of the UnipolSai App, which is becoming an increasingly utilised tool for taking advantage of all the services that the Company makes available to its customers. Thanks to the new multi-channel process, agencies can be even closer and more accessible to their customers with an additional contact and service mode.

Settlement structure

The Claims Department of UnipolSai Assicurazioni conducts settlement activities for the classes MV, General TPL (including Legal Expenses), Accident and Property (Fire, Theft, Technological Risk, Mechanical Breakdowns and Other Damage to Property).

For specific types of claims (ex. Bonds, Transport, Hail, Assistance), settlement is assigned to centralised structures reporting to the Insurance General Directorate or to external providers (mainly under specific brokered contracts), while in the Health class, settlement is assigned to UniSalute, a Group company that specialises in the Healthcare sector.

The following actions were carried out in 2020 to boost the efficiency of settlement processes:

- **Black Box:** the project launched in partnership with AlfaEvolution continued, aiming to improve the effectiveness of the boxes and increase the available dataset.
With a view to developing the electronic settlement process and the innovative use of information provided by black boxes for MV claims (in particular, verifying consistency between statements provided and the actual dynamics of the event), in 2020 efforts were made to renew the "Unico" electronic portal, re-engineering the system and re-designing the application, which will be available in early 2021.
The **Real Time 2.0** process was optimised in 2020, which envisages the opening of a claim from the moment of a crash detected in black box data, at the same time triggering initial contact with the policyholder and anticipating the information collection stage.
- **Anti-fraud Engine:** in 2020, activities continued for the improvement of the criteria adopted to identify fraud, guaranteeing to the Company an adequate system for combatting fraudulent phenomena through the evolution of the new anti-fraud engine and the platform created for the management of relationship charts, which makes it possible to identify the correlation between events and parties and easily perform advanced searches in order to support investigations.

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- **Damages from injuries:** as concerns the optimisation of the management of **claims with injuries**, in September 2020 an evolution of the semantic search engine was released for reading emergency room certificate data, for the prompt identification of severe injuries, making it possible to automatically recognise types of significant trauma, in order to allow for a rapid assessment by the adjuster in terms of provisions and automatic transfer of the position, if outside its limits of autonomy, to the structures responsible for managing the most significant claims.
- **CPM/SPM:** the process of booking visits at the Medical Report Centres (CPM) was optimised, offering injured parties with minor injuries (MV, Accident or General TPL) the option to perform the medical-legal examination directly at the offices of the Company and then to be paid promptly. Access to the Medical Booking Service (SPM) was also improved, with the provision of the service directly at the medical office of the trustee, where the adjuster will also be present to make payment directly on site. At the end of 2020, geographical coverage was guaranteed by 80 CPMs and 319 SPMs.
- **Prompt Definition:** at the end of September 2020, the **Land Vehicle Hulls claims Regulatory Oversight** process was activated, making it possible to automatically calculate the application of contractual deductions and any penalties for the failure to have the specific repair made, on the estimate of the MV appraiser, with a resulting minimisation of the risks of incorrect or non-application of policy excesses/non-coverage.
- **Use of Satellite Data for the General Classes:** in late June 2020, the new *Lorentz* advanced weather data collection tool was made available, which enables the adjuster and the trustee to use meteorological information, provided by the main weather providers, for the optimal definition of the claim. In September 2020, the use of the on demand use of the Copernicus Satellite Weather Data service was activated for the geolocation and mapping of flood events, helping to identify flooded areas after the event takes place. Thanks to these tools, the Company may achieve quicker investigation times and more precise estimates, while also identifying potential fraudulent claims.
- **General Classes Direct Repair:** to offer an innovative service to customers, similarly to what is done for the MV Classes, the process of "direct repair intervention" was established for General Classes (Piped Water, Research and Damage Repair, Weather, Plates and Electrical) to repair the damage without the Customer having to pay anything, and with consequent elimination of the excess, where present.

Operating and settlement expenses

Operating expenses, which include acquisition and collection commissions and other acquisition costs and administrative expenses, amounted to a total of €2,209.7m compared with €2,152.5m in 2019 (respectively €2,126.7m and €1,997.2m net of commissions received from reinsurers), an increase of 2.7% compared with 31 December 2019. While administrative expenses were down compared to the previous year, thanks to the cost curbing actions taken to handle the effects of the pandemic during the first lockdown, acquisition costs in the Non-Life class were up.

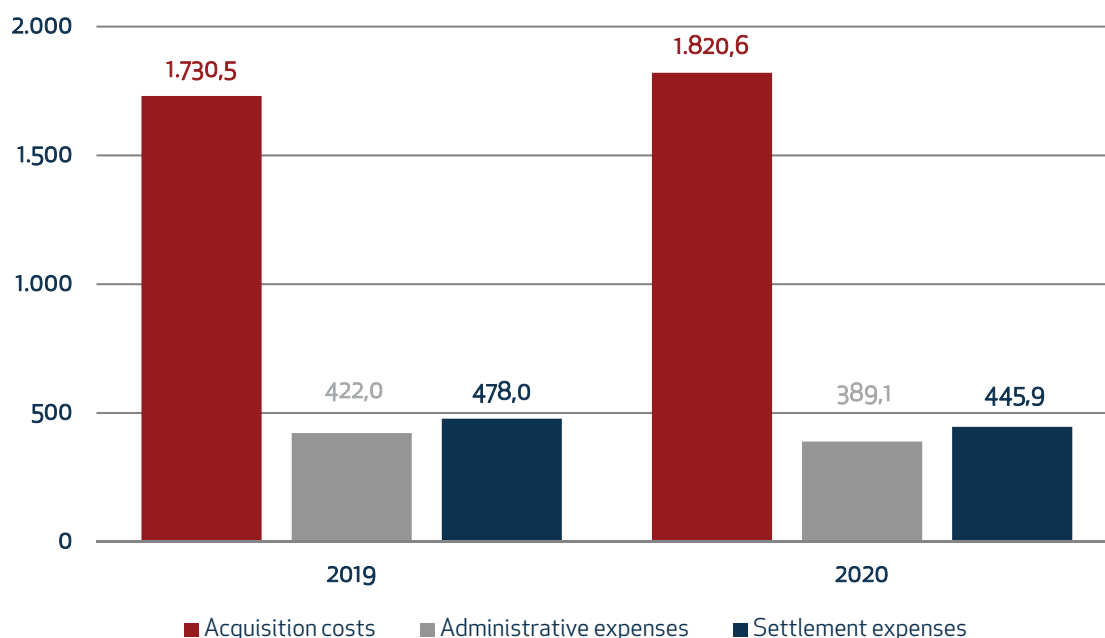
This increase was caused by new reinsurance treaties and the increase in marketing expenses required to support the numerous initiatives enacted throughout the year to support customers (discounts, extensions of guarantees and specific products) as well as an increase in commissions paid to the distribution network, which benefitted from the variable claims-based commissions mechanism, along with actions to support agencies put into place by the Company during the most critical phases of the lockdown.

The relative impact on premiums increased, from 19.4% to 21.8%, also as a result of the reduction in premiums.

Settlement expenses in the Non-Life and Life businesses came to €445.9m, down on the figure recorded in 2019 (€478.0m).

Operating expenses (acquisition costs and administrative expenses) and settlement expenses

Amounts in €m



Acquisition and collection commissions and other acquisition costs totalled €1,820.6m (€1,730.5m in 2019) and other administrative expenses came to €389.1m (-7.8%), with impacts on premiums of 18.0% and 3.8%, respectively (15.6% and 3.8% in 2019).

Reinsurance**Indirect business**

Total premiums of inwards reinsurance acceptances reached a total of €260.0m at 31 December 2020 (€11.0m at 31/12/2019), of which €259.9m (€10.9m at 31/12/2019) in the Non-Life business and €0.1m (€0.1m at 31/12/2019) in the Life business.

The increase was due primarily to UnipolSai, in the role of reinsurer, entering into an intra-group reinsurance treaty with UniSalute, which calls for the proportional ceding of 50% of Health and Accident business.

In May, a new proportional reinsurance treaty also came into force with Linear, which covers Third Party Liability risks and all accessory risks excluding the Assistance class, relating to the Linear insurance products distributed to customers of Poste Italiane, based on the partnership recently formed by the two companies.

Reinsurance ceded

With regard to the risks underwritten in the Non-Life business, the reinsurance strategy proposed the same cover structures in place in 2019, maximising the effectiveness of the main non-proportional treaties as well as calling for improvements in terms of risk mitigation:

- extension of the capacity of the Property XL Treaty per Event, which increased to €1.9bn, with a view to capital relief optimisation;

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- acquisition of cover against natural events (atmospheric events, over-abundance of snow, flood) with XL Treaty in aggregate Atmos Re;
- termination of "Bridge" coverage during the new issue of the Azzurro Re II Cat Bond.

The following cover was also acquired:

- excess of loss treaties for the protection of MV TPL, General TPL, Fire (by risk and by event), Land Vehicle Hull Atmospheric Events, Theft, Accident and Transport portfolios;
- stop loss treaty for the Hail class;
- proportional treaties for: Technological risk (C.A.R. - Contractors' All Risks -, Erection all Risks and Decennale Postuma - Ten-year Building Guarantee), Bonds (the retention of which is then protected by a "risk attaching" excess of loss), Aviation (Accident, Aircraft and TPL, the retention of which is protected by a "loss attaching" excess of loss), Legal Expenses, "D & O" and "Cyber" third-party liability.

To minimise counterparty risk, reinsurance coverage continued to be spread out and placed with the major professional reinsurers that have been given a high credit rating by major rating agencies, in order to provide a comprehensive and competitive service. As regards: Legal Expenses and part of Transport risks, these were instead ceded to specialised reinsurers and/or specialist Group companies.

Premiums ceded in the direct Non-Life business amounted to €281.0m at 31 December 2020 compared with €412.9m in the previous year. The retention ratio in the Non-Life business came to 95.8% at 31 December 2020, compared with 94.1% in the previous year.

Also in the Life business, the renewal of covers relating to 2020 occurred fully in line with that already in place, therefore the risks underwritten in the Life business are mainly covered with two proportional treaties, one for individual risks and one for collective risks in excess of the risk premium. Retention is protected with a non-proportional cover in excess of loss by event that regards the Life and/or Accident classes. There are also two proportional covers for LTC guarantees and one proportional cover for Individual Serious Illnesses.

Premiums ceded in Life direct business amounted to €5.7m at 31 December 2020, basically unchanged compared with the same period of the previous year (€6.0m).

The retention ratio in the Life business came to 99.8% at 31 December 2020, essentially in line with 2019 (99.9%).

Operations to combat fraud and claims management

Operations to combat fraud

With regard to combatting fraud, Italian Decree Law no. 1 of 24 January 2012, converted with amendments into Italian Law no. 27 of 24 March 2012, led to the issue by IVASS of Regulation no. 44 of 9 August 2012, which states that an annual report must be prepared and sent to the Authorities containing the information necessary to assess the efficiency of processes, systems and people in order to guarantee the adequacy of the company organisation in relation to the objective of preventing and combating fraud in the MV TPL class.

The same Decree Law also requires insurance companies to provide an estimate of the reduced charges relating to claims arising from verification of fraud in their Management Report or in the Notes to the Financial Statements annexed to the annual financial statements and to publish it on their websites or using another appropriate form of disclosure.

Pursuant to and in accordance with Art. 30, paragraph 2 of Italian Decree Law no. 1/2012, the estimate of the reduction of charges for claims arising from this activity for 2020 totals approximately €61m.

This estimate consists of the sum of provisions/forecasts of expense for claims to be investigated for antifraud purposes that were settled without follow-up in 2020, regardless of the year when they are generated.

Register of complaints

From January to December 2020 there were a total (pursuant to the provisions of ISVAP Regulation no. 24 of 19 May 2008 and subsequent amendments) of 15,567 complaints in UnipolSai's register, 14,953 relating to Non-Life business and 614 relating to Life business, with an impact on policies in the portfolio of 0.045%, up by 12.05% compared with 31 December 2019.

14,754 replies had been sent by UnipolSai at 31 December 2020, while 813 complaints were in the assessment phase. The average response times were 21.22 days. 5,330 complaints were accepted, 7,531 were rejected and 1,893 were settled.

Disputes

MV TPL claims with cases in civil proceedings pending at 31 December 2020 amounted to 46,211, down by roughly 3% compared to the previous year.

Also in this area, during 2020, disputes relating to 18,677 claims were settled.

Please note that due to the COVID-19 pandemic and the resulting lockdown measures that also concerned the Court's Civil Sections, there was less of a possibility to close civil proceedings, particularly for settlements deriving from rulings; therefore, the figure for 2020 is not fully comparable with the figure from 2019.

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Asset and financial management

Investments and cash and cash equivalents

At 31 December 2020 the amount of investments and cash and cash equivalents, net of depreciation of property, plant and equipment and taking account of impairment, equalled €48,813.5m.

The breakdown of commitments is shown in the table below.

Investment cash and cash equivalent

<i>Amounts in €k</i>	FY	%	FY	%	Variation 2020/2019	
	2020	Comp.	2019	Comp.	amount	%
Land and buildings	1,240,605	2.5	2,010,116	4.1	(769,512)	(38.3)
Investments in group companies and other investees						
-Shares and holdings	3,530,048	7.2	3,499,451	7.2	30,597	0.9
-Bonds	9,419	0.0	10,603	0.0	(1,184)	(11.2)
-Loans	773,220	1.6	924,576	1.9	(151,357)	(16.4)
Total	4,312,687	8.8	4,434,630	9.1	(121,943)	(2.7)
Other financial investments						
-Shares and holdings	568,641	1.2	627,725	1.3	(59,085)	(9.4)
-Mutual investment fund units	4,688,527	9.6	3,421,579	7.0	1,266,948	37.0
-Bonds and other fixed-yield securities	32,267,148	66.1	32,177,333	66.0	89,815	0.3
-Loans	20,877	0.0	22,174	0.0	(1,297)	(5.8)
-Bank deposits (1)	20,115	0.0	25,521	0.1	(5,406)	(21.2)
-Sundry financial investments (2)	24,862	0.1	20,367	0.0	4,495	22.1
Total	37,590,169	77.0	36,294,700	74.4	1,295,470	3.6
Deposits with ceding companies	147,658	0.3	10,334	0.0	137,324	1328.9
Investments benefiting policyholders that bear the risk and investments arising from pension fund						
-Investment funds and market indices	808,158	1.7	679,163	1.4	128,996	19.0
-Pension funds	4,277,583	8.8	4,946,603	10.1	(669,020)	(13.5)
Total	5,085,742	10.4	5,625,766	11.5	(540,024)	(9.6)
Cash and cash equivalents	436,631	0.9	393,270	0.8	43,361	11.0
TOTAL INVESTMENTS AND CASH AND CASH EQUIVALENTS	48,813,491	100.0	48,768,816	100.0	44,675	0.1

(1) Deposits primarily subject to time restrictions exceeding 15 days.

(2) Include premiums for transactions in derivative products.

77.0% of commitments were comprised of investments in bonds and other fixed-yield securities, shares and holdings of mutual funds and other financial investments. Investments in Group companies and other investees amounted to 8.8%, while investments in properties came to 2.5%. Investments relating to benefits linked to investment funds, market indices and assets from pension fund management accounted for 10.4%. Bank liquidity amounted to 0.9%.

Real Estate Management

The Company's property assets at the end of the year amounted to €1,240.6m, down compared with €2,010.1m at 31 December 2019.

During the year, as a result of the subsidiary spin-off transactions commented on previously, properties with a value of €60.5m, inter alia, were transferred to the Company.

Furthermore, land located in Florence was acquired from a Group company for €0.8m and subsequently contributed to the Tikal fund.

As regards sales, an office property located in Florence and several property units in Milan, Turin, Rome and Florence were sold, for a total value of approximately €10.8m.

Furthermore, in December, the notary deed was signed for the sale of the piazza Velasca property (Torre Velasca) in Milan. Please note that the effects of this sale will be seen in 2021, when the recognition deed will be entered into certifying the Public Administration's failure to exercise the pre-emption right.

During the year, development continued on owned property assets in order to subsequently leverage the refurbished properties with a view to leasing or use for business purposes, and real estate investment fund transactions increased.

The main transactions regarded:

- the contribution of properties owned by the Company to the Tikal fund for roughly €734.2m and the Oikos fund for around €134.7m, for a total of around €868.9m. Both funds, whose units are owned in full by the Company, are managed by UnipolSai Investimenti SGR, a company in which the Company holds an equity investment of 49% and which is 51% controlled by Unipol Gruppo. Net realised capital gains amounted to €63,795k;
- the investment in Fondo Emporion units for roughly €218m. In December, the Fondo Emporion (formerly Fondo Opportunity), also managed by UnipolSai Investimenti SGR, acquired a commercial real estate portfolio consisting of 28 medium or small supermarkets located in the regions of Emilia Romagna (22), Veneto (3) and Marche (3) from Coop Alleanza 3.0 for a total of €217.8m. During the acquisition, the relative lease contracts were entered into by the Fund and Coop Alleanza 3.0;
- the €25m investment in JPM Strategic Property Fund Europe fund units. The fund, managed by J.P. Morgan Asset Management, intends to invest in the real estate sector and more specifically in logistics, office, residential and commercial real estate, with investments only in Europe and a primary focus on Germany, France and the UK.

Investments in Group companies and other investees

The total amount of the investments in Group companies and other investees totalled €4,312.7m (€4,434.6m at 31/12/2019), of which €3,530.0m refers to shares and holdings of investees, €9.4m consists of bonds issued by Group companies (€10.6m at 31/12/2019) and €773.2m in loans to Group companies (€924.6m at 31/12/2019).

Details on the investments held and the relevant changes are contained in attachments 6 and 7 of the Notes to the Financial Statements, respectively.

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The breakdown of investments by business segment was as follows:

<i>Amounts in €k</i>	2020	2019
Insurance Companies	1,550,843	1,564,409
Banks	311,681	238,587
Financial companies	715,205	716,124
Real estate companies	512,889	541,753
Consortiums	34,305	31,675
Management companies distributing mutual funds	6,440	6,440
Other companies or entities	398,685	400,463
Total	3,530,048	3,499,451

At 31 December 2020, investments rose from €3,499.5m to €3,530.0m, with an increase of €30.6m compared to 31 December 2019 (+0.9%).

This change was mainly due to:

- the subscription of the BPER share capital increase amounting to €73.1m, the capitalisation of Meridiano Secondo for €24.1m and of Nuove Iniziative Toscane for €2.2m;
- increases in the value of Casa di Cura Villa Donatello for €45.9m, Midi for €12.2m and Gruppo Una for €4.3m, following merger and spin-off transactions taking place on 1° February 2020, as described in the section on the main events for the period;
- acquisition of the equity investment in Cambiomarcia for €5.9m;
- elimination of the value of Villa Ragionieri for €53.9m, Ambra Property for €53.8m and Pronto Assistance for €13.6m and a decrease in the value of Casa di Cura Villa Donatello for €3.5m, also in relation to the corporate transactions pursuant to the previous point;
- sale of the equity investment held in Società Edilizia Immobiliare Sarda for €12m;
- net value adjustments totalling €1.5m.

For additional information on the changes in the equity investments during the period, reference is made to Part B, section 2.2 - Investments in Group companies and other investees.

At 31 December 2020 bonds issued by Group companies and other investees amounted to €9.4m, all classified under long-term investments, with a decrease compared to last year of €1.2m, mainly comprising:

- Profit Participating Bonds for a residual value of €6.8m, issued by the associates Garibaldi S.C.A. (€5.1m) and Isola S.C.A. (€1.8m), as part of the Porta Nuova real estate project;
- Profit Participating Bonds for a residual value of €1.1m, linked to loans to the company Ex Var as part of the Porta Nuova real estate project.

The item also includes the bonds issued by the investee Syneteristiki for €1.5m.

With reference to investments connected to the Porta Nuova real estate project, please note that in the course of 2020, €7.8m was collected, of which €5.5m for Profit Participating Bonds and the relative remuneration and €2.3m for Special Interest Bonds and the relative remuneration.

The total value of collections, inclusive of those made in the years 2015 and 2016, came to roughly €153m. Residual investments in the financial statements at 31 December 2020 amounted to €10.2m, consisting for €7.9m of the Profit Participating Bonds mentioned above and for €2.3m by investments in the associates Garibaldi S.C.A. (€0.7m) and Isola S.C.A. (€1.6m).

It is estimated that the future collections, expected in two tranches in July 2023 and April 2025, will guarantee the recovery of the remaining investment, plus additional proceeds, the quantification of which is currently uncertain as it relates to the outcome of the guarantees issued to the purchaser.

Loans to Group companies amounted to €773.2m (€924.6m at 31/12/2019). The item includes:

- three loans executed in favour of the holding company Unipol Gruppo for €567.8m, referring for €267.8m to the takeover by the former company Unipol Assicurazioni of the role of issuer, replacing the holding company Unipol Gruppo, of the Unipol 7% and Unipol 5.66% bond loans and, for the remaining €300m, to the disbursement of an additional loan, as part of the disposal to Unipol of the Unipol Banca equity investment;
- a loan to UnipolRental for €123.9m (€223.9m at 31/12/2019);
- a loan to UnipolReC for the residual value of €30.8m (€65.3m at 31/12/2019);
- a loan to Meridiano Secondo for €36.8m (unchanged compared to 31/12/2019);
- a loan to AlfaEvolution for €7m (€13.0m at 31/12/2019);
- a loan to Borsetto for €6.0m (€6.1m at 31/12/2019);
- a loan to Cambiomarcia for €0.9m;
- a loan to Butterfly for a nominal amount of €0.1m, wholly written off (unchanged compared to 31/12/2019).

The net decrease in this item, totalling €151.4m, was primarily due to the following transactions:

- following the partial spin-off taking place on 1^o February 2020 of Casa di Cura Villa Donatello in favour of UnipolSai, the extinction of the €5.7m loan disbursed to it;
- transfer of the outstanding €6.1m loan to Società Edilizia Immobiliare Sarda as part of the sale of the equity investment held in that company on 17 April 2020;
- disbursement on 31 July 2020 of a €123.9m loan to the subsidiary UnipolRental, to replace the loan previously disbursed for €223.9m, which was repaid on the same date;
- partial repayment on 30 November 2020 of €6m on the loan to the subsidiary AlfaEvolution;
- early repayment by UnipolReC of part of the loan for a total of roughly €34.4m;
- the disbursement on 22 December 2020 of a loan to the subsidiary Cambiomarcia for €0.9m.

Other financial investments

Financial operations in 2020 were consistent with the Investment Policy guidelines adopted by the Company and with recommendations of the Group Investments Committee and Financial Investments Committee.

The criteria of high liquidity of investments and prudence were the guidelines of the investment policy, maintaining the necessary consistency with the liability profile. The investment policy applied the criteria of optimising the portfolio's risk-return profile.

With a view to simplifying the asset portfolio, the reduction of level 2 and 3 structured securities according to the IFRS13 hierarchy continued, both through sales and when the securities reached their natural maturity. The following table shows the changes that took place during the year.

Structured Securities

<i>Amounts in €m</i>	2020	2019	Change
Level 1	25.8	25.5	0.2
Level 2	271.2	492.4	(221.1)
Level 3	1.5	142.4	(140.9)
Total	298.5	660.3	(361.7)

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2020 was characterised by operations focused on bonds and stocks. There was a decrease in the weight of the investment in government securities against an increase in bonds of non-government issuers, both financial corporate bonds and, to a lesser extent, industrial corporate bonds.

Trading in interest-rate derivatives, in the Non-Life and Life portfolios, was functional to optimising strategies to mitigate the risk of rising interest rates.

“Other financial investments” at the end of 2020 amounted to €37,590.2m and mainly comprised bonds and other fixed-yield securities. In this regard, see the additional details in section 2.3 of the Notes to the Financial Statements.

At the end of 2020 the bond portfolio recorded a positive balance between unrealised capital gains and losses, which amounted to €6,291.3m, of which €5,025.0m for the long-term bond portfolio.

Investments benefiting policyholders that bear the risk and investments arising from pension fund management

Note that investments benefiting policyholders that bear the risk are comprised of investments covering Life business insurance contracts and capitalisation contracts, with benefits directly linked to investment funds and market indices. These investments are measured at current value, in strict correlation with the valuation of the related commitments (technical provisions).

At the end of 2020 these investments amounted to €808.2m, of which €0.9m comprised of assets covering Index-Linked policies (bonds for €0.4m and net financial investments for €0.5m) and €807.3m in assets for Unit-Linked policies (mutual investment fund units for €628.4m, bonds for €121.1m, shares for €0.8m, cash and cash equivalents and other assets net of items to be settled for €57.0m).

Investments arising from pension fund management refer to investments in relation to subscriptions of units of open funds promoted by UnipolSai and in relation to closed, guaranteed funds managed by the Company.

These investments amounted to €4,277.6m at 31 December 2020, comprised of shares for €123.4m, bonds for €2,819.6m, fund units for €379.6m, cash and cash equivalents for €957.3m and net other items for -€2.3m.

Cash and cash equivalents

Bank deposits and cash at 31 December 2020 amounted to €436.6m (€393.3m at 31/12/2019).

Current gains on assets and financial income. Gains and losses on trading

The breakdown of current gains on assets and financial income and gains and losses on trading are shown in the table below, with separate indication of net income relating to investments benefiting policyholders that bear the risk arising from pension fund management (Class D).

<i>Amounts in €k</i>	FY 2020	% Comp.	FY 2019	% Comp.	Variation 2020/2019 amount %	
NET GAINS ON INVESTMENTS AND FINANCIAL INCOME						
Land and buildings	(5,356)	(0.5)	(9,256)	(0.7)	3,900	42.1
Shares and holdings	121,579	10.4	105,243	8.4	16,336	15.5
<i>referred to group companies</i>	110,615		76,185		34,429	45.2
Bonds	1,030,811	88.1	1,138,700	91.2	(107,889)	(9.5)
Mutual investment fund units	88,955	7.6	101,273	8.1	(12,318)	(12.2)
Loans	12,623	1.1	12,198	1.0	425	3.5
Bank and post office deposits	116	0.0	6	0.0	110	n.s.
Sundry financial investments	9,321	0.8	(14,925)	(1.2)	24,246	162.5
Balance of reinsurance deposits	(923)	(0.1)	(1,750)	(0.1)	827	47.3
Interest on loans	(86,479)	(7.4)	(82,959)	(6.6)	(3,521)	(4.2)
TOTAL (a)	1,170,647	100.0	1,248,530	100.0	(77,883)	(6.2)
Gains (losses) on sale						
Land and buildings	64,810	59.4	49,228	27.7	15,582	31.7
Shares and holdings	(103,239)	(94.7)	18,206	10.3	(121,446)	(667.0)
Bonds	271,794	249.2	381,486	214.8	(109,692)	(28.8)
Mutual investment fund units	(81,687)	(74.9)	69,428	39.1	(151,115)	(217.7)
Sundry financial investments	(42,604)	(39.1)	(340,733)	(191.8)	298,129	87.5
TOTAL (b)	109,074	100.0	177,616	100.0	(68,541)	(38.6)
Total (a+b)	1,279,721		1,426,145		(146,424)	(10.3)
Net reversals on investments						
Land and buildings	(48,561)	25.2	(60,478)	(85.3)	11,917	19.7
Shares and holdings	(28,231)	14.7	(10,517)	(14.8)	(17,714)	(168.4)
<i>referred to group companies</i>	(1,513)		(14,613)		13,100	89.6
Bonds	(7,559)	3.9	153,272	216.2	(160,830)	(104.9)
Mutual investment fund units	(110,501)	57.4	(5,703)	(8.0)	(104,797)	(1837.5)
Other financial investments	2,472	(1.3)	(5,679)	(8.0)	8,151	143.5
Total (c)	(192,380)	100.0	70,894	100.0	(263,274)	(371.4)
TOTAL (a+b+c)	1,087,341		1,497,040		(409,698)	(27.4)
Net investment income of Class D						
-Investment funds and market indices	30,603		93,958		(63,355)	(67.4)
-Pension funds	63,245		139,645		(76,400)	(54.7)
Total Class D	93,848		233,603		(139,755)	(59.8)
GRAND TOTAL	1,181,190		1,730,643		(549,453)	(31.7)

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Gains on investments and cash commitments, net of losses on investments and financial charges, amounted to €1,170.6m. Net profit on sales totalled €109.1m. This amount includes net gains realised on sales of long-term investments for a value of €211.7m, of which €64.8m referring to buildings, €156.0m relating to long-term bonds and €0.1m relating to mutual funds, while investments recorded net capital losses of €10m.

For further details on long-term security transactions, please refer to the dedicated section of the Notes.

At 31 December 2020 net income and gains on asset and financial management before end-of-period valuations amounted to a total of €1,279.7m.

Net reversals of impairment losses and impairment losses were negative for -€192.4m and consisted of net adjustments on short-term financial investments for €142.3m, adjustments on real estate for €48.5m, of which €39.7m for depreciation for the period and value adjustments on investments in group companies for €1.5m.

Overall, net ordinary and extraordinary income, including impairment and reversals of impairment losses on investments, amounted to a positive €1,087.3m.

Net gains (losses) on investments benefiting policyholders that bear the risk and arising from pension fund management (Class D) amounted to a positive €93.8m.

Risk management policies (Art. 2428 of the Civil Code)

Financial risk is managed through the regular monitoring of the main indicators of exposure to interest rate risk, credit risk, equity risk, and liquidity risk.

Interest rate risk

The duration of the class C investment portfolio, an indicator of the Company's interest rate risk exposure, was 7.35 years at 31 December 2020. With specific reference to the bond portfolio, the duration was 8.90 years.

Risk Sector	Breakdown	Duration	Increase 10 bps	Increase 50 bps
Government	64.70%	11.20	(279,767,557)	(1,398,837,785)
Financial	27.22%	4.43	(46,593,968)	(232,969,839)
Corporate	8.08%	5.57	(17,381,777)	(86,908,886)
Bonds	100.00%	8.90	(343,743,302)	(1,718,716,510)

Credit risk

Management of the securities portfolio primarily involves investing in investment grade securities (89.13% of the bond portfolio).

Credit risk is monitored by measuring the portfolio's sensitivity to changes in benchmark credit spreads.

Rating	Breakdown	Increase 1 bps	Increase 10 bps	Increase 50 bps
AAA	0.49%	(440,599)	(4,405,989)	(22,029,947)
AA	5.16%	(3,623,787)	(36,237,874)	(181,189,372)
A	13.30%	(5,340,907)	(53,409,075)	(267,045,373)
BBB	70.18%	(25,585,559)	(255,855,586)	(1,279,277,928)
NIG	10.87%	(1,752,311)	(17,523,114)	(87,615,572)
Bonds	100.00%	(36,743,164)	(367,431,639)	(1,837,158,193)

Equity risk

Equity risk is monitored by analysing the equity portfolio's sensitivity to changes in the reference markets represented by sector indices.

Risk Sector	Breakdown	Beta coefficient	Shock -10%
Utilities	2.28%	0.91	(7,900,731)
Funds	81.81%	1.00	(283,690,823)
Raw materials	0.47%	1.22	(1,632,843)
Industrial	0.37%	0.98	(1,292,900)
Luxury goods	0.00%		
Health	1.93%	0.83	(6,685,272)
Finance	10.63%	1.18	(36,862,721)
IT	0.61%	1.03	(2,103,565)
Communications	1.55%	0.85	(5,387,237)
Real Estate	0.11%	0.68	(390,606)
Equity	100.00%	1.01	(346,761,292)

Liquidity risk

In the construction of the investment portfolio hedging provisions, priority is given to financial instruments that can be quickly transformed into cash and quantitative limits are specified for the purchases of securities that do not guarantee a rapid sale and/or a sale at fair conditions, because of their type or specific terms.

In that view, the Company constantly monitors cash flow matching between assets and liabilities in order to limit, particularly for segregated funds which no longer receive new business, the need to liquidate investments without adequate advance notice.

Treasury shares and shares of the holding company

At 31 December 2020, UnipolSai Assicurazioni held 406,365 treasury shares in its portfolio, for a total value of €0.7m, posted as a reduction of the shareholders' equity in the item Negative reserve for treasury shares (this value corresponds to the historic purchase cost as envisaged by current accounting standards). The number of treasury shares at 31 December 2019 was 1,004,643, with a value of €1.8m.

In March 2020, 1,800,000 shares were acquired, for the implementation of performance share type Compensation plans based on financial instruments, approved by the Shareholders' Meeting for the years 2019-2021 and which call for the assignment of shares in favour of UnipolSai Executives. In the course of 2020, a total of 2,398,278 shares were assigned to UnipolSai Executives in implementation of the outstanding Plans, of which 1,873,696 for the long-term incentive in execution of the 2015-2018 Plan and 524,582 shares only to the Executives not classified as significant risk takers, for the short-term incentive referring to the year 2019, in partial execution of the 2019-2021 Plan.

At 31 December 2020, 236,496 shares of the Holding Company Unipol Gruppo were also held by UnipolSai, for a total of €0.8m, recognised under Assets in Other financial investments (540,221 at 31 December 2019 for a total of €1.7m). In this regard, please note that a total of 1,000,000 shares of the Holding Company were acquired, for the implementation of performance share type Compensation plans based on financial instruments, approved by the UnipolSai Shareholders' Meetings and which call for the assignment of shares in favour of UnipolSai Executives. On 27 April 2020, 1,013,730 shares of the Holding Company were assigned to UnipolSai Executives for the long-term incentive in execution of the 2015-2018 Plan. Furthermore, in December 2020, an additional 289,995 shares were assigned only to the Executives not classified as significant risk takers, for the short-term incentive referring to the year 2019, in partial execution of the 2019-2021 Plan.

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Performance of Group companies

The financial statements of (direct and indirect) subsidiaries and associates were filed pursuant to Art. 2429 of the Civil Code. The key figures of the main subsidiaries are reported below.

Insurance Companies

Incontra Assicurazioni recorded a €14.9m profit at 31 December 2020 (profit of €12.8m at 31/12/2019), with premiums of €84.3m, down compared to the previous year (€184.7m in 2019), mainly concentrated in the Health and Pecuniary Losses classes. The decrease can be primarily attributed to the effects of the health emergency, caused by the spread of the COVID-19 pandemic starting in February. Since that date, there has been a reduction in physical insurance product distribution activities caused by the temporary impossibility for customers to move freely to UniCredit branches, measures to protect customers as well as employees and the priority commitment made by bank branches to perform primary activities in accordance with government requirements.

Linear, a company specialised in direct sales (online and call centre) of MV products, in 2020 generated a profit of €22.1m (€12.4m at 31/12/2019). Total gross premiums, amounting to €185.3m, recorded a 0.6% increase on 2019, particularly in the Land Vehicle Hulls class (+9.2%). The partnership for the sale of Home Assistance insurance with Hera, an Italian multiutility based in Bologna, recorded premiums written for €2.2m in 2020. Contracts in the portfolio at the end of 2020 were close to 661k units (+5.3%), an all-time high for the Company.

SIAT recorded a roughly €3.4m profit in 2020 (€0.1m at 31/12/2019) with total gross premiums (direct and indirect) at €149.4m (€159.8m in 2019). In general terms, business was down for the year (-6.5%), essentially referring to direct business and in particular Hulls sector, subject to an in-depth portfolio review and selection following the actions undertaken for the necessary improvement of the technical balance. Furthermore, the data were negatively influenced by the considerable depreciation recorded during the year in the US dollar (-9.2%), as a consistent part of the business acquired is denominated in this currency.

UniSalute confirms its leadership in the Health sector, closing the year with premiums (direct and indirect business) of €509.5m (€489.2m at 31/12/2019), up by 4.2%, thanks to the acquisition of important new corporate contracts. 2020 also posted a profit of €42.3m (€36.2m at the end of 2019), up by 16.8%.

Arca Assicurazioni achieved a net profit at 31 December 2020 of €35.1m (+26.3%), recording premiums for €140.4m (+3.0%), with a significant increase in the Non-MV classes (+5.8%) and a decrease in the MV segment (-5%). The breakdown of the portfolio among the distribution channels is almost totally focused on the banking channel which, at 31 December 2020, recorded 98.5% of the total Non-Life premiums (98.3% at 31/12/2019). Overall, the banking channel recorded a 3.3% increase in premiums compared to the previous year, with premiums written totalling approximately €138.4m.

In the bancassurance channel, **Arca Vita** earned premiums of €1,118.6m (-48.0%). The volume of total investments reached the amount of €9,040.1m (€8,539.3m at 31/12/2019). Arca Vita recorded a profit of €61.8m, compared to €64.8m in 2019.

BIM Vita recorded a profit of around €1.6m at the end of 2020, down slightly against 31 December 2019 (€2m). Gross premiums written amounted to €72.7m (around €75.9m at 31/12/2019). The volume of total investments reached the amount of €625.9m (€601.8m at 31/12/2019).

DDOR Novi Sad recorded a €10.4m profit (Non-Life and Life business) at 31 December 2020 (up against €8.7m at 31/12/2019), with growing premiums, which rose from €104m at the end of 2019 (of which €88.2m in the Non-Life sector) to €105.4m at 31 December 2020 (of which €90.9m in the Non-Life sector). Despite the generalised economic uncertainty linked to the pandemic situation, unlike in the majority of European countries, Serbia's macroeconomic indicators show strong resilience, with an improving unemployment rate, against a basically stable inflation rate and industrial growth. The company continues to be a sector leader, with Non-Life premium growth of 3.1% and Life premium growth of 8.7%.

Other Companies

In 2020, the diversified companies faced the COVID-19 emergency which, for Gruppo UNA and, to a lesser extent, Tenute del Cerro, heavily impacted the result and required significant targeted cost reduction efforts.

As regards the hotel sector, the revenues of the subsidiary **Gruppo UNA** declined by 73.9% compared to 2019, from roughly €123.8m to around €32.3m, due to the inevitable collapse in bookings and the closure of more than half of the structures in the March-May and November-December periods. Despite the 53% reduction in operating expenses, due to the high fixed costs component, the company closed 2020 with a loss of roughly €23m.

As concerns agricultural activities, packaged wine sales of the company **Tenute del Cerro** recorded a decrease of 5.8% compared to 31 December 2019 - from €7.7m to €7.3m - while total revenues declined by 8.7% compared to the previous year, from €8.8m to €8m. In any event, a rigorous reduction in operating expenses made it possible to limit the loss for the period to €0.1m.

Casa di Cura Villa Donatello closed 2020 with revenue of €29.1m, up by around 13.8% compared to 2019 (€25.6m). Revenue trends show a continuation of the positive performance in the core business, for hospitalisation (hospital stays and outpatient surgery) as well as clinic activities (visits and diagnostics). The company recorded a profit of €0.4m, up slightly compared to 2019.

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Transactions with Group companies and transactions with related parties

Transactions with Group companies (Art. 2497-bis of the Civil Code)

UnipolSai Assicurazioni provides the following most economically significant services to Group companies:

- Governance (services supporting internal control, risk management, compliance and the Actuarial Function Validation);
- Finance;
- Innovation;
- Communications and Media Relations;
- Anti-money laundering and Anti-terrorism;
- 231 support;
- Institutional Relations;
- Assessment of investments;
- Human resources and industrial relations (personnel administration, external selection, development and remuneration systems, welfare initiatives, personnel management, trade union relations, employee disputes, employee welfare, safety);
- Organisation;
- Training;
- Legal and corporate (corporate affairs, group legal register management, anti-fraud, institutional response, legal insurance consulting, privacy consulting and support, general legal and disputes, corporate legal, complaints, management of investments);
- Claims settlement;
- Insurance (distribution network regulations, MV portfolio management, reinsurance, product marketing, MV tariff setting, development and maintenance of MV products, general class tariff setting, development and maintenance of general class products, technical actuarial coordination, Life bancassurance);
- IT services;
- Actuarial Function Calculation;
- Administration (accounting, tax, administrative and financial statements services);
- Management control;
- Procurement and general services;
- Real estate (coordination of urban planning processes, strategic real estate asset management, value added services, operational management of property sales and purchases, property leasing services, project management, tenders and contracts, logistics and real estate services, facility management, tax and duty property management, property management).

With the exclusion of Financial Management, which calls for consideration calculated through the application of a commission on volumes managed, in order to determine the charges to Group companies, external costs incurred are taken into account, due for example to products and services acquired from suppliers, and the costs resulting from activities carried out directly, i.e. generated by their own staff, and taking account of:

- performance objectives set for the provision of the service to the company;
- strategic investments required to ensure the agreed levels of service.

The following elements are specifically taken into consideration:

- the number and cost of the dedicated staff, including pay, charges and other accessory costs attributable to personnel;
- generic functioning costs generally associated with each workplace (premises, electricity, telephone, personal computers, heating, depreciation of furniture, etc., in addition to IT costs associated with each activity);
- any other specific, directly attributable costs.

The approach described above is generally used also to determine the costs of the services that the Company receives from Group companies.

The main services received by the Company are summarised below.

UniSalute performs the following services in favour of UnipolSai Assicurazioni:

- managing addressing services, providing medical advice and assistance by telephone, making bookings, managing and settling claims relating to specific guarantees/products on behalf of the Company;
- policyholder record updating services and administrative services associated with the payment of health policy claims.

SIAT - Società Italiana Assicurazione e Riassicurazioni performs the following services in favour of UnipolSai Assicurazioni:

- technical assistance in the negotiation and stipulation of transport and aviation contracts;
- portfolio services for agreements in the transport sector;
- administrative support in the relationships with insurance counterparties.

Directly or through qualified third-party suppliers AlfaEvolution Technology is in charge of the supply and industrial management at the network of installers and agencies of "black boxes", providing the connectivity and data transmission service, the management of online data and additional services that may be activated on the installed devices.

Auto Presto&Bene provides car repair services for UnipolSai Assicurazioni, while APB Car Service provides glass-fitting services.

UnipolRe DAC carries out for UnipolSai Assicurazioni administrative and accounting services for inwards and outwards reinsurance with reference to treaties in run-off.

UnipolSai Investimenti SGR administers on behalf of UnipolSai the units of real estate funds owned by UnipolSai.

Leithà provides, in favour of UnipolSai, innovative services with high technological value and study and analysis of data to support the development of new products and processes and business evolution, including the necessary preparatory and instrumental activities for the realisation of commissioned research projects, and, possibly the development of operating system software, operating systems and applications and database management pertaining and functional to such projects.

Pronto Assistance Servizi provides the following services for the consortium member companies:

- ✓ organisation, provision and 24/7 management of services provided by the assistance insurance coverage, by taking the action requested and managing relations with professionals and independent suppliers to which the material execution of the action is assigned, also including settlement of the related remuneration.
- ✓ Contact centre activities for the customers, specialists and agencies of the Group.

UnipolSai Servizi Consortili continued its supply and service activities, relating in particular to the management of the communications, image and brand of the Unipol Group.

UnipolSai Servizi Previdenziali, performs administrative management of open pension funds on behalf of a number of Group companies.

The transactions described above were concluded in compliance with applicable regulations, i.e. the cases set out in Art.2391 of the Civil Code (Directors' interests), the Policy on intragroup transactions and the regulations of transactions with related parties.

Moreover, it is noted that UnipolSai conducts the following normal transactions with Group companies:

- reinsurance and coinsurance;
- leasing of property and other tangible assets;
- agency mandates;
- secondment of personnel;
- long-term vehicle rental;
- training project management.

These transactions, which do not include atypical or unusual transactions, are settled at normal market conditions.

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Tax regime for taxation of group income (so-called "tax consolidation")

The Parent Unipol exercised the Group tax consolidation option governed by Title II, Chapter II, Section II of Italian Presidential Decree 917/86 (the Consolidated Income Tax Act, Articles 117 et seq.) as consolidating entity, jointly with the companies belonging to the Unipol Group meeting the established regulatory requirements over time. The option has a three-year duration and is renewed automatically unless cancelled.

Exercise of the option for the establishment of the Unipol VAT Group

On 14 November 2018, Unipol Gruppo and the subsidiaries for which there are the economic, financial and organisational restrictions set forth by regulations in force exercised the joint option for the establishment of the Unipol VAT Group for the 2019-2021 three-year period, with automatic renewal until cancelled, pursuant to Arts. 70-bis et seq. of Italian Presidential Decree no. 633/1972 and Ministerial Decree of 6 April 2018.

Transactions with related parties

Consob, by issuing the Regulation introducing provisions pertaining to transactions with related parties, with resolution no. 17221 of 12 March 2010, as subsequently amended (the "**Consob Regulation**"), regulates the disclosure obligations and the decision-making rules pertaining to transactions with Related Parties carried out by listed companies, directly or through subsidiaries.

This regulation is a part of the broader framework of regulatory provisions for groups and conflict of interest, introduced with the reform of corporate law, in order to:

- avoid the interference of the main shareholders (i.e. the shareholders or the parties that exercise control or a significant influence on the issuer) and of the management (i.e. the key managers) in the management of the company, to the detriment of minorities;
- limit the risk that the executive bodies, carrying out operations outside ordinary activities and/or market or standard conditions, may damage the company's capital;
- allow the performance of transactions with related parties that pursue objectives of efficient management of the company's resources.

The Procedure for related-party transactions (the "**Procedure**") - prepared pursuant to Art. 4 of the Consob Regulation - defines the rules, methods and principles that ensure the transparency and substantive and procedural fairness of the Transactions with Related Parties executed by UnipolSai, either directly or through its subsidiaries.

The Company is subject to management and coordination by Unipol Gruppo S.p.A. ("**Unipol**" or the "**Parent**"); therefore, in addition to being obligated to comply with the provisions of the Consob Regulation that specifically apply to it as a listed subsidiary, is also the recipient of the rules of conduct dictated by the Parent, also with reference - for matters of specific interest herein - to the similar procedure adopted by Unipol.

The Policy on intragroup transactions adopted pursuant to IVASS Regulation no. 30 of 26 October 2016 remains in place, since applicable.

This being said, in the course of 2020, UnipolSai did not carry out, directly or through subsidiaries, any related-party transactions qualified as of "Major Significance" and/or "Minor Significance" pursuant to the Procedure.

Please note that, in December 2020, the UnipolSai Board of Directors approved - after obtaining the favourable opinion of the Related Party Transactions Committee - the transaction qualified as of "Major Significance" concerning the settlement agreement signed in March 2021, as specified below in the "*Significant events after the reporting period*" section, as well as extensively commented on in the Notes in the section "*Corporate liability action against certain former directors and statutory auditors decided by the Shareholders' Meetings of Fondiaria-SAI and Milano Assicurazioni*". For additional information on this matter, see the Information Document concerning Transactions of Major Significance with Related Parties, drawn up by UnipolSai pursuant to Art. 5 of the Consob Regulation and published with the timing and methods set forth by law and published on the institutional website of the Company in the *Governance/Related Party Transactions* Section.

The following table shows transactions with related parties carried out during 2020. It should be noted that the application scope of the Procedure for related party transactions, adopted pursuant to Consob Regulation no. 17221 of 12 March 2010, as amended, also includes some counterparties that are included, on a voluntary basis, pursuant to Art. 4 thereof. The above also includes UCIs, in which the Company, or one of its related parties, holds more than 20% of the equity rights.

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Information on transactions with related parties at 31 December 2020

Amounts in €k	Holding company	Subsidiaries	Affiliates	Associates	Other related parties (**)	Total	Incidence			
Assets										
Bonds				6,849	2,569	9,419	0.02	(1)	0.40	(3)
Loans	567,785	168,577	30,843	6,015		773,220	1.41	(1)	32.85	(3)
Bank deposits					20,115	20,115	0.04	(1)	0.85	(3)
Deposits with ceding companies		138,819				138,819	0.25	(1)	5.90	(3)
Receivables arising from direct insurance/reinsurance business		16,119		7	55,381 (4)	71,507	0.13	(1)	3.04	(3)
Other receivables	23,028	49,358	1,597	1,047	41,544	116,573	0.21	(1)	4.95	(3)
Bank deposits and post office accounts					341,943	341,943	0.62	(1)	14.53	(3)
Sundry assets		292			12,631	12,923	0.02	(1)	0.55	(3)
Technical provisions - Reinsurers' share		104,376				104,376	0.19	(1)	4.43	(3)
Total	590,813	477,541	32,439	13,918	474,183	1,588,895	2.90	(1)	67.50	(3)
Liabilities										
Deposits received from reinsurers		16,522				16,522	0.03	(1)	0.70	(3)
Payables arising from insurance/reinsurance business		4,235			153	4,388	0.01	(1)	0.19	(3)
Sundry payables	66,256	85,495	22		5,727	157,500	0.29	(1)	6.69	(3)
Sundry liabilities	6,713	1,906			10,052	18,671	0.03	(1)	0.79	(3)
Total	72,969	108,157	22		15,932	197,080	0.36	(1)	8.37	(3)
Income from:										
Land and buildings	263	7,502			4,388	12,153	0.54	(6)	1.49	(2)
Shares, units and dividends		108,264	1,726		625	110,615	4.95	(6)	13.58	(2)
Other investments	8,291	1,816	1,814	5,479	1,158	18,557	0.83	(6)	2.28	(2)
Other income - Extraordinary income	4,520	54,905	2,620	114	3,407	65,567	2.93	(6)	8.05	(2)
Gains on realisation of investments					63,832	63,832	2.85	(6)	7.84	(2)
Total	13,074	172,486	6,160	5,593	73,411	270,724	12.10	(6)	33.25	(2)
Charges										
Investment management expenses		887			36,338	37,225	0.07	(6)	4.57	(2)
Losses on realisation of investments		38			1	40		(6)		(2)
Other charges - Extraordinary expenses	70	16,068			1,071	17,209	0.03	(6)	2.11	(2)
Total	70	16,993			37,410	54,473	0.10	(6)	6.69	(2)
Technical charges										
Acquisition costs	318	20,021			173,437 (4)	193,776	8.66	(6)	23.80	(2)
Administrative expenses	12,517	24,727	2		3,193	40,438	1.81	(6)	4.97	(2)
Total	12,835	44,748	2		176,630	234,214	10.47	(6)	28.76	(2)
Non-Life and Life technical account										
Balance of outwards reinsurance *		21,782				21,782	2.35	(7)	2.67	(2)
Balance of inward reinsurance net of retroceded amounts *		1,654				1,654	0.18	(7)	0.20	(2)
Total		23,436				23,436	1.05	(7)	2.88	(2)

(1) The percentage based on total assets/liabilities in the Statement of Financial Position.

(2) The percentage on profit (loss) for the period.

(3) The percentage on total sources of financing in the statement of cash flows.

(4) Amounts relating to transactions with investee agencies.

(5) The percentage on total memorandum accounts.

(6) The percentage on total gains/losses, respectively.

(7) The percentage on balance of the life and non-life technical result.

(*) Negative amounts are a cost for the company.

(**) This column shows the relation with subsidiaries held directly and other related parties.

Comments on the main items

The item bonds represented the bonds issued by Group companies and held by UnipolSai; in particular, it referred to the associate Garibaldi (€5.1m), to the associate Isola S.c.A. (€1.8m) and to other investees (€2.6m): Syneteristiki (€1.5m) and Ex Var S.c.A. (€1.1m).

At 31 December 2020, the item loans to the holding company, amounting to €567.8m, referred to:

- two loans executed in 2009 (for a total of €267.8m) in favour of Unipol Gruppo after Unipol Assicurazioni - subsequently merged into UnipolSai Assicurazioni - took over the role of issuer of the Unipol 7% and Unipol 5.66% bond loans. The total interest for the year at 31 December 2020 was €1.6m;
- a loan for €300m granted by UnipolSai Assicurazioni on 1 March 2019 - indexed to the 3M Euribor plus a spread of 260 basis points, with bullet repayment at 5 years (with the possibility of full or partial early repayment), and the payment of interest on a quarterly deferred basis - as part of the sale to Unipol of a share of the equity investment held in Unipol Banca. The total interest for the year at 31 December 2020 was €6.7m.

At 31 December 2020, the outstanding loans to subsidiaries amounted to €168.6m and referred for €123.9m to the loan for a maximum of €150m, which may be disbursed in multiple tranches in favour of Car Server, the name of which was changed to UnipolRental, granted in July 2020, to replace the previous outstanding loan for €223.9m repaid on 31 July 2020. The total interest for the year at 31 December 2020 was €1m. The remainder refers to: Meridiano Secondo for €36.8m inclusive of interest accrued, AlfaEvolution Technology for €7m and Cambiomarcia for €0.9m.

As regards the affiliates, the amount refers solely to UnipolReC which in the course of 2020 repaid principal equal to €34.4m early, and therefore the remaining loan at 31 December 2020 amounted to €30.8m.

Loans to associates equalled €6.0m and referred exclusively to Borsetto.

The item deposits at banks related entirely to accounts with BPER Banca.

Deposits with ceding companies were linked entirely to outstanding reinsurance treaties with subsidiaries and referred only to UniSalute.

The item receivables arising from insurance and reinsurance business in terms of transactions with subsidiaries referred primarily to the following companies: Uniassiteam (€7.8m), Sogeint (€5.7m), Unisalute (€1.1m), UnipolRe (€0.7m) and Incontra Assicurazioni (€0.5m). In transactions with the other investees, the item referred in full to receivables from corporate agencies.

Other receivables from the holding company referred mainly to the receivable from Unipol Gruppo as a result of participation in the tax consolidation regime; with respect to the subsidiaries it comprised non-insurance receivables, referred to the performance of services, of €5.5m from UniSalute (€5.0m as a deposit established on the basis of a claims management agreement), €4.9m from Arca Vita, €4.8m from Gruppo UNA, €2.0m from Incontra Assicurazioni, €1.5m from Linear, €1.2m from Casa di Cura Villa Donatello and €1.0m from Tikal R.E. Fund.

The item also included a receivable of €20m from Pronto Assistenza Servizi, of which €11.2m for advances on services to be provided and €8.7m for service and secondment of personnel.

Receivables from other investees included receivables from Finitalia amounting to €40.6m for premiums advanced by the latter as part of the service relating to the split payment of policies, and from BPER Banca for €0.8m.

The entire amount (€341.9m) of bank deposits with other investees referred to the balance of current accounts held with BPER Banca, whereas the sundry assets included almost exclusively, for €12.1m, amounts secured for claims with the same counterparty.

Technical provisions - Reinsurers' share referred to reinsurance relations with the subsidiaries UnipolRe DAC for €82.1m and SIAT - Società Italiana di Assicurazione for €22.2m.

The item deposits received from reinsurers referred only to the subsidiary UnipolRe DAC.

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Sundry payables due to the holding company Unipol Gruppo referred mainly to payables for participation in the tax consolidation regime.

Those due to subsidiaries referred mainly to payables for services received from UniSalute (€20.6m), UnipolSai Servizi Consortili (€31.4m), Pronto Assistance Servizi (€4.9m), Gruppo UNA (€4.5m), Auto Presto e Bene (€2.7m), AlfaEvolution (€15.0m), Leithà (€2.3m) and Linear (€1.5m). In relation to other investees, sundry payables are mainly comprised of payables due to BPER Banca (€4.8m).

Sundry liabilities to holding companies referred entirely to the allocation of the costs for employees seconded by Unipol Gruppo; with respect to the other investees, it referred to payables to Finitalia amounting to €8.5m.

Income from land and buildings referred primarily to leases with the subsidiaries UniSalute (€3.0m) and Linear (€2.0m). With respect to other investees, it referred in particular to lease agreements with BPER Banca (€3.0m).

The item dividend income from subsidiaries referred to Arca Vita (€33.0m), UniSalute (€29m), UnipolRental (€12.5m), UnipolSai Finance (€10.5m), Linear (€9.8m), Incontra Assicurazioni (€5.3m), DDOR Novi Sad (€4.2m), AlfaEvolution Technology (€2.0m), Auto Presto e Bene (€1m) and Bim Vita (€0.8m).

Gains on other investments mainly referred to interest income on the loans granted to the holding company Unipol Gruppo and income on bonds, primarily with regard to the associate Garibaldi, for €5.1m.

Other income - extraordinary income mainly referred to recoveries for services provided and secondment of personnel with regard to transactions with subsidiaries and affiliates. Transactions with other related parties also included commissions for the placement of banking products recognised by BPER Banca.

The item profits on sale from investments referred nearly entirely to the capital gain realised due to the contribution to the Tikal and Oikos funds of a portion of real estate assets, as described in detail in the section relating to Real Estate Management.

Investment management expenses mainly relate to the expense on the securities dossier.

Other charges - extraordinary expenses related primarily to capital losses from trading and losses on receivables from subsidiaries relating to the sale of the company SEIS (€15.1m).

Acquisition costs in transactions with other related parties referred in part to the cost for fees due to Finitalia for the loan granted to the contracting parties for the purchase of policies (totalling €61.4m) and commissions paid to investee agencies.

As regards administrative expenses, the amounts referred almost exclusively to costs for the provision of services and in particular to the holding company Unipol Gruppo (€12.5m), as well as to the following subsidiaries: UniSalute (€7.4m), SIAT - Società Italiana di Assicurazione (€1.4m), UnipolRe DAC (€1.1m), UnipolSai Servizi Consortili (€6.7m) and real estate costs to Midi (€4.1m).

The balance of outwards reinsurance mainly derived from transactions with the subsidiaries UnipolRe DAC (€12.5m) and SIAT (€9.3m).

Please also note that the contributions payable by the Company paid in the course of 2020 to Company employee and executive pension funds amounted to €17.6m.

Remuneration paid to members of the Administration and Control Bodies, the General Manager and Key Managers

Remuneration payable for 2020 to the Directors, Statutory Auditors, the General Manager and Key Managers for carrying out their duties amounted to €13.3m, details of which are as follows:

<i>Amounts in €k</i>	2020
Directors and General Manager	3,660
Statutory Auditors	221
Other Key Managers	9,452 (*)

* *The amount mainly comprises compensation of employees and it includes the amount paid to Unipol Gruppo as consideration for the secondment of some Key Managers.*

The remuneration of the General Manager and the Key Managers relating to benefits granted under the share-based compensation plans (performance shares), is duly represented in the Remuneration Report, prepared according to Art. 123-ter of the Consolidated Law on Finance and made available, pursuant to current regulations, on the Company website.

In 2020 the companies in the Group paid UnipolSai the sum of €0.4m as remuneration for the activities carried out by the General Manager and the Key Managers.

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Disclosure about Solvency II prudential supervision

The test for the capital adequacy of the Company is determined in compliance with the Solvency II regulations, which came into force on 1 January 2016. The main applicable legal and regulatory references are as follows:

- Framework Directive 2009/138/EC (“SII Directive”), adopted in the Italian legal system with Italian Legislative Decree 74 of 12 May 2015, which amended and supplemented Legislative Decree 209/2005 (Private Insurance Code);
- the Delegated Acts, issued with EU Delegated Regulation 35/2015 and subsequent amendments and integrations (“Regulation”), which supplement the SII Directive;
- the Guidelines issued by EIOPA, adopted through the regulations issued by IVASS, including in particular:
 - IVASS Regulation no. 18 of 15 March 2016 contains the application rules and the methods to be adopted to determine the technical provisions;
 - IVASS Regulation no. 25 of 26 July 2016 pertaining to the identification, measurement and classification of the core equity components;
 - IVASS Regulation no. 32 of 9 November 2016 pertaining to Own Risk and Solvency Assessment provisions;
 - IVASS Regulation no. 34 of 7 February 2017 implementing provisions on the measurement of assets and liabilities other than technical provisions in the Solvency II Report;
 - IVASS Regulation no. 35 of 7 February 2017 containing provisions for the adjustment for the ability to absorb the losses of technical provisions and of deferred taxes in the determination of solvency capital requirements calculated with the standard formula.

Solvency capital requirements and relevant coverage ratios

The Company had equity admissible to cover the capital requirements equal to 3.18 times the Solvency Capital Requirement (SCR), (at 31/12/2019 2.84), and 6.42 times the Minimum Capital Requirement (MCR) (at 31/12/2019 5.65). The table below summarises:

- the amount of equity available and admissible to cover the capital requirements, with details of the individual levels;
- the amount of the SCR and MCR;
- the coverage ratios of the capital requirements.

<i>Amounts in €m</i>	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Available own funds to meet the Solvency Capital Requirement	9,509.9	6,810.7	1,562.9	1,136.3	
Available own funds to meet the Minimum Capital Requirement	9,509.9	6,810.7	1,562.9	1,136.3	
Eligible own funds to meet the Solvency Capital Requirement	9,509.9	6,810.7	1,562.9	1,136.3	
Eligible own funds to meet the Minimum Capital Requirement	8,642.6	6,810.7	1,562.9	269.0	
Solvency Capital Requirement	2,989.3				
Minimum Capital Requirement	1,345.2				
Ratio of Eligible own funds to Solvency Capital Requirement	3.18				
Ratio of Eligible own funds to Minimum Capital Requirement	6.42				

All the figures above are calculated on the basis of the information available on the date of this Report. The solvency situation of the Company will be subject to a specific disclosure to the market and to the Supervisory Authority by the deadline set forth by legislation in force.

The individual solvency capital requirements are calculated using the Partial Internal Model, approved by the Supervisory Authority for regulatory purposes, starting from 31 December 2016. For the purposes of determining equity, the volatility adjustment prescribed by Art. 36-septies of the Private Insurance Code is applied.

Partial Internal Model

In February 2017, UnipolSai Assicurazioni received authorisation from the Supervisory Authority to use the Partial Internal Model for calculating the individual solvency capital requirement with effect from valuations at 31 December 2016.

The Partial Internal Model is used to assess the following risk factors, as well as in the aggregation process:

- Non-Life and Health Technical Insurance risks relating to the earthquake catastrophe component;
- Life Technical Insurance risks;
- Market risk;
- Credit risk.

There is a plan for the extension of the Partial Internal Model in order to include all measurable risk modules in its structure and reach a Full Internal Model type configuration.

Non-Life and Health technical insurance risk is represented by the following risk sub-modules: tariff-setting risk, provisions risk, catastrophe risk and surrender risk. A Partial Internal Model (for Earthquake catastrophe risk), Specific Company Parameters and the Standard Formula are used to calculate the solvency capital requirement.

The Supervisory Authority, by Measure of 2 February 2016, authorised the use from 1 January 2016 of the specific parameters of the Undertaking for the calculation of the solvency capital requirement for the tariff-setting and provision risks in the following segments:

- Segment 1, Proportional insurance and reinsurance on TPL resulting from the circulation of vehicles;
- Segment 4, Proportional insurance and reinsurance against fire and other damage to property;
- Segment 5, Proportional insurance and reinsurance on general TPL.

In addition, except with regard to Earthquake risk, the catastrophe risks and surrender risk are assessed using the Standard Formula.

Life underwriting risk (mortality/longevity risk, surrender risk and expense risk) is measured using the Partial Internal Model based on the Least Square Monte Carlo approach, consistent with the principles indicated in Solvency II regulations, which allow calculation of the Probability Distribution Forecast in relation to Life risk factors. Catastrophe risk, in addition to the Life underwriting risks relating to Unit-Linked and Pension Fund products, are assessed using the Standard Formula.

The **market risk** of the securities portfolio, for which the investment risk is not borne by the policyholders, is measured using the Partial Internal Model that adopts a Monte Carlo VaR approach. As part of the Internal Market Model, Life liabilities are replicated through cash flows with a maturity equivalent to the breakdown of Life provisions for the guaranteed component and polynomial functions (the Least Square Monte Carlo approach) to represent the Future Discretionary Benefits component. Market risk of the securities portfolio for which investment risk is borne by policyholders and concentration risk are assessed using the Market Wide Standard Formula.

Credit risk is measured using the Partial Internal Model that adopts a CreditRisk+ approach. This model makes it possible to measure the risk of default relating to bank counterparties, concerning exposures deriving from cash available at banks and financial risk mitigation operations through derivative contracts, as well as to the insurance and reinsurance exposures. Furthermore, the model allows the risk of default deriving from exposures to intermediaries and policyholders to be measured.

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The **risk aggregation process** defined by the Group calls for a bottom-up approach and may be broken down into two phases:

- aggregation of the risk sub-modules which make up Market risks, Non-Life and Health Technical Insurance risks, Life Technical Insurance risks and Credit risks so as to obtain the Probability Distribution Forecast ("PDF") of each risk module;
- aggregation of the risk modules of Market risks, Non-Life and Health Technical Insurance risks, Life Technical Insurance risks and Credit risks in order to calculate the Basic SCR.

The aggregation of the sub-modules involves three distinct approaches:

- joint sampling of risk factors;
- aggregation by means of the Var-Covar method (with a posteriori determination of the PDF);
- aggregation of multiple marginal distributions through coupling functions.

Other Information

Human resource management and development

The Company's workforce at 31 December 2020 consisted of 7,149 employees. In 2020, 582 employees stopped working for the Company, of whom 7 for intra-group transfers and 575 due to actual termination, as a result of resignations, incentivised departures, retirement, participation in the "Solidarity Fund" and other reasons for termination. There were 204 entries, of whom 163 new hires and 103 on permanent contracts (hired from the market or hiring of former temporary workers), 60 on fixed-term contracts or for seasonal work that refer to employees hired during the year and on the workforce at 31 December 2020, 5 reinstatements and 36 new entries due to mobility processes within the insurance Group.

If calculated as full time equivalent (FTE), that is, considering the number of hours actually worked, the number of employees would be 6,926.

Personnel costs for remuneration, social security expenses and post-employment benefits amounted to €548.3m.

As part of activities for implementing the current Business Plan, in the year 2019 trade union agreements were signed in relation to jointly agreed termination of employment contracts for non-executive personnel reaching pension age by 31 December 2023.

These personnel will receive their pension directly from INPS, if they have reached entitlement, or will have access to the extraordinary section of the Solidarity Fund, whereby they will receive a cheque paid by the company that is equivalent to the future pension until such a time as the state pension requirements are met, through payment by the company to INPS of the related contributions.

In this regard, in the course of 2020 the agreed termination of contract involved 520 workers, of whom:

- ✓ 377 stopped working on 29 February 2020, with access to the Solidarity Fund;
- ✓ 143 stopped working between 31 January 2020 and 31 December 2020 to receive the retirement incentive.

Following the COVID-19 epidemiological emergency, taking into account the significant decline in economic activity and on the basis of the legal provisions issued in the course of the year, various trade union agreements were signed in the Group's different business areas.

In particular, for UnipolSai, a partial reduction in work activities was established, for a total of 18 days, first through the use of leave accrued and not yet taken and then by recourse to the ordinary section of the Solidarity Fund, in any event guaranteeing full protection of remuneration and the correlated contribution. This recourse made it possible to recover contributions paid to the Fund in the past by the Group companies, without requiring recourse to contributions referring to employees or other insurance sector companies. Furthermore, it was established that employees will make use of the leave due for the year 2020.

Please also note that, in the course of 2020, trade union agreements were signed in relation to jointly agreed termination of employment contracts for executive personnel reaching pension age by 31 December 2023, which was then extended to 2024. Following termination, these personnel will receive a cheque paid by the company that is equivalent to the future pension until such a time as the state pension requirements are met, through payment by the company to INPS of the related contributions.

Training

In 2020, Unica committed to remaining close to people, enabling employees and the sales network to continue training despite the health emergency.

The Unica team quickly reorganised to work remotely and immediately committed to guaranteeing all users continuous remote access to the training portal, through which training support was offered on the technologies required to operate within a new work scenario, as well as on other technical and transversal skills. The emergency scenario rapidly redefined priorities, slowing the planning and development of training projects, especially the more complex ones. Due to the suspension of classroom training, Unica concentrated on redesigning dozens of courses already started or scheduled during the year to support the business, with the resulting redefinition of structures, durations and training calendars. New classroom-alternative tools and methods were explored and introduced - including training videoconferences using Google Meet for Networks and the webinar via Adobe Connect for Networks and Employees.

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In March, Unica's new organisation was deployed, with a simpler structure and a new Faculty dedicated to masters and high-level apprenticeship courses and entry courses for young people.

In July, following the audit performed by the certifying entity DNV GL, Unica obtained the renewal of its ISO 9001:2015 certification.

Training activities during the year focused on implementing courses, through the Unica Faculties, with mandatory and regulatory, technical, commercial, managerial and behavioural content.

Among these were the hours provided to meet obligatory requirements and those provided in compliance with IVASS Regulation no. 40/2018, necessary to spread knowledge on insurance products and revised industry regulations.

Training provided to employees

The training activities that mostly concerned the employees were those of a regulatory, technical-insurance and managerial nature. A total of 788 courses were created and held (including external courses). A good deal of the projects were carried out with training financed by the Bank Insurance Fund (FBA).

Some of the main projects were:

- The **"Unipol Insurance Master Program" (third edition)**. A new group of 20 young recent graduates began its inter-functional training path within the company in October 2020 (at the moment carried out entirely remotely), aiming to develop technical/management skills, including by gaining experience in different Group businesses.
- The **"Change Management"** course, which continued to involve those who had changed job, providing them with the tools and methods required to facilitate change management;
- The training snippets on **Smart Working**, for both Managers and employees, launched to best manage remote work, facilitating cultural change and supporting people in the adoption of a new way of organising their work;

In the management of the health emergency, the online course "COVID-19 Emergency - Rules of conduct and best practices - Training on workplace safety" was made available in order to describe to all employees the conduct to be adopted to help limit the spread of the virus.

Training Projects for the Sales Network

The training intended for the Sales Network referred to building courses useful in further increasing skills, also in compliance with training obligations envisaged in the IVASS Regulation.

Intense work has been developed dedicated to training on new or restyled products.

Protection of Privacy

Regulation (EU) 2016/679 on the protection of personal data (the "GDPR"), which as of 25 May 2018 introduced significant new elements in the protection of personal data, requires continuous training on the topic and strong substantial accountability of the company, which must guarantee and be capable of demonstrating its compliance with the GDPR provisions.

To that end, in the course of 2020, the Company, with the support of the Group's Data Protection Officer, continued to provide training to the employees both through e-learning courses and face-to-face meetings/lessons carried out remotely, in addition to evaluating the effectiveness and efficiency of the oversight mechanisms, processes and organisational system implemented in order to guarantee that its personal data management complies with regulations in force and is more transparent with respect to data subjects, through:

- monitoring of the record of processing activities required under Art. 30 of the GDPR;
- updating of service agreements between Group companies and between them and external suppliers;
- updating of company communication documents to outline guidelines and procedures for the proper management of personal data and to ensure the regulatory compliance of processing;
- assessment on the compliance of processes and procedures with regulatory provisions;
- monitoring of the implementation of the actions identified in the assessments;
- monitoring of the reference regulatory framework, including through the assessment of regulations and/or guidelines of the European and national authorities subject to public consultation to propose, when necessary, requests for changes, amendments, supplements or clarifications with respect to topics linked to the processing of personal data;
- monitoring of the penalty measures issued by the Data Protection Authority;
- impact assessments on data protection, in keeping with the privacy by design and by default principles.

In the course of 2020, the Company was required to deal with the health emergency linked to the spread of the COVID-19 pandemic: in this context, the advice of the Group's Data Protection Officer was necessary to guarantee (i) the compliance of personal data processing performed within the scope of all measures and projects implemented by the Company and aiming to provide targeted and concrete protection and solutions with respect to the virus and its consequences and (ii) the adoption of measures intended to prevent the spread of the virus in the workplace and limit the relative risks for all employees (for example, by defining guidelines to allow for the entry into the company of employees, external suppliers and guests on the basis of the regulations and protocols adopted over time for the management of the pandemic, in any event guaranteeing respect for provisions on personal data protection).

Research and development activities

In response to a market scenario undergoing constant technological evolution, UnipolSai makes investments to develop and accelerate innovation and meet the new needs of customers.

For UnipolSai, intellectual capital represents most of the assets used to build its strategies and is continuously enhanced through investments in innovation.

Investment in data, telematics and the application of Artificial Intelligence and Robotic Process Automation (RPA) generates real returns for the core business. The main effects are the improvement of the capacity to identify fraud, through the automatic and "predictive" flagging of suspicious claims; a reduction in the cost of claims; the expansion of knowledge of real customer needs and the subsequent creation of new services and products offered to customers in a range of segments.

Technological evolution also involves the service companies and ecosystems.

The Group frequently involved and leveraged the contribution of start-ups, universities and research networks in the innovation processes.

IT services

In 2020, Business Plan activities carried out in relation to Multi-channelling, Process Digitalisation & Optimisation, Cybersecurity, Data and New Architectures & Technologies were set up so as to ensure the Company's operational continuity and the management of the COVID-19 emergency through the implementation of a series of specific initiatives broken down along the following lines:

- **Initiatives in favour of agencies**

New remote sales functions were implemented to support agency operations during the lockdown (for example, extensions of the advanced electronic signature, new payment methods via SMS and Virtual POS) and modifications were made to incentive and economic settlement system management procedures to support agency liquidity. The initiatives resulted in a 70% boost in the use of advanced electronic signatures and payments made in mobility and remotely more than doubled compared to the previous year.

- **Initiatives in favour of customers and the business**

Modifications were developed for applications and operating procedures to adapt to the regulatory changes introduced, and new products, commercial initiatives and rate changes were created to support business actions for emergency management.

Specifically, new Digital Campaigns were carried out based on the use of the app: *#UnMesePerTe* and *#AndràTuttoBene FREE* in April and *#UniSalutePerTe* in December, which led, inter alia, to a significant increase in customer use of the Company's digital touch points (in excess of 3.3m apps were downloaded and the number of interactions on the app and websites were nearly tripled), thanks to the implementation of a series of application upgrades and the review and strengthening of the app and websites.

Furthermore, the self-service range of services available on the app was expanded with payment of policy and "blue line" parking slips, as well as the application of the *#UnMesePerTe* voucher discounts.

1 Management Report

The UnipolSai app was once again nominated as best insurance market app by the Financial Observatory. Activities also continued for the application of Artificial Intelligence and Robotics to the automation of 26 new processes in 6 different business areas and in the claims area in particular, where the range of documents managed with these technologies has been expanded further, and a new version of the “Liquido” system has been released to production.

- **Initiatives to support the initiation of smart working for Group employees**

For the management of the COVID-19 emergency, a crash program was implemented on the technological and application platforms, which made it possible to deal with the emergency, ensuring the Group’s operational continuity by enabling all 9,000 employees to take advantage of smart working arrangements in just a few weeks’ time, and which has overall led to:

- the configuration and distribution of roughly 7,000 new company devices;
- the reconfiguration of the network of internal company telephones and the adaptation of the main applications to allow for their secure use via internet from remote devices;
- the strengthening of infrastructure and development of new collaboration and videoconferencing solutions (volumes managed 14 times higher than those in 2019, with an average of roughly 2,200 videoconferences and 6,200 participants/day);
- the strengthening of security and access control infrastructure and training and cyber awareness initiatives.

- **Cyber Security, Data Governance & Data Strategy Initiatives**

As concerns Cyber Security, activities continued for the introduction of new technologies to support the monitoring of security and personal data protection, by implementing multi-factor authentication for Group employees, activating a Threat Intelligence platform for advanced research on internet and dark web threats, the performance of vulnerability assessments and penetration tests on infrastructure and applications and the preparation and activation of a new 2020 Cyber Security Course for employees and agents, carried out in collaboration with UNICA.

In terms of Data, new platforms have entered production for Data Governance and Data Quality management and new technologies and methods have been introduced for the exploitation and leveraging of customer and prospect data in pricing and underwriting processes.

Communications

In this extraordinary context characterised by the global COVID-19 pandemic, the Unipol Group has deployed all of its forces to support Italy with efforts directed towards active and proactive participation in the mitigation of the emergencies that gradually arose throughout the country.

Within this framework, Unipol has strived to work alongside Italy, guaranteeing its presence as a key player in donation activities primarily for medical purposes: therefore, since March €20m has been allocated to projects linked to hospital operations in the regions most struck by the pandemic, such as aid to support Fiera di Milano and the Maggiore, Sant’Orsola and Bellaria Hospitals in Bologna, Martini Hospital in Turin and the field hospital set up by the Italian Alpine soldiers in Bergamo.

In another important initiative in June, Unipol partnered with the Food Bank’s charitable network to provide 2m meals to people in difficulty throughout Italy, with the involvement of Group employees and agents, to provide tangible support during this unique and unprecedented time.

Another example in this sense was the Unipol and UnipolSai rebranding featuring the three colours of the Italian flag, emphasising our strong identification with and proud participation in the life of our country. As a result, the new tricolour brand was applied across all areas, on the official sites of all Group companies, product materials and even at the main offices, where the new signs were anticipated starting in April with special tricolour lighting.

Furthermore, programming and dissemination across all communications channels (TV, radio, web and social media) of the “Sempre un passo avanti” (“Always one step ahead”) campaign continued with a new ad: after Unibox and the UnipolSai App, this time the Home security product took centre stage.

In the summer, external communications activities also raised the visibility of the innovative “Soluzioni Salute per le Imprese” (“Health Solutions for Businesses”) product devoted to SMEs, designed specifically to meet the needs of the world of work.

Lastly, #Più3Imprese and #UniSalutePerTe were two more important campaigns launched by UnipolSai during the year: the first coverage provides three additional months free of charge beyond the usual year, while the second product offers free coverage in the event of COVID-19 infection, provided by the Group’s specialised company.

All of these initiatives were meant to provide concrete and professional support to respond to the main requirements of the population during the long period of the pandemic: significant support to safeguard health and ensure protection in the workplace.

At the end of the year, also bearing witness to the desire to present itself as a company close to the people, during the Christmas period the Unipol Group along with the Urban Up real estate project wanted to light lights of hope on the main roads in Milan's city centre and dress up some symbolic real estate it owns with the three colours of the Italian flag through the #Illuminiamolnsieme initiative.

All of the activities were subject to strong integrated communications which involved every Unipol and UnipolSai web and social media area, with the intent of expressing tangible vicinity to the country.

Overall, our institutional communications reached more than 28m people and generated nearly 19m views of the videos produced to promote the various campaigns.

Non-recurring significant transactions and atypical and/or unusual transactions

In 2020 there were no atypical and/or unusual transactions, in addition to those reported among the main events of the period, that, because of their significance, importance, nature of the counterparties involved in the transaction, transfer pricing procedures, or occurrence close to the end of the year, could give rise to doubts relating to: the accuracy and completeness of the information in the present documentation, a conflict of interest, the safeguarding of the company's assets or the protection of non-controlling shareholders.

Statement pursuant to Art. 2.6.2, paragraph 9 of the Regulation governing markets organised and managed by Borsa Italiana S.p.A.

Pursuant to the requirements set forth in Art. 2.6.2, paragraph 8 of the Regulation governing markets organised and managed by Borsa Italiana S.p.A. with reference to subsidiaries subject to the management and coordination of another company, it is hereby stated that the conditions set forth in Art. 16 of Consob Regulation no. 20249/2017 exist for UnipolSai.

Report on corporate governance and ownership structures for 2020

The information required by Art. 123-bis, Italian Legislative Decree 58 of 24 February 1998 as amended is included in the Annual Report on Corporate Governance, approved by the Board of Directors and published together with the management report.

The Annual Report on Corporate Governance is available in the "Governance/Corporate Governance System/Annual Report" Section on the Company's website (www.unipolsai.it).

Communication of non-financial information

With respect to the obligations laid out by Italian Legislative Decree 254 of 30 December 2016, on the communication of non-financial and diversity information by certain large undertakings and groups, please note that UnipolSai is not subject to this obligation as one of the cases of exemption and equivalence laid out in Art. 6, paragraph 2 applies to it, given that it is a subsidiary company included within the Consolidated Non-Financial Statement prepared by Unipol Gruppo.

1 Management Report

Significant events after the reporting period

Settlement agreement regarding pending legal cases for corporate liability action against former directors and statutory auditors

In March 2021, with reference to the corporate liability action against several former directors and statutory auditors, approved by the Shareholders' Meetings of Fondiaria-SAI and Milano Assicurazioni in the year 2013 and the relative pending legal cases, the Company signed a settlement agreement with all defendants which fully defines the two liability actions and which will be subject to the approval of the Shareholders' Meeting of UnipolSai and the other plaintiff companies of the Unipol Group. The terms and conditions of the above-mentioned agreement are summarised in the Directors' Report and in the Information Document drafted pursuant to Art. 5 of the Related Party Transactions Regulation adopted by Consob with Resolution No. 17721 of 12 March 2010 as amended, published with the timing and methods set forth by law and provided on the Company's institutional website.

Completion of the sale of Torre Velasca

Please note that in February 2021, the sale of the piazza Velasca property in Milan (Torre Velasca) was finalised due to the Public Administration's failure to exercise the pre-emption right. The sale price was €160m, resulting in a capital gain of roughly €80m.

Early repayment of subordinated loan

On 15 March 2021, after obtaining the authorisation of the Supervisory Authority to exercise the right to early repayment on the part of the issuer, the subordinated loan (ISIN XS0130717134) issued by the subsidiary UnipolSai Assicurazioni was extinguished, for a nominal value of €300m, the contractual maturity of which had been scheduled for June 2021. The repayment of that loan is in line with proactive debt management and the limitation of the company's financial leverage as a result of the issue of the RT1 instrument for a nominal value of €500m, finalised in the final quarter of 2020.

At the same time as the repayment by UnipolSai, Unipol extinguished, for a residual nominal value equal to €39m, the outstanding loan with UnipolSai granted previously when UnipolSai took over the role of issuer of that subordinated Tier 2 bond loan maturing in 2021, originally issued by Unipol itself.

Business outlook

The effects of the spread of the COVID-19 pandemic are continuing, including in sustained form, in the early months of 2021.

The new wave of infections and vaccination delays threaten the longed-for economic recovery. The political instability that has accompanied this first part of the year has certainly not benefitted our country, with tensions in the formation of a new government, which will need to promptly plan an effective use of the Next Generation plan funds, a key factor to improve the Italian economy's growth potential.

All this reflects on financial investments and on the financial management, which continues to be aimed at the consistency of assets and liabilities and optimising the risk/return profile of the portfolio, also with regard to the maintenance of an adequate level of solvency.

As concerns the performance of the businesses in which the Company operates, no particularly significant events are worth mentioning. Insurance segment trends are still impacted by the effects of the pandemic on commercial activities as well as claims.

Excluding unforeseeable events also connected with the further worsening reference context, the operating result for the current year is expected to remain positive and in line with the objectives defined in the 2019-2021 Business Plan.

Bologna, 18 March 2021

The Board of Directors





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FINANCIAL
STATEMENTS FOR
THE YEAR 2020

Financial statements

Statement of Financial Position Year 2020

Amounts in €

Annex I

Company

UnipolSai Assicurazioni S.p.A.

Share capital

Subscribed € 2,031,456,338

Paid-up € 2,031,456,338

Registered Office at

BOLOGNA - Via Stalingrado 45

2 Financial Statements for the year 2020

Statement of financial position

ASSETS

	AMOUNTS FOR THE YEAR			
A. SUBSCRIBED CAPITAL, UNPAID				1
of which called				2
B. INTANGIBLE ASSETS				
1. Acquisition commissions to be amortised				
a) Life business	3	60,259,110		
b) Non-Life business	4	16,386,786	5	76,645,896
2. Other acquisition costs			6	
3. Start-up and expansion costs			7	
4. Goodwill			8	383,628,585
5. Other long-term costs			9	271,407,188
				10
C. INVESTMENTS				
I - Land and buildings				
1. Property for corporate business			11	484,493,090
2. Property for use by third parties			12	744,736,034
3. Other property			13	9,095,978
4. Other property rights			14	2,279,472
5. Fixed assets in progress and payments on			15	1,240,604,574
II - Investments in group companies and other				
1. Shares and holdings in:				
a) holding companies	17	788,763		
b) subsidiaries	18	3,099,871,350		
c) affiliates	19	67,197,468		
d) associates	20	33,541,106		
e) other	21	328,649,310	22	3,530,047,997
2. Bonds issued by				
a) holding companies	23			
b) subsidiaries	24			
c) affiliates	25			
d) associates	26	6,849,400		
e) other	27	2,569,492	28	9,418,892
3. Loans to:				
a) holding companies	29	567,785,217		
b) subsidiaries	30	168,576,707		
c) affiliates	31	30,842,500		
d) associates	32	6,015,319		
e) other	33		34	773,219,743
			35	4,312,686,632
			to be carried forward	731,681,669

AMOUNTS FOR THE PREVIOUS YEAR			
			181
		182	
183	58,891,845		
184	18,616,802	185	77,508,647
		186	
		187	2,050
		188	438,699,454
		189	239,653,261
			190
			755,863,412
		191	512,189,046
		192	1,481,987,918
		193	9,560,055
		194	2,279,472
		195	4,100,000
		196	2,010,116,491
197	1,708,128		
198	3,141,338,123		
199	67,197,468		
200	33,541,110		
201	255,665,932	202	3,499,450,761
203			
204			
205			
206	6,862,800		
207	3,740,000	208	10,602,800
209	567,785,217		
210	285,423,184		
211	65,276,250		
212	6,091,780		
213		214	924,576,431
		215	4,434,629,992
		to be carried forward	
			755,863,412

2 Financial Statements for the year 2020

Statement of financial position

ASSETS

	AMOUNTS FOR THE YEAR					
			amount carried forward			
				731,681,669		
C. INVESTMENTS (continued)						
III - Other financial investments						
1. Shares and holdings						
a) Listed shares	36	416,993,073				
b) Unlisted shares	37	151,647,476				
c) Holdings	38		39	568,640,549		
2. Mutual investment fund units			40	4,688,527,006		
3. Bonds and other fixed-yield securities						
a) listed	41	31,702,679,619				
b) unlisted	42	563,814,025				
c) convertible bonds	43	654,391	44	32,267,148,035		
4. Loans						
a) collateralised loans	45					
b) loans on policies	46	15,667,565				
c) other loans	47	5,208,992	48	20,876,557		
5. Mutual investment units			49			
6. Bank deposits			50	20,115,126		
7. Sundry financial investments			51	24,862,122		
IV - Deposits with ceding companies				52	37,590,169,395	
D. INVESTMENTS BENEFITING LIFE BUSINESS POLICYHOLDERS THAT BEAR THE RISK AND INVESTMENTS ARISING FROM PENSION FUND MANAGEMENT				53	147,657,984	
I - Investments linked to investment funds and market indices				54	43,291,118,585	
II - Investments arising from pension fund management				55	808,158,327	
D. bis TECHNICAL PROVISIONS - REINSURERS' SHARE				56	4,277,583,212	
I - NON-LIFE BUSINESS						
1. Premium provision			58	81,737,634		
2. Claims provision			59	455,916,347		
3. Provision for profit sharing and reversals			60			
4. Other technical provisions			61		62	537,653,981
II - LIFE BUSINESS						
1. Mathematical provisions			63	13,254,785		
2. Premium provision from supplementary insurance			64			
3. Provision for amounts payable			65	5,967,251		
4. Provision for profit sharing and reversals			66			
5. Other technical provisions			67			
6. Technical provisions where the investment risk is borne by policyholders and provisions arising from pension fund management			68		69	19,222,036
			to be carried forward		70	556,876,017
						49,665,417,810

AMOUNTS FOR THE PREVIOUS YEAR				
		amount carried forward		755,863,412
	216	475,883,452		
	217	151,842,006		
	218		219	627,725,458
			220	3,421,579,097
	221	31,652,996,569		
	222	516,522,516		
	223	7,814,111	224	32,177,333,196
	225			
	226	19,411,438		
	227	2,762,157	228	22,173,595
			229	
			230	25,521,022
			231	20,367,482
			232	36,294,699,850
			233	10,333,618
			234	42,749,779,951
			235	679,162,780
			236	4,946,603,072
			237	5,625,765,852
			238	83,819,770
			239	525,501,816
			240	
			241	
			242	609,321,586
			243	28,551,776
			244	
			245	2,123,959
			246	
			247	
			248	
			249	30,675,735
			250	639,997,321
		to be carried forward		49,771,406,536

2 Financial Statements for the year 2020

Statement of financial position

ASSETS

	AMOUNTS FOR THE YEAR			
		amount carried forward		49,665,417,810
E. RECEIVABLES				
I - Receivables relating to direct insurance business from:				
1. Policyholders				
a) for premiums for the year	71	597,965,538		
b) for premiums for previous years	72	4,856,972	73	602,822,510
2. Insurance intermediaries			74	959,579,548
3. Insurance company current accounts			75	21,177,902
4. Policyholders and third parties for amounts to be collected			76	130,010,007
			77	1,713,589,967
II - Receivables relating to reinsurance business, from:				
1. Insurance and reinsurance companies			78	57,686,564
2. Reinsurance intermediaries			79	11,066
			80	57,697,630
III - Other receivables				
			81	1,264,572,123
			82	3,035,859,720
F. OTHER ASSETS				
I - Property, plant and equipment and inventories:				
1. Office furniture and machines and internal means of transport			83	42,411,786
2. Movable assets entered in public registers			84	
3. Plant and equipment			85	18,143,614
4. Inventories and sundry goods			86	4,304,084
			87	64,859,484
II - Cash and cash equivalents				
1. Bank deposits and post office accounts			88	436,617,273
2. Cheques and cash in hand			89	13,953
			90	436,631,226
IV - Other assets				
1. Transitory reinsurance accounts			92	
2. Sundry assets			93	1,212,771,186
			94	1,212,771,186
			95	1,714,261,896
G. ACCRUALS AND DEFERRALS				
1. Interest			96	361,397,909
2. Rental income			97	3,231,395
3. Other accruals and deferrals			98	34,404,429
			99	399,033,733
TOTAL ASSETS				100
				54,814,573,159

AMOUNTS FOR THE PREVIOUS YEAR				
		amount carried forward		49,771,406,536
	²⁵¹	644,704,445		
	²⁵²	3,818,652	²⁵³	648,523,097
			²⁵⁴	875,235,618
			²⁵⁵	27,730,142
			²⁵⁶	125,685,831
			²⁵⁷	1,677,174,688
			²⁵⁸	127,461,660
			²⁵⁹	11,100
			²⁶⁰	127,472,760
			²⁶¹	1,096,423,766
			²⁶²	2,901,071,214
			²⁶³	45,980,374
			²⁶⁴	
			²⁶⁵	20,170,523
			²⁶⁶	4,292,956
			²⁶⁷	70,443,853
			²⁶⁸	393,257,183
			²⁶⁹	12,958
			²⁷⁰	393,270,141
			²⁷²	
			²⁷³	1,208,809,538
			²⁷⁴	1,208,809,538
			²⁷⁵	1,672,523,532
			²⁷⁶	373,557,104
			²⁷⁷	1,702,647
			²⁷⁸	33,121,816
			²⁷⁹	408,381,567
			²⁸⁰	54,753,382,849

2 Financial Statements for the year 2020

Statement of financial position

LIABILITIES AND SHAREHOLDERS' EQUITY

	AMOUNTS FOR THE YEAR			
A. SHAREHOLDERS' EQUITY				
I - Subscribed capital or equivalent provision		101	2,031,456,338	
II - Share premium reserve		102	407,255,806	
III - Revaluation reserves		103	96,559,196	
IV - Legal reserve		104	406,291,268	
V - Statutory reserve		105		
VI - Reserve for shares of the holding company		400	788,763	
VII - Other reserves		107	2,694,971,550	
VIII - Retained profit (loss)		108		
IX - Profit (loss) for the year		109	814,306,666	
X - Negative reserve for treasury shares		401	(733,616)	110 6,450,895,971
B. SUBORDINATED LIABILITIES				111 2,551,689,000
C. TECHNICAL PROVISIONS				
I - NON-LIFE BUSINESS				
1. Premium provision	112		3,029,753,101	
2. Claims provision	113		9,746,935,293	
3. Provision for profit sharing and reversals	114		5,709,163	
4. Other technical provisions	115		678,361	
5. Equalisation provisions	116		83,486,781	117 12,866,562,699
II - LIFE BUSINESS				
1. Mathematical provisions	118		25,029,132,183	
2. Premium provision from supplementary insurance	119		698,083	
3. Provision for amounts payable	120		502,873,474	
4. Provision for profit sharing and reversals	121		5,994,779	
5. Other technical provisions	122		97,223,526	123 25,635,922,045 124 38,502,484,744
D. TECHNICAL PROVISIONS WHERE THE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND ARISING FROM PENSION FUND MANAGEMENT				
I - Provisions relating to contracts connected to investment funds and market indices		125	808,158,327	
II - Provisions arising from pension fund management		126	4,277,583,212	127 5,085,741,539
			to be carried forward	52,590,811,254

AMOUNTS FOR THE PREVIOUS YEAR			
		281	2,031,456,338
		282	407,255,806
		283	96,559,196
		284	406,291,268
		285	
		500	1,708,128
		287	2,415,149,599
		288	
		289	701,237,390
		501	(1,847,266)
			290
			6,057,810,459
			291
			2,131,689,000
		292	2,870,244,048
		293	10,454,121,941
		294	6,003,755
		295	862,809
		296	79,749,154
		297	13,410,981,707
		298	24,549,266,966
		299	749,893
		300	339,107,366
		301	6,226,327
		302	97,758,854
		303	24,993,109,406
			304
			38,404,091,113
		305	679,162,781
		306	4,946,603,072
			307
			5,625,765,853
		to be carried forward	
			52,219,356,425

2 Financial Statements for the year 2020

Statement of financial position

LIABILITIES AND SHAREHOLDERS' EQUITY

	AMOUNTS FOR THE YEAR				
	amount carried forward				
					52,590,811,254
E. PROVISIONS FOR RISKS AND CHARGES					
1. Post-employment benefits and similar obligations			128	1,597,147	
2. Provisions for taxes			129	69,030,460	
3. Other provisions			130	390,007,900	131
F. DEPOSITS RECEIVED FROM REINSURERS					460,635,507
					132
					127,337,467
G. PAYABLES AND OTHER LIABILITIES					
I -Payables arising from direct insurance business, to:					
1. Insurance intermediaries	133	24,245,600			
2. Insurance company current accounts	134	14,922,371			
3. Policyholders for guarantee deposits and premiums	135	23,121,733			
4. Guarantee funds in favour of the policyholders	136	502,620	137	62,792,324	
II -Payables arising from reinsurance business, to:					
1. Insurance and reinsurance companies	138	47,516,366			
2. Reinsurance intermediaries	139	353,072	140	47,869,438	
III - Bond loans			141		
IV - Payables to banks and financial institutions			142		
V - Collateralised payables			143		
VI - Sundry loans and other financial payables			144	14,704,191	
VII - Post-employment benefits			145	42,116,422	
VIII - Other payables					
1. Policyholders' tax due	146	151,488,412			
2. Sundry tax payables	147	47,992,510			
3. Social security charges payable	148	31,099,271			
4. Sundry payables	149	273,681,652	150	504,261,845	
IX - Other liabilities					
1. Transitory reinsurance accounts	151				
2. Commissions for premiums under collection	152	94,544,448			
3. Sundry liabilities	153	811,547,404	154	906,091,852	155
					1,577,836,072
H. ACCRUALS AND DEFERRALS					
1. Interest			156	57,568,746	
2. Rental income			157	16,169	
3. Other accruals and deferrals			158	367,944	159
					57,952,859
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					160
					54,814,573,159

AMOUNTS FOR THE PREVIOUS YEAR				
	amount carried forward			52,219,356,425
		308	2,031,783	
		309	95,842,854	
		310	390,665,209	311 488,539,846
				312 145,201,329
	313	44,450,285		
	314	7,265,699		
	315	20,231,404		
	316	97,107	317 72,044,495	
	318	53,877,988		
	319	357,977	320 54,235,965	
			321	
			322	208,341,957
			323	1,810,589
			324	2,885,702
			325	50,974,053
	326	155,930,090		
	327	47,319,755		
	328	31,748,419		
	329	341,822,121	330 576,820,385	
	331			
	332	99,607,835		
	333	779,716,929	334 879,324,764	335 1,846,437,910
			336	53,737,145
			337	16,959
			338	93,235
				339 53,847,339
				340 54,753,382,849

2 Financial Statements for the year 2020

The undersigned declare that these financial statements are truthful and comply with the records.

Legal representatives of the Company (*)

The Chairman

Carlo Cimbri

(**)

(*) For foreign companies, a signature of the general representative for Italy is required.

(**) Specify the office of the party signing.

Financial statements

Income statement

Year 2020

Amounts in €

Annex II

Company

UnipolSai Assicurazioni S.p.A.

Share capital

Subscribed € 2,031,456,338

Paid-up € 2,031,456,338

Registered Office at

BOLOGNA - Via Stalingrado 45

2 Financial Statements for the year 2020

Income statement

	AMOUNTS FOR THE YEAR			
I. NON-LIFE BUSINESS TECHNICAL ACCOUNT				
1. EARNED PREMIUMS, NET OF REINSURANCE				
a) Gross premiums written	1	7,031,579,817		
b) (-) Premiums ceded to reinsurers	2	282,771,073		
c) Change in the gross amount of the premium provision	3	111,004,782		
d) Change in reinsurers' share of the premium provision	4	(235,231)	5	6,637,568,731
2. (+) INVESTMENT INCOME TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT (ITEM III.6)			6	156,259,882
3. OTHER TECHNICAL INCOME, NET OF REINSURANCE			7	41,656,375
4. CHARGES RELATING TO CLAIMS, NET OF AMOUNTS RECOVERED AND REINSURANCE				
a) Amounts paid				
aa) Gross amount	8	4,671,562,219		
bb) (-) reinsurers' share	9	167,649,309	10	4,503,912,910
b) Change in recoveries net of the reinsurers' share				
aa) Gross amount	11	125,720,088		
bb) (-) reinsurers' share	12	6,051,443	13	119,668,645
c) Change in claims provision				
aa) Gross amount	14	(705,379,657)		
bb) (-) reinsurers' share	15	(68,356,139)	16	(637,023,518)
17			17	3,747,220,747
5. CHANGE IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE			18	(184,448)
6. REVERSALS AND PROFIT SHARING, NET OF REINSURANCE			19	2,857,167
7. OPERATING EXPENSES:				
a) Acquisition commissions	20	1,229,509,212		
b) Other acquisition costs	21	346,603,742		
c) Change in commissions and other acquisition costs to be amortised	22	(2,230,016)		
d) Collection commissions	23	155,451,460		
e) Other administrative expenses	24	331,463,837		
f) (-) Commissions and profit sharing from reinsurers	25	82,636,128	26	1,982,622,139
8. OTHER TECHNICAL CHARGES, NET OF REINSURANCE			27	163,194,362
9. CHANGE IN EQUALISATION PROVISIONS			28	3,679,682
10. NON-LIFE BUSINESS TECHNICAL RESULT (Item III.1)			29	936,095,339

AMOUNTS FOR THE PREVIOUS YEAR					
		111	7,000,904,122		
		112	414,365,746		
		113	112,744,634		
		114	5,884,353		
		115	6,479,678,095		
			116	200,520,145	
			117	38,513,289	
		118	5,102,685,970		
		119	250,248,711	120	4,852,437,259
		121	169,241,171		
		122	8,474,274	123	160,766,897
		124	(482,649,430)		
		125	23,560,001	126	(506,209,431)
				127	4,185,460,931
				128	(533,818)
				129	4,659,772
				130	1,139,304,803
				131	337,273,705
				132	(1,878,949)
				133	158,565,084
				134	359,571,450
				135	154,635,541
				136	1,841,958,450
				137	139,942,335
				138	3,621,370
				139	543,602,489

2 Financial Statements for the year 2020

Income Statement

	AMOUNTS FOR THE YEAR			
II. LIFE BUSINESS TECHNICAL ACCOUNT				
1. PREMIUMS FOR THE YEAR, NET OF REINSURANCE:				
a) Gross premiums written		30	3,098,733,907	
b) (-) Premiums ceded to reinsurers		31	5,711,579	32 3,093,022,328
2. GAINS ON INVESTMENTS:				
a) Gains arising from shares and holdings		33	51,746,712	
(of which: from group companies and other investees		34	44,565,152)	
b) Gains on other investments:				
aa) from land and buildings	35	135,288		
bb) from other investments	36	982,278,077	37 982,413,365	
(of which: from group companies and other investees			38 6,431,416)	
c) Reversals of value adjustments on investments		39	12,514,355	
d) Gains on realisation of investments		40	100,936,823	
(of which: from group companies and other investees		41	37,650)	42 1,147,611,255
3. UNREALISED GAINS RELATING TO INVESTMENTS BENEFITING POLICYHOLDERS THAT BEAR THE RISK AND INVESTMENTS ARISING FROM PENSION FUND				43 213,586,015
4. OTHER TECHNICAL INCOME, NET OF REINSURANCE				44 34,749,718
5. CHARGES RELATING TO CLAIMS, NET OF REINSURANCE				
a) Amounts paid				
aa) Gross amount	45	3,568,395,482		
bb) (-) Reinsurers' share	46	10,723,025	47 3,557,672,457	
b) Change in provision for amounts payable				
aa) Gross amount	48	163,767,771		
bb) (-) Reinsurers' share	49	4,437,664	50 159,330,107	51 3,717,002,564
6. CHANGE IN MATHEMATICAL PROVISIONS AND OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE				
a) Mathematical provisions				
aa) Gross amount	52	485,230,095		
bb) (-) Reinsurers' share	53	(11,074,213)	54 496,304,308	
b) Premium provision from supplementary insurance:				
aa) Gross amount	55	(51,810)		
bb) (-) Reinsurers' share	56		57 (51,810)	
c) Other technical provisions				
aa) Gross amount	58	(535,328)		
bb) (-) Reinsurers' share	59		60 (535,328)	
d) Technical provisions where the investment risk is borne by the policyholders and arising from pension fund management				
aa) Gross amount	61	(517,570,928)		
bb) (-) Reinsurers' share	62		63 (517,570,928)	64 (21,853,758)

AMOUNTS FOR THE PREVIOUS YEAR			
		140	4,079,921,732
		141	6,013,137
		142	4,073,908,595
		143	46,985,379
(of which: from group companies and other investees		144	24,941,959)
	145	164,346	
	146	1,032,211,786	
(of which: from group companies and other investees		147	1,032,376,132)
		148	1,386,399
		149	74,827,900
		150	147,334,260
(of which: from group companies and other investees		151)
		152	1,301,523,671
		153	329,102,293
		154	30,160,393
	155	3,913,409,694	
	156	10,005,319	
	157	3,903,404,375	
	158	(1,076,627)	
	159	227,612	
	160	(1,304,239)	
	161	3,902,100,136	
	162	(168,376,992)	
	163	(8,118,242)	
	164	(160,258,750)	
	165	(7,958)	
	166	(7,958)	
	167		
	168	805,197	
	169	805,197	
	170		
	171	1,075,526,709	
	172	1,075,526,709	
	173	1,075,526,709	
	174	916,065,198	

2 Financial Statements for the year 2020

Income Statement

	AMOUNTS FOR THE YEAR			
7. REVERSALS AND PROFIT SHARING, NET OF REINSURANCE			65	276,633
8. OPERATING EXPENSES:				
a) Acquisition commissions	66	49,543,922		
b) Other acquisition costs	67	32,955,247		
c) Change in commissions and other acquisition costs to be amortised	68	1,367,265		
d) Collection commissions	69	5,702,865		
e) Other administrative expenses	70	57,617,388		
f) (-) Commissions and profit sharing from reinsurers	71	362,312	72	144,089,845
9. ASSET AND FINANCIAL CHARGES:				
a) Investment management expenses and interest expense	73	146,734,755		
b) Value adjustments to investments	74	64,098,831		
c) Losses on realisation of investments	75	192,928,250	76	403,761,836
10. UNREALISED ASSET AND FINANCIAL CHARGES RELATING TO INVESTMENTS BENEFITTING POLICYHOLDERS THAT BEAR THE RISK AND INVESTMENTS ARISING FROM PENSION FUND MANAGEMENT			77	119,737,717
11. OTHER TECHNICAL CHARGES, NET OF REINSURANCE			78	52,066,815
12. (-) SHARE OF PROFITS ON INVESTMENTS TRANSFERRED TO NON-TECHNICAL ACCOUNT (item III.4)			79	83,813,872
13. LIFE BUSINESS TECHNICAL RESULT (item III.2)			80	(9,926,208)
III. NON-TECHNICAL ACCOUNT				
1. NON-LIFE BUSINESS TECHNICAL RESULT (item I.10)			81	936,095,339
2. LIFE BUSINESS TECHNICAL RESULT (item II.13)			82	(9,926,208)
3. GAINS ON NON-LIFE BUSINESS INVESTMENTS:				
a) Gains arising from shares and holdings	83	72,908,077		
(of which: from group companies and other investees	84	66,049,407)	
b) Gains on other investments:				
aa) from land and buildings	85	47,141,326		
bb) from other investments	86	362,878,418	87	410,019,744
(of which: from group companies and other investees	88	24,329,788)	
c) Reversals of value adjustments on investments	89	13,520,987		
d) Gains on realisation of investments	90	106,071,232		
(of which: from group companies and other investees	91		92	602,520,040

AMOUNTS FOR THE PREVIOUS YEAR			
		175	1,275,303
	176	54,424,351	
	177	36,717,358	
	178	3,957,914	
	179	6,320,535	
	180	62,415,776	
	181	664,344	182 155,255,762
	183	146,268,208	
	184	24,779,906	
	185	68,466,036	186 239,514,150
			187 95,499,074
			188 41,970,414
			189 118,157,610
			190 264,857,305
			191 543,602,489
			192 264,857,305
	193	62,760,290	
(of which: from group companies and other investees	194	51,243,428)	
	195	62,092,136	
	196	419,004,768	197 481,096,904
(of which: from group companies and other investees	198	25,231,148)	
	199	162,939,683	
	200	184,815,570	
(of which: from group companies and other investees	201	624,433)	202 891,612,447

2 Financial Statements for the year 2020

Income Statement

	AMOUNTS FOR THE YEAR		
4. (+) SHARE OF PROFITS ON INVESTMENTS TRANSFERRED FROM LIFE BUSINESS TECHNICAL ACCOUNT (item II.12)			93 83,813,872
5. NON-LIFE BUSINESS ASSET AND FINANCIAL CHARGES:			
a) Investment management expenses and interest expense	94	108,318,625	
b) Value adjustments to investments	95	154,316,351	
c) Losses on realisation of investments	96	116,662,219	97 379,297,195
6. (-) SHARE OF PROFITS ON INVESTMENTS TRANSFERRED TO NON-LIFE BUSINESS TECHNICAL ACCOUNT (item I.2)			98 156,259,882
7. OTHER INCOME			99 131,308,795
8. OTHER CHARGES			100 372,525,906
9. PROFIT (LOSS) FROM ORDINARY OPERATIONS			101 835,728,855
10. EXTRAORDINARY INCOME			102 355,081,613
11. EXTRAORDINARY EXPENSES			103 92,258,235
12. PROFIT (LOSS) FROM EXTRAORDINARY OPERATIONS			104 262,823,378
13. PRE-TAX PROFIT (LOSS)			105 1,098,552,233
14. INCOME TAX FOR THE YEAR			106 284,245,567
15. PROFIT (LOSS) FOR THE YEAR			107 814,306,666

AMOUNTS FOR THE PREVIOUS YEAR		
		203 118,157,610
	204 145,144,065	
	205 142,093,544	
	206 327,482,057	207 614,719,666
		208 200,520,145
		209 169,179,572
		210 381,512,068
		211 790,657,544
		212 284,025,694
		213 126,779,624
		214 157,246,070
		215 947,903,614
		216 246,666,224
		217 701,237,390

2 Financial Statements for the year 2020

The undersigned declare that these financial statements are truthful and comply with the records.

Legal representatives of the Company (*)

The Chairman

Carlo Cimbri

(***)

(*) For foreign companies, a signature of the general representative for Italy is required.

(**) Specify the office of the party signing.



3

NOTES
TO THE FINANCIAL
STATEMENTS

3 Notes to the Financial Statements

Foreword

The Company purpose is management of all insurance, reinsurance and capitalisation classes allowed by law.

The Company can also manage supplementary pension schemes allowed by current law and subsequent amendments and supplements, as well as set up, form and manage open pension funds and carry on activities additional to or functional for managing these funds.

The financial statements have been prepared in observance of current statutory rules and those specific for the insurance sector. More specifically, they have been drawn up in compliance with the provisions set forth under Title VIII of Italian Legislative Decree 209 of 7 September 2005 (Insurance Code), of Italian Legislative Decree 173 of 26 May 1997 and ISVAP Regulation no. 22 of 4 April 2008 (the "Regulation") as amended, and implementing the instructions issued on the subject by the Supervisory Authority. For whatever is not explicitly regulated by the regulations of the sector, please refer to the general rules regarding financial statements in the Civil Code and the accounting standards issued by the Italian Accounting Standards Setter (OIC).

The financial statements comprise the Statement of financial position, the Income statement and these Notes along with their annexes, prepared according to the statements laid out in accordance with the Regulation. They are accompanied by the Statement of cash flows prepared in free form.

It is also accompanied by the Management Report.

The Statement of financial position and the Income statement are drawn up in Euro, without decimals, whilst amounts indicated in the Notes to the financial statements and the other tables are expressed in €k, unless otherwise indicated.

The layout of the financial statements offers a comparison with the figures of the previous year.

No significant events occurred after year end that could affect the financial statement results.

In order to supplement the disclosures provided in the aforementioned mandatory statements, the reclassification tables of the statement of financial position and income statement, as well as the statement of changes in shareholders' equity, are annexed.

The measurement criteria were adopted on the basis of going concern assumptions, in application of the principles of accrual, materiality and significance of the accounting data.

The UnipolSai administrative bodies and the manager in charge of financial reporting have provided the statement on the financial statements pursuant to Art. 81-ter, Consob Regulation 11971 of 14 May 1999, as amended.

The financial statements of UnipolSai are audited by the independent auditors PricewaterhouseCoopers, which has been appointed to audit the financial statements of the Company for the 2013-2020 period. The duration of the assignment is one year less than originally agreed, following the waiver for 2021 submitted by PwC on 4 April 2019 at the request of UnipolSai, in relation to appointment of the independent auditors for the Parent Unipol for 2021-2029, to allow alignment between the duration of the UnipolSai audit engagement with that of the Parent.

Part A: Measurement criteria

The accounting policies and the most significant criteria used in drawing up the financial statements are set out below.

Intangible assets

Intangible assets of a long-lasting nature are recorded at purchase or production cost.

The accessory charges are also included in the purchase cost while the production cost comprises all costs directly chargeable to the single assets. They are amortised from the time they become available for use, or when they in any case generate economic benefits.

Acquisition commissions to be amortised

The acquisition commissions on Non-Life long-term contracts are capitalised and amortised on a straight-line basis over three years. For the Life business, the commissions are amortised up to their respective loading, based on the duration of the contract, for a period no longer than ten years.

All other charges pertaining to acquisition of the contracts and their management are reflected in the income statement of the year when they are incurred.

Start-up and expansion costs

Expense incurred if the company is set up or for amendments to the By-Laws is recorded in this item.

Charges regarding capital increases are amortised in a maximum period of five years, starting from the year when the capital increase takes effect, taking into account their future utility and their presumed useful life.

Goodwill

The goodwill acquired against payment is recorded under assets at cost, since it is included in the amount paid for the acquisition, and it is amortised on the basis of the useful life over a maximum period not longer than 20 years.

Other long-term costs

Long-term costs comprise those incurred for company reorganisation projects and increasing costs on leased real estate.

These costs are amortised in a period ranging from two to ten years in consideration of their functionality and presumed useful life. For projects under development, amortisation is suspended until the year in which they are first used.

Costs for purchases of portfolio regarding the Life business are amortised on a straight-line basis, in consideration of the average residual life of the contracts involved.

Trademarks are amortised in ten years.

Other long-term costs are amortised over their estimated useful lives.

3 Notes to the Financial Statements

Investments

Land and buildings

Properties are classified as fixed assets.

The costs of improvements and conversions are capitalised if they result in an increase in the useful life of the assets and of their profitability.

Properties used in operations for use by the company or leased to third parties are amortised with a 3% constant rate.

The land, including the portions of land regarding the buildings, is accounted for separately and is not amortised.

The properties not used for corporate business but instead as residential property are not amortised, bearing in mind the constant maintenance carried out to prolong their use over time and retain their value.

Assets that suffer impairment losses are written down.

The market value of the properties is given by an expert's analytical assessment for each real estate portion, unit or complex made by an independent external entity. Both the estimate reports and the external entity meet the requirement set forth in ISVAP Regulation no. 22 of 4 April 2008 and subsequent integrations or amendments (Art. 16 to 20).

Investments in group companies and other investees

These are mainly represented by long-term commitments such as controlling interests, interests in affiliates and in other companies.

The investments concerned are recognised at purchase or subscription cost or at a value below cost if, on the basis of the financial position of the companies invested in, the investments show evidence of impairment.

The shares of the parent companies, held at the service of the financial instruments-based remuneration plan for managers, are recognised under Short-Term Use Portfolio and are valued at the lower of cost value and market value.

Other financial investments

All long-term and short-term debt and equity instruments falling within the Company's portfolio are assigned based on the classification criteria established in a special framework resolution passed by the Board of Directors. In particular, the following types of assets are classified amongst long-term investments:

- a) investments in financial instruments (debt and equity instruments) under item C.II (Investments in group companies and other investees) of the Assets accounts of the Statement of Financial Position pursuant to Italian Legislative Decree 173/1997 if considered strategic with particular reference to the medium to long-term development objectives;

for the Life business

- b) the investments in financial instruments under item C.III (Bonds issued by holding companies, subsidiaries, associates, affiliates and other companies) of the Assets accounts of the Statement of Financial Position pursuant to Italian Legislative Decree 173/1997 for the part intended to hedge provisions for types of defined benefit policies as they are characterised by maximum correlation with commitments undertaken;
- c) the investments in bonds and other fixed-yield securities under item C.III.3 (Bonds and other fixed-yield securities) of the Assets accounts of the Statement of Financial Position pursuant to Italian Legislative Decree 173/1997 other than those indicated in point b) if consistent with the time horizon and level of the benefit guaranteed to the policyholders;
- d) the investments in equity instruments and the like under items C.III.1 (Shares and holdings) of the Assets accounts of the Statement of Financial Position pursuant to Italian Legislative Decree 173/1997 and C.III.2 (Mutual investment fund units) of the Assets accounts of the Statement of Financial Position pursuant to Italian Legislative Decree 173/1997 if their aptitude to form a long-term investment proves evident and, in any case, they must be residual in nature with respect to the sum total of the portfolio of a long-lasting nature.

The investments described in point c) and point d) must not in any case exceed the maximum limit of 70% of the total items C.III.1, C.III.2 and C.III.3 of the Assets accounts of the Statement of Financial Position pursuant to Legislative Decree 173/1997 (the limit excludes, both in numerator and denominator, the investments under item C.III of the Assets accounts of the Statement of Financial Position pursuant to Italian Legislative Decree 173/1997 of the afore-mentioned point b)).

It is specified that the investments in financial instruments under item D (Investments benefiting Life business policyholders that bear the risk and investments arising from pension fund management) of the Assets accounts of the Statement of Financial Position pursuant to Italian Legislative Decree 173/1997 must always be assigned to the "investments with short-term use" compartment for consistency with the current value measurement criterion applied to them, even if they have the characteristics for falling under "investments with long-term use".

for the Non-Life business

- e) the investments in bonds and other fixed-yield securities under item C.III.3 (Bonds and other fixed-yield securities) of the Assets accounts of the Statement of Financial Position pursuant to Italian Legislative Decree 173/1997 with long-term investment aims as they are functional for the insurance business;
- f) the investments in equity instruments and the like under items C.III.1 (Shares and holdings) of the Assets accounts of the Statement of Financial Position pursuant to Italian Legislative Decree 173/1997 and C.III.2 (Mutual investment fund units) of the Assets accounts of the Statement of Financial Position pursuant to Italian Legislative Decree 173/1997 if their aptitude to form a long-term investment proves evident and, in any case, they must be residual in nature with respect to the sum total of the portfolio of a long-lasting nature.

The investments described in point e) and point f) must not in any case exceed the maximum limit of 60% of the total items C.III.1, C.III.2 and C.III.3 of the Assets accounts of the Statement of Financial Position pursuant to Italian Legislative Decree 173/1997.

Without prejudice to the above, the measurement criteria of the other financial investments are explained hereunder.

Shares and mutual fund units

Shares classified as current assets and mutual investment fund units are recognised at the lower of average purchase cost and market value, which for listed securities is the average price recorded in the last month of the year and for unlisted securities a prudent estimated realisable value.

The shares and mutual fund units classified as durable goods are kept at the purchase cost, if necessary adjusted by the write-downs due to impairment considered long-term.

Bonds and other fixed-yield securities

The securities held long term among the Company's assets are measured at the average purchase or subscription cost, adjusted or integrated by an amount equal to the accrued portion for the year of the negative or positive difference between the repayment value and the purchase price, with separate recognition of the portion for the year relating to any issue spreads. Write-downs are made only in the event of confirmed impairment. For implied rate securities (zero coupon bonds, etc.) the capital adjustment already accrued during the year is taken into account.

Securities used for current commitments are aligned to the lower between the average cost, increased or adjusted for issue spreads matured and the return accrued on implied rate securities, and that of the market (for listed securities) formed from the arithmetic mean of prices recorded in December and (for unlisted securities) from the estimated realisable value at the end of the year, determined on the current value of securities traded on regulated markets and with similar characteristics.

Write-downs in previous years are not maintained if the reasons giving rise to such write-downs should no longer apply.

Loans

They are recognised at their estimated realisable value.

3 Notes to the Financial Statements

Financial derivatives

Financial derivatives, as defined by ISVAP Regulation no. 36 of 31 January 2011 and subsequent amendments, are used only for hedging purposes, to reduce the risk profile of the assets/liabilities hedged, i.e. to optimise their risk/return profile.

The derivative contracts in force at the end of the period are measured according to the “principle of valuation consistency”. Specifically, the unrealised capital losses or gains are charged to the income statement consistently with the corresponding unrealised capital losses and gains calculated on the assets and liabilities hedged.

According to the provisions of Art. 2427-bis of the Civil Code, the fair value of the derivative is indicated for transactions existing at the close of the year.

This value represents the amount at which an asset can be exchanged (or a liability paid off) in a free transaction between aware and independent parties.

For those financial instruments for which there is an active market, the fair value coincides with the market value, while the fair value for instruments for which there is no active market is determined based on the current value of a similar instrument or by using generally accepted valuation models and techniques.

Premiums collected or paid for options on securities, shares, currencies or interest rates in place at year end are respectively recognised in items G.VI “Sundry loans and other financial payables” and C.III.7 “Sundry financial investments”.

On expiry of the option:

- if exercised, the premium is recorded as an adjustment to the purchase or sale price of the underlying asset;
- if abandoned, the premium is recognised under “Gains/losses on realisation of investments”.

Gains on securities

The interest income accrued is recognised to the income statement according to the accruals principle, as is the difference accrued between the repayment value and the price of issuing bonds and similar securities. The difference between the repayment value and the carrying amount of the accrued difference is considered for the securities constituting fixed assets.

The dividends are recognised in the year in which their distribution is resolved.

The gains and losses arising from the trading of fixed-yield securities and shares are recognised to the income statement according to the actual date of redemption.

Deposits with ceding companies

The item includes the deposits set up with ceding companies in connection with risks underwritten in reinsurance, and are recorded at nominal value.

Investments benefiting Life business policyholders that bear the risk and investments arising from pension fund management

These are recorded at current value, pursuant to the provisions of Art. 17, paragraph 2 of Italian Legislative Decree 173/97, particularly:

- a) for listed investments, it is the value of the last trading day of the year;
- b) for the investments traded in unregulated markets, it is an estimate of their realisable value on the same date;
- c) for the other assets and liabilities and the cash and cash equivalents, it is usually their nominal value.

Receivables

They are recognised at their estimated realisable value.

In particular:

- Receivables from policyholders for premiums of the year and of previous years represent the receivables accrued, but not yet collected at year end. The specially set up bad debt provision takes into account the Possible future loss calculated based on experience and on final data of the year in progress;

- Receivables from intermediaries include the receivable from agents, brokers and other intermediaries, in addition to the receivables for reimbursements paid to preceding agents. They are directly adjusted by way of write-offs for final losses and write-downs for assumed non-collection, done by allocating the amount resulting from the analytical verification of the single positions to a special provision;
- Receivables from companies are the year-end balances adjusted by a special provision for the write-downs possibly resulting from the checks made on the single positions of doubtful collection
- Receivables from third parties and policyholders for amounts to be collected are made up of recoveries to carry out in connection with the claims for which payment of the indemnity has been made. These receivables are considered collectable based on a prudent valuation;
- Receivables relating to reinsurance business with companies include all receivables deemed collectable and are consequently adjusted by a special bad debt provision calculated based on the checks on the single positions;
- other receivables include all receivables that do not fall under the above-mentioned items and, if the necessary conditions are met, they are adjusted by a special provision for depreciation determined on the basis of the assumed collectability.

Other assets

Furniture, office machinery, plant and movables recorded in public registers

The assets falling under fixed assets are stated in the financial statements at purchase cost or at transfer values and are amortised based on their estimated useful life.

Subordinated liabilities

The loans issued that fall within this category are recognised at their nominal value.

Accruals and deferrals

Accruals and deferrals are calculated on an accrual basis.

Non-Life business technical provisions

Premium provision

The **premium provision** in the Italian direct portfolio broken down into its components is determined by applying Articles 37 and 37-bis of Italian Legislative Decree 209/2005 and in compliance with the provisions and valuation methods provided for by Annex no. 15 to ISVAP Regulation no. 22 of 4 April 2008 (former ISVAP Regulation no. 16 of 4 March 2008 as amended):

- a) the provision for unearned premiums is calculated using, for the classes concerned, the analytical method "*pro rata temporis*" provided for by paragraph 5 of the mentioned annex 15, of the above-mentioned Regulation, except for the risks in the Credit class for contracts executed or renewed by 31 December 1991, for which the calculation criteria provided for in Annex 15-bis of the Regulation no. 22 and subsequent integrations and amendments apply;
- b) the provision for unexpired risks, connected with the technical performance and intended to cover the part of risk falling within the period after year end, consists - in accordance with the simplified method laid down in paragraph 6 of the aforesaid Regulation - of the classes where valuation of the total amount of the reimbursements and relevant costs arising from insurance contracts concluded before the year ended exceeds that of the provision for unearned premiums and of the premium instalments that will become due after that date in connection with the same contracts; for unearned premiums for unearned premiums;

3 Notes to the Financial Statements

- c) the provisions in addition to the provision for unearned premiums, connected with the special nature and characteristics of some risks (damages caused by hail and other natural disasters: damages caused by earthquake, seaquake, volcanic eruption and associated phenomena; damages caused by nuclear energy and risks included in the Bonds business) are determined based on the provisions given in the mentioned Annex 15 paragraphs 9 to 20.

The **provision for profit sharing and reversals** in the health business is calculated in respect of amounts to pay to the policyholders for contracts containing the profit participation or reversals clause.

The reinsurers' share of the premium provisions is calculated by applying to the premiums ceded the same criteria as those used for calculating the premium for direct insurance business provision.

Other technical provisions

The item includes the ageing provisions of the health class, intended to cover the deterioration of the risk as the age of the policyholders rises, calculated on the basis of the flat-rate method provided for by Art. 44, paragraph 3 of Annex no. 15 of ISVAP Regulation no. 22 of 4 April 2008 as amended, to the extent of 10% of the gross premiums written of the year pertaining to contracts having the characteristics given under paragraph 43/1 of the annex.

Equalisation provisions

The equalisation provisions allocated to equalise fluctuations in the rate of claims of future years or to cover particular risks such as credit risk, risk of natural disasters or damages caused by nuclear energy are calculated according to the provisions in ministerial decree no. 705 of 19 November 1996 as defined in paragraph 50 of annex 15 to ISVAP Regulation no. 22 of 4 April 2008.

Claims provision

The direct claims provision is ascertained analytically by estimating the presumed cost of all the claims outstanding at the end of the year and on the basis of prudent technical valuations carried out with reference to objective elements, in order to ensure that the total amount set aside is enough to meet the claims to be settled and the relative direct expenses and settlement expenses.

In particular, the provisions for claims reported are estimated using the inventory method and the adjusters' estimates are also combined, where application conditions are satisfied, with the results of statistical methods such as the Chain Ladder, the Bornhuetter Ferguson and the ACPC (Average Cost Per Claim) and with valuations based on the average costs for the year (for similar groups covering a sufficiently large number of claims).

These methods were applied after consistency of the underlying data had been verified using the model assumptions.

The Chain Ladder method is applied to the "paid" and "loading" factors. The method is based on historical analysis of the factors that affect the trend in claims. The selection of these factors is based on the figures for the accumulated amounts paid out, which produces an estimate of the final cost per year of occurrence if the claims for that year have not been paid in full.

The Chain Ladder method is suitable for sectors in which the figures are stable and is therefore not suitable in cases in which there are no significantly stable previous periods and in cases of significant changes in the settlement rate.

The Bornhuetter Ferguson method uses a combination of a benchmark, or estimates of the ratio of losses to 'a priori' premium and an estimate based on claims incurred (Chain Ladder). The two estimates are combined using a formula that gives greater weight to experience. This technique is used in situations in which the figures are not suitable for making projections (recent years and new classes of risk).

The ACPC method is based on a projection of the number of claims to be paid and the respective average costs. This method is based on three fundamental assumptions: settlement rate, basic average costs and exogenous and endogenous inflation.

These methods extrapolate the final cost according to the year in which the claim is incurred and according to similar groups of risk on the basis of the trends in claims recognised in the past. When there was reason for deeming the trends recognised to be invalid some of the factors were modified and the projection adapted to fit the available information.

Some examples of what affects the trends could be:

- changes in the claims handling procedures involving different approaches to settlement/making allocations to provisions;
- market trends showing increases higher than inflation (may be linked to the economic situation or to political, legal or social developments);
- random fluctuations including the impact of “major” claims.

Claims incurred but not yet reported are estimated on the basis of the historical trends within the company, with the number and the average costs of the claims being estimated separately.

The reinsurers’ share of the claims provision reflects the sums recovered from them to meet the reserves, the amounts being laid down in the individual policies or in the contracts.

Life business technical provisions

The amount recognised is calculated in accordance with Art. 23-bis and with Annex 14 and 14-bis to ISVAP Regulation no. 22 of 4 April 2008, as amended by IVASS Measure no. 53 of 6 December 2016. The technical provisions are broken down as follows:

1. Mathematical Provisions:

The mathematical provision for direct insurance is calculated analytically for each contract on the basis of pure premiums, with no deductions for policy acquisition costs to be amortised, and by reference to the actuarial assumptions (technical interest rates, demographic models of death or disability) used to calculate the premiums on existing contracts, in accordance with paragraphs 11, 12, 13, 14, 15, 16 and 19 of Annex no. 14 of ISVAP Regulation no. 22/2008. The mathematical provision includes the portion of pure premiums related to the premiums accrued during the year. It also includes all the revaluations made under the terms of the policy and is never less than the surrender value.

2. Additional Provisions:

- Additional provision for demographic risk: in this regard, it was decided to add to the provisions to be set up to cover commitments undertaken with the policyholders, in compliance with Paragraph 36, Annex 14 of ISVAP Regulation no. 22/2008 after having verified a variance between the demographic bases used to calculate the principals forming the annuities and table A62 prepared by ANIA.
- Additional provision to cover the possible variance between the expected rates of return on the assets held as a hedge against the technical provisions and commitments by way of levels of financial guarantees and adjustments made to the benefits provided under the policies, in compliance with paragraph 22 of Annex no. 14 to ISVAP Regulation no. 22/2008.
- Additional provision covering the time offset between the period in which the return to be paid contractually was accrued and the time when it is actually paid to the policyholder, in compliance with paragraph 23 of Annex no. 14 to ISVAP Regulation no. 22/2008.
- The additional provision set up to hedge the risk of mortality in insurance contracts in Class III (as laid down in Art. 2, paragraph 1, of Italian Legislative Decree 209 of 7/9/2005), which provide a benefit should the insured party die during the term of the contract, in compliance with paragraph 41 of Annex no. 14 to ISVAP Regulation no. 22/2008.
- The additional provision set up to fund guaranteed benefits on maturity or when certain events occur (as laid down in Art. 2, paragraph 1, of Italian Legislative Decree 209 of 7/9/2005), in compliance with paragraph 41 of Annex no. 14 to ISVAP Regulation no. 22/2008.

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3. Provision for amounts payable:

The provision for amounts payable is determined according to the criteria laid down in Art. 23-bis, paragraph 5, of ISVAP Regulation no. 22/2008 and it includes the total amount needed to cover payment of benefits that have fallen due but not so far been paid, surrendered policies and claims not yet paid.

4. Technical provisions for supplementary insurance:

The Technical provisions of supplementary insurance were calculated on the basis of gross premiums according to the *pro-rata temporis* method, in compliance with the provisions of paragraph 18 of Annex no. 14 to ISVAP Regulation no. 22/2008.

5. Provision for profit sharing and reversals:

The Provision for profit sharing and reversals includes the amounts to be attributed to the policyholders or to the beneficiaries of the contracts by way of technical profit sharing and premium reversal, provided that such amounts were not attributed to the policyholders, in accordance with paragraph 6 of Article 23-bis of ISVAP Regulation no. 22/2008.

6. Other Technical Provisions:

Other technical provisions entirely consist of amounts set aside for future operating expenses and are calculated on the basis of the provisions of paragraphs 17 and 20 of Annex no. 14 of ISVAP Regulation no. 22/2008.

For all the other methodological aspects regarding calculation of the technical provisions, including the additional provisions, please refer to the Actuarial function.

Technical provisions where the investment risk is borne by policyholders and provisions arising from pension fund management

According to the provisions of paragraph 39 of Annex no. 14 to ISVAP Regulation no. 22/2008, for Unit-Linked policies and class VI contracts pursuant to Art. 2, paragraph 1, of Italian Legislative Decree 209/2005, the mathematical provisions were calculated on the basis of the number and value of the shares of the respective investment lines in effect on the measurement date, i.e. at the market value of the corresponding covering assets.

For Index Linked insurance (per Art. 41, paragraph 2, of Italian Legislative Decree 209/2005), the mathematical provision was calculated by duly taking into account the provisions of paragraph 40 of Annex no. 14 to ISVAP Regulation no. 22/2008.

Provisions for risks and charges

These include the allocations deemed most suitable for liabilities temporary in nature, of certain or probable existence whose amount or contingency date cannot be determined at year end.

They do not include the provisions used to correct values of asset items.

In particular:

- the income tax provisions include the tax expenses allocated for items that will be taxed in subsequent years;
- the other provisions include the foreseeable expenses of various types and those deriving from the dispute in progress, analytically measured for the single positions.

Income tax for the year

Starting from the 2015 tax year UnipolSai opted, and subsequently renewed for the 2018-2020 three-year period, for the Group tax regime regulated by Art. 117 et seq. of Italian Presidential Decree no. 917/86, under the tax consolidating company Unipol Gruppo, together with its own subsidiaries that meet the regulatory requirements. An agreement was signed with the consolidating company, regulating the financial and procedural aspects governing the option in question.

Income tax for the year is recognised among costs for the year and calculated in accordance with current tax regulations. It represents:

- the charges/income for current taxes;
- the amounts of deferred tax assets and liabilities arising during the year and usable in future years;
- for the portion due for the year, offsetting of deferred tax assets and liabilities generated in previous years;
- the expense, if any, for substitute tax of the income tax related to special cases.

Deferred tax assets and liabilities are recognised, calculated on the temporary differences that have arisen or been deducted during the year (including the portion of the tax assets and liabilities relating to the subsidiaries for which the tax regime provided for in Art. 115 et seq. of the Consolidated Income Tax Act was chosen), affecting deferred tax assets and the provision for deferred taxes, respectively. Deferred tax assets and liabilities are calculated on the basis of the tax rates set by current tax regulations and applicable to future years in which all or part of the temporary differences that underly them are expected to be reabsorbed.

Deferred tax assets are recognised only if it is reasonably certain that they will be recovered in future years. Deferred tax liabilities are always recognised.

The disclosure pursuant to Art. 2427, paragraph 1, letter 14 of the Civil Code, together with the statement of reconciliation between theoretical and effective tax charges, is provided in section 21 - Information on the non-technical account.

Payables and other liabilities

These are recorded at their nominal value and represent the Company's payables to third parties.

Specifically, post-employment benefits reflect the liabilities accrued with all the workforce at year end, in conformity with current laws and the collective labour agreements.

Treasury shares

Treasury shares in the portfolio are recognised on the basis of their purchase value as a direct decrease in shareholders' equity, in a special item Negative reserve for treasury shares in the portfolio.

Earned premiums

The total for the year is obtained by adding the premium provision. Gross and ceded written premiums included all amounts accrued during the year for the insurance contracts, regardless of the fact that these amounts have been collected, net of cancellations caused by technical reversals of single securities issued during the year, and by contract changes, with or without premium changes, introduced with replacements or appendices, in conformity with the provisions of ISVAP Regulation no. 22 of 4 April 2008 as amended and integrated.

Profit from investments in the income statement

Shares of profits from investments to the technical account of the Non-Life business and to the non-technical account of the Life business are assigned in compliance with the provisions of ISVAP Regulation no. 22 of 4 April 2008 as amended and integrated, as explained in the relevant sections of the Notes to the Financial Statements.

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Inwards reinsurance

The technical components communicated by the ceding companies relating to the year, even if incomplete, are estimated for the residual part in order to determine the correct competence and the pertinent retrocessions. The technical provisions are those communicated by the ceding companies, potentially supplemented to take additional foreseeable losses into account.

Translation of balances in foreign currencies

Items expressed in foreign currencies are treated in accordance with the principles of multicurrency accounting. In compliance with Art. 2426, paragraph 8-bis of the Civil Code, property, plant and equipment, intangible assets and financial assets (held as investments) in foreign currencies are recognised at the spot rate at the time of purchase. Other items expressed in a foreign currency are recognised at the year-end rates. All translation differences are recognised in the Income Statement.

Exchange rates used

The main exchange rates used for the translation into euros are as follows:

Currencies	31/12/2020	31/12/2019
US Dollar	1.2271	1.1234
Pound Sterling	0.8990	0.8508
Swiss Franc	1.0802	1.0854
Canadian Dollar	1.5633	1.4598
YEN	126.4900	121.9400
Swedish Krona	10.0343	10.4468

Criteria adopted in breaking down the elements common to the Non-Life and Life businesses

The Company is authorised to jointly carry on insurance and reinsurance activity in both the Life and Non-Life businesses.

Pursuant to Art. 7 of ISVAP Regulation no. 17 of 11 March 2008 implementing Art. 11, paragraph 3 and 348 of Italian Legislative Decree 209 of 7 September 2005, the overheads are recognised to the appropriate account when they are directly chargeable to it on the basis of the information regarding the cost centre.

The costs and revenue common to the two management accounts that were impossible to assign from the very beginning to a specific account and that were therefore recognised indistinctly were broken down at year end based on the framework resolution passed by the Board of Directors according to the criteria consistent with the organisational structure and by using appropriate parameters. In particular:

Acquisition costs

The common costs of the organisational units that pertain to the company's technical/commercial structure, whether central or local, are divided up based on productivity parameters that primarily include the value of the premiums and the number of contracts in the Non-Life and Life portfolios. As the case may be, a single parameter or a combination of several parameters can be used.

Settlement expenses

Considering that the settlement activities are assigned to separate organisational units between the Non-Life and Life businesses, as a rule settlement expenses common to the two management accounts do not arise.

If in the aftermath of organisational changes common cost centres should arise in the future, the relevant costs must be divided based on suitable quantitative parameters in connection with the activity the organisational units to which they refer carry out.

Administrative expenses

The common administrative expenses (referring to organisational units not directly attributable to a specific management account) are divided between Non-Life and Life businesses on the basis of suitable quantitative parameters in connection with the type of activity carried out by the organisational unit to which they refer (i.e. the number of parties, number of policies in portfolio, the amount of the premiums, etc.). As the case may be, a single parameter or a combination of several parameters can be used.

Gains on investments

Recognition of the gains on assets and financial income reflects the actual income coming from the loans and the liquid funds pertaining to the Life business and the Non-Life business.

In the case of advances made by one business on behalf of the other, shares of income calculated in proportion to the entity and to the duration of the disbursements made, applying market rates, are recognised to the account involved.

Asset and financial charges

These are mostly distinctly recognised (Life and Non-Life) from the very origin.

The common costs, mostly pertaining to the structure expenses, are divided up on the basis of the incidence of the investments between the two businesses.

Other gains and other losses

These are assigned to each management account consistently with the attribution of the event or of the statement of financial position and income statement entries to which they relate.

Gains from recoveries of common costs from third parties are divided with criteria consistent with those used for dividing the costs recovered.

Extraordinary income and expenses

The capital gains and losses deriving from the disposal of properties, tangible assets, profits and losses deriving from the trading of securities classified as "long-term" and extraordinary gains and losses are charged to the management accounts based on their origin, meaning based on how the assets are attributed on the date of their realisation or their measurement.

Income tax

Income tax pertaining to investment property is assigned to each management account based on the allocation of the investments to which they refer.

Income tax (IRES, IRAP and deferred tax assets/liabilities) are assigned based on the contribution of each business to the tax result of the year.

Uncertainty in the use of estimates

The application of certain accounting standards implies significant elements of judgment based on estimates and assumptions which are uncertain at the time they are formulated.

As regards the 2020 financial statements, it is believed that the assumptions made are appropriate and, therefore, that the financial statements have been drafted clearly and give a true and fair view of the statement of financial position, income statement and statement of cash flows. The relevant paragraphs of the notes to the financial statements provide full and adequate details of the reasons underlying the decisions made and the measurements performed. In order to formulate reliable estimates and assumptions, reference has been made to past experience, and to other factors considered reasonable for the case in question, based on all available information.

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However, we cannot exclude that changes in these estimates and assumptions may have a significant effect on the statement of financial position and income statement as well as on the potential assets and liabilities reported in the financial statements for disclosure purposes, if different elements emerge with respect to those considered originally.

In particular, the greater use of subjective assessments by company management was necessary in the following cases:

- calculation of the current value of financial assets and liabilities where this could not be directly observed on active markets. In this case, the subjective elements lie in the choice of measurement models or input parameters that cannot be directly observed on the market;
- definition of parameters used in the analytical assessment of securities investments to verify any impairment. In particular, reference is made to the choice of measurement models and the main assumptions and parameters used;
- assessment of the recoverability of deferred tax assets;
- quantification of provisions for risks and charges where there is uncertainty about the amount required and the contingency periods;
- in the estimation processes leading to determination of the technical provisions.

In such cases an explanation is provided with the aim of providing investors with a better understanding of the main causes of uncertainty, but in no way is meant to suggest that alternative assumptions might be appropriate or more valid. In addition, the financial statements measurements are made on the basis of going concern assumptions, as no risks have been identified that could compromise orderly business operations.

Part B: Information on the Statement of Financial Position and Income Statement

The Company jointly carries on the Non-Life and Life insurance businesses and, as required by ISVAP Regulation no. 22 of 4 April 2008 as subsequently amended and integrated, separately draws up a Statement of Financial Position regarding the Non-Life business (Annex 1) and a Statement of Financial Position regarding the Life business (Annex 2), as well as the statement of breakdown of the profit (loss) for the year between the Non-Life business and the Life business (Annex 3).

The financial statements for the year 2020 closed with a profit of €814,307k, €707,293k of which in the Non-Life business and €107,014k in the Life business.

Statement of Financial Position - Assets

The items in the Statement of Financial Position and the changes in corresponding balances with respect to the previous year are given below, with additional information as required by current regulations.

Section 1 - Intangible assets - (item B)

The "intangible assets" item at 31 December 2020 amounted to €731,682k, decreasing by €24,182k compared to the financial position of the previous year (-3.2%). The various components are commented on below.

1.1 Acquisition commissions to be amortised (item B.1)

Acquisition commissions to be amortised totalled €76,646k, €60,259k of which in the Life business and €16,387k in the Non-Life business. The change is negative by €863k compared to the financial position of the previous year.

1.2 Start-up and expansion costs (item B.3)

The item consisting of expenses for the project to integrate Unipol Assicurazioni and the companies of the former Fondiaria-SAI Group, amortised starting from the year 2014, has been eliminated to zero compared to the value of the previous year amounting to €2k due to the completion of the amortisation period.

1.3 Goodwill (item B.4)

Goodwill came to a total of €383,629k, €313,968 of which belonging to the Non-Life business and €69,661 to the Life business, and it is amortised in 20 years. The change is negative by €55,071k compared to the financial position of the previous year, due to amortisation for the period.

The item includes:

- the deficit arising from the merger by incorporation of La Fondiaria into Fondiaria-SAI that took place in 2002 for a residual value of €8,512k regarding Non-Life and €6,854k regarding the Life business;
- the goodwill relating to the company transactions that Aurora Assicurazioni merged into Unipol Assicurazioni concluded in 2004, for a residual value of €26,555k in the Non-Life business and €19,455k in the Life business;
- the deficit arising from the merger of Unipol, Milano and Premafin into UnipolSai, that took place on 6 January 2014 for a residual value of €282,513k of which €239,266k related to the Non-Life business and €43,246k to the Life business;

3 Notes to the Financial Statements

- the deficit emerging from the merger by incorporation of UnipolSai Real Estate, Europa Tutela Giudiziaria, Sai Holding, Systema and UnipolSai Servizi Tecnologici into UnipolSai, which took place on 31 December 2015 with accounting effect on 1 January 2015 for a residual amount of €812k allocated entirely to the Non-Life business;
- the goodwill recognised in relation to the acquisition on 31 December 2015 of the Linear Life business unit for a residual amount of €106k attributed entirely to the Life business;
- the deficit emerging from the merger of Liguria and Liguria Vita, which took place on 31 January 2016 with accounting effect on 1 January 2016 for a residual amount of €38,823k allocated entirely to the Non-Life business.

1.4 Other long-term costs (item B.5)

Other long-term costs, amounting to €271,407k (item B5), recorded a net increase of €31,754k compared to the 2019 figure. Of this item, €7,020k referred to the Life business and €264,387k to the Non-Life business.

The changes during the year are listed and summarised in the following table:

<i>Valori in migliaia di euro</i>	31/12/2019	Purchases	Amortisation/ depreciation	31/12/2020
Development and integration projects	176,784	63,854	35,801	204,838
Software and Licences	47,929	19,078	9,844	57,163
Improvements to third party assets	14,856	2,676	8,217	9,315
Other long-term expenses	84	33	24	92
Total	239,653	85,640	53,886	271,407

The largest component regarded the expenses for third party services relating to IT development and integration projects amounting to €204,838k, the increases in which are mainly due to the following projects: the claims platform "Liquido" (€4,321k), the new Group MV System (€1,751k), the evolution of technological, applicative and multi-channelling architectures (€7,452k), the DWH integration (€295k), the IT- accounting system integration totalling €1,483k, Solvency II (€952k), IFRS 17 (€6,188k), IVASS enterprise Reg. 38 extension (€824k), SAP programme implementation and migrations for a total of €1,944k and lastly the application development of the CRM workspace and GDPR area (€2,967k).

Other long-term expenses included trademarks for €71k.

These amounts were recognised under assets with consent from the Board of Statutory Auditors, where necessary. Research, development and advertising costs were not recorded as intangible assets. These costs are recognised in profit or loss as in previous years.

All assets classified under this item are considered of long-term use.

The changes in intangible assets during the year are summarised in Annex 4.

Section 2 - Investments (item C)

2.1 Land and buildings (item C.I)

Class C.I asset accounts net of their depreciation broke down as follows at 31 December 2020:

<i>Amounts in €k</i>	Assets	Accum. deprec.	Net assets
Property for own use	657,370	172,877	484,493
Property for use by third parties	910,160	165,424	744,736
Other property	9,096		9,096
Other rights	2,630	350	2,279
Total	1,579,255	338,651	1,240,605

All land and buildings owned are considered of long-term use.

In implementing the reference IVASS regulation (ISVAP Regulation no. 22 of 4 April 2008), the Company calculated the current value of owned land and buildings using appraisal estimates prepared by independent experts appointed by the Board of Directors, through the distinct measurement of each asset by applying methodologies that differ according to the characteristics of the asset: either the equity type supplemented by elements that take into account the profitability of the property, the comparative type, or the transformation type.

Based on the results of these appraisals, also considering the realisation values expected on the properties being disposed of, the Company decided to bring in write-downs amounting to €8,832k to property investment as they are considered long-term.

The total current value of property at 31 December 2020 amounted to €1,433,627k, increasing by around €193,023k compared to the relevant carrying amount.

The main real estate transactions are described in the dedicated section of the Management Report, while changes during the year are listed in Annex 4 to these Notes to the Financial Statements, and are summarised in the following table:

<i>Amounts in €k</i>	2020
Movements during the period	2020
Gross property at 31/12/2019	2,464,488
New investments/improvements	119,272
Sales and other reductions	995,673
Write-downs of property	8,832
Gross property at 31/12/2020	1,579,255
Accum. depreciation previous year	454,372
Amount of depreciation for the year	39,729
Decreases for disposals	155,450
Accumulated depreciation at 31 December	338,651
Net property at 31/12/2020	1,240,605

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The detail of the write-downs made during the year and in previous years is stated in a relevant table annexed to the Notes to the Financial Statements.

Information on finance leases

There are no assets leased to third parties.

2.2 Investments in Group companies and other investees (item C.II)

Investments

The total amount of Italian and foreign investments (item C.II.1) at 31 December 2020 was €3,530,048k versus €3,499,451k in the previous year, with a net increase of €30,597k. The changes in the period were as follows:

<i>Amounts in €k</i>	
Movements during the period	2020
Opening balance	3,499,451
Purchases and subscriptions	109,764
Sales	(12,030)
(Impairment) and reversals of impairment losses	(1,513)
Other decreases	(129,137)
Balance at 31/12/20	3,530,048

Purchases refer to:

- ✓ Cambiomarcia (€5,925k)
- ✓ Unipol Gruppo (€3,368k).

Subscriptions, also inclusive of other forms of investee capitalisation, refer to:

- ✓ BPER Banca (€73,094k);
- ✓ Meridiano Secondo (€24,100k);
- ✓ Nuove Iniziative Toscane (€2,200k);
- ✓ Unica Lab (€1,000k).
- ✓ Borsetto (€76k).

Sales refer to:

- ✓ Società Edilizia Immobiliare Sarda (€11,999k);
- ✓ Mediorischi (€31k).

Impairment refers to the following equity investments:

- ✓ Nuove Iniziative Toscane (€1,286k);
- ✓ Visconti (€79k);
- ✓ Borsetto (€76k);
- ✓ Città Studi (€1k);
- ✓ Ital H&R (€71k).

Other increases refer primarily to Casa di Cura Villa Donatello for €45,921k, Midi for €12,154k and Gruppo UNA for €4,247k, following merger and spin-off transactions taking place on 1° February 2020 in favour of UnipolSai.

These extraordinary transactions also resulted in decreases referring to Villa Ragionieri for €53,934k, Ambra Property for €53,819k, Pronto Assistance for €13,566k and Casa di Cura Villa Donatello for €3,531k.

Among other decreases is the assignment of shares of the parent Unipol to executive personnel, under the compensation plans based on financial instruments.

More in particular, with reference to the individual investee Companies, the following is pointed out:

- Borsetto: the loss from the year 2019 of the associate resulted in the situation set forth in Art. 2482 bis of the Italian Civil Code. On approval of the financial statements, the shareholders decided to cover that loss by waiving the receivable for the shareholder loan pro rata. On 8 July 2020, UnipolSai sent Borsetto a waiver communication for the amount of €76k in execution of the above-mentioned resolution.
- Butterfly S. à r.l. in liquidation: in February, the bankruptcy proceedings concluded and the company was struck off the Register of Companies. The company settled the payables set out in the bankruptcy plan and the shareholders did not receive any allocation.
- Cambiomarcia: on 22 December 2020, with the authorisation of IVASS for the acquisition of control, the proposed acquisition of 100% of the company was carried out for the total price of €5,925k.
- Mediorischi: on 3 November 2020, the entire share held, equal to 9.999% of the share capital, was sold to other shareholders of the investee. The transaction, concluded at the price of €31k, generated a capital loss of €0.1k.
- Meridiano Secondo: on 20 March 2020 UnipolSai made a capital account payment of €2,500k in order to provide the subsidiary with the liquidity required for the payments connected to the continuation of the renovation works on the Milan - Via de Castilia 23 property, transferred in 2019. This was the first payment referring to the UnipolSai Board of Directors resolution of 18 April 2019 which calls for capital account payments totalling €28.5m. On 24 April 2020, 3 September 2020 and 14 December 2020, UnipolSai also made three capital account payments for a total of €16,100k for interim payments for the construction of Unipol Tower in Milan. The payment is part of the capitalisation of Meridiano Secondo approved by the Board of Directors of UnipolSai on 14 June 2018 for a total of €125m, of which €8,770k already paid by 31 December 2019. Furthermore, on 16 November 2020, a payment of €5,500k was made in order to pay C.M.B., the project's general contractor, the amount set forth for full and final settlement regarding the additional and settlement agreement of 30 October 2020 with reference to the higher expenses incurred compared to contractual provisions.
- Nuove Iniziative Toscane: on 4 May 2020 and 10 December 2020, UnipolSai made two capital account payments, for a total of €2,200k, to enable the subsidiary to meet financial needs in relation to primary urbanisation works necessary to activate the Marescialli School, within the scope of the Castello project. These are the first payments under the letter of commitment for a total of €5.7m signed by UnipolSai on 9 January 2019 with reference to these financial requirements.
- Società Edilizia Immobiliare Sarda: on 24 April 2020, the entire equity investment, equal to 51.667% of the share capital, was transferred to Tepor S.p.A. together with the receivables relating to shareholder's loans paid. The consideration collected for the sale of the equity investment amounted to €1,993k and the relative capital loss came to €10,006k.
- Unica Lab: on 24 February 2020, UnipolSai incorporated Unica Lab, a company set up to supply training services and organise training events, with the payment of share capital of €1,000k.
- Following the incorporation of Pronto Assistance, UnipolSai increased:
 - the stake held in Tenute del Cerro from 98.81% to 100%, with an increase in the carrying amount of €897k;
 - the stake held in Pronto Assistance Servizi from 95.34% to 95.65%, with an increase in the carrying amount of €5k;
 - the stake held in UnipolSai Servizi Consortili from 98.27% to 99.17%, with an increase in the carrying amount of €288k.
- Following the additional corporate spin-off transactions concerning (i) the total spin-off of Ambra Property in favour of UnipolSai, Gruppo UNA and Midi, (ii) the total spin-off of Villa Ragionieri in favour of UnipolSai and Casa di Cura Villa Donatello and (iii) the partial spin-off of the latter in favour of UnipolSai, the carrying amount of Villa Ragionieri, subject to a total spin-off, was cancelled to the extent of €8,013k and transferred to the carrying amount of the second beneficiary Casa di Cura Villa Donatello to the extent of €45,921k, in proportion with the shareholders' equity attributed at the time of the spin-off; the carrying amount of Ambra Property, subject to a total spin-off, was cancelled to the extent of €37,417k and transferred to the carrying amount of the second beneficiary Gruppo UNA to the extent of €4,247k and to the third beneficiary Midi to the extent of €12,154k, in proportion with the shareholders' equity attributed at the time of the spin-off and lastly, the carrying amount of Casa di Cura Villa Donatello was reduced by an amount equal to the reserves transferred to UnipolSai, i.e. €3,531k.

With regard to further details on the shares and holdings (item C.II.1), please refer to the following statements provided in the annexes to the notes to the financial statements:

- a) changes in shares and holdings in the year (Annex 5);
- b) statement with information relating to Group companies and other investees (Annex 6);
- c) analytical statement of movements of investments in investees (Annex 7).

3 Notes to the Financial Statements

Current value of investments (as per Annexes 5 and 7).

For the investments traded in unregulated markets, a prudent analytical evaluation of their probable realisable value was made.

In particular, the current value of investments in subsidiaries and associates was determined considering the shareholders' equity, if necessary adjusted to take into account current values of the assets and, where verifiable, a goodwill value: the value of recognition higher than the portion of shareholders' equity stated in the latest financial statements of the investee, if any, refers to an estimated value of the economic capital of the company deriving from appraisals issued by independent experts at the time of acquisition or from estimates made internally on the basis of methodologies and parameters commonly used in professional practices, and from the evaluation of the prospective plans drawn up by the company.

The current amount of investments is €3,412,980k, whilst their carrying amount comes to €3,530,048k. The difference refers to long-term investments in listed companies, the securities of which recorded a downturn in stock exchange listings which is not deemed representative of impairment.

As provided for by Art.16 of Italian Legislative Decree 173/97, the following table regarding the investments in subsidiaries and associates classified as "long-term" is provided, the carrying amount being higher than the pro-rata shareholders' equity of the investee:

Amounts in €k

Subsidiaries or Associates	% holding (ord. and sav. shares)	Carrying amounts	Shareholders' equity pro-rata	Difference
Linear Assicurazioni Spa-Bologna- IT	100.00%	180,000	137,791	(42,209)
UniSalute Spa-Bologna- IT	98.99%	745,000	203,156	(541,844)
Arca Vita Spa-Verona- IT	63.39%	475,000	246,075	(228,925)
Nuove Iniziative Toscane Srl-Firenze- IT	100.00%	71,367	71,163	(204)
Marina Di Loano Spa-Loano- IT	100.00%	81,709	78,701	(3,008)
Meridiano Secondo Srl-Milano-IT	100.00%	214,160	206,635	(7,525)
Cambiomarcia Srl-Ravenna- IT	100.00%	5,925	99	(5,826)
Gruppo Una Spa-Milano-IT	100.00%	32,233	13,436	(18,797)
Casa Di Cura Villa Donatello-Firenze- IT	100.00%	66,346	62,539	(3,806)
AlfaEvolution Technology Spa-Bologna- IT	100.00%	90,000	86,057	(3,943)
Ital H&R Srl-Bologna- IT	100.00%		(198)	(198)
Centri Medici Dyadea Srl-Bologna-IT	100.00%	5,142	649	(4,492)
Unica Lab S.R.L.-Bologna- IT	100.00%	1,000	849	(151)
UnipolRental Spa-Reggio Emilia- IT	100.00%	96,092	66,171	(29,921)
Ddor Novi Sad Ord Eur-Novu Sad- RS	100.00%	85,971	65,110	(20,861)
UnipolSai Nederland Bv-Amsterdam- NL	100.00%	390,988	355,824	(35,164)
Fin. Priv.-Milano-IT	28.57%	27,446	26,928	(518)
Hotel Villaggio Cdm Spa In Liquidazione-Modena- IT	49.00%		(1,842)	(1,842)
Garibaldi Sca-Luxembourg- LU	32.00%	660	(2,281)	(2,941)
Isola (Ex Hedf Isola)-Luxembourg- LU	29.56%	1,598	(1,250)	(2,848)

With regard to investments held in the following insurance companies, note that the higher carrying amount in the financial statements compared to the corresponding portion of the carrying amount of shareholders' equity represents goodwill. This higher value is supported by an internal estimate intended to determine the "value in use" of the equity investment, as specified below.

Linear and UniSalute: the excess capital version of a Dividend Discount Model (DDM) was used.

Arca Vita: the Sum of Parts ("SoP") method was adopted, using an Appraisal Value type method for Arca Vita and Arca Vita International, and the excess capital version of the Dividend Discount Model (DDM) for Arca Assicurazioni.

DDOR Novi Sad: the excess capital version of a Dividend Discount Model (DDM) was used.

As regards the investments held in companies other than insurance ones, the following are of note:

Nuove Iniziative Toscane: a €1,286k adjustment in the carrying amount was made during the year. The residual value recognised greater than the corresponding portion of shareholders' equity is due to unrealised capital gains on properties and entries pertaining to tax items.

Marina di Loano: the higher amount recognised in the financial statements relative to the corresponding portion of shareholders' equity is due to unrealised capital gains on properties.

Meridiano Secondo: the higher amount recognised in the financial statements relative to the corresponding portion of shareholders' equity is due to unrealised capital gains on properties and to entries pertaining to tax items.

Cambiomarcia: the amount recognised in the financial statements is supported by the results of a fairness opinion issued by a leading independent advisor, at the time of the acquisition taking place in the current year.

Gruppo UNA: a Discounted Cash Flow (DCF) type methodology was used.

Casa di Cura Villa Donatello: the higher amount recognised in the financial statements relative to the corresponding portion of shareholders' equity is due to unrealised capital gains on properties and to entries pertaining to tax items.

AlfaEvolution Technology: a Discounted Cash Flow (DCF) type methodology was used.

Centri Medici Dyadea: a Discounted Cash Flow (DCF) type methodology was used.

Unica Lab: the company was established in February 2020 with the goal of leveraging the skills developed by the Unipol Group in supporting the managerial development and growth of companies, by offering training paths and services to customers outside the Group. No adjustments were made to the carrying amount as the company is currently considered in the start-up phase.

UnipolRental: a Discounted Cash Flow (DCF) type methodology was used.

UnipolSai Nederland BV: the higher value recognised on the financial statements compared to the corresponding portion of shareholders' equity is due to the unrealised capital gain on the carrying amount of the subsidiary UnipolRe.

Fin Priv: the higher value recognised on the financial statements compared to the corresponding portion of shareholders' equity is due to the unrealised capital gain on the carrying amount of the equity investment held in Mediobanca.

With regard to the associates, note that on the basis of information currently available in connection with the expected repayment flows for Isola and Garibaldi, recoverability of the investment is not considered in jeopardy.

The other differences are not deemed significant.

Bonds

At 31 December 2020, bonds issued by Group companies and other investees amounting to €9,419k had been booked, all classified under long-term investments, declining with respect to the previous period of -€1,184k. In the course of the year 2020, an additional €7,804k was collected, of which €5,493k for Profit Participating Bonds and the relative remuneration and €2,311k for Special Interest Bonds and the relative remuneration.

3 Notes to the Financial Statements

Currently, the item includes the following bonds:

- profit Participating Bonds for residual €5,052k issued by the associate Garibaldi S.C.A;
- profit Participating Bonds for residual €1,069k issued by the Ex Var. S.C.A.;
- profit Participating Bonds for residual €1,797k regarding the associate Isola S.C.A.;
- bonds issued by the investee Syneristiki for €1,500k.

Loans to Group companies and other investees

Loans to Group companies (item C.II.3) amounted to €773,220k at 31 December 2020, with a decrease of –€151,357k compared to the previous year's figure.

The item includes the following loans:

Amounts in €k

Loans	2020	2019
Unipol Gruppo	567,785	567,785
UnipolRental	123,882	223,882
UnipolReC	30,843	65,276
Meridiano Secondo	36,813	36,813
AlfaEvolution Technology	7,000	13,000
Borsetto	6,015	6,092
Cambiomarcia	882	
Società Edilizia Immobiliare		6,034
Casa di Cura Villa Donatello		5,695
Total	773,220	924,576

As has already been pointed out in the Management Report, the decrease in the item was basically due to:

- the disbursement on 31 July 2020 of a €123,882k loan to the subsidiary UnipolRental, to replace the loan previously disbursed for €223,882k, which was repaid on the same date;
- following the partial spin-off taking place on 1° February 2020 of Casa di Cura Villa Donatello in favour of UnipolSai, the extinction of the €5,695k loan disbursed to it;
- transfer of the outstanding €6,034k loan to Società Edilizia Immobiliare Sarda as part of the sale of the equity investment held in that company;
- partial repayment on 30 November 2020 of €6,000k on the loan to the subsidiary AlfaEvolution.

Please also note the loan outstanding with UnipolReC, subject to partial repayment in the course of 2020 for €34,434k, with a residual debt of €30,843k.

In 2020, a loan was also disbursed to Cambiomarcia for €882k. There is also a loan in place with Butterfly for €129k, the entire amount of which has been written off.

The changes of the bonds issued by investees (item C.II.2) and of the loans granted to Group companies and investees (item C.II.3) are provided in Annex 5.

2.3 Other financial investments (item C.III)

The total balance of this item amounted to €37,590,169k, increasing by €1,295,470k compared to 31 December 2019 (+3.6%). The main components can be summed up as follows:

<i>Amounts in €k</i>	2020	2019	Change on 2019
C.III.1 Shares and holdings	568,641	627,725	(59,085)
C.III.2 Mutual investment fund units	4,688,527	3,421,579	1,266,948
C.III.3 Bonds and other fixed-yield securities	32,267,148	32,177,333	89,815
C.III.4 Loans	20,877	22,174	(1,297)
C.III.6 Bank deposits	20,115	25,521	(5,406)
C.III.7 Sundry financial investments	24,862	20,367	4,495
Total	37,590,169	36,294,700	1,295,470
			3.6%

The total item “other financial investments” contains no investments in companies in which the Company owns at least one-tenth of the share capital or voting rights that can be exercised at the ordinary shareholders' meeting.

The breakdown of shares and holdings, mutual investment fund units, bonds/other fixed-yield securities and sundry financial investments based on long-term and short-term use, separately for Non-Life and Life businesses, is provided in detail in Annex 8, with the corresponding current value indicated.

The changes of long-term assets in the year, including the items above, are provided in Annex 9.

The balance of the “shares and holdings” item (C.III.1) amounted to €568,641k, down by €59,085k compared to 31 December 2019 (-9.4%). Net value adjustments recognised at year end amounted to €26,718k.

Item C.III.2 “mutual investment fund units” amounted to a balance of €4,688,527k at 31 December 2020, with an increase of €1,266,948k compared to 31 December 2019. The increase in this item was due primarily to transactions in real estate investment funds already highlighted in the Management Report in the section dedicated to “Real estate management”, which should be referred to for the details. Net value adjustments recognised at year end amounted to €110,501k.

“Bonds and other fixed-yield securities” (item C.III.3) at 31 December 2020 broke down as follows:

<i>Amounts in €k</i>	2020	% Comp.	2019	Change on 2019
Securities issued by Gov., public entities				
listed	19,281,346	59.8	21,912,531	(2,631,185)
unlisted	296,695	0.9	294,434	2,261
Convertible bonds	654	0.0	7,814	(7,160)
Other listed securities	12,421,334	38.5	9,740,465	2,680,868
Other unlisted securities	267,119	0.8	222,089	45,031
Total	32,267,148	100.0	32,177,333	89,815
				0.3%

Transactions in 2020 were focused as highlighted in the table on bonds, with a view to reducing the weight of investments in government securities in favour of an increase in bonds of non-governmental issuers, both financial and industrial corporate bonds.

The separation between long-term commitments and short-term commitments is €20,490,931k and €11,776,217k, respectively.

The government securities and other listed securities, for the nominal amount of €33,596,147k, are recorded in the financial statements for €31,702,680k. If measured based on the average of the December 2020 prices, these securities would amount to a total of €37,914,638k.

3 Notes to the Financial Statements

Of the bonds classified as financial assets, securities amounted to a total countervalue of €20,490,931k, with a fair value of €25,515,925k.

Net value adjustments recorded on the portion of bonds included in the current assets portfolio amounted to -€7,559k. The unlisted securities, for the nominal amount of €616,060k, are recorded in the financial statements for €563,814k, compared to the market value of €643,156k measured at the end of the period.

The securities in portfolio are mainly deposited with Banks or issuing Institutions.

In connection with the bonds under item C.III.3, an analytical indication of the positions of significant amount (greater than €130,000k) per issuer party is provided hereunder.

The exposures thus selected represent 71.0% of the entire portfolio.

Amounts in €k

Issuer	Carrying amount
Tesoro Italia	15,007,250
Tesoro Spagna	1,539,371
Tesoro Francia	771,679
Mediobanca Spa	692,102
Unicredit Spa	382,540
Tesoro Germania	311,906
Commerzbank Ag	304,632
Comunitad De Catalunya	277,638
Tesoro Portogallo	256,487
Banco Santander Sa	246,083
Generali Spa	238,730
Comunidad De Madrid	229,512
Jp Morgan Chase & Co.	217,243
Deutsche Bank Ag	212,428
Corsair Finance Ireland Ltd	209,778
Nomura International Funding Pte Lt	207,360
Banco Bpm Spa	199,461
Bnp Paribas Sa	187,163
Banco Bilbao Vizcaya Argentaria Sa	175,366
Hsbc Holdings Plc	171,949
Goldman Sachs Group Inc	169,058
Barclays Bank Plc	156,547
Tesoro Irlanda	155,283
Axa Sa	154,782
Cnp Assurances	149,559
Societe Generale	144,666
Natwest Markets Plc	142,844
Total	22,911,422

The securities portfolio includes €8,089,860k relating to subordinated bonds; the details are provided in the chapter "Additional tables appended to the Notes to the Financial Statements", which shows the main characteristics of these investments.

Below, evidence is provided of the issuing and/or trading difference for the bonds and the other fixed-yield securities recorded under items C.II.2 and C.III.3:

<i>Amounts in €k</i>	2020
Positive issue spreads	4,420
Negative issue spreads	(2,585)
Positive trading spreads	55,442
Negative trading spreads	(55,185)
Zero coupon adjustments	179,500

Item C.III.4 "loans", amounting to €20,877k, recording a decrease of €1,297k against the 2019 figure, consists of €15,668k for loans on policies and €5,209k for other loans that comprise €2,772k for loans granted to Agents (guaranteed by the portfolio indemnity and, in the event this is insufficient, by the special agent suretyship policy) and €2,421k for loans granted to employees.

The changes in the year in loans (item C.III.4) and bank deposits (item C.III.6) are shown in Annex 10.

Item C.III.6, totalling €20,115k, refers to term "bank deposits" with a duration of more than 15 days, with a decrease by €5,406k. The amount at the end of the period included almost exclusively the deposit of the sum withheld as a guarantee on the price for the purchase of the category A shares of UnipolRental (equal to 25% of the relative equivalent value) as set forth in the subsidiary purchase agreement for €19,456k and deposits of sums withheld as a guarantee on the price for the purchase of the Cambiomarcia shares for a value of €650k established during the year. The reduction refers to several restricted deposits existing at 31 December 2019 and closed in the course of 2020.

Please note that during the year 2020 no repurchase agreement was entered into for the either the Non-Life or Life business.

"Sundry financial investments" (item C.III.7) broke down as follows:

<i>Amounts in €k</i>	2020	2019	Change on 2019
Premiums for call options	18,508	18,508	
Premiums for put options	5,392	1,860	3,532
Value of cross currency swaps	608		608
Premiums for default swap credit	355		355
Total	24,862	20,367	4,495
			22.1%

The change compared to the previous year is linked primarily to 12 put options acquired on shares and share indexes, 1 Cross Currency Swap agreement entered into and 3 Credit Default Swap contracts entered into.

3 Notes to the Financial Statements

Transactions involving bonds attributed to the long-term segment

To ensure the availability of freely negotiable investments, the Company has adopted an Investment and Liquidity Policy that was approved with a board of directors' resolution, wherein a maximum limit of long-term investments was established (70% Life and 60% Non-Life), calculated on the Company's total investments, which include both equity instruments and debt securities, except for investments considered strategic, all investments falling under Class D (Class III and Class VI) and those covering defined benefit policies.

The total of the reference investments to verify the incidence of the securities of the long-term segment at 31 December 2020, calculated as explained above, consists of the following, separately for the Non-Life and Life businesses:

Non-Life business

Amounts in €k

Non Life- Business	2020
C.III.1 Shares and holdings	300,120
C.III.2 Mutual investment fund units	2,137,977
C.III.3 Bonds and other fixed-yield securities	8,117,025
Total	10,555,122

Life business

Amounts in €k

Life- Business	2020
C.III.1 Shares and holdings	268,521
C.III.2 Mutual investment fund units	2,550,550
C.III.3 Bonds and other fixed-yield securities (*)	24,079,783
Total	26,898,853

() Except those covering defined benefit policies*

In the period, no transfers of securities were made from the long-term segment to the short-term segment and vice versa for the Non-Life and Life businesses.

Total long-term investments in the Non-Life business at 31 December 2020 amounted to €3,952,645k, which is 37.45% of total financial investments.

Total long-term investments in the Life business at 31 December 2020 amounted to €16,526,725k (not including those covering defined benefit policies), which is 61.44% of total financial investments.

In March, to prevent potential liquidity issues deriving from the unexpected extended closure of economic and commercial activities in Italy, the Company carried out a programme for selling bonds classified for the most part as long-term. These actions, carried out quite rapidly within a market phase characterised by high uncertainty and volatility, were undertaken to mitigate liquidity risk, as a result of potential lower premiums or payment extensions in the Non-Life business and an expected increase in surrenders in the Life business in order to handle the difficulties caused by the lockdown of economic activity, although this latter scenario did not take place.

The sales continued as part of the company's asset allocation modification process. Specifically, a particularly significant reduction is being carried out on Italy concentration risk and exposure to the volatility risk of government securities issued by other "peripheral" countries in the Life segment.

Overall, in the Non-Life segment sales amounted to €749,947k and resulted in the realisation of net capital gains of €56,608k, in the Life segment they amounted to €1,694,409k, with net capital gains realised of €100,245k.

The sales of structured securities carried out in both segments are in any event part of the programme for reducing exposure to structured securities and simplifying the Company's portfolio.

2.4 Deposits with ceding companies (item C.IV)

These receivables at 31 December 2020 amounted to €147,658k, increasing by €137,324k compared to the 2019 figure (+1328.9%).

These are deposits set up as guarantee at the ceding companies in connection with the risks undertaken in reinsurance, whose movements (establishment and repayment) take place annually or every six months. Their duration largely depends on the specific nature of the underlying insurance benefits and on the actual duration of the reinsurance agreements, which are renegotiated at the end of each year.

Deposits with ceding companies were not written down as they are considered recoverable.

The increase was primarily due to reinsurance treaties entered into with the subsidiaries Linear and UniSalute.

Section 3 - Investments benefiting Life business policyholders that bear the risk and investments arising from Pension Fund management (item D)

The investments regarding the technical provisions pertaining to contracts having the characteristics indicated by Art. 41 of Italian Legislative Decree 209 of 7 September 2005 "Private Insurance Code" are reported in Class D.I. These are specifically Index-Linked and Unit-Linked products.

The balance of Class D.I amounted to €808,158k, which increased by €128,996k compared to the previous year (+19.0%).

During the period no assets were transferred from Class D.I to Class C in the cases of portions of excess assets no longer representative of the technical commitments, which were therefore released from the particular hedging destination that characterises the assets entered in Class D.I (as explained in Art. 21 of ISVAP Regulation no. 22 of 4 April 2008 and subsequent integrations and amendments).

No transfers from Class C to Class D were made during the period (regulated by Art. 20 - paragraphs 1 to 4 - Italian Legislative Decree 173 of 26 May 1997).

The details of the assets relating to contracts whose benefits are linked with investment funds and market indices (item D.I) are provided in Annexes 11 (Total), 11/1 and 11/2 for the two types of product (Index-Linked and Unit-Linked).

Class D.II records the investments relating to the defined contribution open pension fund and includes 17 occupational pension funds for which management backed by guarantee is carried out.

These investments at the end of 2020 amounted to a total of €4,277,583k, decreasing by €669,020k (-13.5%) compared to the previous year, primarily due to the liquidation of the Cometa fund.

The details of the assets arising from pension fund management (item D.II) are provided in the annexes:

- no. 12 (Total);
- no. 12/4 for "UnipolSai Previdenza FPA";
- no. 12/8 for "Arco";
- no. 12/10 for "Alifond";
- no. 12/11 for "Byblos";
- no. 12/13 for "Telemaco";
- no. 12/16 for "Fondapi";
- no. 12/18 for "Previmoda";
- no. 12/19 for "Fonte";
- no. 12/21 for "Perseo Sirio Gar.";
- no. 12/23 for "F.do Pens. Prev. Cooperativa Gar.";

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- no. 12/25 for "F.do Pens. Cariplo Gar.";
- no. 12/26 for "F.do Pens. Mediasfond Gar.";
- no. 12/27 for "F.do Pens. Eurofer Gar.";
- no. 12/28 for "F.do Pens. Prevedi Sicurezza Gar.";
- no. 12/29 for "F.do Pens. Agrifondo Gar.";
- no. 12/30 for "F.do Pens. Concreto Gar.";
- no. 12/31 for "F.do Pens. Espero Gar.";
- no. 12/32 for "F.do Pens. Gr. Banco Pop. Gar."

According to the instructions issued by the Supervisory Commission for Pension Funds (COVIP) with its Resolution of 17 June 1998, the statement of the Open Pension Fund has been drawn up for the year ended at 31 December 2020, annexed to the Company's Financial Statements as required by the mentioned regulations.

Section 4 - Technical provisions - reinsurers' share (item D.bis)

The balance of this item at 31 December 2020 amounted to €556,876k. The breakdown and change compared with the previous year are summarised in the following table:

<i>Amounts in €k</i>	2020	2019	Change on 2019
Life business technical provisions	13,255	28,552	(15,297)
Life business - amounts payable	5,967	2,124	3,843
Non-Life premium provision	81,738	83,820	(2,082)
Non-Life claims provision	455,916	525,502	(69,585)
Total	556,876	639,997	(83,121)
			(13.0)%

The amount, down compared to the previous year, reflects the performance of the direct business of the company and the trend in reinsurance agreements.

The technical provisions - reinsurers' share are calculated using the same criteria used for allocating direct business provisions while also considering the contractual reinsurance clauses.

The reinsurers' share is determined with the same criteria used for forming risks underwritten provisions and represent their share of the contractual commitments.

Section 5 - Receivables (item E)

The balance of this item at 31 December 2020 was €3,035,860k. The breakdown and change compared with the previous year are summarised in the following table:

<i>Amounts in €k</i>	2020	2019	Change on 2019
E.I.1 Due from policyholders for premiums	602,823	648,523	(45,701)
E.I.2 Receivables from ins. intermediaries	959,580	875,236	84,344
E.I.3 Insurance company current accounts	21,178	27,730	(6,552)
E.I.4 Policyholders and third parties for amounts to be recovered	130,010	125,686	4,324
E.II Receivables relating to reinsurance business	57,698	127,473	(69,775)
E.III Other receivables	1,264,572	1,096,424	168,148
Total	3,035,860	2,901,071	134,789
			4.6%

Receivables from policyholders (item E.I.1) accounted for 6.1% of direct premiums of the year (5.9% in 2019). These receivables included receivables of doubtful collection, against which a write-down of €58,610k was made (€47,550k at 31/12/2019). The valuation of receivables from policyholders was made taking into account the historic trend of the rates of recovery of the receivables in subsequent periods. The change in provisions against that of the previous period led to the recognition of technical charges of €11,060k. Significant unit amounts in the receivables of doubtful collection are not reported.

Receivables from agents and other intermediaries (item E.I.2) mostly consist of the portfolio reimbursements from the agencies and the receivables for premiums collected toward the end of the year.

The bad debt provision allocated and referred mainly to receivables for reimbursements, which totalled €18,118k, was sufficient to cover the receivables of doubtful collection.

Receivables from policyholders and third parties for amounts to be collected amounted to €130,010k, and are recorded at their estimated realisable value. The balance of this item increased by €4,324k compared to 31 December 2019.

Receivables from insurance and reinsurance companies and from reinsurance intermediaries (item E.II), for the most part short-term, derived from inwards and outwards reinsurance relations, and amounted to €57,698k at 31 December 2020, decreasing by €69,775k compared to 2019 (-54.7%).

These amounts are net of the relevant bad debt provision that totalled €22,134k. The doubtful positions are measured individually.

“Other receivables” (item E.III) amounted to €1,264,572k (increasing by €168,148k compared to 31/12/2019). The breakdown and change compared with the previous year are summarised in the following table:

<i>Amounts in €k</i>	2020	2019	Change on 2019
Tax authorities	796,662	729,032	67,630
Group companies	42,713	36,022	6,691
Rent	20,554	16,489	4,065
Mutuelle Du Mans	18,071	19,822	(1,751)
Roadway Accident Victims Fund	36,021	32,993	3,028
Derivative contract guarantees	256,450	165,651	90,799
Sundry receivables	94,102	96,416	(2,314)
Total	1,264,572	1,096,424	168,148
			15.3%

3 Notes to the Financial Statements

Additional details are provided for the most significant items, as follows:

- tax receivables for €796,662k (€729,032k at 31/12/2019), comprising mainly:
 - €497,310k relating to the advance payment of the insurance tax (provided for by Decree Law 282/2004, as amended by Law no. 205 of 27 December 2017);
 - €187,501k for the amounts paid in connection with the substitute tax on the mathematical provisions, established by Decree Law 209 of 25 September 2002, recovered in conformity with the mentioned regulations;
 - €72,179k for withholdings;
 - €17,836k for the IRAP receivable;
 - €3,501k for claims of reimbursement of foreign tax receivables.
- Receivables from group companies for €42,713k. Among them were €22,909k as a receivable for withholding tax from the holding company Unipol Gruppo by effect of participation in the tax consolidation.
- Receivables from the Company Mutuelle du Mans amounted to €18,071k, with a €1,751k difference compared to 31 December 2019. This receivable regards the guarantee on the adequacy of the technical provisions at 31 December 2004 of the companies MMI Danni and MMI Assicurazioni, acquired in 2005, issued at the time of their purchase from Mutuelle du Mans. Based on the agreements currently in force, as amended by the settlement agreement signed on 3 November 2017, MMA had undertaken to pay to UnipolSai the difference between the net amount paid and the value of the provisions at 31 December 2004 (the net amount paid being the algebraic sum of claims paid, direct expenses, direct settlement expenses, indirect settlement expenses, amounts recovered from policyholders and reinsurers' shares), validated by an independent Auditor (KPMG). The receivable is secured by a bank guarantee on first request for the initial amount of €29,823,750 then reduced - following the payments made in the meantime - to €25,966,500. The guarantee covers MMA's commitment to the obligation for periodic settlement of the additional differential that may be noted by the Auditor, no later than 3 months from the end of each half, with respect to the net amount paid after 30 June 2014, net of the relative periodic payments received.
- Receivables from the Roadway Accident Victims Fund that amounted to €36,021k, €6,577k of which derived from the excess contribution advance paid in January 2020 over the amount actually due and €29,444k from claims settlement activity.
- Payments made as cash collateral to safeguard transactions in derivatives totalling €256,450k.

Sundry receivables, which amounted to €94,102k net of total write-downs of €174,454k, include:

- Receivable from Avvenimenti e Sviluppo Alberghiero (a wholly-owned subsidiary of Im.Co.) that amounted to €103,158k, of which €101,665k as advances paid by Milano Assicurazioni pursuant to a contract for the purchase of future property pertaining to a property complex in Rome, Via Fiorentini, written down completely in prior years;
- Items awaiting settlement for €53,127k, of which receivables from Finitalia for €40,427k for lending to agents and policyholders for the underwriting of instalment policies;
- Disputed receivables due from agents of €42,731k against which value adjustments totalling €41,128k were recognised;
- Receivables for €16,271k from providers as provisions for claims management expenses;
- Sundry receivables from employees for €4,420k.

Section 6 - Other assets (item F)

The balance of this item at 31 December 2020 was €1,714,262k. The breakdown and change compared with the previous year are summarised in the following table:

<i>Amounts in €k</i>	2020	2019	Change on 2019
F.I Property, plant and equipment and inventories	64,859	70,444	(5,584)
F.II Cash and cash equivalents	436,631	393,270	43,361
F.IV Other assets	1,212,771	1,208,810	3,962
Total	1,714,262	1,672,524	41,738
			2.5%

Property, plant and equipment and inventories recorded in item F.I are considered long-term assets. The balance at 31 December 2020, which totalled €64,859k, is net of the relevant accumulated depreciation as per the following table:

<i>Amounts in €k</i>	2020	2019	Other changes
Office furniture and machines and internal means of transport	42,412	45,980	(3,569)
Movable assets entered in public registers			0
Plant and equipment	18,144	20,171	(2,027)
Inventories and sundry goods	4,304	4,293	11
Total	64,859	70,444	(5,584)

Cash and cash equivalents (item F.II) amounted to €436,631k, €436,617k of which refer to current account deposits (€393,257k in 2019) and €14k to cash and revenue stamps (the increase compared to 31/12/2019 totalled €43,361k). Bank deposits include accounts in currencies other than the euro (mainly US dollars, Swiss francs, British sterling and Japanese YEN) for a value of €10,664k, credit balances in postal current accounts totalling €3,206k and the net fees accrued in the period.

Sundry assets (item F.IV.2) amounted to €1,212,771k at year end (€1,208,810k in 2019, showing a 0.3% increase).

The breakdown and change compared with the previous year are summarised in the following table:

<i>Amounts in €k</i>	2020	2019	Change on 2019
Technical entries on claims	93,921	91,643	2,278
Attachments for claims	21,968	45,474	(23,506)
Non-Life/Life connection account	82,671	41,031	41,640
Advances on portfolio indemnities	49,921	43,323	6,598
Real estate expense to recover	22,488	16,500	5,988
Financial Assets	233,572	112,029	121,543
Items to be settled and transitional accounts	14,728	26,037	(11,308)
Deferred tax assets	678,575	816,319	(137,744)
Sundry assets	14,926	16,453	(1,527)
Total	1,212,771	1,208,810	3,962
			0.3%

3 Notes to the Financial Statements

Note that technical items on claims included the amount of the “handler lump-sum” to recover, amounting to €84,946k (€81,527k in 2019).

The item “Financial assets”, amounting to €233,572k, included the offsetting item from the valuation of transactions in derivative financial instruments outstanding at 31 December 2020 equal to €33,013k, which refer to:

- contra-item of forward currencies for €22,533k;
- contra-item of asset swaps for €10,431k;
- contra-item of interest rate swaps for €49k.

The item also included €200,560k referring to the margins paid to JP Morgan as the clearing broker of the Interest Rate Swap transactions cleared at the London Clearing House Clearent, broken down as follows:

- variation margins paid amounting to €84,560k;
- initial margins paid by way of guarantee deposit amounting to €116,000k.

Deferred tax assets amounted to €678,575k.

The changes in the receivable for deferred tax assets that took place in the period are summarised in the following table:

<i>Amounts in €k</i>	
Deferred tax assets	2020
Aggregate opening balance	816,319
Increases during the period	71,085
Uses during the period	(220,451)
Other changes	11,622
Total	678,575

The additional information on deferred tax assets is provided in the statement (drawn up pursuant to Art. 2427, paragraph 1, point 14 of the Civil Code) provided in section 21 of the Income Statement.

Section 7 - Accruals and deferrals (item G)

Item G “Accruals and deferrals” showed a total balance at 31 December 2020 of €399,034k with a decrease of €9,348k compared to the previous year (-2.3%).

The breakdown into accruals and deferrals follows:

<i>Amounts in €k</i>	Accruals	Deferrals	Total
G.1 Interest	361,398		361,398
G.2 Rental income		3,231	3,231
G.3 Other accruals and deferrals	438	33,967	34,404
Total	361,836	37,198	399,034

Item G.1 "interest", which amounted to €361,398k (€373,557k at 31/12/2019), is mostly made up of accruals on securities for €338,591k, accruals on derivatives totalling €20,249k and accruals on intercompany loans for €2,558k. Prepayments on rental fees totalled €3,231k.

Item G.3 "other accruals and deferrals", which amounted to €34,404k (€33,122k at 31/12/2019), breaks down as follows:

- expense deferrals on long-term loans totalling €10,692k;
- overhead deferral for €11,714k;
- prepayments on technical items for €11,108k;
- other deferrals individually insignificant for €891k.

3 Notes to the Financial Statements

Statement of Financial Position - Liabilities

Section 8 - Shareholders' Equity (item A)

Movements in shareholders' equity recognised during the year with respect to the previous year are set out in detail in the attached statement of changes in shareholders' equity, included in the section "Additional tables appended to the Notes to the Financial Statements".

A statement of use and availability of equity reserves has also been annexed, as required by Art. 2427, paragraph 1, no. 7-bis of the Civil Code.

The share capital and equity reserves at 31 December 2020 totalled €5,636,589k.

In execution of the shareholders' resolution of 29 April 2020, taking into account the treasury shares held in the portfolio at the coupon date, the profit for the year 2019 was allocated as follows:

- dividend for a total of €452,606k, of which €340,514k relating to the Non-Life business and €112,092k relating to the Life business (unit dividend equal to €0.160 for each entitled ordinary share);
- Extraordinary reserve posted in the item of Other provisions of the shareholders' equity for a total of €248,632k, of which €130,659k relating to the Life business and €117,973k relating to the Non-Life business.

At 31 December 2020, the share capital amounted to €2,031,456k (unchanged compared to the previous year), subscribed and fully paid-up, consisting of 2,829,717,372 ordinary shares, all with no nominal value.

Details of the equity reserves (items from A.II to A.X), which at 31 December 2020 totalled €3,605,133k, are provided in the following table:

Amounts in €k

Item	2020	2019	Change on 2019
A.II Share premium reserve	407,256	407,256	
A.III Property revaluation reserve	96,559	96,559	
A.IV Legal reserve	406,291	406,291	
A.VI Reserve for shares of the holding company	789	1,708	(919)
A.VII Other reserves	2,694,972	2,415,150	279,822
Merger reserve	1,815,320	1,784,129	31,190
Extraordinary reserves	945,096	696,464	248,632
Dividend equalisation reserve	826	826	
Premium reserve for disposal of option rights that were not exercised	5	5	
Reserve for difference on sale of treasury shares	(66,275)	(66,275)	
A.X Negative reserve for treasury shares	(734)	(1,847)	1,114
Total	3,605,133	3,325,117	280,016
			8.4%

The increase in the extraordinary reserve is due to the allocation of the profit from the previous year, while the increase in the merger reserve was caused primarily by the incorporation of Pronto Assistance, as already illustrated previously, in the amount of €30,271k.

The reserve for shares of the holding company was adjusted to the value of the securities held in the portfolio at the end of the period, with the excess amount allocated to the merger surplus reserve from which it had originally been drawn. The negative reserve for treasury shares in portfolio was adjusted following the transactions made in relation to the financial instrument-based compensation plan for managers.

Section 9 - Subordinated liabilities (item B)

The subordinated liabilities issued by UnipolSai Assicurazioni amounted to €2,551,689k, with a net increase of €420,000k compared to the figure of the previous year, and relate to:

- €1,250,000k for hybrid bond loans;
- €1,061,689k for subordinated bond loans;
- €240,000k for subordinated loans.

The main characteristics of the subordinated liabilities are given below:

- €750,000k - subordinated bond loan with indefinite maturity issued on 18 June 2014 and listed on the Luxembourg Stock Exchange with option of early repayment subject to the authorisation of the Supervisory Authority starting from the tenth year. Interest at the fixed rate of 5.75% accrues on the loan for the first ten years, and after that date, the coupon will be variable and based on the 3-month Euribor plus a spread of 518 basis points. The loan has characteristics such that it can be calculated amongst the elements forming the Solvency margin, has a comparable subordination level to Tier I and is subject to the interim measures prescribed by the Solvency II regulations. The total interest for the year at 31 December 2020 was €43,188k.
- €500,000k - subordinated bond loan with indefinite maturity issued on 27 October 2020 and listed on the Luxembourg Stock Exchange, which can be called up early, subject to the authorisation of the Supervisory Authority starting from the tenth year. Interest at the fixed rate of 6.375% accrues on the loan for the first ten years, and after that date, the coupon will be variable and based on the 5-year Mid-Swap rate plus a spread of 674.4 basis points. The loan has characteristics such that it can be calculated amongst the elements forming the Solvency margin and has a comparable subordination level to Restricted Tier I. The interest accrued at 31 December 2020 amounted to €5,676k.
- €300,000k (former Unipol Assicurazioni) - subordinated bond loan issued in June 2001 by the holding company Unipol Gruppo that the Company took over as issuer in 2009. The loan is for 20 years with option of early repayment every three months starting from June 2011. The interest rate, which was 7% until 15 June 2011, was 1.957% at 31 December 2020 (three-month Euribor plus 250 basis points). The loan, which is listed on the Luxembourg Stock Exchange, has characteristics such that it can be calculated amongst the elements forming the Solvency margin, has a comparable subordination level to Tier II and is subject to the interim measures prescribed by the Solvency II regulations. The total interest for the year at 31 December 2020 was €6,297k.
- €300,000k (former Unipol Assicurazioni) - subordinated bond loan issued in July 2003 by the holding company Unipol Gruppo that the Company took over as issuer in 2009. The loan is for 20 years with option of early repayment every three months starting from July 2013. The interest rate, which was 5.66% until 28 July 2013, was 1.991% at 31 December 2020 (three-month Euribor plus 250 basis points). The loan, which is listed on the Luxembourg Stock Exchange, has characteristics such that it can be calculated amongst the elements forming the Solvency margin, has a comparable subordination level to Tier II and is subject to the interim measures prescribed by the Solvency II regulations. Following a partial repurchase at the end of 2009 for a nominal value of €38,311k, the actual debt of this loan amounted to €261,689k and the net interest for the year amounted to €5,650k.
- €500,000k - subordinated 10-year bond loan issued on 1 March 2018 and listed on the Luxembourg Stock Exchange. Interest at a fixed rate of 3.875% accrues on this loan. The loan which has characteristics such that it can be calculated amongst the elements forming the Solvency margin, has a comparable subordination level to Tier II. The total interest for the year at 31 December 2020 was €19,384k.

3 Notes to the Financial Statements

- €240,000k (former Fondiaria-SAI S.p.A.) residual amount compared to the original amount of €400,000k - loan granted by Mediobanca - Banca di Credito Finanziario in July 2003 lasting 20 years with option of early repayment subject to the authorisation of the Supervisory Authority starting from the tenth year. The interest rate at 31 December 2020 is equal to the six-month Euribor increased by 251.5 basis points (of which 71.5 basis points as additional spread defined between the parties in 2014 based on the "Additional Costs Clauses" ^(*)). The loan has characteristics such that it can be calculated amongst the elements forming the Solvency margin, has a comparable subordination level to Tier I and is subject to the interim measures prescribed by the Solvency II regulations. The second tranche of €80,000k of the loan was repaid on 24 July 2020, as indicated in the contractually envisaged repayment plan. The total interest for the year at 31 December 2020 was €6,292k (including the interest relating to the additional spread).

The total interest for the year at 31 December 2020, also taking into account the subordinated loans terminated early, totalled €86,487k.

Section 10 - Technical provisions (items C.I - Non-Life business and C.II - Life business)

The breakdown of technical provisions and their changes are summarised in the following table:

<i>Amounts in €k</i>	2020	2019	Change on 2019
Non-Life premium provision	3,029,753	2,870,244	159,509
Non-Life claims provision	9,746,935	10,454,122	(707,187)
Other Non-Life business provisions	89,874	86,616	3,259
Life business technical provisions	25,133,049	24,654,002	479,047
Life business - amounts payable	502,873	339,107	163,766
Total	38,502,485	38,404,091	98,394
			0.3%

Non-Life business technical provisions

The Non-Life business technical provisions at 31 December 2020 totalled €12,866,563k (-€544,419k compared to 31/12/2019) and were formed in observance of ISVAP Regulation no. 22 of 4 April 2008 as amended (hereafter defined "Regulation"), issued in implementation of Art. 37, paragraph 1 of Decree Law 209/2005.

Premium provision

The premium provision amounted to €3,029,753k (+5.6% compared to 31/12/2019) and breaks down as follows:

- €2,824,714k for premium provision for unearned premiums and supplementary provisions;
- €154,058k for premium provision for unexpired risks;
- €50,981k for indirect insurance premium provision.

Details of the premium provision for unearned premiums and of supplementary provisions broken down by class are given in the following statement:

^(*) The "Additional Costs Clauses" contained in the original loan agreements, oblige UnipolSai to indemnify Mediobanca for any cost incurred by the latter due to changes in the laws or in their interpretation or application; this case emerged when EU Regulation no. 575/2013 of the European Parliament and the Council (Capital Requirement Regulation) came into force, amending the system of deduction of the loans granted by banks to insurance companies.

Amounts in €k

Class	Unearned premiums and supplementary provisions	Current risks	Total
1- Accident	255,717		255,717
2- Health	65,317		65,317
3- Land Vehicle Hulls	326,938		326,938
4- Railway rolling stock	92		92
5- Aircraft	337		337
6- Marine Vessels	2,348	585	2,932
7- Goods in transit	5,464		5,464
8- Fire	428,847	8,296	437,143
9- Other damage to property	260,740		260,740
10- Land Vehicle TPL	1,022,204	145,177	1,167,381
11- Aircraft TPL	417		417
12- Marine TPL	4,327		4,327
13- General TPL	267,271		267,271
14- Credit	142		142
15- Bonds	70,765		70,765
16- Pecuniary losses	22,246		22,246
17- Legal expenses	28,022		28,022
18- Assistance	63,520		63,520
Total direct business	2,824,714	154,058	2,978,772
Indirect business	50,981		50,981
Total	2,875,695	154,058	3,029,753

The premium provision for unearned premiums was calculated for each risk according to the "pro rata temporis" method, which involves deferring a portion of premium proportionate to the hedge time lacking until the receipt expires.

Then the directly chargeable acquisition costs are deducted in order to calculate the premium provision. They are calculated based on the percentage incidence, compared to gross premiums written, of expense items relating to acquisition commissions, overcommissions and other items incurred during the year.

As for the supplementary provisions of the premium provision:

- the bonds supplementary provision, which amounted to €35,549k, was calculated on the basis of Articles 10 and 11 of Annex no. 15 to ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations (the value for the previous year was €37,862k);
- the supplementary provision for insurance covering damages caused by natural disasters consisting of earthquake, seaquake and volcanic eruption amounted to €278,566k (€238,376k at 31/12/2019) and was calculated on the basis of Art. 16 of Annex no. 15 to ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations;
- the supplementary provision for insurance covering damages caused by hail was calculated on the basis of Articles 12 and 13 of Annex no. 15 to ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations. Based on the verifications performed, it was not necessary to allocate any additional amounts to that provision, like what took place at 31 December 2019;

3 Notes to the Financial Statements

- the allocation regarding the provision for unexpired risks, corresponding to €154,058k, was calculated on the basis of Art. 8 of Annex no. 15 of ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations (empirical method), based on the ratio of claims to premiums pertaining the current generation recorded in the reporting year and measured also taking into account values gathered from the ratio in previous years;

The instalments falling due are calculated by adding up all the portions of premium still unissued until the year is completed. To measure the claims to premium ratio, the Company considered the average of the values recorded in the last three financial statements. Only in the case in which this result was higher than 100% was a provision for unexpired risks set aside. The provision is equal to the sum that allows the balance between premium provisions plus instalments falling due and the expected costs to be re-established. Based on these calculations, the provision was made to the Marine Vessels and Fire classes, the only classes where the expected claims exceed the value of the premium provision plus the instalments due.

The amount of premiums that were not exposed to the risk of claims due to the block on circulation imposed by the measures implemented by the Italian government to limit the spread of the COVID-19 pandemic was also recognised in the item Provisions for unexpired risks, in order to finance the discount usable by customers on renewal, equal to one month of the MV TPL premium not used (relating the first part of the year, during the total lockdown). The amount, equal to €145,177k, was calculated considering the one-month premiums accrued, the relative fees and the propensity to renew;
- the supplementary provision in the Credit class amounted to €29k (€41k at 31/12/2019) and was determined on the basis of the provisions of Annex no. 15-bis to ISVAP Regulation no. 22 of 4 April 2008 and subsequent integrations and amendments, and Article 4 of Ministerial Decree of 23 May 1981.

Other provisions

- The provision for profit sharing and reversals (item C.I.3) amounted to €5,709k. The decrease compared to 31 December 2019 was €295k (-4.9%) and was calculated according to the provisions of Art. 45 of Annex no. 15 of ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations, taking into account the amounts to pay to policyholders and beneficiaries of the contracts by way of technical profit sharing and premium reversal.
- Other technical provisions (item C.I.4) amounted to €678k (€863k at 31/12/2019). They consist of the direct business ageing provision calculated on the basis of Articles 42, 43 and 44 of Annex no. 15 to ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations in the amount of €644k and the indirect business ageing provision in the amount of €34k, not present in the previous year.

All health insurance contracts part of the Italian portfolio not having the characteristics set forth in Art. 43 of Annex no. 15 of ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations were selected, and left out, of the calculation when determining the direct business ageing provision. The gross premiums of 2020 relating to the remaining portfolio amounted to €6,440k.

The flat rate of 10% was applied on these premiums. This rate is considered sufficient considering the low average contractual duration of the policies in portfolio (5 years) and since there is no long-term “whole life” product.
- The equalisation provisions (item C.I.5), which amounted to €83,487k (€79,749k was the amount of the provisions at 31/12/2019) included €83,147k of the equilibrium provision for risks of natural disasters aimed at compensating the trend of claims over time and formed based on Art. 37 of Decree Law 209/2005, €44k for the Credit insurance compensation provision and the remaining €296k for the other technical provisions of indirect business.

The breakdown by class of the direct business equalisation provisions is provided in the following table:

<i>Amounts in €k</i>	2020
1- Accident	4,025
2- Health	10
3- Land Vehicle Hulls	29,891
4- Railway rollingstock	26
5- Aircraft	204
6- Marine Vessels	783
7- Goods in transit	2,520
8- Fire	42,523
9- Other damage to property	2,527
14- Credit	44
16- Pecuniary losses	288
18- Assistance	350
Total	83,190
Indirect business	296
Total	83,487

Claims provision:

The claims provision (direct and indirect business) amounted to €9,746,935k, a drop compared to last year's figure of €10,454,122k. As far as direct business is concerned, it consists of:

- €8,040,111k for compensations and direct expenses;
- €939,688k of provision for claims incurred but not reported;
- €578,145k of provision for settlement expenses.

The decrease in claims provisions is due mainly to the lower incidence of claims of the previous generations, which in recent years have experienced the introduction of generations of lower and lower claims thanks to the decrease in claims reported, due to both the improvements made in terms of claims (in 2020 also due to the slowdown in activities as a result of the lockdown ordered by the Italian government to limit the spread of the pandemic) and the release, in the form of positive run-offs, of part of the surplus highlighted by the use of actuarial models for the valuation.

The provision in indirect business totalled €188,991k.

The claims provision for direct business is calculated with the so-called inventory method together with assessments made with statistical-actuarial methodologies, as established by Art. 24 of Annex no. 15 of ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations. Upon opening of the claims an estimate of reference is proposed on the system that the adjuster is required to accept until when he has information that allows him to make a more detailed appraisal of the claim.

The provisions are continuously updated. The adjuster must update the reserve each time he learns of information that causes a considerable shift in the value of the position in question since it affects the liability or the value of the damage.

The update of the provisions is monitored with the creation of an automatic ageing report that is triggered when some conditions (no estimate, reopening, change in outcome) occur or by the fact that a given number of months has elapsed, variable depending on the class, over which the adjuster must update the valuation of the provision.

The final quantification of the total amount to record on the financial statements is determined by, where applicable, also resorting to statistical-actuarial methodologies carried out by the management structure in conformity with regulations in force. More specifically, evaluations deriving from the trend of the property/persons mix, the settlement rate and the average cost of the previous year are used for the MV TPL claims for the year.

3 Notes to the Financial Statements

The indirect settlement expense quantification and attribution procedure involves an analysis by cost centre of the personnel expenses and overheads that catalogues what is attributable to the settlement expenses beforehand.

Attribution to the single classes (for the not directly allocated expenses) and to generation for the year is done according to the claims paid.

The provision for direct and indirect settlement expenses was measured by applying, per year of occurrence of the claims, the percentage obtained from the historic analysis of the incidence of the expenses paid on the indemnities to the amount of the provisions estimated at final cost.

The provision for claims incurred but not reported is calculated based on the provisions of Art. 29 of Annex no. 15 of ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations, with the frequency of the claims and average cost measured separately.

The final figures recorded in the year with regard to what is forecast at the end of the previous year are also considered for the allocations. For more details on the methods used to calculate the claims provision, please refer to section A of these notes.

The changes in the year in the premium provision components (item C.I.1) and the Non-Life claims provision (item C.I.2) are indicated in Annex 13.

Life business technical provisions

The Life business technical provisions (Class C.II) at 31 December 2020 amounted to a total of €25,635,922k (€24,993,109k at 31/12/2019). The increase was €642,813k.

The amount of the technical provisions is adequate for the Company's commitments with the contracting parties, the policyholders and the beneficiaries, and are broken down as follows:

- €25,026,944k relating to the mathematical provision of direct business and the supplementary insurance provisions;
- €502,455k for direct business amounts payable;
- €97,224k relating to the sundry technical provisions, which entirely refer to allocations for future operating expenses;
- €5,995k relating to the provision for profit sharing and reversals;
- €2,886k relating to the mathematical provision of indirect business;
- €419k for indirect business amounts payable.

The provision for direct business amounts payable at the end of the year amounted to €502,455k (€338,464k at 31/12/2019), €158,419k of which relating to the previous year. The increase compared to the end of 2019 was due to significant volumes expiring at the end of December 2020 settled in the early months of 2021, for contracts issued at the end of 2000, the last year with the benefit of tax deductibility on all life policies.

The changes in the year in mathematical provision components (item C.II.1) and provision for profit sharing and reversals (item C.II.4) are indicated in Annex 14.

The other technical provisions (item C.II.5), which amounted to €97,224k at 31 December 2020 (€97,759k the figure at 31/12/2019) entirely refer to allocations for future operating expenses and are broken down by class as follows:

<i>Amounts in €k</i>	2020	2019	Change on 2019
Class I	78,938	78,980	(42)
Class III	1,455	1,589	(134)
Class IV	179	156	24
Class V	16,650	17,034	(383)
Total	97,224	97,759	(535)

Section 11 - Technical provisions where the investment risk is borne by policyholders (item D.I) and provisions arising from Pension Fund management (item D.II)

This category includes the Life insurance policies where the yield is based on investments or indices for which the policyholder bears the risk. The related mathematical provisions are calculated with reference to the obligations provided by the agreements and are represented with the best possible approximation by the reference assets.

The total amount at 31 December 2020 came to €5,085,742k, decreasing by €540,024k (-9.6%) compared to the previous year. With reference to the product types in the portfolio, the amount of the technical provisions breaks down as follows:

<i>Amounts in €k</i>	
Sub - Funds	2020
Index-Linked Policies	902
Unit-Linked Policies	807,256
Unipol Previdenza FPA	863,240
Arco	80,658
Alifond	216,466
Byblos	194,001
Telemaco	120,742
Fondapi	120,061
Previmoda	179,545
Fonte	790,137
Perseo Sirio gar.	190,446
F.do Pens. Prev. Cooperativa Gar.	445,692
F.do Pens. Cariplo Gar.	5,989
F.do Pens. Mediafond Gar.	4,739
F.do Pens. Eurofer Gar.	154,373
F.do Pens. Prevedi Sicurezza Gar.	106,868
F.do Pens. Agrifondo Gar.	90,131
F.do Pens. Concreto Gar	29,622
F.do Pens. Espero Gar.	230,667
F.do Pens. Gr. Banco Pop. Gar.	454,204
Totale	5,085,742

3 Notes to the Financial Statements

Section 12 - Provisions for risks and charges (item E)

Item E states the balances of the provisions specified hereunder:

<i>Amounts in €k</i>	2020	2019	Change on 2019
Post employment benefits and similar obligations	1,597	2,032	(435)
Deferred tax provision	58,223	72,189	(13,966)
Provision for tax risks	10,808	23,654	(12,846)
Provision for future risk and charges	291,635	249,925	41,710
Provision for property charges	11,965	28,050	(16,085)
Solidarity and employee leaving provision	81,708	108,898	(27,190)
Provision for donations	1,257		1,257
Provision for IVASS penalties	3,443	3,792	(349)
Total	460,636	488,540	(27,904)
			(5.7)%

The breakdown of changes over the year is provided in the following table:

<i>Amounts in €k</i>	31/12/2019	Uses/ Excess	Provisions	31/12/2020
Provisions for risks and charges				
Post employment benefits and similar obligations	2,032	435		1,597
Deferred tax provision	72,189	23,127	9,161	58,223
Provision for tax risks	23,654	12,846		10,808
Provision for future risks and charges	249,925	15,546	57,256	291,635
Provision for property charges	28,050	18,000	1,915	11,965
Solidarity and employee leaving provision	108,898	37,190	10,000	81,708
Provision for donations		19,093	20,350	1,257
Provision for IVASS penalties	3,792	349		3,443
Total	488,540	126,586	98,682	460,636

The deferred tax provisions amounted to €58,223k and referred to the charge expected for taxes that will become due in future years.

Additional information on the deferred tax liabilities is provided in the statement (drawn up pursuant to Art. 2427, paragraph 1, point 14 of the Civil Code) provided in section 21 of the Income Statement.

Provisions for tax risks, €10,808k, included items pertaining to current and potential tax disputes, of which €4,456k for disputes and €6,352k for other estimated risks.

The provision for future charges, which amounted to €291,635k, presented a net increase of €41,710k compared to the previous year, and mainly consists of:

- €113,791k for allocations for charges arising from relations with the intermediaries both for items in litigation and for estimated losses on portfolio indemnities to assign (€104,467k at 31/12/2019);
- €63,986k for cases in litigation given to lawyers (€72,524k at 31/12/2019);

- €26,000k for any risks linked to equity investments;
- €17,000k to cover the disbursement of loyalty bonuses to executives, as set forth in the Remuneration Policy;
- €8,842k for personnel disputes (€8,992k at 31/12/2019);
- €3,773k for cases in litigation with insurance and reinsurance companies (€4,633k at 31/12/2019).

The provision for property charges represents the allocation, in view of the estimated costs for reversals that are expected to be required on directly owned properties, and the planning charges to be deducted or to be paid in upcoming years, as well as any other provision relating to potential estimated disputes and/or liabilities. The surplus is recognised against liabilities closed in the course of 2020.

The charitable donations provision was established during the year and subsequently already used to a significant extent for initiatives taken by the company to support the community in the areas most struck by the pandemic.

€37,190k of the employee leaving provision were used for the disbursements incurred during the year and are adequate to make future payments.

The movements of the provisions for risks and charges during the period are summarised in Annex 15. The contra-items in the income statement to allocations to provisions for risks and charges are primarily the item other expenses and the item income taxes for the year; the solidarity and employee leaving provision in the item extraordinary expenses.

Ongoing disputes and contingent liabilities

Relations with the Tax Authorities

There were no significant changes compared to the financial statements at 31 December 2019. Amounts deemed fair to cover the potential estimated liabilities deriving from already formalised charges, for which no tax dispute has yet been brought or has not yet been formalised, were allocated to the income tax provision and the provision for sundry risks and charges. As regards the settlement of the dispute deriving from the application of VAT on delegation fees against co-insurance relations with other companies in the insurance sector with respect to the years from 2013 to 2018, in 2020 contact was made with the competent Regional Directorates of the Italian Tax Authorities for the closure of pending litigation and pre-litigation issues. At 31 December 2020, the years from 2013 to 2015 had been settled on the basis of settlement or resolution agreements, with the payment only of the tax and interest due. The relative expense was covered using the provision recognised for that purpose.

Commitments deriving from the sale of Unipol Banca

As part of arrangements relating to the sale to BPER Banca of the entire equity investment in Unipol Banca, Unipol Gruppo and UnipolSai committed, inter alia, to indemnifying BPER Banca - on a pro-rata basis in relation to the interest transferred - for losses deriving from specifically identified dispute counterclaims of the Unipol Banca Group outstanding at 31 March 2019 (€10m; the "**Losses from Dispute Counterclaims**"), provided that such losses are effectively and definitively incurred and within the limits and to the extent they exceed, net of tax relief, the related provisions allocated in the consolidated statement of financial position of the Unipol Banca Group at 31 March 2019. Similarly, the acquirer BPER is committed to paying an amount to the sellers for any excess of the aforementioned provisions over and above the Losses from Dispute Counterclaims. Against the commitments undertaken in relation to the Losses from Dispute Counterclaims, contingent liabilities have been estimated at a total of €5m. UnipolSai allocated provisions at 31 December 2019 for its own portion (14.76%), equal to €0.7m, considered adequate based on information available regarding each outstanding dispute. The positions settled in the course of 2020 basically confirmed these estimates.

3 Notes to the Financial Statements

Consob sanction proceedings

By means of communications dated 19 April 2013, Consob commenced two separate sanction proceedings against Fondiaria-SAI and Milano Assicurazioni for charges relating to their respective 2010 consolidated financial statements. Pursuant to Art. 187-septies, paragraph 1 of the Consolidated Law on Finance, Consob notified Ms. Jonella Ligresti and Mr. Emanuele Erbetta, for the offices held in Fondiaria-SAI at the time of the events, of the violation set forth in Art. 187-ter, paragraph 1, of the Consolidated Law on Finance. Fondiaria-SAI is also charged with this violation as a party bearing joint and several liability. It is also charged with the offence set forth in Art. 187-quinquies, paragraph 1, letter a), of the Consolidated Law on Finance for the aforementioned violation of Art. 187-ter, paragraph 1 of the Consolidated Law on Finance by Ms. Jonella Ligresti and Mr. Emanuele Erbetta, acting in the above mentioned capacities.

Consob also made the same charge against Milano Assicurazioni. In this regard, pursuant to Art. 187-septies, paragraph 1 of the Consolidated Law on Finance, the Commission charged Mr. Emanuele Erbetta, for the role he held in the subsidiary at the time of the events, with the violation established in Art. 187-ter, paragraph 1, of the Consolidated Law on Finance. Milano Assicurazioni is also charged with this violation as a party bearing joint and several liability. It is also charged with the offence set forth in Art. 187-quinquies, paragraph 1, letter a), of the Consolidated Law on Finance for the aforementioned violation of Art. 187-ter, paragraph 1 of the Consolidated Law on Finance by Mr. Emanuele Erbetta, acting in the above mentioned capacity.

Fondiaria-SAI and Milano Assicurazioni (currently UnipolSai), assisted by their lawyers, presented their conclusions, asking that the administrative penalties set out in Articles 187-ter, 187-quinquies and 187-septies of the Consolidated Law on Finance not be imposed on the companies. On 20 March 2014 the Consob issued a resolution whereby, not deeming that the parties' defences deserved to be accepted, it ordered:

- Jonella Ligresti to pay €250k and to be disqualified from office for four months;
- Emanuele Erbetta to pay €400k and to be disqualified from office for eight months;
- UnipolSai to pay €650k.

UnipolSai provided for the payment of the fines, and also filed an appeal against Ms. Ligresti. Mr. Erbetta directly paid the penalty imposed on him. In any case, UnipolSai challenged the decision before the Court of Appeal of Bologna, which rejected the appeal on 6 March 2015. The Company, assisted by its lawyers, challenged the decision before the Court of Cassation which, on 6 December 2018, rejected the appeal and confirmed the Consob sanctions.

In March 2019, the Company challenged the decision before the European Court of Human Rights (ECHR), asking for the cancellation of the sanction for the breach of the *ne bis in idem* principle, according to which a person should not be submitted to sanction or judicial proceedings several times for the same fact.

IVASS assessments

On 2 July 2014, IVASS sent to UnipolSai the order of sanctions at the end of the proceeding started in 2012 against Unipol Assicurazioni on the matter of the measurement of the claims provisions of the MV and Boats TPL classes. The sanction imposed was €27,500. Since UnipolSai does not deem the conclusions of the Institute to be acceptable in any way, it appealed against this decision before the Regional Administrative Court (TAR). On 9 September 2015 the Regional Administrative Court rejected the appeal of the Company, which challenged the ruling before the Council of State, which has not yet set a date for the discussion hearing.

On 21 February 2019 the Council of State accepted an objection submitted by the Company and cancelled the sanction. The process was initiated for the recovery of the sanction paid.

Corporate liability action against certain former directors and statutory auditors decided by the Shareholders' Meetings of Fondiaria-SAI and Milano Assicurazioni

On 17 October 2011, Amber Capital LP, fund manager of Amber Global Opportunities Master Fund Ltd, a Fondiaria-SAI shareholder, in accordance with Art. 2408 of the Civil Code, informed the Board of Statutory Auditors of Fondiaria-SAI of various transactions carried out by companies in the Fondiaria-SAI Group with "related" companies attributable to the Ligresti family, criticising the "non-market" conditions and "anomalies" of said transactions.

On 16 March 2012 the Board of Statutory Auditors of Fondiaria-SAI issued an initial response in its "Report pursuant to Art. 2408, paragraph 2 of the Civil Code", after which by letter dated 26 March 2012 the shareholder Amber Capital requested further investigation.

The Board of Statutory Auditors therefore performed further controls and investigations. On 15 June 2012 IVASS served Measure no. 2985 upon Fondiaria-SAI by which the Authority defined the proceedings launched pursuant to Art. 238 of the Private Insurance Code, and through IVASS Communication prot. no. 32-12-000057 of the same date charged Fondiaria-SAI with significant irregularities pursuant to Art. 229 of the Private Insurance Code, with particular reference to a number of transactions implemented by Fondiaria-SAI and its subsidiaries with counterparties qualifying as related parties of Fondiaria-SAI, and assigning a fifteen-day deadline for the effects of these transactions to be permanently removed.

IVASS considered that the actions proposed or implemented by the Company were not suitable to correct the situation which led to the charges cited in the notice of 15 June 2012, prolonging – according to IVASS – the inability of Fondiaria-SAI to remedy the violations and the relative effects.

Therefore by Measure no. 3001 of 12 September 2012 (the "IVASS Measure"), IVASS appointed Prof. Matteo Caratozzolo as *ad acta* commissioner of Fondiaria-SAI (the "Commissioner"), also as Parent, considering the requirements of Art. 229, Italian Legislative Decree no. 209 of 7 September 2005 to be met.

In particular, with regard to the disputed transactions considered not only on an individual basis but as a whole, IVASS tasked the Commissioner with (i) specifically identifying the individuals responsible for the transactions carried out to the detriment of Fondiaria-SAI S.p.A. and its subsidiaries; (ii) determining the damage suffered by the same; (iii) promoting or encouraging the promotion of all necessary initiatives, including judicial, at Fondiaria-SAI S.p.A. and its subsidiaries, suitable, in relation to the disputed transactions, to safeguard and reintegrate the assets of Fondiaria-SAI S.p.A. and its subsidiaries; (iv) exercising the powers held by Fondiaria-SAI S.p.A. as Parent and as a shareholder in the shareholders' meetings of the subsidiaries.

Following the in-depth examinations conducted regarding the above-mentioned transactions, entered into by the Fondiaria-SAI Group primarily in the real estate segment in the 2003-2011 period, which directly involved members of the Ligresti family and certain SPVs attributable to said family, the Commissioner asked the Boards of Directors of Fondiaria-SAI and Milano Assicurazioni to call the respective shareholders' meetings, placing on the agenda the proposed corporate liability action, pursuant to Articles 2392 and 2393 of the Civil Code, against some directors and statutory auditors of the companies (jointly with other parties).

On 5 February 2013, the Boards of Directors of Fondiaria-SAI and Milano Assicurazioni, having examined the respective reports drafted by the Commissioner in accordance with Art. 125-ter of the Consolidated Law on Finance, resolved, following the aforementioned request, to call the Shareholders' Meetings of the two companies for 13 and 14 March 2013, on first and second call respectively.

The Shareholders' Meetings, held on second call on 14 March 2013, resolved to promote corporate liability action against the persons indicated in the reports prepared for the Meetings by the Commissioner and made these resolutions public in accordance with law.

As a result of the aforementioned resolutions, the *ad acta* Commissioner appointed his own lawyers who arranged for civil proceedings to be brought before the Court of Milan against the parties identified as responsible for the transactions described above. The proceedings are currently at preliminary investigation stage during which the court has, amongst other things, ordered a technical court expert's report.

In relation to the aforementioned transactions, the Companies requested and, on 20 December 2013, obtained a seizure order from the Court of Milan against some of the defendants in the above proceedings. The Company made arrangements to enforce the attachment through the parties concerned and through third parties, and the related enforcement proceedings are still in progress.

3 Notes to the Financial Statements

The attachment was challenged by the counterparties and on 24 March 2014 the Court of Milan, sitting en banc, confirmed the precautionary provision, rejecting all complaints filed by the counterparties.

Furthermore, with reference to the other transactions involved in the complaint from Amber Capital LP, not included in the Commissioner's mandate ("Minor Transactions"), on the invitation of the Board of Statutory Auditors of Fondiaria-SAI pursuant to Art. 2408 of the Civil Code, the Boards of Directors of Fondiaria-SAI and Milano Assicurazioni conducted investigations and checks, which showed that Minor Transactions were also carried out by companies in the Fondiaria-SAI Group with "related" companies attributable to the Ligresti family with various breaches of directors' and statutory auditors' duties. In particular, the investigations and checks highlighted both breaches of directors' and statutory auditors' duties and damages to the company assets of the Fondiaria-SAI Group.

The persons who, as a result of the checks performed by the Boards of Directors, were deemed responsible for the Minor Transactions are (i) members of the Ligresti family, who exercised control over the Fondiaria-SAI Group companies involved, and who would have pursued their own personal interests to the detriment of said companies in violation of Articles 2391 and 2391-bis of the Civil Code and the procedure governing "related party" transactions; (ii) the former "executive" directors, who would have proposed and implemented the transactions in question, and the directors of the internal control committees of Fondiaria-SAI and Milano Assicurazioni, who would also have been responsible for the violation of said regulations and procedures; (iii) the statutory auditors who would have also been responsible for the damages suffered by the companies in the Fondiaria-SAI Group due to the violation of Articles 2403 and 2407 of the Civil Code and Art. 149 of the Consolidated Law on Finance.

The liability of members of the Ligresti family in relation to the transaction in question (as with the transactions already involved in the liability actions of the Commissioner) would derive not only from the violation of their duties of the offices of director formally held in Fondiaria-SAI and Milano Assicurazioni but also (aa) from the "unitary management" they would have illegitimately exercised over companies in the Fondiaria-SAI Group by helping to approve and implement the transactions constituting a "conflict of interests" and "in violation of the principles of correct corporate and business management" (pursuant to Art. 2497 of the Civil Code); (bb) the de facto interference (in particular from Mr. Salvatore Ligresti) in the administration of the companies in the Fondiaria-SAI Group (in accordance with Art. 2392 of the Civil Code).

Consequently, on 30 July 2013 the Ordinary Shareholders' Meetings of Fondiaria-SAI and Milano Assicurazioni resolved to promote corporate liability action pursuant to Articles 2392 and 2393 of the Civil Code and, to the extent they may apply, Articles 2043 and 2497 of the Civil Code, against certain former de facto and official directors of Fondiaria-SAI and Milano Assicurazioni, regardless of their particular offices held and even if no formal office was held; certain former directors of Fondiaria-SAI and Milano Assicurazioni and, pursuant to Art. 2407 of the Civil Code, against certain members of the Board of Statutory Auditors of Fondiaria-SAI and Milano Assicurazioni.

In connection with the resolutions mentioned above, UnipolSai (formerly Fondiaria-SAI) served the writ of summons.

In March 2021, as the case was still pending, the Company signed a settlement agreement with all defendants which fully defines the two liability actions and which will be subject to the approval of the Shareholders' Meeting of UnipolSai and the other plaintiff companies of the Unipol Group. The terms and conditions of the above-mentioned agreement are summarised in the Directors' Report and in the Information Document drafted pursuant to Art. 5 of the Related Party Transactions Regulation adopted by Consob with Resolution No. 17721 of 12 March 2010 as amended, published with the timing and methods set forth by law and provided on the Company's institutional website.

Ongoing disputes with investors

From 2003 onwards, a number of La Fondiaria Assicurazioni ("Fondiaria") shareholders have initiated a series of legal proceedings claiming, albeit on different legal grounds and justifications, compensation for damages allegedly suffered due to failure to launch the takeover bid on Fondiaria shares by SAI Società Assicuratrice Industriale SpA ("SAI") in 2002.

On the whole, 16 proceedings were brought against the Company; 14 of these were settled at various degrees and stages of the proceeding, while one was extinguished when the first court's decision handed down in favour of the Company became definitive, as the opposing party failed to appeal it.

At 31 December 2020, only one case is still pending before the Court of Cassation, following the decision issued by the Milan Court of Appeal following resumption by the plaintiff. An appropriate provision has been allocated to cover this pending dispute.

Other ongoing proceedings

UnipolSai Assicurazioni S.p.A. is a party in criminal and civil proceedings referring to events occurred during the previous management of Fondiaria-SAI and Milano Assicurazioni. A summary of the currently pending criminal cases is provided below.

- (a) Criminal Case 21713/13 (formerly Gen. Criminal Records Reg. 20219/2012) pending before the Fourth Criminal Section of the Court of Turin against defendants Salvatore Ligresti, Antonio Talarico, Fausto Marchionni, Jonella Ligresti, Emanuele Erbetta, Ambrogio Virgilio and Riccardo Ottaviani, accused of the offences of false corporate communications under Art. 2622 of the Civil Code in relation to the 2010 financial statements of Fondiaria-SAI S.p.A. and market manipulation under Art. 185 of the Consolidated Law on Finance ("TUF") on Fondiaria-SAI and Milano Assicurazioni securities, owing to the alleged falsification of the financial statements that allegedly pertained to the claims provisions; within this proceeding, UnipolSai Assicurazioni S.p.A. was summoned and appeared before the court as civilly liable for the actions of the defendants.

At the end of the preliminary hearings and of the trial phase, at the hearing of 11 October 2016 the Court read out the verdict, whereby:

- it affirmed the criminal liability of the defendants Salvatore Ligresti, Jonella Ligresti, Fausto Marchionni and Riccardo Ottaviani, accused of false corporate communications and market manipulation;
- it ordered the defendants, jointly and where applicable, with the civilly liable UnipolSai Assicurazioni S.p.A. and Reconta Ernst & Young S.p.A., to pay compensation for damages to the 2,265 allowed civil claimants, to be allowed in a separate civil proceeding;
- it ordered the defendants, jointly and where applicable, with the civilly liable UnipolSai Assicurazioni S.p.A. and Reconta Ernst & Young S.p.A., to pay the legal fees of the civil claimants' legal counsel;
- it acquitted the defendants Antonio Talarico and Ambrogio Virgilio because they did not commit any criminal offence, in accordance with Art. 530, paragraph 2 of the Code of Criminal Procedure;
- it rejected the compensation requests of some civil claimants;
- it set the term for filing the grounds for the decision at ninety days.

The Court of Turin did not order payment of any interim award on the damage claimed by the civil claimants. Moreover, with its decision of 25 October 2016, the Court of Turin allowed the plea bargain request filed by Mr. Emanuele Erbetta and sentenced the defendant to 3 years of incarceration and a fine of €200,000.00, in addition to the payment of the legal expenses borne by the civil claimants.

The decision pronounced by the Court of Turin on 11 October 2016 was challenged before the Turin Court of Appeal, which on 12 March 2019 cancelled the decision due to lack of area jurisdiction and ordered the forwarding of proceedings papers to the Court of Milan.

- (b) The criminal proceeding Gen. Criminal Records Reg. no. 14442/14, with the defendants Gioacchino Paolo Ligresti, Pier Giorgio Bedogni and Fulvio Gismondi accused of false corporate communications (Art. 2622 of the Civil Code) and market manipulation (Art. 185 of the Consolidated Law on Finance) for Mr. Fulvio Gismondi only, in which proceeding UnipolSai was cited for civil liability, false official statement in certificates (Art. 481 of the Criminal Code), ended in the first instance, at the end of the shortened and simplified proceedings, with the decision of 16 December 2015 acquitting the defendants because the fact does not exist. The decision was appealed by the General Prosecutor's Office at the Court of Appeal of Milan and by the civil claimant Consob. On 10 July 2018, the Milan Court of Appeal confirmed the acquittal ruling. The ruling was appealed before the Supreme Court of Cassation by Consob as regards the civil effects only. By decision issued on 21 November 2019, the Court of Cassation rejected Consob's appeal, confirming the decision of the Milan Court of Appeal as final, which therefore became definitive.
- (c) Criminal Case (Gen. Criminal Records Reg. 24630/2013) against Messrs. Benito Giovanni Marino, Marco Spadacini and Antonio D'Ambrosio, acquitted on 10 November 2014 at the end of the shortened and simplified proceeding before the Court of Turin, is awaiting the setting of the appeal trial following the Prosecutor's filing of an appeal.

3 Notes to the Financial Statements

Based on the status of the criminal proceedings, on the information acquired hitherto by the Company and on the legal opinions acquired on the matters, the risk of loss is deemed unlikely.

Moreover, as reported in the Financial Statements ended 31 December 2018, some investors have autonomously initiated civil proceedings for damages. In these proceedings, the plaintiffs summarily stated that they had purchased and subscribed Fondiaria-SAI shares as they were prompted by the information in the information prospectuses published by Fondiaria-SAI on 24 June 2011 and 12 July 2012 in relation to the increases in share capital under option resolved by the company on 14 May 2011, 22 June 2011 and 19 March 2012, and in the financial statements of Fondiaria-SAI relating to the years 2007-2012. UnipolSai (former Fondiaria-SAI) appeared at all Civil Proceedings and disputed the plaintiffs' claims. Two civil proceedings before the Court of Turin ended with rulings that rejected the merits of the Plaintiff's requests, acquitting UnipolSai from all compensation claims. The two rulings have become *res judicata* since they were not appealed by the counterparties. On 18 May 2017, the Milan Court has instead partially upheld the compensation claims of another shareholder. The Company appealed against the sentence before the Milan Court of Appeal, which only partially accepted the appeal. The Company therefore appealed against the sentence before the Court of Cassation, which has not yet scheduled the hearing for the discussion of the case. The Court of Rome, with a sentence published on 12 May 2020, vice versa fully rejected the compensation claims submitted by another investor with respect to the share capital increases noted above. The ruling was challenged by the counterparty before the Rome Court of Appeal and the next hearing is scheduled for 13 December 2021. In another case pending on the same issues, the Court of Milan accepted the compensation claims of another investor, with a ruling dated 20 March 2019. After being appealed by the Company, the ruling was overruled in full by the Milan Court of Appeal with a ruling dated 22 October 2020. There is still time for the decision to be appealed before the Court of Cassation. Another case pending on the same issues is still in the introductory/preliminary phase before the Court of Milan.

Provisions deemed suitable were made in relation to the disputes with investors described above.

Antitrust Authority proceedings

On 8 May 2020, the Antitrust Authority notified UnipolSai Assicurazioni of the initiation of preliminary proceedings concerning the "#UnMesePerTe" promotional campaign, involving the dissemination, in print media, on television and in other media, of advertising messages which allegedly lacked the required clarity and transparency.

UnipolSai filed a detailed defence brief, affirming the full legitimacy and fairness of its initiative, as well as its ethical and social merit. Moreover, with a view to further improving transparency towards its customers, the Company enacted a series of behaviours on its own initiative which were then subject to a commitment proposal formalised with the Antitrust Authority on 26 June 2020 and supplemented, based on the Authority's observations, on 6 November 2020. These measures are intended to facilitate knowledge and use of the benefits deriving from this campaign by extending the initiative to 31 December 2021 (but still with reference to policies in force at 10 April 2020) and sending individual communications to potential beneficiaries concerning how to use the voucher offered when the policy is renewed, as well as providing a detailed disclosure on the possibility of revoking consent to the use of personal data for marketing purposes issued to the Company on the "unmeseperte" mini-website from 11 April 2020 to 29 May 2020.

By a measure passed on 26 February 2021, the Antitrust Authority accepted the commitments proposed by the Company and settled the proceedings without confirming any infractions and, therefore, without imposing penalties.

On 26 November 2020, the Antitrust Authority notified UnipolSai Assicurazioni of the initiation of a second preliminary proceeding concerning claims settlement, characterised by an alleged hindrance of the right of consumers to access the relevant deeds and the failure to specify the criteria for the quantification of damages in the phase of formulating the compensation offer.

UnipolSai deems this objection completely unfounded and, to protect its rights, has engaged its lawyers to represent it in the proceedings, which are currently ongoing.

Deposits received from reinsurers (item F)

The item comprised the deposits set up as guarantee at the Company in connection with the risks ceded and retroceded, which fell from €145,201k (the figure at 31/12/2019) to €127,337k at the end of 2020, marking a €17,864k decrease (-12.3%).

What has been explained for the receivables (section 2, point 2.4, item C.IV) applies to the relevant duration.

Section 13 - Payables and other liabilities (item G)

The balance of this item at 31 December 2020 was €1,577,836k, which decreased by €268,602k compared to 31 December 2019 (-14.5%). The breakdown is summarised in the following table:

Amounts in €k

Items	2020	2019	Change on 2019
G.I Payables arising from direct insurance business	62,792	72,044	(9,252)
G.II Payables arising from reinsurance	47,869	54,236	(6,367)
G.IV Payables to banks		208,342	(208,342)
G.V Collateralised payables		1,811	(1,811)
G.VI Sundry loans and other financial payables	14,704	2,886	11,818
G.VII Post-employment benefits	42,116	50,974	(8,858)
G.VIII Other payables	504,262	576,820	(72,559)
G.IX Other liabilities	906,092	879,325	26,767
Total	1,577,836	1,846,438	(268,602)
			(14.5)%

Payables arising from direct insurance business (item G.I) included payables to companies for €14,922k, to agents for €24,246k and to policyholders for advance premiums for €23,122k.

Payables arising from reinsurance business (item G.II) referred to reinsurance companies for €47,516k and to reinsurance intermediaries for €353k.

The item G.IV "payables to banks and financial institutions" was completely eliminated as the three loan repurchase transactions entered into in December 2019 matured respectively on 20, 21 and 22 January 2020.

Also the item G.V "collateralised payables" was fully eliminated at 31 December 2020 as the mortgage loans relating to four properties acquired in 2011 and 2012 from corporate agencies were extinguished in the course of 2020.

Item G.VI "sundry loans and other financial payables", which amounted to €14,704k at 31 December 2020, referred entirely to financial payables. In particular, the item comprises €2,027k relating to a cross currency swap, 2 Credit Default Swaps for €3,019k and €9,658k for premiums collected on 10 call options on shares.

The changes that took place in the period regarding post-employment benefits (item G.VII), which amounted to €42,116k, are detailed in Annex 15.

The uses regarding this fund were mainly represented by settlements made totalling €42,554k.

3 Notes to the Financial Statements

Of the other payables (item G.VIII), which amounted to €504,262k, down by €72,559k compared to the previous year's figure, note:

- item G.VIII.1 "Payables for policyholders' tax due", which at 31 December 2020 presented a balance of €151,488k and consisted of the amounts due for insurance tax (€122,268k) and the payable to the National Health Service (€29,221k);
- item G.VIII.2 "sundry tax payables", which at 31 December 2020 presented a balance of €47,993k and consisted primarily of payables for IRAP of €1,862k, personnel tax payables equal to €16,301k and payables for other withholding taxes, totalling €12,790k;
- item G.VIII.3 "Other social security charges payable", whose balance was €31,099k, comprised the national insurance fund for agents payables that amounted to €11,723k and payables to INPS amounting to €19,127k;
- Item G.VIII.4, "sundry payables", whose breakdown and major changes follow:

<i>Amounts in €k</i>	2020	2019	Change on 2019
Trade payables	82,457	84,047	(1,590)
Claims management	7,798	11,562	(3,764)
Group companies	92,860	112,562	(19,702)
Financial intermediaries	29,330	68,860	(39,530)
Guarantee deposits and advances paid	22,594	22,331	263
Other	38,643	42,461	(3,818)
Total	273,682	341,822	(68,140)
			(19.9)%

These are mainly short-term payables; the changes that took place during the year pertain to normal development of the Company's business. This item, as part of payables to Group companies, equal to €92,860k, included the exposure to the consolidating company Unipol Gruppo for the IRES balance due for the current year totalling €62,447k.

Item G.IX, "other liabilities", amounted to €906,092k at 31 December 2020 (+€26,767k compared to 31/12/2019).

The breakdown and change compared with the previous year are summarised in the following table:

<i>Amounts in €k</i>	2020	2019	Change on 2019
Commissions for premiums under collection	94,544	99,608	(5,063)
Financial liabilities	204,755	228,226	(23,471)
Provisions for personnel costs	156,118	160,542	(4,424)
Incentives and contributions to the agency network	174,613	149,847	24,766
Invoices receivable	80,656	91,348	(10,692)
Non-Life/Life connection account	82,671	41,031	41,640
Technical reinsurance entries	5,782	9,126	(3,344)
Liabilities pertaining to the technical accounts	68,500	59,731	8,770
Sundry liabilities	38,452	39,866	(1,415)
Total	906,092	879,325	26,767
			3.0%

Financial liabilities for €204,755k are broken down as follows:

- contra-item of asset swaps for €198,956k;
- contra-item of forward currencies for €3,155k;
- net variation margins collected amounting to €2,644k.

Section 14 - Accruals and deferrals

Item H “accruals and deferrals” showed a total balance at 31 December 2020 of €57,953k with an increase of €4,106k compared to the prior year (+7.6%).

The breakdown of the item follows:

<i>Amounts in €k</i>	2020	2019	Change on 2019
Financial derivatives	9,687	10,923	(1,236)
Interest on Life policy loans	121	223	(102)
Rents/sub-rentals	16	17	(1)
Interest on subordinated loans	47,761	42,592	5,169
Other accruals and deferrals	368	93	275
Total	57,953	53,847	4,106
			7.6%

The breakdown between accruals and deferrals is shown in the following table:

<i>Amounts in €k</i>	Accruals	Deferrals	Total
H.1 Interest	57,569		57,569
H.2 Rental income		16	16
H.3 Other accruals and deferrals		368	368
Total	57,569	384	57,953

No long-term accruals and deferrals are reported.

Section 15 - Assets and liabilities relating to Group companies and other investees

The details of the assets and liabilities relating to Group companies and other investees are provided in Annex 16. Please refer to the Management Report as well.

Section 16 - Receivables and payables

The balances of the receivables and payables recorded under items C and E of the assets and item G of the liabilities are shown in the following table, with those due after the next year and those due after five years separated for each category.

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With regard to item F of the liabilities (Deposits received from reinsurers) and referring to what is stated in the relevant paragraph, the payables recorded therein are considered all due within the following year.

<i>Amounts in €k</i>	Balance at 31/12/2020	Amount due beyond 31/12/2021	Amount due beyond 31/12/2025
Loans			
Loans to holding companies	567,785	300,000	
Loans to subsidiaries	168,577	163,982	33,099
Loans to affiliates	30,843	30,843	30,843
Loans to associates	6,015		
Loans on policies	15,668	8,489	4,214
Other loans	5,209	4,550	664
Total	794,096	507,863	68,819
Receivables			
Receivables from policyholders	602,823		
Insurance intermediaries	959,580	358,193	219,994
Insurance company current accounts	21,178		
Policyholders and third parties for amounts to be recovered	130,010		
Companies and insurance and reinsurance intermediaries	57,698		
Other receivables	1,264,572	134,319	6,660
Total	3,035,860	492,512	226,654
Deposits received from reinsurers	127,337		
Payables			
Payables arising from direct insurance business	62,792	2	
Payables arising from reinsurance	47,869		
Sundry loans and other financial payables	14,704		
Other payables	504,262	4,099	2,704
Total	629,628	4,101	2,704

Section 16 bis - Individual pension schemes

At 31 December 2020, UnipolSai had an individual pension scheme in place, as set forth in Art. 13, paragraph 1 of Italian Legislative Decree 252/05, called "UnipolSai Previdenza Futura", of the multisegment type with performance connected with the segregated fund Previattiva UnipolSai and/or with the PreviGlobale internal fund.

The resources relating to the individual pension schemes form an independent and separate equity within the Company.

Section 17 - Guarantees, commitments, potential liabilities and other memorandum accounts

The total balance at 31 December 2020, which amounted to €51,165,259k (–€58,014k compared to 31/12/2019), is mostly made up of securities deposited with third parties (€43,807,942k) and of the commitments account (€5,761,020k).

<i>Amounts in €k</i>	2020	2019	Change on 2019
Guarantees given: Sureties	55,395	45,653	9,743
Guarantees given: Other guarantees	581	581	
Guarantees given: Collateral	43,014	335,093	(292,079)
Guarantees received: Sureties	86,421	94,212	(7,792)
Guarantees received: Collateral	37,832	48,886	(11,053)
Guarantees given by third parties in the interest of the company	750,030	758,282	(8,252)
Commitments	5,761,020	5,781,763	(20,743)
Third party assets	17,904	14,754	3,150
Assets attributable to pension funds managed in the name and on behalf of third parties	597,139	684,263	(87,124)
Securities deposited with third parties	43,807,942	43,450,371	357,571
Other memorandum accounts	7,980	9,415	(1,435)
Total	51,165,259	51,223,273	(58,014)

The guarantees given included €10,030k for surety policies in favour of municipal Authorities in relation to the Via Larga complex in Bologna and €42,266k relating to tax entries pertaining to the group.

The collateral given item comprises mainly securities set as collateral on transactions in derivatives and letters of credit regarding inwards reinsurance items for €2,423k.

With regard to the sureties received, the following were the main ones:

- ✓ guarantee deposits on leases through sureties amounting to €1,392k;
- ✓ guarantee of €25,967k, issued by the company Mutuelle du Mans with reference to the adequacy of the technical provisions of the companies MMI Danni and MMI Assicurazioni purchased in 2005 by Navale Assicurazioni merged into Unipol Assicurazioni in 2010;
- ✓ guarantees given by the Agents individually through insurance or banking sureties for €3,036k. The amount also includes the guarantees given by preceding Agents established to benefit, earlier than indicated by the National Agreement, from the liquidation relating to the accrued portfolio indemnities;
- ✓ guarantees given by the Agents in collective form through the agent suretyship fund or through surety policies in compliance with the provisions of the National Agents Agreement for €9,880k;
- ✓ sureties against insurance contracts issued for €42,587k.

Note that of the guarantees given by third parties in the interest of the company, of note were the guarantees of €561,689k given by the holding company Unipol Gruppo in favour of the bondholders of the subordinated loans that Unipol Assicurazioni took over as issuer in 2009.

The item also comprises €7,659k of sureties for participation in tenders, €66,112k of a surety issued to CONSAP and €70,000k as UBI Banca surety in favour of Telespazio.

The detail of the commitments is shown in the following table:

<i>Amounts in €k</i>	2020	2019	Change on 2019
Commitments			
Financial derivatives	4,527,871	4,720,343	(192,472)
Capital subscribed	924,047	894,299	29,748
Taxes to be paid on Life technical provisions	73,827	69,976	3,851
Other commitments	235,275	97,145	138,130
Total	5,761,020	5,781,763	(20,743)

3 Notes to the Financial Statements

The commitments recorded for transactions on derivatives at year end amounted to a total of €4,527,871k and are fully connected with Class C investments.
The values are detailed in Annex 18.

Commitments for capital subscribed refer to the capital still to be paid on the closed funds, of which €31,935k relating to class D.

The taxes to be paid on Life technical provisions refer to the commitment of paying the substitute tax due for the year 2020 on the mathematical provisions, pursuant to Decree Law 209/2002, to be paid in 2021.

The other commitments consisted of commitments to purchase properties under construction (€39,027k), and the commitment to disburse a loan of €32,000k to AlfaEvolution Technology and of €26,118k to UnipolRental. There were also commitments to Meridiano Secondo and Nuove Iniziative Toscane equal respectively to €134,630k and €3,500k to handle specific needs deriving from real estate projects under way.

Third party assets comprise mainly office equipment as well as €177k corresponding to the value of the securities obtained as collateral for the reinsurance business.

Assets attributable to pension funds managed in name and on behalf of third parties refer to the following Pension Funds:

<i>Amounts in €k</i>	
Fund	2020
Arco Bilanciato	158,813
Solidarieta' Veneto	169,199
Agrifondo	10,229
Previdenza Cooperativa Linea Bilanciata	258,898
Total	597,139

The breakdown by type follows:

<i>Amounts in €k</i>	
Types	2020
Bonds	365,060
Equities	177,515
Liquidity	50,197
Other net assets	4,367
Total	597,139

Details of the guarantees given and received, and of the commitments are provided in Annex 17.

Distinction by depositary entity category of the securities deposited with third parties is shown in the following table. The balance at 31 December 2020 was €43,807,942k.

Amounts in €k

Depository entity	2020	2019	Change on 2019
Group companies	1,048,180	1,693,713	(645,533)
Banks	38,419,887	39,698,628	(1,278,741)
Issuers	4,339,279	2,057,434	2,281,846
Others	596	596	
Total	43,807,942	43,450,371	357,571

Other memorandum accounts, whose balance at 31 December 2020 amounted to €7,980k, consisted mainly of deposits for books on claims paid.

€596k in the table refers to the value of securities at third parties under guarantee for the inwards reinsurance business.

At 31 December 2020 there are no potential liabilities to report pursuant to Art. 2427 of the Civil Code.

Information on financial derivatives

In compliance with the instructions issued by IVASS (Regulation no. 24 of 6 June 2016) and consistent with the guidelines established by the Company's Board of Directors, the use of derivatives during the year was aimed solely at hedging the risk of security position and the exchange rate or portfolio management optimisation risk, ruling out merely speculative aims.

These aims were achieved through the specific derivatives listed in the Board of Directors resolution and involved securities held in portfolio at the time of conclusion of the related contract and for its entire duration.

All the transactions were initiated with banking counterparties or similar or proven reliability.

For the determination of the fair value of OTC type derivatives, UnipolSai uses valuation methods (Mark to Model) in line with the methods commonly used by the market and based on data directly available on the market.

For derivatives on which a CSA (Credit Support Annex) collateralisation agreement is provided between the company and the authorised market counterparties, provision is made for use of the EONIA discount curve (Euro OverNight Index Average) or the ESTR (Euro Short Term Rate) curve. As regards uncollateralised derivatives, CVA (Credit Valuation Adjustment) and DVA (Debit Valuation Adjustment) adjustments are made. It should be noted that, at 31 December 2020, all derivative positions represented collateralised contracts for which CSA agreements are in place with the counterparties involved in the trading.

The objective of the models used to calculate the fair value is to obtain a value for the financial instrument consistent with the assumptions that market participants would use to quote a price, assumptions that also concern the risk inherent in a particular valuation technique and/or in the inputs used.

For the proper Mark to Model valuation of each category of instrument, adequate and consistent pricing models must be defined beforehand as well as the market parameters.

The list of the main models used for Mark to Model pricing of OTC derivatives is provided below:

- Securities and interest rate derivatives:
 - Discounted cash flows;
 - Black;
 - Black-Derman-Toy;
 - Hull & White 1, 2 factors;
 - Libor Market Model;
 - Longstaff & Schwartz;
 - Kirk.
- Securities and inflation derivatives:
 - Discounted cash flows;
 - Jarrow-Yildirim.
- Securities and share, index and exchange rate derivatives:
 - Discounted cash flows;

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- Black-Scholes.
- Securities and credit derivatives
 - Discounted cash flows;
 - Hazard rate models.

The main observable market parameters used to perform Mark to Model valuations are as follows:

- interest rate curves for reference currency;
- interest rate volatility surface for reference currency;
- CDS spread or Asset Swap spread curves of the issuer;
- inflation curves for reference currency;
- reference exchange rates;
- exchange rate volatility surface;
- share or index volatility surface;
- share reference prices;
- reference inflation curves.

The main non-observable market parameters used to perform Mark to Model valuations are as follows:

- correlation matrices between risk factors;
- historical volatility;
- credit risk parameters such as the recovery rate if not available in the CDS quotation.

The derivatives for which there may be no consistent and validated valuation models available for the purposes of measuring fair value, are valued on the basis of the prices provided by the counterparty. It should be noted that, at 31 December 2020, all derivative positions represent contracts for which the measurement is of the internal Mark to Model type and the market parameters used for the measurement are exclusively of the observable type.

In the termsheets of the derivatives in the portfolio of the company at 31 December 2020 there are no specific significant terms and conditions that may influence the amounts, the maturities and the certainty of the future flows differently from the contractual provisions.

The open positions in derivatives at 31 December 2020, set up with 16 counterparties and with a portion of the reference capital up to a maximum of €250,000k, are shown in the following table:

Amounts in €k

Transaction description	Hedging		Effective management		Total		Overall exposure
	No.	Fair value	No.	Fair value	No.	Fair value	
Forward purchases of currency	9	(517)			9	(517)	52,706
Forward sales of currency	58	19,896			58	19,896	960,815
Purchase of call options			4	22,651	4	22,651	99,641
Purchase of put options	12	837			12	837	501,013
Sale of put options							
Total contracts with equity swaps	89	10,209	4	22,651	93	32,860	
Purchase of Interest Rate Swaps	13	(104,890)			13	(104,890)	1,350,000
Purchase of Asset Swaps	21	(142,812)			21	(142,812)	1,363,500
Purchase of Cross Currency Swap	2	(1,419)			2	(1,419)	50,183
Total contracts without equity swaps	41				41	(253,329)	2,818,683
Grand total	130	10,209	4	22,651	134	(220,469)	2,818,683

The forward purchases and sales of currency made in the year refer to the following currencies: Euro, US dollar, British pound, Swiss franc and Swedish krona.

Income Statement

The results achieved in 2020 are summarised in the reclassification statement of the income statement, the most salient aspects of which are recalled below:

<i>Amounts in €k</i>	2020	2019	Change on 2019
Technical balance: Life	(9,926)	264,857	(274,784)
Non-life	936,095	543,602	392,493
Total	926,169	808,460	117,709
Income from investments, other gains and losses	(90,440)	(17,802)	(72,638)
Profit (loss) from ordinary operations	835,729	790,658	45,071
Extraordinary components	262,823	157,246	105,577
Pre-tax profit (loss)	1,098,552	947,904	150,649
Net profit (loss)	814,307	701,237	113,069

Section 18 - Information on Non-Life business technical account (I)

Gross premiums at 31 December 2020 amounted to €7,031,580k, with a positive change of €30,676k (+0.4%) compared to 31 December 2019: it was basically the premiums relating to indirect business, which amounted to €259,862k and represent 3.7% of the total, which determined the increase. In this regard, reinsurance treaties were entered into with the subsidiaries Linear and UniSalute.

Net of reinsurance, the premiums earned amounted to €6,637,569k (€6,479,678k at 31/12/2019).

The premiums are broken down by business segment in the Management Report.

The summarised information on Non-Life business technical account - Italian business and foreign business - is reported in Annex 19.

Other technical income, net of reinsurance (item I.3), equalled €41,656k at 31 December 2020 (€38,513k at 31/12/2019) and included €22,571k regarding the Land Vehicle TPL class, mostly consisting of recovered expenses for managing claims on behalf of companies, €1,822k of recovered commissions and €11,546k for the reversal of commissions on premiums of previous years cancelled. Indirect business included €6,392k as reinstated premiums envisaged contractually by reinsurance treaties and estimated on the basis of the claims provisions at year end.

The charge of the claims for the Non-Life business (item I.4) amounted to €3,747,221k, (€4,185,461k at 31/12/2019) and included, in addition to the change in the claims provision, the amounts paid in the year for direct and indirect business as compensation and settlement expenses, net of the relevant recoveries and the reinsurers' shares, as established by Art. 48 of Italian Legislative Decree 173 of 26 May 1997. The provision on the claims of previous generations amounted to €7,125,507k at the end of the period.

The changes, referred to Italian direct business, are summarised in the table below:

<i>Amounts in €k</i>	2020
Opening claims provision	10,350,018
Payments in the year for prior year claims	2,821,215
Closing claims provision	7,125,507
Breakdown of claims provision	403,296
% impact on opening provision	3.90%

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When considering the amounts to be recovered and the recoveries made, the positive run-off was as follows:

<i>Amounts in €k</i>	2020
Amounts to be collected at the end of the previous year	125,686
Amounts collected in the year	101,712
Amounts to be collected at the end of the year	113,409
Changes in the amounts to be collected	89,435
Total effect	492,731

The run-off of provisions for claims of previous years was positive on nearly all classes. The savings achieved on claims closed compared to the initial claims provision were still at high levels and, in particular for the Third Party Liability classes (MV TPL and General TPL), they were mostly used to revalue the cases still in the provisions. As shown in the table, the positive overall result of the run-off of claims provisions also benefited from a significant positive differential relating to the recoveries (€89,435k).

The amount of the reversals and profit sharing (item I.6) recognised to the policyholders or other beneficiaries had a net balance of €2,857k (€4,660k at 31/12/2019) and referred almost entirely to technical profit sharing.

Operating expenses amounted to €1,982,622k, already net of the commissions received from reinsurers (€82,636k), and included acquisition and collection expenses for €1,729,334k (up by 5.9% compared to the 2019 figure) and other administrative expenses for €331,464k (-7.8% compared to the 2019 figure).

The balance of item I.7.f "commissions and profit sharing from reinsurers", equal to €82,636k (-46.6% compared to the 2019 figure), referred to commissions for €82,563k and to profit sharing for €73k.

Other technical charges, net of reinsurance (item I.8), which at 31 December 2020 amounted to €163,194k (€139,942k the aggregate figure 2019), of which:

- €159,126k relating to direct business,
- €415k relating to indirect business and,
- €3,654k relating to premiums ceded.

In direct business, the most important items regarded cancellations of premiums of previous years for €75,852k, contributions for €44,657k, write-downs on receivables from policyholders for €11,031k and management rights of the CARD room for €9,356k.

Premiums ceded mostly included the estimate of reinstated premiums envisaged contractually by reinsurance treaties and estimated as €3,593k on the basis of the claims provisions at 31 December 2020.

Item I.9 "change in equalisation provisions", which was negativa by €3,680k, is due to the higher provisions in the year compared to the previous year. The detail of these provisions, by class, is reported in section no. 10 (Technical provisions). The change in indirect business equalled -€19k of costs.

Transfer of shares of the profit from investments from the non-technical account and indication of the base applied for the calculation - Item I.2

The profit from investments assumed to determine the share to be transferred to the Non-Life business technical account derives from the sum of the amounts, posted in the non-technical account, of the gains on investments and the relevant asset and financial charges.

The share to be assigned to the technical account, pursuant to ISVAP Regulation no. 22 of 4 April 2008 as amended, is obtained by applying to the aforementioned gains on investments the ratio between the semisum of the technical provisions net of the reinsurance at the end of the current year and at the end of the previous one and the same semisum increased by the value of the semisum of the shareholders' equity also resulting at the end of the current year and at the end of the previous one.

The breakdown in the individual portfolios and classes of the share of the profit assigned to the technical account was also made on the basis of the provisions of the aforementioned ISVAP Regulation.

At 31 December 2020 profits from investments were transferred from the non-technical account to the technical account for €156,260k (€200,520k the 2019 figure).

Section 19 - Information on Life business technical account (II)

The gross premiums at year end amounted to €3,098,734k (decreasing by 24.0% compared to the 2019 figure); the premiums regarding indirect business equalled €96k.

Summarised information on premiums and the reinsurance balance is contained in Annex 20.

The details of the gains on investments (item II.2), which at 31 December 2020 amounted to €1,147,611k (€1,301,524k the figure at 31/12/2019) are shown in Annex 21.

Detailed in Annex 22 are the unrealised gains relating to investments benefiting policyholders that bear the risk and investments arising from pension fund management (item II.3), which at 31 December 2020 amounted to €213,586k (€329,102k the 2019 figure).

The other technical income, net of reinsurance (item II.4), amounted to €34,750k (€30,160k the 2019 figure) and included €31,580k of commissions for investments relating to benefits linked to investment funds and market indices and investments arising from pension fund management.

As regards charges regarding servicing, the gross sums paid (item II.5 a) aa)) amounted to €3,568,395k (-8.8% compared to 31/12/2019 which had recorded €3,913,410k) and included:

<i>Amounts in €k</i>	2020	2019	Change on 2019
Capital and annuities accrued	1,922,960	1,857,200	65,760
Surrenders and advances	1,421,633	1,821,861	(400,229)
Claims	218,462	227,960	(9,498)
Settlement expenses	4,441	4,648	(208)
Indirect business	900	1,740	(840)
Total	3,568,395	3,913,410	(345,014)

The change in provision for amounts payable, net of the reinsurers' share, equalled €159,330k (-€1,304k the 2019 figure). The change is basically due to volumes expiring at the end of 2020 and paid in the early months of 2021, also linked to contracts issued at the end of 2000, the last year with the benefit of tax deductibility on all life policies.

The change in technical provisions, net of reinsurance (item II.6), amounted to -€21,854k (€916,065k the 2019 figure).

Item II.7 "reversals and profit sharing, net of reinsurance" amounted to €277k at 31 December 2020 (€1,275k the 2019 figure) and consisted entirely of reversals.

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Operating expenses (item II.8) amounted to €144,090k (-7.2% compared to the 2019 figure), already net of the commissions received from reinsurers (€362k), and included acquisition and collection expenses for €89,569k (-11.7% compared to the 2019 figure) and other administrative expenses for €57,617k (-7.7% compared to the 2019 figure, with a 1.9% impact on premiums).

The item II.8.f “commissions and profit sharing from reinsurers”, which at 31 December 2020 equalled €362k (-45.5% compared to the 2019 figure), referred entirely to commissions.

The detail of asset and financial charges (item II.9), which at 31 December 2020 amounted to €403,762k, versus €239,514k in 2019, is shown in Annex 23.

These charges included write-downs regarding bonds, shares and fund units for €59,206k and write-downs regarding derivative financial instruments for €4,008k.

Detailed in Annex 24 are the asset and financial charges and the unrealised gains relating to investments benefiting policyholders that bear the risk and investments arising from pension fund management (item II.10), equal to €119,738k (€95,499k the 2019 figure).

Other technical charges, net of reinsurance (item II.11), equal to €52,067k (+24.1% compared to the 2019 figure), mainly comprised of:

- management fees for €35,822k;
- cancelled premiums of previous years for €12,893k;
- commissions on investments related to Unit-Linked Policies and pension funds for €1,059k.

Transfer of shares of the profit from investments to the non-technical account and indication of the base applied for the calculation - Item II.12

The profit from investments assumed to determine the share to be transferred to the non-technical account derives from the sum of the amounts, posted in the technical account, the gains on investments and the relevant asset and financial charges. Excluded for the purposes above are unrealised gains as well as unrealised asset and financial charges relating to investments benefiting policyholders that bear the risk and investments arising from pension fund management, which remain as entirely attributed to the technical account.

The share to be assigned to the non-technical account, pursuant to ISVAP Regulation no. 22 of 4 April 2008, as amended, is obtained by applying to the aforementioned profit from investments the ratio resulting between:

- the semisum of the shareholders' equity resulting at the end of the current year and at the end of the previous one;
- this amount, increased by the semisum of the technical provisions (net of reinsurance) also resulting at the end of the year and at the end of the previous one.

However, if the profit from investments that remains assigned to the Life business technical account is lower than the amount of the profits from investments contractually recognised to the policyholders in the year, the portion to transfer to the non-technical account must be adequately reduced by an amount equal to this lower value, until it is entirely cancelled.

The breakdown of the individual portfolios and classes of the portion of the profit from investments regarding the technical account was based on their actual origin until reaching the portion of the income equal to the profits from investments contractually recognised to the policyholders; the propositional method envisaged by the aforementioned ISVAP Regulation was applied to the remaining difference.

Based on the results of the calculation made according to these criteria, €83,814k (€118,158k the 2019 figure) were transferred from the Life technical account to the non-technical account of profits from investments.

Section 20 - Development of the technical items for the class

20.1 Non-Life insurance

The summary of technical accounts by individual class (Italian portfolio) is shown in Annex 25.

The accounting entries pertaining to the technical accounts are posted in the accounts mainly broken down by class. The accounting entries that are common to more classes pertain to the overheads.

To attribute the overheads to the individual classes, direct attributions were partly made. Different parameters were also partly applied, based on the nature of the expense to break down. The main parameters used were determined on the basis of the premiums, the number of policies and the compensations paid.

On this point reference is made to section A - Measurement criteria.

The summary of the technical account summarising all Non-Life classes (Italian portfolio) is shown in Annex 26.

20.2 Life insurance

The summary of technical accounts by individual class (Italian portfolio) is shown in Annex 27.

The accounting entries pertaining to the technical accounts are posted in the accounts mostly broken down by class. The accounting entries that are common to more classes pertain to the overheads and income from investments.

As regards the latter, net of any portion transferred to the non-technical account, this was allocated to the classes proportionally to the technical provisions according to the already mentioned ISVAP Regulation no. 22 of 4 April 2008 as amended or integrated.

Overheads were assigned to the individual classes through various parameters, such as payments, parties insured and commissions paid.

On this point reference is made to section A - Measurement criteria.

The summary of the technical account summarising all Life classes (Italian portfolio) is shown in Annex 28.

20.3 Non-Life and Life insurance

The summary of the technical accounts summarising all Non-Life and Life classes regarding foreign business constitutes Annex 29.

Section 21 - Information on the non-technical account (III)

The gains on Non-Life business investments (item III.3) amounted to €602,520k (-32.4% compared to the 2019 figure) as detailed in Annex 21.

The Non-Life business asset and financial charges (item III.5) amounted to €379,297k (€614,720k at 31/12/2019) and are detailed in Annex 23.

Investment management expenses and interest expense (item C.III.5.a), with a balance of €108,319k (€145,144k the 2019 figure), included:

- administrative expenses attributed to the management of investments for €44,470k;
- financial charges linked to derivative financial instruments for €22,639k;
- taxes on investments for €13,659k, €10,487k of which for IMU, €2,553k for other indirect taxes and duties relating to property investments and €618k for other taxes on financial investments;
- issue/trading spreads for €16,085k;
- expenses on securities dossier for €9,237k;

3 Notes to the Financial Statements

- interest on deposits received from reinsurers for €497k.

Value adjustments to investments (item III.5.b) amounted to €154,316k (+8.6% compared to the 2019 figure) and consisted of alignments of shares, interests and fund units for €94,739k, of bonds for €10,781k and on other financial investments for €1,120k.

This item also included the write-downs of properties totalling €47,677k, €38,845k of which referred to the portions of depreciation and €8,832k referred to write-downs for value adjustments.

The item III.7 “other income” equalled €131,309k at 31 December 2020, versus €169,180k (2019 figure), with a -22.4% change, broken down as follows:

Amounts in €k

	2020	2019	Change on 2019
Other income			
Interest income	4,223	9,966	(5,743)
Recovery of expenses	46,707	60,527	(13,819)
Positive exchange rate differences	743	446	296
Withdrawals from provisions	54,279	73,888	(19,609)
Commission on placement of bank products	3,012	5,683	(2,671)
Other income	13,623	9,111	4,512
Recovery of expenses for management of Roadway Accident Victims Fund (FVS)	8,723	9,559	(836)
Total	131,309	169,180	(37,871)

Interest income included €661k as interest on deposits and €3,562k as interest on other receivables.

Income from recovered administrative expenses was €27,614k, for the provision of services and €18,645k for recoveries of expenses for seconded personnel.

Withdrawals from provisions, of which €42,765k from the provision for risks and charges, €28,403k referred to liabilities set aside in previous years and occurred in the current year and €13,735k to surpluses, and €11,514k to bad debt provisions.

The item III.8 “other charges” equalled €372,526k at 31 December 2020 (€381,512k the 2019 figure), broken down as follows:

Amounts in €k

	2020	2019	Change on 2019
Other charges			
Amortisation on goodwill and other intangible assets	108,973	112,393	(3,420)
Impairment losses on receivables	17,178	37,679	(20,501)
Expenses for managing claims of Roadway Accident Victims Fund	6,939	8,971	(2,032)
Interest expense	92,401	88,175	4,226
Allocations to provisions	87,431	39,433	47,998
IVASS penalties	67	353	(286)
Operating expenses and product placement	6,659	9,265	(2,606)
Negative exchange rate differences	2,827	3,712	(885)
Sundry taxes	1,759	2,182	(424)
Charges on behalf of third parties	37,888	39,414	(1,526)
Sundry charges	10,402	39,933	(29,532)
Total	372,526	381,512	(8,986)

The amortisation of goodwill and other intangible assets include €53,902k of intangible assets and €55,071k of goodwill and insurance portfolios acquired in previous years.

Interest expense included mainly €86,479k regarding interest on subordinated loans and €5,922k of interest on other payables.

Charges on behalf of third parties included costs and other administrative charges for services rendered to third parties and for seconded personnel at other companies.

Allocations to provisions referred for €5,039k to bad debt provisions and for the remainder to provisions for risks and charges.

“Extraordinary income” (item III.10) equalled €355,082k versus €284,026k (2019 figure), broken down as follows:

Amounts in €k

	2020	2019	Change on 2019
Extraordinary income			
Gains on disposals of property	75,963	52,849	23,114
Gains on trading of long-term securities	208,104	189,355	18,749
Gains on trading of mutual investment funds	2,141	2,505	(364)
Gains on trading of shares and investments		2,307	(2,307)
Gains on trading of other assets	60	1	59
Extraordinary gains	68,724	36,812	31,912
Other income	89	196	(107)
Total	355,082	284,026	71,056

This item includes gains realised on securities and other financial instruments classified under long-term investments. For information on transactions in this segment, refer to the specific sections of the Management Report and the Notes to the Financial Statements.

There was also an extraordinary gain of €63,048k relating to lower taxes of previous years, originating for €44,908k from the Patent Box benefit and for the remainder from a more favourable recalculation of the ACE benefit, also due to the positive response received regarding the appeal made.

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Extraordinary expenses (item III.11) equalled €92,258k (€126,780k the 2019 figure), broken down as follows:

Amounts in €k

	2020	2019	Change on 2019
Extraordinary expenses			
Losses on disposals of property	11,153	3,621	7,532
Losses on long-lived securities	52,063	1,828	50,235
Losses on trading of long-lived mutual investment funds	1,329		1,329
Losses on trading of investments	10,006	153	9,853
Extraordinary losses	6,155	20,600	(14,445)
Settlements	974	200	774
Other charges	10,063	100,377	(90,314)
Losses on disposals of other assets	515	1	514
Total	92,258	126,780	(34,521)

Losses on disposals concern the long-term investments segment.

The capital loss from equity investments refers in full to the sale of the subsidiary Società Edilizia Immobiliare Sarda on 24 April 2020. Against the realisation of that amount, the Provision for risks and charges set aside in previous years, which was more than sufficient, was utilised.

Contingent liabilities included, inter alia, tax charges totalling €2,031k, referring to the closure of VAT disputes on co-insurance contracts in judicial settlement relating to the years 2013 and 2014.

Other extraordinary charges referred almost entirely to estimated losses in relation to trade union agreements for pre-retirement arrangements made with executive personnel. The amount for the year 2019 included the expense of €95,500k for estimated losses in relation to trade union agreements for pre-retirement arrangements made with employees.

Item III.14 "Income tax for the year" represented a total charge of €284,246k (€246,666k the 2019 figure), €130,422k of which regarding current IRES and IRAP taxes of the year, €18,636k relating to substitute taxes under Art. 1, paragraph 140 of Law no. 296 of 27 December 2006 applied to the higher tax values emerging on the properties contributed to the Tikal and Oikos real estate investment funds in the course of 2020, in addition to the net balance of the deferred tax assets and liabilities for €135,188k.

The table below reports the changes occurred:

<i>Amounts in €k</i>	IRES	IRAP	Total
Current and substitute taxes	(114,047)	(35,011)	(149,058)
Deferred tax assets and liabilities:			
- use of deferred tax assets	(191,326)	(29,126)	(220,451)
- use of deferred tax liabilities	32,010	3,018	35,028
- recognition of deferred tax assets	62,059	9,026	71,085
- recognition of deferred tax liabilities	(20,850)		(20,850)
Balance on deferred tax assets/liabilities	(118,106)	(17,081)	(135,188)
TOTAL	(232,153)	(52,093)	(284,246)

The statement of reconciliation between theoretical and effective IRES and IRAP tax charges is provided below, showing the changes compared to the previous year.

<i>Amounts in €k</i>	2020	2019	Change
Pre-tax profit (loss)	1,098,552	947,904	150,649
Theoretical IRES - (Expenses)/Income	(263,653)	(227,497)	(36,156)
Tax effect deriving from taxable income permanent changes			
Increases:	(23,070)	(24,184)	1,114
- PEX investments - write-downs	(692)	(780)	88
- Dividend Washing	(3,025)	(261)	(2,764)
- Interest expense	(881)	(838)	(43)
- Taxes and other non-deductible costs	(2,874)	(4,129)	1,255
- Non-deductible goodwill	(6,025)	(6,025)	
- Allocations to provisions for risks	(6,144)	(1,475)	(4,669)
- Extraordinary losses	(1,100)	(5,257)	4,156
- Recalculation of IRAP tax exemption	(39)	(110)	71
- Property not for own use	(1,081)	(1,331)	249
- Impairment losses on receivables	(224)	(2,622)	2,397
- Other changes	(984)	(1,357)	373
Decreases:	73,206	46,050	27,156
- PEX investments - gains exempt		526	(526)
- Dividends excluded	28,370	24,945	3,425
- IRAP deduction	1,822	516	1,306
- ACE relief	5,779	3,507	2,272
- Extraordinary gains	15,132	6,451	8,680
- Withdrawals from provisions for risks	3,183	4,327	(1,144)
- Redeemed goodwill	1,853	2,261	(408)
- Super-amortisation/depreciation	1,499	1,097	401
- Real estate sector income	13,403		13,403
- Other changes	2,165	2,419	(254)
IRES pertaining to the year - (Expenses)/Income	(213,517)	(205,631)	(7,886)
- Theoretical IRAP on the technical result	(63,713)	(55,137)	(8,576)
- Dividends and overheads	6,379	6,247	133
- Deductible amortisation/depreciation	2,572	3,143	(571)
- Gains on transfers of property not for own use	(1,371)	(3,592)	2,221
- Other changes	4,040	10,789	(6,749)
IRAP	(52,093)	(38,550)	(13,542)
Substitute taxes	(18,636)	(2,485)	(16,151)
Total Income Tax	(284,246)	(246,666)	(37,579)

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Lastly, the statement under Art. 2427, paragraph 1, no. 14 of the Civil Code is also enclosed, which contains the temporary differences that led to the recognition of deferred tax assets and liabilities, calculated by applying to these temporary differences the nominal tax rates in force at the time when these will be brought forward as provided for by the national accounting standard no. 25.

<i>Amounts in €k</i>	2020 Fiscal effect (*)		2019 Fiscal effect (*)		Change	
	Amount	Tax effect	Taxable amount	Tax effect	Taxable amount	Tax effect
DEFERRED TAX ASSETS						
IRES						
Valuation of Equity Portfolio	29,755	7,142	57,052	13,692	(27,297)	(6,550)
Valuation of securities	8,642	2,074	8,289	1,990	353	84
Life business technical provisions	87,723	21,054	77,362	18,567	10,361	2,487
Non-Life business claims provision	447,728	107,455	508,279	121,987	(60,551)	(14,532)
Property	109,771	26,345	437,216	104,931	(327,445)	(78,586)
Depreciation of property and other assets	26,117	6,268	26,327	6,319	(210)	(51)
Goodwill	706,093	169,463	728,019	174,725	(21,926)	(5,262)
Provision for personnel expenses	226,221	54,293	241,217	57,892	(14,996)	(3,599)
Provision for risks and charges	448,791	107,710	432,866	103,888	15,925	3,822
Write-down of receivables from policyholders	390,427	93,703	452,895	108,695	(62,468)	(14,992)
Other	7,296	1,750	14,266	3,423	(6,970)	(1,673)
Substitute tax for goodwill realignment		1,647		3,294		(1,647)
TOTAL IRES	2,488,564	598,904	2,983,788	719,403	(495,224)	(120,499)
IRAP						
Other provisions established with non-deductible allocations during the year	217,258	14,817	93,927	6,406	123,331	8,411
Property	100,939	6,884	434,334	29,622	(333,395)	(22,738)
Depreciation of property and other assets	4,627	316	5,836	399	(1,209)	(83)
Goodwill	705,907	48,143	727,739	49,632	(21,832)	(1,489)
Write-down of receivables from policyholders	122,627	8,364	142,339	9,708	(19,712)	(1,344)
Other	16,871	1,151	16,871	1,151		
TOTAL IRAP	1,168,229	79,675	1,421,046	96,918	(252,817)	(17,243)
TOTAL DEFERRED TAX ASSETS	3,656,793	678,579	4,404,834	816,321	(748,041)	(137,742)

(*) Rate: 24% IRES; 6.82% IRAP

The deferred tax liabilities accrued are detailed below:

<i>Amounts in €k</i>	2020 Fiscal effect (*)		2019 Fiscal effect (*)		Change	
	Amount	Tax effect	Taxable amount	Tax effect	Taxable amount	Tax effect
DEFERRED TAX LIABILITIES						
IRES						
Property	42,286	10,303	103,010	24,712	(60,724)	(14,409)
Capital gains in instalments	194,364	46,647	178,106	42,745	16,258	3,902
Other			2,035	488	(2,035)	(488)
TOTAL IRES	236,650	56,950	283,151	67,945	(46,501)	(10,995)
IRAP						
Property	18,656	1,272	62,221	4,243	(43,565)	(2,971)
TOTAL IRAP	18,656	1,272	62,221	4,243	(43,565)	(2,971)
TOTAL DEFERRED TAX LIABILITIES	255,306	58,222	345,372	72,188	(90,066)	(13,966)

(*) Rate: 24% IRES; 6.82% IRAP

Section 22 - Information on the income statement

Relations with group companies and other investees are detailed in Annex 30.
The main items are commented on in the special Section of the Management Report.

The statement summarising the premiums written for direct business by geographical area is shown in Annex 31.

The charges regarding human resources, directors and statutory auditors are detailed in Annex 32.
The number of employees at 31 December 2020, broken down by category, is as follows:

	2020	2019
Executives	166	157
Officers	1,609	1,700
Office workers	5,371	5,664
Other	3	6
Total	7,149	7,527

Considering the number of employees as FTE (Full Time Equivalent), the total equalled 6,926 resources.

Results on sales of capitalised securities

In the Non-Life business as well as in the Life business, the sales made in 2020 entailed gains of €56,607k and €100,245k, respectively.

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Results on transactions in financial derivatives

Derivative trading led to total net charges of €6,827k, which included net charges of €43,301k on transactions concluded in the period and net income of €50,128k on transactions still in place at year end. The following table shows the details of charges and income recognised in 2020 by type of derivative and transaction.

Amounts in €k

	Closed transactions	Ongoing transactions at year-end	Impact on Comprehensive Income Statement
Hedging derivatives			
- options on share	(820)	(5,041)	(5,861)
- swaps other		(548)	(548)
- swaps on rates	(43,921)	35,705	(8,216)
- swaps on currencies		591	591
- Other transactions	(698)	19,421	18,723
Total hedging derivatives	(45,439)	50,128	4,689
Other derivatives transactions			
- options on share	2,138		2,138
Total other derivatives transactions	2,138		2,138
Grand total	(43,301)	50,128	6,827

Part C: Other Information

Statement summarising the key figures of the financial statements of Unipol Gruppo at 31 December 2019 and 31 December 2018

In accordance with Art. 2497 et seq. of the Civil Code, the company Unipol Gruppo carries out management and coordination activities.

Amounts in €m

STATEMENT OF FINANCIAL POSITION	31.12.2019	31.12.2018
ASSETS		
A) SUBSCRIBED CAPITAL, UNPAID		
B) FIXED ASSETS		
I Intangible assets	1.5	2.3
II Property, plant and equipment	0.6	0.8
III Financial assets	7,375.9	7,013.4
TOTAL FIXED ASSETS	7,378.1	7,016.5
C) CURRENT ASSETS		
I Inventories		
II Receivables	487.3	546.9
III Current financial assets	435.4	150.1
IV Cash and cash equivalents	258.2	1,092.7
TOTAL CURRENT ASSETS	1,180.9	1,789.7
D) ACCRUALS AND DEFERRALS	1.5	2.9
TOTAL ASSET	8,560.5	8,809.1
LIABILITIES		
A) SHAREHOLDERS' EQUITY		
I Share capital	3,365.3	3,365.3
II Share premium reserve	1,345.7	1,435.7
III Revaluation reserves		
IV Legal reserve	673.1	583.0
V Statutory reserve		
VI Reserve for treasury shares in portfolio	0.5	63.4
VII Other reserves		
VIII Retained profit (loss)		
IX Profit (loss) for the year	283.5	66.2
X Negative reserve for treasury shares	(1.2)	(2.0)
TOTAL SHAREHOLDERS' EQUITY	5,666.9	5,511.6
B) PROVISIONS FOR RISKS AND CHARGES	36.7	433.7
C) POST-EMPLOYMENT BENEFITS	0.0	0.0
D) PAYABLES	2,856.9	2,863.7
TOTAL LIABILITIES	8,560.5	8,809.1

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Amounts in €m

INCOME STATEMENT	31.12.2019	31.12.2018
A) VALUE OF PRODUCTION	21.4	18.8
B) COSTS OF PRODUCTION	92.0	57.4
DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)	(70.6)	(38.6)
C) FINANCIAL INCOME AND CHARGES	329.3	373.6
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS	2.8	(290.0)
PRE-TAX PROFIT (LOSS)	261.5	45.1
PROFIT (LOSS) FOR THE YEAR	283.5	66.2

The key figures about the holding company Unipol Gruppo, shown in the previous summarised statement required by Art.2497-bis of the Civil Code, were taken from the relevant financial statements for the years ended 31 December 2019 and 31 December 2018.

For a suitable and comprehensive understanding of the equity-financial position of the Holding company and the economic result obtained by the company in the years ended on these dates, reference is made to the financial statements that, together with the reports by the Independent Auditors and the Board of Statutory Auditors, are available at the Company's registered office, Via Stalingrado 45, Bologna or on the website www.unipol.it.

Consolidated Financial Statements

UnipolSai prepares the Consolidated Financial Statements in accordance with Art. 154-ter of Italian Legislative Decree 58/1998 (Consolidated Law on Finance) and of ISVAP Regulation no. 7 of 13 July 2007, as amended, in accordance with the IAS/IFRS standards issued by the IASB and endorsed by the European Union. A copy of the Consolidated Financial Statements of UnipolSai at 31 December 2020 is on the company's website (www.unipolsai.com).

UnipolSai is directly controlled by the mixed financial holding company Unipol Gruppo S.p.A., a company listed on the Italian Stock Market in Milan, with its registered office in Bologna - Via Stalingrado, 45, which prepares the Consolidated Financial Statements in accordance with Art.154-ter of Italian Legislative Decree no. 58/1998 (Consolidated Law on Finance) and of ISVAP Regulation no. 7 of 13 July 2007, as amended, in accordance with the IAS/IFRS standards issued by the IASB and endorsed by the European Union. Unipol Gruppo carries out management and coordination activities with respect to the (direct and indirect) subsidiaries. It is also Parent of the Unipol Insurance Group entered in the Register of Insurance Groups - No. 046.

Information on public funds received

With reference to the regulation on the transparency of public funds introduced by Art. 1, paragraph 125 of Italian Law 124/2017 and subsequent amendments and supplements, note that in 2020 the company did not benefit from the subsidies, contributions and other economic benefits subject to the obligation of reporting in the financial statements pursuant to the above-mentioned legislation.

For the sake of comprehensiveness, although such grants are excluded from the transparency obligations established in the regulations cited, Aid measures and the relative individual Aid granted and recorded in the system by the Granting Authorities benefitting the Company, as the submitter of the relative request, also on behalf of the subsidiaries, are published in the National Register of State Aid, open to the public for consultation on the relative website in the transparency section.

Fees for audit and non-audit services

Pursuant to Art. 149-*duodecies* of Consob Issuer's Regulation, the following table shows the fees paid by the Company to the independent auditors, or members of the same network, for audit assignments and the provision of other services indicated separately by type or category.

The remuneration did not include VAT and expenses.

Amounts in €k

Type of services	Provider of the service	Recipient	Fees
Audit	PricewaterhouseCoopers S.p.A.	UnipolSai Assicurazioni S.p.A.	1,960
Attestation services	PricewaterhouseCoopers S.p.A.	UnipolSai Assicurazioni S.p.A.	504
Other services	PricewaterhouseCoopers S.p.A.	UnipolSai Assicurazioni S.p.A.	434
Other services	PricewaterhouseCoopers Actuarial Services S.r.l.	UnipolSai Assicurazioni S.p.A.	273
Total			3,171

3 Notes to the Financial Statements

Proposals for the approval of the financial statements, the allocation of profit for the period and relevant effects on the shareholders' equity

The Board of Directors submits to the Ordinary Shareholders' Meeting the following resolution proposal.

Proposals for the approval of the financial statements at 31 December 2020

The Ordinary Shareholders' Meeting of UnipolSai Assicurazioni S.p.A. ("UnipolSai" or the "Company"),

- having examined the draft financial statements at 31 December 2020, accompanied by the annexes and documentation required by Legislative Decree 209 of 7 September 2005, as well as the annexes and additional documents drawn up pursuant to ISVAP Regulation no. 22 of 4 April 2008, as subsequently amended,
- having read the Management Report about the operating performance at 31 December 2020
- having accepted the Board of Statutory Auditors' Report and the report prepared by the company PricewaterhouseCoopers S.p.A. appointed to serve as the independent auditor;
- having examined the results of said draft financial statements of UnipolSai, which close with profit for the year totalling €814.306.665,56, of which €707.292.501,39 relating to the Non-Life business and €107.014.164,17 relating to the Life business;

hereby resolves

- to approve the financial statements of UnipolSai at 31 December 2020, accompanied by the Management Report, recording profit for the year of €814.306.665,56 (the "Profit for the Year"), of which €707.292.501,39 relating to the Non-Life business and €107.014.164,17 relating to the Life business;

Proposed allocation of profit for the period

"The Ordinary Shareholders' Meeting of UnipolSai Assicurazioni S.p.A. ("UnipolSai" or the "Company"),

- having approved the financial statements of UnipolSai at 31 December 2020, which close with profit for the year totalling €814.306.665,56 (the "Profit for the Year"), of which €707.292.501,39 relating to the Non-Life business and €107.014.164,17 relating to the Life business
- having acknowledged that the legal reserve existing in the financial statements at 31 December 2020 and unchanged at the current date, has already reached the limit of 20% of the share capital,
- having acknowledged that as things currently stand, the Company holds 406.365 ordinary treasury shares;

hereby resolves

- to approve the proposed allocation of the Profit for the year at 31 December 2020, in compliance with Art. 27 of the By-Laws of UnipolSai, as follows:
 - distribution to the Shareholders of UnipolSai of a total of €537.569.091,33, of which €430.554.927,16 relating to the Non-Life business and €107.014.164,17 relating to the Life business, and thus distribution of a unit dividend, also in consideration of the redistribution pertaining to treasury shares, equal to €0,190 for each entitled ordinary share, with warning that the possible change in the number of treasury shares in the portfolio of the company at the time of the distribution will have no incidence on the amount of the unit dividend as established above, but will increase or decrease the amount allocated to extraordinary reserve;
 - allocation of the residual Profit for the year – totalling €276.737.574,23, to the Extraordinary reserve posted in the item of Other provisions of the shareholders' equity attributed to the Non-Life business,
- to set the dividend payment date as 26 May 2021 (ex-dividend date of 24 May 2021 and record date of 25 May 2021)."

Effects on the shareholders' equity

Below, separately for the Life and Non-Life businesses, are the statements regarding the amount of each immovable property under items A.I to A.X of the Statement of Financial Position - Liabilities and Shareholders' equity updated on the basis of the profit allocation proposal resulting from the financial statements.

Breakdown of Non-Life Shareholders' Equity

<i>Amounts in €k</i>		Balances at 31 December 2020	Allocation of profit and dividend distribution	Post-resolution balances
I	Share capital	1,528,514		1,528,514
II	Share premium reserve	147,888		147,888
III	Revaluation reserves	96,559		96,559
IV	Legal reserve	305,703		305,703
V	Statutory reserve			
VI	Reserve for shares of the holding company	789		789
VII	Other reserves	1,334,557	276,738	1,611,295
VIII	Retained profit (loss)			
IX	Profit (loss) for the year	707,293	(707,293)	
X	Negative reserve for treasury shares	(734)		(734)
	Dividend distribution		430,555	
	Total	4,120,568		3,690,013

Breakdown of Life Shareholders' Equity

<i>Amounts in €k</i>		Balances at 31 December 2020	Allocation of profit and dividend distribution	Post-resolution balances
I	Share capital	502,943		502,943
II	Share premium reserve	259,368		259,368
III	Revaluation reserves			
IV	Legal reserve	100,589		100,589
V	Statutory reserve			
VI	Reserve for shares of the holding company			
VII	Other reserves	1,360,415		1,360,415
VIII	Retained profit (loss)			
IX	Profit (loss) for the year	107,014	(107,014)	
X	Negative reserve for treasury shares			
	Dividend distribution		107,014	
	Total	2,330,328		2,223,314

Bologna, 18 March 2021

The Board of Directors





4

TABLES APPENDED
TO THE NOTES
TO THE FINANCIAL
STATEMENTS



4 Tables appended to the Notes to the Financial Statements

■ Tables appended to the Notes to the Financial Statements

Company

UnipolSai Assicurazioni S.p.A.

Share capital

Subscribed € 2,031,456,338

Paid-up € 2,031,456,338

Registered Office at

BOLOGNA - Via Stalingrado 45

Annexes to the Notes to the Financial Statements

Amounts in K€

N.	DESCRIPTION	*Non-Life	*Life	*Non-Life and Life
1	Statement of Financial Position - Non-Life business	1		
2	Statement of Financial Position - Life business		1	
3	Statement of breakdown of the profit (loss) for the year between the Non-Life business and the Life business			1
4	Assets - Changes in the year in intangible assets (item B) and land and buildings (item C.I)			1
5	Assets - Changes in the year in investments in group companies and other investees: shares and holdings (item C.II.1), bonds (item C.II.2) and loans (item C.II.3)			1
6	Assets - Statement with information relating to investees			1
7	Assets - Statement of changes in investments in group companies and other investees: shares and holdings			1
8	Assets - Breakdown based on the use of other financial investments: shares and holdings, mutual investment fund units, bonds and other fixed-yield securities, mutual investment units and sundry financial investments (items C.III.1, 2, 3, 5, 7)			1
9	Assets - Changes in the year in other financial investments with long-lived use: shares and holdings, mutual investment fund units, bonds and other fixed-yield securities, mutual investment units and sundry financial investments (items C.III.1, 2, 3, 5, 7)			1
10	Assets - Changes in the year in loans and bank deposits (items C.III.4, 6)			1
11	Assets - Statement of assets relating to benefits linked to investment funds and market indices (item D.I)		3	
12	Assets - Statement of assets arising from pension fund management (item D.II)		21	
13	Liabilities - Non-Life business - Changes in the year in premium provision (item C.I.1) and claims provision (item C.I.2)	1		
14	Liabilities - Changes in the year in mathematical provision (item C.II.1) and provision for profit sharing and reversals (item C.II.4)		1	
15	Liabilities - Changes in the year in provisions for risks and charges (item E) and post-employment benefits (item G.VII)			1
16	Details of assets and liabilities relating to Group companies and other investees			1
17	Information on 'guarantees, commitments and other memorandum accounts'			1
18	Statement of commitments for transactions on derivative contracts			1
19	Summarised information on Non-Life business technical account	1		
20	Summarised information on Life business regarding premiums and the reinsurance balance		1	
21	Gains on investments (items II.2 and III.3)			1
22	Income and unrealised gains relating to investments benefiting policyholders that bear the risk and investments arising from pension fund management (item II.3)		1	
23	Asset and financial charges (items II.9 and III.5)			1
24	Charges and unrealised losses relating to investments benefiting policyholders that bear the risk and investments arising from pension fund management (item II.10)		1	
25	Non-Life business - Summary of technical accounts by individual class - Italian portfolio	1		
26	Summary of the condensed technical account of all Non-Life classes - Italian portfolio	1		
27	Life business - Summary of technical accounts by individual class - Italian portfolio		1	
28	Summary of the condensed technical account of all Life classes - Italian portfolio		1	
29	Summary of the Non-Life and Life technical accounts - Foreign portfolio			1
30	Relations with group companies and other investees			1
31	Summary of direct business written premiums			1
32	Statement of charges regarding human resources, directors and statutory auditors			1

* State the number of forms and annexes actually filled in. Put 0 if the annex, though required, was not filled in as the items are null. Put n.a. if the company is not obliged to fill in the annex.

4 Tables appended to the Notes to the Financial Statements

STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

ASSETS

	Amounts for the year			
A. SUBSCRIBED CAPITAL, UNPAID				1
of which called				
				2
B. INTANGIBLE ASSETS				
1. Acquisition commissions to be amortised		4	16,387	
2. Other acquisition costs				6
3. Start-up and expansion costs				7
4. Goodwill			8	313,968
5. Other long-term costs			9	264,387
				10
				594,741
C. INVESTMENTS				
I - Land and buildings				
1. Property for corporate business			11	455,835
2. Property for use by third parties			12	743,295
3. Other property			13	9,096
4. Other property rights			14	2,279
5. Fixed assets in progress and payments on account			15	
				16
				1,210,505
II - Investments in group companies and other investees				
1. Shares and holdings in:				
a) holding companies	17	789		
b) subsidiaries	18	2,126,587		
c) affiliates	19	49,768		
d) associates	20	31,283		
e) other	21	328,359	22	2,536,786
2. Bonds issued by				
a) holding companies	23			
b) subsidiaries	24			
c) affiliates	25			
d) associates	26			
e) other	27	2,569	28	2,569
3. Loans to:				
a) holding companies	29	514,785		
b) subsidiaries	30	168,577		
c) affiliates	31	21,194		
d) associates	32	6,015		
e) other	33		34	710,572
			35	3,249,927
			to be carried forward	
				594,741

4 Tables appended to the Notes to the Financial Statements

STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

ASSETS

	Amounts for the year			
			amount carried forward	
				594,741
C. INVESTMENTS (continued)				
III - Other financial investments				
1. Shares and holdings				
a) Listed shares	36	248,472		
b) Unlisted shares	37	51,647		
c) Holdings	38		39 300,120	
2. Mutual investment fund units			40 2,137,977	
3. Bonds and other fixed-yield securities				
a) listed	41	7,958,039		
b) unlisted	42	158,333		
c) convertible bonds	43	653	44 8,117,025	
4. Loans				
a) collateralised loans	45			
b) loans on policies	46			
c) other loans	47	5,078	48 5,078	
5. Mutual investment units			49	
6. Bank deposits			50 20,115	
7. Sundry financial investments			51 19,260	52 10,599,575
IV - Deposits with ceding companies				53 145,059 54 15,205,065
D. bis TECHNICAL PROVISIONS - REINSURERS' SHARE				
I - NON-LIFE BUSINESS				
1. Premium provision			58 81,738	
2. Claims provision			59 455,916	
3. Provision for profit sharing and reversals			60	
4. Other technical provisions			61	62 537,654
			to be carried forward	16,337,461

Amounts for the previous year			
		amount carried forward	602,997
	216	180,926	
	217	51,842	
	218		219 232,768
			220 1,845,402
	221	7,904,717	
	222	137,107	
	223	7,812	224 8,049,635
	225		
	226		
	227	2,748	228 2,748
			229
			230 25,521
			231 19,761
			232 10,175,834
			233 6,850
			234 15,521,608
			238 83,820
			239 525,502
			240
			241
			242 609,322
		to be carried forward	16,733,927

4 Tables appended to the Notes to the Financial Statements

STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

ASSETS

	Amounts for the year			
		amount carried forward		
				16,337,461
E. RECEIVABLES				
I - Receivables relating to direct insurance business from:				
1. Policyholders				
a) for premiums for the year	71	511,899		
b) for premiums for previous years	72	4,857	73	516,756
2. Insurance intermediaries			74	835,601
3. Insurance company current accounts			75	19,345
4. Policyholders and third parties for amounts to be collected			76	130,010
II - Receivables relating to reinsurance business, from:			77	1,501,712
1. Insurance and reinsurance companies			78	56,048
2. Reinsurance intermediaries			79	11
III - Other receivables			80	56,059
			81	959,818
				82
F. OTHER ASSETS				2,517,589
I - Property, plant and equipment and inventories:				
1. Office furniture and machines and internal means of transport			83	42,412
2. Movable assets entered in public registers			84	
3. Plant and equipment			85	18,144
4. Inventories and sundry goods			86	4,304
II - Cash and cash equivalents			87	64,859
1. Bank deposits and post office accounts			88	262,466
2. Cheques and cash in hand			89	14
IV - Other assets			90	262,480
1. Transitory reinsurance accounts			92	
2. Sundry assets			93	1,044,911
of which Account connecting the Life business			94	1,044,911
			95	1,372,250
			901	82,671
G. ACCRUALS AND DEFERRALS				
1. Interest			96	104,479
2. Rental income			97	3,231
3. Other accruals and deferrals			98	30,262
			99	137,972
TOTAL ASSETS				100
				20,365,271

Amounts for the previous year					
		amount carried forward			16,733,927
	251	542,794			
	252	3,813	253	546,607	
			254	751,955	
			255	21,663	
			256	125,686	257 1,445,911
			258	127,227	
			259	11	260 127,238
					261 770,467 262 2,343,617
			263	45,980	
			264		
			265	20,171	
			266	4,293	267 70,444
			268	185,319	
			269	13	270 185,332
			272		
			273	1,031,114	274 1,031,114 275 1,286,890
			903	41,031	
				276	108,378
				277	1,703
				278	30,006 279 140,087
					280 20,504,520

4 Tables appended to the Notes to the Financial Statements

STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

LIABILITIES AND SHAREHOLDERS' EQUITY

	Amounts for the year			
A. SHAREHOLDERS' EQUITY				
I - Subscribed capital or equivalent provision		101	1,528,514	
II - Share premium reserve		102	147,888	
III - Revaluation reserves		103	96,559	
IV - Legal reserve		104	305,703	
V - Statutory reserve		105		
VI - Reserve for shares of the holding company		400	789	
VII - Other reserves		107	1,334,557	
VIII - Retained profit (loss)		108		
IX - Gains (losses) in the year		109	707,293	
X - Negative reserve for treasury shares		401	(734)	110 4,120,568
B. SUBORDINATED LIABILITIES				111 1,611,189
C. TECHNICAL PROVISIONS				
I - NON-LIFE BUSINESS				
1. Premium provision	112	3,029,753		
2. Claims provision	113	9,746,935		
3. Provision for profit sharing and reversals	114	5,709		
4. Other technical provisions	115	678		
5. Equalisation provisions	116	83,487		117 12,866,563
		to be carried forward		18,598,319

Amounts for the previous year			
	281	1,528,514	
	282	147,888	
	283	96,559	
	284	305,703	
	285		
	500	1,708	
	287	1,185,393	
	288		
	289	458,486	
	501	(1,847)	290 3,722,404
			291 1,315,189
	292	2,870,244	
	293	10,454,122	
	294	6,004	
	295	863	
	296	79,749	297 13,410,982
	to be carried forward		18,448,575

4 Tables appended to the Notes to the Financial Statements

STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

LIABILITIES AND SHAREHOLDERS' EQUITY

	Amounts for the year			
	amount carried forward			18,598,319
E. PROVISIONS FOR RISKS AND CHARGES				
1. Post-employment benefits and similar obligations		128	1,597	
2. Provisions for taxes		129	58,128	
3. Other provisions		130	377,102	131 436,827
F. DEPOSITS RECEIVED FROM REINSURERS				132 112,179
G. PAYABLES AND OTHER LIABILITIES				
I - Payables arising from direct insurance business, to:				
1. Insurance intermediaries	133	23,115		
2. Insurance company current accounts	134	11,112		
3. Policyholders for guarantee deposits and premiums	135	23,020		
4. Guarantee funds in favour of the policyholders	136	503	137 57,750	
II - Payables arising from reinsurance business, to:				
1. Insurance and reinsurance companies	138	43,316		
2. Reinsurance intermediaries	139	353	140 43,669	
III - Bond loans			141	
IV - Payables to banks and financial institutions			142	
V - Collateralised payables			143	
VI - Sundry loans and other financial payables			144 4,200	
VII - Post-employment benefits			145 38,988	
VIII - Other payables				
1. Policyholders' tax due	146	151,186		
2. Sundry tax payables	147	40,093		
3. Social security charges payable	148	31,099		
4. Sundry payables	149	260,607	150 482,985	
IX - Other liabilities				
1. Transitory reinsurance accounts	151			
2. Commissions for premiums under collection	152	93,284		
3. Sundry liabilities	153	468,091	154 561,374	155 1,188,966
of which Liaison account with Life business	902			
H. ACCRUALS AND DEFERRALS				
1. Interest			156 28,595	
2. Rental income			157 16	
3. Other accruals and deferrals			158 368	159 28,979
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY				160 20,365,271

Amounts for the previous year			
	amount carried forward		18,448,575
		308	2,032
		309	93,872
		310	371,944
			311 467,848
			312 117,690
	313	42,913	
	314	7,070	
	315	20,185	
	316	97	317 70,265
	318	47,605	
	319	358	320 47,963
			321
			322 208,342
			323 1,811
			324 290
			325 47,300
	326	155,437	
	327	31,819	
	328	31,748	
	329	277,010	330 496,014
	331		
	332	97,890	
	333	474,228	334 572,118
	904		335 1,444,103
			336 26,194
			337 17
			338 93
			339 26,305
			340 20,504,520

4 Tables appended to the Notes to the Financial Statements

STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

ASSETS

	Amounts for the year			
A. SUBSCRIBED CAPITAL, UNPAID				1
of which called	2			
B. INTANGIBLE ASSETS				
1. Acquisition commissions to be amortised	3	60,259		
2. Other acquisition costs	6			
3. Start-up and expansion costs	7			
4. Goodwill	8	69,661		
5. Other long-term costs	9	7,020		10
				136,940
C. INVESTMENTS				
I - Land and buildings				
1. Property for corporate business	11	28,658		
2. Property for use by third parties	12	1,441		
3. Other property	13			
4. Other property rights	14			
5. Fixed assets in progress and payments on account	15		16	30,099
II - Investments in group companies and other investees				
1. Shares and holdings in:				
a) holding companies	17			
b) subsidiaries	18	973,284		
c) affiliates	19	17,429		
d) associates	20	2,259		
e) other	21	290	22	993,262
2. Bonds issued by				
a) holding companies	23			
b) subsidiaries	24			
c) affiliates	25			
d) associates	26	6,849		
e) other	27		28	6,849
3. Loans to:				
a) holding companies	29	53,000		
b) subsidiaries	30			
c) affiliates	31	9,648		
d) associates	32			
e) other	33		34	62,648
			35	1,062,760
			to be carried forward	136,940

Amounts for the previous year				
				181
	182			
	183	58,892		
	186			
	187			
	188	86,334		
	189	7,641	190	152,866
	191	28,725		
	192	3,553		
	193			
	194			
	195		196	32,278
	197			
	198	973,284		
	199	17,429		
	200	2,259		
	201	290	202	993,262
	203			
	204			
	205			
	206	6,863		
	207		208	6,863
	209	53,000		
	210			
	211	20,420		
	212			
	213		214	73,420
			215	1,073,545
		to be carried forward		152,866

Amounts for the previous year			
		amount carried forward	152,866
	216	294,958	
	217	100,000	
	218		219 394,958
			220 1,576,177
	221	23,748,280	
	222	379,416	
	223	2	224 24,127,698
	225		
	226	19,411	
	227	15	228 19,426
			229
			230
			231 607
			232 26,118,866
			233 3,484
			234 27,228,172
			235 679,163
			236 4,946,603
			237 5,625,766
		243 28,552	
		244	
		245 2,124	
		246	
		247	
		248	249 30,676
		to be carried forward	33,037,480

4 Tables appended to the Notes to the Financial Statements

STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

ASSETS

		Amounts for the year			
		amount carried forward			
					33,327,957
E.	RECEIVABLES				
	I - Receivables relating to direct insurance business from:				
	1. Policyholders				
	a) for premiums for the year	71	86,067		
	b) for premiums for previous years	72		73	86,067
	2. Insurance intermediaries			74	123,979
	3. Insurance company current accounts			75	1,833
	4. Policyholders and third parties for amounts to be collected			76	
	II - Receivables relating to reinsurance business, from:			77	211,878
	1. Insurance and reinsurance companies			78	1,639
	2. Reinsurance intermediaries			79	
	III - Other receivables			80	1,639
				81	304,754
				82	518,271
F.	OTHER ASSETS				
	I - Property, plant and equipment and inventories:				
	1. Office furniture and machines and internal means of transport			83	
	2. Movable assets entered in public registers			84	
	3. Plant and equipment			85	
	4. Inventories and sundry goods			86	
	II - Cash and cash equivalents			87	
	1. Bank deposits and post office accounts			88	174,152
	2. Cheques and cash in hand			89	
	IV - Other assets			90	174,152
	1. Transitory reinsurance accounts			92	
	2. Sundry assets			93	167,860
	of which Liaison account with Non-Life business			94	167,860
				95	342,012
				901	
G.	ACCRUALS AND DEFERRALS				
	1. Interest			96	256,919
	2. Rental income			97	
	3. Other accruals and deferrals			98	4,142
				99	261,062
	TOTAL ASSETS			100	34,449,302

Amounts for the previous year			
		amount carried forward	33,037,480
	251	101,910	
	252	6	
		253	101,916
		254	123,280
		255	6,067
		256	
		257	231,263
		258	235
		259	
		260	235
		261	325,956
		262	557,455
		263	
		264	
		265	
		266	
		267	
		268	207,938
		269	
		270	207,938
		272	
		273	177,695
		274	177,695
		275	385,633
		903	
		276	265,179
		277	
		278	3,116
		279	268,295
		280	34,248,863

4 Tables appended to the Notes to the Financial Statements

STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

LIABILITIES AND SHAREHOLDERS' EQUITY

		Amounts for the year	
A.	SHAREHOLDERS' EQUITY		
I	- Subscribed capital or equivalent provision	101	502,943
II	- Share premium reserve	102	259,368
III	- Revaluation reserves	103	
IV	- Legal reserve	104	100,589
V	- Statutory reserve	105	
VI	- Reserve for shares of the holding company	400	
VII	- Other reserves	107	1,360,415
VIII	- Retained profit (loss)	108	
IX	- Profit (loss) for the year	109	107,014
X	- Negative reserve for treasury shares	401	110 2,330,328
B.	SUBORDINATED LIABILITIES		111 940,500
C.	TECHNICAL PROVISIONS		
II	- LIFE BUSINESS		
	1. Mathematical provisions	118 25,029,132	
	2. Premium provision from supplementary insurance	119 698	
	3. Provision for amounts payable	120 502,873	
	4. Provision for profit sharing and reversals	121 5,995	
	5. Other technical provisions	122 97,224	123 25,635,922
D.	TECHNICAL PROVISIONS WHERE THE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND INVESTMENTS ARISING FROM PENSION FUND MANAGEMENT		
I	- Provisions relating to contracts connected to investment funds and market indices	125	808,158
II	- Provisions arising from pension fund management	126	4,277,583
			127 5,085,742
		to be carried forward	33,992,492

4 Tables appended to the Notes to the Financial Statements

STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

LIABILITIES AND SHAREHOLDERS' EQUITY

	Amounts for the year			
	amount carried forward			33,992,492
E. PROVISIONS FOR RISKS AND CHARGES				
1. Post-employment benefits and similar obligations		128		
2. Provisions for taxes		129	10,903	
3. Other provisions		130	12,906	131 23,809
F. DEPOSITS RECEIVED FROM REINSURERS				132 15,158
G. PAYABLES AND OTHER LIABILITIES				
I - Payables arising from direct insurance business, to:				
1. Insurance intermediaries	133	1,130		
2. Insurance company current accounts	134	3,811		
3. Policyholders for guarantee deposits and premiums	135	101		
4. Guarantee funds in favour of the policyholders	136		137 5,042	
II - Payables arising from reinsurance business, to:				
1. Insurance and reinsurance companies	138	4,200		
2. Reinsurance intermediaries	139		140 4,200	
III - Bond loans			141	
IV - Payables to banks and financial institutions			142	
V - Collateralised payables			143	
VI - Sundry loans and other financial payables			144 10,505	
VII - Post-employment benefits			145 3,129	
VIII - Other payables				
1. Policyholders' tax due	146	302		
2. Sundry tax payables	147	7,899		
3. Social security charges payable	148			
4. Sundry payables	149	13,075	150 21,277	
IX - Other liabilities				
1. Transitory reinsurance accounts	151			
2. Commissions for premiums under collection	152	1,261		
3. Sundry liabilities	153	343,457	154 344,717	155 388,870
of which Account connecting the Non-Life business	902	82,671		
H. ACCRUALS AND DEFERRALS				
1. Interest			156 28,973	
2. Rental income			157	
3. Other accruals and deferrals			158	159 28,973
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			160	34,449,302

Amounts for the previous year				
	amount carried forward			33,770,782
		308		
		309	1,971	
		310	18,721	311 20,692
				312 27,511
	313	1,537		
	314	196		
	315	46		
	316		317 1,780	
	318	6,273		
	319		320 6,273	
			321	
			322	
			323	
			324 2,595	
			325 3,674	
	326	493		
	327	15,501		
	328			
	329	64,812	330 80,806	
	331			
	332	1,718		
	333	305,489	334 307,207	335 402,335
	904	41,031		
			336 27,543	
			337	
			338	339 27,543
				340 34,248,863

4 Tables appended to the Notes to the Financial Statements

Annex 3

Statement of breakdown of the profit (loss) for the year between the Non-Life business and the Life business

		Non-Life business	Life business	Total
Technical result				
	1	936,095	(9,926)	926,169
Gains on investments	+	2	602,520	602,520
Assets and financial charges	-	3	379,297	379,297
Share of profits on investments transferred from the Life business technical account	+		24	83,814
Share of profits on investments transferred to the Non-Life business technical account	-	5	156,260	156,260
Interim operating result		6	1,003,058	73,888
Other income	+	7	125,869	5,440
Other charges	-	8	303,528	68,998
Extraordinary income	+	9	186,612	168,470
Extraordinary expenses	-	10	39,662	52,597
Pre-tax profit (loss)		11	972,349	126,203
Income tax for the year	-	12	265,057	19,189
Profit (loss) for the year		13	707,293	107,014

Annex 4

Assets - Changes in the year in intangible assets (item B) and land and buildings (item C.I)

		Intangible assets B	Land and buildings C.I
Gross opening balance	+	1	2,486,370
Increases in the year	+	2	85,832
for: purchases or increases		3	85,616
reversals of impairment losses		4	
write backs		5	
other changes		6	216
Decreases in the year	-	7	1,051
for: sales or decreases		8	
write-downs		9	
other changes		10	1,051
Gross closing balance (a)		11	2,571,151
Amortisation/depreciation:			
Opening balance	+	12	1,730,506
Increases in the year	+	13	108,963
for: amount of amortisation for the year		14	108,963
other changes		15	
Decreases in the year	-	16	
for: decreases for disposals		17	
other changes		18	
Closing balance amortisation/depreciation (b)		19	1,839,469
Carrying amount (a - b)		20	731,682
Current value		21	
Total write-backs		22	
Total write-downs		23	

Assets - Changes in the year in investments in group companies and other investees: shares and holdings (item C.II.1), bonds (item C.II.2) and loans (item C.II.3)

		Shares and holdings C.II.1		Bonds C.II.2		Loans C.II.3
Opening balance	+	1 3,499,451	21	10,603	41	924,576
Increases in the year:	+	2 173,277	22		42	124,764
for: purchases, subscriptions or lending		3 109,764	23		43	124,764
reversals of impairment losses		4	24		44	
write-backs		5				
other changes		6 63,514	26		46	
Decreases in the year	-	7 142,680	27	1,184	47	276,121
for: sales or repayments		8 12,030	28	1,184	48	264,264
write-downs		9 1,513	29		49	
other changes		10 129,137	30		50	11,857
Carrying amount		11 3,530,048	31	9,419	51	773,220
Current value		12 3,412,980	32	8,784	52	773,220
Total write-backs		13 46,301				
Total write-downs		14 1,360,326	34		54	

Item C.II.2 includes

Listed bonds	61	
Unlisted bonds	62	9,419
Carrying amount	63	9,419
of which convertible bonds	64	

4 Tables appended to the Notes to the Financial Statements

Assets - Statement with information relating to investees (*)

Ord. No.(**)	Type (1)	Listed unlisted (2)	Business conducted	Name and registered office	Currency
2	a	L	2	Unipol Gruppo Spa-Bologna-IT	242
3	b	NL	9	Gruppo Una Spa-Milano-IT	242
4	b	NL	9	Auto Presto & Bene Spa (Ex Sai Sistemi Ass.Vi)-Torino-IT	242
6	b	NL	1	Bim Vita Spa (Ex Vitasi)-Torino-IT	242
7	b	NL	9	Casa Di Cura Villa Donatello-Firenze-IT	242
8	b	NL	9	Centro Oncol. F.No Casa Di Cura In Liquidazione-Sesto Fiorentino-IT	242
9	b	NL	1	Ddor Novi Sad Ord Eur-Novu Sad-RS	242
12	b	NL	2	Finsai International Sa-Luxembourg-LU	242
13	b	NL	2	Unipolsai Nederland Bv-Amsterdam-NL	242
14	b	NL	7	Unipolsai Servizi Consortili Srl-Bologna-IT	242
17	b	NL	1	Incontra Assicurazioni Spa (Ex Capitalia Ass.)-Milano-IT	242
21	b	NL	4	Nuove Iniziative Toscane Srl-Firenze-IT	242
23	b	NL	7	Pronto Assistance Servizi Srl-Torino-IT	242
24	b	NL	1	Pronto Assistance Spa-Torino-IT	242
26	c	NL	6	Unipolsai Investimenti Sgr (Ex Sai Investimenti)-Torino-IT	242
28	b	NL	8	Tenute Del Cerro S.P.A. (Ex Saiagricola)-Montepulciano-IT	242
31	b	NL	9	Unipolsai Servizi Previdenziali Srl-Firenze-IT	242
34	b	NL	4	Villa Ragionieri Srl-Firenze-IT	242
35	d	NL	2	Fin. Priv.-Milano-IT	242
39	e	NL	6	Acomea Sgr (Ex Sai Asset Management Sgr)-Milano-IT	242
40	e	NL	9	Compagnia Aerea Italiana Spa Ex Alitalia-Fiumicino-IT	242
41	e	NL	3	Banca Popolare Etica Scarl-PADOVA-IT	242
42	e	NL	9	Città Studi Spa New-Biella-IT	242
45	e	NL	9	Downall Srl In Liquidazione-Milano-IT	242
46	e	NL	4	Ex Var Scs-Luxembourg-LU	242
48	e	NL	3	Banca Dell'Elba Credito Cooperativo-Portoferraio-IT	242
49	e	NL	9	Istituto Europeo Di Oncologia-Milano-IT	242
50	e	NL	9	Mediorischi Srl-Milano-IT	242
52	d	NL	7	Uci - Ufficio Centrale Italiano-Milano-IT	242
53	e	NL	9	Gruppo Gpa In Liquidazione-Milano-IT	242
55	b	NL	4	Midi Srl-BOLOGNA-IT	242
57	d	NL	9	Hotel Villaggio Cdm Spa In Liquidazione-Modena-IT	242
60	e	NL	1	Syneteristiki Insurance Sa-ATENE-GR	242
61	e	NL	1	The Co-Operators Group Sa-Guelph-CA	242
62	e	NL	3	Banca Di Bologna Spa-Bologna-IT	242

(*) The group companies and the other companies in which an interest is held directly, also via a trust company or a third party, must be listed.

(**) The order number must be higher than "0"

(1) Type

- a = Holding companies
- b = Subsidiaries
- c = Affiliates
- d = Associates
- e = Others

(3) Business conducted

- 1 = Insurance company
- 2 = Financial company
- 3 = Bank
- 4 = Real Estate company
- 5 = Trust company
- 6 = Management company distributing mutual investment funds
- 7 = Consortium
- 8 = Industrial company
- 9 = Other company or entity

(4) Amounts in original

(5) Specify the entire stake held

(2) Enter L for securities traded on regulated markets and NL for the others

Share capital		Shareholders' equity (***)	Profit or loss of the year (***) (4)	Portion held (5)		
Amount (4)	Number of shares			Direct %	Indirect %	Total %
3,365,292,407	717,473,508				0.03	0.03
37,817,599	37,817,599	13,436,151	(22,974,998)	100.00		100.00
2,619,061	2,619,061	9,223,833	3,174,873	100.00		100.00
11,500,000	11,500,000	25,137,720	1,637,175	50.00		50.00
361,200	70,000	62,539,427	397,028	100.00		100.00
182,000	350,000	9,733,720	429,210	100.00		100.00
2,579,597,280	2,114,424	65,110,370	10,430,488	100.00		100.00
100,000	401,566	180,296	(33,414)	63.85	36.15	100.00
19,070	1,907	355,823,932	(147,465)	100.00		100.00
5,200,000	10,000,000	32,063,197	55,417	99.17	0.81	99.98
5,200,000	5,200,000	41,051,076	14,930,289	51.00		51.00
26,000,000	50,000,000	71,163,394	(1,413,823)	100.00		100.00
516,000	516,000	2,558,982	2,411	95.65	4.35	100.00
3,913,588	3,913,588			49.00		49.00
66,000,000	66,000,000	76,337,487	(140,336)	100.00		100.00
104,000	200,000	1,161,297	258,896	100.00		100.00
20,000	20,000	94,253,086	(20,956)	28.57		28.57
4,600,000	577,500			8.66		8.66
3,526,846	82,769,810,125			0.04		0.04
77,442,750	1,475,100			0.18		0.18
26,891,947	26,891,947			0.02		0.02
100,000	100,000			10.00		10.00
37,221	37,221			18.97		18.97
2,869,223	47,230			1.69		1.69
80,579,007	80,579,007			14.37		14.37
524,922	1,029,259	1,329,845	15,965	38.12	0.10	38.22
3,772,000	16,400,000			10.00		10.00
112,000,000	112,000,000	144,389,086	(233,201)	100.00		100.00
2,030,000	7,000,000	(3,759,358)	(123,353)	49.00		49.00
7,907,924	26,359,747			18.73		18.73
26,793,000	345,772			5.78		5.78
44,028,574	852,606			0.13		0.13

(***) To be filled in only for subsidiaries and associates

4 Tables appended to the Notes to the Financial Statements

Assets - Statement with information relating to investees (*)

Ord. No.(**)	Type (1)	Listed unlisted (2)	Business conducted	Name and registered office	Currency
64	e	NL	9	Cooptech Scarl-ROMA-IT	242
65	e	NL	9	Fondazione Unipolis-Bologna-IT	242
66	e	NL	9	Inforcoop Scarl-ROMA-IT	242
68	e	NL	7	Consorzio Energia Fiera District-Bologna-IT	242
69	b	NL	2	Unipolsai Finance Spa-BOLOGNA-IT	242
70	e	NL	4	Euromilano Spa-Milano-IT	242
81	b	NL	9	Sogeint Srl-S.DonatoMI-IT	242
82	e	NL	1	Tirrena Assicurazioni Spa-Roma-IT	242
83	d	NL	4	Garibaldi Sca-Luxembourg-LU	242
87	d	NL	4	Isola (Ex Hedf Isola)-Luxembourg-LU	242
94	b	NL	9	Alfaevolution Technology Spa-Bologna-IT	242
95	d	NL	4	Borsetto Srl-Torino-IT	242
96	d	NL	2	Butterfly Am Sarl-Luxembourg-LU	242
97	d	NL	9	Funivie Del Piccolo San Bernardo Spa-La Thuile-IT	242
98	b	NL	9	Ital H&R Srl-Bologna-IT	242
99	b	NL	4	Marina Di Loano Spa-Loano-IT	242
100	b	NL	4	Meridiano Secondo Srl-Milano-IT	242
104	d	NL	9	Servizi Immobiliari Martinelli Spa-Cinisello Balsamo-IT	242
105	b	NL	1	Siat-Genova-IT	242
106	b	NL	4	Società Edilizia Immobiliare Sarda - Seis Spa-Bologna-IT	242
108	b	NL	9	Leithà Srl-Bologna-IT	242
109	b	NL	9	Ambra Property Srl-Bologna-IT	242
110	b	NL	1	Linear Assicurazioni Spa-BOLOGNA-IT	242
111	b	NL	1	Unisalute Spa-BOLOGNA-IT	242
112	b	NL	1	Arca Vita Spa-VERONA-IT	242
113	e	L	3	Bper Banca Spa-Modena-IT	242
114	c	NL	2	UnipolReC Spa-Bologna-IT	242
118	b	NL	9	Centri Medici Dyadea Srl-Bologna-IT	242
119	e	NL	4	Visconti Srl-Milano-IT	242
120	b	NL	8	Cambiomarcia Srl-Ravenna-IT	242
121	b	NL	9	Unica Lab S.R.L.-Bologna-IT	242
122	b	NL	9	UnipolRental Spa-Reggio Emilia-IT	242

(*) The group companies and the other companies in which an interest is held directly, also via a trust company or a third party, must be listed.

(**) The order number must be higher than "0"

(1) Type

- a = Holding companies
- b = Subsidiaries
- c = Affiliates
- d = Associates
- e = Others

(2) Enter L for securities traded on regulated markets and NL for the others

(3) Business conducted

- 1 = Insurance company
- 2 = Financial company
- 3 = Bank
- 4 = Real Estate company
- 5 = Trust company
- 6 = Management company distributing mutual investment funds
- 7 = Consortium
- 8 = Industrial company
- 9 = Other company or entity

(4) Amounts in original

(5) Specify the entire stake held

Share capital		Shareholders' equity (***)	Profit or loss of the year (***) (4)	Portion held (5)		
Amount (4)	Number of shares			Direct %	Indirect %	Total %
49,020	95			5.26	5.26	
258,230	1			100.00	100.00	
889,550	889,550			2.44	2.44	
33,000	14			7.14	7.14	
32,000,000	32,000,000	239,499,430	3,589,811	100.00	100.00	
1,356,582	87,492			14.86	14.86	
100,000	100,000	2,574,709	377,394	100.00	100.00	
17,850,000	35,000,000			11.14	11.14	
31,000	31,000	(7,127,381)	(76,834)	32.00	32.00	
31,000	31,000	(4,227,829)	(62,017)	29.56	29.56	
5,000,000	5,000,000	86,056,701	601,899	100.00	100.00	
2,971,782	2,971,782	1,840,727	(170,165)	44.93	44.93	
10,713,416	6,121,952	12,604,587	126,828	23.55	23.55	
13,312	13,312	(198,218)	(268,903)	100.00	100.00	
5,536,000	5,536	78,700,633	51,947	100.00	100.00	
2,000,000	2,000,000	206,635,119	(3,722,489)	100.00	100.00	
100,000	1,000	1,246,378	58,999	20.00	20.00	
38,000,000	38,000,000	62,593,173	3,441,187	94.69	94.69	
100,000	100,000	976,745	490,800	100.00	100.00	
19,300,000	19,300,000	137,791,277	22,139,376	100.00	100.00	
78,028,566	78,028,566	205,222,286	42,287,811	98.99	98.99	
208,279,080	34,713,180	388,175,151	61,821,686	63.39	63.39	
2,100,435,182	1,413,263,512			9.34	9.34	
290,122,715	290,122,715			14.76	14.76	
1,858,782	1,858,782	649,335	(906,085)	100.00	100.00	
11,000,000	11,000,000			7.60	7.60	
13,974	13,974	98,712	(473,353)	100.00	100.00	
1,000,000	1,000,000	848,870	(151,130)	100.00	100.00	
25,000,000	25,000,000	66,171,311	14,506,887	100.00	100.00	

(***) To be filled in only for subsidiaries and associates

4 Tables appended to the Notes to the Financial Statements

Assets - Statement of changes in investments in group companies and other investees: shares and holdings

Ord. No(1)	Type (2)	(3)	Name	Increases in the year		
				For purchases		Other increases
				Quantity	Value	
2	a	D	Unipol Gruppo Spa	1,000,000	3,368	
3	b	D	Gruppo Una Spa			4,247
3	b	V	Gruppo Una Spa			
4	b	D	Auto Presto & Bene Spa (Ex Sai Sistemi Ass.Vi)			
6	b	V	Bim Vita Spa (Ex Vitasi)			
7	b	D	Casa Di Cura Villa Donatello			45,921
8	b	D	Centro Oncol. F.No Casa Di Cura In Liquidazione			
9	b	D	Ddor Novi Sad Ord Eur			
9	b	V	Ddor Novi Sad Ord Eur			
12	b	D	Finsai International Sa			
12	b	V	Finsai International Sa			
13	b	D	Unipolsai Nederland Bv			
13	b	V	Unipolsai Nederland Bv			
14	b	D	Unipolsai Servizi Consortili Scrl			288
14	b	V	Unipolsai Servizi Consortili Scrl			
17	b	D	Incontra Assicurazioni Spa (Ex Capitalia Ass.)			
21	b	D	Nuove Iniziative Toscane Srl			2,200
23	b	D	Pronto Assistance Servizi Scrl			5
24	b	D	Pronto Assistance Spa			
26	c	V	Unipolsai Investimenti Sgr (Ex Sai Investimenti)			
28	b	D	Tenute Del Cerro S.P.A. (Ex Saiagricola)			897
28	b	V	Tenute Del Cerro S.P.A. (Ex Saiagricola)			
31	b	D	Unipolsai Servizi Previdenziali Srl			
34	b	D	Villa Ragionieri Srl			
35	d	D	Fin. Priv.			
39	e	D	Acomea Sgr (Ex Sai Asset Management Sgr)			
			Totals C.II.1		9,293	163,984
	a		Holding companies		3,368	
	b		Subsidiaries		5,925	90,814
	c		Affiliates			
	d		Associates			76
	e		Others			73,094
			Total D.I			
			Total D.II			

(1) It must match the one stated in Annex 6

(2) Type

- a = Holding companies
- b = Subsidiaries
- c = Affiliates
- d = Associates
- e = Others

(3) State:

- D for the investments allocated to the Non-Life business (item C.II.1)
 - V for the investments allocated to the Life business (item C.II.1)
 - V1 for the investments allocated to the Life business (item D.1)
 - V2 for the investments allocated to the Life business (item D.2)
- The interest, also when split, must be assigned the same order number

Decreases in the year			Carrying amount (4)		Cost	Current value
For sales		Other decreases	Quantity	Value		
Quantity	Value					
		4,288	236,496	789	789	924
			18,530,624	17,960	101,569	17,960
			19,286,975	14,273	101,385	14,273
			2,619,061	5,754	22,990	5,754
			5,750,000	9,923	9,923	9,923
		3,531	70,000	66,346	73,325	66,346
			350,000	8,900	84,365	8,900
			422,912	17,195	53,474	17,195
			1,691,512	68,776	213,878	68,776
			181,679			
			74,704			
			565	115,841	195,863	115,841
			1,342	275,147	465,219	275,147
			7,448,378	23,841	46,017	23,841
			2,469,094	7,903	15,355	7,903
			2,652,000	11,784	56,000	11,784
		1,286	50,000,000	71,367	235,313	71,367
			493,569	2,342	2,342	2,342
		13,566				
			1,917,658	5,940	5,947	5,940
			61,509,359	66,569	76,606	66,569
			4,490,641	4,900	6,126	4,900
			200,000	762	2,046	762
		53,934				
			5,714	27,446	29,552	27,446
			21,007	210	265	210
	12,030	130,650		3,530,048	4,890,374	3,412,980
		4,288		789	789	924
	11,999	126,206		3,099,871	4,262,830	3,099,871
				67,197	141,676	67,197
		76		33,541	43,500	33,541
	31	80		328,649	441,580	211,446

(4) Highlight with a (*) if measured using the equity method (for Type b and D only)

4 Tables appended to the Notes to the Financial Statements

Assets - Statement of changes in investments in group companies and other investees: shares and holdings

Ord. No(1)	Type (2)	(3)	Name	Increases in the year		
				For purchases		Other increases
				Quantity	Value	
39	e	V	Acomea Sgr (Ex Sai Asset Management Sgr)			
40	e	D	Compagnia Aerea Italiana Spa Ex Alitalia			
41	e	D	Banca Popolare Etica Scarl			
42	e	D	Città Studi Spa New			
45	e	D	Downall Srl In Liquidazione			
46	e	D	Ex Var Scs			
48	e	D	Banca Dell'Elba Credito Cooperativo			
49	e	D	Istituto Europeo Di Oncologia			
50	e	D	Mediorischi Srl			
52	d	D	Uci - Ufficio Centrale Italiano			
53	e	D	Gruppo Gpa In Liquidazione			
55	b	D	Midi Srl			12,154
57	d	D	Hotel Villaggio Cdm Spa In Liquidazione			
60	e	D	Syneteristiki Insurance Sa			
61	e	D	The Co-Operators Group Sa			
62	e	D	Banca Di Bologna Spa			
64	e	D	Cooptech Scarl			
65	e	D	Fondazione Unipolis			
66	e	D	Inforcoop Scarl			
68	e	D	Consorzio Energia Fiera District			
69	b	D	Unipolsai Finance Spa			
69	b	V	Unipolsai Finance Spa			
70	e	D	Euromilano Spa			
81	b	D	Sogeint Srl			
82	e	D	Tirrena Assicurazioni Spa			
83	d	V	Garibaldi Sca			
87	d	V	Isola (Ex Hedf Isola)			
94	b	D	Alfaevolution Technology Spa			
95	d	D	Borsetto Srl			76
96	d	D	Butterfly Am Sarl			
97	d	D	Funivie Del Piccolo San Bernardo Spa			
98	b	D	Ital H&R Srl			
99	b	D	Marina Di Loano Spa			
100	b	D	Meridiano Secondo Srl			24,100
104	d	D	Servizi Immobiliari Martinelli Spa			

(1) It must match the one stated in Annex 6

(2) Type

- a = Holding companies
- b = Subsidiaries
- c = Affiliates
- d = Associates
- e = Others

(3) State:

- D for the investments allocated to the Non-Life business (item C.II.1)
 - V for the investments allocated to the Life business (item C.II.1)
 - V1 for the investments allocated to the Life business (item D.1)
 - V2 for the investments allocated to the Life business (item D.2)
- The interest, also when split, must be assigned the same order number

Decreases in the year		Other decreases	Carrying amount (4)		Cost	Current value
For sales			Quantity	Value		
Quantity	Value					
			28,993	290	436	290
			29,589,882		50,000	
			2,600	138	138	138
		1	5,825	4	18	4
			9,999		1,020	
			7,060	7	271	7
			800	41	41	41
			11,581,062	11,881	19,170	11,881
12,035	31					
			392,351	218	301	218
			1,639,980		8,500	
			112,000,000	141,527	141,527	141,527
			3,429,933		3,275	
			4,935,943	2,124	2,124	2,124
			20,000	1,232	1,232	1,232
			1,072	57	57	57
			5	3	3	3
			1	258	258	258
			21,730		22	
			1	2	2	2
			16,000,000	117,362	141,864	117,362
			16,000,000	117,362	135,822	117,362
			13,000	200	15,562	200
			100,000	100	980	100
			3,900,000		21,175	
			9,920	660	660	660
			9,164	1,598	1,598	1,598
			5,000,000	90,000	90,000	90,000
		76	1,335,149	903	3,868	903
			1,441,691	2,695	4,225	2,695
		71	13,312		118	
			5,536	81,709	207,139	81,709
			2,000,000	214,160	235,519	214,160
			200	20	20	20

(4) Highlight with a (*) if measured using the equity method (for Type b and D only)

4 Tables appended to the Notes to the Financial Statements

Assets - Statement of changes in investments in group companies and other investees: shares and holdings

Ord. No(1)	Type (2)	(3)	Name	Increases in the year		
				For purchases		Other increases
				Quantity	Value	
105	b	D	Siat			
106	b	D	Società Edilizia Immobiliare Sarda - Seis Spa			
108	b	D	Leithà Srl			
109	b	D	Ambra Property Srl			
110	b	D	Linear Assicurazioni Spa			
111	b	D	Unisalute Spa			
112	b	V	Arca Vita Spa			
113	e	D	Bper Banca Spa			73,094
114	c	D	UnipolReC Spa			
114	c	V	UnipolReC Spa			
118	b	D	Centri Medici Dyadea Srl			
119	e	D	Visconti Srl			
120	b	D	Cambiomarcia Srl	13,974	5,925	
121	b	D	Unica Lab S.R.L.			1,000
122	b	D	UnipolRental Spa			

(1) It must match the one stated in Annex 6

(2) Type

- a = Holding companies
- b = Subsidiaries
- c = Affiliates
- d = Associates
- e = Others

(3) State:

- D for the investments allocated to the Non-Life business (item C.II.1)
 - V for the investments allocated to the Life business (item C.II.1)
 - V1 for the investments allocated to the Life business (item D.1)
 - V2 for the investments allocated to the Life business (item D.2)
- The interest, also when split, must be assigned the same order number

Decreases in the year			Carrying amount (4)		Cost	Current value
For sales		Other decreases	Quantity	Value		
Quantity	Value					
			35,983,610	39,809	39,809	39,809
387,500	11,999					
			100,000	100	100	100
		53,819				
			19,300,000	180,000	180,000	180,000
			77,242,993	745,000	745,000	745,000
			22,005,690	475,000	475,000	475,000
			131,975,560	311,445	320,450	194,242
			34,780,915	49,768	114,385	49,768
			8,029,607	11,490	21,345	11,490
			1,858,782	5,142	5,142	5,142
		79	836,310	757	836	757
			13,974	5,925	5,925	5,925
			1,000,000	1,000	1,000	1,000
			25,000,000	96,092	96,092	96,092

(4) Highlight with a (*) if measured using the equity method (for Type b and D only)

4 Tables appended to the Notes to the Financial Statements

Annex 8

Assets - Breakdown based on the use of other financial investments: shares and holdings, mutual investment fund units, bonds and other fixed-yield securities, mutual investment units and sundry financial investments (items C.III.1, 2, 3, 5, 7)

	Long-term use portfolio		Short-term use portfolio		Total							
	Carrying amount	Current value	Carrying amount	Current value	Carrying amount	Current value						
I - Non-Life business												
1. Shares and holdings in:	1	1,497	21	1,497	41	298,623	61	305,825	81	300,120	101	307,322
a) listed shares	2		22		42	248,472	62	255,648	82	248,472	102	255,648
b) unlisted shares	3	1,497	23	1,497	43	50,151	63	50,177	83	51,647	103	51,674
c) holdings	4		24		44		64		84		104	
2. Mutual investment fund units .	5	39,339	25	42,815	45	2,098,639	65	2,160,243	85	2,137,977	105	2,203,058
3. Bonds and other fixed-yield securities	6	3,911,809	26	4,818,010	46	4,205,216	66	4,489,270	86	8,117,025	106	9,307,280
a1) Listed government securities	7	2,575,398	27	3,352,428	47	546,665	67	559,823	87	3,122,063	107	3,912,251
a2) other listed securities	8	1,228,075	28	1,342,271	48	3,607,901	68	3,878,291	88	4,835,976	108	5,220,562
b1) unlisted government securities	9	81,497	29	94,351	49		69		89	81,497	109	94,351
b2) other unlisted securities	10	26,839	30	28,960	50	49,997	70	50,504	90	76,836	110	79,464
c) convertible bonds	11		31		51	653	71	653	91	653	111	653
5. Mutual investment units	12		32		52		72		92		112	
7. Sundry financial investments	13		33		53	19,260	73	22,296	93	19,260	113	22,296

	Long-term use portfolio		Short-term use portfolio		Total							
	Carrying amount	Current value	Carrying amount	Current value	Carrying amount	Current value						
II - Life business												
1. Shares and holdings in:	121		141	268,521	161	268,521	181	277,191	201	268,521	221	277,191
a) listed shares	122		142	168,521	162	168,521	182	177,171	202	168,521	222	177,171
b) unlisted shares	123		143	100,000	163	100,000	183	100,019	203	100,000	223	100,019
c) holdings .	124		144		164		184		204		224	
2. Mutual investment fund units	125	17,944	145	18,034	165	2,532,606	185	2,590,748	205	2,550,550	225	2,608,782
3. Bonds and other fixed-yield securities	126	16,579,122	146	20,697,915	166	7,571,001	186	8,553,254	206	24,150,123	226	29,251,169
a1) Listed government securities	127	12,277,340	147	15,950,123	167	3,881,943	187	4,589,570	207	16,159,283	227	20,539,693
a2) other listed securities	128	3,915,818	148	4,297,967	168	3,669,540	188	3,944,165	208	7,585,358	228	8,242,132
b1) unlisted government securities	129	215,198	149	268,729	169		189		209	215,198	229	268,729
b2) other unlisted securities	130	170,767	150	181,096	170	19,516	190	19,517	210	190,283	230	200,613
c) convertible bonds	131		151		171	1	191	2	211	1	231	2
5. Mutual investment units	132		152		172		192		212		232	
7. Sundry financial investments	133		153		173	5,602	193	1,159	213	5,602	233	1,159

Annex 9

Assets - Changes in the year in other financial investments with long-lived use: shares and holdings, mutual investment fund units, bonds and other fixed-yield securities, mutual investment units and sundry financial investments (items C.III.1, 2, 3, 5, 7)

		Shares and holdings C.III.1	Mutual investment fund units C.III.2	Bonds and other fixed- yield securities C.III.3	Mutual investment units C.III.5	Sundry financial investments C.III.7
Opening balance	+	1 1,497	21 44,202	41 20,937,505	81	101
Increases in the year:	+	2	22 29,412	42 3,266,135	82	102
for: purchases		3 29,218	23	43 2,928,880	83	103
reversals of impairment losses		4	24	44	84	104
transfers from the short-term portfolio		5	25	45 127,292	85	105
other changes		6 195	26	46 209,964	86	106
Decreases in the year:	-	7	27 16,332	47 3,712,709	87	107
for: sales		8	28	48 3,530,469	88	108
write-downs		9 11,445	29	49	89	109
transfers to the short-term portfolio		10 1,329	30	50 115,409	90	110
other changes		11 3,557	31	51 66,831	91	111
Carrying amount		12 1,497	32 57,283	52 20,490,931	92	112
Current value		13 1,497	33 60,850	53 25,515,925	93	113

Annex 10

Assets - Changes in the year in loans and bank deposits (items C.III.4, 6)

		Loans C.III.4	Bank deposits C.III.6
Opening balance	+	1 22,174	21 25,521
Increases in the year:	+	2 7,570	22 650
for: lending		3 7,353	
reversals of impairment losses		4	
other changes		5 218	
Decreases in the year:	-	6 8,867	26 6,056
for: repayments		7 8,787	
write-downs		8	
other changes		9 80	
Carrying amount		10 20,877	30 20,115

4 Tables appended to the Notes to the Financial Statements

Annex 11

Assets - Statement of assets relating to benefits linked to investment funds and market indices (item D.I)

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Land and buildings	1	21	41	61
II. Investments in group companies and other investees:				
1. Shares and holdings	2	22	42	62
2. Bonds	3	23	43	63
3. Loans	4	24	44	64
III. Mutual investment fund units	5	628,368	25	518,965
IV. Other financial investments:				
1. Shares and holdings	6	752	26	5,804
2. Bonds and other fixed-yield securities	7	121,513	27	107,521
3. Bank deposits	8		28	
4. Sundry financial investments	9	494	29	395
V. Other assets	10	617	30	447
VI. Cash and cash equivalents	11	56,847	31	47,001
Payables and expenses	12	(433)	32	(971)
	13		33	
Total	14	808,158	34	679,163
			54	731,208
			74	618,077

Annex11/1

INDEX LINKED

		Current value		Acquisition cost	
		Year	Previous year	Year	Previous year
I. Land and buildings	1	21		41	61
II. Investments in group companies and other investees:					
1. Shares and holdings	2	22		42	62
2. Bonds	3	23		43	63
3. Loans	4	24		44	64
III. Mutual investment fund units	5	25		45	65
IV. Other financial investments:					
1. Shares and holdings	6	26		46	66
2. Bonds and other fixed-yield securities	7	408	650	1,487	1,571
3. Bank deposits	8	28		48	68
4. Sundry financial investments	9	494	395	448	395
V. Other assets	10	30		50	70
VI. Cash and cash equivalents	11	31		51	71
	12	32		52	72
	13	33		53	73
Total	14	902	1,045	1,935	1,966

Annex11/2

UNIT LINKED

		Current value		Acquisition cost	
		Year	Previous year	Year	Previous year
I. Land and buildings	1	21		41	61
II. Investments in group companies and other investees:					
1. Shares and holdings	2	22		42	62
2. Bonds	3	23		43	63
3. Loans	4	24		44	64
III. Mutual investment fund units	5	628,368	518,965	557,339	460,203
IV. Other financial investments:					
1. Shares and holdings	6	752	5,804	999	6,084
2. Bonds and other fixed-yield securities	7	121,105	106,872	113,904	103,346
3. Bank deposits	8	28		48	68
4. Sundry financial investments	9	29		49	69
V. Other assets	10	617	447	617	447
VI. Cash and cash equivalents	11	56,847	47,001	56,847	47,001
Payables and expenses	12	(433)	(971)	(433)	(971)
	13	33		53	73
Total	14	807,256	678,118	729,274	616,111

4 Tables appended to the Notes to the Financial Statements

Annex 12

Assets - Statement of assets arising from pension fund management (item D.II)

	Current value		Acquisition cost					
	Year	Previous year	Year	Previous year				
I. Investments in group companies and other investees:								
1. Shares and holdings	1	21	41	61				
2. Bonds	2	22	42	62				
II. Other financial investments:								
1. Shares and holdings	3	123,382	23	142,901	43	111,485	63	127,243
2. Bonds and other fixed-yield securities	4	2,819,587	24	4,211,333	44	2,771,179	64	4,230,827
3. Mutual investment fund units	5	379,622	25	299,323	45	332,451	65	234,294
4. Bank deposits	6		26		46		66	
5. Sundry financial investments	7		27		47		67	
III. Other assets	8	12,534	28	21,217	48	12,534	68	21,217
IV. Cash and cash equivalents	9	957,269	29	288,143	49	957,269	69	288,143
Securities to be settled, payables and sundry liabilities	10	(14,812)	30	(16,314)	50	(14,812)	70	(16,314)
	11		31		51		71	
Total	12	4,277,583	32	4,946,603	52	4,170,106	72	4,885,411

Annex 12/04

UNIPOLSAI PREVIDENZA FPA

	Current value		Acquisition cost					
	Year	Previous year	Year	Previous year				
I. Investments in group companies and other investees:								
1. Shares and holdings	1	21	41	61				
2. Bonds	2	22	42	62				
II. Other financial investments:								
1. Shares and holdings	3	123,382	23	142,901	43	111,485	63	127,243
2. Bonds and other fixed-yield securities	4	462,632	24	540,231	44	445,813	64	533,306
3. Mutual investment fund units	5	251,637	25	156,394	45	231,172	65	139,418
4. Bank deposits	6		26		46		66	
5. Sundry financial investments	7		27		47		67	
III. Other assets	8	2,624	28	2,798	48	2,624	68	2,798
IV. Cash and cash equivalents	9	26,699	29	18,552	49	26,699	69	18,552
Securities to be settled, payables and sundry liabilities	10	(3,734)	30	(7,398)	50	(3,734)	70	(7,398)
	11		31		51		71	
Total	12	863,240	32	853,479	52	814,059	72	813,919

Annex 12/07

COMETA

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	872,610	44	888,942
3. Mutual investment fund units	5	17,605	45	10,663
4. Bank deposits	6	26	46	66
5. Sundry financial investments	7	27	47	67
III. Other assets	8	3,909	48	3,909
IV. Cash and cash equivalents	9	9,975	49	9,975
Securities to be settled, payables and sundry liabilities	10	(377)	50	(377)
	11	31	51	71
Total	12	903,721	52	913,111

Annex 12/08

ARCO

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	51,833	44	51,107
3. Mutual investment fund units	5	4,297	45	2,665
4. Bank deposits	6	26	46	66
5. Sundry financial investments	7	27	47	67
III. Other assets	8	234	48	234
IV. Cash and cash equivalents	9	24,526	49	24,526
Securities to be settled, payables and sundry liabilities	10	(232)	50	(232)
	11	31	51	71
Total	12	80,658	52	78,300

4 Tables appended to the Notes to the Financial Statements

Annex 12/10

ALIFOND

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	26,377	44	26,067
3. Mutual investment fund units	5	4,030	45	3,717
4. Bank deposits	6	26	46	66
5. Sundry financial investments	7	27	47	67
III. Other assets	8	73	48	73
IV. Cash and cash equivalents	9	190,173	49	190,173
Securities to be settled, payables and sundry liabilities	10	(156)	50	(156)
	11	31	51	71
Total	12	216,466	52	216,156
	32	102,600	72	102,104

Annex 12/11

BYBLOS

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	159,188	44	157,967
3. Mutual investment fund units	5	25,619	45	24,434
4. Bank deposits	6	26	46	66
5. Sundry financial investments	7	27	47	67
III. Other assets	8	844	48	844
IV. Cash and cash equivalents	9	8,578	49	8,578
Securities to be settled, payables and sundry liabilities	10	(227)	50	(227)
	11	31	51	71
Total	12	194,001	52	191,595
	32	187,834	72	187,891

4 Tables appended to the Notes to the Financial Statements

Annex 12/18

PREVIMODA

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	14,187	44	129,123
3. Mutual investment fund units	5	670	45	2,231
4. Bank deposits	6		46	537
5. Sundry financial investments	7		47	65
III. Other assets	8	72	48	508
IV. Cash and cash equivalents	9	164,767	49	35,510
Securities to be settled, payables and sundry liabilities	10	(151)	50	(134)
	11		51	
Total	12	179,545	32	167,238
			52	179,917
			72	169,237

Annex 12/19

FONTE

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	576,750	44	647,817
3. Mutual investment fund units	5	30,465	45	42,035
4. Bank deposits	6		46	21,250
5. Sundry financial investments	7		47	65
III. Other assets	8	1,732	48	3,876
IV. Cash and cash equivalents	9	183,662	49	70,679
Securities to be settled, payables and sundry liabilities	10	(2,472)	50	(3,190)
	11		51	
Total	12	790,137	32	761,217
			52	773,630
			72	741,248

Annex 12/21

PERSEO SIRIO GAR.

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	164,758	44	132,086
3. Mutual investment fund units	5	8,681	45	6,247
4. Bank deposits	6	26	46	66
5. Sundry financial investments	7	27	47	67
III. Other assets	8	840	48	636
IV. Cash and cash equivalents	9	17,018	49	12,420
Securities to be settled, payables and sundry liabilities	10	(851)	50	(457)
	11	31	51	71
Total	12	190,446	52	187,783
		32	150,933	72
			187,783	149,860

Annex 12/22

COMETA SICUREZZA 2015 GAR.

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	134,204	44	134,950
3. Mutual investment fund units	5	2,396	45	2,178
4. Bank deposits	6	26	46	66
5. Sundry financial investments	7	27	47	67
III. Other assets	8	164	48	164
IV. Cash and cash equivalents	9	1,905	49	1,905
Securities to be settled, payables and sundry liabilities	10	298	50	298
	11	31	51	71
Total	12	138,968	52	139,495
		32	138,968	72
			138,968	139,495

4 Tables appended to the Notes to the Financial Statements

Annex 12/23

F.DO PENS. PREV. COOPERATIVA GAR.

	Current value		Acquisition cost					
	Year	Previous year	Year	Previous year				
I. Investments in group companies and other investees:								
1. Shares and holdings	1	21	41	61				
2. Bonds	2	22	42	62				
II. Other financial investments:								
1. Shares and holdings	3	23	43	63				
2. Bonds and other fixed-yield securities	4	226,636	44	227,930	64	388,890		
3. Mutual investment fund units	5	2,396	45	2,026	65	3,936		
4. Bank deposits	6	26	46	66				
5. Sundry financial investments	7	27	47	67				
III. Other assets	8	281	48	281	68	1,232		
IV. Cash and cash equivalents	9	216,866	49	216,866	69	17,282		
Securities to be settled, payables and sundry liabilities	10	(487)	50	(487)	70	(119)		
	11	31	51	71				
Total	12	445,692	32	406,032	52	446,616	72	411,221

Annex 12/25

F.DO PENS CARIPLO GAR.

	Current value		Acquisition cost					
	Year	Previous year	Year	Previous year				
I. Investments in group companies and other investees:								
1. Shares and holdings	1	21	41	61				
2. Bonds	2	22	42	62				
II. Other financial investments:								
1. Shares and holdings	3	23	43	63				
2. Bonds and other fixed-yield securities	4	5,671	44	5,670	64	4,988		
3. Mutual investment fund units	5	88	45	69	65	100		
4. Bank deposits	6	26	46	66				
5. Sundry financial investments	7	27	47	67				
III. Other assets	8	24	48	24	68	23		
IV. Cash and cash equivalents	9	217	49	217	69	342		
Securities to be settled, payables and sundry liabilities	10	(10)	50	(10)	70	(19)		
	11	31	51	71				
Total	12	5,989	32	5,490	52	5,970	72	5,433

Annex 12/26

F.DO PENS. MEDIAFOND GAR.

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	3,160	3,113	3,864
3. Mutual investment fund units	5	188	154	154
4. Bank deposits	6	26	46	66
5. Sundry financial investments	7	27	47	67
III. Other assets	8	8	8	17
IV. Cash and cash equivalents	9	1,405	1,405	193
Securities to be settled, payables and sundry liabilities	10	(21)	(21)	(6)
	11			
Total	12	4,739	4,244	4,222

Annex 12/27

F.DO PENS. EUROFER GAR.

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	147,583	146,144	108,748
3. Mutual investment fund units	5	1,231	1,040	1,613
4. Bank deposits	6	26	46	66
5. Sundry financial investments	7	27	47	67
III. Other assets	8	407	407	468
IV. Cash and cash equivalents	9	5,584	5,584	13,488
Securities to be settled, payables and sundry liabilities	10	(431)	(431)	(136)
	11			
Total	12	154,373	152,743	124,180

4 Tables appended to the Notes to the Financial Statements

Annex 12/28

F.DO PENS. PREVEDI SICUREZZA GAR

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	89,491	24	81,564
3. Mutual investment fund units	5	5,017	25	4,342
4. Bank deposits	6		26	
5. Sundry financial investments	7		27	
III. Other assets	8	331	28	318
IV. Cash and cash equivalents	9	12,540	29	5,115
Securities to be settled, payables and sundry liabilities	10	(512)	30	(402)
	11		31	
Total	12	106,868	32	90,937
			52	103,276
			72	89,844

Annex 12/29

F.DO PENS. AGRIFONDO GAR

	Valore corrente		Costo di acquisizione	
	Esercizio	Esercizio precedente	Esercizio	Esercizio precedente
I. Investimenti in imprese del gruppo e altre partecipate:				
1. Azioni e quote	1	21	41	61
2. Obbligazioni	2	22	42	62
II. Altri investimenti finanziari:				
1. Azioni e quote	3	23	43	63
2. Obbligazioni e altri titoli a reddito fisso	4	59,934	24	53,530
3. Quote di fondi comuni di investimento	5	3,979	25	4,722
4. Depositi presso enti creditizi	6		26	
5. Investimenti finanziari diversi	7		27	
III. Altre attività	8	284	28	296
IV. Disponibilità liquide	9	26,269	29	29,107
Titoli da regolare, debiti e passività diverse	10	(335)	30	(307)
	11		31	
Totale	12	90,131	32	87,349
			52	88,265
			72	86,315

Annex 12/30

F.DO PENS. CONCRETO GAR.

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	22,124	24	26,301
3. Mutual investment fund units	5	1,115	25	886
4. Bank deposits	6	26	46	66
5. Sundry financial investments	7	27	47	67
III. Other assets	8	125	28	143
IV. Cash and cash equivalents	9	6,408	29	885
Securities to be settled, payables and sundry liabilities	10	(150)	30	(45)
	11	31	51	71
Total	12	29,622	32	28,171
			52	29,027
			72	27,876

Annex 12/31

F.DO PENS. ESPERO GAR.

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	198,228	24	196,624
3. Mutual investment fund units	5	8,692	25	7,725
4. Bank deposits	6	26	46	66
5. Sundry financial investments	7	27	47	67
III. Other assets	8	1,196	28	1,426
IV. Cash and cash equivalents	9	23,721	29	6,958
Securities to be settled, payables and sundry liabilities	10	(1,170)	30	(332)
	11	31	51	71
Total	12	230,667	32	212,401
			52	224,588
			72	210,293

4 Tables appended to the Notes to the Financial Statements

Annex 12/32

F.DO PENS. GR. BANCO POP GAR.

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	430,850	44	421,321
3. Mutual investment fund units	5	16,954	45	14,904
4. Bank deposits	6		46	66
5. Sundry financial investments	7		47	67
III. Other assets	8	2,710	48	2,710
IV. Cash and cash equivalents	9	6,331	49	6,331
Securities to be settled, payables and sundry liabilities	10	(2,642)	50	(2,642)
	11		51	71
Total	12	454,204	52	442,625
		32	431,577	72
				426,739

Annex 13

Liabilities - Non-Life business - Changes in the year in premium provision (item C.I.1) and claims provision (item C.I.2)

Type		Year		Previous year		Change
Premium provision:						
Provision for unearned premiums	1	2,875,695	11	2,861,758	21	13,937
Provision for unexpired risks	2	154,058	12	8,486	22	145,572
Carrying amount	3	3,029,753	13	2,870,244	23	159,509
Claims provision:						
Provision for compensations and direct expenses	4	8,229,102	14	8,950,839	24	(721,737)
Provision for settlement expenses	5	578,145	15	593,667	25	(15,522)
Provision for claims incurred but not reported	6	939,688	16	909,615	26	30,073
Carrying amount	7	9,746,935	17	10,454,122	27	(707,187)

Annex 14

Liabilities - Changes in the year in mathematical provision (item C.II.1) and provision for profit sharing and reversals (item C.II.4)

Type		Year		Previous year		Change
Mathematical provision for pure premiums	1	24,747,703	11	24,266,516	21	481,187
Premiums carried forward	2	87,226	12	92,653	22	(5,427)
Mortality risk provision	3	9	13	9	23	
Supplementing provisions	4	194,194	14	190,090	24	4,104
Carrying amount	5	25,029,132	15	24,549,267	25	479,865
Provision for profit sharing and reversals	6	5,995	16	6,226	26	(232)

Annex 15

Liabilities - Changes in the year in provisions for risks and charges (item E) and post-employment benefits (item G.VII)

		Provisions for pensions and similar obligations		Provisions for taxes		Other provisions		Post-employment benefits	
Opening balance	+	1	2,032	11	95,843	21	390,665	31	50,974
Provisions in the year	+	2		12	9,144	22	89,521	32	33,505
Other increases	+	3		13	17	23	307	33	532
Uses in the year	-	4	158	14	26,473	24	81,490	34	42,554
Other decreases	-	5	277	15	9,500	25	8,996	35	341
Carrying amount		6	1,597	16	69,030	26	390,008	36	42,116

4 Tables appended to the Notes to the Financial Statements

Annex 16

Details of assets and liabilities relating to Group companies and other investees

I: Assets

	Holding companies	Subsidiaries	Affiliates	Associates	Others	Total
Shares and holdings	1 789	2 3,099,871	3 67,197	4 33,541	5 328,649	6 3,530,048
Bonds	7	8	9	10 6,849	11 2,569	12 9,419
Loans	13 567,785	14 168,577	15 30,843	16 6,015	17	18 773,220
Mutual investment units	19	20	21	22	23	24
Bank deposits	25	26	27	28	29 20,115	30 20,115
Sundry financial investments	31	32	33	34	35	36
Deposits with ceding companies	37	38 138,819	39	40	41	42 138,819
Investments relating to benefits linked to investment funds and market indices	43	44	45	46	47 31,734	48 31,734
Investments arising from pension fund management	49	50	51	52	53	54
Receivables relating to direct insurance business	55	56 14,063	57	58 7	59 55,381	60 69,451
Receivables relating to reinsurance business	61	62 2,056	63	64	65	66 2,056
Other receivables	67 23,028	68 49,358	69 1,597	70 1,047	71 41,544	72 116,573
Bank deposits and post office accounts	73	74	75	76	77 341,943	78 341,943
Sundry assets	79	80 292	81	82	83 12,631	84 12,923
Total	85 591,602	86 3,473,036	87 99,637	88 47,459	89 834,566	90 5,046,301
of which subordinated assets	91	92	93	94	95	96

II: Liabilities

	Holding companies	Subsidiaries	Affiliates	Associates	Others	Total
Subordinated liabilities	97	98	99	100	101	102
Deposits received from reinsurers	103	104 16,522	105	106	107	108 16,522
Payables arising from direct insurance business	109	110 142	111	112	113 153	114 296
Payables arising from reinsurance business	115	116 4,092	117	118	119	120 4,092
Payables to banks and financial institutions	121	122	123	124	125	126
Collateralised payables	127	128	129	130	131	132
Other loans and other financial payables	133	134	135	136	137	138
Sundry payables	139 66,256	140 85,495	141 22	142	143 5,727	144 157,500
Sundry liabilities	145 6,713	146 1,906	147	148	149 10,052	150 18,671
Total	151 72,969	152 108,157	153 22	154	155 15,932	156 197,080

Information on "guarantees, commitments and other memorandum accounts"

		Year		Previous year
I. Guarantees given:				
a) sureties and endorsements given in the interest of holding companies, subsidiaries and affiliates	1	42,266	31	32,523
b) sureties and endorsements given in the interest of associates and other investees	2		32	
c) sureties and endorsements given in the interest of third parties	3	13,129	33	13,129
d) other personal guarantee given in the interest of holding companies, subsidiaries and affiliates	4		34	
e) other personal guarantee given in the interest of associates and other investees	5	300	35	300
f) other personal guarantees given in the interest of third parties	6	281	36	281
g) collateral for bonds of holding companies, subsidiaries and affiliates	7		37	
h) collateral for bonds of associates and other investees	8		38	
i) collateral for bonds of third parties	9	2,678	39	219,627
l) guarantees given for company bonds	10	37,913	40	111,153
m) assets deposited for inwards reinsurance operations	11	2,423	41	4,313
Total	12	98,991	42	381,327
II. Guarantees received:				
a) group companies, associates and other investees	13		43	
b) third parties	14	124,253	44	143,098
Total	15	124,253	45	143,098
III. Guarantees given by third parties in the interest of the company:				
a) group companies, associates and other investees	16	564,387	46	564,527
b) third parties	17	185,643	47	193,755
Total	18	750,030	48	758,282
IV. Commitments:				
a) commitments for purchases with resale obligation	19		49	
b) commitments for sales with repurchase obligation	20		50	
c) other commitments	21	5,761,020	51	5,781,763
Total	22	5,761,020	52	5,781,763
V. Assets attributable to pension funds managed in the name and on behalf of third parties	23	597,139	53	684,263
VI. Securities deposited with third parties	24	43,807,942	54	43,450,371
Total	25	44,405,081	55	44,134,634

4 Tables appended to the Notes to the Financial Statements

Annex 18

Statement of commitments for transactions on derivative contracts

Derivative contracts	Year				Previous year												
	Purchase		Sale		Purchase		Sale										
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)									
Futures																	
on shares	1	101	21	121	41	141	61	161									
on bonds	2	102	22	122	42	142	62	162									
on currencies	3	103	23	123	43	143	63	163									
on rates	4	104	24	124	44	144	64	164									
other	5	105	25	125	45	145	65	165									
Options																	
on shares	6	600,655	106	23,489	26	95,013	126	(10,007)	46	400,988	146	22,196	66	231,000	166	(165)	
on bonds	7		107		27		127		47		147		67		167		
on currencies	8		108		28		128		48		148		68		168		
on rates	9		109		29		129		49		149		69		169		
other	10		110		30		130		50		150		70		170		
Swaps:																	
on currencies	11	50,183	111	(1,419)	31		131		51	27,640	151	(2,487)	71		171		
on rates	12	2,713,500	112	(247,702)	32		132		52	3,033,500	152	(106,733)	72		172		
other	13	55,000	113	(4,208)	33		133		53		153		73		173		
Other transactions	14	52,706	114	(517)	34	960,815	134	19,896	54	41,242	154	(253)	74	985,974	174	908	
Total	15	3,472,044	115	(230,358)	35	1,055,828	135	9,889	55	3,503,369	155	(87,278)	75	1,216,974	175	743	

Only the transactions on derivative contracts in place at the time of preparation of the financial statements that imply commitments for the company must be entered.

If the contract does not exactly match the figures described or if the typical elements of more than one case merge, this contract must be included in the most similar contractual category. Netting is not allowed, unless this refers to purchase/sale transactions referred to the same contract type (same content, maturity, underlying assets, etc.)

The contracts that require the swap of two currencies must be posted once, conventionally referring to the currency to be purchased. The contracts that require the swap of both interest rates and currencies must be posted only under the contracts on currencies.

The derivative contracts that require the swap of interest rates are conventionally classified as "purchases" or "sales" depending on whether they imply the purchase or sale of the fixed rate for the insurance company.

(1) For the derivative contracts that imply or may imply forward equity swaps, their settlement price must be stated; in all the other cases, the nominal value of the reference capital must be specified

(2) Enter the fair value of the derivative contracts

Summarised information on Non-Life business technical account

		Gross premiums written		Gross premiums earned		Gross charges relating to claims		Operating expenses		Reinsurance balance
Direct insurance business:										
Accident and Health (classes 1 and 2)	1	800,663	2	805,659	3	361,087	4	310,339	5	(8,264)
Land Vehicle TPL (class 10)	6	2,969,684	7	2,912,159	8	1,699,655	9	681,065	10	(23,095)
Land Vehicle Hulls (class 3)	11	756,346	12	731,957	13	416,539	14	210,289	15	14,732
Sea, air and transport insurance (classes 4, 5, 6, 7, 11 and 12)	16	33,061	17	32,530	18	20,454	19	15,863	20	(7,600)
Fire and Other damage to property (classes 8 and 9)	21	1,144,297	22	1,110,309	23	705,886	24	399,108	25	(53,480)
General TPL (class 13)	26	684,952	27	692,283	28	325,428	29	225,734	30	(20,357)
Credit and bonds (classes 14 and 15)	31	47,287	32	50,474	33	29,250	34	20,389	35	(8,779)
Misc pecuniary losses (class 16)	36	60,803	37	60,479	38	15,708	39	20,779	40	552
Legal expenses (class 17)	41	76,832	42	74,381	43	13,020	44	29,044	45	3,167
Assistance (class 18)	46	197,791	47	193,206	48	74,821	49	78,832	50	(12)
Total direct insurance business	51	6,771,718	52	6,663,437	53	3,661,847	54	1,991,442	55	(103,136)
Indirect insurance business	56	256,448	57	254,390	58	177,929	59	72,954	60	(154)
Total Italian portfolio	61	7,028,165	62	6,917,828	63	3,839,776	64	2,064,396	65	(103,290)
Foreign portfolio	66	3,414	67	2,747	68	687	69	862	70	1,084
Grand total	71	7,031,580	72	6,920,575	73	3,840,462	74	2,065,258	75	(102,206)

4 Tables appended to the Notes to the Financial Statements

Annex 20

Summarised information on Life business regarding premiums and the reinsurance balance

		Direct business		Indirect business		Total
Gross premiums:	1	3,098,638	11	96	21	3,098,734
a) 1. for individual policies	2	1,872,915	12	96	22	1,873,011
2. for collective policies	3	1,225,723	13		23	1,225,723
b) 1. periodic premiums	4	577,963	14	96	24	578,058
2. single premiums	5	2,520,676	15		25	2,520,676
c) 1. for contracts with no profit sharing	6	2,224,683	16	65	26	2,224,749
2. for contracts with profit sharing	7	4,878	17	30	27	4,908
3. for contracts when the investment risk is borne by policyholders and for pension funds	8	869,077	18		28	869,077
Reinsurance balance	9	(1,512)	19	49	29	(1,463)

Gains on investments (item II.2 and III.3)

		Non-Life business		Life business		Total
Gains arising from shares and holdings:						
Dividends and other income from shares and holdings of group companies and investees	1	66,049	41	44,565	81	110,615
Dividends and other income from shares and holdings of other companies	2	6,859	42	7,182	82	14,040
Total	3	72,908	43	51,747	83	124,655
Gains arising from investments in land and buildings						
	4	47,141	44	135	84	47,277
Gains on other investments:						
Gains on bonds of group companies and investees	5	1,158	45	5,479	85	6,637
Interests on loans to group companies and investees	6	11,036	46	884	86	11,920
Gains arising from mutual investment fund units	7	42,677	47	48,054	87	90,731
Gains on bonds and other fixed-yield securities	8	295,081	48	840,595	88	1,135,676
Interest on loans	9	123	49	579	89	703
Gains on mutual investment units	10		50		90	
Interest on bank deposits	11		51		91	
Gains on sundry financial investments	12	12,711	52	86,562	92	99,273
Interest on deposits with ceding companies	13	93	53	124	93	217
Total	14	362,878	54	982,278	94	1,345,156
Reversals of value adjustments on investments regarding:						
Land and buildings	15		55		95	
Shares and holdings in group companies and investees	16		56		96	
Bonds issued by group companies and investees	17		57		97	
Other shares and holdings	18		58	648	98	648
Other bonds	19	7,979	59	1,853	99	9,832
Other financial investments	20	5,542	60	10,013	100	15,555
Total	21	13,521	61	12,514	101	26,035
Gains on realisation of investments:						
Capital gains on the disposal of land and buildings	22		62		102	
Gains on shares and holdings in group companies and investees	23		63		103	
Gains on bonds issued by group companies and investees	24		64		104	
Gains on other shares and holdings	25	14,566	65	8,531	105	23,097
Gains on other bonds	26	56,281	66	82,398	106	138,679
Gains on other financial investments	27	35,225	67	10,008	107	45,232
Total	28	106,071	68	100,937	108	207,008
GRAND TOTAL	29	602,520	69	1,147,611	109	1,750,131

4 Tables appended to the Notes to the Financial Statements

Annex 22

Income and unrealised gains relating to investments benefiting policyholders that bear the risk and investments arising from pension fund management (item II.3)

I. Investments relating to benefits linked to investment funds and market indices		Amounts
Income from:		
Land and buildings	1	
Investments in group companies and other investees	2	
Mutual investment fund units	3	3,600
Other financial investments	4	1,570
- of which income from bonds	5	1,566
Other assets	6	121
Total	7	5,292
Gains on realisation of investments		
Capital gains on the disposal of land and buildings	8	
Gains on investments in group companies and investees	9	
Gains on mutual investment funds	10	5,581
Gains on other financial investments	11	222
- of which bonds	12	222
Other income	13	301
Total	14	6,104
Unrealised gains	15	44,556
GRAND TOTAL	16	55,952

II. Investments arising from pension fund management		Amounts
Income from:		
Investments in group companies and other investees	21	
Other financial investments	22	57,427
- of which income from bonds	23	53,028
Other assets	24	5,350
Total	25	62,778
Gains on realisation of investments		
Gains on investments in group companies and investees	26	
Gains on other financial investments	27	19,654
- of which bonds	28	15,360
Other income	29	
Total	30	19,654
Unrealised gains	31	75,202
GRAND TOTAL	32	157,634

Asset and financial charges (items II.9 and III.5)

		Non-Life business		Life business		Total
Investment management expenses and other expenses						
Expenses regarding shares and holdings	1	1,862	31	1,214	61	3,076
Expenses regarding investments in land and buildings	2	51,779	32	854	62	52,633
Expenses regarding bonds	3	29,779	33	81,723	63	111,502
Expenses regarding mutual investment fund units	4	888	34	888	64	1,776
Expenses regarding mutual investment units	5		35		65	
Expenses regarding sundry financial investments	6	23,513	36	61,413	66	84,927
Interest on deposits received from reinsurers	7	497	37	643	67	1,140
Total	8	108,319	38	146,735	68	255,053
Value adjustments to investments regarding:						
Land and buildings	9	47,677	39	884	69	48,561
Shares and holdings in group companies and investees	10	1,513	40		70	1,513
Bonds issued by group companies and investees	11		41		71	
Other shares and holdings	12	14,508	42	12,858	72	27,366
Other bonds	13	10,781	43	6,610	73	17,391
Other financial investments	14	79,838	44	43,746	74	123,584
Total	15	154,316	45	64,099	75	218,415
Losses on realisation of investments						
Capital losses on the disposal of land and buildings	16		46		76	
Losses on shares and holdings	17	34,298	47	82,032	77	116,330
Losses on bonds	18	6,220	48	16,706	78	22,925
Losses on other financial investments	19	76,145	49	94,191	79	170,336
Total	20	116,662	50	192,928	80	309,590
GRAND TOTAL	21	379,297	51	403,762	81	783,059

4 Tables appended to the Notes to the Financial Statements

Annex 24

Charges and unrealised losses relating to investments benefitting policyholders that bear the risk and investments arising from pension fund management (item II.10)

I. Investments relating to benefits linked to investment funds and market indices		Amounts
Operating expenses arising from:		
Land and buildings	1	
Investments in group companies and investees	2	
Mutual investment fund units	3	
Other financial investments	4	106
Other assets	5	11,866
Total	6	11,972
Losses on realisation of investments		
Capital losses on the disposal of land and buildings	7	
Losses on investments in group companies and investees	8	355
Losses on mutual investment funds	9	5,221
Losses on other financial investments	10	759
Other charges	11	
Total	12	6,335
Unrealised losses	13	7,042
GRAND TOTAL	14	25,349
II. Investments arising from pension fund management		Amounts
Operating expenses arising from:		
Investments in group companies and investees	21	
Other financial investments	22	8,695
Other assets	23	30,338
Total	24	39,033
Losses on realisation of investments		
Losses on investments in group companies and investees	25	
Losses on other financial investments	26	31,350
Other charges	27	
Total	28	31,350
Unrealised losses	29	24,006
GRAND TOTAL	30	94,388

4 Tables appended to the Notes to the Financial Statements

Non-Life business - Summary of technical accounts by individual class - Italian portfolio

			Class code 1		Class code 2	
			Accident (name)		Health (name)	
Direct business gross of reinsurance						
Written premiums	+	1	618,892	1	181,771	
Change in premium provision (+ or -)	-	2	(6,148)	2	1,152	
Charges relating to claims	-	3	247,874	3	113,213	
Change in sundry technical provisions (+ or -)	-	4	176	4	(434)	
Balance of other technical items (+ or -)	+	5	(12,926)	5	(4,454)	
Operating expenses	-	6	258,197	6	52,142	
Technical balance of direct business (+ or -)	A	7	105,866	7	11,244	
Outwards reinsurance (+ or -)	B	8	(8,158)	8	(105)	
Indirect business net result (+ or -)	C	9	3,413	9	(2,109)	
Change in equalisation provisions (+ or -)	D	10	47	10		
Investment income transferred from the non-technical account	E	11	7,224	11	4,288	
Technical result (+ or -)	(A + B + C - D + E)	12	108,298	12	13,318	

			Class code 7		Class code 8	
			Goods in transit (name)		Fire (name)	
Direct business gross of reinsurance						
Written premiums	+	1	14,389	1	544,795	
Change in premium provision (+ or -)	-	2	(42)	2	33,986	
Charges relating to claims	-	3	(2,750)	3	335,434	
Change in sundry technical provisions (+ or -)	-	4		4	(256)	
Balance of other technical items (+ or -)	+	5	(357)	5	(13,913)	
Operating expenses	-	6	8,121	6	189,516	
Technical balance of direct business (+ or -)	A	7	8,703	7	(27,798)	
Outwards reinsurance (+ or -)	B	8	(5,859)	8	(19,676)	
Indirect business net result (+ or -)	C	9		9	1,197	
Change in equalisation provisions (+ or -)	D	10	43	10	2,533	
Investment income transferred from the non-technical account	E	11	169	11	12,414	
Technical result (+ or -)	(A + B + C - D + E)	12	2,969	12	(36,396)	

			Class code 13		Class code 14	
			General TPL (name)		Credit (name)	
Direct business gross of reinsurance						
Written premiums	+	1	684,952	1	363	
Change in premium provision (+ or -)	-	2	(7,331)	2	38	
Charges relating to claims	-	3	325,428	3	148	
Change in sundry technical provisions (+ or -)	-	4		4		
Balance of other technical items (+ or -)	+	5	(19,876)	5	(1)	
Operating expenses	-	6	225,734	6	44	
Technical balance of direct business (+ or -)	A	7	121,245	7	133	
Outwards reinsurance (+ or -)	B	8	(20,357)	8	(10)	
Indirect business net result (+ or -)	C	9	1,574	9	(10)	
Change in equalisation provisions (+ or -)	D	10		10	18	
Investment income transferred from the non-technical account	E	11	39,821	11	48	
Technical result (+ or -)	(A + B + C - D + E)	12	142,283	12	142	

Class code 3		Class code 4		Class code 5		Class code 6	
Land Vehicle Hulls (name)		Railway rolling stock (name)		Aircraft (name)		Marine vessels (name)	
1	756,346	1	1,037	1	891	1	5,828
2	24,389	2	(555)	2	(8)	2	345
3	416,539	3	11,597	3	(489)	3	3,412
4		4		4		4	
5	(4,228)	5	(3)	5	(65)	5	(301)
6	210,289	6	468	6	225	6	2,659
7	100,901	7	(10,476)	7	1,097	7	(889)
8	14,732	8	132	8	(440)	8	(1,154)
9	(56)	9		9		9	
10	1,005	10		10		10	
11	6,315	11	132	11	11	11	133
12	120,886	12	(10,212)	12	668	12	(1,910)
Class code 9		Class code 10		Class code 11		Class code 12	
Other damage to property (name)		Land Vehicle TPL (name)		Aircraft TPL (name)		Marine TPL (name)	
1	599,502	1	2,969,684	1	1,029	1	9,885
2	2	2	57,525	2	73	2	717
3	370,451	3	1,699,655	3	485	3	8,199
4		4		4		4	
5	(9,417)	5	(56,802)	5	(25)	5	(158)
6	209,591	6	681,065	6	326	6	4,063
7	10,040	7	474,638	7	121	7	(3,253)
8	(33,804)	8	(23,095)	8	(248)	8	(31)
9	79	9	(1,536)	9		9	(29)
10	52	10		10		10	
11	7,074	11	72,157	11	13	11	236
12	(16,663)	12	522,163	12	(114)	12	(3,077)
Class code 15		Class code 16		Class code 17		Class code 18	
Bonds (name)		Pecuniary losses (name)		Legal expenses (name)		Assistance (name)	
1	46,923	1	60,803	1	76,832	1	197,791
2	(3,225)	2	324	2	2,451	2	4,586
3	29,101	3	15,708	3	13,020	3	74,821
4		4		4		4	
5	(9)	5	(1,852)	5	(651)	5	(2,296)
6	20,345	6	20,779	6	29,044	6	78,832
7	693	7	22,140	7	31,666	7	37,256
8	(8,769)	8	552	8	3,167	8	(12)
9	301	9	72	9	1	9	40
10		10		10		10	
11	2,909	11	515	11	847	11	1,129
12	(4,865)	12	23,278	12	35,681	12	38,413

4 Tables appended to the Notes to the Financial Statements

Annex 26

Summary of the condensed technical account of all Non-Life classes - Italian portfolio

		Direct insurance risks		Indirect insurance risks		Retained risks		Total 5 = 1 - 2 + 3 - 4			
		Direct risks	Ceded risks	Accepted risks	Retroceded risks						
		1	2	3	4						
Written premiums	+	1	6,771,718	11	281,035	21	256,448	31	67	41	6,747,064
Change in premium provision (+ or -)	-	2	108,280	12	(903)	22	2,058	32	1	42	111,240
Charges relating to claims	-	3	3,661,847	13	93,895	23	177,929	33	(92)	43	3,745,974
Change in sundry technical provisions (+ or -)	-	4	(513)	14		24	34	34		44	(479)
Balance of other technical items (+ or -)	+	5	(127,335)	15	(2,755)	25	(382)	35		45	(124,962)
Operating expenses	-	6	1,991,442	16	82,153	26	72,954	36	3	46	1,982,239
Technical result (+ or -)		7	883,327	17	103,136	27	3,091	37	154	47	783,128
Change in equalisation provisions (+ or -)	-									48	3,698
Investment income transferred from the non-technical account	+	9	153,266			29	2,169			49	155,435
Technical result (+ or -)		10	1,036,593	20	103,136	30	5,259	40	154	50	934,864

Life business - Summary of technical accounts by individual class - Italian portfolio

		Class code I	Class code II	Class code III
		Whole and term life (name)	Marriage-birth (name)	Invest. funds (name)
Direct business gross of reinsurance				
Written premiums	+	1,862,061		165,018
Charges relating to claims	-	1,846,705		70,944
Change in mathematical provisions and sundry technical provisions (+ or -)	-	406,432		121,375
Balance of other technical items (+ or -)	+	(34,379)		6,865
Operating expenses	-	122,384		10,710
Income from investments net of the share transferred to the non-technical account (*)	+	536,690		31,626
Direct business result, gross of reinsurance (+ or -)	A	(11,149)		481
Outwards reinsurance result (+ or -)	B	(401)		
Indirect business net result (+ or -)	C	32		
Technical result (+ or -)	(A + B + C)	(11,519)		481

		Class code IV	Class code V	Class code VI
		Health (name)	Capitalisation (name)	Pension funds (name)
Direct business gross of reinsurance				
Written premiums	+	6,685	360,816	704,059
Charges relating to claims	-	52	404,252	1,409,533
Change in mathematical provisions and sundry technical provisions (+ or -)	-	1,554	80,673	(641,685)
Balance of other technical items (+ or -)	+	23	(5,791)	16,607
Operating expenses	-	1,549	7,178	2,617
Income from investments net of the share transferred to the non-technical account (*)	+	75	121,469	63,986
Direct business result, gross of reinsurance (+ or -)	A	3,628	(15,610)	14,187
Outwards reinsurance result (+ or -)	B	(1,111)		
Indirect business net result (+ or -)	C			
Technical result (+ or -)	(A + B + C)	2,517	(15,610)	14,187

(*) Algebraic sum of the entries regarding class and Italian portfolio included in the items II.2, II.3, II.9, II.10 and II.12 of the Income Statement.

4 Tables appended to the Notes to the Financial Statements

Annex 28

Summary of the condensed technical account of all Life classes Italian portfolio

		Direct insurance risks		Indirect insurance risks		Retained risks					
		Direct risks	Ceded risks	Accepted risks	Retroceded risks	Total					
		1	2	3	4	5=1-2+3-4					
Written premiums	+	1	3,098,638	11	5,701	21	63	31	8	41	3,092,992
Charges relating to claims	-	2	3,731,485	12	14,965	22	495	32	74	42	3,716,942
Change in mathematical provisions and other technical provisions (+ or -)	-	3	(31,651)	13	(10,058)	23	(1,347)	33	(899)	43	(22,041)
Balance of other technical items (+ or -)	+	4	(16,675)	14	1,079	24	(612)	34	(537)	44	(17,829)
Operating expenses	-	5	144,438	15	361	25	9	35	1	45	144,085
Investment income transferred to the non-technical account (*)	+	6	753,847			26	33			46	753,880
Technical result (+ or -)		7	(8,463)	17	1,512	27	327	37	295	47	(9,943)

(*) Algebraic sum of the entries regarding the Italian portfolio included in the items II.2, II.3, II.9, II.10 and II.12 of the Income Statement.

Annex 29

Summary of the Non-Life and Life technical accounts - foreign portfolio

Section I: Non-Life

			Total Non-Life
Direct business gross of reinsurance			
Written premiums	+	1	
Change in premium provision (+ or -)	-	2	
Charges relating to claims	-	3	
Change in sundry technical provisions (+ or -)	-	4	
Balance of other technical items (+ or -)	+	5	
Operating expenses	-	6	
Technical balance of direct business (+ or -)	A	7	
Outwards reinsurance result (+ or -)	B	8	
Indirect business net result (+ or -)	C	9	387
Change in equalisation provisions (+ or -)	D	10	(19)
Investment income transferred from the non-technical account	E	11	825
Technical result (+ or -)	(A + B + C - D + E)	12	1,231

Section II: Life

			Total Non-Life
Direct business gross of reinsurance			
Written premiums	+	1	
Charges relating to claims	-	2	
Change in mathematical provisions and sundry technical provisions (+ or -)	-	3	
Balance of other technical items (+ or -)	+	4	
Operating expenses	-	5	
Investment income transferred to the non-technical account (1)	+	6	
Direct business result, gross of reinsurance (+ or -)	A	7	
Outwards reinsurance result (+ or -)	B	8	
Indirect business net result (+ or -)	C	9	17
Technical result (+ or -)	(A + B + C)	10	17

(1) Algebraic sum of the entries regarding the foreign portfolio included in the items II.2, II.3, II.9, II.10 and II.12 of the Income Statement.

Relations with group companies and other investees

	Holding companies	Subsidiaries	Affiliates	Associates	Others	Total
I: Income						
Income from investments						
Income from land and buildings	1 263	2 7,502	3	4	5 4,388	6 12,153
Dividends and other income from shares and holdings	7	8 108,264	9 1,726	10	11 625	12 110,615
Gains on bonds	13	14	15	16 5,479	17 1,158	18 6,637
Interest on loans	19 8,291	20 1,816	21 1,814	22	23	24 11,920
Gains on other financial investments	25	26	27	28	29	30
Interest on deposits with ceding companies	31	32 50	33	34	35	36 51
Total	37 8,554	38 117,632	39 3,540	40 5,479	41 6,171	42 141,376
Income and unrealised gains on investments benefiting policyholders that bear the risk and arising from pension fund management	43	44	45	46	47	48
Other income						
Interest on loans	49	50 1	51	52	53 7	54 8
Recovery of expenses and administrative charges	55 4,512	56 38,437	57 2,537	58 11	59 702	60 46,200
Other gains and amounts recovered	61	62 16,383	63 83	64 103	65 2,697	66 19,266
Total	67 4,512	68 54,821	69 2,620	70 114	71 3,407	72 65,475
Gains on realisation of investments (*)	73	74	75	76	77 38	78 38
Extraordinary income	79 8	80 33	81	82	83	84 41
GRAND TOTAL	85 13,074	86 172,486	87 6,160	88 5,593	89 9,616	90 206,929

	Holding companies	Subsidiaries	Affiliates	Associates	Others	Total
II: Charges						
Investment management expenses and interest expense:						
Investment charges	91	92 887	93	94	95 36,338	96 37,225
Interest on subordinated liabilities	97	98	99	100	101	102
Interest on deposits received from reinsurers	103	104 36	105	106	107	108 36
Interest on payables arising from direct insurance business	109	110	111	112	113	114
Interest on payables arising from reinsurance business	115	116	117	118	119	120
Interest on payables to banks and financial institutions	121	122	123	124	125	126
Interest on collateralised payables	127	128 3	129	130	131 32	132 35
Interest on other payables	133	134	135	136	137 145	138 145
Impairment losses on receivables	139	140 5,135	141	142	143	144 5,135
Administrative charges and third-party expenses	145	146 1	147	148	149	150 1
Sundry charges	151 70	152 887	153	154	155 894	156 1,850
Total	157 70	158 6,949	159	160	161 37,409	162 44,427
Charges and unrealised losses on investments benefiting policyholders that bear the risk and arising from pension fund management	163	164	165	166	167 355	168 355
Losses on realisation of investments (*)	169	170 38	171	172	173 1	174 40
Extraordinary expenses	175	176 10,006	177	178	179	180 10,006
GRAND TOTAL	181 70	182 16,993	183	184	185 37,765	186 54,828

(*) With reference to the counterparty in the transaction

4 Tables appended to the Notes to the Financial Statements

Annex 31

Summary of direct business written premiums

	Non-Life business		Life business		Total	
	Establishment	F.o.S	Establishment	F.o.S	Establishment	F.o.S
Written premiums:						
in Italy	1 6,750,703	5	11 3,096,863	15	21 9,847,566	25
in other Member States of the European Union	2	6 9,459	12	16 390	22	26 9,850
in other countries	3	7 11,555	13	17 1,385	23	27 12,940
Total	4 6,750,703	8 21,015	14 3,096,863	18 1,775	24 9,847,566	28 22,790

Statement of charges regarding human resources, directors and statutory auditors

I: Personnel expenses		Non-Life business		Life business		Total
Employment expenses:						
Italian portfolio:						
- Remuneration	1	361,219	31	45,273	61	406,492
- Social security contributions	2	99,652	32	12,517	62	112,169
- Allocation to the post-employment benefits and similar obligations	3	26,304	33	3,302	63	29,606
- Sundry personnel expenses	4	46,973	34	5,239	64	52,212
Total	5	534,148	35	66,331	65	600,479
Foreign portfolio:						
- Remuneration	6		36		66	
- Social security contributions	7		37		67	
- Sundry personnel expenses	8		38		68	
Total	9		39		69	
Comprehensive total	10	534,148	40	66,331	70	600,479
Self-employment expenses:						
Italian portfolio	11	320,471	41	749	71	321,220
Foreign portfolio	12		42		72	
Total	13	320,471	43	749	73	321,220
Total self-employment expenses	14	854,619	44	67,080	74	921,699
II: Breakdown of personnel expenses						
		Non-Life business		Life business		Total
Investment management expenses	15	15,739	45	6,757	75	22,497
Charges relating to claims	16	474,779	46	3,447	76	478,226
Other acquisition costs	17	144,791	47	17,136	77	161,927
Other administrative expenses	18	186,016	48	36,517	78	222,533
Administrative charges and third-party expenses	19	33,293	49	3,224	79	36,516
Other charges	20		50		80	
Total	21	854,619	51	67,080	81	921,699
III: Average headcount in the year						Number
Executives					91	166
Office workers					92	7,010
Wage earning					93	
Others					94	5
Total					95	7,181
IV: Directors and Statutory Auditors						
				Number		Fees due
Directors			96	20	98	2,371
Statutory Auditors			97	3	99	221

4 Tables appended to the Notes to the Financial Statements

The undersigned declare that these financial statements are truthful and comply with the records.

Legal representatives of the Company (*)

The Chairman

Carlo Cimbri

(**)

(*) For foreign companies, a signature of the general representative for Italy is required.

(**) Specify the office of the party signing





5

ADDITIONAL
TABLES APPENDED
TO THE NOTES
TO THE FINANCIAL
STATEMENTS

5 Additional tables appended to the Notes to the Financial Statements

Reclassification statement of financial position at 31 December 2020 and at 31 December 2019

Amounts in €k

ASSETS	2020	2019
Subscribed capital, unpaid		
Intangible assets		
Acquisition costs being amortised	76,646	77,509
Start-up costs, goodwill and other long-term costs	655,036	678,355
Total intangible assets	731,682	755,863
Investments and cash and cash equivalents		
I Land and buildings	1,240,605	2,010,116
II Investments in group companies and other investees		
Shares and holdings	3,530,048	3,499,451
Bonds	9,419	10,603
Loans	773,220	924,576
III Other financial investments		
Shares and holdings	568,641	627,725
Mutual investment fund units	4,688,527	3,421,579
Bonds	32,267,148	32,177,333
Loans	20,877	22,174
Mutual investment units		
Sundry financial investments	44,977	45,889
IV Deposits with ceding companies	147,658	10,334
V Cash and cash equivalents	436,631	393,270
Total investments and cash and cash equivalents	43,727,750	43,143,050
Investments benefiting life business policyholders that bear the risk arising from pension fund management		
Linked to investment funds and market indices	808,158	679,163
Arising from pension fund management	4,277,583	4,946,603
Total	5,085,742	5,625,766
Receivables		
I Arising from direct insurance and reinsurance business		
Policyholders for premiums	602,823	648,523
Intermediaries	959,591	875,247
Insurance and reinsurance companies	78,864	155,192
Policyholders and third parties for amounts to be collected	130,010	125,686
II Other receivables	1,264,572	1,096,424
Total receivables	3,035,860	2,901,071
Other assets		
Tangible assets and inventories	64,859	70,444
Other assets	1,611,805	1,617,191
Total other assets	1,676,664	1,687,635
TOTAL ASSETS	54,257,697	54,113,386

LIABILITIES AND SHAREHOLDERS' EQUITY	2020	2019
Shareholders' equity		
Share capital	2,031,456	2,031,456
Equity reserves and unallocated profit	3,605,867	3,326,964
Retained profit (loss)		
Profit (loss) for the year	814,307	701,237
Negative reserve for treasury shares	(734)	(1,847)
Total shareholders' equity	6,450,896	6,057,810
Subordinated liabilities	2,551,689	2,131,689
Technical provisions, net of the quotas ceded and retroceded		
Non-Life premium provision	2,948,015	2,786,424
Non-Life claims provision	9,291,019	9,928,620
Other Non-Life business provisions	89,874	86,616
Life business mathematical provisions	25,015,877	24,520,715
Life business provision for amounts payable	496,906	336,983
Other Life business provisions	103,916	104,735
Total technical provisions	37,945,609	37,764,094
Net technical provisions when investment risk is borne by policyholders and provisions arising from pension fund management		
Contracts linked to investment funds and market indices	808,158	679,163
Arising from pension fund management	4,277,583	4,946,603
Total	5,085,742	5,625,766
Provisions for risks and charges		
Post-employment benefits and similar obligations	1,597	2,032
Provisions for taxes	69,030	95,843
Other provisions	390,008	390,665
Total provisions for risks and charges	460,636	488,540
Payables and other liabilities		
Arising from direct insurance and reinsurance business		
Intermediaries	24,599	44,808
Insurance and reinsurance company current accounts	62,439	61,144
Insurance and reinsurance company deposit accounts	127,337	145,201
Sundry payables	23,624	20,329
II Sundry loans and other financial payables	14,704	213,038
III Post-employment benefits	42,116	50,974
IV Other payables		
Policyholders' tax due	151,488	155,930
Sundry tax payables	47,993	47,320
Sundry payables	304,781	373,571
V Other liabilities	964,045	933,172
Total payables and other liabilities	1,763,126	2,045,487
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	54,257,697	54,113,386

5 Additional tables appended to the Notes to the Financial Statements

Statement B

Reclassified income statement

Amounts in €k

TECHNICAL ACCOUNT	2020			2019		
	Life	Non-Life	Total	Life	Non-Life	Total
Direct business gross of reinsurance						
(+) Written premiums	3,098,638	6,771,718	9,870,356	4,079,816	6,989,978	11,069,794
(-) Change in technical provisions and premium provision	(31,143)	114,617	83,474	910,602	121,391	1,031,993
(-) Charges relating to claims	3,731,485	3,661,847	7,393,332	3,910,773	4,441,626	8,352,398
(+) Balance of other technical items	(16,167)	(124,183)	(140,350)	(10,679)	(105,748)	(116,427)
(-) Operating expenses	144,438	1,991,442	2,135,880	155,906	1,993,589	2,149,495
(+) Net income from investments (1)	753,884	156,260	910,144	1,177,455	200,520	1,377,975
Direct business gross result	(8,426)	1,035,889	1,027,463	269,312	528,144	797,457
Outwards reinsurance result	(1,512)	(103,136)	(104,648)	(4,407)	17,039	12,633
Indirect business net result	12	3,342	3,354	(48)	(1,581)	(1,630)
Technical account result	(9,926)	936,095	926,169	264,857	543,602	808,460
NON-TECHNICAL ACCOUNT						
(+) Income from investments (2)	83,814	66,963	150,777	118,158	76,373	194,530
(+) Other income	5,440	125,869	131,309	18,633	150,547	169,180
(-) Other charges	68,998	303,528	372,526	68,199	313,313	381,512
Profit (loss) from ordinary operations	10,330	825,399	835,729	333,449	457,209	790,658
(+) Extraordinary income	168,470	186,612	355,082	6,513	277,513	284,026
(-) Extraordinary expenses	52,597	39,662	92,258	13,050	113,729	126,780
Pre-tax profit (loss)	126,203	972,349	1,098,552	326,911	620,992	947,904
(-) Taxes	19,189	265,057	284,246	84,160	162,506	246,666
NET PROFIT (LOSS)	107,014	707,293	814,307	242,751	458,486	701,237

(1) Included for the Life business is the income net of the share transferred to the non-technical account.

Included for the Non-Life business is the income transferred from the non-technical account.

(2) Included for the Life business is the income transferred from the technical account.

Included for the Non-Life business is the income net of the share transferred to the technical account.

Statement of changes in shareholders' equity occurred during the years ended 31 December 2020 and 31 December 2019

<i>Amounts in €k</i>	Equity reserves and unallocated profit									Total
	Share Capital	Share premium reserve	Revaluation reserve	Legal reserve	Statutory reserve	Reserve for holding company shares	Other reserve	Profit for the year	Negative reserve for treasury shares	
Balances at 31 december 2018	2,031,456	407,256	96,559	406,291		3,284	2,410,952	412,785	(2,731)	5,765,852
Effects after the merger of Liguria and Dialogo										
Allocation profit 2018										
- Legal reserve										
- Extraordinary reserve							2,622	(2,622)		
- Shareholders' dividend								(410,163)		(410,163)
Operations involving treasury shares									884	884
Operations involving shares of the Holding company						(1,576)	1,576			
Profit for 2019								701,237		701,237
Balances at 31 december 2019	2,031,456	407,256	96,559	406,291		1,708	2,415,150	701,237	(1,847)	6,057,810
Allocation profit 2019										
- Legal reserve										
- Extraordinary reserve							248,631	(248,631)		
- Shareholders' dividend								(452,606)		(452,606)
Effects after the merger of Pronto Assistance							30,271			30,271
Operations involving treasury shares									1,114	1,114
Operations involving shares of the Holding company						(919)	919			
Profit for 2020								814,307		814,307
Balances at 31 december 2020	2,031,456	407,256	96,559	406,291		789	2,694,971	814,307	(733)	6,450,896

5 Additional tables appended to the Notes to the Financial Statements

Statement D

Analysis of the shareholders' equity pursuant to Art. 2427, number 7 bis of the Civil Code

Amounts in €k

Nature/Description	Amount	Possibility of use	Available portion
Capital	2,031,456		
Capital reserves:	1,672,012		1,671,223
Share premium reserve	407,256	A,B,C	407,256
Revaluation reserves Legislative Decree 185/2008	96,559	A,B,C	96,559
Merger by incorporation surplus reserve - La Fondiaria (cancellation)	77,392	A,B,C	77,392
Merger by incorporation surplus reserve - La Fondiaria (cancellation) suspended	38,697	A,B,C	38,697
Merger surplus reserve - Fonsai (swap transaction/cancellation)	1,034,843	A,B,C	1,034,843
2015 Merger surplus reserve	5	A,B,C	5
Share premium reserve for disposal of option rights that were not exercised	5	A,B,C	5
Dividend equalisation reserve	826	A,B,C	826
Reserve for holding company shares	789	-	
Extraordinary reserve	15,640	A,B,C	15,640
Income-related reserves:	2,000,130		1,593,839
Legal reserve	406,291	B	
Extraordinary reserve	929,456	A,B,C	929,456
Merger surplus - Fonsai (from swap transaction/cancellation)	619,860	A,B,C	619,860
2015 Merger surplus reserve	44,256	A,B,C	44,256
2015 Merger surplus reserve - suspended	94	A,B,C	94
Merger by incorporation surplus reserve - La Fondiaria (cancellation)	174	A,B,C	174
Reserve for difference on sale of treasury shares	(66,275)		(66,275)
Negative reserve for treasury shares	(734)		(734)
Total	5,636,589		3,198,053
Non-distributable portion (2)			76,646
Residual distributable portion			3,121,407

Key:

A: for share capital increase

B: to cover losses

C: for distribution to shareholders

(2): Includes the portion intended to cover multiannual costs not amortised, as provided for by Art. 16, paragraph 11 of Legislative Decree 173/1997

Statement of cash flows at 31 December 2020

Amounts in €k

	31/12/2020		31/12/2019	
SOURCES OF FINANCING				
CASH FLOWS GENERATED BY OPERATIONS				
Profit (loss) for the year		814,307		701,237
Increase (decrease) in reserves		(358,509)		503,096
<i>premium reserves and other Non-Life technical provisions</i>	164,850		117,790	
<i>Non-Life claims provisions</i>	(637,601)		(500,860)	
<i>Life technical provisions</i>	114,242		886,166	
Increase (decrease) in funds		(21,239)		266,035
<i>Accumulated amortisation/depreciation</i>	15,523		183,212	
<i>Provisions for risks and charges</i>	(36,762)		82,823	
Investments		1,747,765		465,503
<i>Value adjustments of bonds and other fixed income securities</i>	22,519		10,656	
<i>Value adjustments of equity investments and holdings</i>	147,335		85,182	
<i>Decrease in investments in bonds and other fixed income securities</i>			235,803	
<i>Decrease in investments in shares and holdings</i>			6,479	
<i>Decrease in investments in property</i>	885,233		127,384	
<i>Decrease in class D investments</i>	540,024			
<i>Decrease in loans</i>	152,654			
(Increase) decrease in the change in receivables and other assets net of payables and other liabilities		(396,859)		221,026
Increase (decrease) in subordinated liabilities		420,000		(80,000)
Increase (decrease) in deposits received from reinsurers		(17,864)		(18,599)
Decrease in bank deposits		5,406		
Decrease in other commitments				
OTHER SOURCES OF FINANCING				
Effects after the merger of Pronto Assistance		30,271		
TOTAL SOURCES		2,223,277		2,058,299
USES OF CASH				
Investments:		1,496,945		1,753,112
<i>Increase in investments in bonds and other fixed income securities</i>	93,718			
<i>Increase in investments in shares and holdings</i>	1,377,192			
<i>Increase in investments in property</i>				
<i>Write-backs of bonds and other fixed income securities</i>	17,432		158,249	
<i>Write-backs of equity investments and holdings</i>	8,603		68,962	
<i>Increase in class D investments</i>			1,042,827	
<i>Increase in loans</i>			483,074	
Increase in bank deposits				19,456
Other cash commitments		230,365		67,148
Dividends distributed		452,606		410,163
TOTAL USES		2,179,916		2,249,879
Increase (decrease) in cash and cash equivalents		43,361		(191,580)
TOTAL		2,223,277		2,058,299
Bank accounts/cash available at the start of the year		393,270		584,850
Bank accounts/cash available at the end of the year		436,631		393,270

5 Additional tables appended to the Notes to the Financial Statements

Statement F

Statement summarising write-backs

Amounts in €k

	Property for corporate business	Property for use by third parties	Other property	Total
Law 74/1952	2,596	1,397		3,993
Law 823/73	728	92		820
Law 576/75	353	469		822
Law 295/178 and subs. Amend.	1,096	662	2	1,760
Law 72/83	1,807	767		2,574
Law 413/91	3,915	3,118		7,033
DECREE LAW 185/08	39,120	21,338		60,458
Total	49,615	27,843	2	77,460 (*)

(*) net of accumulated depreciation.

Statement of changes in property, plant and equipment and intangible assets

Amounts in €k

	2019	Increases	Decreases	2020
TANGIBLE ASSETS				
Office furniture and machines	45,980	15,709	19,277	42,412
Motor vehicles		6,288		
Plant and equipment	20,170	#REF!	8,314	18,144
Inventories and sundry goods	4,293	11		4,304
Total tangible assets	70,443	22,008	27,591	64,860
INTANGIBLE ASSETS				
Acquisition commissions	77,509	30,643	31,506	76,646
Other acquisition costs				
Start-up and expansion costs	2		2	
Goodwill	438,699		55,071	383,628
Other multiannual costs	239,654	85,643	53,890	271,407
Total intangible assets	755,864	116,286	140,469	731,681

5 Additional tables appended to the Notes to the Financial Statements

Subordinated Bonds

Assets that have subordination clauses are listed according to the level of subordination at international level with reference to the sector in which the issuer operates.

Amounts in €k

Issuer	Currency	Carrying amount 31/12/20	Interest rate	Maturity	Early repayment	Level of subordination
ABANCA CORPORACION BANCARIA SA	EUR	1,206	FIX TO CMS	07/04/2030	YES	TIER 2
ABERTIS INFRAESTRUCTURAS FINANCE BV	EUR	12,500	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
ABN AMRO BANK NV	EUR	59,861	FIX TO CMS	18/01/2028	YES	TIER 2
ABN AMRO BANK NV	EUR	24,000	FIX TO CMS	PERPETUAL	YES	TIER 1
ACHMEA B.V.	EUR	10,064	FIX TO CMS	24/09/2039	YES	TIER 2
ACHMEA B.V.	EUR	24,000	FIX TO CMS	PERPETUAL	YES	TIER 1
ACHMEA B.V.	EUR	44,370	FIX TO FLOATER	PERPETUAL	YES	TIER 2
AEGON NV	EUR	30,094	FIX TO CMS	PERPETUAL	YES	TIER 1
AEGON NV	EUR	51,336	FIX TO FLOATER	25/04/2044	YES	TIER 2
AGEAS - EX FORTIS	EUR	15,390	FIX TO FLOATER	02/07/2049	YES	TIER 2
AGEAS INSURANCE SA/NV	EUR	69,236	FIX TO CMS	30/06/2047	YES	TIER 2
AIB GROUP PLC	EUR	11,237	FIX TO CMS	19/11/2029	YES	TIER 2
AIB GROUP PLC	EUR	19,991	FIX TO CMS	30/05/2031	YES	TIER 2
AIB GROUP PLC	EUR	45,750	FIX TO CMS	PERPETUAL	YES	TIER 1
AKELIUS RESIDENTIAL PROPERTY AB	EUR	33,296	FIX TO CMS	05/10/2078	YES	OTHER CLAUSES
ALLIANZ FINANCE II BV	EUR	2,093	FIX TO FLOATER	08/07/2041	YES	TIER 2
ALLIANZ SE	EUR	16,186	FIXED	PERPETUAL	YES	TIER 2
ALLIANZ SE	EUR	5,705	FIX TO CMS	PERPETUAL	YES	TIER 1
ALLIANZ SE	EUR	34,801	FIX TO CMS	PERPETUAL	YES	TIER 2
ALLIANZ SE	EUR	26,202	FIX TO FLOATER	06/07/2047	YES	TIER 2
ALLIANZ SE	EUR	7,731	FIX TO FLOATER	25/09/2049	YES	TIER 2
AMERICA MOVIL SAB DE CV	EUR	20,443	FIX TO CMS	06/09/2073	YES	OTHER CLAUSES
ARGENTUM (ZURICH INS)	EUR	9,983	FIX TO FLOATER	01/10/2046	YES	TIER 2
ARGENTUM NETHERLANDS BV SWISS LIFE	EUR	58,320	FIX TO FLOATER	PERPETUAL	YES	TIER 2
AROUNDTOWN SA	EUR	20,779	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
ASR NEDERLAND NV	EUR	8,917	FIX TO CMS	02/05/2049	YES	TIER 2
ASR NEDERLAND NV	EUR	6,126	FIX TO CMS	29/09/2045	YES	TIER 2
ASR NEDERLAND NV	EUR	43,678	FIX TO CMS	PERPETUAL	YES	TIER 1
ASR NEDERLAND NV	EUR	25,472	FIX TO CMS	PERPETUAL	YES	TIER 2
AT SECURITIES BV	EUR	6,530	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
AT&T INC	EUR	16,030	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
ATF NETHERLANDS BV	EUR	20,033	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
AVIVA PLC	EUR	11,021	FIX TO CMS	03/06/2055	YES	TIER 2
AVIVA PLC	EUR	61,958	FIX TO CMS	03/07/2044	YES	TIER 2
AVIVA PLC	EUR	36,691	FIX TO FLOATER	04/12/2045	YES	TIER 2
AXA SA	EUR	80,057	FIX TO CMS	PERPETUAL	YES	TIER 2
AXA SA	EUR	26,199	FIX TO FLOATER	06/07/2047	YES	TIER 2
AXA SA	EUR	48,527	FIX TO FLOATER	28/05/2049	YES	TIER 2
BANCO BILBAO VIZCAYA ARGENTARIA SA	EUR	39,998	FIXED	10/02/2027	NO	TIER 2
BANCO BILBAO VIZCAYA ARGENTARIA SA	EUR	35,046	FIXED	14/01/2027	NO	SR NO PREFERRED
BANCO BILBAO VIZCAYA ARGENTARIA SA	EUR	5,717	FIX TO CMS	16/01/2030	YES	TIER 2
BANCO BILBAO VIZCAYA ARGENTARIA SA	EUR	11,288	FIX TO CMS	22/02/2029	YES	TIER 2
BANCO BILBAO VIZCAYA ARGENTARIA SA	EUR	78,275	FIX TO CMS	PERPETUAL	YES	TIER 1
BANCO BPM SPA	EUR	5,966	FIXED	18/02/2025	NO	SR NO PREFERRED
BANCO BPM SPA	EUR	10,089	FIXED	31/05/2021	NO	TIER 2
BANCO BPM SPA	EUR	30,000	FIX TO CMS	01/10/2029	YES	TIER 2
BANCO BPM SPA	EUR	13,726	FIX TO CMS	21/09/2027	YES	TIER 2
BANCO COMERCIAL PORTUGUESA SA	EUR	10,504	FIX TO CMS	07/12/2027	YES	TIER 2
BANCO COMERCIAL PORTUGUESA SA	EUR	22,294	FIX TO CMS	27/03/2030	YES	TIER 2
BANCO DE SABADELL SA	EUR	4,637	FIXED	06/05/2026	NO	TIER 2

Amounts in €k

Issuer	Currency	Carrying amount 31/12/20	Interest rate	Maturity	Early repayment	Level of subordination
BANCO DE SABADELL SA	EUR	12,134	FIXED	10/05/2024	NO	SR NO PREFERRED
BANCO DE SABADELL SA	EUR	5,250	FIX TO CMS	12/12/2028	YES	TIER 2
BANCO DE SABADELL SA	EUR	21,074	FIX TO CMS	17/01/2030	YES	TIER 2
BANCO DE SABADELL SA	EUR	19,462	FIX TO CMS	PERPETUAL	YES	TIER 1
BANCO SANTANDER SA	EUR	19,471	FIXED	04/02/2027	NO	SR NO PREFERRED
BANCO SANTANDER SA	EUR	27,407	FIXED	04/04/2026	NO	TIER 2
BANCO SANTANDER SA	EUR	16,366	FIXED	05/01/2026	NO	SR NO PREFERRED
BANCO SANTANDER SA	EUR	18,442	FIXED	08/02/2028	NO	TIER 2
BANCO SANTANDER SA	EUR	5,156	FIXED	17/01/2025	NO	SR NO PREFERRED
BANCO SANTANDER SA	EUR	40,861	FIXED	18/03/2025	NO	TIER 2
BANCO SANTANDER SA	EUR	18,221	FIXED	23/06/2027	NO	SR NO PREFERRED
BANCO SANTANDER SA	EUR	100,159	FIX TO CMS	PERPETUAL	YES	TIER 1
BANK OF IRELAND GROUP PLC	EUR	596	FIX TO CMS	14/10/2029	YES	TIER 2
BANK OF IRELAND GROUP PLC	EUR	30,938	FIX TO CMS	PERPETUAL	YES	TIER 1
BANKIA SA	EUR	955	FIXED	12/11/2026	NO	SR NO PREFERRED
BANKIA SA	EUR	36,624	FIX TO CMS	15/02/2029	YES	TIER 2
BANKIA SA	EUR	15,871	FIX TO CMS	PERPETUAL	YES	TIER 1
BANKINTER SA	EUR	6,547	FIX TO CMS	06/04/2027	YES	TIER 2
BANQUE FEDERATIVE DU CREDIT MUTUEL	EUR	1,779	CMS/CMT	PERPETUAL	YES	TIER 1
BANQUE FEDERATIVE DU CREDIT MUTUEL	EUR	7,443	FIXED	03/06/2030	NO	SR NO PREFERRED
BANQUE FEDERATIVE DU CREDIT MUTUEL	EUR	14,931	FIXED	11/09/2025	NO	TIER 2
BANQUE FEDERATIVE DU CREDIT MUTUEL	EUR	4,005	FIXED	15/03/2029	NO	SR NO PREFERRED
BANQUE FEDERATIVE DU CREDIT MUTUEL	EUR	19,874	FIXED	15/11/2027	NO	TIER 2
BARCLAYS BANK PLC	EUR	2,897	FIXED	30/03/2022	NO	TIER 2
BARCLAYS BANK PLC	EUR	8,650	INDEXED	PERPETUAL	YES	TIER 1
BARCLAYS PLC	EUR	10,968	FIX TO CMS	07/02/2028	YES	TIER 2
BARCLAYS PLC	EUR	38,535	FIX TO CMS	PERPETUAL	YES	TIER 1
BAWAG GROUP AG	EUR	18,461	FIX TO CMS	23/09/2030	YES	TIER 2
BAYER AG	EUR	16,831	FIX TO CMS	01/07/2074	YES	OTHER CLAUSES
BAYER AG	EUR	17,466	FIX TO CMS	02/04/2075	YES	OTHER CLAUSES
BAYER AG	EUR	16,919	FIX TO CMS	12/11/2079	YES	OTHER CLAUSES
BELFIUS BANK SA	EUR	40,086	FIXED	11/05/2026	NO	TIER 2
BELFIUS BANK SA	EUR	28,166	FIX TO CMS	PERPETUAL	YES	TIER 1
BERTELSMANN SE & CO KGAA	EUR	34,521	FIX TO CMS	23/04/2075	YES	OTHER CLAUSES
BHP BILLITON FIN	EUR	200	FIX TO CMS	22/10/2079	YES	OTHER CLAUSES
BNP PARIBAS CARDIF SA	EUR	92,566	FIX TO FLOATER	PERPETUAL	YES	TIER 2
BNP PARIBAS SA	EUR	10,049	FIXED	01/10/2026	NO	TIER 2
BNP PARIBAS SA	EUR	9,834	FIXED	04/09/2026	NO	SR NO PREFERRED
BNP PARIBAS SA	EUR	14,681	FIXED	11/01/2027	NO	TIER 2
BNP PARIBAS SA	EUR	1,948	FIXED	17/02/2025	NO	TIER 2
BNP PARIBAS SA	EUR	5,982	FIXED	27/01/2026	NO	TIER 2
BNP PARIBAS SA	EUR	35,338	FIX TO CMS	14/10/2027	YES	TIER 2
BNP PARIBAS SA	EUR	15,096	FIX TO CMS	20/03/2026	YES	TIER 2
BNP PARIBAS SA	EUR	41,193	FIX TO CMS	PERPETUAL	YES	TIER 1
BNP PARIBAS SA	EUR	23,491	FIX TO FLOATER	01/09/2028	YES	SR NO PREFERRED
BNP PARIBAS SA	EUR	5,056	FIX TO FLOATER	15/07/2025	YES	SR NO PREFERRED
BNP PARIBAS SA	EUR	24,495	FIX TO FLOATER	19/02/2028	YES	SR NO PREFERRED
BPCE SA	EUR	15,246	FIXED	26/09/2024	NO	SR NO PREFERRED
BPCE SA	EUR	5,075	FIX TO CMS	08/07/2026	YES	TIER 2
BPCE SA	EUR	49,174	FIX TO CMS	30/11/2027	YES	TIER 2
BPCE SA	EUR	5,036	FIX TO FLOATER	15/09/2027	YES	SR NO PREFERRED

5 Additional tables appended to the Notes to the Financial Statements

Amounts in €k

Issuer	Currency	Carrying amount 31/12/20	Interest rate	Maturity	Early repayment	Level of subordination
CATTOLICA ASSICURAZIONI	EUR	39,053	FIX TO FLOATER	14/12/2047	YES	TIER 2
CENTRICA PLC	EUR	5,417	FIX TO CMS	10/04/2075	YES	OTHER CLAUSES
CENTRICA PLC	EUR	13,927	FIX TO CMS	10/04/2076	YES	OTHER CLAUSES
CLOVERIE PLC FOR SWISS REINS	EUR	15,571	FIX TO CMS	11/09/2044	YES	TIER 2
CLOVERIE PLC ZURICH INS	EUR	31,944	FIXED	PERPETUAL	YES	TIER 2
CNP ASSURANCES	EUR	1,402	CMS SPREAD	PERPETUAL	YES	TIER 1
CNP ASSURANCES	EUR	12,387	FIXED	05/02/2029	NO	TIER 2
CNP ASSURANCES	EUR	14,987	FIXED	20/10/2022	NO	TIER 3
CNP ASSURANCES	EUR	13,284	FIX TO CMS	05/06/2045	YES	TIER 2
CNP ASSURANCES	EUR	25,513	FIX TO CMS	PERPETUAL	YES	TIER 1
CNP ASSURANCES	EUR	38,286	FIX TO CMS	PERPETUAL	YES	TIER 2
CNP ASSURANCES	EUR	29,051	FIX TO FLOATER	10/06/2047	YES	TIER 2
CNP ASSURANCES	EUR	10,194	FIX TO FLOATER	27/07/2050	YES	TIER 2
CNP ASSURANCES	EUR	4,455	FIX TO FLOATER	30/09/2041	YES	TIER 2
COMMERZBANK AG	EUR	11,590	FIXED	16/03/2021	NO	TIER 2
COMMERZBANK AG	EUR	68,337	FIXED	20/01/2034	NO	SR NO PREFERRED
COMMERZBANK AG	EUR	40,637	FIXED	22/01/2027	NO	SR NO PREFERRED
COMMERZBANK AG	EUR	51,251	FIXED	23/03/2026	NO	TIER 2
COMMERZBANK AG	EUR	13,116	FIXED	30/03/2027	NO	TIER 2
COMMERZBANK AG	EUR	28,148	FIX TO CMS	05/12/2030	YES	TIER 2
COMMERZBANK AG	EUR	13,000	FIX TO CMS	PERPETUAL	YES	TIER 1
COMMERZBANK AG	EUR	74,102	ZERO COUPON	15/09/2021	NO	SR NO PREFERRED
COMMERZBANK AG	EUR	4,451	ZERO COUPON	20/11/2026	NO	SR NO PREFERRED
COOPERATIEVE RABOBANK UA	EUR	402	FIXED	09/11/2022	NO	TIER 2
COOPERATIEVE RABOBANK UA	EUR	7,039	FIX TO CMS	26/05/2026	YES	TIER 2
COOPERATIEVE RABOBANK UA	EUR	33,432	FIX TO CMS	PERPETUAL	YES	TIER 1
COOPERATIEVE RABOBANK UA	EUR	10,335	FIX TO FLOATER	05/05/2028	YES	SR NO PREFERRED
CPI PROPERTY GROUP SA	EUR	16,282	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
CREDIT AGRICOLE ASSURANCES	EUR	20,304	FIX TO CMS	27/09/2048	YES	TIER 2
CREDIT AGRICOLE ASSURANCES	EUR	9,200	FIX TO CMS	29/01/2048	YES	TIER 2
CREDIT AGRICOLE ASSURANCES	EUR	95,047	FIX TO CMS	PERPETUAL	YES	TIER 2
CREDIT AGRICOLE S.A.	EUR	14,968	FIXED	14/01/2032	NO	SR NO PREFERRED
CREDIT AGRICOLE S.A.	EUR	28,089	FIXED	17/03/2027	NO	TIER 2
CREDIT AGRICOLE S.A.	EUR	46,170	FIX TO CMS	PERPETUAL	YES	TIER 1
CREDIT AGRICOLE S.A.	EUR	5,166	FIX TO FLOATER	22/04/2026	YES	SR NO PREFERRED
CREDIT AGRICOLE SA/LONDON	EUR	3,179	FIXED	05/03/2029	NO	SR NO PREFERRED
CREDIT AGRICOLE SA/LONDON	EUR	34,435	FIXED	20/12/2026	NO	SR NO PREFERRED
CREDIT LOGEMENT SA	EUR	21,988	INDEXED	PERPETUAL	YES	TIER 1
CREDIT MUTUEL ARKEA	EUR	19,895	FIXED	09/02/2029	NO	TIER 2
CREDIT MUTUEL ARKEA	EUR	12,959	FIXED	11/03/2031	NO	TIER 2
CREDIT MUTUEL ARKEA	EUR	55,308	FIX TO FLOATER	11/06/2029	YES	SR NO PREFERRED
CREDIT SUISSE GROUP AG	EUR	59,367	FIX TO CMS	PERPETUAL	YES	TIER 1
CREDITO EMILIANO HOLDING SPA	EUR	13,400	FIX TO CMS	16/12/2030	YES	TIER 2
CREDITO EMILIANO SPA	EUR	941	FIX TO FLOATER	25/10/2025	YES	SR NO PREFERRED
DANSKE BANK	EUR	4,851	FIXED	22/05/2023	NO	SR NO PREFERRED
DANSKE BANK	EUR	1,997	FIXED	24/05/2022	NO	SR NO PREFERRED
DANSKE BANK	EUR	4,976	FIX TO CMS	12/02/2030	YES	TIER 2
DANSKE BANK	EUR	9,953	FIX TO CMS	21/06/2029	YES	TIER 2
DANSKE BANK	EUR	14,639	FIX TO CMS	27/08/2025	YES	SR NO PREFERRED
DANSKE BANK	EUR	30,381	FIX TO CMS	PERPETUAL	YES	TIER 1
DEUTSCHE BANK AG	EUR	9,649	FIXED	01/04/2025	NO	TIER 2
DEUTSCHE BANK AG	EUR	64,114	FIXED	17/02/2025	NO	TIER 2
DEUTSCHE BANK AG	EUR	276	FIXED	19/12/2023	NO	SR NO PREFERRED

Amounts in €k

Issuer	Currency	Carrying amount 31/12/20	Interest rate	Maturity	Early repayment	Level of subordination
DEUTSCHE BANK AG	EUR	21,941	FIXED	20/01/2027	NO	SR NO PREFERRED
DEUTSCHE BANK AG	EUR	18,220	FIX TO CMS	24/05/2028	YES	TIER 2
DEUTSCHE BANK AG	EUR	49,912	FIX TO CMS	PERPETUAL	YES	TIER 1
DEUTSCHE BANK AG	EUR	3,484	FIX TO FLOATER	19/11/2025	YES	SR NO PREFERRED
DEUTSCHE BANK AG	EUR	25,199	ZERO COUPON	15/10/2026	NO	SR NO PREFERRED
DEUTSCHE BANK AG	EUR	19,633	ZERO COUPON	20/01/2032	NO	SR NO PREFERRED
DEUTSCHE BANK AG LONDON	EUR	84,826	INDEXED	01/02/2033	NO	SR NO PREFERRED
DEUTSCHE BANK AG LONDON	EUR	4,989	INDEXED	28/01/2022	NO	SR NO PREFERRED
DEUTSCHE PFANDBRIEFBANK AG	EUR	2,021	FIX TO CMS	28/06/2027	YES	TIER 2
DIRECT LINE INSURANCE GROUP PLC	EUR	8,898	FIX TO CMS	PERPETUAL	YES	TIER 1
DNB NOR BANK ASA	EUR	16,349	FIX TO CMS	PERPETUAL	YES	TIER 1
ELECTRICITE DE FRANCE SA	EUR	108,178	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
ELIA GROUP SA/NV	EUR	18,021	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
ELM BV (HELVETIA SCHWEIZ)	EUR	9,907	FIX TO FLOATER	29/09/2047	YES	TIER 2
ELM BV (SWISS LIFE)	EUR	9,976	FIX TO FLOATER	PERPETUAL	YES	TIER 2
ENBW ENERGIE BADEN-WUERTTEMBERG AG	EUR	24,829	FIX TO CMS	02/04/2076	YES	OTHER CLAUSES
ENBW ENERGIE BADEN-WUERTTEMBERG AG	EUR	4,068	FIX TO CMS	05/04/2077	YES	OTHER CLAUSES
ENBW ENERGIE BADEN-WUERTTEMBERG AG	EUR	24,826	FIX TO CMS	29/06/2080	YES	OTHER CLAUSES
ENEL SPA	EUR	8,157	FIX TO CMS	24/05/2080	YES	OTHER CLAUSES
ENEL SPA	EUR	33,563	FIX TO CMS	24/11/2081	YES	OTHER CLAUSES
ENERGIAS DE PORTUGAL	EUR	21,895	FIX TO CMS	30/04/2079	YES	OTHER CLAUSES
ENGIE SA	EUR	9,719	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
ENI SPA	EUR	2,244	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
ERSTE GROUP BANK AG	EUR	10,113	FIX TO CMS	PERPETUAL	YES	TIER 1
FERROVIAL NETHERLANDS BV	EUR	17,279	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
GAS NATURAL FENOSA FINANCE BV	EUR	66,283	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
GENERALI SPA	EUR	22,094	FIXED	04/05/2026	NO	TIER 2
GENERALI SPA	EUR	32,795	FIX TO FLOATER	08/06/2048	YES	TIER 2
GENERALI SPA	EUR	26,900	FIX TO FLOATER	10/07/2042	YES	TIER 2
GENERALI SPA	EUR	16,367	FIX TO FLOATER	27/10/2047	YES	TIER 2
GENERALI SPA	EUR	136,588	FIX TO FLOATER	PERPETUAL	YES	TIER 1
GROUPAMA SA	EUR	43,300	FIXED	23/01/2027	NO	TIER 2
GROUPAMA SA	EUR	52,625	FIXED	24/09/2028	NO	TIER 2
GROUPAMA SA	EUR	6,454	FIX TO FLOATER	PERPETUAL	YES	TIER 2
HAMBURG COMMERCIAL BANK AG	EUR	1,004	FIXED	23/11/2023	YES	SR NO PREFERRED
HANNOVER RUECKVERSICHERU-REG	EUR	4,951	FIX TO FLOATER	09/10/2039	YES	TIER 2
HANNOVER RUECKVERSICHERU-REG	EUR	38,108	FIX TO FLOATER	PERPETUAL	YES	TIER 2
HOLCIM FINANCE LUX	EUR	1,006	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
HSBC HOLDINGS PLC	EUR	50,226	FIXED	30/06/2025	NO	TIER 2
HSBC HOLDINGS PLC	EUR	102,865	FIX TO CMS	PERPETUAL	YES	TIER 1
IBERCAJA BANCO SA	EUR	17,124	FIX TO CMS	23/07/2030	YES	TIER 2
IBERDROLA INTERNATIONAL BV	EUR	17,970	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
IKB DEUTSCHE INDUSTRIEBK	EUR	11,805	FIX TO CMS	31/01/2028	YES	TIER 2
ING GROEP NV	EUR	37,967	FIX TO CMS	15/02/2029	YES	TIER 2
ING GROEP NV	EUR	519	FIX TO CMS	26/05/2031	YES	TIER 2
ING GROEP NV	EUR	15,769	FIX TO CMS	PERPETUAL	YES	TIER 1
INTESA SANPAOLO SPA	EUR	288	FIXED	13/09/2023	NO	TIER 2
INTESA SANPAOLO SPA	EUR	31,562	FIX TO CMS	PERPETUAL	YES	TIER 1
INTESA SANPAOLO VITA SPA	EUR	707	FIX TO FLOATER	PERPETUAL	YES	TIER 1
KBC GROEP NV	EUR	19,482	FIX TO CMS	11/03/2027	YES	TIER 2
KBC GROEP NV	EUR	56,566	FIX TO CMS	PERPETUAL	YES	TIER 1
KONINKLIJKE KPN NV	EUR	11,559	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES

5 Additional tables appended to the Notes to the Financial Statements

Amounts in €k

Issuer	Currency	Carrying amount 31/12/20	Interest rate	Maturity	Early repayment	Level of subordination
LA BANQUE POSTALE SA	EUR	12,843	FIXED	09/06/2028	NO	TIER 2
LA BANQUE POSTALE SA	EUR	18,003	FIX TO CMS	19/11/2027	YES	TIER 2
LA BANQUE POSTALE SA	EUR	23,590	FIX TO CMS	PERPETUAL	YES	TIER 1
LA MONDIALE SAM	EUR	3,015	FIXED	20/04/2026	YES	TIER 2
LA MONDIALE SAM	EUR	4,854	FIXED	23/06/2031	YES	TIER 2
LA MONDIALE SAM	EUR	9,527	FIX TO CMS	PERPETUAL	YES	TIER 1
LA MONDIALE SAM	EUR	57,507	FIX TO CMS	PERPETUAL	YES	TIER 2
LA MONDIALE SAM	EUR	2,836	INDEXED	PERPETUAL	YES	TIER 1
LA POSTE SA	EUR	28,446	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
LANDESBANK BADEN-WUERTTEMBERG	EUR	15,969	FIXED	28/09/2026	NO	TIER 2
LANDESBANK BADEN-WUERTTEMBERG	EUR	2,970	FIX TO CMS	PERPETUAL	YES	TIER 1
LEGAL & GENERAL GROUP	EUR	10,187	FIX TO CMS	21/03/2047	YES	TIER 2
LEGAL & GENERAL GROUP	EUR	20,382	FIX TO CMS	27/10/2045	YES	TIER 2
M&G PLC	EUR	25,483	FIX TO CMS	20/07/2055	YES	TIER 2
MAPFRE SA	EUR	63,401	FIX TO FLOATER	07/09/2048	YES	TIER 2
MAPFRE SA	EUR	19,782	FIX TO FLOATER	31/03/2047	YES	TIER 2
MEDIOBANCA SPA	EUR	22,723	FIXED	23/04/2025	NO	SR NO PREFERRED
MEDIOBANCA SPA	EUR	9,975	FIX TO CMS	23/11/2030	YES	TIER 2
MEDIOBANCA SPA	EUR	597,190	FIX TO FLOATER	21/07/2027	YES	TIER 1
MERCK KGAA	EUR	15,863	FIX TO CMS	25/06/2079	YES	OTHER CLAUSES
MITSUBISHI UFJ INVESTOR S&B LUX SA	EUR	37,926	INDEXED	15/12/2050	NO	TIER 1
MITSUBISHI UFJ INVESTOR S&B LUX SA	EUR	653	INDEXED	30/12/2099	NO	TIER 1
MONTE PASCHI SIENA SPA	EUR	8,000	FIXED	23/07/2029	NO	TIER 2
MONTE PASCHI SIENA SPA	EUR	13,000	FIX TO CMS	10/09/2030	YES	TIER 2
MONTE PASCHI SIENA SPA	EUR	23,631	FIX TO CMS	18/01/2028	YES	TIER 2
MUNICH RE	EUR	6,969	FIX TO FLOATER	26/05/2042	YES	TIER 2
MUNICH RE	EUR	21,815	FIX TO FLOATER	26/05/2049	YES	TIER 2
NATIONWIDE BUILDING SOCIETY	EUR	1,460	FIX TO CMS	25/07/2029	YES	TIER 2
NATIXIS	EUR	12,000	CMS/CMT	PERPETUAL	YES	TIER 1
NGG FINANCE PLC	EUR	25,810	FIX TO CMS	05/09/2082	YES	OTHER CLAUSES
NN GROUP NV	EUR	15,461	FIX TO FLOATER	08/04/2044	YES	TIER 2
NN GROUP NV	EUR	45,189	FIX TO FLOATER	PERPETUAL	YES	TIER 2
NORDEA BANK ABP	EUR	53,920	FIX TO CMS	PERPETUAL	YES	TIER 1
NYKREDIT REALKREDIT AS	EUR	10,448	FIXED	20/01/2027	NO	SR NO PREFERRED
NYKREDIT REALKREDIT AS	EUR	1,810	FIX TO CMS	03/06/2036	YES	TIER 2
NYKREDIT REALKREDIT AS	EUR	9,995	FIX TO CMS	17/11/2027	YES	TIER 2
OMV AG	EUR	33,800	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
ORANGE SA (EX FRANCE TELECOM)	EUR	36,146	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
ORSTED A/S (EX DONG ENERGY)	EUR	3,468	FIX TO CMS	09/12/2150	YES	OTHER CLAUSES
P&V ASSURANCES SCRL	EUR	95,000	FIXED	13/07/2028	NO	TIER 2
PHOENIX GROUP HOLDINGS PLC	EUR	24,108	FIXED	24/01/2029	NO	TIER 2
PRUDENTIAL FINANCIAL INC.	EUR	76	FIX TO FLOATER	15/09/2047	YES	TIER 2
RAIFFEISEN BANK INTERNATIONAL AG	EUR	16,368	FIX TO CMS	PERPETUAL	YES	TIER 1
REPSOL INTERNATIONAL FINANCE BV	EUR	28,340	FIX TO CMS	25/03/2075	YES	OTHER CLAUSES
REPSOL INTERNATIONAL FINANCE BV	EUR	45,611	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
SAMPO OYJ	EUR	7,459	FIX TO FLOATER	03/09/2052	YES	TIER 2
SCOR SA	EUR	20,325	FIX TO CMS	08/06/2046	YES	TIER 2
SCOR SA	EUR	16,034	FIX TO CMS	PERPETUAL	YES	TIER 1
SCOR SA	EUR	9,941	FIX TO CMS	PERPETUAL	YES	TIER 2

Amounts in €k

Issuer	Currency	Carrying amount 31/12/20	Interest rate	Maturity	Early repayment	Level of subordination
SERVIZI ASS. DEL COMMERCIO ESTERO	EUR	48,702	FIX TO CMS	PERPETUAL	YES	TIER 1
SOCIETE GENERALE	EUR	55,473	FIXED	12/06/2030	NO	SR NO PREFERRED
SOCIETE GENERALE	EUR	2,989	FIXED	15/02/2024	NO	SR NO PREFERRED
SOCIETE GENERALE	EUR	19,493	FIXED	27/02/2025	NO	TIER 2
SOCIETE GENERALE	EUR	32,067	FIX TO CMS	16/09/2026	YES	TIER 2
SOCIETE GENERALE	EUR	24,180	FIX TO CMS	PERPETUAL	YES	TIER 1
SOCIETE GENERALE	EUR	10,463	FIX TO FLOATER	22/09/2028	YES	SR NO PREFERRED
SOCIÉTÉ EUROPEENNE SATELLITE	EUR	44,852	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
SOGECAP SA	EUR	110,067	FIX TO CMS	PERPETUAL	YES	TIER 2
SOLVAY SA	EUR	13,222	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
STANDARD CHARTERED PLC	EUR	6,495	FIXED	19/11/2024	NO	TIER 2
STANDARD CHARTERED PLC	EUR	28,058	FIXED	23/11/2022	NO	TIER 2
STANDARD CHARTERED PLC	EUR	5,131	FIX TO CMS	09/09/2030	YES	TIER 2
SUPERSTRADA PEDEMONTANA VENETA	EUR	13,800	STEP UP	30/06/2027	NO	OTHER CLAUSES
SVENSKA HANDELSBANKEN AB	EUR	8,135	FIX TO CMS	PERPETUAL	YES	TIER 1
SWEDBANK AB	EUR	5,038	FIXED	09/10/2024	NO	SR NO PREFERRED
SWEDBANK AB	EUR	9,779	FIX TO CMS	PERPETUAL	YES	TIER 1
SWISS LIFE AG	EUR	37,030	FIX TO CMS	25/09/2048	YES	TIER 2
SWISS LIFE AG	EUR	191	FIX TO CMS	PERPETUAL	YES	TIER 1
SWISS RE FINANCE UK PLC	EUR	10,080	FIX TO CMS	04/06/2052	YES	TIER 2
SYNETERISTIKI INSURANCE CO. INC.	EUR	1,500	INDEXED	PERPETUAL	YES	TIER 1
TALANX AG	EUR	53,897	FIX TO FLOATER	05/12/2047	YES	TIER 2
TELEFONICA EUROPE BV	EUR	115,601	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
TOTAL SA	EUR	6,201	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
UBS GROUP AG	EUR	52,771	FIX TO CMS	PERPETUAL	YES	TIER 1
UNIBAIL-RODAMCO SE	EUR	22,664	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
UNICAJA BANCO SA	EUR	593	FIX TO CMS	13/11/2029	YES	TIER 2
UNICREDIT SPA	EUR	17,938	FIXED	20/01/2030	NO	SR NO PREFERRED
UNICREDIT SPA	EUR	70,942	FIXED	31/10/2022	NO	TIER 2
UNICREDIT SPA	EUR	30,249	FIX TO CMS	03/01/2027	YES	TIER 2
UNICREDIT SPA	EUR	23,342	FIX TO CMS	15/01/2032	YES	TIER 2
UNICREDIT SPA	EUR	16,874	FIX TO CMS	19/06/2032	YES	TIER 2
UNICREDIT SPA	EUR	36,000	FIX TO CMS	20/02/2029	YES	TIER 2
UNICREDIT SPA	EUR	170,709	FIX TO CMS	PERPETUAL	YES	TIER 1
UNICREDIT SPA	EUR	16,486	FIX TO FLOATER	20/01/2026	YES	SR NO PREFERRED
UNIONE DI BANCHE ITALIANE SCPA	EUR	9,007	FIXED	12/04/2023	NO	SR NO PREFERRED
UNIONE DI BANCHE ITALIANE SCPA	EUR	60,010	FIX TO CMS	05/05/2026	YES	TIER 2
UNIONE DI BANCHE ITALIANE SCPA	EUR	14,950	FIX TO CMS	12/07/2029	YES	TIER 2
UNIONE DI BANCHE ITALIANE SCPA	EUR	1,208	FIX TO CMS	15/09/2027	YES	TIER 2
UNIONE DI BANCHE ITALIANE SCPA	EUR	7,000	FIX TO CMS	PERPETUAL	YES	TIER 1
VATTENFALL AB	EUR	44,318	FIX TO CMS	19/03/2077	YES	OTHER CLAUSES
VENETO BANCA SPA	EUR	38	CMS SPREAD	01/12/2025	YES	TIER 2
VEOLIA	EUR	999	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
VITTORIA ASSICURAZIONI SPA	EUR	30,000	FIXED	11/07/2028	NO	TIER 2
VODAFONE GROUP PLC	EUR	57,072	FIX TO CMS	03/01/2079	YES	OTHER CLAUSES
VODAFONE GROUP PLC	EUR	15,484	FIX TO CMS	27/08/2080	YES	OTHER CLAUSES
VOLKSWAGEN INT.NAL FINANCE NV	EUR	58,830	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
XLIT LTD	EUR	19,892	FIX TO FLOATER	29/06/2047	YES	TIER 2
ZURICH FINANCE (IRELAND) DAC	EUR	19,969	FIX TO FLOATER	17/12/2052	YES	TIER 2
Total		8,089,860				

5 Additional tables appended to the Notes to the Financial Statements

List of properties

Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2019	Purchases and other Increases	Write-backs and reversals of impairment losses
1	0008	To - Moncalieri - Via F. Postiglione 18	670		
1	0019	To - Torino - Corso Galileo Galilei 12/14	25,453	2,042	
1	0284	To - Torino - Via Carlo Alberto 59	3,293		
1	3511	To - Torino - Via Marengo 15	18,618	16	
1	7560	To - Torino - Corso Vittorio Emanuele 8, 3		1	
2	0008	To - Moncalieri - Via F. Postiglione 18	641		
2	0019	To - Torino - Corso Galileo Galilei 12/14	1,579	107	
2	0105	To - Moncalieri - P.Za V.Emanuele 8	181	178	
2	0162	To - Torino - Corso Dante 119	790		
2	0171	To - Torino - C.So Sebastopoli 310/1	94		
2	0178	To - Torino - C.So Turati 74	62		
2	0194	To - Torino - Grossi 29/Vinci 21/Cellini 6	5,224		
2	0197	To - Torino - Via Monginevro 61	60		
2	0206	To - Venaria - Via Tripoli 17	56		
2	0248	To - Ivrea - Via Monte Stella 6	546		
2	0251	To - Rivarolo Canavese - V.Gallo Pecca 22	199		
2	0284	To - Torino - Via Carlo Alberto 59	2,267		
2	0303	To - Torino - Via Arsenale 5	8,089	177	
2	0345	To - Chieri - Vicolo S.Antonio-Via V.Emanuele li Snc	167		
2	0434	To - Moncalieri - Piazza Caduti Per La Liberta' 7	100		
2	0494	To - Torino - Piazza Guala 143	6,990	194	
2	1049	To - Torino - C.So Vittorio Emanuele 48/V. Carlo Alberto 65	23,654		
2	2035	To - Collegno - Viale Gramsci 24	43		
2	2219	To - Torino - Corso Trapani 7/D	1,500		
2	2303	To - Torino - Strada Del Drosso, 25	4,450		
2	3510	To - Torino - Via Berthollet 46	12,018	737	
2	3511	To - Torino - Via Marengo 15	54		
2	7560	To - Torino - Corso Vittorio Emanuele 8, 3	740	4	
1	1109	To - Torino - Lungo Dora Firenze 71	26,637	778	
2	1050	To - Moncalieri - Strada Ferrero Di Cambiano, 20	2,100	443	
2	1109	To - Torino - Lungo Dora Firenze 71	1,264	31	
2	0328	Vc - Borgosesia - Via G. Ferrari 15	98		
2	3003	Vc - Gattinara - Piazza Giuseppe Mazzini 3	3,842		
1	0313	Cn - Alba - Corso Langhe 7	60		
2	0313	Cn - Alba - Corso Langhe 7	95		
2	0314	Al - Alessandria - Corso Crimea 25	190		
2	2254	Al - Alessandria - Via Trotti 44/46	120		
2	4200	Al - Alessandria - Via Spalto Marengo 11	85		
2	0033	Bi - Biella - Via Cova 10/A	90		

Transfers between usage classes	Sales and other decreases	Value adjustments	Depreciation for the year	Net Carrying amount 31/12/2020	Current value 31/12/2020	Total depreciation	Total write-backs	Total write-downs
	611		59					
			1,174	26,320	45,050	18,689	3,670	
			213	3,080	4,030	4,011		
			499	18,135	17,708	2,525		
100			8	93	230	161	49	
	631		10					
			73	1,613	2,870	1,187	234	
	355		4					
			4	787	1,700	141	488	
	92		2					
			3	59	220	25	46	
	5,222		2					
			2	58	200	21	47	
			2	53	200	20	42	
			12	534	600	100		
			8	191	290	71		
			133	2,134	2,270	2,283		
		249	217	7,800	7,800	2,528		634
			7	160	190	79		
	98		2					
	7,081		103					
	23,368		286					
			2	41	81	15	6	
	1,481		19					
	4,377		72					
			349	12,405	7,300	1,442		
			1	53	52	7		
(100)			49	595	1,473	1,031	312	
			744	26,671	22,126	3,370		
	2,543							
			35	1,259	1,074	162		
			4	95	140	37		
		695	108	3,040	3,040	1,094		2,437
			3	57	92	28		
			4	91	138	45		
	186		5					
			5	116	114	45		7
	82		3					
			4	86	300	32	73	

5 Additional tables appended to the Notes to the Financial Statements

List of properties

Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2019	Purchases and other Increases	Write-backs and reversals of impairment losses
2	0351	Bi - Cossato - Via Paietta 8	64		
2	0501	Bi - Trivero - Località Ponzzone / Via Provinciale 195	80		
2	7380	Bi - Biella - Via Gramsci 21	99		
3	0525	Im - San Remo - Monte Bignone S.N.C.	22		
3	0541	Ge - Camogli - Via Romana 215	4		
3	0542	Ge - Santa Margherita Ligure - Terreni S.Margherita Ligure Snc	1		
3	0543	Ge - Camogli - Terreni Agr. In Com. Camogli Viale Gaggini 1	53		
1	4069	Ge - Genova - Via Xx Settembre 1	1,033		
2	0067	Ge - Genova - Via Timavo 3	75		
2	0334	Ge - Camogli - Via Gaggini, 1	444		
2	0538	Ge - Camogli - Fabbricati Non Abitativi Camogli Viale Gaggini 1	85		
2	0540	Ge - Camogli - Via Gaggini 1	6,900		
2	0541	Ge - Camogli - Via Romana 215	186		
2	2063	Ge - Genova - Via Roccatagliata Ceccardi 1/2	468		
2	3009	Ge - Sestri Levante - Localita Riva Trigoso Snc	37		
2	7356	Ge - Genova - Via Sottoripa 1/A	1,146		
1	7365	Sp - La Spezia - Viale Italia 210/6	134	3	
1	2200	Va - Varese - Via Carcano, 2	188	2	
2	0151	Va - Saronno - Via Diaz / Via Bossi 2	39		
2	0205	Va - Varese - Via Foscolo 10	151		
2	0498	Va - Tradate - Via Montegrappa 17-Via Baracca 2	105		
2	0551	Va - Varese - Via Albani, 41	6,600	32	
2	2259	Va - Busto Arsizio - Piazza Garibaldi 1	128		
2	3002	Va - Laveno Mombello - Via Buozzi, 1	1,429		
2	1044	Va - Busto Arsizio - Via Xx Settembre 8	189		
1	8110	Co - Como - Via Innocenzo Xi, 13	1,428		
2	2037	Co - Como - Via Innocenzo Xi 13	189	5	
2	5205	Co - Como - Piazza Del Popolo 14	181		
2	8110	Co - Como - Via Innocenzo Xi, 13	2,843		
3	3031	Mi - Milano - Via Romano' ,Cascina Malghera 42	745		
3	3072	Mi - Milano - Localita Trenno Snc	808		
1	2121	Mi - Milano - Via Pantano 26	629		
1	2122	Mi - Milano - Corso Di Porta Romana 19	40,798	206	
1	2244	Mi - Milano - Via Rasori 2	1		
1	3046	Mi - Milano - Via Dei Missaglia 97 - Edificio A2 (Ex B1)	3,789	16	
1	3047	Mi - Milano - Via Dei Missaglia 97 - Edificio B1 (Ex B4)	4,632	163	
1	4357	Mi - San Donato Milanese - Via Dell'Unione Europea 3	93,672	691	
1	7701	Mi - Milano - Piazza Missori 2	91	12	
1	7734	Mi - Milano - Via Unione 1	11		
2	0006	Mi - Milano - Via Roncaglia 14	9		
2	0023	Mi - Abbiategrasso - Via Serafino Dell'Uomo 34	90		

Transfers between usage classes	Sales and other decreases	Value adjustments	Depreciation for the year	Net Carrying amount 31/12/2020	Current value 31/12/2020	Total depreciation	Total write-backs	Total write-downs
	62		1					
	78		2					
	97		3					
				22	32			
	4							
				1	1			1
				53	300			
	1,004		29					
			3	72	200	41	50	
				444	620			
				85	85	4		9
		667	233	6,000	6,000	4,161		3,475
	186							
	457		10					
				37	40			99
	1,113		33					
			10	128	298	193		
			7	184	378	37	77	
			2	38	180	14	29	
	148		3					
	103		2					
	6,593		39					
			5	123	143	46		
	1,413		16					
			8	182	310	72		
			65	1,364	1,576	787		
			7	187	408	57	99	
	177		4					
			123	2,720	2,606	1,389		
				745	1,185			129
				808	808			135
			15	614	562	69		56
			938	40,067	42,561	4,693		69
				1	7	3		
	3,754		51					
	4,728		67					
			3,062	91,301	102,521	37,961	1,065	
			4	98	221	55	26	
	10		1					
	4			5	60	4	3	
	88		2					

5 Additional tables appended to the Notes to the Financial Statements

List of properties

Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2019	Purchases and other Increases	Write-backs and reversals of impairment losses
2	0078	Mi - Milano - Piazza Segesta 4	34		
2	0086	Mi - Milano - P.Za Garibaldi 8	54		
2	0095	Mi - Milano - Via Palmanova 189	68		
2	0216	Mi - Pieve Emanuele - Via Delle Rose 6	9,676	110	
2	0230	Mi - Rozzano - Via Torino 85	167		
2	0239	Mi - Milano - Via Cechov 48	117		
2	0264	Mi - Corsico - Via Vittorio Emanuele 10	178		
2	0265	Mi - Legnano - Via Porta / Corso Sempione 164	214		
2	0289	Mi - Bresso - Via Xxv Aprile 41 / Via Patellani 42	160		
2	0298	Mi - Milano - Via Treccani Degli Alfieri 16-18-20-22-24-26	19,999	146	
2	0304	Mi - Milano - Via Castellanza 6/8/10	3,127		
2	0310	Mi - Milano - Piazza Velasca 5	79,751	408	
2	0432	Mi - Milano - Via Perotti 2	2,134		
2	0445	Mi - Paderno Dugnano - Via Cadorna Ang, Via Pepe, 2 (Via Piaggio 2)	223		
2	0520	Mi - Milano - Via Fiori Chiari Madonnina 9 - 24/A	862		
2	0545	Mi - Milano - Via Larga 26	10,346	9	
2	0552	Mi - Milano - Via Fara, 39	3,983	45	
2	0553	Mi - Milano - Via Fara, 41	90,648	5,586	
2	0554	Mi - Milano - Via Cardano 6	1,538		
2	0555	Mi - Milano - C. So B. Aires 77-79 - Via Doria 56			
2	2075	Mi - Legnano - Corso Italia 54	105		
2	2097	Mi - Milano - Via Casati, 39	1,688		
2	2121	Mi - Milano - Via Pantano 26	712		
2	2122	Mi - Milano - Corso Di Porta Romana 19	8,028	29	
2	2123	Mi - Milano - Via Pontaccio 15	8,798	15	
2	2222	Mi - Milano - Via Conservatorio 15	15,586	37	
2	2223	Mi - Milano - Via Conservatorio 17	11,046	26	
2	2227	Mi - Milano - Viale Umbria, 76	10,147	5	
2	2290	Mi - Milano - Via Lancetti, 43 - Via Maloja, 1 - Via Dell'Aprica, 28	49,790	126	
2	2298	Mi - Assago - Palazzo A - Strada 6	36,118	73	
2	2302	Mi - Milano - Via Benigno Crespi, 57	42,411	896	
2	3006	Mi - Milano - Via Manin 37	1,395		
2	3007	Mi - Milano - Via Bugatti 1/3/5 - Lotto M13	171		
2	3016	Mi - Milano - Via Trenno - Lampugnano Snc	13		
2	3017	Mi - Milano - Viale Richard - Morimondo - Viale Famagosta Snc	1		
2	3018	Mi - Milano - Via Brugnatelli / Via Ettore Ponti Snc	21		
2	3023	Mi - Milano - Galleria Del Corso 4	1,374		
2	3031	Mi - Milano - Via Romano' - Cascina Malghera 42	382		
2	3038	Mi - Milano - Via Medici Del Vascello 40/E	945		
2	3039	Mi - Milano - Via Bugatti 13 - Lotto M14_Edificio P1	1,877		
2	3040	Mi - Milano - Via Tomaselli 1 - Lotto M14_Edificio N2	4,502		
2	3041	Mi - Milano - Via Fraschini 22 - Lotto M14_Edificio O	3,939		
2	3042	Mi - Milano - Via G. Sanv Rosselli 1 - Lotto M14_Edificio Q3	1,634		
2	3043	Mi - Milano - Via Dei Missaglia 97 - Edificio A1	10,334	119	

Transfers between usage classes	Sales and other decreases	Value adjustments	Depreciation for the year	Net Carrying amount 31/12/2020	Current value 31/12/2020	Total depreciation	Total write-backs	Total write-downs
			1	33	35	2		
			2	52	150	20	42	
			3	65	170	24	57	
	9,781		4					
			7	161	340	59	27	
			5	113	230	42		
			8	171	220	82		
			8	205	380	76		
	156		4					
			18	20,128	28,100	148		
	374		8	2,745	3,290	303		
			296	79,863	160,000	12,364		
	2,093		41					
			9	214	292	83		
	855		7					
	385		301	9,668	13,790	3,502		512
	3,954		74					
(15)	96,219							
	1,504		34					
					19			
			4	101	384	37	61	
			21	1,667	3,900	228	536	
			7	705	735	48		65
			194	7,864	7,309	901		
	8,813							
			250	15,373	25,100	2,191		
			170	10,901	19,000	1,517		
			34	10,118	10,750	320		1,811
	49,193		723					
(145)	35,525		520					
	42,751		556					
	1,395							
	168		3					
				13	17			
				1	1			
				21	71			
	1,349		26					
				382	213			49
			16	930	970	440		2,874
	1,588			289	309	1		15
	4,501		1					
	3,938							
	1,429			205	236			20
	10,316		137					

5 Additional tables appended to the Notes to the Financial Statements

List of properties

Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2019	Purchases and other Increases	Write-backs and reversals of impairment losses
2	3044	Mi - Milano - Via Dei Missaglia 97 - Edificio B3 (Ex A3)	14,368	5	
2	3045	Mi - Milano - Via Dei Missaglia 97 - Edificio B2 (Ex A4)	12,973	111	
2	3046	Mi - Milano - Via Dei Missaglia 97 - Edificio A2 (Ex B1)	9,060	12	
2	3047	Mi - Milano - Via Dei Missaglia 97 - Edificio B1 (Ex B4)	10,878	190	
2	3048	Mi - Milano - Via Dei Missaglia 97 - Edificio C1	6,470		
2	3049	Mi - Milano - Via Dei Missaglia 97 - Edificio C2	6,670		
2	3050	Mi - Milano - Via Dei Missaglia 97 - Edificio C3	6,760		
2	3052	Mi - Pieve Emanuele - Via Dei Platani Snc	220		
2	3053	Mi - Milano - Via Amidani Ed1/Via Gabussi 1	2,247		
2	3054	Mi - Milano - Via Amidani 19 (Ex. 15) Edificio 2	2,307		
2	3055	Mi - Milano - Via Amidani 17 Edificio 3B	1,307		
2	3056	Mi - Milano - Via Amidani 15 Edificio 3A	2,044		
2	3057	Mi - Milano - Via Patecchio 1 - Lotto A5 Ed.6	950		
2	3058	Mi - Milano - Via Ripamonti-Missaglia Snc	6		
2	3059	Mi - Milano - Via Medici Del Vascello 40	3,417		
2	3067	Mi - Milano - Via Dei Missaglia 97 - Edificio B4 (Ex B3)	15,756	13	
2	3068	Mi - Milano - Via Dei Missaglia 97 - Edificio C4	7,130		
2	3069	Mi - Milano - Via Dei Missaglia 97 - Edificio E	854		
2	3070	Mi - Milano - Via Dei Missaglia 97 - Edificio F	5,440		
2	3075	Mi - Milano - Piazza Missori 2	30		
2	3503	Mi - Milano - Via Senigallia 18/2_Ed. Aefg	23,462		
2	3504	Mi - Milano - Via Senigallia 18/2_Ed. D	17,720		
2	3505	Mi - Milano - Via Senigallia 18/2_Ed. B	17,073		
2	3513	Mi - Milano - Via Senigallia 18/2_Ed. C	16,850		
2	4357	Mi - San Donato Milanese - Via Dell'Unione Europea 3	55,546	322	
2	4367	Mi - Milano - Piazza Castello 13	8,232	89	
2	7701	Mi - Milano - Piazza Missori 2	2,952	342	
1	7207	Mi - Milano - Galleria Unione 3	8		
2	0423	Bg - Lovere - Via S. Maria 35	82		
2	2233	Bs - Brescia - Via Solferino 11	210		
2	4370	Bs - Brescia - C.So Bazoli 45 - Via Aldrichi	848		
2	7715	Bs - Brescia - Piazzale Della Stazione 63	289		
2	0439	Pv - Mortara - C.So Cavour 74	93		
2	2044	Cr - Cremona - Via Ingegneri 5	64		
2	2081	Mn - Mantova - Via Mazzini 16	204	132	
2	2143	Mn - Ostiglia - Via Xx Settembre 63/65/67	183		
2	0104	Mb - Monza - Via S.Martino 2	127		
2	0154	Mb - Seregno - Via Raffaello Sanzio 10	72		

Transfers between usage classes	Sales and other decreases	Value adjustments	Depreciation for the year	Net Carrying amount 31/12/2020	Current value 31/12/2020	Total depreciation	Total write-backs	Total write-downs
	14,178		196					
	12,891		192					
	8,951		122					
	10,912		155					
	6,408		62					
	6,606		64					
	6,694		66					
				220	220			150
	2,247							
	2,307							
	1,307							
	2,044							
	944		6					
				6	6			26
		127	90	3,200	3,200	1,463		3,215
	15,555		214					
	7,063		67					
	845		9					
	5,386		54					
			1	29	39	6		
	23,181		281					
(i)	17,520		200					
	16,880		192					
	16,661		189					
			1,660	54,208	58,529	16,156	646	
	8,161		160					
			143	3,151	7,297	1,811	844	
	8		1					
			3	79	115	30	4	
	203		6					
	823		25					
	281		8					
	91		2					
			3	61	175	23	40	
	332		5					
			7	177	190	51		26
			5	122	715	45	95	
	71		2					

5 Additional tables appended to the Notes to the Financial Statements

List of properties

Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2019	Purchases and other Increases	Write-backs and reversals of impairment losses
2	7520	Mb - Monza - Piazza Diaz 1	182		
2	2018	Bz - Bolzano - Via Perathoner 5	86		
2	3030	Tn - Campo Carlo Magno - Via Cima Tosa	3,002	40	
1	2249	Vr - Verona - Corso Porta Nuova 60	241		
2	0421	Vr - Legnago - Viale Dei Caduti 72	128		
2	0508	Vr - Verona - Corso Cavour 35	390		
2	2207	Vr - Verona - Via Locatelli, 20	39		
2	8020	Vr - Affi Vr - Via Pascoli 31/A	142		
1	7568	Vi - Vicenza - Via Firenze 7-13	18		
2	0204	Vi - Valdagno - P.Za Dante 4	58		
2	0262	Vi - Camisano Vicentino - Via Roma / Via Stadio 7	144		
2	0322	Vi - Bassano Del Grappa - Via Marinali 52	197		
2	4375	Vi - Vicenza - C.So Felice E Fortunato 300	809	16	
2	7568	Vi - Vicenza - Via Firenze 7-13	57		
2	2257	Bl - Belluno - Via Feltre 244	44		
1	3204	Tv - Treviso - Via Pennacchi 1	759	4	
2	0337	Tv - Castelfranco Veneto - Via M. Podgora / Borgo Vicenza 42	201		
2	0512	Tv - Vittorio Veneto - L.Go Med.D'Oro Bortolotto, 1	234		
2	3204	Tv - Treviso - Via Pennacchi 1	827	4	
2	2084	Ve - Venezia - Via Mestrina 6	53		
2	3025	Ve - Musile Di Piave - Via Triestina 9	3,031		
2	5448	Ve - Mestre - Corso Del Popolo 125	320		
2	0358	Ro - Ficarolo - Via Giglioli 5/1 - P.Zza Marconi 25	74		
1	0502	Ud - Udine - Via Poscolle,71 - M.Volpe,5	421	2	
2	0485	Ud - Tarvisio - Via Roma 35	52		
2	0490	Ud - Tolmezzo - Via Roma 9/A	203		
2	0071	Go - Gorizia - C.So Italia 90	71		
1	0533	Ts - Trieste - Via Carducci 29	1,107	46	
2	0079	Ts - Trieste - Via De Amicis 15-17		237	
2	0533	Ts - Trieste - Via Carducci 29	3,872	186	
2	0556	Ts - Trieste - Via De Amicis 1/17	1,082		
2	3514	Ts - Trieste - Riva Tommaso Gulli	4,569	3,488	
2	7731	Ts - Trieste - Via Marconi 6/8	122		
2	2154	Pc - Piacenza - Piazza Cavalli, 7	91		
5	3074	Pr - San Pancrazio Parma - Via Emilia Ovest Snc	4,100	58	
2	0119	Pr - Parma - Via Collegio Nobili 4	91		
2	2148	Pr - Parma - Borgo Goldoni 1	195		
2	4378	Pr - Parma - Via Saffi 82/B	3,016		
2	4379	Pr - Fidenza - Piazza Ettore Ponzi	263		
2	4270	Re - Reggio Emilia - Via Premuda 42	2,213		
3	0523	Mo - Modena - Via M.Buonarroti Snc	20		
2	0103	Mo - Modena - Via Tabboni 9-11-13 / Viale Fabrizi 21	218		
2	0249	Mo - Maranello - Via Gioia / Via Magellano 15	96		

Transfers between usage classes	Sales and other decreases	Value adjustments	Depreciation for the year	Net Carrying amount 31/12/2020	Current value 31/12/2020	Total depreciation	Total write-backs	Total write-downs
			12	171	500	227	150	
			3	83	312	31	73	15
			124	2,917	3,360	1,230	555	
			15	227	544	260		
	125		3					
			16	375	535	145		
	38		1					
			6	137	150	51		
	17		1					
	57		1					
			6	138	210	51		
			8	189	270	73		
			33	793	796	295		290
	54		3					
			2	42	105	16		
			19	743	731	96		353
			9	193	210	100		14
			10	224	260	117		
1			21	810	819	105		392
	52		1					
	2,990		41					
	312		9					
			3	71	100	28	7	
			17	407	530	145		
			2	49	65	20		
			8	194	280	77		
	69		2					
			32	1,121	823	265		
1,082	1,317		2					
15			66	4,007	4,627	542		
(1,082)								
	7,963		93					
	3		7	112	337	111	1	
	90		2					
	4,158							
			4	87	485	31	55	
	191		4					
		120	47	2,850	2,850	462		838
	257		6					
	2,172		42					
				20	78			
			8	211	680	55	97	
	94		2					

5 Additional tables appended to the Notes to the Financial Statements

List of properties

Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2019	Purchases and other Increases	Write-backs and reversals of impairment losses
2	0558	Mo - Modena - V.Stanguellini 65-120-140/V.Lamborghini	127		
2	2133	Mo - Modena - Piazza Medaglie D'Oro, 1	69		
2	2272	Mo - Modena - Via Rainusso 130	228		
2	5212	Mo - Modena - Viale Trento E Trieste 13	350		
1	3105	Bo - Bologna - Via Larga 8 - Torre	22,529	350	
1	3107	Bo - Bologna - Via Larga 8 - Uffici	3,579	22	
1	3517	Bo - Bologna - Via Dei Fornacia 27 E 31	8,783	481	
1	4081	Bo - Bologna - Via Stalingrado 45-53	68,345	1,167	
1	4349	Bo - Bologna - Via Del Gomito 1	4,527	108	
1	4351	Bo - Bologna - Via Calzoni 8	11,089	89	
1	4358	Bo - Bologna - Via Del Pilastro 52	16,666	960	
1	4359	Bo - Bologna - Piazza Della Costituzione 2	13,523	161	
2	0085	Bo - Bologna - Piazza Della Costituzione 1 - Albergo		37,512	
2	0088	Bo - San Lazzaro Di Savena - Via Fantini - Via Palazzetti 1 - Albergo		18,342	
2	0218	Bo - Bologna - Via Procaccini 17/G	193		
2	0263	Bo - Castel Maggiore - Via Gramsci 192	158		
2	0325	Bo - Bologna - Via Savigno 1	220		
2	0413	Bo - Imola - Via Cavour 37	100		
2	2185	Bo - San Lazzaro Di Savena - Via Jussi 8	78		
2	2300	Bo - Bologna - Via Ugo Bassi 4-V. Terribilia 4-V. Della Zecca 2	32,258	2,439	
2	3103	Bo - Bologna - Via Larga Fronte Strada	1,685	85	
2	3104	Bo - Bologna - Via Del Terrapieno	163		
2	3105	Bo - Bologna - Via Larga 8 - Torre	76,250	1,064	
2	3106	Bo - Bologna - Via Larga 8 - Hotel	17,824	243	
2	3107	Bo - Bologna - Via Larga 8 - Uffici	5,677	32	
2	3108	Bo - Bologna - Via Larga 8 - Piastra Commerciale	19,486	181	
2	3109	Bo - Bologna - Via Larga 8 - Parcheggio	16,897		
2	3517	Bo - Bologna - Via Dei Fornacia 27 E 31	164	4	
2	4081	Bo - Bologna - Via Stalingrado 45-53	7,769	111	
2	4253	Bo - Bologna - Via Mentana 2	2,212	3	
2	4257	Bo - Bologna - Via Zago 2/2	654		
2	4294	Bo - Bologna - Via Zacchi 1-3	566		
2	4297	Bo - Crespellano - Via 2 Agosto 1980	3,373		
2	4298	Bo - Bologna - Via Marziale 17-19-23-31	1,082		
2	4310	Bo - Bologna - Via Rolli 7-9	814		
2	4349	Bo - Bologna - Via Del Gomito 1	8,012	158	
2	4351	Bo - Bologna - Via Calzoni 8	1,285	81	
2	4355	Bo - Bologna - Viale Masini 26-56	6,589		
2	4356	Bo - Bologna - Viale Majani 2	2,591		
2	4359	Bo - Bologna - Piazza Della Costituzione 2	59,081	525	
2	4365	Bo - Bologna - Via Farini 12	17,068		

Transfers between usage classes	Sales and other decreases	Value adjustments	Depreciation for the year	Net Carrying amount 31/12/2020	Current value 31/12/2020	Total depreciation	Total write-backs	Total write-downs
	113			14	21			
			3	66	345	30	54	
			10	218	338	103		
			14	336	429	132	94	
			665	22,214	22,098	5,335		3,469
			106	3,496	3,494	835		602
			243	9,020	5,797	1,142		
			2,753	66,759	77,913	44,532	31,394	
			131	4,503	4,230	1,180	565	400
			434	10,744	7,580	4,895	599	
			410	17,217	14,300	4,193	598	10,234
(2,312)		411	409	10,552	11,396	4,173	19	411
	8,793	601	1,118	27,000	27,000	9,911		776
	3,237	652	453	14,000	14,000	3,690		1,313
			7	186	330	49	6	
			6	152	300	56		
			9	211	326	83	77	
	98		2					
	76		2					
145		954	388	33,500	33,500	3,438		17,060
			44	1,726	2,355	48		
				163	50			978
			2,249	75,064	74,602	18,021		11,710
		741	526	16,800	16,800	4,256		3,472
			168	5,541	6,006	1,323		955
		519	578	18,570	18,570	4,408		3,259
			494	16,402	17,970	3,941		2,596
				169	53			
			298	7,582	9,037	4,539	3,599	
			87	2,127	2,140	773	590	
				654	1,347			
				566	725	3		
			94	3,279	3,800	2,543	146	
				1,082	1,388			
				814	1,090			
			232	7,938	7,570	2,130	1,025	739
			46	1,320	2,320	310	35	
				6,589	5,925			
			98	2,493	2,910	790	403	382
2,312		2,257	1,743	57,918	57,074	15,605	107	2,257
	16,912		156					

5 Additional tables appended to the Notes to the Financial Statements

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Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2019	Purchases and other Increases	Write-backs and reversals of impairment losses
2	7381	Bo - Bologna - Via Delle Lame 114	313		
2	8100	Bo - Bologna - Via Delle Lame 112	401		
1	0357	Fe - Ferrara - C.So Ercole D'Este 6/A	318	27	
2	0357	Fe - Ferrara - C.So Ercole D'Este 6/A	743	60	
2	7364	Fe - Ferrara - Via Boccaleone 8	72		
1	4377	Ra - Ravenna - Via Faentina 106	36		
2	0052	Ra - Faenza - Corso Mazzini 54/2	73		
2	0462	Ra - Ravenna - Via Porta Aurea 14	413		
2	2165	Ra - Ravenna - Via Cesarea 11	98		
2	4377	Ra - Ravenna - Via Faentina 106	2,085	2	
2	4381	Ra - Faenza - Via Baccharini 29/31	1,215	2	
1	4380	Fc - Forlì - Via Pietro Maroncelli 10	941		
2	2033	Fc - Cesena - Vicolo Cesuola 14	89		
2	4380	Fc - Forlì - Via Pietro Maroncelli 10	5,174	2	
1	0130	Rn - Rimini - Via Roma 102	40		
2	0130	Rn - Rimini - Via Roma 102	85		
2	0463	Rn - Riccione - Via Missori 2 Ang.Via Dei Mille 13	173		
2	0120	Pu - Pesaro - Via M.Del Monaco 16	92		
2	0407	Pu - Fossombrone - Corso Garibaldi 149	68		
2	2153	Pu - Pesaro - Via Ardizi 14	58		
1	4138	An - Ancona - Via 29 Settembre 2	257		
2	0027	An - Ancona - Via Rismondo 14	83		
2	4372	An - Ancona - Centro Direzionale Baraccola	858		
2	4382	An - Ancona - Via Mamiani 4-6	1,361		
2	0080	Mc - Macerata - C.So Cairoli 177	71		
2	0347	Mc - Civitanova Marche - Via Dante Alighieri N. 15	79		
2	7555	Ap - San Benedetto Del Tronto - Via De Gasperi 51	26		
2	0356	Fm - Fermo - P.Zza Del Popolo 37	135		
2	0335	Lu - Capannori - Via Delle Poste Snc	180		
2	0509	Lu - Viareggio - Viale Manin,12	5,000		
2	0123	Pt - Pistoia - Via Stadio 6/A	107		
2	0449	Pt - Pescia - Via Galeotti 59/61	111		
2	0452	Pt - Pistoia - Via B.Buozzi 18	246		
4	0526	Fi - Firenze - Posti Auto Parterre Via Madonna Della Tosse 9	2,279		
3	3071	Fi - Firenze - Via Di Careggi 38	290	814	
1	0397	Fi - Firenze - Via Toscanelli / P.Za Della Liberta' 9/11	682	7	
1	3501	Fi - Firenze - Via Monaco 6 / Via Ghiacciaie 3	11,535	581	
1	3502	Fi - Firenze - Piazza Della Liberta' 6	64,942	424	
1	4332	Fi - Firenze - Via Alemanni 41	5,553		

Transfers between usage classes	Sales and other decreases	Value adjustments	Depreciation for the year	Net Carrying amount 31/12/2020	Current value 31/12/2020	Total depreciation	Total write-backs	Total write-downs
			26	287	719	568	58	
			23	378	490	502		154
	342		3					
	794		9					
	70		3					
			1	34	39	13		
			3	70	250	26	50	
			17	397	432	157		14
			4	94	229	35		5
			82	2,005	2,408	739		
	1,183		34					
(921)			20					
			4	86	195	32		
921			148	5,948	6,100	1,566		1,233
			2	38	215	14	31	
			3	82	455	30	65	
			7	166	273	66	33	
	90		2					
	66		2					
			2	56	215	21		
			16	241	334	288	208	
			3	79	530	29	63	
			35	822	807	350		455
			37	1,324	1,280	228		500
	69		2					
	77		2					
			2	24	155	31	21	
			5	131	146	39		13
			8	172	210	88		12
	4,992		8					
			4	103	440	38	80	
			5	106	130	44	6	5
			10	236	490	91		
				2,279	2,029	350		
	1,104							
	682		7					
			326	11,789	7,800	1,251		
			1,763	63,604	60,816	8,698		
	5,516		37					

5 Additional tables appended to the Notes to the Financial Statements

List of properties

Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2019	Purchases and other Increases	Write-backs and reversals of impairment losses
2	0084	Fi - Firenze - P.Zza Donatello 14, V.Le Matteotti, 2		21,680	
2	0155	Fi - Sesto Fiorentino - Via Dante 44-46	107		
2	0235	Fi - Firenze - Via Lanza 73	113		
2	0331	Fi - Calenzano - Via Degli Olmi,7	6,266		
2	0332	Fi - Campi Bisenzio - Via Dei Tintori 11	223		
2	0363	Fi - Firenze - V. Don Minzoni / V. M.Della Tosse /P.Za Libertà 13	11,390	4	
2	0365	Fi - Firenze - Piazza Della Repubblica N. 6	54,037	3,591	
2	0366	Fi - Firenze - Via Benivieni 1/3	796		
2	0368	Fi - Firenze - Via Landini - Via Catalani 8	1,250		
2	0369	Fi - Firenze - Viale S. Lavagnini N. 3-5	1,742		
2	0372	Fi - Firenze - Viale Matteotti 50-50/A	2,315	1	
2	0373	Fi - Firenze - Viale G. Matteotti N. 52	3,782		
2	0374	Fi - Firenze - Viale G. Matteotti 54	461		
2	0375	Fi - Firenze - Viale G. Matteotti N. 56	3,200	20	
2	0376	Fi - Firenze - Viale Matteotti 64 - Via Fra' Bartolomeo 64	5,967	1	
2	0377	Fi - Firenze - Viale S. Lavagnini N. 7	6,904	27	
2	0378	Fi - Firenze - Viale G. Matteotti N. 14-16-18	14,554		
2	0380	Fi - Firenze - Via Baracca 18	1,121		
2	0381	Fi - Firenze - Via Del Bobolino 1-3-5 Viale Machiavelli 14	1,159		
2	0383	Fi - Firenze - Via L.II Magnifico 2-Via Toscanelli 1-3	5,702		
2	0386	Fi - Firenze - Via Ricasoli, 48	3,504	40	
2	0387	Fi - Firenze - Via S. Reparata N. 97	3,541		
2	0393	Fi - Firenze - Via Atto Vannucci 23	95		
2	0397	Fi - Firenze - Via Toscanelli / P.Za Della Libertà' 9/11	8,609	75	
2	0400	Fi - Firenze - Viale Matteotti 50/A	1,373		
2	0402	Fi - Firenze - Viale G. Matteotti 60	8,777	16	
2	0548	Fi - Firenze - Via Salvagnoli, 4	6,013	95	
2	2046	Fi - Empoli - Via Villani 4	83		
2	2160	Fi - Pontassieve - Via Roma 10	56		
2	3071	Fi - Firenze - Via Di Careggi 38		7,755	
2	3502	Fi - Firenze - Piazza Della Libertà' 6	3,724	20	
2	7744	Fi - Firenze - Via Benedetto Marcello 2	61		
1	2077	Li - Livorno - Via E.Mayer 7	72		
2	0125	Li - Portoferraio - Viale Elba / Calata Italia 26	104		
2	0422	Li - Livorno - Via Grande 110 - P.Za Grande 3	246		
1	0122	Pi - Pisa - Via Manzoni 11	1,308	6	
1	7532	Pi - Pisa - Via Puccini 14	187	2	
2	0124	Pi - Ponsacco - Via Valdera 29	63		
2	0456	Pi - Pontedera - Via Della Misericordia 22	131		
2	2028	Pi - Cascina - Via Tosco Romagnola 248/E	75		
2	2162	Pi - Pontedera - Via Aurelio Saffi 4	55		
1	2004	Ar - Arezzo - Via Xxv Aprile 18/34	374	25	
2	0453	Si - Poggibonsi - Via Xx Settembre 58	135		
2	0405	Gr - Follonica - Via Santini N. 7/C	63		

Transfers between usage classes	Sales and other decreases	Value adjustments	Depreciation for the year	Net Carrying amount 31/12/2020	Current value 31/12/2020	Total depreciation	Total write-backs	Total write-downs
	21,392		289					
			4	103	450	38	86	
			4	109	350	40		
	6,151		115					
			9	214	267	83		
	11,269		124					
	57,082		546					
	787		9					
			7	1,243	1,250	676	21	1,261
				1,742	1,710	43		207
	2,271		44					
	3,726		57					
	461							
	3,220							
			39	5,928	6,060	260		575
		300	31	6,600	6,600	53		2,301
	14,314		240					
			26	1,095	1,050	301		630
	1,159							
			56	5,646	6,550	2,315		466
			13	3,531	3,700	196		1,336
	3,501		39					
	95							
	8,594		89					
			30	1,343	1,350	274		141
			123	8,671	8,800	1,139		509
	6,108							
	81		2					
			2	54	144	20	6	
	7,755							
			101	3,644	3,514	500		
			3	58	300	55	49	
	71		2					
	102		2					
			12	234	248	174		9
			48	1,266	1,720	331	24	
			7	183	200	50	9	
	62		1					
			5	126	148	50	16	
			3	72	155	27		16
			2	52	138	20	43	
			14	386	527	87		27
			5	130	230	51	3	
			3	60	100	23	1	

5 Additional tables appended to the Notes to the Financial Statements

List of properties

Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2019	Purchases and other Increases	Write-backs and reversals of impairment losses
2	0126	Po - Prato - Via Tacca 8	201		
2	0457	Po - Prato - Via Simintendi 20	4,237	36	
2	0446	Pg - Perugia - Via Cortonese Ang. Via Romeo Gallenga 120	195		
2	0483	Pg - Spoleto - Via Flaminia, 3	135		
2	2151	Pg - Perugia - Via Cortonese Pal.Sit / Via Briganti 93	115		
2	4326	Pg - Perugia - Via Palermo 21/A	333		
2	0129	Ri - Rieti - Via Delle Orchidee 9	75		
3	0524	Rm - Roma - Via Tor Carbone - Parco Appia Antica Snc	8		
3	2171	Rm - Roma - Via Tor Di Quinto Snc	421		
3	3029	Rm - Roma - Castelnuovo Di Porto	3,420		
3	3061	Rm - Roma - Via Della Cesarina 3	3,760		
1	0147	Rm - Roma - Viale Umanesimo 304-308	25		
1	4272	Rm - Roma - Piazza Esquilino 5/Via Farini 5	16,678	247	
1	4361	Rm - Roma - Piazza Esquilino 12 /Via Farini 17	27,755	58	
2	0059	Rm - Frascati - Via D.Seghetti 42	101		
2	0133	Rm - Roma - P.Za Meucci 23	83		
2	0134	Rm - Roma - P.Za Monte Gennaro 16-16/A	269		
2	0140	Rm - Roma - Via Lazzari 26	118		
2	0145	Rm - Roma - Via R.Da Forli' 4	92		
2	0293	Rm - Roma - Roma - Via Ciro Menotti 24	1,517		
2	0465	Rm - Roma - Via Sicilia, 42	2,781		
2	0469	Rm - Roma - Via Aladino Govoni, 24/43	59,589	345	
2	2169	Rm - Roma - Via Gregorio Vii, 44	89		
2	2172	Rm - Roma - Via Castellini, 13	1,212		
2	2230	Rm - Roma - Via Tre Madonne, 14-16-18	66,918	192	
2	3012	Rm - Roma - Viale Caduti Per La Resistenza	75		
2	4272	Rm - Roma - Piazza Esquilino 5/Via Farini 5	28,984	270	
2	4342	Rm - Roma - Via Pio Iv 6	20,814	1,600	
2	4361	Rm - Roma - Piazza Esquilino 12 /Via Farini 17	11,993	17	
1	0440	Na - Napoli - Centro Direzionale Lotto C2	5,694	41	
2	0440	Na - Napoli - Centro Direzionale Lotto C2	344	2	
3	2213	Sa - Vietri Sul Mare - Via Vietri Snc			
2	0047	Ch - Chieti - Viale Europa 43	74		
2	0159	Ta - Taranto - V.Le P.Amedeo 26	76		
2	0077	Le - Lecce - Via Cesare Battisti 28	82		
1	0012	Rc - Reggio Calabria - Via Ibico 1	421	1	
2	4369	Tp - Marsala - Via Salemi 15	87		
2	2277	Pa - Palermo - Via Ricasoli 59	208		
2	4362	Me - Messina - Via Xxvii Luglio 195	2,085		
3	2216	Ct - Vizzini - Podere Maguli Snc	8		
1	0002	Ct - Catania - Via Torino 73	466	6	
1	0042	Ct - Catania - Via Del Bosco 298/A	1		

Transfers between usage classes	Sales and other decreases	Value adjustments	Depreciation for the year	Net Carrying amount 31/12/2020	Current value 31/12/2020	Total depreciation	Total write-backs	Total write-downs
			8	193	600	71	124	
	4,221		52					
			7	188	234	56		1
			5	129	175	51		
	112		3					
	316		17					
			3	72	160	27	49	
				8	17			
				421	1,185			
				3,420	3,370			972
		170		3,590	3,590			1,273
	24		1					
			490	16,435	22,108	6,948	8,226	
			807	27,006	32,298	9,936	2,862	
	98		2					
	82		1					
			11	258	650	102	190	
	118							
			4	88	220	33	28	
	744		12	761	1,000	825		
	2,781							
				59,934	63,102			
	87		2					
			26	1,186	1,880	262		331
	67,098		12					
	73		2					
			806	28,448	34,722	9,661	14,597	
	22,117		296					
			315	11,694	12,722	2,773	1,256	
			222	5,513	5,470	1,907		
			13	333	340	118		
			3	71	270	26	53	
	75		2					
			3	79	400	29	59	
			19	403	470	219	23	
			3	84	95	25		32
	204		5					
			97	1,988	2,050	1,351		4,188
				8	77		2	
			70	401	1,800	1,937	2	
				1	8	10		

5 Additional tables appended to the Notes to the Financial Statements

List of properties

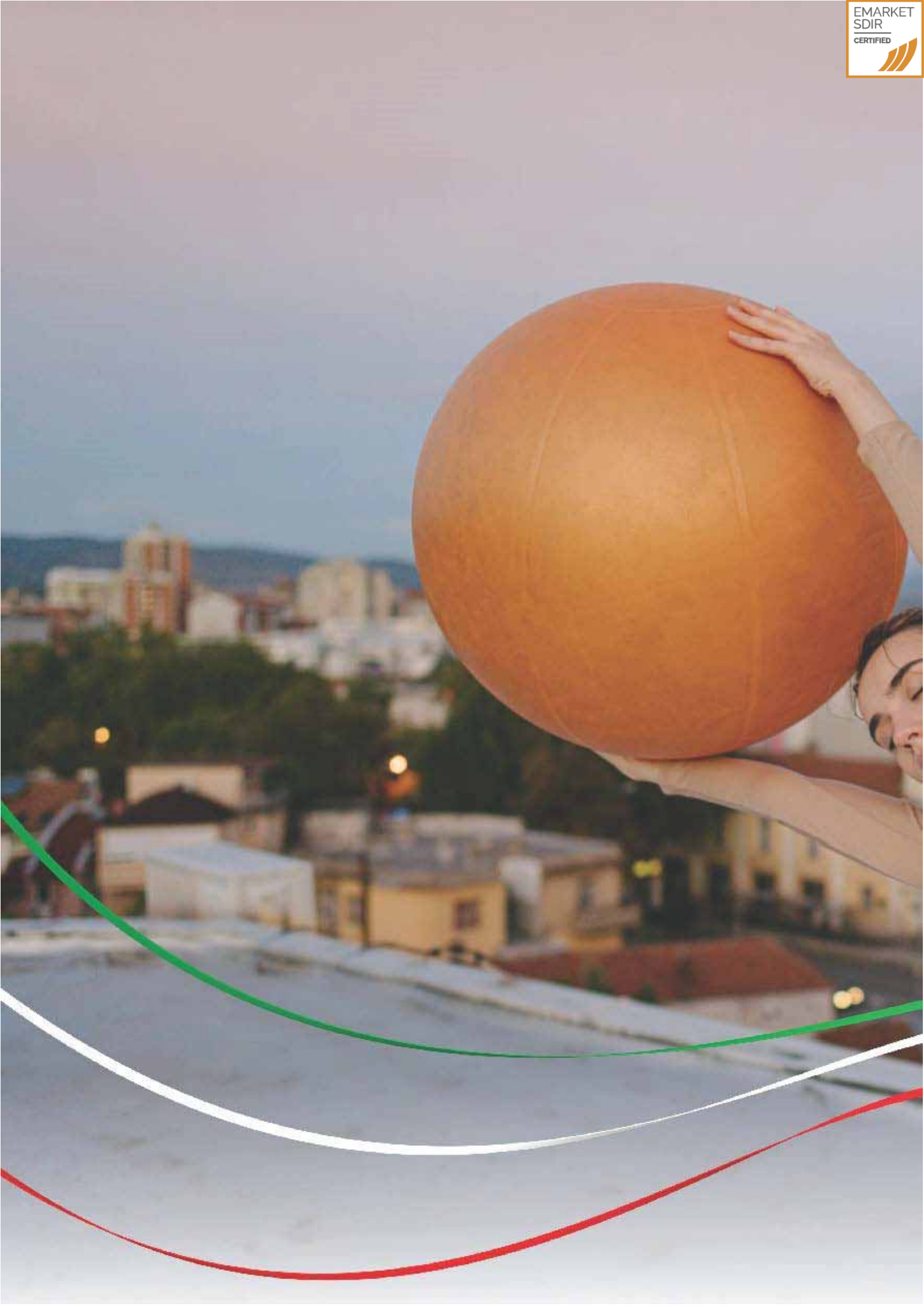
Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2019	Purchases and other Increases	Write-backs and reversals of impairment losses
1	0233	Ct - Catania - Via G. Castorina 43	91	11	
2	0025	Ct - Acireale - Piazza Europa 25	48		
2	0042	Ct - Catania - Via Del Bosco 298/A	61		
2	0338	Ct - Catania - Sicilia 48/56 - Rizzo 29 - Puccini 28	3		
1	1004	Ct - Catania - Corso Italia 72	782	3	
2	0481	Sr - Siracusa - Largo 2 Giugno 6	143		
2	0152	Ss - Sassari - Via Roma 172-176	167		
2	7556	Ss - Sassari - Piazza Castello 13	22		
2	0037	Ca - Cagliari - Viale Campania 27	61		
2	3020	Ca - Villasimius - Localita' Campulongu Snc	6,040	2	
1	1003	Ca - Cagliari - Viale Diaz 29	1,297	3	
2	0486	Ot - Tempio Pausania - Via S. Lorenzo 21	47		
3	0557	Es - Estero - Lago Esperanza De Alicudia			
		GRAND TOTAL	2,010,116	120,988	
		TOTAL PROPERTY FOR CORPORATE BUSINESS	512,189	8,760	
		TOTAL PROPERTY FOR USE BY THIRD PARTIES	1,481,988	111,356	
		TOTAL OTHER PROPERTY	9,560	814	
		TOTAL OTHER PROPERTY RIGHTS	2,279		
		FIXED ASSETS IN PROGRESS AND PAYMENTS ON ACCOUNT	4,100	58	

(*) Property type

- 1 = Property for corporate business
- 2 = Property for use by third parties
- 3 = Other property
- 4 = Other property rights
- 5 = Fixed assets in progress and payments on account

Transfers between usage classes	Sales and other decreases	Value adjustments	Depreciation for the year	Net Carrying amount 31/12/2020	Current value 31/12/2020	Total depreciation	Total write-backs	Total write-downs
			12	90	440	313	26	
	47		1					
			2	59	157	22	29	
				3	5	1	1	
			42	744	1,750	651	94	
	140		3					
	164		4					
	20		1					
	60		1					
		370	202	5,470	5,470	885		17,000
			55	1,244	2,300	592	49	
			2	45	70	18		
						2		11
	841,938	8,832	39,729	1,240,605	1,433,627	338,651	77,460	112,006
(3,133)	16,766	411	16,146	484,493	525,090	172,877	49,617	15,620
3,133	819,907	8,251	23,583	744,736	895,863	165,424	27,842	93,865
	1,108	170		9,096	10,645		2	2,521
				2,279	2,029	350		
	4,158							



6

STATEMENT ON THE FINANCIAL STATEMENTS

In accordance with art. 81-Ter of
CONSOB Regulation no.11971 of
14 may 1999 and subsequent
amendments and additions



**STATEMENT ON THE FINANCIAL STATEMENTS
IN ACCORDANCE WITH ART. 81-ter, CONSOB REGULATION No. 11971 OF
14 MAY 1999 AND SUBSEQUENT AMENDMENTS AND ADDITIONS**

1. The undersigned, Carlo Cimbri, as designated Chairman, and Maurizio Castellina, as Manager in charge of financial reporting of UnipolSai Assicurazioni S.p.A., hereby certify, also taking into account the provisions of Art. 154-bis, paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998:
 - the adequacy in relation to the characteristics of the company and
 - the effective application,
 of the administrative and accounting procedures for preparation of the **financial statements** for the period 1 January 2020-31 December 2020.

2. The assessment of the adequacy of the administrative and accounting procedures for preparing the financial statements at 31 December 2020 is based on a process defined by Unipol Gruppo S.p.A., inspired by the COSO Framework (Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organisations of the Treadway Commission), unanimously recognised as the reference standards for the implementation and evaluation of internal control systems.

3. It is also certified that:
 - 3.1. The financial statements at 31 December 2020:
 - were prepared in compliance with provisions of the Civil Code and the national accounting principles approved by the OIC (Italian Accounting Standards Setter);
 - correspond to the book results and accounting records;
 - are suitable to provide a true and fair view of the equity, economic and financial situation of the issuer;

 - 3.2. the management report includes a reliable analysis of the performance and of the operating result, and of the situation of the issuer, together with a description of the main risks and uncertainties to which it is exposed.

Bologna, 18 March 2021

The Manager in charge of financial reporting
Maurizio Castellina

The Chairman
Carlo Cimbri



UnipolSai Assicurazioni S.p.A.

Sede Legale: via Stalingrado, 45 - 40128 Bologna (Italia) - unipolsaiassicurazioni@pec.unipol.it - tel. +39 051 5077111 - fax +39 051 7096584
 Capitale sociale i.v. Euro 2.031.456.338,00 - Registro delle Imprese di Bologna, C.F. 00818570012 - P. IVA 03740811207 - R.E.A. 511469
 Società soggetta all'attività di direzione e coordinamento di Unipol Gruppo S.p.A., iscritta all'Albo Imprese di Assicurazione
 e riassicurazione Sez. I al n. 1.00006 e facente parte del Gruppo Assicurativo Unipol iscritto all'Albo delle società capogruppo al n. 046
www.unipolsai.com - www.unipolsai.it



7

BOARD
OF STATUTORY
AUDITORS' REPORT

Report of the Board of Statutory Auditors to the Shareholders' Meeting of UnipolSai Assicurazioni S.p.A., prepared pursuant to Art. 153 of Legislative Decree no. 58/1998 and Art. 2429, Par. 2, of the Italian Civil Code

Dear Shareholders,

in the year ending on 31 December 2020, the Board of Statutory Auditors carried out the activities within its competence, also acting as Internal Control and Audit Committee, pursuant to the applicable legal and regulatory provisions, taking into account the rules of conduct of the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (National Institute of Chartered Accountants), the communications issued by CONSOB (in particular, communications nos. DAC/RM 97001574 of 20 February 1997 and DEM/1025564 of 6 April 2001 as amended), as well as the guidelines laid out in the Code of Conduct for listed companies¹ ("**Code of Conduct**").

In compliance with Art. 153 of Italian Legislative Decree no. 58/1998 ("**Consolidated Law on Finance**") and Art. 2429, Par. 2, of the Italian Civil Code, the Board of Statutory Auditors therefore reports on its supervisory activity.

1. Activities of the Board of Statutory Auditors in the financial year ending 31 December 2020

In 2020, the Board exercised its supervision, holding 18 meetings with an average length of approximately one hour and forty minutes.

The Board also took part in:

- 10 Meetings of the Board of Directors;
- 9 meetings of the Control and Risk Committee;
- 7 meetings of the Committee for Transactions with Related Parties ("**Related Party Transactions Committee**");
- 2 meetings of the Remuneration Committee,

and was informed of the proceedings of the 4 meetings of the Appointments and Corporate Governance Committee.

As part of its activities aimed at the mutual exchange of information between the bodies and functions involved in the internal control and risks management system, the Board of Statutory Auditors also met with:

- the Chief Risk Officer and the Heads of the Audit Function and the Compliance and Anti-Money Laundering Function (jointly, "**Control Functions**"), as well as the Head of the Actuarial Function (jointly with the Control Functions, "**Key Functions**"), the Manager in charge of financial reporting ("**Financial Reporting Officer**") and the Heads and/or representatives of the company departments each time involved by the supervisory activities of the Board of Statutory Auditors;
- the Supervisory Board established pursuant to Legislative Decree 231, 8 June 2001 ("**Legislative Decree no. 231/2001**"), Art. 6, Par. 1, letter b);
- the representatives of the independent auditing firm appointed, PricewaterhouseCoopers S.p.A. (hereinafter also "**PWC**"), within the framework of relationships between Board of Statutory Auditors and independent auditors required by laws and regulations in force.

¹ The Code of Conduct is in force until 2020 (included). The Corporate Governance Code for listed companies, drafted by the Corporate Governance Committee promoted by Borsa Italiana S.p.A., approved on 30 January 2020, is effective from the first financial year starting after 31 December 2020 ("**Corporate Governance Code**").

7 Board of Statutory Auditors' Report

Pursuant to Art. 151 of the Consolidated Law on Finance, the Board of Statutory Auditors also exchanged information with the Boards of Statutory Auditors of the subsidiaries.

2. Most significant economic, financial and equity transactions. Other noteworthy events

2.1 Activity performed by the Board of Statutory Auditors

Pursuant to the reference laws and regulations in force, the Board of Statutory Auditors describes below the outcomes of its control and audit activity. It therefore acknowledges that it has:

- monitored compliance with laws and by-laws and compliance with the rules of proper administration, particularly in regard to the most significant economic, financial and equity transactions mentioned here;
- obtained information from the Directors - also by attending the meetings of the Board of Directors and the Board Committees - on the activity carried out and on the most significant economic, financial and equity transactions performed by UnipolSai Assicurazioni S.p.A. ("**UnipolSai**" or "**Company**"), also those carried out through direct or indirect subsidiaries. Based on the information made available, the Board of Statutory Auditors reasonably believe that the activities and transactions approved and carried out comply with laws, by-laws and rules of proper administration and do not appear to be manifestly imprudent or risky, or in contrast with the resolutions adopted by the Shareholders' Meeting, or able to jeopardise the integrity of the company assets. In addition, transactions involving a potential conflict of interests were approved in compliance with laws, regulations and codes of conduct adopted.

The Board of Statutory Auditors also notes that it has received - also in compliance with the recommendations made by CONSOB in its warning notices no. 6/20 of 9 April 2020, no. 8/20 of 16 July 2020, no. 1/21 of 16 February 2021 and no. 4/21 of 15 March 2021 ("**CONSOB warning notices**") - appropriate disclosure of the effects of the health emergency due to the respiratory illness caused by the coronavirus ("**COVID-19**") on the operating performance, as well as on the actions and initiatives to deal with the emergency, adopted by the Company and the Unipol Group for its employees and the distribution network, as well as for its customers, as fully described in the Management Report. In this regard, it should be noted that the Board of Statutory Auditors was constantly informed of the analyses carried out, aimed at carefully considering what is laid out in the CONSOB warning notices, particularly with regard to the identification of any impact, due to risks and uncertainties linked to COVID-19, on business continuity, strategic planning and plan targets.

The Board of Statutory Auditors has acknowledged that - based on the long-term economic and financial projections prepared using the available information, taking into account the nature and characteristics of the businesses of the Company and its subsidiaries - this analysis does not suggest that the COVID-19 health emergency can significantly jeopardise the achievement of the strategic objectives disclosed to the market and/or jeopardise business continuity. Furthermore, at this point, note should be taken of the effects of the health emergency situation (COVID-19) on the subsidiary Gruppo UNA S.p.A. ("**Gruppo UNA**"), operating in the hotel sector, which reported a heavy slump in turnover due to the closure of a large number of its hotels and, therefore, made use of the Fondo di Integrità Salariale (Wage Guarantee Fund) for its office and hotel employees.

2.2 Main significant events

In regard to the main events and the most significant economic, financial and equity transactions carried out by the Company in 2020, the Board of Statutory Auditors reports as follows:

Mergers/demergers of subsidiaries. As part of transactions aimed at rationalising and simplifying the corporate structures of the Group, a deed of merger by incorporation of Pronto Assistance S.p.A. into UnipolSai was signed on 21 January 2020. The merger took effect for legal purposes on 1 February 2020, and from 1 January 2020 for accounting and tax purposes.

Also on 21 January 2020, deeds were signed regarding (i) the full demerger of Ambra Property S.r.l. to UnipolSai, Gruppo UNA S.p.A. and Midi S.r.l., (ii) the full demerger of Villa Ragionieri S.r.l. to UnipolSai and Casa di Cura Villa Donatello S.p.A. (**Casa di Cura Villa Donatello**) and (iii) the partial demerger of the latter to UnipolSai. The full demergers became effective from 1 February 2020, effective from 1 January 2020 for accounting and tax purposes. The partial demerger of Casa di Cura Villa Donatello took effect on 1 February 2020, effective from the same date for accounting and tax purposes.

These transactions were recognised with continuity of book values, allocating any increased cost of the equity investment in the incorporated company and the demerged companies to the assets presenting implicit capital gains.

Intesa Sanpaolo S.p.A. Public Exchange Offer on UBI Banca S.p.A. shares. In regard:

- to the promotion by Intesa Sanpaolo S.p.A. ("**Intesa**") of a voluntary public exchange offer ("**PEO**") on all shares of UBI Banca S.p.A. ("**UBI Banca**");
- to the acquisition by BPER Banca S.p.A. ("**BPER**"), having positively concluded the PEO, of a business unit consisting of bank branches and assets, liabilities and legal relationships related to these ("**Banking Business**"),

on 17 February 2020, Unipol Gruppo S.p.A. ("**Unipol**" or "**Parent Company**") and UnipolSai jointly announced that UnipolSai Assicurazioni had entered into an agreement with Intesa for the subsequent acquisition, either directly or through a subsidiary, of business units linked to one or more insurance companies in which UBI Banca currently invests, consisting of life insurance policies taken out by customers in the Banking Business and the assets, liabilities and legal relationships related to these ("**Insurance Businesses**").

In this regard, please note that some of the conditions set forth in the agreement and referring to the acquisition have been fulfilled and specifically:

- on 30 July 2020, the PEO promoted by Intesa on UBI Banca shares was successfully concluded;
- on 3 November 2020, the BPER Banca share capital increase was successfully concluded, aimed at providing the bank with the resources necessary to acquire the Banking Business, in which Unipol and UnipolSai participated, in proportion with their shareholdings, paying €75m and €73m, respectively;
- on 22 February 2021, the acquisition of the Banking Business by BPER was completed.

Upon verification of the additional conditions set forth in the agreement, the Insurance Businesses will be acquired by UnipolSai or its subsidiaries.

Repayment of the second tranche of the Mediobanca Tier 1 subordinated loan. In July 2020, in application of the contractual repayment plan, UnipolSai repaid the second of the five equal annual instalments of the Restricted Tier 1 subordinated loan disbursed on 24 July 2003 by Mediobanca - Banca di Credito Finanziario S.p.A. for a total nominal amount of €400m, maturing on 24 July 2023.

7 Board of Statutory Auditors' Report

Issue of regulatory capital "Restricted Tier 1". In October 2020, UnipolSai's Board of Directors authorised the issue of a regulatory capital instrument, known as "*Restricted Tier 1*" in Euro – perpetual, non-convertible and fixed rate - for a maximum nominal amount not to exceed €500m ("**Issue**" and "**RT1 Instrument**"), to be placed exclusively with qualified Italian and foreign investors (excluding US investors) and to be listed on the Luxembourg Stock Exchange regulated market, with issue and settlement date set at 27 October 2020. The Issue, the placement of which was completed on 20 October 2020, has allowed UnipolSai to refinance its outstanding bond issues classified as Restricted Tier 1, with a view to replacing them, taking into account the upcoming maturities, with benefits also in terms of improving the debt/capital ratio. The RT1 Instrument is perpetual and may be recalled by UnipolSai, subject to the requirements of applicable laws and regulations in force, starting from 27 October 2030. If not recalled on the first possible date, it may be recalled at each interest payment date, which will take place every six months.

Reimbursement of Tier 2 subordinated loans. In line with a proactive debt management and a policy aimed at decreasing the financial leverage, in October 2020, the UnipolSai's Board of Directors approved the exercise, in the case of a favourable outcome of the RT1 Instrument issue, of the early repayment option for two outstanding Tier 2 issues, maturing in June 2021 (€300m outstanding) and July 2023 (€262m outstanding), with respect to which the RT1 Instrument is a regulatory capital of a higher quality. The subsequent developments of this transaction are described among the significant events after the end of the financial year (ref. paragraph 2.3).

Property transactions. The contribution of the properties owned by UnipolSai, for a total value of €870m, to the Tikal and Oikos Funds was completed during the year; the units of these are held entirely by UnipolSai and managed by UnipolSai Investimenti SGR S.p.A. ("**UnipolSai Investimenti SGR**"). This transaction did not have effects on the consolidated financial statements. The acquisition by Emporion Fund (formerly Opportunity Fund), also managed by UnipolSai Investimenti SGR, all units of which are held by UnipolSai, of a real estate portfolio consisting of 28 "Coop" brand points of sale owned by Coop Alleanza 3.0 Soc. Coop. for a total of €218 million should also be mentioned. On acquisition, the corresponding leases were signed by the Emporion Fund and the seller, for each point of sale.

Cambiomarcia S.r.l. On 22 December 2020, after receiving authorisation to the acquisition of control from IVASS, UnipolSai acquired 100% of the share capital of Cambiomarcia S.r.l., a company that owns a web platform for the sale of used vehicles, integrated, for the pursuit of the objectives set out in the 2019-2021 Business Plan, within the Mobility ecosystem.

More information on these transactions and additional events is provided in the Management Report and the Notes to the Financial Statements.

2.3 Significant events after the end of the financial year

In regard to the significant events occurred after the end of the financial year, the Board of Statutory Auditors believes the following should be mentioned:

Settlement of corporate liability actions against some former directors and statutory auditors. In regard to the two corporate liability actions brought against some former directors and statutory auditors, both resolved in 2013 by the Shareholders' Meetings of FONDIARIA-SAI S.p.A. and Milano Assicurazioni S.p.A., in March 2021, UnipolSai signed a settlement agreement with all parties which fully settles the two liability actions and will be presented for approval to the Shareholders' Meetings of the Company. The terms and conditions of this agreement can be found in the Report prepared by the Board of Directors for the ordinary Shareholders' Meeting to be held on 28 April 2021 and in the Information Document drafted pursuant to Art. 5 of the Regulation containing provisions on related party transactions adopted by CONSOB by means of resolution no. 17221, 12 March 2010, and subsequent amendments ("**CONSOB Regulation**").

Completion of the sale of Torre Velasca. In February 2021, the sale of the property in Piazza Velasca, Milan (Torre Velasca) was finalised following the Public Administration's failure to exercise pre-emption rights. The sale price was €160m, resulting in a capital gain of roughly €80m.

Early repayment of a subordinated loan. On 15 March 2021, after obtaining the authorisation of the Supervisory Authority to exercise the early repayment option, the subordinated loan with a nominal value of €300m and contractual maturity at June 2021 was fully extinguished. The repayment of this loan is in line with a proactive debt management and a policy aimed at decreasing the Company's financial leverage as a result of the issue of the RT1 instrument for a nominal value of €500m, finalised in the final quarter of 2020. At the time of the repayment by UnipolSai, Unipol extinguished, for a residual nominal value equal to €39m, the outstanding loan previously granted to the Company, when the latter had taken over the role of issuer of the loan.

2.4 Dispute proceedings

In regard to disputes involving the Company in 2020, the Board of Statutory Auditors was informed and kept up to date in regard to the ongoing sanction and legal proceedings, described in the Notes to the Financial Statements, to which reference is made.

2.5 Related-party and inter-company transactions. Atypical and/or unusual transactions

In compliance with the provisions of the CONSOB Regulation, the Company has adopted a procedure for related-party transactions ("**RPT Procedure**"), most recently updated on 7 November 2019, and an Operating Guide for the application of this procedure. In this regard, the Board of Statutory Auditors has acknowledged the amendments made to CONSOB Regulation by Resolution no. 21624, 10 December 2020, implementing Directive (EU) 2017/828 ("Shareholder Rights Directive II"), and will review the resulting changes made to the RPT Procedure, to assess its compliance with the new provisions.

The Board of Statutory Auditors also monitored the transactions with related parties to ensure they met the criteria of substantive and procedural correctness, pursuant to the aforementioned reference provisions and the internal procedure adopted, and that they were in keeping with the Company's interest. The Board of Statutory Auditors focused on the most significant transactions in the year, with particular reference to the settlement of corporate liability actions against some former directors and statutory auditors; it verified the fairness of the procedure adopted for investigation and judgement purposes, as well as its compliance with the laws and regulations in force as well as internal regulations, by reviewing the available documentation and attending the meetings of the Related Parties Committee and the Board of Directors. This settlement, included among the significant events after the end of the financial year in this Report, is included in the Management Report and the Notes to the Financial Statements, and was adequately described in the Report prepared by the Board of Directors for the Ordinary Shareholders' Meeting of UnipolSai of 28 April 2021, and in the Information Document drafted pursuant to Art. 5 of the CONSOB Regulation.

The Board of Statutory Auditors also reviewed the transactions exempt from the application of the aforementioned internal procedure.

The Management Report and the Notes to the Financial Statements of the Company show the income statement and balance sheet effects of the transactions with related parties and provide a description of the most significant relations. Additional information is also provided in the Management Report and the Notes accompanying the Consolidated Financial Statements.

In regard to the provisions issued by IVASS on 26 October 2016 with Regulation no. 30, regarding inter-company transactions and risk concentrations, the Board verified that the Policy adopted by the Company on inter-company transactions ("**Inter-company Policy**") complies with these provisions, also taking into account its annual update and the Operating Guide for the application of the aforementioned Policy. The supervisory activity performed by the Board has also shown that the transactions with counterparties within the Group were carried out in compliance with the Policy on inter-company transactions and settled at market conditions. In particular, the Board of Statutory Auditors believes that the outsourcing agreements in place between UnipolSai and the Parent Company, Unipol, as well as with other Group companies, comply with the applicable sector regulations.

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In regard to the relations between UnipolSai and other Group companies, as well as other related parties, the Board of Statutory Auditors believes the disclosure provided in the Management Report and in the Notes to the Financial Statements to be adequate.

As for the overall context of the inter-company transactions and/or transactions with related parties carried out in 2020, no atypical or unusual transactions were identified that might cast doubt on the accuracy and completeness of the information, the absence of conflicts of interest and the safeguard of corporate assets.

3. Organisational structure of the Company

The Board of Statutory Auditors has acknowledged that:

- UnipolSai is subject to management and coordination by the parent company Unipol, pursuant to Arts. 2497 et seq. of the Italian Civil Code;
- pursuant to sector regulations, in compliance with IVASS Regulation no. 38, 3 July 2018, and taking into account the qualitative and quantitative parameters indicated in the IVASS Letter to the market dated 5 July 2018, the Company has adopted the "enhanced" corporate governance model.

Also noting that, as reported in the 2020 Annual report on corporate governance and ownership structures ("**Governance Report**"):

- UnipolSai has adopted a "traditional" administration and control system, which provides for the presence of a Board of Directors (operating with the support of Board Committees, having investigation, advisory and consulting functions) and a Board of Statutory Auditors (with control functions), both appointed by the Shareholders' Meeting;
- PWC was appointed to perform auditing activity for the 2013-2021 period (nine years). However, during the selection process of the Group independent auditors for the 2021-2029 period (nine-year), in order to align the length of the independent auditors' engagement at the Company with that at the Parent Company, Unipol, PWC waived the engagement for the sole 2021 financial year. Activities are therefore under way to transition to the new firm appointed to audit UnipolSai accounts, EY S.p.A. ("**EY**");
- some internal company committees were created by the Board of Directors or the General Manager, mainly consisting of the Top Management of UnipolSai, to provide support to the General Manager in the implementation and supervision of the policies of direction, coordination and operational strategy specified by the Board of Directors;
- the role and powers of these bodies are discussed in detail in the Governance Report,

the Board of Statutory Auditors acknowledged the organisational structure adopted and acquired knowledge of the changes that occurred from time to time in the internal structure of UnipolSai and its subsidiaries, monitoring its suitability, for matters within its competence.

In particular, based on the information acquired, the Board believes the size, structure and positioning of the Company's Key Functions to be appropriate to guarantee the effective operation of the risk control and management system as a whole.

The Board of Statutory Auditors also acknowledged the provisions issued by the Company to its subsidiaries, pursuant to Art. 114, Par. 2 of the Consolidated Law on Finance, to ensure the prompt delivery of the information needed to fulfil the obligations laid out in Par. 1 of the same article, also through meetings with the heads of the relevant company functions and the independent auditing firm. No particular issues worth reporting were brought to light by these activities.

The Board of Statutory Auditors exchanged information with the Boards of Statutory Auditors of the subsidiaries, pursuant to Art. 151 of the Consolidated Law on Finance, and was informed of the findings obtained by these through their supervisory activity, in particular on the effects of the COVID-19 pandemic on the operating performance, in particular with reference to the business continuity aspects, and on the consequent audits performed, also taking into account the relevant workplace safety aspects. In this regard, no situations worth reporting in this Report were identified.

4. Internal control and risk management system, administrative/accounting system and financial disclosure process

4.1 Internal control and risk management system

The internal control and risk management system is a key element in the overall corporate governance system. It consists of a set of rules, procedures and organisational structures for the effective and efficient identification, measurement, management and monitoring of the main risks, with the aim of contributing to the sustainable success of the companies. In particular, this system aims at ensuring:

- the effectiveness and efficiency of corporate processes;
- the identification, assessment, also forward-looking, management and appropriate control of risks, in line with the strategic guidelines and risk appetite of the company, also from a medium/long-term perspective;
- the prevention of the risk that the company might be involved, even unintentionally, in illegal activities, in particular those related to money laundering, usury and terrorism financing;
- the prevention and correct management of the potential conflicts of interest with related parties and/or intra-group counterparties, as identified by the reference legal and regulatory provisions;
- the verification that corporate strategies and policies are implemented;
- the safeguarding of the value of the company assets, also in the medium/long term, and the proper management of assets held on behalf of customers;
- the reliability and integrity of the information provided to corporate bodies and to the market, in particular in regard to accounting and operational information, as well as IT procedures;
- the suitability and promptness of the corporate data reporting system;
- the compliance of business activities and transactions executed on behalf of customers with laws, supervisory regulations, corporate governance rules and the company's internal regulations.

The Internal control and risk management system is laid out in the Group Directives on the corporate governance system ("**Directives**"), approved by UnipolSai's Board of Directors, most recently on 17 December 2020, which specify, among other things, the role and responsibilities of the parties involved in this system. The Directives are supplemented by the Policies of the Key Functions, most recently updated at the board meeting held on 18 March 2021. The coordination procedures and information flows between the parties involved in the internal control and risk management system are described in the aforementioned Key Function Policies, as well as in the Regulations of the board committees.

The rules of the risk management system as a whole and the associated processes are governed by the following Group policies: "Risk management policy", "Current and Forward-looking Risk Assessment Policy", "Operational Risk Management Policy" and "Group-level Risk Concentration Policy". The policies setting the rules and guidelines on: (i) management of specific risk factors (e.g. the policy on investments, "Group Investment Policy", with regard to market risk, the Guidelines for the taking of credit risk, "Credit Policy", for credit risk), (ii) risk management as part of a specific process, (iii) risk mitigation and (iv) management of risk measurement models, are also an integral part of the risk management system.

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The risk management system is the set of processes and tools used in support of the risk management strategy of the Unipol Group; it provides appropriate understanding of the nature and significance of risks to which the Group and the individual companies, including UnipolSai, are exposed. The risk management system allows the Group to have a single point of view and a holistic approach to risk management, and is an integral part of the management of the business.

The risk management process is structured as follows:

- identification of risks, consisting in the identification of risks believed to be significant, that is, those risks the consequences of which can jeopardise the solvency or reputation of UnipolSai or be a serious obstacle to the achievement of strategic objectives;
- current and forward-looking assessment of the risk exposure; the current evaluation of the risks identified is carried out by using the methodologies specified by regulations and best practice with regard to the risks for which the measurement is not regulated or is specified with high-level rules. With regard to the forward-looking assessment, it should be noted that the Own Risk and Solvency Assessment (ORSA) process is used to support the strategic decisions of the Company;
- monitoring of risk exposure and reporting, a system implemented according to criteria of completeness, promptness and efficiency of disclosure - to ensure a timely and ongoing monitoring on the evolution of the Risk Profile and the compliance with the Risk Appetite identified. This system ensures that the quality and quantity of the information provided are proportional to the requirements of the different recipients and the complexity of the business managed, so that this may be used as a strategic and operational tool for the assessment of the potential impact of the decisions on the risk profile and solvency of the Company;
- risk mitigation, which consists in the identification and proposal of actions and initiatives necessary and/or useful to mitigate current or future risk levels, when these are not in line with the risk objectives specified.

Risk identification, assessment and monitoring activities are performed on an ongoing basis to take into account changes in the nature and volumes of the business and in the market context, exposure to new risks, or changes in existing risks.

These activities are carried out using methods that guarantee an integrated approach at Group level. The Parent Company, Unipol, ensures that the risk management policy is implemented consistently and continuously within the entire Group, taking into account the risks of each company within the scope of group supervision and their mutual interdependency, pursuant to Art. 210 and Art. 210-ter, Par. 2 and 3 of the Private Insurance Code ("PIC").

The internal control and risk management system also includes an internal system for the reporting by personnel, including those of distribution networks, and contractors, if included in the company organisational chart, of acts or events which may constitute a violation of the rules governing the activity; this guarantees a specific and confidential information channel and the anonymity of the reporting party. This system is formalised in the Whistleblowing Procedure approved by the Board of Directors at the meeting held on 9 August 2018.

For more details on the main characteristics of the internal control and risk management system adopted by the Company, please refer to the Governance Report.

In this context, the Board of Statutory Auditors constantly monitored the suitability of the internal control and risk management system and the administrative/accounting system, and the latter's ability to correctly represent operating events. To do so, it has relied on (i) the information collected from the heads of the respective functions, (ii) the review of company documents, (iii) the analysis of the audit plans and the results of the audits carried out by the independent auditing firm and the internal control bodies and functions.

In addition, the activities performed by these company functions were reviewed to verify their suitability and to assess the effective operation of the overall internal control and risk management system. This was done by directly reviewing the activities carried out by the Key Functions and the Financial Reporting Officer and by taking part in the meetings of the Control and Risk Committee. Based on the audits carried out to fulfil its supervisory obligations, the Board of Statutory Auditors did not identify elements to be reported in this regard. The Board also believes that the Key Functions and the Financial Reporting Officer are able to ensure a suitable control of the internal control and risk management system.

As part of its supervision of the internal control and risk management system, the Board of Statutory Auditors has, among other things, paid specific attention to Information Technology aspects, with special reference to the issues concerning cyber-security, reviewing the related risk aspects through meetings with the Chief Information Officer, carried out at the time of the regular meetings of the Control and Risk Committee.

The Board of Statutory Auditors also verified the activities carried out by the Company in the process of compliance with Regulation (EU) no. 2016/679, 27 April 2016, regarding personal data protection, by assessing the compliance of the organisational controls introduced with the legal and regulatory provisions on personal data protection.

4.2 Administrative/accounting system and financial disclosure process

The Governance Report describes the main characteristics of the control model adopted to support the Financial Reporting Officer in the assessment of the suitability and effective application of the administrative procedures relating to accounting and financial reporting.

The “financial reporting risk model” adopted is based on a process defined in accordance with the CoSo Framework (Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission), widely recognised as the reference standard for the implementation and assessment of internal control systems.

As regards the elements of the internal control system on financial reporting set out in the CoSo Report, the Company has adopted the following guidelines:

- control environment: monitors the integrity and the ethical values, the philosophy and the conduct of the managers, the suitability of the organisational structures, the attribution of roles, powers and responsibilities, the personnel management policies and the development of the corresponding skills.
- identification, assessment and management of risk: allows the identification and analysis of the business risks and the risks arising from the financial information that may jeopardise the achievement of the corporate objectives;
- control activities: identifies, documents and assesses the activities for proper management and mitigation of risks described earlier;
- information and communication: monitors the proper management of information flows between the different functions of the Company and the Top Management, to ensure that all parties within the structure execute properly the tasks assigned to them;
- monitoring: identifies and resolves any deficit and ensures the constant improvement of the system.

In keeping with the guidelines described above, the process of risk management and internal control of financial reporting implemented by Unipol is articulated in the following stages:

- Stage 1 - Definition of the analysis perimeter: this activity, carried out annually, following approval of the financial statements, is structured as follows: identification of the significant subsidiaries; identification of the significant items/account; matching of significant items/accounts with processes;
- Stage 2 - Assessment of the control environment: the documentation on the controls at the Company level (Entity Level Control - ELC) is updated and the level of achievement of the control objectives is assessed once a year.

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- Stage 3 – Risk assessment and assessment of the design of the controls at process level: regularly, in the case of changes to processes of the business units as a result of organisational changes, the documentation of risks and controls related to the financial reporting process is updated.
- Stage 4 – Verification of the actual application of controls at the process level: at this stage, carried out twice a year, at the time the annual and condensed consolidated half-yearly financial statements are drafted, the effectiveness of the internal control system is monitored, and therefore its reliability over time is assessed.
- Stage 5 – Issue of statements required under Art. 154-bis of the Consolidated Law on Finance.

Based on the Report on the internal control and risk management system required by the laws and regulations in force (**Report 262**), which reflects the characteristics of the control system implemented and the results of the data verification and monitoring activity carried out by the relevant corporate units, the Chairman of the Board of Directors, with the powers conferred for the purpose, and the Financial Reporting Officer signed the statements required by Art. 154-bis of the Consolidated Law on Finance.

The Board of Statutory Auditors reviewed the contents of Report 262 and monitored, through meetings with the Financial Reporting Officer and the independent auditing firm, the process of preparation and dissemination of financial information. In particular, the additional Report ("**Additional Report**") prepared by PWC, pursuant to Art. 11 of Regulation (EU) 537/2014 of the European Parliament and Council ("**Regulation (EU) 537/2014**"), did not identify significant deficiencies that would invalidate the opinion of suitability and effective application of administrative/accounting procedures for the purpose of the correct economic and financial representation of operating events in compliance with the applicable accounting standards.

The Board also monitored, for matters within its competence, compliance with legal provisions concerning the drafting of the Financial Statements and the contents of the Management Report, which are believed to be exhaustive. Taking into account that - pursuant to Art. 14 of Legislative Decree no. 39, 27 January 2010, as amended by Legislative Decree no. 135, 17 July 2016 ("**Legislative Decree 39/2010**") the independent auditors state in their report, among other things, that the Management Report is consistent with the Financial Statements and complies with legal provisions, the Board of Statutory Auditors verified that there are no findings in this respect in the report issued by PWC.

4.3 Disclosure of non-financial information

With respect to the obligations laid out by Italian Legislative Decree no. 254, 30 December 2016, on the disclosure of non-financial and diversity information by some large-scale companies and groups, the Board of Statutory Auditors verified that UnipolSai is not subject to this obligation as it falls into one of the cases of exemption and equivalence laid out in Art. 6, Par. 2, being a subsidiary company included within the Consolidated Non-Financial Statement prepared by the Parent Company, Unipol.

5. Other activities carried out by the Board of Statutory Auditors

Taking into account the fact that the Company complies with the Code of Conduct, the Board of Statutory Auditors has assessed, within the area of its competence, the content of the Report on corporate governance and has no remarks to make in this regard. Referencing the provisions of Art. 123-bis of the Consolidated Law on Finance on the consistency opinion that the independent auditors must provide on some information included in the aforementioned Report on corporate governance, the Board of Statutory Auditors notes that the independent auditors' Report issued by PWC has no findings in this regard.

The Board of Statutory Auditors acknowledged that the Board of Directors carried out a self-assessment of its operation, size and composition, also in regard to the board committees created, with the support of a major consulting firm.

The Board of Statutory Auditors also verified the proper application of the criteria and procedures adopted by the Board of Directors to assess the independence of non-executive directors, in compliance with the provisions of the Code of Conduct and with Art. 147-ter, Par. 4 of the Consolidated Law on Finance.

The Board of Statutory Auditors verified that the independence requirements for the members of the Board of Statutory Auditors itself have been met, pursuant to Art. 8 of the Code of Conduct, taking into account that the Corporate Governance Code, in force since 1 January 2021, provides for the recommendations there made to be applied starting from the first renewal of the Board of Directors (and, similarly, of the Board of Statutory Auditors) after 31 December 2020 – and acknowledged the checks carried out by the Board of Directors pursuant to Art. 144-novies of the Regulation adopted by CONSOB with resolution no. 11971 of 14 May 1999 ("**Issuer's Regulation**") in regard to the fulfilment of the independence requirements laid out in Art. 148, Par. 3, of the Consolidated Law on Finance by the members of the Board of Statutory Auditors.

The Board of Statutory Auditors also verified, also by attending meetings of the Remuneration Committee, the corporate processes that have led to the definition of the remuneration policies adopted; no remarks were made on the alignment of these with the recommendations found in the Code of Conduct and Corporate Governance Code, as well as on its compliance with the current industry laws and regulations.

In addition, the Board of Statutory Auditors, also by attending meetings of the Control and Risk Committee, carried out other audit activities in line with laws and regulations in force for the insurance sector. In particular, the Board of Statutory Auditors verified:

- the fulfilment of the obligations deriving from anti-money laundering and terrorism financing provisions, pursuant to Legislative Decree no. 231, 21 November 2007, as amended, as well as current IVASS regulations, also by reviewing the regular information acquired during the meetings with the Head of the Anti-Money Laundering Control Function. No remarks need making on the organisational unit set up to guarantee the prompt update of the archives and the identification of suspicious transactions;
- the compliance with the rules that govern the coverage of the technical provisions, with special reference, as regards financial instruments, to their full and free ownership and availability and the non-existence of constraints and the compliance with the criteria defined in the investment policy adopted. In this context, the suitability of the administrative and accounting procedures adopted by the Company to manage the process of measurement of the assets covering the technical provisions was regularly reviewed, together with their representation in the specific register, in the statements attached to the financial statements and in those subject to quarterly communication to IVASS;
- the compliance with the regulatory provisions on the use of derivative financial instruments and the company policies adopted in this regard, by acquiring information regularly also during meetings with the Head and/or representatives of the Finance Department and by taking part in the meetings of the Board of Directors,
- the compliance with the provisions on the classification and valuation of the securities portfolio and the compliance of the allocation of financial instruments to the long-term and short-term segments with the guidelines adopted by the Company, in compliance with the pertinent instructions of IVASS, by regularly acquiring information also during meetings with the Head and/or representatives of the Finance Department;
- the correct keeping and data input of the register of complaints, in compliance with the pertinent instructions of IVASS, by reviewing information regularly acquired also during meetings with the Head of the Audit Department.

The Board of Statutory Auditors also verified the adoption of policies and processes to monitor and oversee risks connected with the insurance activity by reviewing information regularly acquired, also during meetings with the Chief Risk Officer or representatives of the aforementioned Function. In this context, the Board of Statutory Auditors was informed of the outcome of the specific regular controls required by IVASS due to the health emergency situation stemming from the COVID-19 pandemic.

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The Board of Statutory Auditors also verified that, at the end of the financial year, the Company had own funds eligible to cover the capital requirements equal to 3.18 times the Solvency Capital Requirement (SCR) and 6.42 times the Minimum Capital Requirement (MCR). It should be noted that these figures are calculated on the information available at 18 March 2021, the date the Board of Directors approved the draft Financial Statements, and that the solvency position of the Company shall be subject to a specific disclosure to the market and to IVASS by the deadline set forth in the regulation currently in force, pursuant to EU Regulation 2015/35 (Delegated Acts). The individual solvency capital requirements are calculated on the basis of the Partial Internal Model, which the Company was authorised by IVASS to use from 31 December 2016. For the purposes of the calculation of own funds, the volatility adjustment provided for in Art. 36-septies of the PIC is applied.

6. Organisation and Management Model pursuant to Italian Legislative Decree 231/2001

The Board of Statutory Auditors reviewed and analysed the assessments by the Supervisory Board on the update of the Organisation, Management and Control Model ("**Model**") pursuant to Legislative Decree 231/2001, Art. 6, letter a), taking into account the inclusion into the scope of this decree of new types of offence and the changes made to these.

In this regard, following the recent inclusion of additional predicate offences, in particular of a tax nature, among the cases considered by Decree 231/2001, on 17 December 2020, the UnipolSai's Board of Directors resolved to update the Model, after hearing the opinion of the Supervisory Body. Having verified and analysed the main changes made to the document, the Board of Statutory Auditors discussed its contents and the underlying assessments.

The Board of Statutory Auditors also acquired the necessary information on the organisational and procedural activities carried out in compliance with Decree 231/2001, through discussion, in regular meetings, with the Supervisory Board on the audit and control activities respectively performed. No facts and/or circumstances worth reporting were brought to light based on the information provided by the Supervisory Board, including that provided in its Annual Report.

7. Independent audit of the accounts

Pursuant to Art. 19 of Legislative Decree 39/2010, the Board of Statutory Auditors, acting as Internal Control and Audit Committee, is tasked with:

- informing the Board of Directors of the audited entity of the outcome of the independent audit and sending the Additional Report to this body pursuant to Art. 11 of Regulation (EU) 537/2014, together with any remarks;
- monitoring the financial reporting process and making recommendations or proposals aimed at guaranteeing its integrity;
- controlling the effectiveness of the internal quality control and corporate risk management systems and, if applicable, of the internal audit, as regards the financial reporting of the audited entity, without violating its independence;
- monitoring the independent audit of the separate financial statements and consolidated financial statements, taking also into account the results and conclusions of the quality controls performed by CONSOB pursuant to Art. 26, Par. 6, of Regulation (EU) no. 537/2014, where available;
- verifying and monitoring the independence of the independent auditors or auditing firm pursuant to Art. 10, Art. 10-bis, Art. 10-ter, Art. 10-quater and Art. 17 of Legislative Decree 39/2010 and Art. 6 of Regulation (EU) no. 537/2014, in particular as regards the suitability of the provision of services other than auditing, in compliance with Art. 5 of this Regulation.

In addition, the Board of Statutory Auditors is required, pursuant to Art. 16 of Regulation (EU) no. 537/2014, to take responsibility for the procedure aimed at selecting the independent auditors and, consequently, to issue a recommendation on the independent auditing firm to be appointed. In this regard, the Board of Statutory Auditors of Unipol presented to the Shareholders' Meeting held on 17 April 2019, in the context of the procedure to confer the Group auditing engagement, carried out jointly with the Board of Statutory Auditors of Unipol, its justified recommendation for the conferral of the auditing engagement for the 2021-2029 period (nine-year), indicating its preference, duly justified, for EY.

The Board of Statutory Auditors held regular meetings with representatives of PWC, the independent auditing firm, pursuant to Art. 150, Par. 3 of the Consolidated Law on Finance; in regard to the Financial Statements for the year ended 31 December 2020, no data or information significant or, in any case, worth reporting was brought to light.

The Board of Statutory Auditors was also informed by the independent auditing firm of the regular keeping of the company accounts and the proper recognition of operating events in the accounting entries.

The Independent Auditors' Report, prepared according to the guidelines of Art. 10 of Regulation (EU) no. 537/2014, as well as Art. 14 of Legislative Decree 39/2010 and Art. 102 of the PIC, does not contain any findings, nor requests for information. In addition, no significant errors were brought to light in regard to the Management Report, nor significant uncertainties relating to facts and circumstances that could give rise to doubts as to the Company's ability to continue to operate as a going concern.

The Board reviewed, acting as Internal Control and Audit Committee, the Additional Report, which has not brought to light issues worth reporting.

The Board, together with the independent auditing firm, also assessed the proper use of the accounting standards and the uniformity of their use for the purpose of preparing the consolidated financial statements.

Taking into account that - pursuant to Art. 14 of Legislative Decree 39/2010 and Art. 41 of Legislative Decree 127 of 9 April 1991 - the Independent Auditors' Report includes the opinion on the consistency of the Management Report with the Consolidated Financial Statements and on its compliance with legal provisions, the Board of Statutory Auditors - in performing its supervision - exchanged information with the independent auditing firm on the outcomes of the work performed in regard to the Consolidated Financial Statements; no anomalies worth mentioning in this Report were observed.

The Independent Auditors' Report issued by PWC on the Consolidated Financial Statements for the year ended 31 December 2020 does not contain findings or requests for information. In addition, no significant errors were brought to light with regard to the Management Report, nor significant uncertainties relating to facts and circumstances that could give rise to doubts as to the Company's ability to continue to operate as a going concern.

Pursuant to Art. 19, Par. 1 of Legislative Decree 39/2010, the Board verified and monitored the independence of the firm engaged to provide independent auditing. In particular, the Board reviewed and approved the further engagements assigned in 2020 to PWC and to companies in the network of this, the fees for which are reported in detail in the Notes to the Financial Statements, to which reference should be made. In this regard, the Board of Statutory Auditors issued, in particular, its opinion on the assignment of the following engagements:

- to PricewaterhouseCoopers d.o.o. - a Serbian company belonging to said PWC network - to provide services to the subsidiary DDOR Novi Sad a.d.o.;
- to PricewaterhouseCoopers Actuarial Services S.r.l., a company forming part of the network of the independent auditing firm, to provide professional assistance and methodology support regarding the internal market models most widely used for the Solvency II evaluation of tariff-setting and non-life provisioning risk;
- to PWC, to provide professional services as part of the issue of Restricted Tier 1 bonds.

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Based on a review of the annual statement of independence provided by PWC and a detailed analysis carried out with the support of the relevant corporate units and the independent auditing firm, taking into account the nature of the engagements conferred to the latter and/or to companies in its network, no evidence or situations were observed suggesting that there is any risk for the independence of said firm or grounds for incompatibility pursuant to the applicable laws and regulations in force.

The Board of Statutory Auditors also monitored, through dedicated meetings, the transition from the outgoing auditors (PWC) to the incoming ones (EY).

8. Opinions issued by the Board of Statutory Auditors during the year

During the year, the Board of Statutory Auditors issued the opinions, observations and/or statements required by the laws and regulations in force as well as by internal procedures.

9. Complaints, reports in accordance with Art. 2408 of the civil code. Any omissions, censurable events or irregularities identified

In 2020, the Board of Statutory Auditors received no complaints pursuant to Art. 2408 of the Italian Civil Code or reports from third parties.

As part of the supervisory activity performed by the Board of Statutory Auditors and based on the information obtained from the independent auditing firm, no omissions and/or censurable events and/or irregularities were observed or, in any case, significant events worth mentioning in this Report.

10. Obligation to draft the Consolidated Financial Statements and report of the Board of Statutory Auditors

The Board of Statutory Auditors - noting that UnipolSai, an issuer of financial instruments listed on regulated markets, as well as an insurance company, draws up, pursuant to Art. 154-ter of the Consolidated Law on Finance and IVASS Regulation no. 7, 13 July 2007 ("IVASS Regulation 7/2007"), as amended, the Consolidated Financial Statements - reports that it verified that the obligation to draft the Consolidated Financial Statements was fulfilled by the Board of Directors on 18 March 2021.

The Consolidated Financial Statements - composed of: statement of financial position; income statement and statement of comprehensive income; statement of changes in shareholders' equity; statement of cash flows; additional notes to the financial statements, as well as annexes to the additional notes to the financial statements - conform to the international accounting standards (IAS/IFRS) issued by the IASB and endorsed by the European Union, with the relevant interpretations issued by IFRIC, according to the provisions of EU Regulation no. 1606/2002, in force at the reporting date.

The layout conforms to the provisions of Regulation no. 7/2007, Title III, relating to the layout of the Consolidated Financial Statements of insurance and reinsurance companies required to adopt international accounting standards.

The information requested by CONSOB Communications DEM/6064293, 28 July 2006, and DEM/11070007, 5 August 2011, is also provided.

The Consolidated Financial Statements are drawn up on the assumption that the company will continue as a going concern, in application of the rules of accrual accounting, materiality and truthfulness of accounting information, in order to provide a true and fair view of the equity-financial position and economic result, in compliance with the principle of the prevalence of the economic substance of transactions of their legal form.

With regard to the consolidation scope, figures for the UnipolSai Group as at 31 December 2020 have been obtained by combining the data for UnipolSai and those for the 48 direct and indirect subsidiaries (pursuant to IFRS 10). Subsidiaries deemed to be too small to be of relevance are excluded from line-by-line consolidation. Associates and subsidiaries considered immaterial are measured using the equity method (IAS 28) or stated at book value. The Consolidated Financial Statements report changes in the consolidation scope during the year. The Consolidated Financial Statements contain exhaustive and detailed information on the operating performance of the Company and the consolidated companies, on the main business sectors of UnipolSai and its subsidiaries (Life and Non-Life business, real estate and other businesses), the asset and financial management, the pending disputes, the significant events after the end of the financial year and the business outlook.

11. Conclusions and indications of any proposal to be presented to the Shareholders' Meeting

The Board of Statutory Auditors reviewed the company's financial statements, which show the management activity carried out during the financial year and the financial and economic position at 31 December 2020. The financial statements have been prepared in compliance with the Italian Civil Code and with the specific provisions for the insurance sector. More specifically, they have been drawn up in compliance with the provisions of Title VIII of the PIC, of Legislative Decree 173, 26 May 1997, and ISVAP Regulation no. 22, 4 April 2008, ("**Regulation no. 22/2008**") as amended or integrated, implementing the guidelines issued on the subject by the Supervisory Authority. For all matters not explicitly regulated by sector regulations, please refer to the general rules regarding financial statements provided by the Italian Civil Code and the accounting standards issued by the Italian Accounting Standards Setter.

The measurement criteria were adopted on the basis of going concern assumptions, in application of the rules of accrual, materiality and significance of the accounting data.

The Board acknowledges that the financial statements submitted to you for approval comprise the statement of financial position, the income statement and the notes along with their annexes, prepared according to the layout provided for in Regulation no. 22/2008. They are accompanied by the statement of cash flows prepared in free form. They are also accompanied by the Management Report prepared by the Directors.

The review of the Management Report has shown this is consistent with the financial statements data, as also indicated by the independent auditors' Report. The Notes to the Financial Statements describe the measurement criteria adopted, which are in line with the activities and transactions carried out by the Company, and the other information required by law.

The Board verified that the Financial Statements correspond to the events and information it is aware of and has no remarks to make on the subject.

No significant events occurred after the end of the financial year that could affect the financial statement results.

Based on the information acquired through its supervision during the financial year, the Board of Statutory Auditors did not become aware of transactions that were not in compliance with proper administration rules, decided and implemented in conflict with laws and/or by-laws, that did not fulfil the interests of the Company, in conflict with the resolutions taken by the Shareholders' Meeting, manifestly imprudent or risky, lacking the necessary information in the case of interests of Directors or able to jeopardise the integrity of the company assets.

In view of the above, acknowledging the content of the Independent Auditors' Report and the statements issued by the Chairman of the Board of Directors and the Financial Reporting Officer, the Board of Statutory Auditors does not note any impediments, as far as it is aware, to the approval of the financial statements for the year ended 31 December 2020, as presented by the Board of Directors.

7 Board of Statutory Auditors' Report

In regard to the proposed allocation of the profit for the year, as laid out in the Report to the Shareholders' Meeting, and distribution of a dividend of €0.19 per share resolved by the Board of Directors at the meeting on 18 March 2021, considering the recommendations made by the EU and Italian authorities to adopt in this regard with extreme caution, owing to the persistence of the epidemiological (COVID-19) emergency, the Board of Statutory Auditors has acknowledged the comments made in this regard by the Board of Directors on UnipolSai's excellent capital strength, both current and forward-looking, which puts the company at the top level in Europe. In particular, taking into account that, as at 31 December 2020, the individual Solvency Ratio stands at 3.18x (using the Partial Internal Model as authorised by IVASS), with a capital surplus of roughly €6.5 billion, having already subtracted the 2020 dividend, the Board of Directors has concluded that all conditions, including the capital strength ratios, have been met for going ahead with the distribution of said dividend, without endangering the ability of the Company to absorb the impacts of the epidemiological emergency on its business model and its solvency, liquidity and financial position.

In view of the above, the Board of Statutory Auditors did not believe it to be necessary to make observations on the proposed allocation of profit and distribution of the dividend made by the Board of Directors, to submitted for approval to the Shareholders' Meeting on 28 April 2021.

Finally, we would like to remind you that the mandate of the Board of Statutory Auditors currently in office will expire at the aforementioned Ordinary Shareholders' Meeting, having reached the end of its three-year period.

Bologna, 6 April 2021

On behalf of the Board of Statutory Auditors
The Chairman Paolo Fumagalli





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INDEPENDENT
AUDITOR'S REPORT



UnipolSai Assicurazioni SpA

Independent auditor's report

in accordance with article 14 of Legislative Decree n° 39 of 27 January 2010, article 10 of Regulation (EU) n° 537/2014 and article 102 of Legislative Decree n° 209 of 7 September 2005

Financial Statements as of 31 December 2020



Independent auditor's report

in accordance with article 14 of Legislative Decree n. 39 of 27 January 2010 and article 10 of Regulation (EU) n. 537/2014 and article 102 of Legislative Decree n. 209 of 7 September 2005

To the Shareholders of
UnipolSai Assicurazioni SpA

Report on the Audit of the Financial Statements as of 31 December 2020

Opinion

We have audited the financial statements of UnipolSai Assicurazioni SpA (the "Company"), which comprise the balance sheet as of 31 December 2020, the income statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2020, and of the result of its operations for the year then ended in compliance with the Italian laws governing the criteria for their preparation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

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Key Audit Matters	Auditing procedures performed in response to key audit matters
<p data-bbox="421 595 823 645">Actuarial estimates of Non-life claims provisions</p> <p data-bbox="421 667 858 770"><i>Notes to the Financial Statements, Part A: Measurement criteria</i> <i>Notes to the Financial Statements, Section 10 – Technical provisions</i></p> <p data-bbox="421 792 874 891">Technical provisions include Euro 9,747 million of Non-Life claims provisions representing the 18 per cent of “Total Liabilities and Shareholders’ Equity”.</p> <p data-bbox="421 913 874 1214">Non-Life claims provisions is posted to face the amounts incurred by the Company to settle the claims incurred in the current and in previous years and not yet defined at year end. Granted that the valuation of outstanding claims relies on the quality of the underlying data, a range of methods, underlying a number of implicit or explicit assumptions relating to the expected settlement amount and number of claims, may be used to determine these provisions. Change in these assumptions can modify the estimate of the final provisions.</p> <p data-bbox="421 1236 874 1335">The valuation of Non-Life claims provisions involves the use of significant estimates and relies on a significant professional judgement based on the actuarial assumption adopted.</p> <p data-bbox="421 1357 874 1438">Professional judgement is involved, for instance, in estimating the period over which claims are expected to settle.</p>	<p data-bbox="900 667 1316 945">In order to challenge the quality of the data utilized to valuate the Non-Life claims provisions, we understood and tested the governance process in place to determine the insurance contract liabilities and validated, on a sample basis, the controls in place. In addition we verified the accuracy and completeness of the data base testing a sample of claims and matching the information included in the IT system with those of the related dossiers.</p> <p data-bbox="900 967 1316 1021">Our audit procedures applied to verify the actuarial valuation include the following:</p> <ul data-bbox="900 1043 1316 1438" style="list-style-type: none"> - analysis of the methodologies, hypothesis and assumptions adopted by management; - challenge these methodologies and assumptions by comparing them with those used in the industry and in prior periods; - performed a risk based assessment to determine the more relevant classes of business. For these classes, assisted by our own actuarial experts, we performed a sensitivity analysis on assumptions and estimates utilized by the Company and performed our own independent actuarial projections and compared the results with management’s estimates.

8 Independent Auditor's Report



Key Audit Matters

Auditing procedures performed in response to key audit matters

Valuation of financial instruments structured securities portfolio

*Management Report, paragraph Asset and financial management
Notes to the financial statement, Section 2 – Investments, paragraph 2.3 Other financial investments*

Structured securities amount to some Euro 299 million representing 0.5 per cent of total assets.

The complexity of the valuation process is not uniform for all financial instruments types and it is harder for illiquid structured securities because quoted prices are not readily available.

The valuation of financial instruments held at fair value is based on a wide range of inputs, many of which not observable in the market. Where observable market data is not available, for example when determining the valuation of certain complex structures, fair value estimates are influenced by input data utilized in the internal valuation models and is consequently subject to a higher level of judgement.

Valuation of financial structured securities is therefore complex and subject to judgement, especially when observable market data are not available.

Our audit procedures concerning valuation of structured securities include the following:

- we performed an understanding and an assessment of the valuation process along with the effectiveness of key controls on a sample basis;
- we analysed along with Company's Directors the methodologies and assumptions utilized;
- we challenged these methodologies and assumptions by comparing them with those used in the industry and in prior periods;
- we verified, on a sample basis, input data readily observable in the market;
- we performed on a sample basis, with the support of our valuation experts, an independent valuation on some structured securities.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian laws governing the criteria for their preparation and, in the terms prescribed by law, for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, Management uses the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- we identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we 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 error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we 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 Company's internal control;
- we evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;

8 Independent Auditor's Report



- we concluded on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with *governance*, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with *governance* with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law 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 financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by article 10 of Regulation (EU) n° 537/2014

On 30 July 2013, the Shareholders of UnipolSai Assicurazioni SpA in general meeting engaged us to perform the statutory audit of the Company and the consolidated financial statements audit for the years ending 31 December 2013 to 31 December 2021. On 4 April 2019 we communicated to the Company, as requested by it, the availability for the early termination of the contract with effect from the approval date of the financial statements as of 31 December 2020. We also provided specific communication to Consob.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) n° 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to those charged with *governance*, in their capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.



Report on Compliance with other Laws and Regulations

Opinion in accordance with article 14, paragraph 2, letter e), of Legislative Decree n° 39/2010 and article 123-bis, paragraph 4, of Legislative Decree n° 58/1998

Management of UnipolSai Assicurazioni SpA is responsible for preparing a report on operations and a report on the corporate governance and ownership structure of UnipolSai Assicurazioni SpA as of 31 December 2020, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) n° 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure available in UnipolSai Assicurazioni SpA website section "Governance" referred to in article 123-bis, paragraph 4, of Legislative Decree n° 58/1998, with the financial statements of UnipolSai Assicurazioni SpA as of 31 December 2020 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of UnipolSai Assicurazioni SpA as of 31 December 2020 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree n° 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Opinion drawn up pursuant to article 102, paragraph 2, of Legislative Decree n° 209 of 7 September 2005, Non -Life technical provisions

In execution of the assignment received from UnipolSai Assicurazioni SpA, we have performed procedures, in accordance with article 102, paragraph 2, of Legislative Decree n° 209 of 7 September 2005, on the items relating to the Non - Life technical provisions, included in the liabilities section of the balance sheet of UnipolSai Assicurazioni SpA as of 31 December 2020. The Directors are responsible to establish technical provisions to the extent to guarantee the obligations arising from insurance and reinsurance contracts.

8 Independent Auditor's Report



On the basis of the procedures performed in accordance with article 102, paragraph 2, of Legislative Decree n° 209 of 7 September 2005, of Regulation n° 22/2008 issued by ISVAP and associated guidelines included in the application document published by IVASS on its website on 31 January 2017, the above mentioned technical provisions, included in the liabilities section of the balance sheet of UnipolSai Assicurazioni SpA as of 31 December 2020, are sufficient in accordance with applicable law and regulations and on the basis of correct actuarial techniques, in accordance with Regulation n° 22/2008 issued by ISVAP.

Opinion drawn up pursuant to article 102, paragraph 2, of Legislative Decree n° 209 of 7 September 2005, Life technical provisions

In execution of the assignment received from UnipolSai Assicurazioni SpA, we have performed procedures, in accordance with article 102, paragraph 2, of Legislative Decree n° 209 of 7 September 2005, on the items relating to the Life technical provisions, included in the liabilities section of the balance sheet of UnipolSai Assicurazioni SpA as of 31 December 2020. The Directors are responsible to establish technical provisions to the extent to guarantee the obligations arising from insurance and reinsurance contracts.

On the basis of the procedures performed in accordance with article 102, paragraph 2, of Legislative Decree n° 209 of 7 September 2005, of Regulation n° 22/2008 issued by ISVAP and associated guidelines included in the application document published by IVASS on its website on 31 January 2017, the above mentioned technical provisions, included in the liabilities section of the balance sheet of UnipolSai Assicurazioni SpA as of 31 December 2020, are sufficient in accordance with applicable law and regulations and on the basis of correct actuarial techniques, in accordance with Regulation n° 22/2008 issued by ISVAP.

Milan, 6 april 2021

PricewaterhouseCoopers SpA

Signed by

Antonio Dogliotti
(Partner)

This report has been translated into the English language from the original, which was issued in Italian and in accordance with Italian law, solely for the convenience of international readers.

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