



# FINANCIAL STATEMENT 2018



*Shareholders' Meeting  
of April 29<sup>th</sup>, 2019*



## Financial Statement 2018

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## Financial Statement 2018

### COMPANY'S BOARD

BOARD OF DIRECTORS	<i>CHAIRMAN</i>	Andrea Moneta
	<i>CEO GENERAL MANAGER</i>	Alessandro Santoliquido
	<i>BOARD MEMBERS</i>	Alexander Wallace Humphreys Laura Santori Ugo Ruffolo
BOARD OF STATUTORY AUDITORS	<i>CHAIRMAN</i>	Francesco Illuzzi
	<i>STATUTORY AUDITORS</i>	Guido Marchese Paolo Delpino
	<i>ALTERNATE AUDITORS</i>	Silvano Montaldo Giovanni Queirolo
INDIPENDENT AUDITOR		EY S.p.A.





## INTRODUCTION



## THE REFERENCE FRAMEWORK

### The Macroeconomic Scenario

In the last months of 2018 the growth of global economy continued even if signs of cyclical deterioration begin to appear in many advanced and emerging economies. The expansion of international economic activity is also burdened with high risk factors: the start of negotiations between the United States and China has not dispelled the uncertainty linked to any new protectionist measures, the possible recurrence of financial tensions in emerging countries, and the ways with which the Brexit process will end, the renewed international political risk. Although the expansion phase is starting to mature, the risks of global recession still appear to be remote. According to forecasts released by the OECD last November, in 2018 the growth of global economy would be equal to 3.7%, while in 2019 the GDP will reach 3.5%, two tenths less than expected.

The revision reflects a deterioration in the Euro area, in Japan and in the main emerging economies as well as in the United States due to the progressive disappearance of the expansive effects of the fiscal impulse. Bank of Italy estimates show that international trade in 2018 went up by 4.4%, in marked deceleration compared to the previous year (5.6%). In 2019 international trade will slow down further to 3.5%, over two percentage points less than in 2017. The price of oil at the end of 2018 fell back to around \$ 50 a barrel from the \$ 60 of December 2017 due to the combined effect of the increase of production in the United States, Saudi Arabia and Russia and the containment of global demand. Inflation in the major advanced economies remains moderate: close to 2% in the United States and the UK, above 1% in the Eurozone.

The **US** economy confirmed a robust growth of around 3% in 2018. With the reduction in the contribution of fiscal policy and the halt of tariffs, a gradual slowdown phase is now expected which should contain the increase in GDP 2019 and 2020 respectively to 2.5% and 1.9%. The political risk remains high. The mid-term elections resulted in a Democratic majority Chamber hostile to the President. The paralysis of the public administration due to the longest shutdown in history has led to the closure of non-essential services, left thousands of public employees at home and ultimately undermined consumer confidence. The Trump Administration, which suffers from a reputational crisis, has difficulties in implementing the program on the domestic and international fronts. Effects of the new trilateral free trade agreement in the NAFTA area are yet to be assessed. The unemployment rate (4%) is stable and remains close to full employment and inflation (2%).

Contrasting signals come from **Asia** and the **Emerging Markets**. In Japan we expect a return to growth in the real economy of around 1%. The volatility of the 2018 GDP is due to the effects of the natural disasters that have plagued the nation and to the increase of the consumption tax at the end of the year. In the future, the economy should maintain a moderate growth profile thanks to the accommodative monetary policy and to the dynamics of domestic spending also supported by expansive public interventions. The labour market was positive with an unemployment rate below 2.5%. The accumulation of household savings shows no signs of slowing down, and it is also favored by low inflation expectations: BoJ declared that the 2% inflation target will not be reached even by the end of 2020.

Among the main emerging economies in China, the slowdown in economic activity, underway since the beginning of 2018, has continued also in recent months. Despite the issue of duties, the acceleration of the agricultural system and the maintenance of services were not enough to offset the deceleration of the industrial and construction sector. The credit crunch weighed negatively on the dynamics of consumption and investments. Among the most cyclical indicators, car sales were in sharp decline and with them the industrial profits of companies. The scenario is therefore that of a progressive slowdown in economic growth that could remain above 6%. Consumer price inflation is expected to rise moderately over 2% during the year (1.7% in 2018).

In India, economic growth remains above a robust 7% thanks to active foreign trade flows, industrial production and private consumption. The prospects for the coming quarters do not foresee significant changes, although the dynamics of lending to individuals and industry will be weak and the cost of financing will increase. Inflation is expected to increase by 4% in 2019 due to the higher price of crude oil. Russia's GDP continues to improve gradually; in the third quarter of 2018 it achieved +1.5% while 2018 inflation closed at +4.3%. A similar scenario for Brazil where, in a context of political elections, many operators have raised economic forecasts. Even in emerging countries there is no shortage of crisis situations: Argentina, Venezuela, Turkey are the ones in greatest difficulty but the specter of capital outflows with depreciations in the respective exchange rates is widening.

In the **Euro** area, growth continues despite the deceleration recorded in recent months. Domestic demand remains sustained while net exports fall. The slowdown in growth is largely explained by the contraction of the German economy and the decline in confidence in countries where political risk and macroeconomic weaknesses are more pronounced than in Italy and France. Growth will continue to be supported by favorable financing conditions, further increases in wages and salaries as well as the continuing global expansion. The ECB expects GDP growth of around 1.5% for 2019, 1.4% in 2020. Political risk will remain high: the renewal of the European Parliament, the EU Commission and above all the ECB summit are on the agenda. Inflation retreated in the autumn months, reaching 1.7% at the end of the year (1.5% in 2017). According to Eurosystem projections released in December, inflation will fall to 1.6% in 2019 to converge in the medium term to lower levels but close to 2%. In December 2018 the unemployment rate was confirmed at 7.9% as in the previous month, the lowest level since October 2008. Short term indicators show a continuation of employment growth even if at lower rates than to what was noted above.

The sharp slowdown that hit our country since the middle of last year interrupts a recovery phase that had begun in **Italy** with delays and slower growth rates compared to the major economies. In fact, in the fourth quarter of 2018 our economy marked a contraction following the third quarter, bringing Italy into technical recession. This result determines the lowering of the trend growth rate which, in 2018, considering the calendar effects, sees the GDP reaching 0.8%. The central projection of GDP growth is 0.6% in 2019. The Italian export trend remains favorable despite the slowdown in global trade affecting foreign orders. The current account balance remains largely positive. Overall inflation declined to 1.2% at the end of 2018, mainly due to the containment of energy prices. Over the next two years, an increase of 1.5% is expected following the increase in private remuneration and alignment with inflationary expectations. The general unemployment rate improves to 10.3% (10.9% in 2017). Youth unemployment (15-24 years) is almost stable at 31.9% (32.8% a year earlier).

### **Financial Markets**

In the last part of 2018 international financial markets showed a higher level of volatility. Long-term interest rates in the main advanced economies have contracted and in the Euro area the premium for sovereign risk has stabilized. On equity markets valuations remained stable in fundamentals with US stocks

above historical averages compared to European and Japanese ones. Strong volatility in emerging markets. The technological and pharmaceutical sectors were rewarded while a lower strength was observed for financial, industrial and commodity-related sectors.

On the fixed income front, yields on Japanese and European stocks remained tight while those on the US showed greater dynamism. Even the bonds of emerging countries are exposed to a possible rise in market rates but the emerging signs of economic recovery represent a support factor. The spread between the yield on ten-year Italian and German government bonds stood at the end of 2018 on the average of 260 basis points, 266 bps in mid-February 2019.

In the January 24th meeting of the Board of Directors, the ECB left the policy rates unchanged: on the main refinancing operations at 0.00%, marginal refinancing at 0.25%, -0.40% for deposits. The Board also reiterated its intention to keep rates at similar levels at least until the summer of 2019 and, with regard to extraordinary measures, it notes that it intends to continue to reinvest expiring securities repayments for the time necessary to maintain favorable liquidity conditions. Also the Federal Reserve on January 30th has decided to keep the cost of money unchanged at a level between 2.25% and 2.5% announcing that it will act with "patience" before launching new measures due to storms on financial markets and the specter of weakening global growth.

### Insurance Sector

According to estimates by the association of insurance companies, in 2018 the premiums written in the Italian non-life and life direct portfolio should return to growth after two consecutive declines. The figures for the first nine months of 2018 in the Non-Life sector confirm these expectations. The premiums recorded at the end of the third quarter of 2018 amounted to 26,176 million, up by 2.4% compared to the same period of 2017. This is the highest year-on-year change since 2011. Both the Auto sector (+1,4%) and the other Non-Life classes (+3.2%) contributed on this. The main form of intermediation is confirmed by the agency channel (75.7%), slightly down on the previous year, followed by brokers (8.4%), bank branches (6.7%) and direct sales (9.0%).

As far as the Life sector is concerned, it is estimated that, by adding the new business premiums of individual and collective policies and subsequent years in relation to policies underwritten in previous years, the total life premiums (gross written) should reach an amount equal to approximately € 102 bln, up by 3.0% compared to 2017. In particular Class I would register a growth of 5.0% (for a volume of 66 bln) only partially offset by the fall in Class III. More than two-thirds of funding comes from bank and post offices, 15% from financial consultants, 11% from agents and 6% from economy agencies.

### Real Estate

Also in 2018 the positive trend of the Italian real estate market is confirmed. The most recent data available refer to the third quarter which maintains uninterrupted growth since 2014 and has almost completely reabsorbed the heavy losses of 2012. Between July and September sales were up by 6.7% compared to the same period in 2017. In aggregated terms, the North East stands out with a growth close to +13%, followed by the Center and Islands with +7.0%, +4.7% for the North East and the South +3.2%. By limiting the analysis to the eight major metropolises, the only city with a negative rate is Milan (-2.4%) where there was

no decline from the second quarter of 2013. In Rome, transactions grew by 3.4%, +5, 0% in Turin and Naples, above 7% in Florence and Genoa. The average area of the housing units sold in the major cities is 91.5 square meters.

In the third quarter of 2018, the tertiary-commercial sector trades back down to a slight downturn. This is the first decline after thirteen quarters of uninterrupted growth from 2012-2013. The analysis by geographical macro-areas shows differentiated rates. The largest losses are seen in the Center (-5.2%), North East (-1.8%) and North West (-0.8%). In the eight main metropolitan cities the overall decline in the "offices and private offices" segment reaches -27.9% dragging behind the national figure (-20.8%). To contribute to the negative result it is above all Milan that with almost 45% of the total exchanges of the big cities, loses the 18.2% trend. Definitely worse happens in the capital where office exchanges fall by 50%.

The production sector is no exception. The sale of warehouses and industries in the third quarter of 2018 fell by 6.5% compared to the same period in 2017.

### Solvency II

With effect from 1 January 2016, the Solvency II regulation came into force.

In particular, Legislative Decree No. 74 of 12 May 2015, amending the private insurance code (Legislative Decree No. 209 of 7 September 2005), implemented Directive 2009/138/EC of the European Parliament and the Council, introducing in the Italian regulatory framework the new solvency regime (Solvency II) to which insurance and reinsurance companies are subjected.

In the letter of March 15, 2017, IVASS defined the timing for the transmission of the Quantitative Reporting Templates (hereinafter QRT) with the annual data for December 31, 2017 for individual companies (deadline for May 7, 2018) and for the Group data (end of June 18, 2018). For the 2018 Quarterly Reports relating to the closing data of each quarter, the letter of March 19, 2018 indicated the deadlines for sending reports, maintaining the division between individual companies and groups.

On 7 May 2018, in compliance with the disclosure obligations provided for by the Solvency II regulations, the Regulatory Supervisory Reports (RSRs) were sent to IVASS for individual companies, while on 18 June 2018 the Group RSR and Solvency and Financial Condition Report (SFCR) were sent.

Referring to art. 216-novies of the Private Insurance Code and to art. 36 of IVASS Regulation n. 33 of 6 December 2016 on the exercise of the faculty by the last Italian parent company to draw up a single report on solvency and financial condition (SFCR) and considering the organizational and corporate governance structure that characterizes the Amissima Insurance Group, the Parent Company AmissimaHoldings has opted for the preparation of a single report for all the companies of the Group, including also the information requested for the subsidiaries (Amissima Vita and Amissima Assicurazioni). An intention shared with the Supervisory Authority with a petition dated February 27, 2017. This option remains valid also for the report relating to the 2018 financial year.

During 2018 EIOPA did not release publications that added new features to the set of reference documents of the Solvency II legislation.

At EU level, the European Commission continued to publish a series of Executive Regulations during the year on the Official Journal of the European Union that establish technical implementation standards on various topics relating to the legislation in compliance with the Solvency II Directive.

As in 2017, also in 2018 the national legislation focused on the development of a series of Regulations that implemented the Guidelines issued by EIOPA:

- ✓ Regulation n. 38 of 3 July 2018: Regulation containing provisions on the corporate governance system.
- ✓ Regulation n. 42 of 2 August 2018: Regulation containing provisions on the external auditing of public disclosure (SFCR).

During 2018, IVASS also published the following letters to the market:

- ✓ Letter to the market dated 19 March 2018 containing instructions on the submission to IVASS of the information required by Directive 2009/138/EC (Solvency II) and by Regulations (EU) nos. 1374/2014 and 2015/730 of the ECB, on the statistical reporting obligations of insurance companies.

### Legislative Developments

In this context, the regulatory framework appears to be constantly evolving thanks to the legislator and the sector regulator, with significant impacts from a regulatory, legal and managerial point of view, always with a view to a more general Community strategy aimed at creating a single, integrated, competitive and efficient European market, with low costs, high stability and consumer protection. In particular:

#### ➤ **Ivass** issued:

- ❑ IVASS regulations of interest for the Life Division:
  - **IVASS Regulation n. 38 of 3 July 2018**, Regulation containing provisions on the corporate governance system;
  - **IVASS Regulation n. 39 of 2 August 2018**, Regulation laying down the procedure for the imposition of administrative sanctions and the implementing provisions;
  - **IVASS Regulation n. 40 of 2 August 2018**, Regulation containing provisions on insurance and reinsurance distribution;
  - **IVASS Regulation n. 41 of 2 August 2018**, Regulation on information, advertising and realization of insurance products;
- ❑ Measures of a regulatory nature aimed at companies operating the Life business:
  - **IVASS provision n. 76 of 2 August 2018**, IVASS Provision containing amendments and additions to the Regulations no. 9/2007, 23/2008 and 24/2008;
- ❑ in addition, the *Authority* issued:
  - **Letter to the IVASS market dated 25 September 2018**, Survey relating to dormant life policies. EEA companies operating in Italy;
  - **Letter to the IVASS market dated 3 September 2018**, dormant life insurance policies. New tax codes crossing with the Tax Office;
  - **Letter to the IVASS market dated 5 July 2018**, Guidelines on the application of the principle of proportionality in the corporate governance system;
  - **Letter to the IVASS market dated 21 December 2018**, Instructions for the electronic transmission of the summary statement data and of the separate management prospectuses in which a profit fund is established;

- **Letter to the IVASS market dated 18 December 2018**, Policies combined with loans (PPI) - method for calculating the untaken premium in the event of total or partial early repayment of the loan;
- **Letter to the IVASS market dated 18 December 2018**, Development of a risk based model for the supervision of the market conduct of companies - use of some data contained in supervisory reporting for prudential purposes (including QRT) and related indications and clarifications;
- **Letter to the IVASS market dated 3 December 2018**, Answers to IVASS requests for information on complaints - new record tracks;
- **Letter to the IVASS market dated 3 December 2018**, Return of the results of the checks on the tax codes of policyholders of potentially dormant policies;
- **Letter to the IVASS market dated 2 October 2018**, Self-assessment of the risks of money laundering and terrorist financing. Annual report of the anti-money laundering function. The deadlines are set at: 11/30/2018 to send sections I to V; 31/12/2018 to send a new section VI;
- **Letter to the IVASS market dated 26 September 2018**, dormant life insurance policies. Investigation update.

□ **Consob provision:**

- **CONSOB Resolution no. 20710 of November 21, 2018**, Amendments to the Issuers Regulation regarding pre-contractual information concerning financial products issued by insurance companies - Implementation of Directive (EU) 2016/97 on insurance distribution (IDD).

□ in the **national legislation**, we report:

- **Legislative Decree 10.08.2018, n. 101** - Provisions for the adaptation of national legislation to the provisions of (EU) Regulation 2016/679 of the European Parliament and of the Council, dated 27 April 2016, concerning the protection of natural persons with regard to the processing of personal data, as well as to the free circulation of such data and repealing Directive 95/46 / EC (General Data Protection Regulation).

□ in **community legislation**, we report:

- **(EU) Directive 2018/411** of the European Parliament and of the Council, dated March 14, 2018, which amends (EU) Directive 2016/97 as regards the date of application of the Member States' transposition measures.

□ in the **tax area**, we report:

- M.D. dated 1 March 2018 of the Ministry of the Economy and Finance (O.J. n. 57 of 9 March 2018), containing the new operating rules for group taxation of companies with the national consolidated regime, which repeals and replaces the previous MEF decree of 9 June 2004.
- M.D. dated 6 April 2018 of the Ministry of the Economy and Finance (O.J. n. 90 of 18 April 2018), implementing the discipline of the so-called VAT group, in particular as regards:

- the extension to November 15, 2018 of the deadline for submission of the VAT Group declaration, with effect from January 1, 2019;
  - the rules for assigning a new VAT number for the VAT Group;
  - the methods for invoicing active and passive transactions implemented with third parties that are not part of the Group;
  - the methods of fulfilling registration obligations and declarative and communicative obligations for VAT purposes.
- Legislative Decree dated 12 July 2018 n. 87 (O.J. No. 161 of 13 July 2018) - so-called "Dignity Decree" - in particular with regard to:
    - with regard to the register of income and expenses, the extension to 28 February 2019 of the deadline for the communication of the data of the invoices issued and received for the third quarter 2018;
    - the exemption from the obligation of noting in the VAT registers for the subjects obliged to electronic invoicing and communication of the data of the invoices issued and received;
    - the abolition of the mechanism of split payment for services rendered to public administrations whose fees are subject to withholding taxes.
- Legislative Decree dated 23 October 2018 n. 119 (O.J. n. 247 of 23 October 2018) – so-called "Tax Decree" – converted, with amendments, by the Law of 17 December 2018 n. 136 (O.J. No. 293 of 18 December 2018), mainly with regard to:
    - the creation of provisions on tax reconciliation: more specifically, the facilitated definition of the report on verification proceedings, the deeds of the assessment procedure, the charges assigned to the collection agent and the facilitated definition of tax disputes;
    - the non-application of penalties relating to the electronic invoicing obligations for the first half of the 2019 tax period;
    - news and clarifications regarding the issue and annotation of invoices, as well as VAT deduction rules;
    - the elimination of the obligation of progressive numbering of invoices and customs bills relating to goods and services purchased or imported in the course of business, art or profession;
    - the regulation of relations between the VAT group and the discipline of the so-called *cooperative compliance*;
    - the provision regarding the temporary suspension of valuation losses in non-durable securities which introduces the possibility for insurance companies, in situations of exceptional turbulence in the financial markets, to evaluate the securities of the trading portfolio at their last book value, instead of the market value, thus avoiding the fluctuations linked to the spread trend.
- Law of 30 December 2018, n. 145 (O.J. No. 302 of 31 December 2018) - so-called "2019 Stability Law" - in particular with regard to:
    - the sterilization of the increase in VAT rates for the year 2019, and the reshaping of the increases of the current rates of 22% and 10% for the following years;

- the increase from 20% to 40% of the IRES deductibility percentage of the IMU relating to instrumental buildings;
- the extension of the increase pursuant to art. 1 c. 9 of Law no. 232/2016, so-called hyper-amortization, also for the year 2019;
- the deferral to the 2026 tax period of the deduction of 10% of the amount of negative components, provided for IRES and IRAP purposes, for credit and financial institutions and insurance companies in relation to the tax period 2018; for the determination of the IRES and IRAP advances due for 2018, the deferral is not taken into account;
- raising the insurance tax advance amount to 85% for 2019, 90% for 2020 and 100% starting from 2021;
- the repeal of the ACE subsidy (aid for economic growth) starting from 2019; the possibility of using the remaining ACE surplus formed up to 2018 remains unchanged;
- the postponement of the possibility of deducting the depreciation allowances for the value of goodwill and other intangible assets that gave rise to the recognition of deferred tax assets, to which the provisions of Legislative Decree 225/2010 regarding conversion into tax credit, which have not yet been deducted until the 2017 tax period; the deductibility of these components is articulated from 2019 to 2029 with specifically identified percentages;
- the changes connected to the measurement of the tax credit relating to investments in research and development, and the extension of the tax credit for training expenses in the 4.0 Industry sector;
- the increase from 95% to 100% of the amount of the advance of the stamp tax paid virtually, starting from 2021;
- modification of long-term savings plans;
- the reopening of the discipline of the revaluation of corporate assets;
- the extension, starting from 2019, of the flat-rate regime introduced by the 2015 Stability Law;
- the repeal, in IRAP, of the 10% tax credit in favor of the IRAP subjects who do not make use of employees, starting from 2019.



# MANAGEMENT REPORT



## COMPANY STATEMENT OF FINANCIAL POSITION

### Fiscal year result

Amissima Vita 2018 balance sheet has closed with a net profit of € 33,7 mln, in line with the previous year's result (€34,7mln).

The main components can be summarized as follows (amounts in thousands of Euros):

### INCOME STATEMENT SUMMARY

	2018	2017	Variation €k amounts	2018– 2017 %
Gross premiums written	864,221	774,745	89,476	11,55%
Charges for claims	-643,062	-533,718	-109,344	20,49%
Variation in Technical Reserves	-273,445	-332,941	59,496	-17,87%
Management expenses	-29,619	-28,678	-941	3,28%
Net investment income	161,261	162,324	-1,063	-0,65%
Other net technical items and plus/minus class D	-19,013	2,081	-21,094	-1013,65%
Profit share Investments transferred to the non-technical account	-8,161	-5,392	-2,769	51,36%
<b>Gross technical balance</b>	<b>52,183</b>	<b>38,421</b>	<b>13,761</b>	<b>35,82%</b>
Profit or loss from reinsurance	-42	379	-421	-111,19%
<b>Profit or loss of the technical account</b>	<b>52,141</b>	<b>38,800</b>	<b>13,340</b>	<b>34,38%</b>
Other income and charges	-9,404	989	-10,393	-1050,90%
Profit share Investments transferred to the Technical Account	8,161	5,392	2,769	51,36%
<b>Ordinary profit or loss</b>	<b>50,897</b>	<b>45,181</b>	<b>5,716</b>	<b>12,65%</b>
Extraordinary profit or loss	1,586	-5,373	6,959	-129,53%
<b>Profit before taxation</b>	<b>52,483</b>	<b>39,808</b>	<b>12,675</b>	<b>31,84%</b>
Income taxes	-18,805	-5,084	-13,721	269,88%
<b>Profit (Loss) for the financial year</b>	<b>33,679</b>	<b>34,724</b>	<b>-1,045</b>	<b>-3,01%</b>

- ✓ **The premiums issued** have increased by 11,6 % equal to € 89,5 mln bringing total production to about € 864,2 mln. The agency channel marks lower levels of production with 4.9% decrease while the Carige Bank channel grows by 3.9% thanks to greater subscriptions of individual traditional products; unit-linked production is in line with the one recorded on the last financial year (-0,5%), also thanks to the marketing of hybrid products. In 2018, important bancassurance agreements were signed with Banca Finnat, Banca Sella and Banca Patrimoni which, at the date of December 31st, recorded a production of approximately € 63.8 million in total of traditional products.

- ✓ The rising **claims paid** reflect the growth of the settlements volume completed during the financial year, including redemptions, obligations, coupons and annuities. In particular, redemptions have increased compared to year 2017 mainly due to issues related to BancaCarige.
- ✓ **General expenses** have increased of approximately 4 percentage points due to increased production, while the other administrative expenses benefited from the action of constant monitoring aimed at reducing management costs and at seeking a greater efficiency. In fact, personnel and operating costs are decreasing, while IT expenses, for IT development projects in progress and commercial expenses, related in particular to advertising for company relaunch, are increasing.
- ✓ The **net property and financial income** contribute significantly to the fiscal year profit despite a slight 0.6% decline compared to year 2017. During the fiscal year Italian government bonds have been sold, BTP in particular, in order to reduce exposure to the market risk related to the volatility of the spread, realizing income of € 25.8 mln. The value adjustments on real estate investments (€ 4,467 thousand) and on financial investments (€ 8,009 thousand) have partially weighed down the income statement result.
- ✓ **The net result of extraordinary business** marks a positive result of € 1,6 mln mainly due to the sale of real estate units deemed no longer strategic (€ 1,2 mln).
- ✓ **Taxes** (€ 18.805 mln), calculated on the notional income as at 31st December 2018, represent a tax charge of 35.83%. Current taxes generated an IRES cost of € 5.5 mln and an IRAP cost of € 3.9 mln, while the net prepaid taxes a cost of 9.4 mln; this is essentially due to the payment of prepaid taxes allocated in relation to disposals operated in the real estate sector.

### Main facts

With the approval of the financial statement as at 31st December 2017, the mandate given to the Administrative Body in office has expired. Therefore, on 24th April 2018, the Shareholder Meeting appointed the Board of Directors defining its composition into five members which will remain in office until the approval of the Company's financial statement on 31st December 2020. The composition of the Board of Directors outlined at the Shareholder Meeting has not changed compared to that of 2017, into which there are two independent directors who have been assigned functions regarding the internal control system and risk management system.

Following the recommendation on the 22nd March 2018 by the Board of Directors, the Shareholder Meeting, approved the Company's Financial Statement as at December 2017, and resolved to allocate the entire net profit to dividends for the Single Shareholder for a total amount of € 34.723.784. The same Meeting, taking into account the change of the Independent auditor of the Parent Company of Amissima Insurance Group due to the expiry of his assignment and in order to ensure homogeneity in the performance of the statutory audit within the Insurance Group, resolved the early termination of assignment entrusted to Deloitte & Touche S.p.A. for the nine-year period 2012-2020 and the entrust of the statutory audit assignment for the financial years 2018-2026 to Ernst & Young S.p.A. and therefore defining the relating remuneration.

With reference to the arbitration before the Milan Chamber of Arbitration brought by Banca Carige to obtain the judgement of invalidity or, failing that, the termination of the distribution agreement, it is pointed out that the Award issued by the Arbitration Board through which all the requests from Banca Carige S.p.A. have been rejected confirming the full validity and effectiveness of the distribution agreement signed with the Company; the aforementioned banking institution contested this Award.

Significative is the sentence issued at the end of 2018 by the Court of Genoa regarding the dispute initiated by Banca Carige S.P.A. against Gruppo Amissima, Fondo Apollo, and the former Directors of Banca Carige Castelbarco Albani e Piero Montani, with which the Court rejected all the claims brought forward by the aforementioned banking institution, condemning the latter to pay court fees. Banca Carige contested the first instance sentence against Amissima Holdings, Apollo and the former Banca Carige directors.

A further significant event, occurred during 2018, concerns the sale of 49% share capital owned by I. H. Roma S.r.l. Insurance Group's ancillary services undertaking (which in any case remains 51% owned) to the associated company Amissima Assicurazioni S.p.A. and the simultaneous purchase by Non-life Insurance Subsidiary of the property located in Milan - Via Silva/Monte Bianco. On the one hand, this operation made it possible to achieve the pre-established objectives of investment portfolio diversification, and on the other hand, to rebalance the return of Novita fund to continue to guarantee the policyholders an over time substantially stable expected return and adequate to their expectations, taken into account the current interest rate environment.

It is important to highlight the entry into force of the new IVASS Regulation n. 38/2018 of 3 July 2018 on corporate governance of companies and groups, whose provisions implement the Guidelines issued by EIOPA on the corporate governance system, taking the forecasts, compatible with the new primary regulatory framework, of ISVAP Regulation n. 20 of 26th March 2008 containing provisions on internal controls, risk management, compliance and outsourcing, of ISVAP Regulation n. 39 of 9th June 2011 relating to the remuneration policies, as well as the ISVAP Circular n. 574/2005 regarding passive reinsurance, which have been repealed. These new regulatory provisions must be read in conjunction with the Letter to the IVASS market dated 05 July 2018 whereby the Supervisory Authority requires companies and groups to identify the structure of corporate governance more suitable for healthy and prudent business management by applying the new provisions in proportion to their risk profile. In this regard, in the second half of the year the Administrative Body initiated the Company's self-assessment process recommended by the Supervisory Authority. On the basis of the findings of the self-assessment process, and taking into account the timing set forth in IVASS Regulation n. 38/2018, in the first months of 2019 the Administrative Body has resolved to adopt a so called. "ordinary" corporate governance model, also adopting, due to the principle of proportionality referred to in the Letter to the IVASS Market of 05 July 2018, additional organizational safeguards. As outlined by the Board of Directors, the adjustment process to the new corporate governance model, will be concluded by the board meeting approving 2018 financial statements.

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With regard to organizational model and corporate governance, and with reference to organizational structure, the Board of Directors intervened in 2018 to adapt the organizational structure and governance to the business model of the Company, in particular (i) by rationalizing the activities of the Committees within the organizational structure and (ii) by making the Sales Department more efficient (through the establishment of two specific organizational units dedicated to the insurance market analysis and monitoring).

Similarly to what was done during the previous year, the Internal Audit, Compliance, Risk Management, Actuarial and Anti-terrorism/Anti-money laundering functions continued to operate in a centralized manner at the Insurance Parent Company; the Internal Control Functions centralization at the Insurance Parent Company has been regulated, as in the previous year, by specific intra-group agreements, by each function, between the Company and the Parent Company, which are approved by the Company's Administrative Body.

With reference to the strategic and organizational tasks assigned to the Administrative Body, the main measures undertaken are illustrated below. With regard to monitoring of adequacy of internal regulatory

body and in order to ensure constant updating both of new sector regulations and of the Company's new business model, in 2018 the Board of Directors took measures to:

- update the policy on intragroup operations adopted pursuant to IVASS Regulation n. 30/2016;
- adapt the Investment Policies in view of the Company's business; in particular, these provisions were updated in consideration of (i) the establishment of the new separate management of Amissima Multicredit, (ii) in relation to the asset allocation target and limits review by issuer group and by rating in consideration of the ORSA analysis and Business Plan review;
- confirm the Group's Risk Appetite Framework adequacy, or the document by which risk propensity, tolerance thresholds, risk limits, risk governance policies, and the Group reference processes necessary to define and implement them;
- confirm the adequacy of company policies on outsourcing, Internal Audit Function and settlement of death benefits and PPI policies;
- update the corporate policies regarding Governance and Internal Control System and Delegation system, Subscription system, Reservation system, Actuarial/Risk Management/Compliance Function system, of Data and information for statistical purposes, Reports to IVASS, Management of complaints, risk Management, ORSA assessments, preparation of SFCR-and RSR reports and periodic reporting quantitative models (QRT - Quarterly Report Template), of conflict of interest management, of Fit & Proper, of Capital Management, of Insurance Distribution (POG), of intermediary incentives, of Remuneration.

The Board of Directors, on a half-yearly basis and through Compliance Function and Internal Audit, continued the monitoring of the regulatory adequacy and effective application of the Company Policies currently in force.

Under the Articles of Association and in compliance with corporate governance and current legislation, the Board of Directors, in addition to adopting the decisions described above, has also intervened, inter alia, to:

- approve the new Business Plan and projections for 2018, proceeding to the relative monitoring and adjustment during the year;
- approve the 2019 Budget;
- approve the establishment of a new separate management called "Amissima Multicredit" as well as the related Regulation that will be used to collect production from the new distribution channels;
- approve the two Bancassurance distribution agreements with Banca Sella SpA and Banca Patrimoni Sella & C. SpA, agreements later finalized and signed during the year;
- approve the 2018 reinsurance program, more in line with the type of products sold;
- authorize the disposal of I.H. Roma S.r.l. subsidiary authorizing the intra group transaction at market conditions related to the sale of 49% stake held in Amissima Assicurazioni S.p.A. and the acquisition of the property located in Milan, Via Silva/Monte Bianco;
- in line with the outlined Real Estate Plan, authorize the disposal of the Ex-Politecnico building;
- constantly monitor the solvency coverage requirement;
- approve the 2018 audit plan prepared by the Internal Audit, Compliance and Risk Management Function;
- approve the updated version of the Organization, Management and Control Model pursuant to Legislative Decree 231/01, including the Code of Ethics;
- appoint the new Head of Function, taking into account the change of supplier approved by the Board of Directors of the Insurance Parent Company with respect to the Actuarial Function, and approve the plan of activities outlined by the Function as established with reference to fourth quarter 2018 and financial year 2019;
- evaluate the adequacy assessment of the internal control system report formulated by the independent administrators, by request of activation of the improvement interventions suggested by the independent administrators;
- approve the update of the Business Continuity Plan;
- modify the Cash Pooling agreement by extending it also to I.H. Roma S.r.l. and Dafne S.r.l. ancillary services undertakings;

- approve the prospective assessment of risk profile report (the ORSA Supervisory Report), the solvency and financial condition report (the so-called Solvency and Financial Condition Report) including the 2017 Solvency Report (Full Annual 2017), and the periodic report to be sent to the Supervisory Authority (so-called Regular Supervisory Report) pursuant to IVASS Regulation n. 33/2016;
- monitor the implementation of the strategically important project concerning the acquisition of the RGi IT platform for business management outlined in context of the Group's strategic lines as well as the "Data Quality" and "Data Governance" project kick-off concerning the definition of company procedures and processes aimed at guaranteeing the data reliability, completeness and consistency provided to the customers and to the Supervisory Authority in compliance with the Solvency II regulations;
- approve an action plan for dormant policies management as requested by IVASS with a letter to the market, and subsequent integration.

On the proposal of the Board of Directors, the Shareholders' Meeting of 24 April 2018, as usual, was asked to evaluate, on the basis of the verifications of the competent functions, the application of the remuneration policies previously adopted in 2017. The same Meeting has also approved the new remuneration policies, defining, on the basis of the latter, the variable remuneration plans for fiscal year 2017, granting the Board of Directors the power to arrange, subject to assessment and where the requisites exist, the related disbursement. During the board meeting of 3rd May 2018, the Board of Directors approved the provision of Management by Objectives (MBO) related to 2017, also providing only for the Risk Takers figures the further deferral of 50% the accrued variable component, also resolving to proceed with the payment of the variable remuneration components accrued in 2015 and deferred. The same Administrative Body also approved the objectives for 2018 financial year underlying the relative MBOs and those concerning the Executive Managers. With specific reference to the relationships between the control functions as relevant (Internal Audit, Compliance Risk Management, Actuarial and Anti-Terrorism/Anti-Money Laundering) and the Board of Directors, the aforementioned control functions reported to the Administrative Body on a pre-established basis regarding the activity performed. In particular, for financial year 2018, the aforementioned information was presented at the meetings of the Board of Directors on 28th February 2018 and 18th September 2018.

Periodic information was also provided to the Board of Directors by the Supervisory Body established pursuant to Legislative Decree 231/01 and regarding the activity carried out by the same Supervisory Body (ref. sittings of 22nd March 2018 and 18th September 2018); the Supervisory Body monitored the adequacy and effectiveness of the Company's Organization and Management Model.

With regard to the evaluation of self-assessment required to the Administrative Body pursuant to current legislation, it should be noted that, also for 2018, and following the same methodology adopted last year (ref. Regulation of the self-assessment process adopted by the Board of Directors ), the Administrative Body carried out the self-assessment activity and verified the initiatives implementation status taken following the results of the previous self-assessment. The self-assessment process conducted by the Administrative Body, which concluded with the evaluation of the related findings during the Board meeting of 22nd March 2018, in addition to having confirmed the existence of the requisites in question for all the Board members, it confirmed the data of the previous evaluation, that is that the Council operates in its mandate in an adequate and consistent manner. The self-assessment also revealed the acceptance of the initiatives suggested during the previous self-assessment that are: (i) the inclusion of two independent directors in the composition of the Administrative Body; (ii) the formalization of the Risk Appetite Framework, expecting its revision once a year; and, (iii) with reference to the process concerning the definition/revision of new products, a further committees strengthening inside the organizational structure.

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With regard to relations with the Supervisory Authorities, with reference to the Institute for Insurance Supervision (IVASS) it is deemed appropriate to indicate the following:

- a) Letter ref. n. 0115174/18 of 24th April 2018 and Letter ref. n. 0171247/18 of 10th July 2018, by which the Supervisory Authority requested certain clarifications related to the current and prospective solvency situation of the Company. The Company has found IVASS within the terms set by providing the requested information;
- b) Letter ref. n. 0143346/18 of 31st May 2018 and Letter ref. n. 0264529/18 of 28th November 2018, by which the Authority requested the Company to make some additions and adjustments to the intervention plan for the management of dormant policies adopted at the beginning of 2018 pursuant to the previous letter of 29th December 2017. In this regard, the Company has incorporated the suggestions formulated by IVASS, finding the latter pursuant to the established terms.
- c) Letter IVASS ref. n. 0236275/18 of 25th October 2018 by which the Supervisory Authority requested the Company to review the approach so far adopted towards the policyholders regarding the refusal to reimburse the premium paid and not taken due to early termination of the loan agreement. The Company has replied to IVASS within the required terms, highlighting that from the date of entry into force of Law no. 221 of 17th December 2012, the Company recognized to policyholders the right to a premium refund for the period of coverage not benefitted, thus operating in line with the aforementioned regulatory provisions; failure to recognize the premium was adopted in cases where this right is prescribed and for positions reported after the expiry of the coverage.

## BUSINESS PLAN 2019-2021

The 2019-2021 Insurance Group Strategic Plan, that has been approved by the Administrative Body, is based on some strategic pillars common, in part, to both Companies (cost reduction, process efficiency, investment portfolio diversification), and in part specific. As regards Amissima Vita, the Plan is based on the significant contribution to the production made by Banca Carige under the existing distribution agreement but also by a growing contribution from the new distributors, consistent with the distribution diversification strategy pursued by the Company. The study of products to offer to customers that have characteristics such as to be appealing on the market continues while at the same time guarantees a good return on capital for the Company. The objective of Amissima Vita is to combine growth with a balanced remuneration for the shareholder, consistently with the Risk Appetite defined by the Company's Capital Management Policy. This objective will be achieved through a series of actions:

- a. Constant focusing on the collaboration relationship with Banca Carige, with the aim of maintaining adequate production levels in relation to what is established by the signed distribution agreement;
- b. Sale promotion of TCM products, both on the banking and agency network, which guarantee good profitability even in the presence of reduced interest rates;
- c. Development of Unit Linked production in order to diversify business mix also through the sale of "hybrid" products;
- d. Search for new potential banking partners with whom to sign distribution agreements and consolidate commercial relationships with the new Finnat and Sella/Patrimoni partners;
- e. Creation of a new separate management called Amissima Multicredit based on the new IVASS regulations where products created for the new distributors will flow together;
- f. New Strategic Asset Allocation according to guidelines defined in the ORSA Plan. In particular, the SAA will be tailored for each of the Separate Accounts (Norvita, Carige Vita Nuova and the new Amissima Multicredit management) with the aim of minimizing capital consumption and the volatility of returns, guaranteeing both attractive returns in favor of policyholders both profitability for the Company.
- g. The financial asset portfolio management strategy will focus on investments in government and corporate bonds, further increasing diversification into other investment classes (such as collective investment vehicles) in continuity with what was done during 2018, to react promptly to changes in the markets and benefit from temporary market dislocation;
- h. Important spending review activity planned at Group level, with the aim of freeing up resources for investments (mainly IT) without sacrificing the Company's profitability.

## EVOLUTION OF THE INSURANCE PORTFOLIO

### Premiums

As at September 2018 (latest available ANIA data), the market shows an increase of 6.1% in Life production: “traditional” class I policies show an increase of 4.5%, while “financial” class III policies show an increase of 2.7%.

The overall trend of Amissima Vita was also positive, whose production showed an increase of 11.6%, mainly attributable to the banking channel (+3.9%), with the “traditional” individual policies that marked an increase of 4.1%; the production of Unit linked policies remained stable, with premiums for € 94.8 million, a slight decrease of 0.5% compared to 2017 (€ 95.3 million). Of note is the good performance of TCM products associated to mortgages, which marked premiums for € 6.7 million in 2018 (+82.5% compared to 2017). The agency channel has reduced Life business, with a decrease of 4.9%, all of which was attributable to Class I premium income, while the other classes were substantially unchanged. The new commercial partners, Finnat Bank, Sella Bank and Patrimoni Bank, contributed positively to the collection by registering class I premiums for € 63.8 mln.

Now we summarize, more in detail, in the following table, the evolution of gross premiums recorded by Amissima Vita by sales channel and product type (amounts in thousands of Euros):

### ISSUED PREMIUMS for sales channel and product type

	PREMIUMS		Change 2018 - 2017	
	2018	2017	Absolute	%
Individual	41,177	43,393	-2.216	-5,1
Collective	6,702	6,997	-295	-4,2
Unit Linked	160	119	41	34,9
<b>Total Agency channel</b>	<b>48,039</b>	<b>50,508</b>	<b>- 2.469</b>	<b>-4,9</b>
Individual	649,657	624,253	25.404	4,1
Collective	6,697	3,670	3.027	82,5
Unit/Index Linked	94,836	95,276	-440	-0,5
<b>Total Carige Bank</b>	<b>751,191</b>	<b>723,200</b>	<b>27.991</b>	<b>3,9</b>
<b>Total Creditis</b>	<b>1,161</b>	<b>1,037</b>	<b>124</b>	<b>11,9</b>
<b>Total Finnat Bank</b>	<b>35,513</b>	-	-	
<b>Total Sella/Patrimoni Bank</b>	<b>28,318</b>	-	-	
<b>GRAND TOTAL</b>	<b>864,221</b>	<b>774,745</b>	<b>89.476</b>	<b>11,5</b>

In the following table, on the other hand, we present the comparison between the Company and the market with regard to distribution by sales channel:

### ISSUED PREMIUMS distribution per sales channel

	Amissima Vita (at December '18)	Market (ANIA at 12/18)
Agencies Network	5,6%	13,0%
Bank branches	94,4%	61,0%
Other sales channel	-	26,0%
<b>TOTAL</b>	<b>100,0%</b>	<b>100,0%</b>

The item "Other channels" includes, for the market, mainly financial advisors (13.7%) and Agencies in economics and management (10.2%).

Finally, in the last table production is apportioned by business ministerial combined provision, pursuant to Article 2 of the Private Insurance Code:

### ISSUED PREMIUMS by Class (art.2 L.D. 209/05)

(amounts in thousand of Euro)	2018	2017	Change		Market (ANIA al 12/18)
			PREMIUMS Absolute	2018 - 2017 %	
Class I (human life)	764,172	674,114	90,057	13,4%	5,5%
Class III ( <i>Unit/Index Linked</i> )	94,996	95,395	-398,4	-0,4%	-4,6%
Class V (capitalisation)	5,053	5,236	-183,7	-3,5%	49,3%
<b>TOTAL</b>	<b>864,221</b>	<b>774,745</b>	<b>89,476</b>	<b>11,5%</b>	<b>3,5%</b>

### Agency sales network

In fiscal year 2018, particular attention was paid to the need of improving the quality and productivity of the local agency network both through the recruitment of new agents and through the strengthening of the existing network by adding new resources and training the existing ones.

In particular, for the consolidated network:

- ✓ it has been confirmed the bonus system already introduced in 2017 and aimed at stimulating new production, which was accompanied by incentives dedicated to agencies with higher potential.
- ✓ new initiatives aimed at pursuing the involvement of the secondary network in a more active manner.

The following commercial initiatives have also been launched:

- ✓ "Family Care": planned during 2018, this is the sixth edition of this three-day initiative, dedicated to all Life Agencies and aimed at increasing the collection of new TCM policies;
- ✓ "Amis Christmas": an initiative dedicated to all Life Agencies, three days term, aimed at concentrating the collection of new TCM policies in the period preceding the Christmas holidays.

On 1st October 2018, the new European Intermediation Directive (IDD) came into force, it introduced important changes in the rules governing the distribution of insurance products. Our company has pursued a faithful fulfillment by adapting processes, IT systems and contractual and regulatory documentation for this purpose.

In line with current regulations, a new model called "Amis Stars" was created to measure the excellence expressed by our sales network in terms of performance and quality of the service offered to the end customer.

We continued the collaboration with Arca SGR aimed at ensuring the correct continuation of the management of pension plan offers to our customers.

During 2018, within the Commercial Department, a new unit was created called Sviluppo Rete e Progetti Speciali, focused in particular on the recruitment of new Agents and sub-agents.

At the date of 31st December 2018 there are 312 Agencies that are Life Agencies, compared to the 313 in December 2017. This follows the 40 new openings and 41 unification operations, mostly caused by problems with mandate of Amissima Assicurazioni.

### Training

Agency network training was planned with the aim of helping the professional growth of both Agents network and Agency collaborators.

Three main steps:

- 1) Basic training in Webinar mode
- 2) Training on products and regulations in E-Learning mode
- 3) Advanced training courses

The O. E. provided basic training courses to the Agencies with the main objective of developing a commercial proposal method in line with the new IDD directive.

The VANGUARD high-level training course, whose first edition started at the end of 2017, involved the best Amissima agents selected according to their commercial results and ended in December 2018. The training course in the current year has covered the following topics:

- 1) Agency's balance sheet
- 2) Strategic and operational marketing
- 3) Customer relationship management

The network of collaborators was also enhanced by involving the best sub-agents in a training course called P&C Advisor that started in November 2017.

The course topics were on "life business" in its generality and on the main Life products, in line with the Company policy.

In addition, new courses for the agency network and the O. E. were included in the E-Learning platform. Concerning regulatory changes, new life and non-life products, complete the training offer in light of the new provisions on IDD and Privacy.

The new Webinar mode used by the Company was mainly employed to investigate topics related to "social media marketing for insurance" and "NLP" (neuro linguistic programming) as well as to carry out courses on Cyber Risk in compliance with the IVASS letter to the market on the subject (20% hours of refresher course was dedicated to information security).

In March and October 2018, during the road shows, Managers of the several Amissima offices presented the corporate strategy guidelines and the consolidated developments throughout the year.

In July 2018 meetings were also held dedicated to Agents throughout the national territory in the presence of the Commercial Director and the CEO for the analysis of the results of the first half of 2018, and the presentation of the initiatives aimed at the "Rush" of the end of the year.

### *New Agency products*

For the Agencies channel the Multiramo product, based on internal funds, was launched and offered in two versions: with constant annual premiums, instalments paid monthly, and bonuses, with 7 years fixed duration (Amissima Multi Piano Bonus - V800 rate) and single premium, and Vita Intera (Amissima Multi Piano - V801 rate). Their distribution is carried out through the Pass Vita IT platform.

### *Regulations*

Following the activities of IDD legislation alignment undertaken in the first half of the year, the documents introduced by the IDD regulations were carried out and implemented: KID, target market, Demands & Needs questionnaire, new adequacy questionnaire, pre-contractual information.

### *Banking Distribution Channels*

#### *Distribution agreements*

In the second half of the 2018 financial year the three distribution agreements in force with Banca Finnat Euramerica, Banca Sella and Banca Patrimoni Sella & C, were subjected to review in order to conform to changes introduced by the IDD regulations, with effect from 1st October 2018.

In December a distribution agreement was also signed with Azimut Financial Insurance S.p.A..

### *Training*

The activity of monitoring and audit of the training activity for IVASS purposes carried out by Banca Carige for its collaborators, within the framework of current legislation and agreements between the parties, was

concluded at the end of the year with the production of Bank reports containing data that are useful for the drawing up of the Annual Report on Distribution Networks (IVASS ordinance 2743/2009), as well as the usual year-end report, subject to verification and control and which will be attached to the Report itself.

Also the other three intermediary banks of Amissima Vita, to which product training courses have been provided, have been asked for the same summary data of training benefitted by members of section E of the RUI and by internal operators. Information/training activities have also continued and have been carried out through a report distributed every two months, this report is focused on product characteristics and on separate management associated to this and customized for each bank.

### *New Banking Products*

For the new Azimut Financial Insurance Intermediary we have created two new products, Amissima Protezione (Class I - associated to the Separate Management Amissima Multicredit) and Amissima Sicuro Objective (Class V - associated to the Separate Management C. Vitanuova).

### *Regulations*

Similarly to what was done for the agency channel, following the activities of alignment with the IDD regulations, undertaken in the first half of the year, the documents introduced by the IDD legislation were implemented and implemented: KID, target market, Demands & Needs questionnaire, new adequacy questionnaire, pre-contractual information.

### *Institutional communication*

In 2018 the Group continued to enhance its brand visibility through sponsorships and participation in important sector events (i.e. Italy Protection Forum, Le Fonti Awards, Insurance e Previdenza Awards 2018 by Milano Finanza), and published articles for some specialized magazines (i.e. Il Sole 24 Ore, Assinews, Insurance Review).

A PR and press office activity carried out to the release of numerous articles about the Group and its managers.

Our "Newsletter" is always our communication tool, it is a periodic bulletin about relevant facts concerning the Company from month to month (eg training, available resources for the distribution network, local meetings, events, etc.).

About online communication, a closed group was created on Facebook consisting of all Amissima intermediaries on which information is exchanged and activities and initiatives of the company or of the agencies themselves are promoted.

We have our new website online and, at the same time, the new advertising campaign with: commercials on the main radio stations, video commercials on social media channels and advertising banners on specialized vertical software.

The new communication method with the distribution network successfully continues. It consists of webinars (internet interactive seminars) which have been a useful tool for promoting the brokers activity, supporting them in strengthening their presence on the web and for utilizing resources offered by the digital world. Thanks to the internet, the webinar has allowed to combine in a single experience the convenience of educational benefit from any device connected to it with the typical effectiveness of an event in presence, like in a real classroom.

### TREND OF LIQUIDATIONS AND TECHNICAL RESERVES

The total claims, redemptions and maturities paid as of 31st December 2018, including the variation in reserves for sums to be paid, gross of portions paid by reinsurers, is equal to € 643,062 thousand (+20.5% as in the same period of 2017), an increase that above all reflects the known events that are involving Banca Carige, in particular as regards the redemption component.

#### PAID SUMS AND VARIATION IN COLLECTIBLE PROVISIONS

(amounts in thousand of Euro)

	2018	2017	Change 2018 - 2017	
			Absolute	%
Class I claims (human life)	138,844	119,476	19,368	16,2
Class III claims ( <i>Unit/Index Linked</i> )	9,491	6,227	3,265	52,4
Class V claims (capitalisation)	1	520	-519	-99,8
<b>Total CLAIMS</b>	<b>148,336</b>	<b>126,223</b>	<b>22,113</b>	<b>17,5</b>
Class I redemptions (human life)	281,403	216,375	65,028	30,1
Class III redemptions ( <i>Unit/Index Linked</i> )	24,157	21,040	3,116	14,8
Class V redemptions (capitalisation)	8,464	6,853	1,611	23,5
<b>Total REDEMPTIONS</b>	<b>314,023</b>	<b>244,268</b>	<b>69,756</b>	<b>28,6</b>
Class I due dates (human life)	159,357	112,525	46,832	41,6
Class III due dates ( <i>Unit/Index Linked</i> )	0	54	-54	-100,0
Class V due dates (capitalisation)	933	901	32	3,5
<b>Total DUE DATES</b>	<b>160,290</b>	<b>113,480</b>	<b>46,810</b>	<b>41,2</b>
Class I coupons (human life)	26,677	36,733	-10,056	-27,4
Class III coupons ( <i>Unit/Index Linked</i> )	0	0	0	0,0
<b>Total COUPONS</b>	<b>26,677</b>	<b>36,733</b>	<b>- 10,056</b>	<b>- 27,4</b>
Class I Yields (human life)	195	198	-2	-1,1
<b>Total YIELDS</b>	<b>195</b>	<b>198</b>	<b>- 2</b>	<b>- 1,1</b>
<b>TOTAL SUMS PAID</b>	<b>649,522</b>	<b>520,902</b>	<b>128,620</b>	<b>24,7</b>

	CHANGE IN RESERVES FOR SUM TO PAY		Change, 2018 - 2017	
	2018	2017	Absolute	%
Class I (human life)	-6.487	13,227	-19.714	-149,0
Class III ( <i>Unit/Index Linked</i> )	2	-53	55	-103,8
Class V (capitalisation)	25	-359	384	-107,1
<b>TOTAL VARIATION IN RESERVES</b>	<b>- 6.460</b>	<b>12,815</b>	<b>- 19.275</b>	<b>- 150,4</b>
<b>GRAND TOTAL</b>	<b>643.062</b>	<b>533,717</b>	<b>109.345</b>	<b>20,5</b>

Particular attention is paid to the progress of redemptions which, after a decrease recorded in 2017, show an increase of 29.9% in the "traditional" classes (class I, human life Insurance, and class V, Capitalization), and of 14.8% in the "financial" classes (class III, Unit policies). This increase was observed for most of the year, peaking around October and then rebalancing again in the last part of the year. If we consider the incidence of redemptions compared to the average of the total reference reserves, we can observe an increase in the "traditional" classes, which goes from 4.2% in 2017 to 5.2% in 2018, while it remains stable in the "financial" classes with an incidence of 5.7%. These indices are in any case better than those observed on the Italian market, which, in the fourth quarter of 2018 (last available data - source ANIA) recorded an incidence of 5.9% on "traditional" classes and 9.8% on "financial" classes.

The technical provisions for direct business, which, at the end of 2018, totaled approximately € 6.1 billion (€ 5,645 million for "traditional" products, € 445 million for Unit and Index-linked policies) are calculated using the same criteria as for those presented in the financial statements as at 31st December 2017, with evaluation of the additional interest rate reserve (or Riserva ALM) calculated with the so-called "C" method, as required by Annex 14-bis, ISVAP Regulation n. 22 of 4th April 2008. The ALM reserve calculated by using this method corresponds to approximately € 1,195 thousand (€ 1,057 thousand in 2017).

Compared to the 2017 financial statement, the reserves on "traditional" products increased, net of reinsurance cessions, by € 234.8 million, while reserves for Unit and Index-linked policies increased by € 36.6 million, depending on the normal dynamics awards-liquidation-revaluation. As for the additional Reserves, in addition to that for interest rate (or ALM Reserve) already described above and relating to the T.C.M. with a technical rate higher than the rates of the "reference carrier", it was also recorded the one for demographic bases, which amounts to about € 398 thousand, substantially in line with previous fiscal years.

The payments of the contract sums due to the entitled parties occur in accordance with the deadlines set by the general policy conditions and by the current regulations.

## REINSURANCE POLICY

For the 2018 Reinsurance Cession Plan, "Provisions on passive reinsurance", Framework Resolution on reinsurance strategy and Ivass Regulation n. 38, introduced on 3rd July 2018, were taken into account.

The Cession Plan and the 2018 placement were carried out in compliance with the aforementioned guidelines approved by the Administrative Body, by choosing types of reinsurance agreements aimed at limiting risk and exposure based on tolerance level (risk appetite).

Products offer for year 2018 was extended with the introduction of four rates, two of which in revaluable form and other two in the multi-class rate, which in any case did not involve significant changes on the portfolio profile as there were found no levels of actual mortality higher than those assumed in the basis for calculating the premiums.

Protection of the Life portfolio, in order to make reinsurance cessions more in line with the technical characteristics of the products sold with particular reference to the small impact of the types of risk in terms of SCR that would be sold with different retention levels, continued to undergo a significant change compared to what was carried out until 31st December 2017.

In particular, for the Pure Risk rates and for the complementary "*Accidental death*" guarantees, it was therefore decided to confirm the retention line set at € 100,000.

Therefore the adopted reinsurance policy, starting as of 01st January 2017, involved the modification of the risk propensity principles for generation of new business, while the reinsurance coverage of products already placed on the market remained unchanged.

Depending on placed products characteristics, the types of treaties adopted by the Company were: *Proportional in Excess* for pure risk rates and *Non-proportional Excess Accident Claims* due to the complementary accident guarantees present in portfolio.

The reinsurers, of the previous fiscal year, from the OECD member countries, have been confirmed; they guaranteed economic, patrimonial and financial solidity, that has been certified by Standard & Poor's agency (minimum rating A-). In the selection, reinsurer's management and his/her technical knowledge was evaluated, with particular regard to the Leader reinsurers.

During the year, as in the past and in the continuation of a still critical international financial situation, the rigorous verification of creditworthiness of Reinsurers remained at the center of the Company's assessments, so as to influence single Reinsurers' capital solidity and reinsurance market in its entirety.

## MANAGEMENT COSTS

The item Operating Expenses includes the Company's commercial and operating costs, which has always been subject to strict control in search of the best management efficiency.

With regard to the main components, an increase in commissions is observed, due to higher production, as well as Other Acquisition Expenses; on the other hand, general administrative expenses fell due to the continuous monitoring and efficiency of processes; it should be noted that IT investments aimed at improvement and innovation continued throughout the year.

The incidence of Operating Expenses on premiums rose from 3.6% in 2017 to 3.4% in 2018.

## MANAGEMENT EXPENSES

(amounts in thousands of euros)

	2018	2017	Change, 2018 - 2017	
			Absolute	%
Commissions	8,897	7,692	1.205	15,7
Other acquisition costs	6,478	5,933	545	9,2
Administration costs	14,244	15,053	-809	-5,4
<b>Gross management costs</b>	<b>29,619</b>	<b>28,678</b>	<b>941</b>	<b>3,3</b>
Commissions charged reinsurers	- 401	- 456	55	-12,0
<b>Total Management Costs</b>	<b>29,217</b>	<b>28,222</b>	<b>996</b>	<b>3,5</b>

With particular regard to general administrative expenses, we present the detail of the portion to be attributed to commercial and asset costs before reallocation, net of the recharging of synergistic costs.

## GENERAL ADMINISTRATION COSTS

(amounts in thousands of Euro)

	2018	2017	Change, 2018 - 2017	
			Absolute	%
Staff (net of recovery of synergic costs)	9,328	10,151	-824	-8,1
EDP costs	3,645	3,556	89	2,5
Finctioning costs	1,016	1,637	-621	-37,9
Service and consultancy	6,455	6,432	23	0,4
Corporate costs	1,708	1,550	158	10,2
Commercial costs	758	337	421	124,7
Projects	140	529	-389	-73,5
<b>TOTAL COSTS</b>	<b>23,050</b>	<b>24,193</b>	<b>- 1.143</b>	<b>- 4,7</b>
Depreciation	2,131	1,883	-2	40,7
Real estate charges	1,359	1,470	248	13,1
Other recoveries	-8	-6	-110	-7,5
<b>TOTAL COSTS (PRE RIALLOCATION)</b>	<b>26,533</b>	<b>27,540</b>	<b>- 1.008</b>	<b>- 3,7</b>
Costs allocated to Capital charges	- 6,062	- 6,807	745	-10,9
Costs allocated to Commercial charges	-6,226	-5,681	-546	9,6
<b>TOTAL ADMINISTRATION EXPENSES</b>	<b>14,244</b>	<b>15,053</b>	<b>- 809</b>	<b>- 5,4</b>

By analyzing the dynamics of the main items, there was an increase in the Commercial costs item, above all for advertising expenses, for the Company's relaunch and IT costs for what has been said before, while there was a decrease in the item relating to Staff and operating costs.

## THE ORGANIZATIONAL STRUCTURE

During 2018 the number of employees rose from **84 to 90**, of which six with a part-time contract (on average at 78.60%); this increase was determined by the recruitment of nine resources and the exit of three. The additions, besides the stabilization of supply relationships, mainly refer to actuarial and control areas .

In the 2018 financial year also, the personnel policy was mainly based on the requalification and/or enhancement of resources with qualified and specific technical sector knowledge.

During 2018 the secondment with Company Amissima Assicurazioni S.p.A., for the resources that perform synergic functions within the Insurance group, also continued.

Premium/employee ratio, calculated using ANIA method, amounts to € 9,877 thousand and is increased compared to € 8,905 thousand as in 2017 due to higher premiums underwritten despite the significant increase in number of employees.

The adopted remuneration strategies and the structure of the incentives, strictly connected to the achievement of objectives and to the career paths of the resources with greater potential, have allowed not only to improve individual performance and loyalty, but also to establish an intense climate of mutual trust; after starting the performance management model in 2017, during the year we have continued its use, as it involves all company resources.

The 2018 Amissima Vita training plan, in addition to consolidating the technical skills of human capital, has intended to develop projects to increase personal and company competitiveness and to support processes of corporate evolution and development.

The planning of the interventions has followed indications reported by the different business functions and the needs deriving from organizational changes and from the regulatory framework. During the financial year 2018, the company completed the training funded by the Fondo Banche e Assicurazioni to which it had adhered during year 2017; accession has allowed to extend training to a greater number of employees, especially in technical-specialist field. The benefit of the income deriving from the fund will be registered in year 2019 at the end of the activities of accounting and control of the same fund.

The mandatory updates have been focused on anti-money laundering legislation, the regulatory updating determined by the State-Regions Agreement of 21st December 2011 on the subject of "Protection of health and safety in the workplace" and training for new recruits on Corporate Administrative Liability, Privacy and Anti-corruption.

Professional updates for the corporate structures mainly concerned the study in deep of the new European directive on the distribution of insurance products, or the IDD, the topic of information technology, in particular as regards the introduction of a new IT model aimed at optimizing the way of doing business and operations of insurance agencies, inclusion of knowledge of the English language and technical-specific updates of the single business areas and regulations.

Overall, 193.6 men/days of training were provided for a total investment of € 46 thousand.

## IT DEVELOPMENT

In fiscal year 2018, the program for the renewal of IT platforms continued according to plan. In particular, the activities focused on:

- ✓ Programma Pegaso;
- ✓ Vulnerability and safety test.

More in detail:

### Programma Pegaso

Pegaso is the Amissima Business transformation program through the replacement of IT systems with the RGI PASS suite and the complete renewal of the product catalog. The program started at the end of 2016 and allowed the activation of all products on the agency channel as early as 2017.

During 2018, the entire agency portfolio migrated, for individual contracts, interventions related to GDPR, IDD, and IVASS regulations 40 and 41 and, modifying the original paradigm that provided for the adoption of the platform with limited implementations. Numerous application functionalities and operating flows were optimized.

Furthermore, we have been entered into distribution agreements with new banks and, in the first few months of the next year, the integration with Banca Patrimoni and Azimut will be completed.

During the year, training activities and operational support in the configuration of products have been completed, tariffs and prints that can now be active independently from Amissima Group's resources.

### Vulnerability testing and IT security management

A vulnerability test of the main applications was performed in synergy with the Internal Audit and using the services of a specialized company, the results were very positive. The activities will continue in the next year, extending their perimeter and establishing a dedicated organizational unit.

## ASSET AND FINANCIAL MANAGEMENT

### Investment policies

In light of the current economic and financial situation and the prospective macroeconomic scenarios, on 31st July 2018 and 29th November 2018, the Administrative Body declined the investment policies as required by current legislation (Reg. Ivass n. 24/16 ). Investments must be consistent with the portfolio's short and medium-long term profitability objectives, focusing on asset classes capable of generating a high return on capital and through careful risk management, in particular through high diversification of positions and risks in portfolio. Bond and equity investments made directly by the Company must mainly refer to issuers with a high credit rating belonging to the OECD area, as well as be mainly denominated in

Euros and traded on regulated markets or active markets and present an adequate level of liquidity. The investments made through "Amissima Diversified Income ICAV" funds concern various alternative credit strategies, mainly private, for which the Company considers it more rewarding to make use of specialized professional operators. Within the vehicle, several sub-funds have been set up, each of them with performance targets, investment categories and specific management characteristics.

It should be noted that the investment policies are directly implemented by the Company which supervises the more strictly strategic and decision-making activities through the periodic meetings of the Investments Committee, of the Capital Committee and of the Risk Committee as well as a detailed design of the Investment Management operations. Trading of financial instruments on the markets can be carried out through the Banca Carige S.p.A.'s trading desk or through the Apollo Asset Management Europe's trading desk, with which the Company has entered into a contract for the provision of services whose object is the execution of the operations. The Company can also operate directly with qualified counterparties, with investment grade ratings and professional requirements required by the regulations, with whom the company has opened or intends to open direct dealing lines.

### Operativeness of fiscal year

#### **Security sector**

During 2018 the investments were directed towards the Irish investment medium called "Amissima Diversified Income ICAV", a medium set up to manage investment funds aimed at satisfying the Group's strategic financial needs of investments. Other investments have been directed towards foreign government bonds, diversifying the country risk and the issuer risk through the purchase of securities issued both from EU and non-EU countries, equities and mutual funds.

The investment portfolio at the end of December 2018 generated € 149.3 million in fees: taking into account the net capital gains generated on trading (€ 25.7 million), the net impairment losses on revenue account for € 11.4 million (write-backs for 1.1 million and losses of value for 12.5 million) and average assets (€ 5.4 billion), the securities portfolio financial yield for 2018 was 3.05%.

At the end of the financial year, the portfolio of securities investments left latent capital losses (before aligning book values to market values) totaling € 22.5 million (of which € 3.6 million on securities of long-term sector, € 12, 5 million on securities allocated to trading portfolio and € 6.4 million on derivatives), against latent capital gains (before alignment of book values to market values) for € 151.3 million (€ 69.7 million on the investment portfolio, € 69.5 million on trading portfolio and € 12.1 million on derivatives).

The rates recognized to policyholders on separate management are always at levels of certain interest: the historical fund, the Norvita, settled at 2.94% (certified rate of October 2018), it has increased if compared to 2.75% reported in October 2017 while the C.Vitanuova fund recorded average rates of return of 2.72% in 2018, lower than the average 3.07% of 2017.

During 2018, a new separate management was established called «Amissima Multicredit». The strategic asset allocation of this management foresees that in 2019 (when products related to this management will start to be marketed) an evenly distributed allocation between government securities of different Euro Area countries and diversified credit instruments through the subscription of fund units specifically created by Amissima. The certified rate for October 2018 was 3.30%.

As regards the composition of the securities portfolio, it should be noted that as at 31st December 2018 the carrying equivalent, before the closing valuations, amounted to € 6,030.5 million, of which € 3,726.3 million relating to the non-durable sector and € 2,304.2 million for the long-term sector; at the end of the year the

same portfolio had a punctual market value of € 6,159.3 million: € 3,789 million relating to the non-durable sector (of which € 5.8 million relating to derivatives) and € 2,370.3 million from go back to the durable sector, as shown in the following table.

**CURRENT/LONG-TERM PORTFOLIO (amounts in thousands of Euros)**

	Book value pre assessment 31/12/2018	Market value 31/12/2018	Plus/Minus closing 31/12/2018	Plus/Minus latents
Current of which at P&L	3,726,257 -	3,789,009 -	- -11,377	62,752 -
Long-term of which at P&L	2,304,206 -	2,370,332 -	-	66,126
<b>TOTAL</b>	<b>6,030,463</b>	<b>6,159,341</b>	<b>-11,377</b>	<b>128,878</b>

As at 31 December 2013, the Company's personal assets had total net latent capital gains (before alignment of book values to market values) for € 128.9 million: € 62.8 million for the trading portfolio ( of which € 5.8 million relating to derivatives) and € 66.1 million to the investment portfolio. The valuation effects recognized in the irevenue account were negative for approx. € 11.4 million, relating to securities in the trading portfolio of € 8 million and to the investment in I. H. Rome share allocated in the trading portfolio for € 3.4 million.

Transfers from the non-durable sector to the durable sector took place in January and involved government securities and local entities of the Euro area for a total nominal value of € 351.5 million, with an average duration of 13 years and a yield of 1%. The transfer of the sub-fund generated a capital loss of € 19,443.

ISIN	Description	Par Value	Segregated Fund	Market	Book	G&L Local	Duration	Book Yield
		Local		price	Price	GAAP		
NL0012294458	EUR AMSTERDAM CITY 17-29 0,831%	40.000.000	Norvita	99,562	99,729	-66.800	10,70	0,86
AT0000A1K9C8	EUR AUSTRIA 16-26 0,75%	51.500.000	C.Vitanuova	102,258	102,200	29.822	8,51	0,49
BE0000344532	EUR BELGIO 17-37 1,45%	80.000.000	Norvita	102,100	102,084	12.800	16,80	1,33
FR0013154044	EUR FRANCIA 16-36 1,25%	90.000.000	Norvita	98,301	98,202	89.505	16,20	1,36
DE0001102390	EUR GERMANIA 16-26 0,50%	50.000.000	C.Vitanuova	102,170	102,351	-90.483	7,94	0,21
DE000NRW0JQ3	EUR LAND NORDRHEIN-WESTFALEN 16-31 0,625%	20.000.000	C.Vitanuova	93,461	93,415	9.200	12,84	1,15
DE000A168023	EUR REGIONE DI BERLINO 16-32 1,00%	20.000.000	C.Vitanuova	97,626	97,643	-3.486	13,22	1,18
<b>Total</b>		<b>351.500.000</b>				<b>-19.443</b>	<b>13,0</b>	<b>1,0</b>

The other transfers made in 2018 occurred from the durable to the non-durable sector. In February, a transfer was made for a nominal value of € 10.5 million of subordinated securities (EUR BANCO POPOLARE 10-20 6% SUB and EUR BANCA POP. MILANO 11-21 7.125% SUB). These positions were subsequently disposed of, and a capital gain of € 0.95 million was thus realized.

In August, € 1 million of nominal value (€ 1.1 million of transaction value) of a senior bond issued by Atlantia S.p.A. was transferred, and subsequently sold, with maturity date in September 2025 and a fixed rate coupon of 4.375%. The duration is 5,86 years, the return on the carrying value is 4.1% and the return at market value is 3.3%. The sector transfer did not generate effects on the revenue account, while the capital gains realized on sale were € 47 thousand.

Throughout year 2018, the objective of Amissima Vita, as outlined in the current Investment Policy, was to progressively reduce exposure to "rischio Italia" (BTP), in order to reduce the risk of concentration and any negative impacts for the policy-holder and at the same time to stabilize the Solvency Ratio of the Company. Political and economic uncertainty is the basis of the Italian Government bonds spread volatility. Added to this there is the possibility of a downgrade of creditworthiness by the major rating agencies. For this reason, in 2018 reduction operations were carried out on "rischio Italia": Italian government securities allocated to the trading portfolio were sold on the market, securities were transferred from the sector and subsequently securities present in the investment portfolio were sold and finally term bonds were entered into sales contracts.

In May, a transfer for a nominal value of € 75 million was made (transaction value of € 88.3 million) of the Italian government bond IT0004513641 - B.T.P. 01.03.09 - 1st March 2025 5.00% with a duration of 5.7 years, a yield on the book value of 4.6% and a return on the market value of 2.2%. The transfer of sector did not generate any effects on revenue account, while the subsequent sale generated a capital gain of € 11.4 million.

In August, a nominal value of € 98.6 million (€ 105.1 million of transaction value) of BTPs issued by the Italian State was transferred, with maturities between 2020 and 2030. Average duration is 5 years, yield on the carrying value is 3.2% and yield at market value is 2.5%. The transfer of sector did not generate any effects on the revenue account, while the capital gains realized on the sale of these securities amounted to € 1.6 million.

In September, other Italian government securities were transferred from durable sector to non-durable sector for a total nominal amount of € 149 million (transaction value € 174.9 million). The transfer of sector did not generate any effects on the revenue account, while the capital gains realized on the sale of these securities were € 10.6 million.

At the beginning of October, an Italian government security for a nominal value of € 15 million was transferred from investment portfolio to trading portfolio and subsequently this security was sold on the market (transaction value € 16.6 million) realizing a net capital gain of € 1, 2 mln.

Finally, again in October, transfers of Italian government bonds were made from the durable to the trading sector for a nominal value of € 250.9 million and subsequently, from 26th October until 1st November, € 111 million were sold on the market (transaction value € 118.5 million) and € 139.9 million (transaction value € 151.6 million) with delivery on 15 January 2019. Below are the three securities allocated in the Norvita separate management for sale with future delivery:

ISIN	Description	Nominal Value
IT0004513641	B.T.P. 01.03.09 - 01.03.25 5,00%	55,900,000
IT0004634132	B.T.P. 01.09.10 - 01.03.21 3,75%	32,000,000
IT0004356843	B.T.P. 01.02.08 - 01.08.23 4,75%	52,000,000
<b>Total</b>		<b>139,900,000</b>

A structured transaction for exposure reduction to Italian government securities (so-called "BTP Derisking Solution") was implemented by the use of "sale for the account" and "forward purchase" agreements. The operation can be divided into three steps:

- 1) «De-risk»: sale for the account at a pre-established price and at a set date (3 and 4 years) of a portfolio consisting of the following BTP:

ISIN	Name	Amount	Allocation Segregated Fund	AFS/HTM
IT0005028003	B.T.P. 15.06.14 - 15.12.21 2,15%	16,000,000	C.Vitanuova	Available for sale
IT0003934657	B.T.P. 01.08.05 - 01.02.37 4,00%	2,000,000	C.Vitanuova	Available for sale
IT0004513641	B.T.P. 01.03.09 - 01.03.25 5,00%	13,500,000	C.Vitanuova	Available for sale
IT0004759673	B.T.P. 01.09.11 - 01.03.22 5,00%	31,000,000	C.Vitanuova	Available for sale
IT0004889033	B.T.P. 22.01.13 - 01.09.28 4,75%	31,500,000	C.Vitanuova	Available for sale
IT0004898034	B.T.P. 01.03.13 - 01.05.23 4,50%	23,000,000	C.Vitanuova	Available for sale
IT0004953417	B.T.P. 01.08.13 - 01.03.24 4,50%	35,500,000	C.Vitanuova	Available for sale
IT0005045270	B.T.P. 01.09.14 - 01.12.24 2,5%	1,500,000	C.Vitanuova	Held to maturity
IT0005086886	B.T.P. 16.02.15 - 15.04.22 1,35%	8,500,000	C.Vitanuova	Held to maturity
IT0004513641	B.T.P. 01.03.09 - 01.03.25 5,00%	217,160,000	C.Vitanuova	Held to maturity
IT0004759673	B.T.P. 01.09.11 - 01.03.22 5,00%	7,500,000	C.Vitanuova	Held to maturity
IT0004889033	B.T.P. 22.01.13 - 01.09.28 4,75%	9,000,000	C.Vitanuova	Held to maturity
<b>Total</b>		<b>396,160,000</b>		

The de-risking operation also involved securities allocated to the durable sector. Which were transferred to the circulating sector. The transfer involved 5 positions, for a total of € 243.7 million of nominal value. The transfer of sector did not generate any economic effects and the securities will remain in the portfolio until the future delivery.

- 2) «Raise cash»: currency swap (at a fixed price and at a set date, 3 and 4 years) of the following BTP portfolio:

ISIN	Name	Amount	Allocation Segregated Fund	AFS/HTM
IT0004009673	B.T.P. 01.02.06 - 01.08.21 3,75%	2,500,000	C.Vitanuova	Available for sale
IT0004356843	B.T.P. 01.02.08 - 01.08.23 4,75%	13,000,000	C.Vitanuova	Available for sale
IT0004634132	B.T.P. 01.09.10 - 01.03.21 3,75%	4,500,000	C.Vitanuova	Available for sale
IT0004644735	B.T.P. 01.09.10 - 01.03.26 4,50%	31,500,000	C.Vitanuova	Available for sale
IT0004695075	B.T.P. 01.03.11 - 01.09.21 4,75%	5,500,000	C.Vitanuova	Available for sale
IT0005001547	B.T.P. 01.03.14 - 01.09.24 3,75%	41,750,000	C.Vitanuova	Available for sale
IT0005024234	B.T.P. 01.03.14 - 01.03.30 3,5%	46,500,000	C.Vitanuova	Available for sale
IT0003535157	B.T.P. 01.08.03 - 01.08.34 5,00% (ex-irs)	1,500,000	C.Vitanuova	Held to maturity
IT0004356843	B.T.P. 01.02.08 - 01.08.23 4,75%	222,580,000	C.Vitanuova	Held to maturity
IT0004644735	B.T.P. 01.09.10 - 01.03.26 4,50%	37,000,000	C.Vitanuova	Held to maturity
IT0005024234	B.T.P. 01.03.14 - 01.03.30 3,5%	1,410,000	C.Vitanuova	Held to maturity
<b>Total</b>		<b>407,740,000</b>		

- 3) «Reinvestment»: cash investment obtained from the cash sale of the second pass in financial assets according to the strategic asset allocation envisaged for the separate C.Vitanuova management. In particular, the following government and supranational bonds were purchased:

ISIN	Name	Amount	Allocation Segregated Fund	AFS/HTM
BE0000345547	EUR BELGIO 18-28 0,8%	40,000,000	C.Vitanuova	Held to maturity
XS1422953932	EUR BEI 16-32 1,00%	60,000,000	C.Vitanuova	Held to maturity
AT0000A1ZGE4	EUR AUSTRIA 18-28 0,75%	29,800,000	C.Vitanuova	Available for sale
XS1503043694	EUR BEI 16-29 0,25%	45,000,000	C.Vitanuova	Available for sale
EU000A1GOD70	EUR EFSF 18-28 0,95%	29,450,000	C.Vitanuova	Available for sale
FR0010854182	EUR FRANCIA 09-20 3,50%	2,300,000	C.Vitanuova	Available for sale
FR0013157096	EUR FRANCIA 15-21 0,00%	108,900,000	C.Vitanuova	Available for sale
ES00000128X2	EUR SPAGNA 17-21 0,05%	104,600,000	C.Vitanuova	Available for sale
<b>Total</b>		<b>420,050,000</b>		

Throughout year 2018, securities were purchased with a simultaneous classification in durable sector for a total value of € 250.9 million: € 208.2 million from government securities and € 42.6 million from a securitized bond. There were repayments of investment securities for a total value of € 187.4 million (€ 100 million to be referred to the subordinate of Assicurazioni Generali for which the advance call option was exercised by the issuer). Finally, as regards operations in the investment sector, no disinvestments were made of securities allocated in this segment.

With reference to “Structured and subordinated” securities and bonds, no purchase transactions were carried out, while securities were sold for a total value of € 69.9 million and repayments amounted to € 161.2 million (€ 100 million refer to the subordinate of Assicurazioni Generali for which the advance call option was exercised by the issuer). As at 31st December 2017, the structured and subordinated securities and bonds in the portfolio amounted to € 305.4 million.

### **Real estate sector**

With regard to the real estate sector, during the year n. 6 real estate units were sold for a total value of approximately € 15 mln, including the building located in Milan, Via Garofalo, belonging to the former Polytechnic area, and acquired 2 property units for a value of € 35 mln. The administrative body has also resolved to appoint PRELIOS to update the current value of the properties. At the end of 2018, the estimated market value was estimated to be € 99,400 thousand (€ 80,182 at the end of 2017) against a carrying amount of € 99,641 thousand.

The overall average occupancy level is confirmed at previous year levels while the average profitability of the whole sector is equal to 4.75% (3.72% in 2017).

For 2019 the current occupancy levels are expected to be preserved, while the profits connected to bank branches' portfolio called “ex-FIMIT” will be more contained due to the appendix underwritten with Banca Carige in 2015.

Below is the asset allocation of the last two financial years:

Description	2018		2017	
	value	%	value	%
Financial investments	6,020,009	98%	5,360,268	98,40%
Property investments	99,641	1,60%	78,266	1,40%
Liquidity	26,503	0,40%	6,933	0,10%
<b>Total</b>	<b>6,146,153</b>		<b>5,445,467</b>	

### Financial risk management

On the more specific subject of financial risk management policy, pursuant to art. 2428 of the Italian Civil Code, paragraph 2, n. 6-bis, we observe the following:

The Company defines risk management policy as a generalized approach to identify, understand, measure and manage its *business* risks.

In particular, financial risks (credit risk, liquidity risk and market risk in its currency, interest and price components) arise from the management of the investment portfolio, naturally consisting of securities, equity stakes, real estate, receivables of various kinds and other liquid assets.

It should also be added that Amissima Vita is subject to the supervision of the insurance sector Supervisory Authority which, through prudential provisions, affects the Company's ability to absorb asset risks that may have an impact on insurance management.

For a more complete examination of the Company's exposure to financial risks, we proceed to a precise analysis of the various cases:

- Credit risk

Credit risk is defined as the risk that one of the parties in a financial agreement does not fulfill the obligations assumed and causes financial damage to the counterparty. The Company manages the credit risk level that accepts by using market analysis and assessments performed by the main international *rating* agencies for this purpose.

The Company's Board of Directors, while defining the investment policies provided for by the Ivass Reg. 24/16, defined a series of concentration limits with respect to a given issuer or issuer group (maximum 3% of the portfolio except for the bonds issued by EU member states or members of the OECD, or similar, for which a limit has not been established), in addition to limits based on the sector to which the issuer belongs (maximum 25%). These limits are verified considering both securities held directly by the Company and the securities within the ICAV investment funds.

With specific reference to the rating, the securities that a rating judgment are not assigned or attributable to (as said, not rated) cannot exceed the limit of 30% of the value of the portfolio, considering both securities held directly by the Company and the securities held at the internal investment trusts.

The degree of riskiness of the securities portfolio is shown in the table below, which also compares the current situation with that of the previous year.

**RISKINESS OF THE PORTFOLIO** *(amounts in thousands of Euros)*  
(market value)

	<b>2018</b>	<b>2017</b>
Shares	85	30,730
Bond Rating AAA	886,163	309,979
Bond Rating AA	1,850,816	1,565,392
Bond Rating A	406,049	235,167
Bond Rating BBB	1,431,177	2,612,638
Bond Rating BB	86,346	154,060
Bond Rating B	-	13,350
Bond Rating <=C		
Without Rating	58,302	70,499
Share in subsidiaries companies	9,978	24,636
Loans		
Investment funds		
ICAV	1,382,416	651,435
Securitization	42,246	
Derivatives	5,764	
<b>TOTAL INVESTMENT</b>	<b>6,159,341</b>	<b>5,667,885</b>

Transactions in derivative instruments can only take place in compliance with the instructions given by the Supervisory Authority and in compliance with the resolutions of the Board of Directors. The Company has the right to subscribe derivatives for hedging and for efficient investment management. These contracts can be entered into with counterparties of high credit standing, and in any case on financial instruments that must have a high degree of liquidity.

In addition to the presence of hedging derivatives within the funds of "Amissima Diversified Income ICAV", the Company also holds its own positions in derivative financial instruments to hedge against the risk of Italy as at 31/12/2018. The counterparty with which derivative contracts have been entered into is Goldman Sachs.

Description	ISIN	Market value at 31/12/2018
FWD B.T.P. 01.03.09 - 01.03.25 5,00%	IT0004513641	7,393,618
FWD B.T.P. 01.08.13 - 01.03.24 4,50%	IT0004953417	1,196,586
FWD B.T.P. 01.09.11 - 01.03.22 5,00%	IT0004759673	768,850
FWD B.T.P. 22.01.13 - 01.09.28 4,75%	IT0004889033	729,125
FWD B.T.P. 01.03.13 - 01.05.23 4,50%	IT0004898034	665,534
FWD B.T.P. 01.03.09 - 01.03.25 5,00%	IT0004513641	459,633
FWD B.T.P. 22.01.13 - 01.09.28 4,75%	IT0004889033	208,322
FWD B.T.P. 15.06.14 - 15.12.21 2,15%	IT0005028003	206,618
FWD B.T.P. 01.09.11 - 01.03.22 5,00%	IT0004759673	186,012
FWD B.T.P. 16.02.15 - 15.04.22 1,35%	IT0005086886	184,145
FWD B.T.P. 01.08.05 - 01.02.37 4,00%	IT0003934657	107,173
FWD B.T.P. 01.09.14 - 01.12.24 2,5%	IT0005045270	41,053
<b>TOTAL sales derivatives at maturity 2021/2022</b>		<b>12,146,670</b>
FWD B.T.P. 01.09.10 - 01.03.21 3,75%	IT0004634132	-784,270
FWD B.T.P. 01.02.08 - 01.08.23 4,75%	IT0004356843	-2,508,124
FWD B.T.P. 01.03.09 - 01.03.25 5,00%	IT0004513641	-3,090,729
<b>TOTAL term sales derivatives maturity 2019</b>		<b>-6,383,124</b>
<b>TOTAL</b>		<b>5,763,546</b>

- Liquidity risk

Liquidity risk is defined as the risk that a party may have difficulty in raising funds to meet its pledges and obligations.

Liquidity risk can arise from an inability to sell a financial asset quickly at a value close to its fair value, in the possible payment of insurance indemnities before expectations, or in the general inability to generate the expected positive cash flows.

The table below shows the distribution of the investment portfolio by maturity.

## DISTRIBUTION BY MATURITY OF THE PORTFOLIO *(amounts in thousands of Euros)*

(market value)

	Equities	Debt securities	Total
Shares	85		85
Less than 1 year		364,278	364,278
1-5 years		1,634,326	1,634,326
5-10 years		1,254,982	1,254,982
10-20 years		1,095,935	1,095,935
More than 20 years		369,332	369,332
Share in subsidiaries companies	9,978		9,978
ICAV	1.382,42		1.382,42
Cartolarization		42,246	42,246
Derivatives		5,764	5,764
<b>Total</b>	<b>1.392,48</b>	<b>4,766,862</b>	<b>6,159,341</b>

The distribution by maturity of securities held directly by the Company shows investments with maturities of less than one year equal to 5.9% of the portfolio, 26.5% with one-five years maturity, 20.4% with five-ten years maturity, 17.8% with ten-twenty years maturity, 6% with more than twenty years maturity, the remaining 23.4% concern shares, equity investments, ICAV units, securitizations and derivatives. ICAV includes bonds with distributed maturities, but the overall duration of these funds is limited.

It should also be noted that the bond and equity portfolio held directly by the Company is largely made up of financial instruments listed on regulated markets, while the securities held within ICAV funds are mostly unlisted. Overall, considering both the securities held directly by the Company and the securities within the ICAV, unlisted securities may not exceed the limit of 30% of the value of the portfolio.

- Market risk

Market risk is defined as the risk of possible losses arising from a change in the fair value of a financial instrument (price risk) that can be caused by a number of factors, including a change in exchange rates (exchange rate or currency risk), or in interest rates prevailing on the market (interest rate risk). Changes are due to factors specific to the instrument and/or its issuer (Credit spread risk) or to factors that generally affect the market to which the financial instrument belongs.

Price risk is defined as the risk of fluctuations in the value of financial assets and liabilities as a result of changes in market prices, whether these changes are due to factors specific to the asset/liability in question or to market factors. In order to avoid excessive overall variability in the value of financial investments, management follows the policy dictated by the Investment Committee, based on the strategic guidelines formulated by the Board of Directors. This policy imposes limits in terms of issuers, total exposures, expected returns, types of financial assets that can be acquired, and any use of derivatives. In addition, monitoring and control activities are carried out and, if necessary, corrective actions are taken to the distribution and concentration of assets, depending on market trends and the expected overall rate of return of the portfolio.

Currency risk, defined as a change in exchange rates, is almost null, since as at 31 December 2018 all the securities held directly by the Company were in Euro and the exchange risk due to foreign currency securities within the ICAV was almost entirely offset by hedging derivatives.

With regard to interest rate risk, defined as the risk that the value and/or expected cash flows of a financial asset or liability may fluctuate as a result of a change in market interest rates, the Company tends to mitigate this by holding a balanced mix of investment portfolios (€ thousands):

**PORTFOLIO BY TYPE OF RATE** *(amounts in thousands of Euros)*

(market value)

	<b>2018</b>	<b>2017</b>
Fixed rate	4,682,728	4,896,534
Variable rate	35,193	62,581
Mixed rate	932	1,969
Shares	85	30,73
Shares in subsidiaries companies	9,978	24,636
Investment funds		
ICAV	1,382,416	651,435
Securitizations	42,246	
Derivatives	5,764	
<b>TOTAL INVESTMENT</b>	<b>6,159,341</b>	<b>5,667,885</b>

ICAV investment funds include mainly variable-rate financial instruments to deal with possible phases of interest rate increases without reducing the value of units.

With regard to summary indicators of interest rate risk, the duration of the portfolio classified as current assets was 2.61 (5.51 in 2017), while for the long-term component the figure was 11.62 (9.10 in 2017), with an average value for the entire portfolio of 6.57 (7.45 in 2017).

## THE SOLVENCY CAPITAL REQUIREMENT AND THE COVERAGE OF TECHNICAL PROVISIONS

In a letter to the market dated 19 March 2018, IVASS announced the deadlines for sending the Solvency 2 Annual 2018 report for the individual companies (AES sent by 22 April 2019) and for the groups (ARG sent by 3 June 2019).

At the end of the 2018 financial year, the capital requirement was calculated according to the model provided for in the Standard formula of Directive 2009/138 EC.

The Company then adopted the Volatility Adjustment commensurate with EIOPA in 24 bps to be applied to the discount rate for the valuation of the best estimate of insurance contracts.

For the calculation of the solvency situation as at 31.12.18, the Loss Absorbing Capacity (LAC) was considered for the valuation of the Net Asset Value following the shocks for market and technical risks, i.e. the capacity of Technical Provisions to absorb losses.

Therefore:

Reporting date	12.2018
Available capital	228.329
Eligible OF	228.329
SCR	148.063
<b>Ratio of Eligible own funds to SCR</b>	<b>154%</b>
Capital Surplus / Deficit	80.266
Eligible OF for MCR Coverage	228.329
MCR	66.628
<b>Ratio of Eligible own funds to MCR</b>	<b>343%</b>

In case of not using VA:

Reporting date	12.2018
Available capital	192.195
Eligible OF	192.195
SCR	159.179
<b>Ratio of Eligible own funds to SCR</b>	<b>121%</b>
Capital Surplus / Deficit	33.016
Eligible OF for MCR Coverage	192.195
MCR	71.631
<b>Ratio of Eligible own funds to MCR</b>	<b>268%</b>

The funds eligible to cover the solvency requirement, presented net of the proposed dividend, equal to a payout ratio of 100%, are entirely made up of Tier I capital elements:

SCR Eligible Own Funds	12.2018
Tier 1 - unrestricted	228.329
Tier 1 - restricted	-
Tier 2	-
Tier 3	-
<b>Totale</b>	<b>228.329</b>

MCR Eligible Own Funds	12.2018
Tier 1 - unrestricted	228.329
Tier 1 - restricted	-
Tier 2	-
Tier 3	-
<b>Totale</b>	<b>228.329</b>

In case of not using VA:

SCR Eligible Own Funds	12.2018
Tier 1 - unrestricted	192.195
Tier 1 - restricted	-
Tier 2	-
Tier 3	-
<b>Totale</b>	<b>192.195</b>

MCR Eligible Own Funds	12.2018
Tier 1 - unrestricted	192.195
Tier 1 - restricted	-
Tier 2	-
Tier 3	-
<b>Totale</b>	<b>192.195</b>

The technical provisions at the end of the year shall be fully covered by assets which are the full and free property of the company and free of any liens or encumbrances of any kind.

## TRANSACTIONS WITH RELATED PARTIES

A transaction with an intragroup counterparty may be defined, also in accordance with the IFRS international accounting standards, as a transfer of resources, services or obligations between a company and its parent company, its subsidiaries, associated companies, subsidiaries, managers, directors, statutory auditors and majority shareholders, as well as their close family members, regardless of whether a consideration has been agreed.

Transactions with intra-group counterparties may give rise to critical issues and possible fraud. In view of these risks, the main orientation is not to prohibit such transactions, but to require adequate information, which is considered essential for the efficient functioning of the capital market. In fact, the objective of IAS 24 is exactly that of allowing the user of the financial statements to understand how relations with intragroup counterparties may or may not influence the formation of the result for the period or future results as a consequence of the realisation or settlement of the equity balances existing with the same. The information required by the Standard also covers pledges outstanding at the balance sheet date and allows users of the financial statements to have useful information about the risks and opportunities arising from them.

Gruppo Assicurativo Amissima, enrolled in the register with the number 50, is wholly owned by Apollo Global Management LLC, a leading American investment fund. Amissima Holdings S.r.l., an Italian insurance or reinsurance holding company, and Parent Company, exercises management and coordination activities over the Group, which consists - in addition to the insurance companies Amissima Vita S.p.A. and Amissima Assicurazioni S.p.A. - of the instrumental companies Assi90 S.r.l., I.H. Roma S.r.l. and Dafne Immobiliare S.r.l., which are their subsidiaries.

As at 31/12/2018, Amissima Vita S.p.A. is controlled by Amissima Holdings S.r.l., which holds 100% of the share capital; the Company does not hold any shares of its own or of its Parent Company.

### *Parent company*

During the year 2018 Amissima Vita S.p.A. recorded the following relationships with Amissima Holdings S.r.l. (as Parent Company and Sole Shareholder):

- management of the insurance policy premium relating to the civil liability of Directors, Statutory Auditors and Executives of Group Companies (D&O Policy);
- agreements to outsource the control functions Internal Audit, Compliance, Risk Management, Anti-Money Laundering/Anti-terrorism and Actuarial, by virtue of their centralisation at the Parent Company;
- the recharging of costs relating to synergistically managed services relating to the Internal Audit, Risk Management, Compliance, Actuarial and Anti-Money Laundering/Anti-Terrorism functions;
- the reciprocal recharging of costs relating to synergistic services for the companies, managed both through the partial secondment of personnel and through a special agreement for other charges relating to services, supplies and services other than personnel;
- transactions deriving from the Group Cash Pooling Agreement between the Companies, the real estate instrumental companies and the Parent Company;
- adherence to the consolidated tax regime for Group taxation to which the companies belong and the related activities;
- the distribution of the profit for the year achieved as at 31.12.2017.

### *Subsidiaries*

Amissima Vita S.p.A. holds:

- 51% of the shares (compared to 100% in 2017) of a real estate company belonging to the Insurance Group, or I.H. Roma S.r.l., which owns two hotels located in Rome and Milan. In this regard, it notes the sale of 49% of the share capital of the aforementioned instrumental company to the subsidiary Amissima Assicurazioni S.p.A. in 2018. The Group holds 100% of the Company's share capital. The economic and financial relations with I.H. Roma S.r.l. consist in the possible annual distribution of the dividend. Furthermore, on 14/12/2018, the Parent Company Amissima Vita has disbursed to I.H. Roma a loan of € 75 thousand.
- 60.25% of Assi90 S.r.l., which carries out insurance brokerage activities; the Group holds a 100% take in Amissima Assicurazioni (39.75%).

### *Associates*

The item " associates " includes all non-controlling equity investments held in companies belonging to Gruppo Assicurativo Amissima, even if the share held is below the limits indicated in art. 2359 of the Italian Civil Code.

In this context, Amissima Vita S.p.A. has no investments in associated companies.

### *Affiliates*

Among the companies subject to the control of the Parent Company, Amissima Vita S.p.A. has relations with Amissima Assicurazioni S.p.A., with which in 2018 it registered relations for:

- the reciprocal recharging of synergic services for the two companies, managed, as with the Parent Company, both through the partial secondment of personnel and through a special agreement for other charges relating to services, supplies and services other than personnel;
- the lease of a portion of the Agency's head office building;
- the sale of 49% of the shares of the instrumental company I.H. Roma S.r.l.;
- the purchase of a property located in Milan, Via Silva/Monte Bianco.

### *Transactions with intra-group counterparties*

With regard to potential conflicts of interest with intragroup counterparties - in compliance with the Policy adopted by the Parent Company Amissima Holdings S.r.l. on intragroup transactions and the management of conflicts of interest, incorporated in the Policies adopted by Amissima Vita S.p.A., by IVASS Regulation no. 30/2016, and by the provisions of IAS 24 - the corporate activities concerned are all activities and/or transactions between Amissima Vita S.p.A. on the one hand, and the following entities, both natural and legal persons, on the other:

- natural persons:

- directors, managers with strategic responsibilities, risk takers of the Group to which they belong and

- all those subject to the remuneration system policies in force;
- close relatives of the natural persons referred to above (listed in the Declaration of Self-responsibility);

- legal persons

- Companies that directly or indirectly control Amissima Vita S.p.A.;
- Companies controlled directly or indirectly by Amissima Vita S.p.A.;
- Companies directly or indirectly associated with Amissima Vita S.p.A.;
- Companies controlled by a parent company of Amissima Vita S.p.A.;
- Corporate Social Security Funds because, in accordance with IAS 24, they represent post-employment benefit plans in favour of employees of the reporting entities or of a related entity;
- Companies linked by corporate bonds to the new ultimate shareholder.
- Companies controlled or subject to significant influence by one of the above natural persons (listed in the Declaration of Self-Responsibility)

Pursuant to IVASS Regulation no. 30/2016 concerning provisions on the supervision of intragroup transactions and risk concentrations, at the meeting held on 30 January 2018 the Company's Board of Directors updated the previously adopted intragroup transaction policy in accordance with the Parent Company's instructions. The new updated Policy provides, as the previous one, that transactions with Intragroup Counterparties must be authorised in advance by the Board of Directors of the Company and, where appropriate, by the Parent Company, if they are significant (i.e. of significant amount also due to the provisions of the aforementioned Regulation) or atypical or unusual, where "unusual" means "transactions that are atypical with respect to the normal management of the company, or carried out with unusual procedures, or without apparent economic logic, or not in line with standard market conditions".

Current operations consist of transactions relating to:

- the activities indicated above, for Group companies;
- the salaries/compensation paid to the representatives of the Group companies, the recovery of expenses incurred on their behalf and the stipulation, for them and their families, of policies with Amissima Vita S.p.A., with the relative recording of premiums paid, reserves set aside, and any sums paid;
- for other companies linked to the Group by the same ownership relationship with the ultimate shareholder Apollo Global Management LLC:
  - with Apollo Asset Management Europe PC LLP and Apollo Management International LLP, to an investment advisory agreement;
  - with the company Amissima Diversified Income (ICAV), as the investment vehicle of the Insurance Group.

During the 2018 financial year, no significant transactions were recorded with Intercompany Counterparties, with the exception of those listed below, which, in accordance with the provisions of the Policy adopted, were brought to the attention of the Board of Directors at the meetings indicated:

- Board of Directors' meetings of 24/04/2018 and 3/5/2018

Sale of the "Polytechnic Area" building to DeA Capital Real Estate SGR S.p.A. (a company that manages the Aetmosphere Alternative Real Estate Investment Fund, 99% of which is owned by companies belonging to funds managed by Apollo Credit Management International Ltd). This transaction was completed on 26 September 2018.

- Board of Directors of 30/10/2018

Sale of 49% of the capital of the instrumental company I.H. Roma S.r.l. to the subsidiary Amissima Assicurazioni S.p.A., completed on 31 October 2018.

Purchase from the subsidiary Amissima Assicurazioni S.p.A. of the property located in Milan - via Silva e Monte Bianco, transaction completed on 18 December 2018.

It should also be noted that the Shareholders' Meeting of Amissima Vita S.p.A. held on 24 April 2018 resolved, at the time of approval of the 2017 financial statements, to distribute to the Sole Shareholder Amissima Holdings S.r.l. the entire profit for the year, amounting to € 34,723,784.00, which took place on 26 April 2018;

The income statement and equity balances generated by these transactions with the Parent Company, the Subsidiaries and the Associates are summarised in the tables below (€ thousands).

*Legend:*

*Balance sheet:*

*positive: receivables/-net equity*

*negative payables/+net equity*

*Income statement:*

*positive: costs*

*negative: revenues*

**PARENT COMPANY**

**Amissima Holdings S.r.l.**

**dec-18**

*(amounts in thousands of Euros)*

*Capital*

Invoices to be issued	119
Balance c / c of correspondence	-55
prepayments	222
Invoices to be received	-346
Debt to Consolidated Tax	-5,374
Dividend distribution	34,724

*Economic*

Interest from cash pooling	-57
Synergic costs	715
Recover synergic costs	-119

**ASSOCIATED INSURANCE COMPANY**

**Amissima Assicurazioni**

**dec-18**

*(amounts in thousands of Euros)*

*Capital*

Transfer of shares	-8,000
Real estate purchases	35,000
Invoices to be issued	2,836
Balance c / c of Correspondence	-1,146
Invoices to be received	-2,585

*Economic*

Losses on sale of shares	3,270
Rental Income	-363
Synergic costs	2,630
Recover synergic costs	-2,503

## INTERMEDIATION AREA - AGENCY CHANNEL

<b>Assi 90</b>	<b>dec-18</b>
	<i>(amounts in thousands of Euros)</i>
<hr/>	
<i>Capital</i>	
Participation	1,636
Balance agency statement	119
Employees' policy reserves	-399
Other Payables	-12
<hr/>	
<i>Economic</i>	
Commissions on policies	251
<hr/>	

## PROPERTY AREA

<b>I.H. Roma</b>	<b>dec-18</b>
	<i>(amounts in thousands of Euros)</i>
<hr/>	
<i>Capital</i>	
Participation	8,327
Loans	75
<hr/>	
<i>Economic</i>	
Loss on participation valuation	3,387
<hr/>	

The following table shows the quantitative evidence of transactions with other intragroup counterparties - including individuals - not included in those shown in the previous tables.

## OTHER RELATED PARTIES

dec-18

*(amounts in thousands of Euros)*

<i>Capital</i>	
Icav	1,305,029
Real estate sales (Politecnico)	-10,997
Loans	160,40
Sums collected	3,111
Invoices	-3,223
Technical reserves	-30,568
<i>Economic</i>	
Icav dividends	-28,199
Losses on real estate sales	1,350
Premiums collected	-3,414
Recovery of expenses	-4,7
Amounts paid	2,423
Contributions and other costs	968
Synergy costs	3,223
Compensation of Directors, Statutory Auditors and members Direction	2,712

## OTHER SIGNIFICANT ELEMENTS

### Non-financial risk management

In the exercise of its activity as an insurance company, Amissima Vita is exposed to all the risks that generally accompany a typical business activity, and defines its policies as an approach extended to the entire company structure to identify, understand, measure and manage its business risks.

In particular, the Company is subject to exposure to risks deriving from the exercise of its core business, in particular those deriving from any negative developments in insurance and operating risks, and to all those connected with movements in the financial markets.

The risks therefore relate to three macro-categories, which in turn can be subdivided into sub-categories of risk:

- insurance risks, which arise from the insurer's own activity, which acts as an intermediary on the market that can determine a transfer and a consequent reduction of risk, through a centralized professional management of the risks assumed; insurance risks, in turn, are divided into
  - underwriting risk,
  - reservation risk,
  - reinsurance risk;
- operational risks, i.e. the event(s) the occurrence of which may result in a possible loss, including missed opportunities, originating from deficiencies and/or inadequate performance of internal processes and/or control systems, in human resources and systems, both for internal and external causes;
- financial risks, which have been extensively analysed in the specific paragraph of the section dedicated to Capital and financial management; among them, however, there is the credit risk, which also exists in the non-financial area, with reference to the management of receivables from policyholders; in this case, the risk is managed through direct collection by intermediaries, with daily payments for the banks of Gruppo Carige, and 10 days for agents, whose transfers are subject to timely monitoring by central and remote structures in order to limit the risk of insolvency; for Amissima Vita there is also the guarantee given by the fact that the companies that conduct the life business are not at risk in the event of non-payment of the premium by the customer.

In all cases, the Company's Board of Directors dictates the guidelines for operations, and for the management of related risks, by means of specific policies in force at the date of this Report (the so-called "Risk Assessment and Solvency Policy-ORSA" and "Risk Management Policy").

### *Insurance risks*

The insurance technical risk is the risk of unexpected losses linked to the core processes of the company; it is possible to distinguish, as mentioned, two subcategories of risks (underwriting and reserving) and one common risk (reinsurance).

In particular, the underwriting risk, linked to the underwriting of insurance contracts, is the risk that the premiums required of policyholders are not sufficient to cover the resulting commitments, depending on the events covered, the pricing, the trend of insured events, the company's risk underwriting policies, and

reinsurance policies. Actuarial models are used for each line of business or type of policy to determine tariff requirements and monitor claims.

With regard to the reserve risk, it is linked to the quantification of the reserves, which may not be adequate in relation to the obligations undertaken towards policyholders; this inadequacy may be due to incorrect estimates of the reserves themselves or to changes in the general context and the market in which the Company operates. The verification of the adequacy of the reserves is the responsibility of the Actuarial Function, which is controlled and adopted by the Administrative Body of the Company.

Finally, with regard to reinsurance risk, once the retention levels have been defined, treaties are signed to adequately cover the main lines of business exclusively with leading market counterparties, in order to mitigate the risk of insolvency. Counterparties are in any case constantly monitored and the exposure limits are reviewed annually, in compliance with the reinsurance policy outlined by the Board of Directors pursuant to ISVAP Circular no. 574/D, to verify the creditworthiness of the reinsurer and any need to write down receivables recorded in the financial statements; here the reinsurance risk is superimposed on the credit risk, which is discussed in greater detail among those of a financial nature.

In all cases, the Company's Board of Directors dictates the guidelines for operations, and for the management of the related risks, by means of specific policies in force at the date of this Report (the so-called "Policy on Life underwriting", "Policy on Life reserving" and "Policy on Life reinsurance").

### *Operational risks*

As mentioned above, operational risks are recognised for events whose occurrence could lead to a possible loss, including missed opportunities, originating from deficiencies and/or inadequate performance of internal processes and/or control systems, in human resources and systems, both for internal and external causes.

For the quantification of exposure to operational risk for regulatory purposes, the Company uses the method provided for in the Standard Formula ex Directive 2009/138/EC, the so-called "Standard Formula" Solvency 2; at the same time, the company has developed assessment methodologies which, while the complete mapping of this type of risk is being implemented, insist on the various processes, see qualitative assessments produced by the various line functions (risk self assessment type) and are being progressively integrated within a unique detection tool aimed at an organic mapping of processes, risks and controls, and in fact also functional to the census and management of operational risks.

Also in this case, the Company's Board of Directors dictates the guidelines for operations, and for the management of related risks, through the specific policy in force at the date of this Report (the so-called "Operational Risk Policy").

### *Internal control*

In the context of the Insurance Group, the Internal Control Functions (Internal Audit, Risk Management, Compliance, AML) and the Actuarial Function operate in a centralised manner at the Parent Company, without prejudice to the presence of such functions in Insurance Companies. In order to guarantee the prescribed characteristics of independence, autonomy and authority, the respective Managers functionally report to the Administrative Body of the Parent Company, to which they provide periodic information on

the activities carried out within the Insurance Group. The centralisation of functions is regulated by specific intra-group contracts between the Parent Company and the Insurance Companies aimed at regulating the management and coordination activities of the above mentioned Managers (by actuary, this is an external independent Professional) on the resources of the Insurance Companies dedicated to internal control, risk management and the actuarial function. By means of a specific resolution of the Administrative Body, the Company has identified, for each area, an Internal Contact Person with suitable requirements, as prescribed by ISVAP Regulation no. 20/2008. The Contact Persons provide collaboration to the Heads of the Group Control and Actuarial Functions in order to guarantee adequate and uniform risk control standards that are adequately calibrated with respect to the risk characteristics of the Company and the Insurance Group.

The activity of the Internal Audit Function is carried out in the context of the Parent Company's Internal Audit Policy, approved in its latest version by the Board of Directors on 30 January 2018. The Function adopts the operating methodology and audit tools referred to in the Function's Regulations, which were submitted in their latest version to the Administrative Body on 28 February 2018. The operating methods are based on the use of an approach based on the evaluation of controls and oriented towards the risks inherent in business processes, which allows the formulation of an opinion on the adequacy of the Internal Control System.

The activities planned for the entire 2018 financial year were formalised in the Audit Plan, approved by the Board of Directors on 30 January 2018.

Within the scope of the mandatory Mandatory Activities/Activities, periodic reports on the management of complaints were produced (ISVAP Regulation 24/2008), Observations on the 2015 annual report on the control of distribution networks (ISVAP Regulation 5/2006), checks on the correct application of the remuneration policies defined by the Administrative Body (ISVAP Regulation 5/2006), and checks on the correct application of the remuneration policies defined by the Administrative Body (ISVAP Regulation 5/2006). ISVAP 39/2011), , the part under the responsibility of RSR and SFCR, the checks required by the Letter to the Market IVASS 17/12/2016 on SFCR 2017, the checks on compliance with the statistical information policy (Reg. IVASS 36/2017), the checks on the effective application of the Policies in the context of corporate operations, the periodic reports to the Board of Directors and the Board of Statutory Auditors on the activities carried out by the Function, the checks on Anti-Money Laundering and Counter-Terrorism Financing (Reg. ISVAP 41/2012), checks on the distribution of insurance/financial products (Consob Resolution 17297).

With reference to the Financial Audit activities, an analysis was made of the profiles relating to the risks of accounting information identified in the processes audited during the year.

The Management Activities (Audit and Follow Up) concerned the assessment, in terms of the existence/adequacy and compliance of the internal control systems, in relation to the risks identified in some of the main business processes. Operational Audit: I.A. assessments concerning the company Risk Appetite Framework; Verification of the Actuarial Function; Reserving (actuarial and financial statement part); Verifications of the Corporate Governance System (Art. 30 Code of Private Insurance); Cybersecurity/IT physical security (IT Audit). Follow up: Data management - Data Governance and Data Quality in the SII area; IVASS 2017 Inspection Surveys.

During the year, the Advisory Activities/Support and consultancy activities focused in particular on the development of the project concerning the implementation of an IT tool common to the various control

and organisational functions on the basis of a single tree and process mapping and a common genre of risks and controls.

With reference to relations with the various bodies responsible for control, meetings were held with the Board of Statutory Auditors and the Independent Auditors. The head of Internal Audit took part in all the meetings of the Supervisory Body 231 and supervised the verification activities carried out by the function on the instructions of the Supervisory Body.

The results of the activities carried out, the corrective actions and the action plans were shared with the heads of the Organisational Units concerned and were the subject of information reports and periodic updates on the monitoring of the progress of the actions, which were sent to the Top Management, the Independent Directors, the Administrative Body, the Control Body, as well as within the scope of the Head of the Function's participation in the Management Committee and the Risk Committee.

The Compliance function's operations were focused on the areas of competence, with the aim of ensuring the compliance of corporate activities with the provisions of law, supervision and self-regulation, developing in particular in the following areas:

- consultancy for requirements deriving from new Ivass Regulations and Measures, by means of regulatory monitoring of the same, support activities in favour of the bodies concerned for the identification of requirements, and, if necessary, the preparation of summariesheets;
- consultancy for requirements deriving from new legislative texts, with the preparation of in-depth information sheets;
- support to interested Bodies for various regulatory aspects;
- compliance checks (the activity concerned, among other things, remuneration policies, control over the distribution of financial insurance products pursuant to Consob Resolution no. 17297/2010, corporate policies, performance/liquidation management, traceability and completeness of the list of documents to be reported to Ivass, in accordance with the reporting policy for Ivass), followed by monitoring of suggested actions;
- Compliance is part of the process relating to transactions with related parties, and in particular the prior opinion of the Board of Directors on the completeness of the supporting documentation is required for authorisation to be granted; the Function must also highlight the presence of a potential risk of spreading;
- follow up, on the implementation of the PPI adjustment plan pursuant to the joint letter from Ivass and Banca d'Italia dated 26/08/2015 and on the Compliance Risk Assessment of the operational representatives;
- review of information flows, implemented in order to ensure compliance with consumer protection legislation on a half-yearly basis, concerning customer complaints, administrative inspections of intermediaries and disputes with policyholders regarding the interpretation of contractual provisions;
- preparation of "mandatory" reports pursuant to both internal and external regulations.

The risk management system of a company has the objective of maintaining the risks to which it is exposed at an acceptable level and consistent with its available assets, and must ensure the identification, assessment and control of the most significant risks, i.e. those risks that may compromise the solvency or the achievement of the company's objectives.

Article 45 of the Solvency 2 Directive requires insurance undertakings and groups to carry out internal risk and solvency assessments and for such assessments to be systematically taken into account in strategic decisions. This assessment, in line with the provisions of ISVAP Regulation no. 20/2008 as amended and supplemented by IVASS Regulation no. 17/2014, must be carried out prospectively by assessing the current risk profile and its evolution over a medium-term time horizon.

In the first half of 2018, the Risk Management Function carried out these assessments in relation to the balance sheet and solvency situation in accordance with the provisions of the second level implementing measures of Directive 2009/138/EC Solvency 2 with reference to the end of 2017, the results of which were brought to the assessment of the Board of Directors of 03.The Board of Directors' meeting of 05.2018, in the context of the preparation of the QRT - Quantitative Reporting Template provided for by the so-called Full Measures and the Report on Solvency and Financial Condition (so-called SFCR) as provided for by Regulation no. 33/2016, and sent UOA Solvency to the Supervisory Authority within the set deadlines.

Also in the first half of 2018, the Risk Management Function updated the balance sheet and solvency situation in accordance with the second level implementing measures of Directive 2009/138/EC Solvency 2 with reference to the interim financial situation as at March 2018. The results were prepared by the UOA Solvency in the QRT format and sent to the Supervisory Authority within the set deadlines (14 May 2018 QES1).

In the second half of 2018, the Risk Management Function updated the balance sheet and solvency situation in accordance with the second level implementing measures of Directive 2009/138/EC Solvency 2 with reference to the interim financial situation as at June 2018 and September 2018.

The estimate of the SCR and MCR solvency requirements, as well as the fair value valuation of all the assets and liabilities of the Company's capital, were carried out by borrowing the methodological contents established in the most recent technical specifications published by EIOPA, including the Long Term Guarantees Measures. This is the package of extraordinary measures to be adopted in conditions of particular tension on the financial markets, which require the use of a higher discount rate than the risk free rate in order to offset the lower values of assets with a lower value of liabilities and thus mitigate the pro-cyclical effects induced by fair value valuations. The Volatility Adjustment commensurate with EIOPA was therefore adopted, to be applied to the discount rate for the valuation of the best estimate of insurance contracts.

The results of the assessment of Solvency 2 requirements were prepared by the UOA Solvency in the QRT format (Quantitative Reporting Template) and sent to the Supervisory Authority within the set deadlines (13 August 2018 for the quarterly data of June 2018 QES2, 12 November 2018 for the quarterly data of September 2018 QES3).

In January 2019, the Risk Management Function updated the balance sheet and solvency situation in accordance with the second level implementing measures of Directive 2009/138/EC Solvency 2 with reference to the financial situation as at December 2018.

The estimate of the SCR and MCR solvency requirements, as well as the fair value valuation of all the assets and liabilities of the Company's capital, were carried out by borrowing the methodological contents established in the most recent technical specifications published by EIOPA, including the Long Term Guarantees Measures, i.e. the package of extraordinary measures to be adopted in conditions of particular tension on the financial markets, which require the use of a higher discount rate than the risk free rate in order to offset the lower values of assets with a lower value of liabilities and thus mitigate the pro-cyclical effects induced by fair value valuations. The Volatility Adjustment commensurate with EIOPA in 24 bp was therefore adopted, to be applied to the discount rate for the valuation of the best estimate of insurance contracts.

The results of the assessment of Solvency 2 requirements were prepared by the UOA Solvency in the QRT (Quantitative Reporting Template) format and sent to the Supervisory Authority within the set deadlines (11 February 2019 for the quarterly data of December 2018 QES4).

The Function has also prepared the assessment referred to in Article 30 ter of the Private Insurance Code with regard to internal risk and solvency assessment (the so-called ORSA) and IVASS Regulation no.

32/2016, which sets out the provisions that must be observed by insurance companies and groups and through which the companies/groups to which it is addressed in previous years are required to carry out a prospective assessment of the risk and solvency profile (the so-called ORSA) with reference to the data as at 31 December 2017 and projected for the three-year period 2018-2020, following the instructions contained in the aforementioned Regulation.

The prospective risk profile has been assessed by projecting the individual balance sheet items as envisaged in the Company's strategic plan.

For the risks included in the standard formula for calculating solvency 2, the shocks and valuation criteria defined in the current version of the EIOPA Technical Specification for calculating the SCR have been applied.

For the risks included in the standard formula, the Company has not used criteria other than those established by the Solvency 2 Directive, which are considered adequate to represent the risk profile, but stress analyses and reverse stress tests have been carried out. For risks not considered in the standard formula, qualitative and/or quantitative assessments were carried out, in the latter case, assessing, where possible, the impact on the Own Funds and the Solvency Capital Requirement.

The Department also prepared a prospective assessment of the Company's solvency profile in accordance with the new 2019 budget, approved by the Board of Directors at its meeting on 29 November 2018.

The Function will continue to adapt the risk management model in accordance with the guidelines issued by the Administrative Body, as well as to monitor the evolution of the Solvency 2 regulatory framework, and will also continue to play its proactive role in all project activities in which it is involved, in particular:

- the evaluation of the Company's solvency requirement calculated in a standard formula on the data at subsequent quarterly closures;
- 
- updating of the ORSA 2019 report and current and prospective risk and solvency assessments, including sensitivity analyses and stress tests;
- updating of the register of operating losses and the launch of the operational risk self-assessment campaign (RSA);
- monitoring of the limits set by the Group's strategic policies and the RAF (Risk Appetite Framework).

The Board of Statutory Auditors monitored the adequacy of the organisational, administrative and accounting structure adopted by the company and its concrete functioning, through the collection of documentation, the performance of precise checks and through periodic meetings with the company representatives concerned. The Board of Statutory Auditors has constantly monitored the progress of significant ongoing disputes, with particular reference to the liability actions undertaken by the Company in previous years and to the ongoing civil litigation with Banca Carige S.p.A. The Board of Statutory Auditors monitored the adequacy of the Company's organisational structure and noted the organisational changes made to the organisational structure. The Board of Statutory Auditors also supervised the internal control system by holding regular meetings with the Head of the Internal Audit Function, thereby ascertaining the progress of the improvements suggested by this function following the various audits carried out on company processes. Without prejudice to the presence of the Board of Statutory Auditors at the meetings of the Board of Directors, pursuant to art. 15 of the Articles of Association and in compliance with art. 150 of Legislative Decree no. 58/98 (the so-called Legge Draghi) and art. 2381, paragraph 5, of the Italian Civil Code, the Board of Directors presented the Board of Statutory Auditors, on a quarterly basis, with a report detailing the activities carried out and the most significant operations carried out by the Company. Coordination within the Group is guaranteed by the composition of the Board of Statutory Auditors of the Parent Company and of the Company, which provides for the presence in the Board of Statutory Auditors of the Company of two members of the Board of Statutory Auditors of the Parent Company.

With the approval of the 2017 financial statements, the mandate previously granted to the Supervisory Board pursuant to Legislative Decree no. 231/01 expired. With a view to rationalising the controls and information flows relating to the monitoring of the company's control system, the Board of Directors, at its meeting of 3 May 2018, resolved to assign the function of Supervisory Body pursuant to Legislative Decree 231/01 for the three-year period 2018-2020 to the Company's Board of Statutory Auditors, assisted, within the terms established by the Supervisory Body and where deemed appropriate by the latter, by the Head of the Internal Audit Function and by a criminal expert. During 2018, in continuity of action and without prejudice to the separation of the functions assigned, the Body continued its monitoring activity on the adequacy of the Organisational Model adopted by the Company, carrying out specific hearings with the top management of the Company, as well as with the heads of the various sectors, in order to have precise awareness of the facts and acts relating to the activities of the various offices and paying specific attention to compliance with the legislation and protocols on anti-money laundering. The Supervisory Board has maintained a constant and periodic connection and coordination with the Internal Audit, Compliance, Risk Management, Actuarial and Anti-Money Laundering/Anti-terrorism functions of the Company.

### Compliance with "anti-money laundering" requirements

The activities of the Anti-Money Laundering Function concerned

- analysis of external regulations: the Anti-Money Laundering function - with the support of the Compliance function - carries out all the activities necessary to continuously identify any changes in the regulatory framework of reference and to ensure its knowledge, interpretation and analysis, assessing its impact on the processes of the Company in order to obtain compliance; in particular, they have carried out compliance risk assessment analyses in relation to the publication of the draft of Ivass Regulation No. 4/2018, concerning the implementation of the provisions introduced by Legislative Decree No. 90/2017 on the prevention of the use of the financial system for the purpose of money laundering or terrorist financing;
- advice and opinions: preparation, in response to specific requests, of opinions relating to aspects relating to the organisation, processes, company procedures, product line design, and management choices in general in the area of anti-money laundering and anti-terrorism;
- controls: specific control activities in the field of anti-money laundering and anti-terrorism and persons subject to sanctions;
- relations with the Supervisory Authority: obligations related to the Letter to the Market of 2/10/2018 concerning the exercise of self-assessment of the risks of money laundering and terrorist financing on the 2016 financial statements data;
- monthly transmission of aggregated data concerning registrations in the Single Computer Archive to the FIU;
- monitoring the risk of terrorist financing and Sanctions Compliance;
- Adequate Customer Verification, profiling pursuant to Legislative Decree 231/2007;
- Training: support, with specific reference to anti-money laundering and anti-terrorism regulations, to the Selection and Training Office and to Marketing in identifying training needs, preparing the training plan and, where required, providing courses for employees and the direct distribution network respectively.

The manager and the employees of the Office have participated in training modules distributed throughout the year.

### Compliance with "privacy protection" requirements

Following the entry into force of EU Regulation 2016/679 on the protection of personal data and its full applicability from 25 May 2018, considered the greater organizational burden on the Owner and the data processors, the Company has defined a master plan of actions to be taken aimed at full compliance with the new rules and proof of its accountability.

During 2018, in fact, the actions set out in the master plan were implemented, adopting specific processes for the management of personal data, giving instructions to those who process the data and actively managing the risk inherent in the processing of personal data.

This process of adaptation has led to interventions, not only in the definition of new requirements and new procedures, but also in the setting up of adequate technical and organizational security measures.

In view of its obligation to make the Company responsible, the Company has appointed a Data Protection Officer (DPO) with the task of monitoring compliance with the Regulations, and has decided to establish - as from 2019 - a Privacy Office with the task of ensuring the constant compliance of the data protection system adopted.

### Complaints Office

The activity of complaint management, as regulated by ISVAP Regulation no. 24/2008, issued pursuant to art. 7 of Legislative Decree no. 209/2005 (the so-called Consolidated Insurance Act), continued during the year by the Complaints Office.

With regard to the complaints received by the Company, the positions listed in the specific Register within 2018 were 49, all of which can be processed with an average processing time of 28 days, while IVASS has requested investigations in relation to 16 positions (no. 19 as at 31/12/2017).

Number of complaints	2018 Number	%	Change numb.	Var. %	2017 Number	%
Accepted	13	27.7	5	62.5	8	25.8
Concluded	0	0	-1	-	1	3,2
Rejected	34	72.3	12	54,5	22	71
<b>Hesitated total</b>	<b>47</b>	<b>100.0</b>	<b>16</b>	<b>51.6</b>	<b>31</b>	<b>100.0</b>
In Investigation	2	4,1	-2	-50,0	4	11,4
<b>Total treatable</b>	<b>49</b>		<b>14</b>	<b>40</b>	<b>35</b>	
Not treatable	0	0	-1	0,0	1	2,8
<b>Total received</b>	<b>49</b>		<b>13</b>	<b>36,1</b>	<b>36</b>	

### National Tax Consolidation

In the tax area, it should be noted that in 2018 the "national tax consolidation" system provided for by articles 117 et seq. of Presidential Decree no. 917/86 continued. Relations between the consolidating company (Amissima Holdings S.r.l.) and the consolidated company deriving from group taxation are regulated by a specific agreement stipulated between the parties. In 2016, the tax authorities exercised their option to file a consolidated tax return for three years, for tax periods 2016 to 2018 inclusive. The option is tacitly renewed at the end of each three-year period, unless revoked.

### Tax litigation

In October 2011, the Company was served a notice of tax settlement for approximately € 3 million on the sale of the investment in Portorotondo Gardens Srl in 2008, a sale of an investment considered by the tax authorities as a sale of a business and as such subject to a different tax regime; the notice was followed in April 2012 by a payment notice of approximately € 4 million.

The Company appealed against both notifications, obtaining the suspension and reunification of the two files; in October 2012, Amissima Vita's appeal was accepted. In May 2013, the tax authorities appealed against the sentence and Amissima Vita appeared before the court within the terms of the law; in March 2014, the second degree sentences were filed by which the Regional Tax Commission of Milan confirmed the first degree sentence, confirming the nullity of the Settlement Notice originally issued by the Milan Revenue Office.

In November 2014, Amissima Vita was notified of the appeals to the Court of Cassation of the Inland Revenue against the sentences of second instance in favour of the Company, which in turn filed a counter-claim with the Supreme Court of Cassation in December 2014, requesting the inadmissibility of the appeals filed by the Office.

Pending the scheduling of the hearing, the Company remains certain of the correctness of its actions, comforted by the pronouncements of first and second instance, as well as by the opinion of the professionals who follow the case.

### Disputes in progress

The most significant situations are described below:

- Litigation initiated by a person who, claiming to have stipulated six life policies with Amissima Vita, through a former agency, sues the insurance company to obtain payment of the premiums it claims to have paid, for a total of approximately € 879 thousand, as well as compensation for moral damage. The petition was rejected at first instance and granted on appeal. The company is considering the appeal to the Court of Cassation.
- Dispute brought by a former manager before the Court of Genoa to ascertain and declare the illegitimacy of the dismissal, requesting that the company be ordered to pay him a total of approximately € 1.2 million. By judgment of 8 March 2018, the Court rejected the claims and ordered the plaintiff to pay the costs of the proceedings. The other party appealed to the Genoa Court of Appeal. At the hearing of January 9, 2019, the Board of Arbitrators formulated a settlement hypothesis, postponing the hearing until a later date to allow the parties to assess the proposal. The case was again postponed to a hearing on May 29, 2019 for possible conciliation.
- Lawsuit brought by Banca Carige Spa before the Court of Genoa against Amissima Holdings Srl, the insurance companies, three companies in the Apollo Group and the former directors of Banca Carige Spa Cesare Castelbarco Albani and Piero Luigi Montani, in order to jointly and severally claim compensation for damages allegedly suffered by Banca Carige as a result of, inter alia, the acquisition by Amissima Holdings of the Companies themselves, the subsequent offer to purchase non-performing loans from Banca Carige and the simultaneous subscription of a capital increase by the bank itself. In particular, the claim for damages against Amissima Holdings S.r.l. (jointly and severally with Cesare Castelbarco Albani, Pier Luigi Montani, Apollo Management Holdings L.P. and Apollo Global Management L.L.C.) amounts to a total of € 450

million in relation to the sale of the equity investments in the Insurance Companies, while the Insurance Companies (jointly and severally with Cesare Castelbarco Albani, Pier Luigi Montani and Apollo Global Management L.L.C.) have been claimed compensation of € 800 million in relation to the conduct between November 2015 and March 2016. On April 19, 2017, Amissima Assicurazioni S.p.A. and Amissima Vita S.p.A. requested the rejection of all the claims made by Banca Carige S.p.A., with reimbursement of expenses, and made a counterclaim for compensation for the damages suffered.

With sentence no. 3118/2018, published on 6 December 2018, the Court of Genoa rejected all the claims made by the Bank and ordered the reimbursement of the costs of the proceedings, quantified in a total of approximately € 363,000.00 in favour of both companies. It should be noted that with a document served on 3 January 2019, the Bank appealed the sentence before the Court of Appeal of Genoa only against Amissima Holdings, Apollo and the former Directors of Banca Carige. The first hearing is scheduled for 30 April 2019.

- Arbitration proceedings brought by Banca Carige Spa, Banca Carige Italia S.p.A., Banca del Monte di Lucca Spa, Creditis Servizi Finanziari Spa, against Amissima Vita S.p.A. By a document served on 24 November 2016, the plaintiffs initiated arbitration proceedings before the Milan Chamber of Arbitration against the defendant company. With the arbitration request, the plaintiffs request that the clauses of the Insurance Products Distribution Agreement be declared null and void in their original form or, alternatively, that it be declared null and void due to any legal impossibility that may have arisen; that it be declared null and void due to the failure of Amissima Vita to comply with its obligations of good faith and fairness; and that the Companies of the Carige Group be declared null and void due to their failure to comply with their obligations of good faith and fairness; and that the Companies of the Carige Group refrain from executing the Insurance Products Distribution Agreement. On May 3, 2018, the Board rejected Banca Carige's request, declaring the validity of the distribution agreement and ordering the Bank to pay the company the sum of approximately Euro 3.4 million, plus interest, by way of adjustment accrued in 2016. The amount was recovered in full. By writ of summons dated 10-14 September 2018, Banca Carige appealed against the arbitration award, requesting its annulment and acceptance of the claims already submitted to the Board of Arbitrators, including the refund of the amount paid, in execution of the contested award, amounting to approximately Euro 3.4 million. The first hearing provided for in the proceedings is scheduled for January 18, 2019, postponed until January 23, 2019. The Court of Appeals postponed the case to the hearing of January 8, 2020 for the clarification of the conclusions.
- Case brought by a former trustee who claims that the termination of the consultancy contract by the company is unlawful and insists on obtaining the full fee provided for in the contract, as well as compensation for damage to his image and loss of opportunity allegedly suffered. The claim, quantified at approximately Euro 8 million, was made jointly and severally against Amissima Vita, Amissima Assicurazioni and other Group companies. Negotiations are underway between the parties to settle the dispute. The entire case (including the enforcement proceedings resulting from the criminal conviction of the former trustee for the payment of a provisional sum of € 1,800,000) was settled by way of compromise, which provides for the payment of € 500,000.00 to the life insurance company. No payment to be made by the company.

It should be noted that on part of these liabilities, as well as on some assets, there is a Claims Agreement that forms an integral part of the contract of sale of the entire insurance sector.

## SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE FINANCIAL YEAR

To complete the information provided in the "Main facts" section of this Report, it should be noted that, in the light of the results of the self-assessment process carried out by the Company on its corporate governance model and in application of the principle of proportionality set out in the Letter to the IVASS Market of 5 July 2018, the Board of Directors adopted the following organisational solutions in early 2019, in compliance with IVASS Regulation no. 38/2018:

- integration of the composition of the Administrative Body through the insertion of an additional Independent Director, bringing its number to 3 out of 6
- identifying, within the Administrative Body, a Lead Independent Director, attributing to the latter's vote a decisive weight in the event of a tie, within the scope of Board resolutions.
- setting up, within the Parent Company Amissima Holdings S.r.l., of the Group's Internal Control and Risk Committee, with the sole composition of Independent Directors
- establishment, within the Parent Company Amissima Holdings S.r.l., of the Comitato Re
- Group remuneration, with a majority of Independent Directors.

The Shareholders' Meeting scheduled for the approval of the 2018 financial statements will therefore be called upon to express its opinion on (i) the redefinition of the composition of the Administrative Body and (ii) the amendments to be made to the Articles of Association.

On 19 December, a commercial agreement was signed with Azimut Financial Insurance for the distribution of a Class V and a Class I product, in line with the group's strategy of expanding and diversifying its distribution networks. Marketing will start on April 2, 2019.

On 2 January 2019, the ECB ordered the temporary administration of Banca Carige. The Italian Government intervened with urgent measures to support the Bank with Law no. 16 of 8 March 2019, converting Decree Law no. 1 of 8 January 2019, published in the Official Journal no. 58 of 9 March 2019. The bank has maintained its usual operations without any significant impact on customers and depositors or on the distribution of insurance products.

In the short term between the closing date of the financial year and the preparation of these financial statements, no further events worthy of mention occurred.

## THE FORESEEABLE DEVELOPMENT OF MANAGEMENT

Early operating results show a decrease in premium income for Amissima Vita due to the contingent difficulties of the main distributor, partially offset by the positive contribution of the new distributors. However, for the next few months, a recovery in the production capacity of Banca Carige and a further boost in the production of the new distributors is expected, also thanks to the production expected from Azimut. The Group will continue its commercial activities aimed at offering products with characteristics that are attractive on the market while at the same time maintaining good profitability for the Company. The development of Class III and life term products will guarantee, together with traditional production, a correct diversification of the overall portfolio. Except for events that are not currently foreseeable, including those linked to the reference context, we believe that we can substantially maintain the objectives outlined in the Industrial Plan.

## PROPOSAL TO THE SHAREHOLDERS' MEETING

Dear Shareholders,

We invite you to approve the Financial Statements as at 31.12.2018, consisting of the Balance Sheet, Income Statement, Notes to the Financial Statements and related annexes, Cash Flow Statement, and accompanied by this Report, as prepared.

We propose that the profit for the year of € 33,678,836 be entirely distributed to the sole shareholder.

The Board of Directors

The Chairman

(Mr Andrea Moneta)





## BALANCE SHEET



Financial Statements

## Annex 1 – Balance sheet 2018

Company **AMISSIMA VITA S.p.A.**

Subscribed Share Capital E. 50,431,778 Paid-up E. 50,431,778

Registered offices in Genova – Mura di Santa Chiara, 1

Court in Genova

FINANCIAL STATEMENTS

**Statement of Financial Position**

Financial year **2018**

(Amounts in €)

## Financial Statements

# Annex 1 – Balance sheet 2018

### BALANCE SHEET

#### ASSETS

		Values of the year			
A.	SUBSCRIBED SHARE CAPITAL UNPAID		1	0	
	of which called-up capital	2		0	
B.	INTANGIBLE ASSETS				
	1. Deferred acquisition commissions				
	a) Life assurance business	3	1.646.777		
	b) Non-life insurance business	4	0	5	1.646.777
	2. Other acquisition costs	6		0	
	3. Start-up and expansion costs	7		0	
	4. Goodwill	8		0	
	5. Other deferred costs	9	5.798.707	10	7.445.483
C.	INVESTMENTS				
	I - Land and buildings				
	1. Buildings used in company operations	11		0	
	2. Buildings rented to third parties	12	99.641.130		
	3. Other properties	13		0	
	4. Other real property rights	14		0	
	5. Construction in progress and advance payments	15	0	16	99.641.130
	II - Investments in Group companies and other shareholdings:				
	1. Shares and interests in:				
	a) Holding companies	17	0		
	b) Subsidiaries companies	18	9.978.256		
	c) Affiliated companies	19		0	
	d) Associated companies	20		0	
	e) Other companies	21	0	22	9.978.256
	2. Bonds issued by:				
	a) Holding companies	23		0	
	b) Subsidiaries companies	24		0	
	c) Affiliated companies	25		0	
	d) Associated companies	26		0	
	e) Other companies	27	0	28	0
	3. Loans to:				
	a) Holding companies	29		0	
	b) Subsidiaries companies	30	75.000		
	c) Affiliated companies	31		0	
	d) Associated companies	32		0	
	e) Other companies	33	0	34	75.000
				35	10.053.256
					to carry forward
					7.445.483

Values of the previous year					
				181	0
		182	0		
183	1.607.431				
184	0	185	1.607.431		
		186	0		
		187	0		
		188	0		
		189	5.143.210	190	6.750.641
		191	0		
		192	78.266.022		
		193	0		
		194	0		
		195	0	196	78.266.022
197	0				
198	24.635.554				
199	0				
200	0				
201	0	202	24.635.554		
203	0				
204	0				
205	0				
206	0				
207	0	208	0		
209	0				
210	0				
211	0				
212	0				
213	0	214	0	215	24.635.554
			to carry forward		
					6.750.641

## Financial Statements

# Annex 1 – Balance sheet 2018

### BALANCE SHEET

#### ASSETS

				Values of the year		
				carried forward		7.445.483
C. INVESTMENTS (continued)						
III - Other financial investments						
1. Shares and participating interests						
a) Listed shares	36	85.050				
b) Unlisted shares	37	0				
c) Interests	38	1.381.450.687	39	1.381.535.737		
2. Shares in common investment funds			40	0		
3. Bonds and other fixed-income securities						
a) Listed	41	4.502.620.276				
b) Unlisted	42	124.952.228				
c) Convertible debentures	43	0	44	4.627.572.504		
4. Loans						
a) loans secured by mortgage	45	138.971				
b) loans on policies	46	296.263				
c) other loans	47	412.493	48	847.727		
5. Participation in investment pools			49	0		
6. Deposits with credit institutions			50	0		
7. Other financial investments			51	0	52	6.009.955.968
IV - Deposits with ceding undertakings					53	0
					54	6.119.650.354
D. INVESTMENTS FOR THE BENEFIT OF LIFE-ASSURANCE POLICYHOLDERS who bear the INVESTMENT RISK AND RELATING TO THE ADMINISTRATION OF PENSION FUND						
I - Investments relating to contracts linked to investment funds and market indexes					55	445.160.466
II - Investments relating to the administration of pension funds					56	0
					57	445.160.466
D bis. REINSURERS' SHARE OF TECHNICAL PROVISIONS I						
- NON-LIFE INSURANCE BUSINESS						
1. Provision for unearned premiums			58	0		
2. Provision for claims outstanding			59	0		
3. Provision for profit-sharing and premium refunds			60	0		
4. Other technical provisions			61	0	62	0
II - LIFE ASSURANCE BUSINESS						
1. Mathematical provisions			63	15.439.254		
2. Unearned premium provision for supplementary coverage			64	0		
3. Provision for sum to be paid			65	2.125.270		
4. Provision for profit-sharing and premium refunds			66	0		
5. Other technical provisions			67	0		
6. Provisions for policies where the investment risk is born by the policyholders and relating to the administration of pension funds			68	0	69	17.564.523
					70	17.564.523
				to carry forward		6.589.820.827

Values of the previous year			
		carried forward	6.750.641
216	27.976.068		
217	0		
218	640.011.105	219 667.987.173	
		220 0	
221	4.484.714.078		
222	182.030.662		
223	0	224 4.666.744.740	
225	145.095		
226	369.675		
227	385.692	228 900.462	
		229 0	
		230 0	
		231 0	
		232 5.335.632.375	
		233 0	234 5.438.533.951
		235 408.523.727	
		236 0	237 408.523.727
		238 0	
		239 0	
		240 0	
		241 0	242 0
		243 19.610.083	
		244 0	
		245 2.031.416	
		246 0	
		247 0	
		248 0	249 21.641.499
		250 21.641.499	
		to carry forward	5.875.499.818

## Financial Statements

# Annex 1 – Balance sheet 2018

### BALANCE SHEET

#### ASSETS

				Values of the year		
			carried forward			6.589.827
E. Receivables						
I - Receivables arising out of direct insurance operations						
1. Policyholders						
a) for premiums current year 71		3.151.109				
b) for premiums previous years 72		320.843	73	3.471.951		
2. Insurance intermediaries			74	19.483.840		
3. Current accounts with Insurance companies			75	0		
4. Policyholders and third parties for recoveries II			76	0	77	22.955.791
- Receivables arising out of reinsurance operations						
1. Insurance and reinsurance companies			78	1.208.829		
2. Reinsurance intermediaries			79	0	80	1.208.829
III - Other Receivables					81	162.127.262
					82	186.291.883
F. OTHER ASSETS						
I - Tangible assets and stocks:						
1. Furniture, office machines and internal transport vehicles			83	302.366		
2. Movable goods in public registers			84	0		
3. Machinery and equipment			85	183.262		
4. Stocks and other goods			86	16.343	87	501.971
II - Cash at bank and in hand						
1. Bank and Postal accounts			88	26.502.695		
2. Cheques and cash on hand			89	611	90	26.503.306
III - Own shares or equity items					91	
IV - Other				0		
1. Deferred reinsurance accounts receivable			92	0		
2. Miscellaneous assets			93	27.965.348	94	27.965.348
					95	54.970.625
G. PREPAYMENTS AND ACCRUED INCOME						
1. Interest					96	35.044.944
2. Rent					97	18.400
3. Other prepayments and accrued income					98	1.314.134
					99	36.377.478
					100	6.867.460.813
			<b>TOTAL ASSETS</b>			

Values of the previous year

			carried forward			5.875.818
251	2.125.832					
252	542.101	253	2.667.933			
		254	6.542.396			
		255	0			
		256	0	257	9.210.329	
		258	219.366			
		259	0	260	219.366	
				261	154.020.706	262 163.450.401
		263	459.724			
		264	0			
		265	191.002			
		266	19.423	267	670.149	
		268	6.932.078			
		269	620	270	6.932.698	
				271		
		272	0			
		273	4.671.347	274	4.671.347	275 12.274.194
				276	53.393.709	
				277	0	
				278	1.074.060	279 54.466.769
						280 6.105.641.182



Values of the previous year

		281	50.431.778		
		282	628.200		
		283	0		
		284	24.975.738		
		285	0		
		286	0		
		287	74.446.911		
		288	673.167		
		289	34.723.784		
		501	0	290	185.879.578
				291	0
292	0				
293	0				
294	0				
295	0				
296	0	297	0		
298	5.339.412				
299	52.007				
300	46.743.390				
301	0				
302	27.869.215	303	5.414.077.149	304	5.414.077.149
		305	408.523.727		
		306	0	307	408.523.727
	to carry forward				6.008.480.454

## Financial Statements

# Annex 1 – Balance sheet 2018

### BALANCE SHEET

#### LIABILITIES

Values of the year

	carried forward			6.274.832.343
E. PROVISIONS FOR OTHER RISKS AND CHARGES				
1. Provisions for pensions and similar obligations	128	0		
2. Provisions for taxation	129	138.141		
3. Other provisions	130	13.502.661	131	13.640.802
F. DEPOSITS RECEIVED FROM REINSURERS			132	17.752.575
G. PAYABLES AND OTHER LIABILITIES				
I - Payables arising out of direct insurance operations:				
1. Insurance intermediaries	133	21.078.535		
2. Current accounts with Insurance companies	134	0		
3. Premium deposits and premiums due of policyholders	135	0		
4. Guarantee funds in favour of policyholders	136	0	137	21.078.535
II - Payables arising out of reinsurance operations:				
1. Insurance and Reinsurance companies	138	2.639.285		
2. Reinsurance intermediaries	139	0	140	2.639.285
III - loans			141	0
IV - Amounts owed to banks and credit institutions			142	0
V - Loans guaranteed by mortgages			143	0
VI - Sundry loans and others financial liabilities			144	0
VII - Provisions for employed termination indemnities			145	630.111
VIII - Other Payables				
1. Premium taxes	146	51.747		
2. Other tax liabilities	147	27.801.952		
3. Social security contributions	148	204.641		
4. Sundry payables	149	10.929.760	150	38.988.100
IX - Other liabilities				
1. Deferred reinsurance items	151	0		
2. Commissions for premiums in course of collection	152	400.807		
3. Sundry liabilities	153	496.862.724	154	497.263.531
			155	560.599.562
	to carry forward			6.866.825.283

Values of the previous year				
	carried forward			6.008.480.454
		308	0	
		309	0	
		310	2.963.633	311 2.963.633
				312 21.565.195
313	8.660.913			
314	0			
315	0			
316	0	317	8.660.913	
318	5.087.193			
319	0	320	5.087.193	
		321	0	
		322	0	
		323	0	
		324	0	
		325	702.128	
326	0			
327	29.682.121			
328	159.367			
329	11.629.495	330	41.470.983	
331	0			
332	288.862			
333	16.113.982	334	16.402.844	335 72.324.061
	to carry forward			6.105.333.343

Financial Statements

**Annex 1 – Balance sheet 2018**

BALANCE SHEET

LIABILITIES

	Values of the year		
	carried forward		6.866.825.283
H. ACCRUALS AND DEFERRED INCOME			
1. Accrued Interest	156	0	
2. Rent	157	300.672	
3. Other prepayments and accrued income	158	334.858	159 635.530
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>			160 6.867.460.813

Values of the previous year

carried forward			6.105.333.343
	336	0	
	337	29.119	
	338	278.720	339 307.839
			340 6.105.641.182

Financial Statements

**Annex 1 – Balance sheet 2018**

The undersigned declare that the financial statements are free from irregularity or error

The Company legal representatives (\*)

The Chairman - DOTT: ANDREA MONETA (\*\*)

..... (\*\*)

..... (\*\*)

The members of the Board of Statutory Auditors

AVV. FRANCESCO ILLUZZI - The Chairman

DOTT. PAOLO DELPINO - Statutory auditor

DOTT-GUIDO MARCHESE - Statutory auditor

For internal use of the Company Register

Date of receipt

(\*) In case of foreign undertakings - signature by the general representative in Italy (\*\*)  
Please indicate the functions of the signatory



## PROFIT AND LOSS ACCOUNT



Financial Statements

## Annex 2 – Profit and Loss Account 2018

Company AMISSIMA VITA S.p.A.

Subscribed Share Capital E. 50,431,778 Paid-up E. 50,431,778

Registered offices in Genova – Mura di Santa Chiara, 1

Court in Genova

### FINANCIAL STATEMENTS

#### Income Statements

Financial year 2018

(Amounts in €)

## Financial Statements

# Annex 2 – Profit and Loss Account 2018

### Profit and Loss Account

Values of the year

		Values of the year
<b>I. TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS</b>		
1.	PREMIUMS EARNED, NET OF REINSURANCE	
	a) Gross premiums written	1
	b)(-) Outward reinsurance premiums	2
	c) Change in the gross provision for unearned premiums	3
	d) Change in the provision for unearned premiums, reinsurers' share	4
		5
2.	(+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT (ITEM III.6)	6
3.	OTHER TECHNICAL INCOME, NET OF REINSURANCE	7
4.	CLAIMS INCURRED, NET OF RECOVERIES AND REINSURANCE	
	a) Claims paid	
	aa) Gross amount	8
	bb) (-) reinsurers' share	9 10
	b) Change in recoveries, net of reinsurance	
	aa) Gross amount	11
	bb) (-) reinsurers' share	12 13
	c) Change in the provisions for outstanding claims	
	aa) Gross amount	14
	bb) (-) reinsurers' share	15 16
		17
5.	CHANGE IN OTHER TECHNICAL PROVISIONS NET OF REINSURANCE	18
6.	PREMIUM REFUNDS AND PROFIT-SHARING, NET OF REINSURANCE	19
7.	OPERATING EXPENSES:	
	a) Acquisition commissions	20
	b) Other acquisition costs	21
	c) Change in commissions and other acquisition costs to be amortised	22
	d) Collecting commissions	23
	e) Other administrative expenses	24
	f) (-) Reinsurance commissions and profit-sharing	25
		26
8.	OTHER TECHNICAL CHARGES, NET OF REINSURANCE	27
9.	CHANGE IN THE EQUALIZATION PROVISION	28
10.	BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE BUSINESS (Item III.1)	29

Values of the previous year

		111	
		112	
		113	
		114	115
			116
			117
118			
119	120		
121			
122	123		
124			
125	126		127
			128
			129
		130	
		131	
		132	
		133	
		134	
		135	136
			137
			138
			139

## Financial Statements

# Annex 2 – Profit and Loss Account 2018

### Profit and Loss Account

Values of the year

<b>II. TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS</b>					
1.	WRITTEN PREMIUMS, NET OF REINSURANCE:				
	a) Gross premiums written	30	864.220.796		
	b) (-) Outward reinsurance premiums	31	1.652.524	32	862.568.272
2.	INVESTMENT INCOME:				
	a) From shares and interests	33	32.519.697		
	(of which: from Group companies	34	626.600 )		
	b) From other investments:				
	aa) income from land and buildings	35	5.352.422		
	bb) income from other investments	36	127.415.805	37	132.768.227
	(of which: from Group companies	38	363.396 )		
	c) Value re-adjustments on investments	39	1.818.450		
	d) Gains on the disposal of investments	40	38.896.151		
	(of which: from Group companies	41	)	42	206.002.524
3.	INCOME AND UNREALISED GAINS ON INVESTMENTS TO THE BENEFIT OF POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS			43	10.793.909
4.	OTHER TECHNICAL INCOME, NET OF REINSURANCE			44	23.341.546
5.	CLAIMS INCURRED, NET OF REINSURANCE				
	a) Claims paid:				
	aa) Gross amount	45	649.521.765		
	bb) (-) Reinsurers' share	46	5.285.600	47	644.236.165
	b) Change in the provision for claims to be paid:				
	aa) Gross amount	48	- 6.459.610		
	bb) (-) Reinsurers' share	49	93.854	50	- 6.553.464
6.	CHANGE IN PROVISIONS FOR POLICY LIABILITIES AND IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE				
	a) Provisions for policy liabilities:				
	aa) Gross amount	52	235.687.406		
	bb) (-) Reinsurers' share	53	- 4.170.830	54	239.858.235
	b) Unearned premium provision for supplementary coverage:				
	aa) Gross amount	55	- 11.355		
	bb) (-) Reinsurers' share	56		57	- 11.355
	c) Other technical provisions:				
	aa) Gross amount	58	1.131.722		
	bb) (-) Reinsurers' share	59		60	1.131.722
	d) Provisions for policies where the investment risk is borne by the policyholders and relating to the administration of pension funds				
	aa) Gross amount	61	36.636.740		
	bb) (-) Reinsurers' share	62		63	36.636.740
				64	277.615.342

Values of the previous year

		140	774.745.073			
		141	2.124.613	142	772.620.460	
		143	3.594.678			
(of which: from Group companies		144	1.205.000 )			
	145	5.822.246				
	146	153.968.130	147	159.790.376		
(of which: from Group companies		148	30.376 )			
		149	3.838.291			
		150	59.262.448			
(of which: from Group companies		151	)	152	226.485.793	
				153	22.426.137	
				154	10.872.767	
	155	520.902.716				
	156	7.087.591	157	513.815.125		
	158	12.815.026				
	159	- 359.235	160	13.174.261	161	526.989.386
	162	258.952.917				
	163	- 4.680.829	164	263.633.746		
	165	92				
	166		167	92		
	168	- 1.338.150				
	169		170	- 1.338.150		
	171	75.326.069				
	172		173	75.326.069	174	337.621.757

## Financial Statements

# Annex 2 – Profit and Loss Account 2018

### Profit and Loss Account

Values of the year

7. PREMIUM REFUNDS AND PROFIT-SHARING, NET OF REINSURANCE			65	
8. OPERATING EXPENSES:				
a) Acquisition commissions	66	7.292.216		
b) Other acquisition costs	67	6.478.222		
c) Change in deferred acquisition commissions and costs to be amortised	68	39.346		
d) Collecting commissions	69	1.643.892		
e) Other administrative expenses	70	14.243.772		
f) (-) Reinsurance commissions and profit-sharing	71	401.498	72	29.217.258
9. INVESTMENT MANAGEMENT AND FINANCIAL CHARGES:				
a) Investment management charges, including interest	73	17.312.100		
b) Value adjustments on investments	74	14.293.850		
c) Losses on the disposal of investments	75	13.135.192	76	44.741.142
10 EXPENSES AND UNREALISED LOSSES ON INVESTMENTS TO THE BENEFIT OF POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS			77	34.443.534
11 OTHER TECHNICAL CHARGES, NET OF REINSURANCE			78	18.705.024
12 (-) ALLOCATED INVESTMENT RETURNS TRANSFERRED TO THE NON-TECHNICAL ACCOUNT (item III.4)			79	8.160.737
13 BALANCE ON THE TECHNICAL ACCOUNT - LIFE BUSINESS (Item III.2)			80	52.140.512
<b>III. NON-TECHNICAL ACCOUNT</b>				
1. BALANCE ON THE TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS (item I.10)			81	
2. BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (item II.13)			82	52.140.512
3. NON-LIFE INVESTMENT INCOME:				
a) From shares and interests	83			
(of which: from Group companies	84			)
b) From other investments:				
aa) income from land and buildings	85			
bb) income from other investments	86	87		
(of which: from Group companies	88			)
c) Value re-adjustments on investments	89			
d) Gains on investments	90			
(of which: from Group companies	91			)
			92	

Values of the previous year

			175	
	176	6.029.960		
	177	5.933.059		
	178	106.047		
	179	1.768.144		
	180	15.052.524		
	181	456.103	182	28.221.537
	183	18.480.371		
	184	40.540.228		
	185	5.140.943	186	64.161.542
			187	14.569.416
			188	16.649.198
			189	5.391.505
			190	38.800.816
			191	
			192	38.800.816
	193			
(of which: from Group companies	194	)		
	195			
	196			
(of which: from Group companies	197	)		
	198			
	199			
	200			
(of which: from Group companies	201	)	202	

## Financial Statements

# Annex 2 – Profit and Loss Account 2018

### Profit and Loss Account

		Values of the year	
4. (+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (Item II. 12)		93	8.160.737
5. INVESTMENT MANAGEMENT AND FINANCIAL CHARGES NON-LIFE BUSINESS:			
a) Investment management charges, including interest	94		
b) Value adjustments on investments	95		
c) Losses on the disposal of investments	96	97	
6. (-) ALLOCATED INVESTMENT RETURNS TRANSFERRED TO THE NON-LIFE INSURANCE TECHNICAL ACCOUNT (item I 2)		98	
7. OTHER INCOME		99	4.562.223
8. OTHER CHARGES		100	13.966.584
9. INCOME FROM ORDINARY OPERATIONS		101	50.896.888
10 EXTRAORDINARY INCOME		102	1.900.796
11 EXTRAORDINARY CHARGES		103	314.305
12 EXTRAORDINARY PROFIT OR LOSS		104	1.586.490
13 PROFIT BEFORE TAXATION		105	52.483.378
14 INCOME TAXES		106	18.804.542
15 NET PROFIT (LOSS) FOR THE YEAR		107	33.678.836

Values of the previous year

	203	5.391.505
204		
205		
206	207	
	208	
	209	4.319.196
	210	3.330.806
	211	45.180.711
	212	1.921.125
	213	7.293.562
	214	-5.372.437
	215	39.808.274
	216	5.084.490
	217	34.723.784

Financial Statements

**Annex 2 – Profit and Loss Account 2018**

The undersigned declare that the financial statements are free from irregularity or error

The Company legal representatives (\*)

The Chairman -DOTT. ANDREA MONETA (\*\*)  
(\*\*)  
(\*\*)

The members of the Board of Statutory Auditors

AVV. FRANCESCO ILLUZZI - The Chairman  
DOTT. PAOLO DELPINO - Statutory auditor  
DOTT- GUIDO MARCHESE - Statutory auditor

For internal use of the Company Register

Date of receipt

(\*) In case of foreign undertakings - signature by the general representative in Italy (\*\*)  
Please indicate the functions of the signatory



## NOTES TO THE ACCOUNTS



## **AMISSIMA VITA SpA**

Registered office: Mura di Santa Chiara, 1 - Genoa

Share capital: € 50,431,778.28 fully paid up

Genoa Business Register

Tax code and Registration number: 01739640157 – R.E.A. 373333

Registration number in the Business Register – Ivass: 1.00039

Company belonging to the Amissima Insurance Group – n. 050

\*.\*.\*

## **EXPLANATORY NOTE TO THE FINANCIAL STATEMENT AT 31 DECEMBER 2018**

The Company Amissima Vita SpA, with registered office in Genoa, operates in the life insurance sector and is part of the Amissima Insurance Group, registered under no. 050 in the Register of Insurance Groups set up at Ivass.

At 31 December 2018 it was 100.00% controlled by Amissima Holdings Srl.

It is here declared that the Company is subject to management and coordination by the insurance parent company as well as consolidating Amissima Holdings Srl, as registered in the special section of the Milan Business Register. A copy of the consolidated financial statement is kept at the registered office in Viale Certosa 222, Milan.

The Company is also included in the Consolidated Financial Statement of AP VIII Primavera Holdings Srl based in Luxembourg. A copy of the consolidated financial statement is kept at the registered office.

The financial statement for the year 2018 has been prepared in compliance with the current statutory regulations and specific provisions of the insurance sector, and follows the layout and the provisions of Legislative Decree no. 173/97 and of the Art. 4 of ISVAP Regulation No. 22, issued on April 4, 2008 and supplemented and amended by IVASS provision no. 53 of December 6, 2016.

The financial statement consists of:

- Balance Sheet;
- Income Statement;
- Explanatory note with the relative attachments;
- Financial statement.

It is also accompanied by the Management Report, shown above.

This explanatory note consists of:

Part A - Evaluation criteria;

Part B - Information on the balance sheet and income statement;

Part C - Other information.

Each part of the note is divided into sections, each of which illustrates, by means of comment notes, statements and details, individual aspects of the business management.

In consideration of the fact that the Company is authorized exclusively for operating in the life classes, the annexes provided for by the above-indicated Isvap Regulation no. 22 of April 4, 2008, relating to the non-life classes were not filled in and commented on.

The balance sheet and income statement data are expressed in euros, the explanatory notes is expressed in thousands of euros, unless otherwise indicated, as required by Art. 4 of the ISVAP Regulation no. 22 of April 4, 2008 and pursuant to Art. 2423, paragraph 6 of the Civil Code. The rounding of the data contained in the Note is carried out in such a way as to ensure consistency with the amounts shown in the balance sheets.

The financial statement is audited by the auditing company Ernst & Young spa, in compliance with the provisions of Art. 102 of the Insurance Code and Art. 1, paragraph 106, letter a) of Legislative Decree 12/5/15 no. 74 and in execution of the shareholders' resolution of April 24, 2018 which conferred the task of auditing the financial statement to this company for the nine-year period 2018 - 2026.

## PART A - EVALUATION CRITERIA

### Section 1: Description of the evaluation criteria

This financial statement has been prepared under the assumption of "Business continuity" and in accordance with the accounting principles in force and the evaluation criteria of the main items - including technical reserves - adopted by the Company as of 31.12.2018 and follows the schemes defined by the provisions of the ISVAP Regulation no. 22 of 4 April, 2008 and subsequent amendments. The principles adopted are in any case inspired by the criteria of prudence and competence in order to give a true and fair view of the financial and balance situation and economic result of Amissima Vita spa.

In its drafting, reference was made to the provisions of the Civil Code and of Legislative Decree 173/1997, integrated and modified by Art. 8 of Legislative Decree 139/2015, interpreted and integrated by the new accounting standards reviewed by the Italian Accounting Body.

With regard to information relating to the Company's activity, significant events occurred after the balance sheet date, relations with parent, subsidiary and associated companies, reference is made to the Management Report.

The criteria set out below have been agreed with the Board of Statutory Auditors, where required by law, and are generally consistent with those used to prepare the financial statement for the previous year; any changes are analytically described and highlighted.

The numbering of the paragraphs refers to the numbering of the relative items in the Balance Sheet and Income Statement of the annual financial statement.

## ASSETS

### B. Intangible assets

Intangible fixed assets, pursuant to Art. 16 of Legislative Decree 173/97, are entered in the financial statement at purchase or production value including accessory charges and every directly attributable cost. The value is reduced by the depreciation quotas calculated according to the period of their expected remaining usefulness. If the value of the assets thus obtained exceeds the reasonably recoverable value, a depreciation of the item is provided. This lower value cannot be maintained if its assumptions will no longer apply in future years.

Intangible assets will be derecognised in absence of the future economic benefits expected from their use.

### **B.I. Acquisition commissions to be amortized**

The acquisition commissions paid in advance at the time of signing long-duration contracts are amortized within the maximum period of the same, and in any case no later than the tenth year, within the limits of the tariff charges.

### **B.II. Other multi-year costs**

The item includes multi-year costs that are subject to systematic depreciation on a straight-line basis, starting from the year in which they were incurred, generally for a period of five years.

These are the costs incurred for the purchase and development of application *softwares*, for the purchase of temporary basic *software* licenses and for installation, expansion and research.

Any cost incurred for improvements to third-party assets is amortized in relation to the residual duration of the lease.

In general, the account also includes intangible fixed assets that are not amortized, which depreciation will start from the year in which they will be used.

Please refer to the description in part B of this note.

With reference to the intangible assets relating to the category in question, it should be noted that the Company has available reserves that are largely sufficient to cover the amount of the expenses not yet amortized. Therefore in compliance with Art. 16, paragraph 11 of Legislative Decree 173/97 it is possible, if envisaged, to distribute dividends.

## **C. Investments**

### **C.I - Lands and buildings**

Real estate assets recorded in the financial statement, pursuant Art. 15 of Legislative Decree 173/97, are considered long-term use assets. Real estate assets are recorded in the financial statement at purchase or construction cost or at the value of incorporation (in the case of properties previously owned by incorporated companies) reduced by adjustments for permanent losses in value, where recognized. The carrying value of the assets, distinct between lands and buildings, includes charges and revaluations made in previous years pursuant to specific laws. The costs for improvements and conversions are capitalized if they result in an increase in the useful life of the assets and their profitability.

Buildings are not depreciated, as they are not subject to economic deterioration, since they are subject to periodic maintenance, the cost of which is expensed in the year in question, allowing their useful value to be kept constant, also in consideration of their nature of long-term investments essentially aimed at covering the obligations towards the policy holders.

The properties which value, at the balance sheet date, is permanently lower than the aforementioned value, are recorded at this lower value. This lower value will be maintained also in subsequent years if the reasons for the depreciation are still valid. In order to highlight the market value of lands and buildings, in compliance with Art. 18 of Legislative Decree 173/97 and Articles 16 to 20 of the ISVAP Regulation no. 22 and integrated and amended by IVASS provision no. 53 of 6 December 2016, the evaluation of the asset is accompanied by an expert report. Market value means the price at which the property can be sold at the time of the evaluation by means of a private contract between a seller and a buyer, assuming the sale takes place in normal conditions.

## **C.II - Investments in group companies and other subsidiaries**

Investments in group companies and other subsidiaries are considered assets for long-term use (Article 15, paragraph 2 of Legislative Decree 173/97) unless otherwise stated in the explanatory note.

As required by Art. 16, paragraph 3 of Legislative Decree 173/97, they are recorded in the financial statement at purchase or subscription cost or at a value lower than the cost in the event that the subsidiaries companies report permanent losses in value based on their financial position. Investments in securities of other subsidiaries companies, for the part intended for trading activity, are estimated at the lower value between the average purchase cost and the current value inferable from the market trend at the end of the period.

If the purchase cost is higher than the net assets at the first registration, this higher value is described in the related items of part B.

## **C.III - Other financial investments**

### **C.III.1 Shares and stocks**

### **C.III.2 Shares in mutual investment funds**

### **C.III.3 Bonds and other fixed income securities**

They are investments of a financial nature, classified on the basis of the Investment Policies annually adopted by the Board of directors, in compliance with the provisions of IVASS Regulation no. 24/16.

The Investment Policies aim at defining the principles summarily expressed below:

- medium-long term investment policy consistent with the technical obligations to policyholders;
- description of the strategic objectives, including the risk one, in terms of consistency with company policies and multi-year business plan;
- investment categories, limits by geographical area, sector, counterparty and reference currency;
- tolerance limits towards deviations from the various qualifying elements of the investments;

- concentration limits for individual issuer and group, as well as investment selection criteria and limits for the illiquid investments not traded on regulated markets;
- risk monitoring and information timing;
- criteria for the allocation of investments to the "long-term" and "short-term" segment;
- management policies and related limits to the use of derivative financial instruments.

Key principle for the operations performed on the securities portfolio is the functional consistency with respect to the structure of the obligations. In general, the destination for "long-term" or "short-term" use of each financial instrument is based on the current and future economic and financial situation generated by the obligations assumed, particularly in terms of quantity and timing. Securities assigned to the "long-term" segment cannot be subject to systematic sale and purchase transactions, transfer to another segment or early disposal, unless in situations of an exceptional and extraordinary nature.

### ***Classification of portfolio securities***

#### ***Long-term investments segment***

The financial instruments are classified in this segment up to 65 % of the carrying value, calculated time by time, of the class C investments including the liquidity deposited on current accounts.

The financial instruments classifiable in this segment are instruments showing a correlation with the structure of the technical obligations towards the insured, and/or for which the company has the intention and the ability to keep them until the natural expiry and in any case in a medium to long-term period.

This segment includes:

- equity investments in listed and unlisted Companies carrying out activities functional to the insurance one, that is considered strategic with respect to the corporate purposes, regardless of the shareholding;
- bonds convertible into shares of the Companies referred to in the previous point;
- other equity securities, shareholdings in companies and possibly specifically identified units of UCITS which are considered to be long-term strategic investments;
- fixed or variable-rate bonds, including structured products, having the characteristics above-indicated, with a residual duration of 12 months or more and a foreseeable rate of return not lower than the *swap* rate negotiated for equivalent durations at the time of classification.

#### ***Short-term investments segment***

Financial instruments, debt securities, shares and stocks are classified in this segment on a residual basis with respect to the long-term investments segment. The assets that can be classified in this segment are instruments showing a correlation with the structure of the technical obligations towards the insured and/or for which the company has a current or potential purpose of negotiation.

## ***Evaluation criteria***

### **Long-term investments segment**

The ordinary criterion for the evaluation of financial fixed assets is the cost. In compliance with the provisions of Art. 16 of Legislative Decree 173/97, the purchase cost must be maintained in the subsequent financial statements unless there is a lasting loss of value or the change, in whole or in part, of economic destination and the conditions for the adoption of a lower value still exist. For the purpose of identifying any permanent loss on securities included in the long-term segment, recourse was made to an *impairment* model defined at Group level, approved from time to time by the Administrative Body. This model identifies quantitative *durability* and *severity* thresholds, differentiated by type of financial instrument; the overcoming, even of one of the two thresholds activates a qualitative analysis, whose conclusions can lead to *impairment*.

For capital securities the *severity* threshold is quantified as a 25 % decrease of the market value compared to the carrying value, while the *durability* threshold is 18 months. In addition, for capital securities the overcoming even of one of the two thresholds (30 % *severity* and 24 months *durability*) leads to automatic *impairment*.

For debt securities, the *severity* threshold is quantified as a 20 % decrease (25 % for non-government bonds and *corporate senior plain vanilla*) of the market value compared to the carrying value, while the *durability* threshold is identified in a period of 12 months, and for non-government bonds and *corporate senior plain vanilla* is 18 months.

### **Short-term investments segment**

a) **listed shares, units of UCITS and fixed-income securities**: the balance sheet value is determined with the criterion of the lowest value resulting from the comparison between the historical (continuous average) cost, adjusted by the accrual for the year on the issue discount, net of any withholding tax, and the market value, identified with the price recorded on the last day of the period on the stock exchange lists or made available by specialized *infoproviders*; all market values are provided by Banca Carige based on a specific service agreement; any lower value calculated is recorded as a direct adjustment of the historical cost with a balancing entry in the Income Statement; this adjustment is reversed in the subsequent year, if there are no valid reasons for it, reconstituting the value of the security up to the lower between the new market value and the original purchase cost (Art. 2426, paragraph 9 of the Civil Code); for implicit rate securities (*zero coupon bonds* and others) the share of the capital adjustment already accrued is taken into account, on an accrual basis;

b) **unlisted shares**: they are valued at the lower between the purchase cost and the market value corresponding to a conservative estimate of their presumed realizable value;

c) **unlisted fixed-income securities**: they are valued according to the methodology described in the previous point a) using, where *infoproviders* did not provide for prices, estimates resulting from theoretical evaluation models, provided by Banca Carige in the context of the aforementioned service;

d) **unlisted units of UCITS**: they are valued according to the methodology described in the previous point a) using the price provided by the BNP Paribas calculation agent.

### "Callable" titles

The calculation method of the depreciation (trading and issuance discounts) on subordinated financial bonds (insurance and banking) with an advanced call option by the issuer (so-called "callable") was analyzed.

After assessing the high probability of early recall by issuers even in stressed market scenarios, the date of the first *call* was considered as the end date of the depreciation instead of the deadline and therefore the carrying value was recalculated, consistently with the accounting principles.

### Derivative financial instruments

Derivative financial instruments are those financial instruments whose price depends on the value of one or more main financial assets (shares, bonds, rates, listings, etc.).

By way of non-exhaustive example, this category includes:

- derivative contracts with an underlying security (*futures* and *options* with underlying security, forward purchase or sale obligations, etc.);
- derivative contracts on currencies (*DCS*, *Currency Option*, etc.);
- derivative contracts without underlying security linked to interest rates, listings or other assets (*interest rate option*, *forward rate agreements*, *irs*, etc.);
- all contracts that, regardless of the terminology adopted, have technical-financial characteristics similar to those of any of the contracts previously indicated.

In this regard, the Investment Policies provide the following:

- ✓ the use of derivative financial instruments must be consistent with the principles of sound and prudent management;
- ✓ their use is permitted if they show a clear technical-financial connection with assets intended to cover technical provisions, or to be allocated for this purpose in the case of transactions carried out to acquire or sell financial instruments; the underlying values must consist of assets that are eligible for the purpose of hedging technical provisions or listings based on this type of assets; precise operating methods are identified for the use of such instruments, the choice of counterparties and the guarantees requested, as well as the organizational control and disclosure procedures;
- ✓ limits on the use of derivative instruments in relation to assets covering technical provisions are identified.

The level of tolerance concerning the risks of derivative instruments and the overall managed portfolio must be in line with a balanced and prudent asset management. The investment must not alter the risk profile or the characteristics of the separate management.

The evaluation criteria differ according to the "hedging" or "effective management" purpose at the base of the financial transaction:

- transactions aimed at "hedging" have the purpose of reducing the investment risk, or of protecting the value of individual assets or liabilities or a group of assets or liabilities, including through their correlation, from adverse changes in interest rates, exchange rates or market prices. In this case, the derivative instruments are valued according to the "principle of evaluation consistency"; in particular, capital losses or valuation gains are recorded in the Income Statement in line with the corresponding capital gains and losses calculated on the assets hedged;

- the "effective management" transactions are those carried out in order to achieve pre-established investment objectives in a faster, easier, economic and flexible way than is possible by operating on the underlying assets; these transactions must not generate a significant increase in investment risk and, in any case, such increase must be equivalent to that obtainable by operating directly on the underlying assets according to a balanced and prudent management of the portfolio; the derivative instrument is valued at market value, recording in the Income Statement only the valuation losses; the market value is determined with reference to the respective prices or, failing that, on the basis of a prudent evaluation of their presumable realization determined by calculation methods spread on the market.

#### Forward purchase and sale transactions

At the closing date of this balance sheet and income statement, the Company directly holds in the portfolio derivative financial instruments "hedging" Italian government securities to be sold with term delivery. The securities remained in the portfolio at their current carrying value and the coupons and discounts relating to the security are regularly collected and recorded. Securities and derivatives are closed in accordance with the principle of symmetry: the net value between the plus/minus of the security compared to the plus/minus of the derivative is recorded in the balance sheet only if less than zero.

Otherwise there is no provision for a derivative position recorded in the financial statements hedging Italian government securities to be sold on a spot and repurchase agreement basis. The securities subject to spot sale remained in the portfolio at their current carrying value, they are valued at the current market value and active coupons and discounts relating to the security are regularly recorded. Liabilities positions equal to the spot sales value were then created, on which negative coupons of equal value with respect to those present in the security are recorded. An amortization of the liability determined by the difference between the spot sales value and the forward purchase value is then generated.

#### **C.III.4 Fundings**

They are registered at their nominal value, corresponding to the presumed realizable value, considering for mortgages and other loans zero risk of debtor insolvency against the guarantees offered, and for loans on policies zero risk of insolvency as they were granted for an amount not exceeding the surrender value of the policy.

#### **D.I - Investments related to services connected with investment funds and market indices**

Investments for the benefit of policyholders in the life classes who bear the risk are valued at the current value. The current value of the assets is determined in accordance with the contractual conditions, in particular:

- for investments traded in regulated markets, it means the value of the last day of the year;
- for other financial investments, assets and availability it generally means their nominal value.

## D.bis. Technical provisions for reinsurers

### D.II – Life classes technical provisions

The Mathematical Reserves for reinsurers are calculated in accordance with the assignment treaties with the same criteria adopted for the allocation of direct business reserves (see below, under the item C.II), with the exception of those treaties whose contractual conditions (pure risk premiums) do not include the calculation of the mathematical provision.

## E. Receivables

In accordance with the provisions of Art. 16, paragraph 9 of the Legislative Decree 173/97, credits are recorded at their presumable realization or settlement value. The loss estimates are based on the evaluation of credits presenting manifest risks of non-collectability, and registered in the specific Depreciation Fund.

As established by Art. 2427 of the Civil Code and Legislative Decree 173/97, if this Note does not expressly indicate any residual duration greater than one year and five years, credits are intended to last for less than one year.

Please refer to the description in Part B of this Note.

## F. Other elements of assets

### F.I – Material assets and supplies

Tangible fixed assets are recorded at purchase or production cost, increased by accessory charges and incremental expenses. The amount recorded in the financial statements is obtained by adjusting the accounting value as defined above with the depreciation carried out. Depreciations are calculated based on the following rates:

- Office furniture	12%
- Office electronic machines and EDP installations	20%
- Mobile assets registered in public registers	25%
- Various machines and equipment	15%

These rates are representative of the deterioration of the asset deriving from use during the year.

In case of purchases during the year, reductions of 50 % of the entire above-indicated measures are applied.

Stocks and other assets previously valued at average cost, given the poor stock levels of previous years, are now valued at purchase cost.

## F.II – Cash on hand

The item in question includes bank and postal sight deposits, deposits providing for withdrawals subject to time limits of less than 15 days, bank and postal checks, cash and similar amounts, recorded at nominal value.

## G. Accruals and prepayments

The item "accruals and deferrals" includes revenues and costs which, respectively, will be achieved or incurred in subsequent years but pertain to the year, and those that will be earned or sustained by the end of the year but pertain to subsequent years.

Accruals and prepayments are calculated on an accrual basis, in compliance with Art. 2424 bis, paragraph 6 of the Civil Code.

# LIABILITIES

## C. Technical Reserves

Technical reserves are calculated based on the actuarial principles and the provisions of art. 23-bis of ISVAP Regulation n. 22 of 4 April 2008. The methods used by the Company to calculate the technical reserves at 31 December 2017 are reported in the actuarial report on the technical reserves pursuant to art. 23-bis, paragraph 3, of Regulation 22 of 4 April 2008 as amended by Provision no. 53 of 6 December 2016, attached to these financial statements, to which reference should be made.

## C.II – Life Insurance

### C.II.1 Actuarial Reserves

Actuarial Reserves at the end of the period have been calculated, for each contract in force, with specific IT procedures, according to technical and actuarial criteria, in relation to the technical bases taken as a foundation for the calculation of tariff premiums, authorized by the Ministry or resulting from the related Systematic Communications sent to IVASS, in line with the provisions of current legislation. For the purposes of the IT procedures adopted, it should be noted that, starting from August 2018, the portfolio of the Agencies Channel alone is managed on the **PASS** application while the rest of the portfolio continues to be managed on the **LIFE** application.

The reserves thus calculated are not lower than the surrender values.

The technical reserves of the contracts in the portfolio, as better described in the Technical Report, have been integrated:

- ✓ by one annual quota for the creation of the greater capital to cover the annuity, necessary at the expiry of the contract, in the event that a predetermined life annuity amount is guaranteed at maturity;
- ✓ by one additional reserve for financial risk (guaranteed interest rate), consequent to the results of the ALM analysis referred to in paragraphs 21, 22 and 23 of Annex 14 to IVASS Regulation No. 22

of 04/04/2008, which in this exercise is constituted solely for the portion of the temporary portfolio in the event of death.

### **C.II.2 Additional Reserves**

The Premiums Reserve for additional insurance includes, in relation to the supplementary insurance schemes referred to in Article 2, paragraph 2 of the Insurance Code, the premium reserve as provided for by art. 23 bis, paragraph 7 of the IVASS Ruling No. 53 of 06.12.2016.

### **C.II.3 Reserves for Amounts to Be Paid**

The Reserve for amounts to be paid includes, in accordance with art. 23 bis, paragraph 5 of the IVASS Ruling No. 53 of 06.12.2016, the capitals which, having left the portfolio of existing policies (LIFE and PASS system), have not yet been subject to liquidation, have not yet passed through the liquidation processes and therefore no costs have yet been reported in the Company's income statement.

### **C.II.5 Other Technical Reserves**

The item Other technical reserves is composed of the reserve for management expenses, which was determined according to the criteria set out in IVASS Regulation No. 22/2008, i.e. based on the so-called first order hypothesis, making a comparison between the technical bases used in the calculation of the reserve and the results of the direct experience on the portfolio.

## **D. Technical Reserves Where Investment Risk Is Borne by Policyholders**

With regard to the technical reserves where investment risk is borne by policyholders (*Unit Linked* contracts), the amount accrued is equal to the product between the number of shares representing the Company's obligations and the value of the share at 31.12.2018; also in this case the reserves are compared with the surrender values once accrued any difference between the additional reserves pursuant to art. 41, paragraph 4, of Legislative Decree 209/2005.

## **E. Provisions for Liabilities and Charges**

As required by art. 40 of Legislative Decree 173/97, the item includes provisions for liabilities and charges intended to cover losses or liabilities of a certain or probable nature, whose amount or date of occurrence are not known.

The item includes provisions for taxes, which include probable or undetermined debts arising from the current tax dispute.

## **G. Other Liabilities**

Payables and other liabilities are recorded at nominal value. This item includes current payables of various kinds, such as those deriving from direct insurance transactions, deriving from reinsurance transactions, tax

payables and other liabilities. The item also includes payables for post-employment benefits. As established by art. 2427 C.C. and Legislative Decree 173/97, if in this Note no residual duration is expressly indicated that is greater than one year and five years, credits are intended to last for less than one year.

### **G.VII - Employee Severance Indemnity**

Employee severance indemnity is calculated in compliance with the provisions of art. 2120 of the Civil Code, as well as the Law of 27 December 2006, n. 296 and by employment contracts. The item reflects certain debt even if not payable, accrued towards employees at the year-end date, calculated analytically, in accordance with the laws and collective labor agreements and company supplements in force. Starting from 2007, it refers only to the severance indemnity accrued as at 31.12.06, appropriately revalued by means of the law indexes. The severance indemnity accrued starting from 1.1.07, allocated to the liabilities accrued towards employees, is paid mainly to a Pension Fund or to the INPS Treasury Fund according to the indications of the worker.

### **H. Accruals and Deferrals**

The item accruals and deferrals includes the revenues and costs which, respectively, will be earned or incurred in subsequent years but pertain to the year, and those that will be earned or incurred by the end of the year but pertain to subsequent years. Accruals and deferrals are calculated according to the criterion of temporal competence, in compliance with art. 2424 bis, paragraph 6 of the Civil Code.

### **Guarantees, Pledges and Other Memorandum Accounts**

The items concerned are exposed to the value of the guarantees given and pledges undertaken. Securities deposited with third parties are expressed at their carrying value.

## INCOME STATEMENT

### II. Technical Account of Life Insurance Lines

#### II. 1. Premiums for the Financial Year, Net of Reinsurance Transfers

Premiums are recognized when they mature. This time corresponds to the expiration of each premium as shown in the insurance document. The attribution of the exercise responsibility is implicit in the calculation method of the Mathematical Provision. With regard to the premiums for the additional accident guarantee, which is moreover extremely limited, the competence is obtained by setting, among the costs, the variation in the Premiums Reserve calculated according to the methods that take into account an accrual basis. The premiums collected at the agencies, which are awaiting the mechanistic matching with the corresponding title in the portfolio, are recorded in the Balance Sheet under the item "Other liabilities".

#### II. 2. Investment Income, II. 9. Capital and Financial Charges

Interest income accrued on fixed-income securities, including gross accrued interest, issue spreads and trading spreads for long-term investments, is charged to the income statement on an accrual basis. Dividends, as a rule, are accounted for in the relevant year following the successful distribution resolution. Profits and losses deriving from the trading of securities are recorded in the income statement in the year in which the relative sales contracts are stipulated.

Other income and charges are accounted for on an accrual basis.

#### II.5. Charges Relating to Claims, Net of Reinsurance Transfers

The charge relating to claims in the Life Classes includes the amounts accounted for in the year against accrued capital and annuities, redemptions and claims, including those of complementary insurances. contracts in progress.

#### II. 8. Operating Expenses

Operating expenses include:

- II.8.a. **Acquisition Commissions:** The account includes the fees due to the sales network in relation to the acquisition and renewal, and the rappels commensurate with the achievement of productivity targets;
- II.8.b. **Other Acquisition Commissions:** The account includes the expenses, deriving from the subscription of the policies, other than those described in the previous paragraphs, directly or indirectly attributable to the issuance thereof; advertising and promotion costs to support the sale of policies are also included;
- II.8.c. **Changes in Commissions and Other Acquisition Costs to Be Amortized:** The depreciation charges for the year relate to acquisition commissions and other acquisition costs;
- II.8.d. **Collection Commissions:** This item includes the fees paid to the sales network in relation to the collection activity carried out on behalf of the Company.
- II.8.e. **Other Administrative Expenses:** they include staff, logistics, service provision and purchase of assets of company structures other than those pertaining to the other acquisition costs indicated above and those attributed to the settlement of claims and investment management. This item also includes the charges incurred for the termination of the agency relationships for the part not subject to compensation;

II.8.f. **Commissions and profit sharing received from reinsurers:** they measure the commissions and the participation in the profits established by the contractual agreements for the transfers and retrocessions of rewards to the reinsurers.

## II. 12. Share of the Investment Profit Transferred to the Non-Technical Account

The share of profits from Life investments to be transferred from the technical account to a non-technical account is calculated taking into account the provisions of art. 23 of the ISVAP Regulation n. 22 of 4 April 2008 and integrated and amended by IVASS provision no. 53 of 6 December 2016.

## OTHER PRINCIPLES APPLIED

### Current Taxation

Provisions include probable or undetermined debts and corporate taxes that are not yet certain and/or determined. The determination of the tax burden takes place by estimating the Tax Fund as if they were actually to be liquidated based on the gross profit at the end of the period; the related tax adjustments are made by simulating a tax return for the reference period. The rate applied is that which is presumed to be in force at the end of the year.

The IRAP payable is estimated on the basis of a prudential count by applying the rate of 6.82% to the Production Value for the period.

In determining IRES, the rate of 24.0% applies, in force starting from the 2017 tax period, as set out in the 2016 Stability Law (Law No. 208 of 12/28/2015).

With regard to IRES, the application of consolidated national taxation pursuant to art. 117 et seq. Of Presidential Decree 917/1986, to which the company adhered on the proposal of the Parent Company Amissima Holdings S.r.l. starting from the 2016 tax period, is still ongoing in 2018.

The tax consolidation, only relating to IRES, provides that the Parent Company, in its capacity as consolidating company, draws up a single income tax declaration (as the algebraic sum of the taxable income of all participating companies, changed by consolidation adjustments, as envisaged by art. 122 of TUIR) and that it is responsible for paying the balance and the IRES advances.

The financial relationship with the Revenue Agency deriving from the IRES calculation is therefore transferred to the consolidating company Amissima Holdings S.r.l.: if it is a debit item, it is shown, net of any withholding taxes and tax credits, under "Other liabilities"; if it is on credit it is listed, increased by any withholding tax and tax credits, under "Other Assets". The relations between the consolidating company and the consolidated company deriving from group taxation are regulated by a specific agreement stipulated between the parties.

The option for the three-year tax consolidation regime for the tax periods from 2016 to 2018 was applied to the Revenue Agency. The option is automatically renewed at the end of each three-year period, unless revoked.

## Deferred Tax

According to art. 2426 of the civil code and taking into account the accounting principle n. 25 of the National Council of Certified Public Accountants and Accountants and of Consob Recommendation n. 99059010 of 30 July 1999 on the accounting treatment of deferred tax assets and liabilities, which came into force in 1999, provision was made for the recognition of deferred tax assets and liabilities, relating to temporary differences between pre-tax profit and taxable income. The determination of this accounting entry was made for the deferred tax assets considering the temporary differences that can be detected by negative income components subjected to taxation which determine elements with repayments in one or more subsequent years (deductible temporary differences); for deferred taxes considering the positive income components not taxable in the year but in subsequent years (taxable temporary differences).

As part of the recognition of assets and liabilities relating to deferred taxation:

the entry of the receivable for prepaid taxes is subject to the reasonable certainty of the existence, in the years in which the correlated positive tax effects will be produced, of a taxable income not lower than the total amount of said effects;

the entry of the payable for deferred taxes is subject to the verification of the existence of those assumptions that translate the latent tax burden into an effective tax burden.

With regard to the recoverability of deferred tax assets, a strategic plan was drawn up, approved by the Board of Directors, which shows the ability to generate, in the years in which the deductible temporary differences are paid, taxable income not lower than the amount of advance taxes to be reabsorbed.

Prepaid and deferred taxes are charged to the Income Statement, and their determination is made on the basis of the tax rates in force in each year in which such taxes become payable.

## Currency Conversion Rates

In compliance with the provisions of art. 2425-bis and 2426 of the Civil Code, the initial recognition of foreign currency transactions provides for revenues/income and costs/charges to be accounted for at the exchange rate current at the date of the transaction. With regard to subsequent surveys and evaluations, Article 2426, Number 8-bis distinguishes different conversion criteria for non-monetary monetary items:

- Monetary items: foreign currency assets and liabilities that entail the right to be collected or the obligation to pay certain or determinable amounts at a future date such as receivables, payables, accrued income, liabilities, and debt securities. They must be recorded in the balance sheet at the spot exchange rate at the balance sheet date. Any losses or any profits deriving from the application of this principle must be charged to the income statement. Any net profit must be allocated to a non-distributable reserve until realization (in other reserves "Profit reserves on exchange rates");
- Non-monetary items: tangible, intangible and financial fixed assets consisting of equity investments, must be recorded at the exchange rate recorded at the time of their purchase or at the rate lower than the year-end date (if the reduction can be considered durable).

The provisions for risks and charges and the memorandum accounts associated with liabilities in foreign currency are to be considered as monetary items and therefore the principle of the spot exchange rate at the closing date of the financial year is followed.

## PART B - BALANCE SHEET INFORMATION

### STATEMENT OF ASSETS

The items of the Balance Sheet and the changes that occurred since the previous year are hereinafter commented and integrated with the indications required by current regulations.

#### 1. Intangible assets (item B)

The item "intangible assets" amounts to € 7,446 thousand at 31 December 2018 and is composed as follows (in thousands €):

Description	Amount	Amount	Change
	31.12.2018	31.12.2017	
Deferred acquisition commissions	1,647	1,607	40
Other deferred costs	5,799	5,143	656
<b>Total</b>	<b>7,446</b>	<b>6,750</b>	<b>696</b>

- The portion not yet written off regarding acquisition commissions amounts to € 1,647 thousand, compared to € 1,607 thousand at the end of the previous financial year. The increase is due to the growth in production concerning anticipated rates, which is greater than the depreciation for the period.
- Other multi-year costs (item B5) for € 5,799 thousand.  
The costs for the development of the IT system and software (€ 5,723 thousand), training (€ 0.3 thousand) and trademarks (€ 19 thousand) are here included.

The transactions of the item "Other multi-year costs", divided by homogeneous category (in thousands of €), are here following indicated:

Description	Software licenses	EDP Project	Other assets	Total
Opening balance	615	4,425	103	5,143
Purchases/Increases	579	2,010	-	2,589
Sales/Decreases	-	-	-	-0
Deferments	-272	-1,634	-27	-1,933
<b>Closing balance</b>	<b>922</b>	<b>4,801</b>	<b>76</b>	<b>5,799</b>

The change of € 656 thousand compared to the balance for financial year shall be attributed to the net effect of the purchases and depreciation of other multi-year costs.

Changes in intangible assets during the year are detailed within Annex no. 4.

## 2. Investments (item C)

Class C investments amount to € 6,020,009 thousand (€ 5,438,553 thousand at the end of 2017):

### 2.1 Land and buildings (item C.I)

All land and buildings are considered long-lasting and are composed as follows (in thousands of €):

Description	2018	2017	Change
Property used by third parties	99,641	78,266	21,375
<b>Total</b>	<b>99,641</b>	<b>78,266</b>	<b>21,375</b>

The value of real estate used by third parties increased substantially compared to the previous financial year. The overall increase of € **+21,375** thousand is the result of the sale of 6 real estate units (€ -13,946 thousand), 25 write-downs (€ -1,655 thousand), 9 depreciations for € 576 thousand and the purchase of 2 real estate units for € 36,400 thousand. More specifically, the units sold during the financial year are those located in Cernobbio at a price of € 1.020 thousand (loss of € **154** thousand), in Alimena at a price of € 90 thousand (loss of € **15** thousand), in Lascari at a price of € 160 thousand (loss of € **-35** thousand), in Polizzi Generosa at a price of € 275 thousand (gain of € **50** thousand), in Milan in Via Garofalo at a price of € 12,347 thousand (gain of € **1,350** thousand), in Milan in Via Rosellini (2nd tranche) at a price of € 1,250 thousand. In 2018, the Company appointed a new outside expert, as illustrated in the Report on the real estate sector, to assess the current value of all the Company's real estate assets, as previously estimated, by means of 2017 valuations, and to ascertain any long-term losses in value. The net decrease of € 1,079 thousand is the result of write-downs and value recoveries made during the year on real estate listed below:

Description	Revaluation+/ writedowns-
<i>Property used by third parties</i>	
BELGIOIOSO Via XX Settembre	-38
BRONI P.zza Garibaldi	+17
CABIATE Via Grandi	-65
CAGLIARI P.zza Deffenu	-74
CAMPOSAMPIERO Contrà dei Nodari	-64
CARONIA Via Roma	-10
CATANIA V.le Vittorio veneto	+26
CERMENATE P.zza XX Settembre	-196
COMO P.zza Duomo	-9
CREMONA Via Gramsci	-28
DOLO Via Matteotti	-159
FINO MORNASCO Via Garibaldi	-101

JESOLO	P.zza 1° Maggio	+6
JESOLO	Via Danimarca	-44
MEDE	Via Cavour	-1
MIRA	Via Nazionale	-15
MONTALBANO ELICONA	C.so Principe Umberto	-23
MONTEMAGGIORE BELSITO	Via Matteotti	-34
MOZZATE	Via Varese	-45
PADOVA	C.so Stati Uniti	-285
PADOVA	Via Chiesa Nuova	-78
PALAZZO ADRIANO	Via Diaz	-21
PALMA DI MONTECHIARO	Via Italia	-200
PIOVE DI SACCO	Via Roma	+69
POLLINA	Via Libertà	-10
PORTOGRUARO	Borgo S. Giovanni	+64
ROCCAPALUMBA	Via Umberto I	+7
ROMA	Via Appia Nuova	+315
ROMA	Via Gallia	+62
ROVELLASCA	Via Piave	-83
S. MAURO CASTELVERDE	Via Umberto	-3
VENEZIA	Via Cappuccina	-13
VENEZIA	Via Forte Marghera	-56
VERBANIA	Via della Chimica	+10
<b>Total</b>		<b>-1.079</b>

In this regard, considering nature and type of the Company's real estate, the expert used a method based on the prospective cash flows of each building, updated on a hypothetical medium-long term time period, to determine market value.

The following table shows the comparison between the book and market values for land and buildings held as at 31 December 2018 (in thousands of €):

Description	Book value			Market value		
	Land	Building	Total	Land	Building	Total
Property used by third parties	47,855	51,786	99,641	47,072	52,328	99,400
<b>Total</b>	<b>47,855</b>	<b>51,786</b>	<b>99,641</b>	<b>47,072</b>	<b>52,328</b>	<b>99,400</b>

Please note that the Company does not own *leased* assets.

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

The total amount of investments in Group companies (item C.II) at 31 December 2018 was € 9,978 thousand (€ 24,636 at 31.12.2017) thus constituted (in thousands of €):

Description	Amount 31.12.2018	Amount 31.12.2017	Change
<i>Shares and interests in companies</i>			
b) subsidiary companies	9,978	24,636	-14,658
Loans to subsidiaries	75	-	75
<b>Total</b>	<b>10,053</b>	<b>24,636</b>	<b>-14,583</b>

The item "*Shares and percentages of subsidiary and associated companies*" - refers to the shares in the real estate company I.H. Roma Srl and in the insurance brokerage company Assi90 Srl.

Even for these subsidiaries, an outside expert was appointed to assess the current value of most of the Company's real estate assets, and to ascertain any long-term losses in value.

Please note for I.H. Rome an impairment loss of € 14,658 thousand, due for € 11,270 thousand to the transfer of 49% of the shares to Amissima Assicurazioni (of which € 3,270 thousand relating to a capital loss on sale) and, for € 3,388 thousand relating to a loss of value from alignment of the price following the transfer of the quotas from the fixed assets to the assets circulating in Amissima Vita.

The value of investments in associates and companies subject to joint control and the related pro-quota net equity held (in thousands of €) are indicated below:

Companies	Equity 31/12/2018	% owning	Equity share 31/12/2018	Book value 31/12/2018
I.H. ROMA S.r.l.	16,378	51,00%	8,353	8,343
ASSI90 S.r.l.	3,527	60,25%	2,125	1,635

*Funding to subsidiaries*, specifically to I.H. Roma Srl, have been reimbursed for full exposure during the year.

The detailed statement of changes is contained and integral part of Annex 5 to these Notes to the Financial Statements.

The statement concerning information relating to subsidiaries is contained as an integral part of Annex 6 to these notes to the financial statements.

The statement of changes in investments in group companies and other subsidiaries is attached as integral part of Annex 7 to these notes to the Financial Statements.

The summary of the relationships maintained with the companies of the Amissima Insurance Group, (parent, and associated as well as related companies) is reported in the management report.

### 2.3 Other financial investments (item C.III)

The overall balance of this item amounts to € 6,009,956 thousand, with an increase of € 674,324 thousand compared to the previous year (+12.64%). The main components can be summarized as follows (in € thousands):

Description	Amount 31.12.2018	Amount 31.12.2017
Shares and Units	1,381,536	667,987
Mutual funds shares	-	-
Bonds and other fixed-income securities	- 4,627,572	- 4,666,745
Loans	848	900
Other financial investments	-	-
<b>Total</b>	<b>6,009,956</b>	<b>5,335,632</b>

The break-down derived from the use of other financial investments in shares and units of companies, mutual fund shareholdings, debt securities including fixed-income securities, and the comparison with the current value, is included as an integral part of Annex 8 to these notes to the financial statements.

The item "**shares and units**" includes investments in companies in which the Company has ownership of less than one tenth of the capital or voting rights exercisable at ordinary shareholders' meetings. The increase compared to the previous year (€ 674,324 thousand) mainly refers to the subscription of the units of underlying investment funds of the Amissima Diversified Income ICAV (Irish Collective Asset- management Vehicle) (in thousands of €):

ISIN	Description	Book Value at 31/12/2018	Market Value at 31/12/2018
QU0006740322	ICAV AMISSIMA LOAN ORIGATION FUND NORVITA (A)	90,256,986	90,378,066
QU0006743755	ICAV AMISSIMA LOAN ORIGATION FUND_CVITA (A1)	156,749,913	156,960,195
QU0006740306	ICAV AV (CVN) GLOBAL IG CORP CREDIT FUND	147,940,036	147,940,036
QU0006740330	ICAV AV (NORVITA) GLOBAL IG CORP CREDIT FUND	49,326,265	49,326,265
QU0006743771	ICAV AV CORP LOANS HIGH YIELD BOND CVITA (A1)	47,299,286	47,299,286
QU0006740314	ICAV AV CORP LOANS HIGH YIELD BOND NORVITA (A)	19,856,896	19,856,896
QU0006743789	ICAV AV MULTI CREDIT STRATEGY FUND CVITA (A1)	571,280,626	571,726,129
QU0006740348	ICAV AV MULTI CREDIT STRATEGY FUND NORVITA (A)	218,738,574	218,909,137
<b>TOTAL</b>		<b>1,301,448,582</b>	<b>1,302,396,010</b>

Amissima Diversified Income ICAV is set up for managing investment funds aimed at meeting strategic financial needs. ICAV is a legal entity supervised by the Irish Central Bank which can be defined as an investment fund organised according to a sub-fund structure representing underlying investment funds and subject to the 2009/65/EU Directive and the 2011/61/EU Directive. ICAV funds are fully and exclusively serving Amissima Vita and Amissima Assicurazioni, which are the only investors in the underlying funds. Therefore, ICAV represents an essential element in the investment policy pursued by the insurance company to diversify its asset allocation strategy and to

guarantee high and competitive returns for insurance policyholders.

The item "shares and units" includes investments in the "ACE Credit Allocation Fund I" which invests in a wide range of diversified investment strategies in the traditional alternative credit sector.

As in 2017, there are no "Mutual fund shareholdings" in 2018, as there are no IShares funds in the portfolio.

Changes during the year in other long-term financial investments are reported as integral part of Annex 9 to these notes to financial statements.

Short-term to long-term sub fond transfers occurred in January and concerned government and local authority bonds of the Euro area for a total nominal value of € 351.5 million, with an average duration of 13 years and a yield of 1%. The sub-fund transfer generated a capital loss of € 19,443.

Isin	Description	Par Value Local	Segregated Fund	Market price	Book Price	G&L Local GAAP	Duration	Book Yield
NL0012294458	EUR AMSTERDAM CITY 17-29 0,831%	40.000.000	Norvita	99,562	99,729	-66.800	10,7	0,86
AT0000A1K9C8	EUR AUSTRIA 16-26 0,75%	51.500.000	C.Vitanuova	102,258	102,2	29.822	8,51	0,49
BE0000344532	EUR BELGIO 17-37 1,45%	80.000.000	Norvita	102,1	102,084	12.800	16,8	1,33
FR0013154044	EUR FRANCIA 16-36 1,25%	90.000.000	Norvita	98,301	98,202	89.505	16,2	1,36
DE0001102390	EUR GERMANIA 16-26 0,50%	50.000.000	C.Vitanuova	102,17	102,351	-90.483	7,94	0,21
DE000NRW0JQ3	EUR LAND NORDRHEIN-WESTFALEN 16-31 0,625%	20.000.000	C.Vitanuova	93,461	93,415	9.200	12,84	1,15
DE000A168023	EUR REGIONE DI BERLINO 16-32 1,00%	20.000.000	C.Vitanuova	97,626	97,643	-3.486	13,22	1,18
<b>Total</b>		<b>351.500.000</b>				<b>-19.443</b>	<b>13</b>	<b>1,000</b>

Other transfers made in 2018 took place from long to short-term sub funds. In February, a nominal value of

€ 10.5 million of subordinated securities was transferred (EUR BANCO POPOLARE 10-20 6% SUB and EUR BANCA POP. MILANO 11-21 7.125% SUB). Afterwards these positions have been divested realizing a capital gain of € 0.95 mln.

In August, a € 1 million nominal value (€ 1.1 million transaction value) of a senior bond issued by Atlantia S.p.A., maturing in September 2025 and with a fixed coupon rate of 4.375%, has been transferred and subsequently sold. The duration is 5.86 years, the return on the carrying value is 4.1% and the return at market value is 3.3%. The transfer of the sub-fund did not have any effect on the income statement, while the capital gains achieved through the sale were € 47 thousand.

In 2018, Amissima Vita's goal, was to progressively decrease its exposure to the "Italy risk" (BTP), as outlined in the current Investment Policy, in order to reduce the concentration risk and any negative impact on policyholders and at the same time to stabilise the Company's Solvency Ratio. This is the reason why in 2018 several operations for interest Italy risk have been carried out, as described in detail in the Report within the section on Assets and financial management.

During the year, securities were purchased with classification in the long-term sub-fund for an overall value of € 250.9 million: € 208.2 million in government securities and € 42.6 million in mortgage securitization (Merius). There have been repayments of investment securities for an overall amount of € 187.4 million (€ 100 million refer to Assicurazioni Generali subordinate for which the issuer exercised its early call option). Finally, as regards operations in fixed assets, no disinvestments in securities allocated to this segment have been made.

At 31 December post-closure net capital gains on securities classified among "investment securities" amount to € 66.1 million compared to € 234 million at the end of 2017: hidden capital gains amount to 69.7 while hidden capital losses amount to € 3.6 million.

The progressive depreciation of the positive differences with respect to the redemption value for securities included in the durable goods segment and the depreciation of the liabilities given by the difference between the spot sale value of Italian government securities and the forward purchase value led to the recording in the income statement of net trading discounts for a positive value of € 11.3 million against € -1.5 million at the end of 2017: the positive differences to € 21.1 million while the negative differences to € 9.8 million.

During the year, trading in securities generated a positive net accounting result of € 29.5 million in the Income Statement. The sale of real estate generated a € 1.2 million positive net accounting result in the Income Statement, while the sale of the investment in IH Roma generated a € 3.3 million negative net accounting result in the Income Statement.

The item Value adjustments is the result of the algebraic sum of € -12.5 million for alignment net value adjustments (of which € -8 relating to securities, € -3.4 relating to the investment in IH Roma and € -1.1 relating to real estate), € 11.3 million for net trading discounts and € 1.2 million for net issues discounts.

In relation to debt securities under item C.III.3 it also provides an analytical indication of positions of significant amount by issuer:

(In Euro units)

<b>Issuer</b>	<b>n°</b>	<b>Book Value at 31/12/2018</b>
Republic of Italy	33	979,409,030
French Republic	8	593,898,051
Kingdom of the Netherlands	7	390,274,981
State of North Rhine-Westphali	4	296,609,792
Kingdom of Belgium	5	296,434,688
Kingdom of Spain	5	265,542,358
REPUBLIC OF AUSTRIA	5	263,430,589
Federal Republic of Germany	4	251,325,754
Land Berlin	3	120,752,617
EUROPEAN INVESTMENT BANK	3	115,954,268
European Financial Stability F	5	90,698,437
INTESA SANPAOLO SPA	12	58,711,499
Assistance Publique Hopitaux Paris	2	55,030,919
European Stability Mechanism	1	53,776,496
KFW	3	52,661,930
Assicurazioni Generali SpA	2	52,154,732
Communaute Francaise de Belgiq	1	49,871,873
Purple Protected Asset S.A	1	42,528,128

City of Amsterdam Netherlands	1	39,840,114
Republic of Finland	1	38,005,015
Republic of Ireland	2	29,386,652
BANCA IMI SPA	1	25,000,000
LEONARDO SPA	2	23,081,796
Slovak Republic	2	20,775,648
APPLE INC	1	20,732,817
CREDIT AGRICOLE SA	2	19,369,511
EUROPEAN UNION	1	15,877,562
A2A SPA	2	15,031,518
Telecom Italia SpA/Milano	3	12,497,554
ENEL SPA	7	11,705,714
ANHEUSER-BUSCH INBEV SA/NV	1	10,829,300
UNICREDIT SPA	4	10,476,696
REPUBLIC OF COLOMBIA	1	10,099,450
NORDEA BANK AB	1	10,091,118
NEX GROUP HOLDINGS PLC	1	10,043,600
Aroundtown SA	1	9,664,300
BERKSHIRE HATHAWAY INC	1	9,268,710
REPUBLIC OF LATVIA	2	8,947,266
ENEL FINANCE INTL NV	2	8,600,866
ACEA SPA	1	7,010,955
ARCELORMITTAL	1	6,941,814
ROYAL BK SCOTLND GRP PLC	2	6,591,633
FCA BANK SPA IRELAND	1	6,535,100
CNH INDUSTRIAL FIN EUR S	1	6,030,000

The issuers were selected based on the total book value of the securities exceeding € 6 million, and represent 95.55% of the entire category.

As at 31 December, the securities with subordination clauses are indicated in the following chart, drawn up according to the level of subordination envisaged at international level.

(In Euro units)

Code ISIN	Description	Currency	Book Value at 31/12/2018	Market Value at 31/12/2018	Rate	Maturity date	Classification	Quote
XS0440434834	EUR ASS GENERALI PERP 9%(DA 19 FRN)CALL+CMW SUB	EUR	50.123.844	51.358.439	Fixed	15/07/19	SUB-TIER1	NL - NON LISTED
XS0897406814	EUR AQUARIUS ZURICH 13-43 4,25%(FRN 23) SUB CALL	EUR	5.454.500	5.454.500	Fixed	02/10/23	SUB-LOWER TIER2	L - LISTED
XS1083986718	EUR AVIVA 14-44 3,875% (FRN DA 24) CALL SUB	EUR	999.649	1.005.520	Fixed	03/07/24	SUB-LOWER TIER2	L - LISTED
XS0878743623	EUR AXA 13-43 5,125% (FRN DA 23) CALL SUB	EUR	2.137.767	2.238.520	Fixed	04/07/23	SUB-LOWER TIER2	L - LISTED
FR0012620367	EUR CREDIT AGRICOLE 15-25 2,70% SUB	EUR	3.755.540	3.755.540	Fixed	14/04/25	SUB-LOWER TIER2	L - LISTED
XS1204154410	EUR CREDIT AGRICOLE 15-27 2,625% SUB	EUR	15.613.971	16.250.720	Fixed	17/03/27	SUB-LOWER TIER2	L - LISTED
XS0856556807	EUR HANNOVER FIN 12-43 5,00%(FRN da 23) SUB CALL	EUR	5.665.550	5.665.550	Fixed	30/06/23	SUB-LOWER TIER2	L - LISTED
XS0969636371	EUR HSBC HOLD 13-24 3,375% (DA 19 FRN) SUB CALL	EUR	2.001.380	2.001.380	Fixed	10/01/19	SUB-LOWER TIER2	L - LISTED
XS1317439559	EUR NORDEA BANK 15-25 1,875%(DA 20 FRN) SUB CALL	EUR	10.091.118	10.167.100	Fixed	10/11/20	SUB-LOWER TIER2	L - LISTED
FR0012770063	EUR SCOR 15-47 3,25% (FRN da 2027) SUB CALL	EUR	4.962.050	4.962.050	Fixed	05/06/27	SUB-LOWER TIER2	L - LISTED
XS1014674227	EUR SVENSKA HAND 14-24 2,656%(DA19 FRN) SUB CALL	EUR	2.001.420	2.001.420	Fixed	15/01/19	SUB-LOWER TIER2	L - LISTED
XS1036494638	EUR SWEDENBANK 14-24 2,375% (DA 19 FRN)SUB CALL	EUR	2.006.120	2.006.120	Fixed	26/02/19	SUB-LOWER TIER2	L - LISTED
XS0863907522	EUR ASS GENERALI 12-42 7,75% (FRN DA 22)CALL SUB	EUR	2.030.889	2.325.260	Fixed	12/12/22	SUB-LOWER TIER2	L - LISTED
XS0951553592	EUR AVIVA 13-43 6,125% (RESET DA 23) CALL SUB	EUR	1.533.282	1.665.330	Fixed	05/07/23	SUB-LOWER TIER2	L - LISTED
XS0503665290	EUR AXA 10-40 5,25% (FRN DA 20) CALL SUB	EUR	2.044.173	2.106.960	Fixed	16/04/20	SUB-LOWER TIER2	L - LISTED
FR0010815464	EUR GROUPAMA 09-39 7,875% (FRN DA 19) CALL SUB	EUR	4.970.427	5.253.050	Fixed	27/10/19	SUB-LOWER TIER2	L - LISTED
XS0452166324	EUR INTESA 09-19 5% SUB	EUR	10.005.893	10.262.200	Fixed	23/09/19	SUB-LOWER TIER2	L - LISTED
XS0526326334	EUR INTESA 10-20 5,15% SUB	EUR	5.018.703	5.281.950	Fixed	16/07/20	SUB-LOWER TIER2	L - LISTED
XS0971213201	EUR INTESA 13-23 6,625 SUB	EUR	6.305.773	7.179.285	Fixed	13/09/23	SUB-LOWER TIER2	L - LISTED
IT0004645542	EUR MEDIOBANCA 10-20 5% SUB	EUR	651.719	684.125	Fixed	15/11/20	SUB-LOWER TIER2	L - LISTED
XS0764278528	EUR MUNICH RE 12-42 6,25% (FRN DA 22) CALL SUB	EUR	3.991.315	4.642.640	Fixed	26/05/22	SUB-LOWER TIER2	L - LISTED
XS0981632804	EUR RAIFFEISEN 13-23 6% SUB	EUR	2.032.910	2.307.980	Fixed	16/10/23	SUB-LOWER TIER2	L - LISTED
XS1034950672	EUR RAIFFEISEN 14-25 4,5% (FRN DA 20) CALL SUB	EUR	1.499.822	1.544.295	Fixed	21/02/20	SUB-LOWER TIER2	L - LISTED
XS0357281046	EUR RBS 08-23 FRN INFL SUB	EUR	2.500.000	2.871.450	Indexed	23/04/23	SUB-LOWER TIER2	L - LISTED
IT0004780562	EUR UNICREDIT 11-19 STEP UP SINKABLE SUB	EUR	939.852	931.728	Step Up	31/01/19	SUB-LOWER TIER2	L - LISTED
XS0849517650	EUR UNICREDIT 12-22 6,95% SUB	EUR	4.016.894	4.472.800	+F25	31/10/22	SUB-LOWER TIER2	L - LISTED

As regards the so-called "structured and subordinated" securities, no purchases were made; while securities were sold for an overall amount of € 69.9 million and the pay-backs amounted to € 161.2 million (€ 100 million refer to Assicurazioni Generali subordinate for which the issuer exercised its early call option). As at 31/12/2017 the structured and subordinated securities in the portfolio amounted to € 305.4 million.

At each balance sheet date, derivative financial instruments held by the Company were directly included in the portfolio.

Description	ISIN	Market value at 31/12/2018
FWD B.T.P. 01.03.09 - 01.03.25 5,00%	IT0004513641	7,393,618
FWD B.T.P. 01.08.13 - 01.03.24 4,50%	IT0004953417	1,196,586
FWD B.T.P. 01.09.11 - 01.03.22 5,00%	IT0004759673	768,850
FWD B.T.P. 22.01.13 - 01.09.28 4,75%	IT0004889033	729,125
FWD B.T.P. 01.03.13 - 01.05.23 4,50%	IT0004898034	665,534
FWD B.T.P. 01.03.09 - 01.03.25 5,00%	IT0004513641	459,633
FWD B.T.P. 22.01.13 - 01.09.28 4,75%	IT0004889033	208,322
FWD B.T.P. 15.06.14 - 15.12.21 2,15%	IT0005028003	206,618
FWD B.T.P. 01.09.11 - 01.03.22 5,00%	IT0004759673	186,012
FWD B.T.P. 16.02.15 - 15.04.22 1,35%	IT0005086886	184,145
FWD B.T.P. 01.08.05 - 01.02.37 4,00%	IT0003934657	107,173
FWD B.T.P. 01.09.14 - 01.12.24 2,5%	IT0005045270	41,053
<b>TOTAL sales derivatives at maturity 2021/2022</b>		<b>12,146,670</b>
FWD B.T.P. 01.09.10 - 01.03.21 3,75%	IT0004634132	-784,270
FWD B.T.P. 01.02.08 - 01.08.23 4,75%	IT0004356843	-2,508,124
FWD B.T.P. 01.03.09 - 01.03.25 5,00%	IT0004513641	-3.,90,729
<b>TOTAL term sales derivatives maturity 2019</b>		<b>-6,383,124</b>
<b>TOTAL</b>		<b>5,763,546</b>

### 3 - Investments for the benefit of life-assurance policyholders who bear the risk and deriving from the management of pension funds (item D)

This item includes investments in securities used to hedge specific contracts (*unit-linked and index-linked*) whose value depends on the performance of particular market indexes and refers entirely to *Unit* contracts related to the value of internal funds. At 31.12.2018 there are no *Index contracts* connected to stock index or other reference values (in thousands of €):

Description	Amount 31/12/2018	Amount 31/12/2017	Change
Investments relating to contracts linked to investment funds and market indexes	445,160	408,524	36,636
<b>Total</b>	<b>445,160</b>	<b>408,524</b>	<b>36,636</b>

Gestilink's product prices have increased over the last year compared to the previous financial year: the Amissima Azionario Globale line recorded a -16%, the Amissima Bilanciato Global line a -12.5%, the Amissima Obbligazionario Globale line a -14.5%. The performance of the new funds of the UnitPiù line, on the other hand, was decidedly positive: apart from the Amissima Flessibile Conservativo -11%, Amissima Flessibile Bilanciato +30% and Amissima Flessibile Dinamico +32%, while the Amissima Azionario Paesi Emergenti Internal Fund achieved a -17%.

Details of assets relating to investment fund activities - at current value and acquisition cost - are provided as integral part of Annex 11 to these notes to the financial statements.

As regards transfers from C to D class, pursuant to paragraphs 1 to 4 of Article 20 of Legislative Decree no. 173 of 26 May 1997, there have been no transactions during the financial year.

#### 4 - Technical insurance reserves reassured with third parties (item D bis)

The reserves reassured with third parties were determined based on the gross provisions, taking into account the contractual clauses governing the treaties in force. They are technical provisions for ministerial policies I. (in thousands of €)

Description	Amount	Amount	Change
	31.12.2018	31.12.2017	
PROVISIONS FOR POLICY LIABILITIES	15,439	19,610	-4,171
PROVISION FOR SUM TO BE PAID	2,125	2,031	94
<b>Total</b>	<b>17,564</b>	<b>21,641</b>	<b>-4,077</b>

In particular, with regard to the mathematical provisions, their amount decreases compared to the previous financial year (-21.2%) because of the natural dismantling of the portfolio included in the treaties. In particular, these are policies ceded with run-off commercial premiums for more than ten years, most of which will expire within the next five years and whose natural maturity is accentuated by the exercise of the right of redemption by the policyholders.

#### 5. Receivables (item E)

The balance of this item at 31.12.2018 was € 186,292 thousand net of their respective depreciation allowances; composition and changes compared to the previous financial year are summarised in the following chart (in thousands of €):

Description	Amount 31.12.2018	Amount 31.12.2017	Change
policyholders	3,472	2,668	804
insurance intermediaries	19,484	6,542	12,942
insurance and reinsurance companies	1.209	219	990
other debtors	162,127	154,021	8,106
<b>Total</b>	<b>186,292</b>	<b>163,450</b>	<b>22,842</b>

Write-down provisions are summarized in the following table (in thousands of €):

Retail funds	Amount 31.12.2018	Amount 31.12.2017	Change
Prov, for doubtful receivables v/insurance intermediaries	690	708	-18
Prov, For doubtful receivables of other activities	-	147	-147
<b>Total</b>	<b>690</b>	<b>855</b>	<b>-165</b>

The ratio between premiums receivables and premiums issued remains stable at around 0.40% compared to 0.34% at the end of 2017; receivables refer mainly to premiums issued in the last quarter of the year (€ 2,420 thousand). They have been continuously monitored and not devalued.

Insurance intermediaries receivables are reported net of allowances amounting to € -690 thousand and mainly consisting of the amount for the third ten days of December 2018; € 743 thousand refer to compensation receivables. A criterion for estimating the probability of recovery and/or insolvency of the debtor was applied to receivables from insurance intermediaries in dispute. It took into account both the risk of losing in court and the ability to recover the receivable backed by collateral. This valuation is reflected in the related provision for depreciation.

Receivables for reinsurance (item E.II) correspond to the account statements balances. In 2018 they consisted mainly of the receivable from Hannover Ruckversicherungs Ge (€ 482 thousand) and Scor Global Se (€ 377 thousand). In 2017 the balance of receivables amounted to € 219 thousand.

Other receivables (item E.III) are largely composed of tax credits (€ 139,239 thousand, equal to 86% of the total amount). The most significant item is represented by the advance payment of withholding tax and substitute tax on *capital gains* of life insurance policies (the so-called "mathematical provisions tax"). The recovery of the receivable above began the 1 January 2005. The Inland Revenue has set up a special tax code for the use of receivables, net of the withholding tax provided for by Article 26-ter of Presidential Decree 600/73 no. 600, applicable to capital paid as a result of life insurance policies and to income as per Article 44, paragraph 1, letter *g-quater*) and *g-quinquies*) of the Income Tax Consolidated Act. Starting from 2007, any surplus relative to the fifth previous year may be offset against other taxes.

In the financial year, against payment of the new portion of the amount of tax pursuant to Legislative Decree no. 209/2002, amounting to € 25,779 thousand, the amount of € 13,196 thousand paid in previous financial years has been used.

As at 31 December 2018, the tax credit accrued at the end of 2018 has been recorded with a balancing

entry for other payables. It should be noted that the so-called "stability law 2013" has provided, from 2013, the rate of tax equal to 0.45% of the taxable mathematical provisions. The payment, amounting to € 23,002 thousand will take place in June 2019. These receivables from the Inland Revenue shall in any case be used as profit to cover the technical provisions.

There is also a significant receivable from Banca Carige for a penalty accrued in our favour (€ 18,631 thousand in 2018) pursuant the provisions of the ten-year distribution agreement. A reserve of € 10,631 thousand was accrued in 2018.

Receivables from tenants amount to approximately € 304 thousand. The related write-down provision was reduced to zero during the year with a total use of € 147 thousand.

The change in write-down provision for doubtful accounts during the year 2018 (in € units) are shown below:

	Devaluation Fund 31.12.2017	Use 2018	Provision 2018	Devaluation Fund 31.12.2018
Receivables from insurance intermediaries	708	-18	-	690
Receivables from renters	147	-147	-	-
<b>Total</b>	<b>855</b>	<b>-165</b>	<b>-</b>	<b>690</b>

Other receivables also include the amount relating to the accounting of the prepaid taxes calculated on temporary differences which indicated a deferred tax indication amounting to € 15,463 thousand. Here following the table with the details concerning the relevant accounting category, the taxable base, the tax rate applied and the amount of the tax. The decrease in the accounting item compared to the previous financial year (€ 24,756 thousand at 31/12/2017) is mainly due to the reversal of the deferred tax assets for depreciations made last year under existing obligations, at 31/12/2017, of the sales of fixed assets completed in 2018.

## Total sheet

NOTES TO THE FINANCIAL STATEMENTS

Prospectus referred to n. 14) of art. 2427 c.c.: description of temporary differences which have led to the recognition of deferred tax assets and liabilities

Description of temporary differences	Prepaid taxes 2017			Unwindings 2018			Increments 2018			Prepaid taxes 2018		
	Taxable	Rate	Tax (a)	Taxable	Rate	Tax (b)	Taxable	Rate	Tax (c)	Taxable	Rate	Tax (a-b+c)
deductible differences												
Other non-deductible provisions (art.107, paragraph 4 T.U.I.R.)	5,545,299	24.00%	1,330,872	1,322,132	24.00%	317,312	11,765,273	24.00%	2,823,665	15,988,440	24.00%	3,837,226
Art. 111 par.1-bis T.U.I.R.	6,840,502	24.00%	1,641,721	6,840,502	24.00%	1,641,721	-	24.00%	-	-	24.00%	-
Real estate property writedowns (art. 101, par. 1 T.U.I.R.)	22,653,349	24.00%	5,436,804	3,521,332	24.00%	845,120	1,654,841	24.00%	397,162	20,786,858	24.00%	4,988,846
Real estate assets held for disposal	67,991,826	24.00%	16,318,038	43,725,097	24.00%	10,494,023	3,387,298	24.00%	812,951	27,654,026	24.00%	6,636,966
Auditors' fees	118,584	24.00%	28,460	118,584	24.00%	28,460	-	24.00%	-	-	24.00%	-
<b>Total</b>	<b>103,149,559</b>		<b>24,755,894</b>	<b>55,527,647</b>		<b>13,326,635</b>	<b>16,807,412</b>		<b>4,033,779</b>	<b>64,429,324</b>		<b>15,463,038</b>

Description of temporary differences	Deferred taxes 2017			Unwindings 2018			Increments 2018			Deferred taxes 2018		
	Taxable	Rate	Tax (a)	Taxable	Rate	Tax (b)	Taxable	Rate	Tax (c)	Taxable	Rate	Tax (a-b+c)
taxable differences												
Real estate property recovery (art. 86, par. 1 T.U.I.R.)	-	24.00%	-	-	24.00%	-	575,589	24.00%	138,141	575,589	24.00%	138,141
<b>Total</b>	<b>-</b>		<b>-</b>	<b>-</b>		<b>-</b>	<b>575,589</b>		<b>138,141</b>	<b>575,589</b>		<b>138,141</b>

## 6. Other assets (item F)

The balance of this item at 31.12.2018 is equal to € 55,970 thousand: the composition and the changes compared to the previous financial year are summarized in the following chart (in thousands of €):

Description	Amount 31.12.2018	Amount 31.12.2017	Change
Accrued income and interest on securities	35.045	53.393	-18.348
Rental prepaid expenses	18	-	18
Other activities	1,314	1,074	240
<b>Total</b>	<b>36,377</b>	<b>54,467</b>	<b>-18,090</b>

As regards "*tangible assets*", purchases amounted to € 32 thousand while € 197 thousand is the depreciation fund reserves set aside for the 2018 financial year;

We have very limited office supplies, printed materials and other consumables (from € 19,000 at 31.12.2017 to € 16,000 at 31.12.2018) thanks to an efficient warehouse management.

"*Liquid assets*" (item F.II) amount to € 26,503 thousand (€ 6,932 thousand at 31.12.2017) and include € 26,502 thousand in bank and postal current accounts and € 0.6 thousand in cash. Bank current account balances are in line with the investment of securities completed at the end of the year.

In 2016, the Amissima Holdings Board of Directors approved the cash pooling management project. The cash pooling structure has envisaged, on one side, the opening of an account under the name of Amissima Holdings, as Parent Company, for liquidity pooling (the so-called "Master Account") and, on the other side, the transfer by the Insurance Companies of the respective liquidity to this account at periods to be determined. The benefits of this kind of instrument are:

- ✓ greater coordination of the financial resources and liquidity of Group companies, thus allowing the management of any temporary imbalances;
- ✓ Optimising the resources available at Group level, reducing the use of bank financing sources and, consequently, the related administrative charges.

During 2018 the contract between the parties involved that are Amissima Holdings, Amissima Vita and Amissima Assicurazioni has been extended to the instrumental companies I.H. Roma and Dafne.

"*Other assets*" (item F.IV.2) amount to € 27,965 thousand and include € 12,420 thousand for a guarantee deposit concerning the "BTP Derisking Solution" and € 11,099 thousand for transitory bank current accounts relating to pending reconciliation operations. The remaining € 4,446 thousand mainly includes two adjustments relating to technical items relating to the management of outward reinsurance premiums. The first is an up-dated item, already present in previous financial years, amounting to € 2,963 thousand; premiums ceded in reinsurance in a single solution, against multi-year coverage, on "in the event of death" contracts covering the residual debt associated with loans, for a more correct correlation between costs and revenues. The second adjustment has the same nature as the previous one, but refers to the disposal in the financial year of single premiums on a similar rate, amounting to € 135 thousand. The related income statement items are listed within "Other technical charges" (II.11) and "Other Technical Income" (II.4).

## 7. Accruals and deferrals (item G)

The "Accruals and prepayments" item G shows a total balance as at 31.12.2018 equal to € 36,377 thousand, with a decrease of € 18,090 thousand compared to the previous financial year.

The breakdown between accruals and deferred income is as follows (in thousands of €):

Description	2018
Prepayments for securities interest	35,045
Prepaid expenses for rentals	18
Other prepaid expenses	1,314
<b>Total</b>	<b>36,377</b>

The amount of accrued interest on fixed-income securities decreases among the reasons related to the assets under management also as a result of the increased investments in units of mutual funds which do not include coupon detachment.

There have been no other significant movements, nor multi-year accruals or deferrals.

## STATEMENT OF LIABILITIES

### 8 - Net assets (item A)

Net assets at 31.12.2018 show are thus constituted (in thousands of €):

SHAREHOLDERS' EQUITY	Amount 31.12.2018	Amount 31.12.2017	Change
Subscribed capital or equivalent funds	50,432	50,432	-
Share premium reserve	628	628	-
Revaluation reserves	-	-	-
Legal reserve	24,976	24,976	-
Statutory reserve	-	-	-
Reserves for own shares and shares of the controlling company	-	-	-
Other reserves	74,447	74,447	-
Net Profit (loss) brought forward	673	673	-
Net Profit (loss) for the year	33,678	34,724	997
Negative reserve for treasury shares	-	-	-
<b>Total</b>	<b>184,834</b>	<b>185,880</b>	<b>-997</b>

The share capital as at 31 December 2018 amounts to Euro 50,432 thousand, fully subscribed and paid, and consists of no. 240,151,325 shares of no nominal value. The capital is fully paid in and is held by a sole shareholder: Amissima Holding Srl. In 2017, following Ivass authorisation of the decision taken by the Shareholders' Meeting on November 29, 2016, the share capital was reduced from €124,878,689 to €50,431,778.28, resulting in the creation of an available reserve of €74,446,910.72.

The profit for the 2017 financial year of € 34,724,784.74 was allocated as follows:

- distribution to shareholders of a total of €34,724,784.74

Movements of the period in net equity book values are summarised in the following table (in thousands of €):

CHANGES IN SHAREHOLDERS' EQUITY	Share Capital	Share of premium reserve	Legal reserve	Net Profit (loss brought forward)	Net Profit (loss for the year)	Other reserve	Total
Balance as at 31.12.2017	50.432	628	24.976	673	34.724	74.447	185.880
Share capital distribution							
Allocation of the net profit for the 2018 financial year	-	-	-	-	-34.724	-	-34.724
Cover residual losses	-	-	-	-	-	-	-
Establishment of legal reserve	-	-	-	-	-	-	-
Distributing extraordinary reserve	-	-	-	-	-	-	-
Distributing share premium reserve	-	-	-	-	-	-	-
Loss leads to new - according to 24-29 OIC	-	-	-	-	-	-	-
Net profit for the 2019 financial year	-	-	-	-	33.678	-	33.678
<b>Balance as at 31.12.2018</b>	<b>50.432</b>	<b>628</b>	<b>24.976</b>	<b>673</b>	<b>33.678</b>	<b>74.447</b>	<b>184.834</b>

Paragraph 7 bis of Article 2427 of the Italian Civil Code introduced further analyses of net equity, as detailed below:

- Origin, possibility of use and distribution of equity items (in thousands of €)

Type/Description	Amount	Possibility of use	Available share	Summary of use in the three previous years	
				Loss coverage	Others
Equity	50,432				
Share premium reserve	628				
Revaluation reserves	-				
Legal reserve	24,976	B			
Statutory reserve	-	A, B, C			
Reserves for own shares and shares of the controlling company	-	B			
Other reserves	74,447	A, B, C			
Net Profit (loss) brought forward	673	A, B, C			-34,724
Reserves for own shares and shares of the controlling company	-				
<b>Total</b>	<b>151,156</b>				

Legend: A: for capital increase; B: for cover losses; C: for distribution to shareholders

- Changes in net equity items over the last three financial years

	<i>Share capital</i>	<i>Share premium reserve.</i>	<i>Revaluation reserves</i>	<i>Legal reserve</i>	<i>Other reserves</i>	<i>Reserve extraordinary</i>	<i>Net profit (loss) brought forward</i>
	<i>A.I</i>	<i>A.II</i>	<i>A.III</i>	<i>A.IV</i>	<i>A.VII</i>	<i>A.VII</i>	<i>A.VIII</i>
<b>Balance as at 31.12.2015</b>	124,879	50,942		24,976	0	0	0
Provisions							2,603
Usage		-50,314				0	-2,623
<b>Balance as at 31.12.2016</b>	124,879	6282		24,976	0	0	-20
Provisions							24,708
Usage	-74.447					74,447	-24,015
<b>Balance as at 31.12.2017</b>	50,432	628		24,976	0	74,447	673
Provisions							34.724
Usage							-34.724
<b>Balance as at 31.12.2018</b>	<b>50,432</b>	<b>628</b>		<b>24,976</b>	<b>0</b>	<b>74,447</b>	<b>673</b>

## 9 - Subordinated liabilities (item B)

Amissima Vita has not issued any subordinated liabilities.

## 10 - Technical provisions (item C.II)

The items refer to technical provisions deriving from direct insurance risks and are thus composed (amounts in thousands of €):

<b>Description</b>	<b>Amount at 31.12.2018</b>	<b>Amount at 31.12.2017</b>
Provisions for policy liabilities	5,575,512	5,339,413
Unearned provision for supplementary coverage	40	52
Provision for sum to be paid	40,284	46,743
Other technical provisions	29,001	27,869
<b>Total</b>	<b>5,644,837</b>	<b>5,414,077</b>

The increase compared to previous financial year is mainly due to the positive net flows arising from commercial dynamics as well as to the development of new production supported in 2018 by the launch of three new bank distributors.

Movements during the year of mathematical provisions are reported as integral part of Annex 14 to these notes to financial statements.

The mathematical provisions are composed of € 5,570,400 thousand reserves for pure premiums, € 3,469 thousand reserves for unearned premiums and € 1,643 thousand supplementary reserves. Supplementary reserves include supplementary reserves for financial risk (guaranteed interest rate) resulting from the ALM analysis referred to in paragraphs 21, 22 and 23 of Annex 14 to IVASS Regulation no. 22 of 04.04.2008 and subsequent amendments, issued pursuant to art. 36 of Legislative Decree no. 209/05, for an amount of € 1,195 thousand. This means an increase compared to 1,057 thousand in 2017; the supplementary reserves pursuant to art. 41, paragraph 4, of Legislative Decree 209/05 for the amount of € 49 thousand and the provision for demographic adjustment pursuant to art. 49, paragraph 1, paragraphs 35 to 38 of Annex 14 to IVASS Regulation no. 22 of 04.04.2008 and subsequent amendments, amounting to € 398 thousand.

Overall they refer for € 5,500,616 thousand to Class I, for € 49 thousand to Class III and € 76,102 thousand to Class V.

The Company continued to apply the C method for calculating the Additional Provision for financial risk. This method provides for the possibility of compensation, for each separate management, between balances of opposite sign referring to different levels of financial guarantee as well as to the different annual periods.

According to this approach, there is indeed no need to set aside any amount of reserve for both segregated accounts. However, a provision is made for temporary contracts in the event of death which are not related to any segregated account but still provide for a financial guarantee.

The reserves for amounts payable amount to € 40,284 thousand and decreased by € 6,459 thousand compared to 2017, because of maturities almost entirely, from € 18,488 thousand to € 14,592 thousand, and for claims, from € 25,043 to € 24,865. As of 31.12.2017 they are thus composed (amounts in thousands of €):

- Sums to pay for maturities € 14.592
- Sums to be paid for claims outstanding € 24,865
- Sums to be paid for surrenders € 827

Maturities refer for € 12,908 thousand to Class I, for € 637 thousand to Class III and for € 1,047 thousand to Class V; claims refer for € 24,865 thousand to Class I and for € 0.6 thousand to Class III, while surrenders refer for € 817 thousand to Class I.

The item Other technical reserves consists of the Reserve for future expenses, calculated to cover expenses that the Company will incur for managing contracts, and is allocated to the different classes as follows:

Class I: 28.043 k

Class III: 50 k

Class V: 908 k

For further details of the technical provisions by risk category, reference should be made to the Actuarial Report pursuant to art. 23-bis paragraphs 2 and 3 of Regulation 22 of 4 April 2008 and subsequent amendments.

## 11 - Technical provisions when the investment risk is doubled by policyholders and deriving from the management of pension funds (item D) (amounts in thousands of €):

Description	Amount 31.12.2018	Amount 31.12.2017
Provisions relating to contracts linked to investment funds and market indexes	445,160	408,524
<b>Total</b>	<b>445,160</b>	<b>408,524</b>

This section includes the reserves for the obligations undertaken by entering into *Unit Linked* and index linked contracts, as detailed in section 3.

The overall reserves correspond exactly to the total assets reported in this section and are thus divided into the different product lines:

(In thousand €)

	31.12.2018	31.12.2017
Gestilink verde (linea prudente)	32,922,638	38,520,228
Gestilink blu (linea moderata)	39,302,852	44,930,211
Gestilink arancio (linea dinamica)	32,772,743	39,062,659
<b>Gestilink total book value</b>	<b>104,998,233</b>	<b>122,513,098</b>
<b>Fondo Levante</b>	<b>167,994</b>	<b>203,206</b>
Fondo Carige Deciso	155,839,080	117,718,446
Fondo Carige Equilibrato	110,089,227	85,001,138
Fondo Carige Misurato	74,065,932	83,087,839
<b>Total Balance Sheet value Linea Unit Più'</b>	<b>339,994,239</b>	<b>285,807,423</b>
<b>TOTAL Unit + Index Linked</b>	<b>445,160,466</b>	<b>408,523,727</b>

For further details of the technical provisions by risk category, reference should be made to the Actuarial Report pursuant to art. 23-bis paragraphs 3 of Regulation 22 of 4 April 2008 and subsequent amendments.

## 12 - Provisions for risks and expenses (item E)

Item E illustrates the balances of the funds herein specified, with the changes compared to the previous financial year (in thousands of €):

Description	Amount	Amount	Change
	31.12.2018	31.12.2017	
PROVISIONS FOR TAXATION	138	0	138
OTHER PROVISIONS	13,503	2,964	10,539
<b>Total</b>	<b>13,641</b>	<b>2,964</b>	<b>10,677</b>

The item "*Provisions for taxes*", which amounted to zero last year, increased by € 138 thousand; details are provided in the schedule drawn up pursuant to Article 2427, no. 14 of the Italian Civil Code, attached to these Notes to the Financial Statements following the commentary on the item "Other receivables".

*Other provisions* include risk and charge funds set aside to cover losses and liabilities that are certain or probable, of which however, at year end, the amount or the date of occurrence were not known. These risks relate in particular to the penalty on the distribution agreement with Banca Carige (€ 10,631 thousand), pending lawsuits (€ 1,648 thousand) and agency contracts (€ 2 thousand). The Early Retirement and Corporate Restructuring Provision is (€ 140 thousand) while the Litigation Provision (€ 1,081 thousand). The sections "Pending litigations" and "Tax Litigation" in the Board of Directors' Report on operations provide an illustration of the main outstanding litigations

## Deposits received from reinsurers (item F)

Description	Amount	Amount	Change
	31.12.2018	31.12.2017	
DEPOSITS RECEIVED FROM REINSURERS	17,753	21,565	-3,812

This item represents the payables for deposits that the Company retains in case of outwards reinsurance. The decrease of € 3.8 million represents the evolution of reinsurances in 2018.

## 13 - Payables and other liabilities (item G)

The balance of this item as at 31 December 2018 amounted to € 560,599 thousand, an increase of € 488,275 thousand compared to 31 December 2017, of which € 468,772 thousand relating to the spot sale transaction with a simultaneous forward repurchase agreement (BTP Derisking Solution). The composition and detail of the changes is summarized in the following table (in thousands of €):

Description	Amount 31.12.2018	Amount 31.12.2017	Change
Btp derisking solution	468,772	-	468,772
Other payables	38,988	41,471	-2,483
Other liabilities	28,491	16,403	12,088
Payables deriving from direct transactions	21,079	8,661	12,418
Payables deriving from reinsurance transactions	2,639	5,087	-2.448
End-of-service treatment	630	702	-72
<b>Total</b>	<b>560,599</b>	<b>72,324</b>	<b>488,275</b>

Amounts due to insurance intermediaries express the net financial position in relation to a number of independent sales agents.

Payables to substantially stable reinsurance companies represent the negative balances deriving from sales transactions according to the treaties in force and change according to the periodic closures and the related financial remittances.

Movements during the year related to termination indemnity payments are reported as integral part of Annex 15 to these notes to financial statements.

Movements in other payables are summarized in the following table (in thousands of €):

Description	Amount 31.12.2018	Amount 31.12.2017	Change
Policyholders' tax	27,802	29,682	-1,880
Sundry taxes	10,929	11,629	-700
Social security contributions	205	159	46
Sundry debtors	52	-	52
<b>Total</b>	<b>38,988</b>	<b>41,470</b>	<b>-2,482</b>

Other tax payables show a decrease compared to the end of the previous year due to the assessment of the amounts owed to the tax administration (€ 23,002 thousand, a decrease of € 2,774 thousand compared to 2017) for the so-called tax on mathematical provisions having the same balancing entry in receivables from tax administration. The related payment will take place in June 2019 together with the 2018 income tax balance.

The item "Other payables" refers to the amounts payable to suppliers for invoices received and to be received and pending payments. Changes during the year concern normal evolution of the Company's activities.

The item payables for taxes payable by insurers shows a € 52 thousand payable to tax authorities for insurance taxes on premiums collected in December.

The item "**other liabilities**" amounts to € 497,280 thousand as at 31.12.2018 compared to € 16,403 as at 31.12.2017.

(in thousands of €):

Description	Amount 31.12.2018	Amount 31.12.2017	Change
Btp Solution	468,772	-	468,772
Premium Commission under collection	28,090	16,114	11,976
Other liabilities	401	289	112
<b>Total</b>	<b>497,263</b>	<b>16,403</b>	<b>480,860</b>

Other liabilities include the item "payable to the consolidating company for corporate income tax" (€ 5,374 thousand), which includes the provision for corporate income tax for the year, net of tax credits and taxes withheld. It is worth reminding that in 2018 the Adhesion to the domestic tax consolidation regime as per art. 117 and following of Presidential Decree 917/1986 has continued, and therefore Amissima Vita S.p.A., as consolidated company, regulates debit and credit items with its parent company Amissima Holdings S.r.l. Furthermore, this item includes € 20,874 thousand in payables for bank suspense and € 1,459 thousand for the variable pay of personnel, + 207 thousand compared to 2017.

Commissions accrued on premiums to be collected refer to the related amount of premiums receivable above mentioned in section 5.

#### 14 - Accruals and deferrals (item H)

The "Accruals and deferrals" item H shows a total balance as at 31.12.2018 equal to € 635 thousand, with a decrease of € 327 thousand compared to the previous financial year.

The item is composed as follows (in € thousands):

Description	Amount 31.12.2018	Amount 31.12.2017	Change
Item H1 - Interest	-	-	-
Item H2 - Lease payments	300	29	271
Item H3 - Other accruals and deferrals	335	279	56
<b>Total</b>	<b>635</b>	<b>308</b>	<b>327</b>

The item Other Accruals and Deferrals refers mainly to € 39 thousand accruals for agency costs and € 272 thousand accruals for personnel costs.

## 15 - Assets and liabilities relating to group companies and other shareholdings

The detailed statement of assets and liabilities by balance sheet item relating to Group companies and other shareholdings is contained in Attachment 16.

Here following there are the quantitative results of the relationships with the other related counterparties detailed in the charts of the section "Relationships with the Amissima Holdings Group and with other related parties" in the Management Report (data in thousands of €):

<b>Other related parties (d – e)</b>	
<b>Balance Sheet</b>	<b>Amount</b>
Partecipation	1,305,029
Real estate sales	-10,997
Funding	160
amounts collected	3,111
Invoices to be received	-3,223
Technical reserves	-30,568
<hr/>	
<b>Income statement</b>	<b>Amount</b>
Icav dividends	-28,199
Realized losses on real estate	1,350
Net premiums	-3,414
Claims paid	2,423
Other costs	3,224
Other revenues	-5
Compensation to Directors, Statutory Auditors and Management members	3,223
Contribution pension fund	968

### Key

<b>Profit and Loss Account</b>	<b>Type of related parties</b>
positive = costs	- leaders
negative = incomes	- close relative of one of the parties in (a) or (d)
	- pension funds
	- companies related to corporate bonds

## 16. Receivables and payables

The following table shows the balances of receivables and payables recorded under assets and liabilities, separating for each category those due for payment after the following financial year and those due after five financial years.

Changes in financing during the year are detailed in Annex n. 10.

### Item C

Loans	Amount at 31.12.2018	Amount due beyond 12/31/2019	Amount due beyond 12/31/2023
Loans with real guarantee	139	8	131
Loans on policies	296	173	123
Other loans	412	231	0
<b>Total</b>	<b>847</b>	<b>412</b>	<b>254</b>

Changes in financing during the year are detailed in Annex n. 10.

### Item E

Crediti	Amount at 12.31.2018	Amount due beyond 12/31/2019	Amount due beyond 12/31/2023
E.I.1 Receivables from policyholders	3,472	189	-
E.I.2 Insurance intermediaries	19,483	-	739
E.II. Receivables from insurance companies and reinsurance.	1,209	-	-
E.III Other receivables	162,127	-	-
<b>Total</b>	<b>186,291</b>	<b>261</b>	<b>739</b>

## 17 - Guarantees, pledges and other memorandum accounts

The details of the guarantees provided and received, as well as the pledges, is attached as integral part of Annex 17 to these notes to the Financial Statements.

Item II b) of annex 17 (Guarantees received - from third parties) rises from € 3,310 thousand at the end of 2017 to € 3,792 thousand at 31.12.2018.

The item is composed as follows (in € thousands):

<b>Guarantees received</b>	<b>Amount at 31.12.2018</b>	<b>Amount at 31.12.2017</b>
Guarantees	1,437	1,008
Real warranties	2,335	2,302
<b>Total</b>	<b>3,792</b>	<b>3,310</b>

The guarantees received refer, for € 1,437 thousand, to mortgages relating to real estate management provided by tenants and to sureties received from agencies to guarantee the account statement balances, and for € 2,355 thousand mainly to mortgage guarantees provided by third parties.

Guarantees granted by third parties in the interest of the company relate to deposit policies subscribed to guarantee prize competitions reserved to the agency network. At the end of 2018 there are not such a kind of guarantees, compared to a hedge of € 25 thousand in 2017;

Here following the € 6,454,269 thousand securities on deposit with third parties

- an amount of € 445,160 thousand the total value of the fund units referring to the investments relating to the *Unit Linked* policies deposited with Banca Carige;
- € 6,009,108 thousand from the value of other securities in the portfolio, almost entirely deposited with Banca Carige under the Securities Management Services Agreement, including € 1,301,449 thousand relating to the Irish investment vehicle called "Amissima Diversified IcaV", set up to manage investment funds to meet the Group's strategic financial investment requirements.

## **Obligations for Derivatives transactions**

Transactions in financial instruments commodity derivatives consistent with the guidelines of the investment policy are represented by forward sales, subdivided as follows:

- forward sales approved by the Board of Directors on 02/08/2017 and negotiated on 05/02/2018 (with securities settlements in 2021 and 2022);
- Forward sales negotiated on 31/10/2018 (with delivery on 15/01/2018).

## Statement of obligations for transactions on derivative contracts

Derivative contracts	Amount at 31/12/2018				Amount at 31/12/2017			
	Purchase		Sale		Purchase		Sale	
	Nominal Value	Fair value	Nominal Value	Fair value	Nominal Value	Fair value	Nominal Value	Fair value
Futures: on shares	1	101	21	121	41	141	61	161
on debt securities	2	102	22	122	42	142	62	162
on currencies	3	103	23	123	43	143	63	163
on tax rate	4	104	24	124	44	144	64	164
other	5	105	25	125	45	145	65	165
Option: on shares	6	106	26	126	46	146	66	166
on debt securities	7	107	27	127	47	147	67	167
on currencies	8	108	28	128	48	148	68	168
on tax rate	9	109	29	129	49	149	69	169
other	10	110	30	130	50	150	70	170
Swaps: on currencies	11	111	31	131	51	151	71	171
on tax rate	12	112	32	132	52	152	72	172
other	13	113	33	133	53	153	73	173
Other operation	14	568,986	114	5,764	34	134	54	154
Total	15	115	35	135	55	155	75	175

Further information is provided in the Report in the section on **Assets and financial management**.

## INCOME STATEMENT

### 18 - Information concerning technical account in loss classes (I)

Amissima Vita carries out insurance only in the life business.

### 19 - Information concerning the technical account for life business (II)

**19.1** Premiums, net of outwards reinsurance (Item II.1) amount to € 862,568 thousand and break down as follows (in € thousands):

Earned premiums, net of reinsurance	Amount	Amount	Change
	31.12.2018	31.12.2016	
Gross premiums accounted	864,221	774,745	89,476
Premiums ceded in reinsurance	-1,653	-2,125	472
<b>Total</b>	<b>862,568</b>	<b>772,620</b>	<b>89,948</b>

The balance of gross premiums written relating to direct domestic business is made up of € 764,172 thousand (31.12.2017 € 674,114 thousand) of class I premiums for the issue of traditional products, € 94,996 thousand (31.12.2017 € 95,395 thousand) of class III premiums related to *Unit* and *Index Linked* products, and € 5,053 (31.12.2017 € 5,236 thousand) of class V premiums. Summary information on life business premiums and reinsurance balances is provided as an integral part of Annex 20 to these notes to the financial statements.

**19.2** The balance of **investment income** (Item II.2) is composed of the following items (amounts in thousands of €):

Investment income	Amount	Amount	Change
	31.12.2018	31.12.2017	
Income from shares and interests	32,520	3,594	28,926
Income from land and buildings	5,352	5,822	-470
Income from other investments	127,416	153,968	-26,552
Value readjustments on investments	1,818	3,838	-2,020
Gains on the disposal of investments	38,896	59,263	-20,367
<b>Total</b>	<b>206,002</b>	<b>226,485</b>	<b>-20,483</b>

Revenues from the distribution of dividends from shares in undertakings amount to € 627 thousand while dividends from shares in other companies amount to € 31,893 thousand.

Income deriving from investments in land and buildings decreased by € 470 thousand compared to 2017.

The balance of income from other investments has among its most significant items € 104,250 thousand for coupons for the year accrued on fixed-income securities, € 21,105 thousand for trading discounts and € 2,026 thousand for issue discounts including the effects of the changes in the duration of some subordinated financial securities (insurance and banking) that have an early call option by the issuer (the so-called "callable").

Value re-adjustments on investments consist of revaluations of obligations within the historical cost limit of € 1,243 thousand and, for € 575 thousand, the recovery of the valuation of some real estate properties as illustrated in point 2.1 Land and buildings (item C.I.). There has been a decrease of € 2,020 thousand compared to the year 2017. Details of investment income (item II.2) is attached as integral part of Annex 21 to these notes to the Financial Statements.

**19.3** Details of **profits and unrealized capital gains relating to investments for the benefit of life-assurance policyholders who bear the risk and deriving from the management of pension funds** (item II.3) is attached as integral part of Annex 22 to these notes to the Financial Statements. As at 31 December 2018, Class D.I. investments profits prevailed, amounting to € 10,794 thousand, a decrease compared to the profits recorded at the end of 2017, amounting to € 22,426 thousand, as summarised in the following table (amounts in thousands of €):

Description	Amount 31.12.2018	Amount 31.12.2017	Change
<b>Incoming deriving from:</b>			
Shares in common investment funds	16	158	-142
Other financial investments	1,348	2,004	-656
<b>Gains on the disposal of investments</b>			
On common investment funds	7,385	9,913	-2,528
On other financial investments	-	-	-
<b>Unrealised gains</b>			
On common investment funds	2,045	10,351	-8,306
On other financial investments	-	-	-
<b>Total</b>	<b>10,794</b>	<b>22,426</b>	<b>-11,632</b>

**19.4 Other technical charges net of earned premiums ceded**, (item II.4), amount to € 23,341 thousand (at 31.12.2017 € 10,873 thousand) and consist of the following values (amounts in thousands of €)

<b>Other Technical Income net of reinsurance cessions</b>	<b>Amount 31.12.2018</b>	<b>Amount 31.12.2017</b>	<b>Change</b>
Recovery of coupons paid to policyholders on Index Linked products with periodic coupon	14,631	4,000	10,631
Technical Items (mainly Reassurance)	8,286	6,217	2,069
Commissions earned on Unit Linked products	61	378	-317
Other technical items	363	278	85
<b>Total</b>	<b>23,341</b>	<b>10,873</b>	<b>12,468</b>

The increase compared to 2017 in commissions on Unit Linked products is attributable to the increase in assets under management following the rise in production on the [Carige Unit Più](#), [Multisoluzione 1 and 2](#) and [Multisoluzione Plus 1 and 2](#) products related to the Units for the Amissima Flessibile Dinamico, Amissima Flessibile Bilanciato and Amissima Flessibile Conservativo lines.

Technical items mainly refer for € 61 thousand to deferred income on reinsurance premiums, net of commissions, issued during the current financial year.

Other technical items consist of commission transfers (€ 114 thousand) and commission reimbursements (€ 249 thousand).

The item also includes the gain resulting from the calculation for 2018 of the penalty pursuant to the distribution agreement with Banca Carige (€ 14,631 thousand). As indicated in point 12 - Provisions for risks and charges (item E), in 2018 a provision for risks has been allocated in relation to € 10,631 thousand penalty.

**19.5 Charges relating to claims, net of earned premiums ceded** (item II.5) amount to € 637,683 thousand and break down as follows (in thousands of €):

<b>Claims-related liabilities, net of reinsurance cessions</b>	<b>Amount 31.12.2018</b>	<b>Amount 31.12.2017</b>	<b>Change</b>
Gross claims paid	649,522	520,903	128,619
Reinsurers' share	-5,286	-7,088	1,802
Change in the provision for claims to be paid	-6,460	12,815	-19,275
Reinsurers' share	-94	359	-453
<b>Total</b>	<b>637,682</b>	<b>526,989</b>	<b>110,693</b>

The overall amount of € 594,609 thousand refers to Class I, for € 33,650 thousand to Class III and € 9,423 thousand to Class V.

Below is a detailed description of gross paid amounts (amounts in thousands of €):

Gross claims paid	Amount	Amount	Change
	31.12.2018	31.12.2017	
Claims	148,336	126,223	22,113
Surrenders	314,024	244,268	69,756
Maturities	160,290	113,481	46,809
Coupons	26,677	36,733	-10,056
Income	195	198	-3
<b>Total</b>	<b>649,522</b>	<b>520,903</b>	<b>128,619</b>

The detail appears in the Management report.

**19.6 Change in mathematical provisions and other technical provisions net of earned premiums ceded** (Item II.6) it amounts to € 277,615 thousand and refers to the overall increase in obligations to policyholders. Gross change in mathematical and other technical provisions decreased by € 240,990 thousand, while the reserves for *Unit* and *Index* products increased by € 36,636 thousand. For the composition, please see comments to the Statement of Assets and Liabilities.

**19.7** The balance of **management costs totals** amounts to € 29,217 thousand (€ 28,221 thousand at 31.12.2017), already net of commissions received from reinsurers (€ 401 thousand at 31.12.2018, € 456 thousand at 31.12.2017). Acquisition costs of € 6,478 thousand (€ 5,933 thousand at 31 December 2017), collection costs of € 1,644 thousand (€ 1,768 thousand at 31 December 2017) and other administrative expenses of € 14,294 thousand (€ 15,053 thousand at 31 December 2017) are included. For more details on management costs, please refer to the Report on Operations.

**19.8 Capital and financial charges** amount to € 44,741 thousand and are composed as follows (amounts in thousands of €):

Capital and financial expenses	Amount	Amount	Change
	31.12.201	31.12.201	
Investment management charges, including interest	17,312	18,480	-1,168
Value adjustments on investments	14,294	40,540	-26,246
Losses on the disposal of investments	13,135	5,141	7,994
<b>Total</b>	<b>44,741</b>	<b>64,162</b>	<b>-19,421</b>

**Management costs** include operating costs (€ 6,062 thousand) as a portion allocated to this area of the balance sheet by the automatic allocated overheads process in the accounting management system. The item also includes trading and issue discounts accrued on securities in portfolio (€ 9,762 thousand), interest expenses accrued to reinsurers on amounts held on deposit (€ 618 thousand) and charges relating to the management of real estate assets (€ 1,359 thousand). **Value adjustments on investments**, as already mentioned in Part B, Section 2 commenting on the Investments item, consist of:

- Losses on securities depreciation € 9,252 thousand (€ 9,251 thousand in 2017);
- Losses on write-down of real estate € 1,655 thousand (€ 21,373 thousand in 2017);
- Losses on write-down of shares € 3,387 (€ 9,916);

Write-downs on securities may be attributed to the negative performance of the financial market in 2018, while losses on property write-downs refer to decreases in value of 25 property units (Belgioioso, Cabiato, Cagliari, Camposampiero, Caronia...), Cermenate, Como, Cremona, Dolo, Fino Mornasco, Jesolo, Mede, Mira, Montalbano Elicona, Montemaggiore Belsito, Mozzate, Padova (2 units), Palazzo Adriano, Palma di Montechiaro, Pollina, Rovellasca, San Mauro Castelverde, Venezia (2 units), as illustrated in point 2.1 **Land and buildings (item C.I)**. Capital losses on equity investments derive instead from investments in I.H. Roma S.r.l.

**Losses on the realization of investments** increased compared to 2017 by € 7,994 thousand.

Details of capital and financial charges (item II.9) is attached as integral part of Annex 23 to these notes to the Financial Statements.

**19.9** Details of **capital and financial charges and unrealized capital losses relating to investments for the benefit of life-assurance policyholders who bear the risk and deriving from the management of pension funds** (item II.10) are attached as integral part of Annex 24 to these notes to the Financial Statements. In 2018 there has been an increase in Class D.I investments charges, from € 14,569 thousand (2017) to € 34,443 thousand as summarised in the following table (amounts in thousands of €):

<b>Description</b>	<b>Amount 31.12.2018</b>	<b>Amount 31.12.2017</b>	<b>Change</b>
<u>Charges deriving from:</u>			
Shares in common investment funds	7,744	6,875	-869
Other financial investments	-	-	
Other assets	27	37	10
<u>Losses on realisation of investments</u>			
On common investment funds	10,661	3,658	-7,003
On other financial investments	-	-	-
<u>Unrealised losses</u>			
On common investment funds	16,011	3,999	-12,012
On other financial investments	-	-	-
<b>Total</b>	<b>34,443</b>	<b>14,569</b>	<b>-19,874</b>

**19.10 Other technical charges net of earned premiums ceded**, (item II.11) amounting to € 18,705 thousand, is composed as follows (amounts in thousands of €):

<b>Other Technical Expenses net of reinsurance cessions</b>	<b>Amount 31.12.2018</b>	<b>Amount 31.12.2017</b>	<b>Change</b>
Commissions to intermediaries for maintaining portfolio	15,210	13,531	1,679
Depreciation of Assets Reassurance area. [v. Sect. 6 (Item F Assets)]	524	983	-459
Charges for management of portfolio	530	1,094	-564
Reimbursement of premiums	1,343	860	483
Reversal of premiums previous f/ys	1,098	181	917
Other items	-	-	-
<b>Total</b>	<b>18,705</b>	<b>16,649</b>	<b>2,056</b>

Portfolio maintenance commissions increase as a result of the higher production recorded in previous years, as a result of the increase in assets and the related reserve.

**19.11** The Item II.12 of € 8,161 thousand (€ 5,392 thousand in 2017) refers to **the Shares of income from investments from technical account to non-technical account** pursuant to ISVAP Regulation No. 22 of 4 April 2008 and subsequent amendments, Article 23.

## 20 - Development of technical class items

### 20.1.2 Life insurance

The summary of the technical accounts by single class - Italian portfolio is contained and integral part of Annex 27 to these Notes to the Financial Statements.

The summary of life business summary technical account - Italian portfolio - is contained as integral part of Annex 28 to these Notes to the Financial Statements.

## 21 - Information concerning non-technical account (III)

**21.3 Other income** (item III.7) The details of the most significant items composing the balance are reported in the following table (amounts in thousands of €)

<b>Other income</b>	<b>Amount</b>	<b>Amount</b>	<b>Change</b>
	<b>31.12.2018</b>	<b>31.12.2017</b>	
Recovery of synergic personnel and in outsourcing	2,622	2,416	206
Utilisation of Credits Devaluation Provision and	755	1,440	-685
Others	778	27	751
Interest on bank deposits	320	169	151
Exchange gain	87	267	-180
<b>Total</b>	<b>4,562</b>	<b>4,319</b>	<b>243</b>

The use of funds refers to funds for receivables already mentioned in the corresponding items of the balance sheet.

**21.4 Other charges** (item III.8) The increase of € 10,636 thousand is mainly due to the provisions for risks relating to the Banca Carige penalty (€ 10,631 thousand). In detail:

<b>Other Charges</b>	<b>Amount</b>	<b>Amount</b>	<b>Change</b>
	<b>31.12.2018</b>	<b>31.12.2017</b>	
Charges third parties	11,129	900	10,229
Provisions for pending litigation and other provisions	2,630	2,422	208
Others	208	9	199
Losses on debits and allocations to Devaluation Provision, Credits	-	-	-
<b>Total</b>	<b>13,967</b>	<b>3,331</b>	<b>10,636</b>

The item Third party charges (€ 2,630 thousand) is offset by the same recovery recorded under other income.

**21.5 Extraordinary income** (item III.10):

The details of the most significant items composing the balance are reported in the following table (amounts in thousands of €):

<b>Extraordinary income</b>	<b>Amount</b>	<b>Amount</b>	<b>Change</b>
	<b>31.12.2018</b>	<b>31.12.2017</b>	
Capital gains on disposal long-term securities	1,400	251	1149
Gain on sales movable property	475	1,670	-1,195
Other income not derived from investments	-	-	-
Unanticipated profits	25	-	-
<b>Total</b>	<b>1,900</b>	<b>1,921</b>	<b>-21</b>

**21.6 Extraordinary charges (item III.11):**

Description	Amount 31.12.2018	Amount 31.12.2017	Change
Capital losses on disposal of movables	-	4,995	-4,995
Losses on the sale of assets	204	2,178	-1,974
Write-downs of intangible assets	-	74	-74
Unanticipated losses	110	40	70
Taxes e penalties from previous years	-	7	-7
<b>Total</b>	<b>314</b>	<b>7,294</b>	<b>-6,980</b>

Capital losses for alienation of assets result from the sale of 3 real estate units: Cernobbio (€ 154 thousand), Alimena (€ 15 thousand) and Polizzi Generosa (€ 35 thousand) as already mentioned in Part B, Sec. 2.

**Taxes on income for the year (item III.14):**

The item 14, Section III of the Income Statement - "Income taxes for the year" (€ 18,805 thousand) calculated on the theoretical income as at 31 December 2018, represent an estimated gross profit of 35.83%.

The detail of the provision for each tax is shown in the table below (in thousands of €):

Description	2018	2017
IRES	5.504	13.514
IRAP	3.870	2.744
Deferred tax liabilities	138	-54
Deferred tax assets	9.293	-11.120
<b>Total</b>	<b>18.805</b>	<b>5.084</b>

The accounting of taxes generated a cost of € 5,504 thousand for IRES (tax on company revenue), a cost of € 3,870 thousand for IRAP (the Italian tax on regional productive activities), and a cost of € 9,431 thousand net of the adjustment of deferred taxes due to the partial reversal of deferred tax assets allocated in relation to change in Life technical mandatory provisions (€ 1,642 thousand) and the repayment of deferred tax assets allocated in relation to the real estate sector (€ 11,339 thousand).

With regard to IRES (tax on company revenue), the taxable income is mainly influenced, on the increase, by the non-deductible portion of the variation in mathematical provisions (€ 3,615 thousand), while, on the decrease, the recovery of the previous write-downs on equity securities sold (€ 1,501 thousand) has a

particularly strong impact on the exempt portion of dividends collected (€ 1,381 thousand) and the CEA benefit (€ 521 thousand).

In terms of IRAP (the Italian tax on regional productive activities), there are no particular significant differences between the actual and theoretical tax burden.

Overall, as at 31 December 2018 the deferred tax credit amounts to € 15,463 thousand mainly deriving from the allocation of deferred tax assets relating to write-downs of assets held for sale for € 6,637, provisions € 3,837 thousand and to real estate write-downs for € 4,989 thousand.

Details are provided in the schedule drawn up pursuant to Article 2427, no. 14 of the Italian Civil Code, attached to these Notes to the Financial Statements following the commentary on the item "Other receivables".

The reconciliation table between the actual tax burden and the theoretical tax burden (in thousands of €) is attached:

<b>IRES</b>		
Profit before taxation	52,483	
Theoretical tax charge (rate 27.50%)		12,596
Exempt dividends	-1,381	
Temporary differences deductible/taxable in subsequent financial years	16,807	
Reversal of temporary differences from previous financial years	-49,263	
Differences not reversing in subsequent financial years	4,806	
<b>Taxable income</b>	<b>23,452</b>	
Usage benefit A.C.E.	-521	
<b>New taxable income</b>	<b>22,931</b>	
<b>Current IRES (rate 27.50%)</b>		<b>5,504</b>

<b>IRAP</b>		
Item 13 C.E.	52,141	
Theoretical tax charge (rate 6.82%)		3,556
I.N.A.I.L. and tax wedge	-7,836	
Temporary differences deductible/taxable in subsequent financial years	-	
Reversal of temporary differences from next financial years	-	
Differences not reversing in subsequent financial years	12,439	
<b>Taxable income</b>	<b>56,744</b>	
<b>Current IRAP (6.82% rate)</b>		<b>3,870</b>

## 22 - Information relating to the income statement

The report concerning relationships with group companies is attached as integral part of Annex 30 to these notes to the Financial Statements.

The schedule summarising direct business premiums written is contained and integral part of Annex 31 to these Notes to the Financial Statements.

The statement of personnel, directors and statutory auditors expenses is attached as integral part of Annex 32 to these notes to the Financial Statements.

Expenses related to personnel and autonomous workers, with the related allocation items, as well as compensation for Directors and Statutory Auditors are detailed in Annex no. 32.

During the year the number of employees increased from 82 to 84 units. The number of employees, by category, was the following:

Category	Number
Senior executives	7
Junior executives	15
Clerical staff	68
<b>Total</b>	<b>90</b>

The cost of the year for Directors amounts to € 528 thousand (€ 476 thousand in 2017), while the cost for Statutory Auditors amounts to € 89 thousand (€ 92 thousand in 2017).

The hedging transactions pertaining to assets under the investment policy are represented by forward sales, subdivided as follows:

- Forward sales approved by the Board of Directors on 02/08/2017 and negotiated on 05/02/2018 (with securities settlements in 2021 and 2022);
- Forward sales negotiated on 31/10/2018 (with delivery on 15/01/2019).

The transactions indicated, during 2018, determined overall impact on the income statement equal to € 0.

## PART C – OTHER INFORMATION

### 1. Net Equity

The following table shows the composition of the net equity updated on the basis of the proposal for the allocation of the operating result (amounts in thousands of €):

NET EQUITY	31.12.2018	Proposed meeting distribution	UPDATED NET EQUITY
Subscribed shared capital	50,432		50,432
Share premium accounts reserve	628		628
Legal reserve	24,976		24,976
Other reserves	74,447		74,447
Retained earnings (accumulated losses)	673		673
Operating profit (loss)	33,678	-33,678	-
<b>Total</b>	<b>184,834</b>	<b>-33,678</b>	<b>151,156</b>

### Parent Company

🔍 **Name**  
AMISSIMA HOLDINGS S.R.L.

🔍 **Legal Headquarters**  
Viale Certosa, 222 - Milan

The parent company is registered:

- at the Milan Register of Companies no.08813210963.
- at the C.C.I.A. of Milan R.E.A. no. 2050553.
- as parent company of the Amissima Insurance Group at the Register of Insurance Groups no. 050.
- Share capital € 1.000.000 as at 31.12.2017

### 🔍 Summary Data of the Latest Financial Statements of the Parent Company

*(Amounts in thousands of €)*

*Es. 2017*

#### BALANCE SHEET

ASSETS		LIABILITIES	
A) SUBSCRIBED CAPITAL, UNPAID	-	A) NET EQUITY	338,227
B) FIXED ASSETS	402,527	B) PROVISIONS FOR LIABILITIES AND CHARGES	1,810
C) CURRENT ASSETS	26,772	C) SEVERANCE PAY	87
D) ACCRUALS AND DEFERRALS	347	D) PAYABLES	89,198
		E) ACCRUALS AND DEFERRALS	324
<b>TOTAL ASSETS</b>	<b>429,646</b>	<b>TOTAL LIABILITIES</b>	<b>429,646</b>

<b>PROFIT AND LOSS ACCOUNT</b>	
A) PRODUCTION VALUE	1,729
B) OPERATING COSTS	-5,331
DIFFERENCE BETWEEN PRODUCTION VALUE AND COSTS	-3,602
C) FINANCIAL INCOME AND CHARGES	20,256
D) VALUATION ADJUSTMENTS TO FINANCIAL ASSETS	-
EARNINGS BEFORE TAX	16,654
TAXES	1,140
<b>OPERATING PROFIT (LOSS)</b>	<b>17,794</b>

## 2. Exemption of Consolidated Financial Statements

The obligation to draw up the consolidated financial statements for the purposes of art. 96 paragraph 1 and paragraph 3 of Legislative Decree 209 falls to the parent company Amissima Holdings Srl which includes, in the scope of consolidation, among others, Amissima Vita SpA and its subsidiary IH Roma S.r.l. and Assi90 S.r.l., therefore Amissima Vita S.p.A. is exempt from drawing up the consolidated financial statements pursuant to Article 97 paragraph 2 subparagraph c.

The consolidated balance sheet and income statement as at 31 December 2018 was prepared in accordance with the consolidated financial statements prepared by the sector authority, applying ISVAP Regulation no. 7 of 13 July 2007 and subsequent amendments and additions made, including provision IVASS n. 53 of 6 December 2016.

p. THE BOARD OF DIRECTORS  
The Chairman  
(Dott. Andrea Moneta)



## NOTES TO THE ACCOUNTS - ANNEXES



Financial Statements

## Notes to the accounts

Company **AMISSIMA VITA S.p.A.**

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Subscribed Share Capital Euros E. 50.431.778 Paid-up Euros E. 50.431.778

Registered offices in Genova – Mura di S. Chiara, 1

Court in Genova

### Notes to the Accounts

Financial year 2018

(Amounts in €)

## Notes to the Accounts

**Annex 2 – Balance Sheet - Life**

Company AMISSIMA VITA

BALANCESHEET

Notes to the accounts: Annex2

ASSETS

		Values of the year	
A. SUBSCRIBED SHARE CAPITAL UNPAID			1
of which called-up capital	2	0	0
B. INTANGIBLE ASSETS			
1. Deferred acquisition commissions	3	1.647	
2. Other acquisition costs	6	0	
3. Start-up and expansion costs	7	0	
4. Goodwill	8	0	
5. Other deferred costs	9	5.799	10
C. INVESTMENTS			
I - Land and buildings			
1. Buildings used in company operations	11	0	
2. Buildings rented to third parties	12	99.641	
3. Other properties	13	0	
4. Other real property rights	14	0	
5. Construction in progress and advance payments	15	0	16
II - Investments in Group companies and other shareholdings:			99.641
1. Shares and interests in:			
a) Holding companies	17	0	
b) Subsidiaries companies	18	9.978	
c) Affiliated companies	19	0	
d) Associated companies	20	0	
e) Other companies	21	0	22
2. Bonds issued by:			
a) Holding companies	23	0	
b) Subsidiaries companies	24	0	
c) Affiliated companies	25	0	
d) Associated companies	26	0	
e) Other companies	27	0	28
3. Loans to:			
a) Holding companies	29	0	
b) Subsidiaries companies	30	75	
c) Affiliated companies	31	0	
d) Associated companies	32	0	
e) Other companies	33	0	34
		75	35
			10.053
		to carry forward	7.446

Values of the previous year

					181	0
	182		0			
			<b>1.607</b>			
	183		0			
	186		0			
	187		0			
	188		5.143		190	6.750
	189					
	191		0			
	192		78.266			
	193		0			
	194		0			
	195		0	196	78.266	
197	0					
198	24.636					
199	0					
200	0					
201	0	202	24.636			
203	0					
204	0					
205	0					
206	0					
207	0	208	0			
209	0					
210	0					
211	0					
212	0					
213	0	214	0	215	24.636	
			to carry forward			6.750

BALANCE SHEET

ASSETS

				Values of the year	
		carried forward			
					6.751
C. INVESTMENTS (continued)					
III - Other financial investments					
1. Shares and participating interests					
a) Listed shares	36	85			
b) Unlisted shares	37	0			
c) Interests	38	1.381.451	39	1.381.536	
2. Shares in common investment funds Bonds					
			40	0	
3. and other fixed-income securities					
a) Listed	41	4.502.620			
b) Unlisted	42	124.952			
c) Convertible debentures	43	0	44	4.627.572	
4. Loans					
a) loans secured by mortgage	45	139			
b) loans on policies	46	296			
c) other loans	47	412	48	847	
5. Participation in investment pools					
			49	0	
6. Deposits with credit institutions					
			50	0	
7. Other financial investments					
			51	0	52 6.009.955
IV - Deposits with ceding undertakings					
				53	0 54 6.119.649
D. INVESTMENTS FOR THE BENEFIT OF LIFE-ASSURANCE POLICYHOLDERS who bear the INVESTMENT RISK AND RELATING TO THE ADMINISTRATION OF PENSION FUND					
I - Investments relating to contracts linked to investment funds and market indexes					
				55	445.160
II - Investments relating to the administration of pension funds					
				56	0 57 445.160
II - LIFE ASSURANCE BUSINESS					
1. Mathematical provisions					
			63	15.439	
2. Unearned premium provision for supplementary coverage					
			64	0	
3. Provision for sum to be paid					
			65	2.125	
4. Provision for profit-sharing and premium refunds					
			66	0	
5. Other technical provisions					
			67	0	
6. Provisions for policies where the investment risk is born by the policyholders and relating to the administration of pension funds					
			68	0	69 17.565
		to carry forward			6.589.820

Values of the previous year			
		carried forward	6.750
216	27.976		
217	0		
218	640.011	219 667.987	
		220 0	
221	4.484.714		
222	182.031		
223	0	224 4.666.745	
225	145		
226	370		
227	386	228 901	
		229 0	
		230 0	
		231 0	
		232 5.335.633	
		233 0	234 5.438.535
		235 408.524	
		236 0	237 408.524
		243 19.610	
		244 0	
		245 2.031	
		246 0	
		247 0	
		248 0	249 21.641
		250 21.641	
		to carry forward	5.875.450

BALANCE SHEET

ASSETS

Values of the year

	carried forward			6.589.820
<b>E. RECEIVABLES</b>				
I -Receivables arising out of direct insurance operations				
1. Policyholders				
a) for premiums current year 71	3.151			
b) for premiums previous years 72	321	73	3.472	
2. Insurance intermediaries		74	19.484	
3. Current accounts with Insurance companies		75	0	
4. Policyholders and third parties for recoveries		76	0	77 22.956
II - Payables arising out of reinsurance operations				
1. Insurance and reinsurance companies		78	1.209	
2. Reinsurance intermediaries		79	0	80 1.209
III - Other payables				81 162.127 82 186.292
<b>F. OTHERASSETS</b>				
I -Tangible assets and stocks:				
1. Furniture, office machines and internal transport vehicles 83	302			
2. Movable goods in public registers		84	0	
3. Machinery and equipment		85	183	
4. Stocks and other goods		86	16	87 501
II -Cash at bank and in hand				
1. Bank and Postal accounts		88	26.503	
2. Cheques and cash on hand		89	1	90 26.504
IV -Other				
1. Deferred reinsurance accounts receivable		92	0	
2. Sundry assets		93	27.966	94 27.966 95 54.971
of which the Liaison account with damage management		901	0	
<b>G. PREPAYMENTS AND ACCRUED INCOME</b>				
1. Interest			96 35.045	
2. Rent			97 18	
3. Other prepayments and accrued income			98 1.314	99 36.377
<b>TOTAL ASSETS</b>				100 6.867.460

Values of the previous year

		carried forward			5.875.450
251	2.126				
252	542	253	2.668		
		254	6.542		
		255	0		
		256	0	257	9.210
		258	219		
		259	0	260	219
				261	154.021
				262	163.450
		263	460		
		264	0		
		265	191		
		266	19	267	670
		268	6.932		
		269	1	270	6.933
		272	0		
		273	4.671	274	4.671
		903	0	275	12.274
				276	
				277	53.393
				278	1.074
				279	54.467
				280	6.105.641

BALANCE SHEET

LIABILITIES

Values of the year

A. SHAREHOLDERS' EQUITY					
I	- Subscribed capital or equivalent funds	101	50.432		
II	- Share premium reserve	102	628		
III	- Revaluation reserves	103	0		
IV	- Legal reserve	104	24.976		
V	- Statutory reserves	105	0		
VI	- Reserves for own shares and shares of the controlling company	106	0		
VII	- Other reserves	107	74.447		
VIII	- Net Profit (loss) brought forward	108	673		
IX	- Net Profit (loss) for the year	109	33.678		
X	- Negative reserve for treasury shares	401	0	110	184.834
B. SUBORDINATED LIABILITIES				111	0
C. TECHNICAL PROVISIONS					
II - LIFE INSURANCE BUSINESS					
1.	Provision for policy liabilities	118	5.575.512		
2.	Unearned provision for supplementary coverage	119	41		
3.	Provision for sum to be paid	120	40.284		
4.	Provision for profit-sharing and premium refunds	121	0		
5.	Other technical provisions	122	29.001	123	5.644.838
D. TECHNICAL PROVISIONS FOR LIFE ASSURANCE POLICIES WHERE INVESTMENT RISK IS BORNE BY THE POLICYHOLDERS AND RELATING TO THE ADMINISTRATION OF PENSION FUND					
I	- Provisions relating to contract linked to investment funds and market indexes	125	445.160		
II	- Provisions relating to the administration of pension fund	126	0	127	445.160
	to carry forward				6.274.832

Values of the previous year

	281	50.432	
	282	628	
	283	0	
	284	24.976	
	285	0	
	286	0	
	287	74.447	
	288	673	
	289	34.724	<sup>290</sup> 185.880
	501	0	
			<sup>291</sup> 0
298		5.339.413	
299		52	
300		46.743	
301		0	
302		27.869	
			<sup>303</sup> 5.414.077
	305	408.524	408.524
	306	0	<sup>307</sup> 0
	to carry forward		6.008.481



Values of the previous year

	carried forward			6.008.481
		308	0	
		309	0	
		310	2.964	311 2.964
				312 21.565
313	8.661			
314	0			
315	0			
316	0	317	8.661	
318	5.087			
319	0	320	5.087	
		321	0	
		322	0	
		323	0	
		324	0	
		325	702	
326	0			
327	29.682			
328	159			
329	11.629	330	41.470	
331	0			
332	289			
333	16.114	334	16.403	335 72.323
904	0			
	to carry forward			6.105.333

BALANCE SHEET

LIABILITIES

Values of the year

	carried forward			
				6.866.824
H. ACCRUALS AND DEFERRED INCOME				
1. Accrued Interest	156	0		
2. Rent	157	301		
3. Other prepayments and accrued income	158	335	159	636
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>			160	6.867.460

Values of the previous year

carried forward				6.105.333
	336	0		
	337	29		
	338	279	339	308
			340	6.105.641

## Notes to the Accounts

**Annex 3 – Profit and loss Account**

Notes to the Accounts - Annex 3

 Company AMISSIMA VITA S.p.A.

 Financial year 2018

Breakdown of profit for the year per type of business (Life and Non-Life)

		Non-Life business	Life business		Total
<b>Balance on the technical account .....</b>	1	21	52.139	41	
Investment income .....	+ 2			42	
Investment charges .....	- 3			43	
Allocated investment return transferred from the technical account - Life business .....	+ 4	24	8.161	44	8.161
Allocated investment return transferred to the technical account - Non-Life business .....	- 5			45	
<b>Intermediate operating profit .....</b>	6	26	60.300	46	60.300
Other income .....	+ 7	27	4.562	47	4.562
Other charges .....	- 8	28	13.967	48	13.967
Extraordinary income .....	+ 9	29	1.901	49	1.901
Extraordinary charges .....	- 10	30	314	50	314
<b>Profit before taxation .....</b>	11	31	52.482	51	52.482
Tax on profit .....	- 12	32	18.805	52	18.805
<b>Profit for the financial year .....</b>	13	33	33.677	53	33.677

Notes to the Accounts

## Annex 4 – Intangible assets, land and buildings

Notes to the Accounts: Annex 4

Financial year 2018

Company AMISSIMA VITA S.p.A.

Assets: Changes in intangible assets (item B) and land and buildings (item C.I) over the financial year

			Intangible assets B		Land and buildings C.I
Gross amount as at 1 January .....	+	1	18.476	31	78.266
Increases in the year .....	+	2	3.102	32	36.976
through: purchases or increases .....		3	3.102	33	36.400
value re-adjustments .....		4		34	
write-ups .....		5		35	576
other changes .....		6		36	
Decreases in the year .....	-	7	33	37	15.601
through: disposals or decreases .....		8	33	38	13.946
permanent write-downs .....		9		39	1.655
other changes .....		10		40	
<b>Gross amount as at 31 December (a) .....</b>		11	21.545	41	99.641
Depreciations:					
As at 1 January .....	+	12	11.725	42	
Increases in the year .....	+	13	2.379	43	
through: allocations for the year .....		14	2.379	44	
other changes .....		15		45	
Decreases in the year .....	-	16	4	46	
through: disposals .....		17		47	
other changes .....		18	4	48	
<b>As at 31 December (b) (*) .....</b>		19	14.100	49	
<b>Book value (a - b) .....</b>		20	6.751	50	99.641
Market value .....				51	99.400
Total write-ups .....		22		52	576
Total write-downs .....		23		53	1.655

## Notes to the Accounts

**Annex 5 – Group investments**

Notes to the Accounts - Annex 5

 Company AMISSIMAVITA S.p.A.

 Financial year 2018

Assets - Changes in investments in Group undertakings and participating interests - Shares and participating interests (item C.II.1), debt securities (item C.II.2) and corporate financing (item C.II.3)

		Shares and participating interests C.II.1	Debt securities C.II.2	Corporate financing C.II.3
As at 1 January .....	+ 1	24.636	21	41
Increases in the year: .....	+ 2		22	42
through: purchase, subscription or financing .....	3		23	43 75
value re-adjustments .....	4		24	44
write-ups .....	5			
other changes .....	6		26	46
Decreases in the year: .....	- 7	14.657	27	47
through: sale or redemption .....	8	10.270	28	48
write-downs .....	9	3.387	29	49
other changes .....	10		30	50 75
<b>Book value</b> .....	11	9.979	31	51 75
Market value .....	12	10.468	32	52
Total write-ups .....	13			
Total write-downs .....	14	3.387	34	54

Item C.II.2 includes:

Listed debt securities .....	61
Unlisted debt securities .....	62
<b>Book value</b> .....	63
of which convertible bonds .....	64

## Annex 6 – Information on undertakings where participating interest are held

Notes to the Accounts - Annex 6

 Financial year 2018

 Company AMISSIMA VITA S.p.A.

Assets - Information on undertakings where participating interests are held (\*)

No ord. (**)	Type (1)	Listed or unlisted (2)	Type of business (3)	Company name and registered offices	Currency	Share capital		Shareholders' equity (***) (4)	Profit or loss for the financial year (***) (4)	% held (5)		
						Amount (4)	No of shares			Direct %	Indirect %	Total %
1	B	NQ	9	ASSINOVANTA S.R.L. - GENOVA	242	350	350.000	3.527	802	60,25		60,25
9	B	NQ	4	IH ROMA S.R.L. - MILANO	242	100	100.000	16.378	- 11.309	51,00		100,00

(\*) Please indicate Group undertakings, as well as undertakings where participating interests are directly held, including through fiduciary companies or third persons.

(\*\*\*) Only for subsidiaries and affiliated undertakings

(\*\*) Please the order number must be greater than " 0 "

(1) Type

- a = Holding companies
- b = Subsidiaries
- c = Associated undertakings
- d = Affiliated undertakings
- e = Other undertakings

(3) Type of business

- 1 = Insurance company
- 2 = Financial services company
- 3 = Credit institution
- 4 = Property company
- 5 = Fiduciary company
- 6 = Manager or distributor for investment funds
- 7 = Consortium
- 8 = Industrial undertaking
- 9 = Other company or entity

(4) Amounts in original currency

(5) Please indicate the total % held

(2) Please indicate L for securities listed in regulated markets and UL in all other cases

Notes to the Accounts - Annex 7

Financial year 2018

Company AMISSIMA VITA S.p.A.

Assets - Analysis of investment movements in Group undertakings and in other undertakings where participating interests are held - stocks and shares

No ord. (1)	Type (2)		Company name	Increases in the year			Decreases in the year			Book value (4)		Purchase price	Market value	
				Through purchases Quantity	Other increases Value		Through disposals Quantity	Other decreases Value		Quantity	Value			
1	B	V	ASSINOVANTA S.R.L.							210875	1.636,00	7.042,00	2.125,00	
9	B	V	IH ROMA S.R.L.				3.270	3.387		51000	8.343,00	70.582,00	8.343,00	
			<b>Totals C.II.1</b>									9.979	77.624	10.468
	a		Holding companies											
	b		Subsidiaries									8.343	70.582	8.343
	c		Associated undertakings											
	d		Affiliated undertakings									1.636	7.042	2.125
	e		Other undertakings											
			<b>Total D.I.</b>											
			<b>Total D.II.</b>											

(1) As listed in Annex 6

(2) Tipo  
a = Holding companies  
b = Subsidiaries  
c = Associated undertakings  
d = Affiliated undertakings  
e = Other undertakings

(3) Please indicate:

D for investments allocated to the Non-Life business account (item C.II.1)  
V for investments allocated to the Life business account (item D.1)  
V1 for investments allocated to the Life business account (item D.1)  
V2 for investments allocated to the Life business account (item D.2)  
Split shareholdings shall be referred to with the same number.

(4) Please write a (\*) if the holding is valued by the equity method (only for types b and d)

Notes to the Accounts - Annex 8

Company AMISSIMA VITA S.p.A.Financial year 2018

Assets - Breakdown of the item 'Other financial investments' per type of portfolio - Stocks and shares in undertakings, units and shares in investment funds, bonds and other fixed-income securities, participation in investment pools and sundry financial investments (items C.III.1, 2, 3, 5, 7)

## I - Non-Lifebusiness

	Long-term portfolio		Short-term portfolio		Total	
	Book value	Market value	Book value	Market value	Book value	Market value
1. Stocks and shares in undertakings: ..	1	21	41	61	81	101
a) listed stocks .....	2	22	42	62	82	102
b) unlisted stocks .....	3	23	43	63	83	103
c) shares .....	4	24	44	64	84	104
2. Units and shares in investment fund	5	25	45	65	85	105
3. Bonds and other fixed-income securi	6	26	46	66	86	106
a) listed government bonds .....	7	27	47	67	87	107
a 2) other listed securities .....	8	28	48	68	88	108
b1) unlisted government bonds .....	9	29	49	69	89	109
b2) other unlisted securities .....	10	30	50	70	90	110
c) convertible bonds .....	11	31	51	71	91	111
5. Participation in investment pools .....	12	32	52	72	92	112
7. Sundry financial investments .....	13	33	53	73	93	113

## II - Lifebusiness

	Long-term portfolio		Short-term portfolio		Total							
	Book value	Market value	Book value	Market value	Book value	Market value						
1. Stocks and shares in undertakings: ..	121	141	161	1.381.536	181	1.382.501	201	1.381.536	221	1.382.501		
a) listed stocks .....	122	142	162	85	182	85	202	85	222	85		
b) unlisted stocks .....	123	143	163		183		203		223			
c) shares .....	124	144	164	1.381.451	184	1.382.416	204	1.381.451	224	1.382.416		
2. Units and shares in investment fund	125	145	165		185		205		225			
3. Bonds and other fixed-income securi	126	2.302.571	146	2.368.697	166	2.325.002	186	2.234.823	206	4.627.573	226	4.603.520
a) listed government bonds .....	127	1.993.365	147	2.039.796	167	2.078.615	187	1.985.523	207	4.071.980	227	4.025.319
a 2) other listed securities .....	128	189.256	148	206.998	168	241.385	188	244.298	208	430.641	228	451.296
b1) unlisted government bonds .....	129		149		169		189		209		229	
b2) other unlisted securities .....	130	119.950	150	121.903	170	5.002	190	5.002	210	124.952	230	126.905
c) convertible bonds .....	131		151		171		191		211		231	
5. Participation in investment pools .....	132		152		172		192		212		232	
7. Sundry financial investments .....	133		153		173		193		213		233	

**Annex 9 – Changes in other long-term financial investments over the financial year**

Notes to the Accounts - Annex 9

Company AMISSIMA VITA S.p.A. Financial year 2018

Assets - Changes in other long-term financial investments over the financial year - Stocks and shares in undertakings, units and shares in investment funds, bonds and other fixed-income securities, participation in investment pools and sundry financial investments (items C.III.1, 2, 3, 5, 7)

		Stocks and shares C.III.1	Units and shares in investment funds C.II I.2	Bonds and other fixed-income securities C.II I.3	Participation in investment pools C.I II.5	Sundry financial investments C.III.7		
As at 1 January .....	+	1	8	21	41	2.768.986	81	101
Increases in the year: .....	+	2		22	42	859.514	82	102
through: purchases .....		3		23	43	250.913	83	103
value re-adjustments .....		4		24	44		84	104
transfer from short-term portfolio .....		5		25	45		85	105
other changes .....		6		26	46	608.601	86	106
Decreases in the year: .....	-	7		27	47	1.325.929	87	107
through: disposals .....		8		28	48	187.407	88	108
write-downs .....		9		29	49		89	109
transfer to short-term portfolio .....		10		30	50	1.130.689	90	110
other changes .....		11		31	51	7.833	91	111
<b>Book value .....</b>		12	8	32	52	2.302.571	92	112
Market value .....		13	8	33	53	2.368.697	93	113

Notes to the accounts

## Annex 10 – Changes in loans and deposits with credit institutions over the financial year

Notes to the Accounts - Annex 10

Financial year 2018

Company AMISSIMAVITA S.p.A.

Assets - Changes in loans and deposits with credit institutions over the financial year (items C.III.4, 6)

		Loans C.III.4	Deposits with credit institutions C.III.6
As at 1 January .....	+ 1	901	21
Increases in the year: .....	+ 2	99	22
through: loans granted .....	3	99	
value re-adjustments .....	4		
other changes .....	5		
Decreases in the year: .....	- 6	152	26
through: repayments.....	7	3	
write-downs .....	8		
other changes .....	9	149	
<b>Book value .....</b>	10	<b>848</b>	<b>30</b>

**Annex 11 – Statement of investments relating to benefits linked with investment funds and market indices**

Notes to the Accounts - Annex 11  
Financial year **2018**

Company AMISISMA VITA S.p.A.

Assets - Statement of investments relatn to benefits linked with investment funds and market indices (item D.I)

Fund Code: Description fund: AMISSIMA OBBLIGAZIONARIO GLOBALE

		Market Value		Acquisition cost		
		Financial year	Financial year	Financial year	Financial year	
		2018	2017	2018	2017	
I. Land and buldings	1	0 21		41	0 61	
II. Investment in Group undertakings and participating interest:						
1. Stocks and shares .....	2	0 22		42	0 62	
2. Debt securities .....	3	0 23		43	0 63	
3. Corporate financing .....	4	0 24		44	0 64	
III. Units and shares in investment funds .....	5	32.788 25	38.296	45	34.630 65	38.363
IV. Other financial investments:						
1. Stocks and shares .....	6	0 26		46	0 66	
2. Bonds and other fixed-income securities .....	7	0 27		47	0 67	
3. Deposits with credit institutions.....	8	0 28		48	0 68	
4. Sundry financial investments .....	9	0 29		49	0 69	
V. Other assets .....	10	- 19 30	- 34	50	- 19 70	- 34
VI. Cash at bank and in hand.....	11	153 31	259	51	153 71	259
	12	0 32		52	0 72	
	13	0 33		53	0 73	
<b>Total</b> .....	14	32.922 34	38.521	54	34.764 74	38.588

Company AMISISMAVITA S.p.A.

Notes to the Accounts - Annex 11  
Financial year 2018

Assets - Statement of investments relatino to benefits linked with investment funds and market indices (item D.I)

Fund Code: Descriptionfund: AMISSIMA BILANCIATO GLOBALE

	Market Value		Acquisition cost		
	Financial year 2018	Financial year 2017	Financial year 2018	Financial year 2018	
I. Land and buldings	1	0 21	41	0 61	
II. Investment in Group undertakings and participating interest:					
1. Stocks and shares .....	2	0 22	42	0 62	
2. Debt securities .....	3	0 23	43	0 63	
3. Corporate financing .....	4	0 24	44	0 64	
III. Units and shares in investment funds .....	5	39.232 25	44.769 45	41.736 65	44.631
IV. Other financial investments:					
1. Stocks and shares .....	6	0 26	46	0 66	
2. Bonds and other fixed-income securities .....	7	0 27	47	0 67	
3. Deposits with credit institutions.....	8	0 28	48	0 68	
4. Sundry financial investments .....	9	0 29	49	0 69	
V. Other assets .....	10	-47 30	- 53 50	-47 70	-53
VI. Cash at bank and in hand.....	11	118 31	214 51	118 71	214
	12	0 32	52	0 72	
	13	0 33	53	0 73	
<b>Total</b> .....	14	39.303 34	44.930 54	41.807 74	44.792

Company AMISIMAVITA S.p.A.Notes to the Accounts - Annex 11  
Financial year 2018

Assets - Statement of investments relatino to benefits linked with investment funds and market indices (item D.I)

Fund Code: Description fund: AMISSIMA AZIONARIO\_GLOBALE

	Market Value				Acquisition cost			
	Financial year		Financial year		Financial year		Financial year	
	2018	2017	2018	2017	2018	2017	2018	2017
I. Land and buldings	1	0 21			41	0 61		
II. Investment in Group undertakings and participating interest:								
1. Stocks and shares .....	2	0 22			42	0 62		
2. Debt securities .....	3	0 23			43	0 63		
3. Corporate financing .....	4	0 24			44	0 64		
III. Units and shares in investment funds .....	5	32.803 25	38.976	45	29.709 65	37.513		
IV. Other financial investments:								
1. Stocks and shares .....	6	0 26			46	0 66		
2. Bonds and other fixed-income securities .....	7	0 27			47	0 67		
3. Deposits with credit institutions.....	8	0 28			48	0 68		
4. Sundry financial investments .....	9	0 29			49	0 69		
V. Other assets .....	10	- 60 30	- 57	50	- 60 70	- 57		
VI. Cash at bank and in hand.....	11	30 31	143	51	30 71	143		
	12	0 32			52	0 72		
	13	0 33			53	0 73		
<b>Total .....</b>	14	32.773 34	39.062	54	29.679 74	37.599		

Company AMISISMA VITA S.p.A.

Notes to the Accounts - Annex 11  
Financial year 2018

Assets - Statement of investments relatino to benefits linked with investment funds and market indices (item D.I)

Fund Code: Description fund: AMISSIMA AZIONARIO PAESI EMERGENTI

	Market Value				Acquisition cost			
	Financial year		Financial year		Financial year		Financial year	
	2018	2017	2018	2017	2018	2017	2018	2017
I. Land and buldings	1	0 21			41		0 61	
II. Investment in Group undertakings and participating interest:								
1. Stocks and shares .....	2	0 22			42		0 62	
2. Debt securities .....	3	0 23			43		0 63	
3. Corporate financing .....	4	0 24			44		0 64	
III. Units and shares in investment funds .....	5	167 25		201	45		144 65	171
IV. Other financial investments:								
1. Stocks and shares .....	6	0 26			46		0 66	
2. Bonds and other fixed-income securities .....	7	0 27			47		0 67	
3. Deposits with credit institutions.....	8	0 28			48		0 68	
4. Sundry financial investments .....	9	0 29			49		0 69	
V. Other assets .....	10	0 30		- 1	50		0 70	- 1
VI. Cash at bank and in hand.....	11	1 31		3	51		1 71	3
	12	0 32			52		0 72	
	13	0 33			53		0 73	
<b>Total</b> .....	14	168 34		203	54		145 74	173

Company AMISIMAVITA S.p.A.Notes to the Accounts - Annex 11  
Financial year 2018

Assets - Statement of investments relatino to benefits linked with investment funds and market indices (item D.I)

Fund Code:      Description fund: AMISSIMA FLESSIBILE CONSERVATIVO

	Market Value		Acquisition cost	
	Financial year 2018	Financial year 2017	Financial year 2018	Financial year 2017
I. Land and buldings	1	0 21	41	0 61
II. Investment in Group undertakings and participating interest:				
1. Stocks and shares .....	2	0 22	42	0 62
2. Debt securities .....	3	0 23	43	0 63
3. Corporate financing .....	4	0 24	44	0 64
III. Units and shares in investment funds .....	5	74.131 25	45	75.808 65
IV. Other financial investments:				
1. Stocks and shares .....	6	0 26	46	0 66
2. Bonds and other fixed-income securities .....	7	0 27	47	0 67
3. Deposits with credit institutions.....	8	0 28	48	0 68
4. Sundry financial investments .....	9	0 29	49	0 69
V. Other assets .....	10	- 890 30	50	- 890 70
VI. Cash at bank and in hand.....	11	825 31	51	825 71
	12	0 32	52	0 72
	13	0 33	53	0 73
<b>Total</b> .....	14	74.066 34	54	75.743 74
		83.088		82.888

Company AMISISMA VITA S.p.A.

Notes to the Accounts - Annex 11  
Financial year 2018

Assets - Statement of investments relatino to benefits linked with investment funds and market indices (item D.I)

Fund Code: Description fund: AMISSIMA FLESSIBILE BILANCIATO

	Market Value		Acquisition cost	
	Financial year 2018	Financial year 2017	Financial year 2018	Financial year 2017
I. Land and buildings	1	0 21	41	0 61
II. Investment in Group undertakings and participating interest:				
1. Stocks and shares .....	2	0 22	42	0 62
2. Debt securities .....	3	0 23	43	0 63
3. Corporate financing .....	4	0 24	44	0 64
III. Units and shares in investment funds .....	5	110.096 25	45	114.764 65
IV. Other financial investments:				
1. Stocks and shares .....	6	0 26	46	0 66
2. Bonds and other fixed-income securities .....	7	0 27	47	0 67
3. Deposits with credit institutions.....	8	0 28	48	0 68
4. Sundry financial investments .....	9	0 29	49	0 69
V. Other assets .....	10	515 30	50	515 70
VI. Cash at bank and in hand.....	11	-521 31	51	-521 71
	12	0 32	52	0 72
	13	0 33	53	0 73
<b>Total .....</b>	14	110.090 34	54	114.758 74
				83.550

Notes to the Accounts - Annex 11

Company AMISIMAVITA S.p.A.Financial year 2018

Assets - Statement of investments relatın to benefits linked with investment funds and market indices (item D.I)

Fund Code: Description fund: AMISSIMA FLESSIBILE DINAMICO

	Market Value		Acquisition cost	
	Financial year 2018	Financial year 2017	Financial year 2018	Financial year 2017
I. Land and buldings	1	0 21	41	0 61
II. Investment in Group undertakings and participating interest:				
1. Stocks and shares .....	2	0 22	42	0 62
2. Debt securities .....	3	0 23	43	0 63
3. Corporate financing .....	4	0 24	44	0 64
III. Units and shares in investment funds .....	5	155.969 25	45	165.812 65
113.639		118.281		
IV. Other financial investments:				
1. Stocks and shares .....	6	0 26	46	0 66
2. Bonds and other fixed-income securities .....	7	0 27	47	0 67
3. Deposits with credit institutions.....	8	0 28	48	0 68
4. Sundry financial investments .....	9	0 29	49	0 69
V. Other assets .....	10	-56 30	50	-56 70
-716		-716		-716
VI. Cash at bank and in hand.....	11	-74 31	51	-74 71
153		153		153
	12	0 32	52	0 72
	13	0 33	53	0 73
<b>Total.....</b>	14	155.839 34	54	165.682 74
		117.718		113.076

Company AMISIMAVITAS.p.A.

Notes to the Accounts - Annex 11  
Financial year 2018

Assets - Statement of investments relatın to benefits linked with investment funds and market indices (item D.I)

Fund Code: Description fund: TOTAL

	Market Value		Acquisition cost		
	Financial year 2018	Financial year 2017	Financial year 2018	Financial year 2018	
I. Land and buldings	1	0 21	41	0 61	
II. Investment in Group undertakings and participating interest:					
1. Stocks and shares .....	2	0 22	42	0 62	
2. Debt securities .....	3	0 23	43	0 63	
3. Corporate financing .....	4	0 24	44	0 64	
III. Units and shares in investment funds .....	5	445.186 25	45	462.603 65	400.287
IV. Other financial investments:					
1. Stocks and shares .....	6	0 26	46	0 66	
2. Bonds and other fixed-income securities .....	7	0 27	47	0 67	
3. Deposits with credit institutions.....	8	0 28	48	0 68	
4. Sundry financial investments .....	9	0 29	49	0 69	
V. Other assets .....	10	-557 30	50	-557 70	-1.176
VI. Cash at bank and in hand.....	11	532 31	51	532 71	1.555
	12	0 32	52	0 72	
	13	0 33	53	0 73	
<b>Total</b> .....	14	445.161 34	54	462.578 74	400.666

## Notes to the Accounts

## Annex 14 – Changes in sub-items of the mathematical provisions

Notes to the Accounts - Annex 14

 Società AMISSIMA VITA S.p.A.

 Financial year 2018

Liabilities -Changes in sub-items of the mathematical provisions (item C.II.1) and in the provision for bonuses and rebates (item C.II.4)

Type	Financial year 2018		Financial year 2017		Changes	
Mathematical provision for pure premiums.....	1	5.570.400	11	5.334.128	21	236.272
Premiums carried forward .....	2	3.469	12	3.729	22	- 260
Provision for mortality risk.....	3	0	13	0	23	0
Supplementary provisions .....	4	1.643	14	1.556	24	87
<b>Book Value</b> .....	5	5.575.512	15	5.339.413	25	236.099
Provision for bonuses and rebates .....	6	0	16	0	26	0

Notes to the Accounts

## Annex 15 – Changes in the provision for risks and charges and in the staff leaving indemnity

Notes to the Accounts - Annex 15

Company AMISSIMA VITA S.p.A.

Esercizio 2018

Liabilities - Changes in the provision for risks and charges (item E) and in the staff leaving indemnity (item G.VII)

		Provisions for similar obligations pensions and	Provisions for taxation	Other provisions	Staff leaving indemnity		
As at 1 January .....	+ 1	11	21	2.964	31	702	
Amounts allocated .....	+ 2	12	138	22	11.129	32	13
Other increases .....	+ 3	13	23			33	2
Amounts released .....	- 4	14	24	590		34	87
Other decreases .....	- 5	15	25			35	
<b>Book value .....</b>	6	16	138	26	13.503	36	630

**Annex 16 – Group undertakings and other participating interests - Detailed statement of assets and liabilities**

Notes to the Accounts - Annex 16

Company AMISSIMA VITA S.p.A. Financial year 2018

Group undertakings and other participating interests - Detailed statement of assets and liabilities I:

Assets

	Holding companies	Subsidiaries	Associated undertakings	Affiliated undertakings	Other undertakings	Total
Stocks and shares .....	1	2 9.978	3	4	5	6 9.978
Debt securities .....	7	8	9	10	11	12
Corporate financing .....	13	14 75	15	16	17	18 75
Participation in investment pools .....	19	20	21	22	23	24
Deposits with credit institutions .....	25	26	27	28	29	30
Sundry financial investments .....	31	32	33	34	35	36
Deposits with ceding undertakings .....	37	38	39	40	41	42
Investments relating to benefits linked with investment funds and market indices .....	43	44	45	46	47	48
Investments arising out of pension fund management .....	49	50	51	52	53	54
Receivables arising out of direct insurance operations.....	55	56	57	58	59	60
Receivables arising out of reinsurance operations .....	61	62	63	64	65	66
Other receivables .....	67 64	68	69 1.690	70	71	72 1.754
Bank deposits and post office accounts .....	73	74	75	76	77	78
Sundry assets .....	79	80	81	82	83	84
<b>Total .....</b>	<b>85 64</b>	<b>86 10.053</b>	<b>87 1.690</b>	<b>88</b>	<b>89</b>	<b>90 11.807</b>
of which subordinated assets .....	91	92	93	94	95	96

Group undertakings and other participating interests - Detailed statement of assets and liabilities II:

Liabilities

	Holding companies		Subsidiaries		Associated undertakings		Affiliated undertakings		Other undertakings		Total	
Subordinated liabilities .....	97		98		99		100		101		102	
Deposits received from reinsurers .....	103		104		105		106		107		108	
Payables arising out of direct insurance operations .....	109		110		111		112		113		114	
Payables arising out of reinsurance operations .....	115		116		117		118		119		120	
Amounts owed to credit institutions .....	121		122		123		124		125		126	
Debts secured by a lien on property .....	127		128		129		130		131		132	
Sundry loans and other financial debts .....	133		134		135		136		137		138	
Sundry creditors .....	139	- 346	140		141	- 2.585	142		143	- 63	144	- 2.994
Sundry liabilities .....	145	- 5.374	146		147		148		149		150	- 5.374
<b>Total</b> .....	151	- 5.720	152		153	- 2.585	154		155	- 63	156	- 8.368

Notes to the Accounts

## Annex 17 – Analysis of "Guarantees, commitments and other memorandum accounts"

Notes to the Accounts - Annex 17

Company AMISSIMA VITA S.p.A.

Financial year 2018

Analysis of "Guarantees, commitments and other memorandum accounts" - Classes I, II, III and IV

	Financial year 2018	Financial year 2017
I. Guarantees issued:		
a) surety bonds and endorsements in favour of holding companies, subsidiaries and associated undertakings .....	1	31
b) surety bonds and endorsements in favour of affiliated undertakings and other participating interests .....	2	32
c) surety bonds and endorsements in favour of third parties .....	3	33
d) other personal guarantees in favour of holding companies, subsidiaries and associated undertakings .....	4	34
e) other personal guarantees in favour of affiliated undertakings and other participating interests .....	5	35
f) other personal guarantees in favour of third parties .....	6	36
g) collateral securities for commitments of holding companies, subsidiaries and associated undertakings .....	7	37
h) collateral securities for commitments of affiliated undertakings and other participating interests .....	8	38
i) collateral securities for commitments of third parties .....	9	39
l) guarantees issued for commitments of the Company .....	10	40
m) assets held in deposit on inward reinsurance operations .....	11	41
<b>Total</b> .....	12	42
II. Guarantees received:		6
a) from Group undertakings, affiliated companies and other parties .....	13	43
b) from third parties .....	14	3.792
<b>Total</b> .....	15	3.792
III. Guarantees issued by third parties in favour of the Company:		
a) by Group undertakings, affiliated companies and other parties .....	16	46
b) by third parties .....	17	25
<b>Total</b> .....	18	48
IV. Commitments:		
a) commitments arising out of purchases with resale agreements .....	19	554.988
b) commitments arising out of sales with repurchase agreements .....	20	50
c) other commitments .....	21	277
<b>Total</b> .....	22	554.988
V. Assets belonging to pension funds managed in the name and on behalf of third parties	23	53
VI. Securities deposited with third parties	24	54
<b>Total</b> .....	25	55

Notes to the Accounts

**Annex 18 – Statement of commitments for transactions on derivative contracts**

Amissima Vita S.p.A

Financial Year: 2018

Statement of commitments for transactions on derivative contracts

Derivative contracts	Amount at 12/31/2018				Amount at 12/31/2017			
	Purchase		Sale		Purchase		Sale	
	Nominal Value	Fair value	Nominal Value	Fair value	Nominal Value	Fair value	Nominal Value	Fair value
Futures: on shares	1	101	21	121	41	141	61	161
on debt securities	2	102	22	122	42	142	62	162
on currencies	3	103	23	123	43	143	63	163
on tax rate	4	104	24	124	44	144	64	164
other	5	105	25	125	45	145	65	165
Option: on shares	6	106	26	126	46	146	66	166
on debt securities	7	107	27	127	47	147	67	167
on currencies	8	108	28	128	48	148	68	168
on tax rate	9	109	29	129	49	149	69	169
other	10	110	30	130	50	150	70	170
Swaps: on currencies	11	111	31	131	51	151	71	171
on tax rate	12	112	32	132	52	152	72	172
other	13	113	33	133	53	153	73	173
Other operation	14	568,986	114	5,764	34	134	54	154
Total	15		115		35	135	55	155

## Notes to the Accounts

## Annex 20 – Life assurance business - Summary of premium income and reinsurance balance

2016 to the Accounts - Annex 20

 Company AMISSIMA VITA S.p.A.

 Financial year 2018

Life assurance business - Summary of premium income and reinsurance balance

		Direct business		Inward reinsurance		Total
Gross premiums:	1	864.221	11	0	21	864.221
a) 1. from individual policies.....	2	849.659	12	0	22	849.659
2. from group policies .....	3	14.562	13	0	23	14.562
b) 1. regular premiums .....	4	154.543	14	0	24	154.543
2. single premiums.....	5	709.678	15	0	25	709.678
c) 1. from contracts without bonuses.....	6	11.555	16	0	26	11.555
2. from contracts with bonuses .....	7	757.670	17	0	27	757.670
3. from contracts where the investment risk is borne by policyholders and from pension funds .....	8	94.996	18	0	28	94.996
Balance on reinsurance.....	9	42	19	0	29	42

## Notes to the Accounts

# Annex 21 – Investment income

Notes to the Accounts - Annex 21

Company AMISSIMA VITA S.p.A.

Financial year 2018

Investment income (items II.2 and III.3)

	Non-Life insurance	Life assurance business	Total
<b>Income from stocks and shares:</b>			
Dividends and other income from stocks and shares of Group undertakings and participating interests .....1		41 627	81
Dividends and other income from stocks and shares of .....2		42 31.893	82 31.893
<b>Total</b> .....3		43 32.520	83 32.520
<b>Income from investments in land and buildings</b> .....4		44 5.352	84 5.352
<b>Income from other investments:</b>			
Income from debt securities of Group undertakings and participating interests .....5		45	85
Interest on financing to Group undertakings and participating interests .....6		46	86
Income from investment funds.....7		47	87
Income from bonds and other fixed-income securities .....8		48 127.382	88 127.382
Interest on loans .....9		49 34	89 34
Income from participation in investment pools .....10		50	90
Interest on deposits with credit institutions .....11		51	91
Income from sundry financial investments .....12		52	92
Interest on deposits with ceding undertakings .....13		53	93
<b>Total</b> .....14		54 127.416	94 127.416
<b>Value re-adjustments on investments relating to:</b>			
Land and buildings .....15		55 576	95 576
Stocks and shares of Group undertakings and participations .....16		56	96
Debt securities issued by Group undertakings and participating interests .....17		57	97
Other stocks and shares .....18		58	98
Other bonds.....19		59 1.243	99 1.243
Other financial investments .....20		60	100
<b>Total</b> .....21		61 1.819	101 1.819
<b>Gains on disposal of investments:</b>			
Capital gains from disposal of land and buildings .....22		62	102
Gains on stocks and shares of Group undertakings and participating interests .....23		63	103
Gains on debt securities issued by Group undertakings and participating interests .....24		64	104
Gains on other stocks and shares .....25		65 1.699	105 1.699
Gains on other bonds .....26		66 37.197	106 37.197
Gains on other financial investments .....27		67	107
<b>Total</b> .....28		68 38.896	108 38.896
<b>GRAND TOTAL</b> .....29		69 206.003	109 206.003

## Notes to the Accounts

## Annex 22 –Income and unrealised gains relating to investments benefiting policyholders that bear the risk and investments arising from pension fund management

Notes to the Accounts - Annex 22

 Company AMISSIMA VITAS.p.A.

 Financial year 2018

Profits and unrealized capital gains relating to investments for the benefit of Life assurance policyholders who bear the investment risk thereof and to investments arising out of pension fund management (voce II.3)

## I. Investments relating to benefits linked with investment fund and market indices

	Amounts
<b>Income from:</b>	
Land and buildings .....	1                      0
Investment in Group undertakings and participating interest ..... Units	2                      0
and shares in investment funds .....	3                      16
Other financial investments .....	4                      1.348
- of which bonds .....	5                      0
Other assets .....	6                      0
<b>Total</b> .....	7                      1.364
<b>Gains on disposal of investments</b>	
Capital gains from disposal of land and buildingd .....	8                      0
Gains on investment in Group undertakings and participating inter Gains on	9                      0
investment funds .....	10                     7.385
Gains on other financial investments .....	11                     0
- of which bonds.....	12                     0
Other income.....	13                     0
<b>Total</b> .....	14                     7.385
<b>Unrealized capital gains</b> .....	15                     2.045
<b>GRAND TOTAL</b> .....	16                     10.794

## II. Investments arising out of pension fund management

	Importi
<b>Income from:</b>	
Investment in Group undertakings and participating interests.....	21                     0
Other financial investments .....	22                     0
- of which bonds.....	23                     0
Other assets .....	24                     0
<b>Total</b> .....	25                     0
<b>Profits on disposal of investments</b>	
Gains on investments in group undertakings and participating inte	26                     0
Gains on other financial investments .....	27                     0
- of which bonds.....	28                     0
Other income.....	29                     0
<b>Total</b> .....	30                     0
<b>Unrealised capital gains</b> .....	31                     0
<b>GRAND TOTAL</b> .....	32                     0

## Notes to the Accounts

# Annex 23 – Investment charges

Notes to the Accounts - Annex 23

Company AMISSIMA VITA S.p.A.

2018

Investment charges (items II.9 and III.5)

	Non life-insurance business	Life assurance business	Total
<b>Investment management charges and other charges</b>			
Charges relating to stocks and shares .....	1 31	15 61	15
Charges relating to investments in land and buildings .....	2 32	1.359 62	1.359
Charges relating to debt securities .....	3 33	15.318 63	15.318
Charges relating to investment funds.....	4 34	64	
Charges relating to participation in investment pool .....	5 35	65	
Charges relating to sundry financial investments ..... Interest on	6 36	2 66	
deposits received from reinsurers .....	7 37	618 67	618
<b>Total .....</b>	8 38	17.312 68	17.312
<b>Value adjustments on investments relating to:</b>			
Land and buildings .....	9 39	1.655 69	1.655
Stocks and shares of Group undertakings and participations .....	10 40	3.387 70	3.387
Debt securities issued by Group undertakings and participations .....	11 41	71	
Other stocks and shares .....	12 42	3.954 72	3.954
Other bonds.....	13 43	5.297 73	5.297
Other financial investments .....	14 44	74	
<b>Total .....</b>	15 45	14.293 75	14.293
<b>Capital losses on disposal of investments</b>			
Capital losses on land and buildings.....	16 46	76	
Capital losses on stocks and shares.....	17 47	4.950 77	4.950
Capital losses on bonds .....	18 48	8.185 78	8.185
Capital losses on other financial investments .....	19 49	79	
<b>Total .....</b>	20 50	13.135 80	13.135
<b>GRAND TOTAL .....</b>	21 51	44.740 81	44.740

## Notes to the Accounts

## Annex 24 – Charges and unrealised losses relating to investments benefitting policyholders that bear the risk and investments arising from pension fund management

Notes to the Accounts - Annex 24

 Company AMISSIMA VITA S.p.A. Financial year 2018

Investment charges and unrealised capital losses relating to investments for the benefit of Life assurance policyholders who bear the investment risk thereof and to investments arising out of pension fund management (item II.10)

## I. Investments relating to benefits linked with investment funds and market indices

	Amounts
<b>Management charges arising out of:</b>	
Land and buildings.....	1            0
Investment in Group undertakings and participating interests..... Units and shares in investment funds .....	2            0
Other financial investments.....	3            7.744
Other assets .....	4            0
Other assets .....	5            21
<b>Total .....</b>	6            7.765
<b>Losses on disposal of investments</b>	
Capital losses arising from disposal of land and buildings .....	7            0
Losses on investments in Group undertakings and participating interest . Losses on units and shares in investment fund .....	8            0
Losses on other financial investments .....	9            10.661
Other charges .....	10           6
Other charges .....	11           0
<b>Total .....</b>	12           10.667
<b>Unrealised capital losses.....</b>	13           16.011
<b>GRAND TOTAL .....</b>	14           34.443

## II. Investments arising out of pension fund management

	Importi
<b>Management charges arising out of:</b>	
Investments in Group undertakings and participating interest..... Other financial investments .....	21           0
Other assets.....	22           0
Other assets.....	23           0
<b>Total .....</b>	24           0
<b>Losses on disposal of investments</b>	
Losses on investments in Group undertakings and participating interests Losses on other financial investments .....	25           0
Other charges .....	26           0
Other charges .....	27           0
<b>Total .....</b>	28           0
<b>Unrealised capital losses .....</b>	29           0
<b>GRAND TOTAL .....</b>	30           0

## Annex 27 – Life assurance business - Summary of technical accounts by accounting class - Italian portfolio

Notes to the Accounts - Annex 27

Company AMISSIMA VITA S.p.A.Financial year 2018

Life assurance business - Summary of technical accounts by accounting class - Italian portfolio

		Accounting class 01 Life Assurance (name)	Accounting class 02 Marriage - birth (name)	Accounting class 03 Linked to inv. Funds (name)
<b>Gross direct insurance business</b>				
Premium written.....	+ 1	764.172	0	94.996
Charges relating to claims .....	- 2	599.989	0	33.650
Change in mathematical provisions and sundry technical provisions (+)	- 3	239.130	0	36.635
Balance on other technical items (+ o -) .....	+ 4	568	0	4.068
Operating expenses .....	- 5	26.399	0	2.236
Investment returns net of share allocated to the non-technical account	+ 6	152.091	0	- 23.650
<b>Gross profit from direct insurance business (+ o -) .....</b>	<b>A</b> 7	<b>51.313</b>	<b>0</b>	<b>2.893</b>
<b>Balance on outward reinsurance (+ o -) .....</b>	<b>B</b> 8	<b>-42</b>	<b>0</b>	<b>0</b>
<b>Balance on net inward reinsurance (+ o -) .....</b>	<b>C</b> 9	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance on the technical account (+ o -) .....</b>	<b>(A + B + C)</b> 10	<b>51.271</b>	<b>0</b>	<b>2.893</b>

		Codice ramo 04 (denominazione)	Codice ramo 05 (denominazione)	Codice ramo 06 (denominazione)
<b>Gross direct insurance business</b>				
Premium written.....	+ 1	0	5.053	0
Charges relating to claims .....	- 2	0	9.423	0
Change in mathematical provisions and sundry technical provisions (+)	- 3	0	- 2.320	0
Balance on other technical items (+ o -) .....	+ 4	0	0	0
Operating expenses.....	- 5	0	984	0
Investment returns net of share allocated to the non-technical account	+ 6	0	1.009	0
<b>Gross profit from direct assurance business (+ o -) .....</b>	<b>A</b> 7	<b>0</b>	<b>- 2.025</b>	<b>0</b>
<b>Balance on outward reinsurance (+ o -) .....</b>	<b>B</b> 8	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance on net inward reinsurance (+ o -) .....</b>	<b>C</b> 9	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance on the technical account (+ o -) .....</b>	<b>(A</b> 10	<b>0</b>	<b>- 2.025</b>	<b>0</b>

(\*) Algebric sum of items relating to each accounting class and to the Italian portfolio entered under items II.2, II.3, II.9, II.10 e II.12 of the profit and loss account

## Annex 28 – Life assurance business - Summary of the aggregated technical account

Notes to the Accounts - Annex 28

Company AMISSIMA VITA S.p.A.Financial year 2018

### Life assurance business - Summary of the aggregated technical account Italian portfolio

		Direct insurance risks		Inward reinsurance risks		Retention Total 5 = 1-2+3-4	
		Direct risks 1	Ceded risks 2	Accepted risks 3	Retroceded risks 4		
Written premiums .....	+	1	864.221 11	1.653 21	0 31	0 41	862.568
Charges relating to claims .....	-	2	643.062 12	5.379 22	0 32	0 42	637.683
Change in mathematical provisions and sundry technical provisions (+ o -) .....	-	3	273.445 13	-4.171 23	0 33	0 43	277.616
Balance on other technical items (+ o -) .....	+	4	4.636 14	0 24	0 34	0 44	4.636
Operating expenses.....	-	5	29.619 15	401 25	0 35	0 45	29.218
Investment returns net of share allocated to the non technical account (*) .....	+	6	129.450	0 26	0	46	129.450
<b>Balance on the technical account (+ o -) .....</b>		7	52.181 17	44 27	0 37	0 47	52.137

(\* Algebraic sum of items relating to each accounting class and to the Italian portfolio entered under items II.2, II.3, II.9, II.10 e II.12 of the profit and loss account

**Annex 30 – Transactions with Group undertakings and other participating interests**

Notes to the Accounts - Annex 30

Financial year 2018

Company AMISSIMA VITA S.p.A.

Transactions with Group undertakings and other participating interests

I: Income

	Holding companies	Subsidiaries	Associated undertakings	Affiliated undertakings	Other undertakings	Total				
<b>Investment income</b>										
Income from land and buildings .....	1	2	3	363	4	5	6	363		
Dividends and other income from stocks and sha .....	7	8	627	9	10	11	12	627		
Income from debt securities .....	13	14	15	16	17	18	19			
Interest on corporate financing .....	19	20	21	22	23	24	25			
Income from other financial investments .....	25	26	27	28	29	30	31			
Interest on deposits with ceding undertakings ...	31	32	33	34	35	36	37			
<b>Total</b> .....	37	38	627	39	363	40	41	42	990	
<b>Income and unrealised capital gains on investments for the benefit of Life assurance policyholders who bear the risk thereof and on investments arising out of pension fund management.....</b>	43	44	45	46	47	48	49			
<b>Other income</b>										
Interest on receivables .....	49	57	50	51	52	53	54	57		
Administrative expenses and charges recovered .....	55	56	57	58	59	60	61			
Other income and sums recovered .....	61	62	63	64	65	66	67			
<b>Total</b> .....	67	57	68	69	70	71	72	57		
<b>Capital gains on disposal of investments (*).....</b>	73	74	75	76	77	78	79			
<b>Extraordinary income</b> .....	79	80	81	82	83	84	85			
<b>GRAND TOTAL</b> .....	85	57	86	627	87	363	88	89	90	1.047

## Transactions with Group undertakings and other participating interests

## II: Charges

	Holding companies	Subsidiaries	Associated undertakings	Affiliated undertakings	Other undertakings	Total
<b>Investment management charges and interest payable:</b>						
Charges relating to investments .....	91	92	93	94	95	96
Interest on subordinated liabilities .....	97	98	99	100	101	102
Interest on deposits received from reinsurers .....	103	104	105	106	107	108
Interest on payables arising out of direct insurance operations .....	109	110	111	112	113	114
Interest on payables arising out of reinsurance operations .....	115	116	117	118	119	120
Interest on amounts owed to credit institutions .....	121	122	123	124	125	126
Interest on payables secured by a lien on property .....	127	128	129	130	131	132
Interest on other payables .....	133	134	135	136	137	138
Losses on receivables .....	139	140	141	142	143	144
Operating charges and expenses on behalf of third parties .....	145	146	147	148	149	150
Sundry charges .....	151	152	153	154	155	156
<b>Total .....</b>	<b>157</b>	<b>158</b>	<b>159</b>	<b>160</b>	<b>161</b>	<b>162</b>
<b>Charges and unrealised capital losses on investments for the benefit of Life assurance policyholders who bear the risk thereof and on investments arising out of pension fund management .....</b>	<b>163</b>	<b>164</b>	<b>165</b>	<b>166</b>	<b>167</b>	<b>168</b>
<b>Capital losses on disposal of investments (*) .....</b>	<b>169</b>	<b>170</b>	<b>171</b>	<b>172</b>	<b>173</b>	<b>174</b>
<b>Extraordinary charges .....</b>	<b>175</b>	<b>176</b>	<b>177</b>	<b>178</b>	<b>179</b>	<b>180</b>
<b>GRAND TOTAL .....</b>	<b>181</b>	<b>182</b>	<b>183</b>	<b>184</b>	<b>185</b>	<b>186</b>

Notes to the Accounts

## Annex 31 – Direct insurance business - Summary of written premiums

Notes to the Accounts - Annex 31

Company AMISSIMA VITA S.p.A.

Financial year 2018

Direct insurance business - Summary of written premi

	Non-Life insurance business		Li fe insurance business		Total	
	Establishment	Freedom of services	Establishment	Freedom of services	Establishment	Freedom of services
Written premiums:						
in Ita ly .....	1	5	11	864.221 15	21	864.221 25
in other EU Member States .....	2	6	12	16	22	26
in countries outside the EU .....	3	7	13	17	23	27
<b>Total</b> .....	4	8	14	864.221 18	24	864.221 28

## Notes to the Accounts

## Annex 32 – Statement of charges relating to staff, Board members and Statutory Auditors

Notes to the Accounts - Annex 32

Company AMISSIMA VITA S.p.A.

 Financial year 2018

Statement of charges relating to staff, Board members and Statutory Auditors

I: Staff costs

	on-Life business	Life business	Total
<b>Costs arising out of paid employment:</b>			
Italian portfolio			
- Wages and salaries .....	1 31	5.478	61 5.478
- Social security contributions .....	2 32	1.396	62 1.396
- Allocation to the fund for staff leaving indemnity and similar obligations .....	3 33	421	63 421
- Sundry costs relating to staff .....	4 34	1.822	64 1.822
<b>Total .....</b>	<b>5 35</b>	<b>9.117</b>	<b>65 9.117</b>
Foreign portfolio:			
- Wages and salaries .....	6 36		66
- Social security contributions .....	7 37		67
- Sundry costs relating to staff .....	8 38		68
<b>Total .....</b>	<b>9 39</b>		<b>69</b>
<b>Grand total .....</b>	<b>10 40</b>	<b>9.117</b>	<b>70 9.117</b>
<b>Costs arising out of self-employment:</b>			
Italian portfolio .....	11 41	181	71 181
Foreign portfolio .....	12 42		72
<b>Total .....</b>	<b>13 43</b>	<b>181</b>	<b>73 181</b>
<b>Total labour costs .....</b>	<b>14 44</b>	<b>9.298</b>	<b>74 9.298</b>

II: Description of accounting items

	on-Life business	Life business	Total
Investment management charges .....	15 45	636	75 636
Charges relating to claims .....	16 46		76
Other acquisition commissions .....	17 47	1.139	77 1.139
Other operating expenses .....	18 48	4.902	78 4.902
Administrative charges and expenses on behalf of third pa	19 49	2.622	79 2.622
	20 50		80
<b>Total .....</b>	<b>21 51</b>	<b>9.299</b>	<b>81 9.299</b>

III: Average number of staff in the financial year

	Number	
Managers .....	91	7
White-collars .....	92	83
Blue-collars .....	93	
Others .....	94	
<b>Total .....</b>	<b>95</b>	<b>90</b>

IV: Board members and Statutory Auditors

	Number		Remuneration
Board members .....	96	5	98 528
Statutory Auditors .....	97	5	99 89

The undersigned declare that the financial statements are free from irregularity or error

The Company legal representatives (\*)

The Chairman - DOTT. ANDREA MONETA (\*\*)

..... (\*\*)

..... (\*\*)

The members of the Board of Statutory Auditors

AVV. FRANCESCO ILLUZZI - The Chairman

DOTT. PAOLO DELPINO - Statutory auditor

DOTT. GUIDO MARCHESE - Statutory auditor

For internal use of the Company Register

Date of receipt

(\*) In case of foreign undertakings - signature by the general representative in Italy (\*\*)  
Please indicate the functions of the signatory





## CASH FLOW STATEMENT



**Financial Statement**  
**Cash Flow Statement**

(Value in thousands of Euros)

	31/12/2018	31/12/2017
<b>SOURCING OF FINANCING</b>		
Results for the period: Profit/(Loss)	<b>33.679</b>	<b>34.724</b>
Adjustments to the profit up/(down) relating to the items which do not have an effect on liquidity:		
- variat. in the Technical Reserves: incr./((decr.)	271.474	350.953
- amortisations for the financial year	2.609	1.957
- net increase in funds with specific allocation	10.677	-361
- variat. ESI fund: incr./((decr.)	-72	-142
- variat. loans receivable: (incr.)/decr.	53	1.436
- variat. receivables, other assets and accrued income: (incr.)/decr.	-28.108	-27.499
- variat. payables, other liabilities and accrued expenses: incr./((decr.)	484.863	5.488
- adjustment of securities to the market: (plus)/minus	5.882	5.882
- adjustment of securities to the Cat. D market: (plus)/minus	-7.857	-7.857
- depreciation of property: (plus)/minus	-21.375	41.996
- depreciation of investment: (plus)/minus	14.657	9.916
Liquidity generated/(absorbed) by the operating activities (A1)	<b>766.482</b>	<b>416.492</b>
Net value of disposed assets:		
Property	0	0
Investments	0	0
Moveables and equipment	0	0
Total (A2)	0	0
Increase in Equity (increase in capital) (A3)	0	0
(A1)+(A2)+(A3) = (A)	<b>766.482</b>	<b>416.492</b>
<b>INVESTED LIQUIDITY</b>		
Purchase of real estate and incremental work	0	0
Net investment in shares, fixed-income securities and common funds	709.038	392.323
Net investment in holdings	0	0
Increase in fixed assets and capitalised charges	3.149	3.325
Distribution of profits	34.724	24.015
(B)	<b>746.911</b>	<b>419.663</b>
Net cash flow for the period (A) - (B) = (C)	19.570	-3.170
Liquid assets at the start of the financial year (D)	6.933	10.102
Liquid assets at the end of the period (C) + (D)	<b>26.503</b>	<b>6.932</b>

The undersigned declare that the financial statements are free from irregularity or error

The Company legal representatives (\*)

The Chairman -DOTT. ANDREA MONETA ( \*\* )

( \*\* )

( \*\* )

The members of the Board of Statutory Auditors

AVV. FRANCESCO ILLUZZI - The Chairman

DOTT. PAOLO DELPINO - Statutory auditor

DOTT- GUIDO MARCHESE - Statutory auditor

For internal use of the Company Register

Date of receipt

( \* ) In case of foreign undertakings - signature by the general representative in Italy

( \*\* ) Please indicate the functions of the signatory



# ACTUARIAL REPORT ON TECHNICAL PROVISIONS



**PRESIDENTI**

Paolo De Angelis  
Nino Savelli

**SOCI**

Eraldo Antonini  
Giuseppe Crupi  
Giulia De Angelis  
Andrea Fortunati  
Paolo Nicoli  
Marco Spina

**PARTNERS SCIENTIFICI**

Fabio Baione  
Susanna Levantesi  
Massimiliano Menzietti

**ACTUARIAL REPORT ON TECHNICAL RESERVES ACCORDING  
TO ART.23-BIS, PAR. 3, OF REGULATION N.22 OF 4TH APRIL 2008  
FOR 2018 FINANCIAL STATEMENTS 2018 OF THE COMPANY  
AMISSIMA VITA S.P.A.**

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Rome, March 2019

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## Foreword

The present actuarial report, prepared pursuant to article 23-bis, paragraphs 2 and 3, of ISVAP Regulation n. 22 of 4th April 2008 (hereinafter the Regulation), as amended by Provision no. 53 of 6th December 2016, is an integral part of the annual report of the Actuarial Function (hereinafter AFR). Therefore, the outline of the report is the one attached to the Regulation.

The following paragraphs describe the methods adopted by the Company for calculating the technical reserves in the financial statement at 31st December 2018 of Italian direct business, gross of reinsurance transfers, in accordance with current IVASS regulations on statutory reserves, with Legislative Decree n. 209 of 7th September 2005 and to the "Rules for the application of actuarial principles and Guidelines for the Appointed Actuary of Life Insurance Companies". In substance, the same control scheme previously applied to the Appointed Life Actuary has been replicated.

Verifications carried out by the actuarial function constitute an independent and autonomous opinion, both on the correct application of the calculation method and on the verification of the sufficiency of the technical reserves recorded in the financial statement of the Company at the closing date of the annual financial statement 2018.

### 1. Verification check on portfolio

All technical provisions for the purpose of preparing the financial statement referred to in Chapters II and III of Title VIII of Legislative Decree n. 209 of 7th September 2005 have been calculated for a single contract, by considering the policies in force at 31st December 2018, the respective start date and all commitments contractually made, with the exception of some types of reserves, illustrated below, determined in aggregate form, in compliance with the provisions of the current legislation.

#### 1.1. Check on the correct takeover of the portfolio

All checks have been carried out on the correct takeover of the portfolio. In particular, the recursive analytical procedure for checking the number of contracts has been verified, starting from the status of the portfolio at the end of the previous year and by considering all incoming (new policies issued during the year) and outgoing (expired policies, redeemed, paid by accident or cancelled for other reasons) during the financial year ending on 31st December 2018.

The same control has been also extended to mathematical provisions to verify the consistency, in terms of economic value, of the change in the reserve (between the beginning and the end of the business year) with respect to the portfolio movements of the same year (booked premiums, settlement of policies and income realized with the investment of mathematical reserves). In particular, an overall verification has been performed for homogeneous portfolio aggregates.

Furthermore, it has been established that all fees presented a non-negative reserve amount and, as a sample, it has been verified that the expiring policies in payment, total redemption or per claim (entered in the item "Sums to be paid"), did not figure as active policies at the financial statement date.

From the checks carried out, no critical issues have emerged.

With reference to the comparison with the surrender value, the Company has informed the Actuarial Function that the comparison in question is directly managed in the portfolio management software (LIFE and PASS) within the calculation formulas of the mathematical reserve.

Furthermore, some quantitative checks have been carried out on an adequate number of contracts in active policy status, relative to most of the fees present in the portfolio, in order to verify the correctness of the calculation methods of different types of technical provisions and, therefore, of the results generated by the calculation tools of the Company.

The aforementioned checks, with possible implementations, will be systematically carried out in the future on an ongoing basis, also with reference to the rates already tested, with the aim of reaching 100% of the fees controlled by the Actuarial Function.

## **2. Calculation method of technical reserves**

### **2.1 Calculation method of technical reserves adopted by the Company**

All reserves indicated below have been valued gross of reinsurance transfers.

#### **a. Mathematical reserves**

The mathematical financial statement's reserves of mixed insurance fees, deferred capital, fixed term, capitalization, entire lives, temporary and deferred life annuities with counter-insurance and immediate, annual premium, constant and revaluable, with single premium and recurrent single premium (with technical rate 0%, 1%, 1.5%, 2%, 2.5%, 3%, 4%) have been calculated according to the technical bases of the first order and based on the pure premiums (except for what subsequently reported in relation to the immediate annuity rates, as well as the policies of deferred annuity fees in enjoyment status), through

the complete linear interpolation of the same processed at the recurrence before and after the financial statement date.

Regarding the policies of deferred annuities in enjoyment status, as well as to the immediate income with demographic base different from A62 (ANIA), the Company determines the mathematical reserve directly with A62 base (ANIA) for immediate commitments and for generations, broken down by gender, and the technical rate 2% regardless of the order bases used in the calculation of the premium and indicated in the related technical reports. On the subject, compared to the previous year, the Company has updated the order table II also by taking into account the suggestion of the Actuarial Function.

Furthermore, with regard to TCMs linked to loans and priced at an average premium, the Company determines mathematical reserves in a timely manner on the basis of age, sex and the remaining duration of the contract.

For policies with a revaluable benefit, the capital or income has been adjusted in accordance with the provisions of the respective policy conditions.

The gross rate of return referred to the period November 1st, 2017 - October 31st, 2018 carried out by the Separate Management "Norvita" has been equal to 2.94%, as certified by the Audit Company. This rate will be attributed to revaluations with dates between 1st January 2019 and 31st December 2019.

The gross annual rates of return of the Separate Management "C. Vitanuova" are monthly recorded at the end of the individual months, on an annual time horizon, and are therefore attributed to the revaluations with recurrence following the end of the third month following that of the survey. The revaluation method provides for the occurrence of the application of the annual yield achieved in twelve months preceding the beginning of the third month prior to the revaluation date.

In particular, the last two available rates certified by the Audit Company recorded in the 2018 financial year are shown below, in particular the rate recorded at the end of September 2018 and that recorded at the end of October 2018, which will be respectively used for revaluations in January 2019 and February 2019:

Month	Rate
January (certified)	2,91%
February (certified)	2,94%

These rates have been also used to determine the insured capital revalued at the next recurrence for the policies of January and February, as part of the interpolation, for the purpose of calculating the mathematical reserve for these policies at 31st December 2018.

For the management of the interpolation in the calculation of the mathematical reserve at the valuation date for policies with occurrences subsequent to February 2019, the following rates of return have been adopted, estimated by the Company's Investment Department:

Month	Rate
March	2,95%
April	2,96%
May	2,90%
June	2,80%
July	3,02%
August	3,01%
September	2,94%
October	2,80%
November	2,74%
December	2,70%

It should be noted that, following the preparation of technical reserves carried out by the Company on 4th January 2019, some changes have been communicated by the Investment Department (different composition of the asset portfolio, change to the estimate of ICAV dividends, failure to sell some properties subsequently rented) which have led to a slight decrease in some forecast rates, which impact, in the case of the Separate Management C. Vitanuova, on the calculation of the following year's reserve.

Rates estimated by the Investment Management of the Company after this change are as follows:

Month	Rate
March	2,95%
April	2,96%
May	2,89%
June	2,80%
July	2,95%
August	2,89%
September	2,79%
October	2,69%
November	2,62%
December	2,57%

The Company has estimated the impact of this change by reworking the mathematical reserves based on the pure premiums of the Separate Management "C. Vitanuova", by entering the rates modified into a management system and by defining an add-on of € - 621,889 (equal to approximately 0,017% of the reserves) compared to the reserves calculated on 4th January 2019 and based on the rates (previously reported) estimated by the Investment Department before the aforementioned change. The logic of determining the aforementioned add-on on the total of mathematical provisions has been analysed, without highlighting particular criticalities.

The amounts of mathematical financial statement reserves concerning the annual premium forms include the unused annual pure premium rate; for contracts with annual split premiums, any premiums not yet expired have not been considered.

Concerning the contracts related to the fee changes, necessary for the purpose of transposing the legislative provisions on equal treatment between genders, by taking into account what is indicated by the "Guidelines" issued by the Order of Actuaries, and consistently with the solutions permitted therein, for these fees, the Company has generally used a unisex demographic base determined on the basis of the so-called "Weighted risk", which is through a prudent weighting of the probability of death (the latter derived from mortality tables differentiated by sex) with weights derived from the experience of the same Company.

Following the issue of law n. 221 of 17th December 2012 - conversion of law decree n. 179 of 18th October 2012 - the Company verifies the need to make provisions to meet the obligations deriving from the obligation to repay part of the premium paid, concerning the remaining period with respect to the original maturity, relative to the policies connected to mortgages and to other loans for which a single premium was paid by the debtor/insured. The mathematical reserve is therefore integrated for two collective rates, linked to the loans, the V218 fee and the V219 fee equal to the difference, if positive, between the pure premium redefined based on the residual debt on the valuation date and by taking into account the contractual period elapsed and of the mathematical reserve. The component linked to loading is considered to be covered by the combined provision of the presence of the reserve for future operating expenses and the agreement, which the Company has communicated to the Actuarial Function to have subscribed, with the distribution network, to return the portion of the commissions of purchase received.

The amount of this reserve is € 203,991.

The reserves relating to the additional premiums have been calculated based on the amount of premiums for the year. For the annual premium rates, the reserve is equal to the amount of the top-up for the year; while for single-premium fees, the reserve is equal to the amount of the top-up dismantled in a linear manner over the duration of the contract; in particular, the company uses the difference between the years of contractual duration and the entire elapsed between the effective date and the valuation date in relation to the numerator of the "pro rata" calculation, by comparing this difference to the years of contractual duration.

The total amount of the mathematical reserves is equal to **€ 5.573.125.183**; that of premium reserves is **€ 744.034**.

## **b. Additional reserves for financial risk**

By taking into account the characteristics and conditions of the policy of the contracts in the portfolio, as well as the provisions of paragraphs 21, 22 and 23 of Attachment 14 of the Regulation, it has been necessary to set aside the additional reserve for interest rate risk guaranteed only in relation to contracts not connected to any separate management, but which, in any case, provide for a financial guarantee, according to the methods illustrated below.

On the date of 31/12/2018, the portfolio of liabilities of the Company, divided by Separate Management, presents the following distribution:

- For Norvita Separate Management, the financial guarantee of 1.00% and 0.00% represents approximately 67% of the entire portfolio of the Management, while the highest guarantees (5.00% and

4.00%) represent about 14% of the total Management. Specifically, the guarantee of 5.00% represents 0.07% of the liabilities;

- For C. Vitanuova Separate Management, the maximum guarantee is 3.00% and represents less than 0.01% of the Management's liabilities, while the 1.00% and 0.00% guarantees represent approximately the 91% of the portfolio liabilities.

The Company, by analogy with the previous year, both for the contracts not connected to any Separate Management but which however provide for a financial guarantee and for the contracts linked to a Separate Management, applies the Method C. This method provides for the possibility of compensation, for individual separate management/guarantee line, between balances of opposite sign referring to the different levels of financial guarantee as well as to the different annual periods.

Following this approach, it has been verified that the conditions for setting aside any reserve amount for both Separate Managements have not emerged. On the other hand, a provision is necessary for contracts not connected to any separate management but which in any case provide for a financial guarantee (in particular for the component relating to TCM), for which the Company, over a 5-year time frame, has defined a vector of the predictable returns equal to the weighted average of the foreseeable returns of the Norvita Management and of the foreseeable average annual C. Vitanuova Management.

The Company also has a number of contracts in its portfolio, other than TCM, not linked to any separate management, but which provide for a financial guarantee for an amount of mathematical reserve of approximately 97 thousand euro not managed on the Company's main management system; a part of these is included in the calculation of the interest rate reserve of the Norvita Separate Management, in the relevant guarantee line, while a part, however residual (equal to about 37 thousand of mathematical reserves), does not contribute to the definition of the taxable initial reserve for the calculation of the additional reserve for guaranteed interest rate.

The additional reserve has been calculated by using predictable returns, as shown below:

### C. Vitanuova Separate Management

<i>Year n</i>	<i>Predictable rates</i>	<i>Year n+1</i>	<i>Predictable rates</i>	<i>Year n+2</i>	<i>Predictable rates</i>	<i>Year n+3</i>	<i>Predictable rates</i>
Ja'19	2,89%	Ja'20	2,51%	Ja '21	2,73%	Ja'22	2,91%
Fe'19	2,80%	Fe'20	2,53%	Fe'21	2,76%	Fe'22	2,86%
Ma'19	2,95%	Ma'20	2,58%	Ma'21	2,75%	Ma'22	2,79%
Ap'19	2,89%	Ap'20	2,60%	Ap'21	2,78%	Ap'22	2,77%
Ma'19	2,79%	Ma'20	2,62%	Ma'21	2,78%	Ma'22	2,80%
Jn'19	2,69%	Jn'20	2,62%	Jn'21	2,77%	Jn'22	2,72%
Jl'19	2,62%	Jl'20	2,64%	Jl'21	2,71%	Jl'22	2,81%
Au'19	2,57%	Au'20	2,66%	Au'21	2,73%	Au'22	2,80%
Se'19	2,56%	Se'20	2,65%	Se'21	2,73%	Se'22	2,71%
Oct'19	2,49%	Oct'20	2,70%	Oct'21	2,78%	Oct'22	2,66%
No'19	2,42%	No'20	2,71%	No'21	2,83%	No'22	2,62%
De'19	2,51%	De'20	2,70%	De'21	2,84%	De'22	2,50%

### Norvita Separate Management

<b>Year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Rate</b>	2,53	2,52	2,21	2,12	2,08

### Weighted average of current and foreseeable returns relative to the two Separate Managements

Weighted average of the returns of the two managements, with weights equal to the reserves associated with the two managements	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
	Rate year n	Rate year n+1	Rate year n+2	Rate year n+3	Rate year n+4
	2,90%	2,55%	2,67%	2,63%	2,40%

The related amount set aside is **€ 1.194.662**.

### **c. Additional reserves for decreasing rates**

The Company has not considered necessary to set up the additional reserve for decreasing rate, by considering the provisions of paragraph 23 of Attachment 14 of ISVAP Regulation N. 22 of 4th April 2008, based on the following technical assessments.

For services linked to the separate internal management called Norvita, whose contracts have a time lag between the period in which the return to be recognized is contractually accrued and the moment in which this is paid to the insured, based on the provisions of the paragraph 23 of Attachment 14 of ISVAP Regulation N. 22 of 4th April 2008, it should be noted that at the time it has been not necessary to set aside a reserve for time lag. In fact, the first rate of the vector of foreseeable returns (defined as “current”, growing) is higher than the average rate recognized to policyholders in 2019, based on the last certified rate and the weighted average of the actual participation rates, which take into account of the corresponding minimum withheld.

Even for C. Vitanuova Separate Management, despite having a reduced period of time lag, the Company announced that it has made a comparison between the average 2019 interest rates, referred to the carrier of predictable returns, and the estimate of the average rate, which will be recognized to the insured in 2019, calculated by taking into account the actual participation rates, which consider the corresponding minimum withholdings; this comparison has not revealed the need for a provision for the aforementioned additional reserve.

### **d. Additional reserves different from reserves for financial risk**

By taking into account the characteristics and conditions of the policy of the contracts in the portfolio, as well as the provisions of paragraph 35 of paragraph 38 of Attachment 14 of ISVAP Regulation N. 22 of 4<sup>th</sup> April 2008, it has been necessary to set aside an additional reserve, in order to integrate the mathematical reserves of annuity fees during the deferral period, according to the technical evaluations reported in the following sub-paragraph.

For the establishment of this reserve, the annuities calculated according to the demographic table A62 (ANIA) have been compared for immediate commitments and with the application of age shifting (modified with respect to the previous year, also based on the indications of the Actuarial Function), assumed as the basis of order II, with the annuities calculated as bases of the order I, by proceeding as follows.

For life annuity rates, the calculation has been made analytically, the increase in the capital value of the annuity has been determined, and it is equal to:

$$I = a^* - a$$

where:

$a^*$  indicates the life annuity postponed obtained with the new technical basis;

$a$  indicates the life annuity postponed, with the technical basis of order, relating to the individual types of contracts referred the abovementioned.

The annuities have been calculated at the age at maturity for the contracts in force in the deferral period.

The charge identified has been discounted to 31<sup>st</sup> December 2018 in a financial demographic sense, without considering, on a prudential basis, different assumption from mortality:

$$R = I * E$$

These amounts, in line with the provisions of points 36, 37 and 38 of Attachment 14 of ISVAP Regulation N. 22 of 4th April 2008, have been reduced based on the hypothesis concerning the propensity to use the annuity, deriving from the results of the sample survey updated by ANIA (June 2018) equal to 4.714%.

The set of assumptions used, including those of a demographic nature, will be annually verified and may be modified based on actual experience.

With regard to income in terms of income and immediate income with a demographic base different from A62 (ANIA), the mathematical reserve has been directly calculated with A62 base (ANIA) for immediate commitments and for generations, broken down by gender, and the technical rate at 2% : a provision has been considered equal to the entire present value of the difference between the two life annuities.

In this case, there is need to set aside an additional reserve for demographic bases since the mathematical provision has been calculated, according to a prudential approach, directly with bases of order II.

The calculation of the aforementioned reserve has been performed directly by LIFE management system, by replicating the methodology described above, policy by policy.

The Company has announced that there are no capital rates with guaranteed coefficients of conversion into annuities present in the portfolio.

The resulting amount to be set aside and fully constituted in 2018 financial year is **€ 398.414**.

### e. Additional reserves for management fees

The Company has verified the need to set up an additional reserve for future expenses in line with the provisions of paragraph 35.1 of Attachment 14 of Regulation n. 22 of 4th April 2008, by using the same methodology used in the previous closures.

In order to verify that a deviation of the technical bases has not occurred and that there is no need to set up a specific additional reserve, the Company has carried out a comparison test based on the calculation of the contracts in the portfolio at 31st December 2018, the current value of the monthly net balances between administrative expenses, increased commissions that the Company expects to incur and deduct contained loadings in any future premiums to be collected, and future financial income, deriving from the investment of the prizes, not relegated to the contracts and destined to finance management fees.

The evaluation of future expenses is based on assumptions taken from the forecast budget used by the Company for ORSA purposes, provided by administrative offices, relating to commercial costs other than commissions, administration costs and capital charges in the case attributable to investment management. Other costs are added to these expenses (for example, Rappels, medical-underwriting expenses, Network training, Commissions on bond securities, shares, etc.) and other amounts are deducted, such as the recoveries included in "other income". In determining the provisional budget, the administrative offices have also considered the expenses incurred in 2018, which may not be repeated in the following years.

The reference taxable amounts analytically loaded in the model are those which can be deducted from the budget, with reference to the year 2020; the model also takes into account a specific add-on, determined for 2019 only on the basis of the differences between the budget data provided for the year and the budget figure for 2020 (considered as the basis of the model).

The Company, which periodically conducts internal analyses in order to determine the actual costs related to the different types of contracts, made a quantification of the costs per contract, by differentiating between acquisition costs, management costs and investment costs of the contracts in portfolio, by attributing different weights depending on the different types of fee, premium, profit sharing.

In particular, the expenses relating to the investments have been assumed to vary according to mathematical reserves, the others based on the number of contracts.

The Company has adopted hypotheses of annual costs associated with the individual categories of contracts in the portfolio based on the historical evidence of these analyses, updated on the latest information available as previously described.

For all contracts, except for class III contracts, the calculation of the future expenses reserve with first order bases has been carried out through the management systems in use, whose calculation algorithms are subject to periodic checks.

Concerning the assessment of prospective expenditure, the Company has carried out the analyses by using the dedicated software MG ALFA. All portfolio rates are regularly modelled on MG ALFA software.

Therefore, through a dedicated software, the Company has estimated, based on the “best estimate” hypothesis, the monthly net balances between administrative expenses, increased by commissions expected to be paid to the sales network and deducted contained loadings in the eventual future premiums to be collected, and future financial income, deriving from the investment of the prizes, not relegated to the contracts and destined to finance future expenses.

For the assumptions adopted in the valuation, the Company has referred, where possible, to the company's experience, to the Italian insurance market context and to the economic-financial scenarios of the markets at the valuation date. In particular:

- The interest rate for the discounting of the balances used for the verification has been set prudently at 60% of TMO, or equal to 1.510%, which is lower than the current annual reference rate (TAR) and in compliance with the paragraph 14.1 of Attachment 14 of ISVAP Regulation N. 22 of 4th April 2008.
- The return on predictable assets has been obtained by using the expected returns obtained prior to the change communicated by the Investment Management on the reduction of some forecast rates, determined according to the indications of ISVAP Regulation N. 22 of 4th April 2008, as amended by Provision 53 of December 6th, 2016, based on the separate management of reference for the years for which the carrier is available; for the following ones, the rates estimated by the Company's Investment Department have been used.
- A long-term inflation rate of 1.80% has been used as part of the valuation model to increase management costs expressed in absolute terms year by year.
- For the profit-sharing mechanism of traditional contracts linked to separate management, reference has been made to the revaluation law and regulated by contract for each fee.
- The default assumptions used are the same as for the projections used for Solvency 2 for all products which can be revalued. The rate of propensity to rent used in the determination of the additional demographic risk reserve has been also considered in the development. The methodology, as communicated by the Company, has remained unchanged if compared to the evaluation of previous years.

- With reference to the traditional policy portfolio, a propensity to renew the premiums of 100% has been assumed for all annual premium contracts, while, for recurrent single premium contracts paying at the valuation date the same methodology was applied previous year used. previous year applied, however, with a greater degree of historical depth (5 years instead of 4 years) and divided by guaranteed minimum.
- Actuarial valuations have been conducted by assuming an actual mortality derived from SIM/SIF 2010 tables with a discount of 25% and 26.5%, with the exclusion of TCM fees for which SIM/ SIF 2010 table with discount of 47% has been used.
- The costs used are the last available at the date on which this analysis has been performed.

From the emerged results, the Company has not considered necessary to set aside any amount as an additional reserve for future expenses, offsetting, in the context of branch products I and V, the results obtained on individual fees and those in collective form.

Given the reduced impact in the determination of the foreseeable returns following the change in some prospective rates by the Investments Department, the relative impact for the purpose of determining the additional reserve for future operating expenses is to be considered immaterial.

The Company has not considered necessary to re-format the test, which, in any case, shows a positive result, by considering the new vector of predictable returns.

The Actuarial Function believes that this approach is acceptable.

The Company verifies, in line with the provisions of paragraph 35.1 of Attachment 14 of Regulation n. 22 of 4th April 2008, at the macro level the need to set aside an additional reserve for demographic risk on rates, other than annuities, through the comparison envisaged in paragraph 15.2; this check has not highlighted the need to set aside an additional reserve for this purpose.

## **f. Technical reserves for unit and index linked contracts and branch VI contracts**

There are also branch III products in the portfolio. The portfolio of branch III as of December 31<sup>st</sup>, 2018, includes only products pursuant to art. 41, paragraph 1, of Legislative Decree n. 209/2005.

For "Unit-Linked" fees classified in branch III pursuant to art. 2 of Legislative Decree n. 209/2005, based on the provisions of paragraph 39.3 of Attachment 14 of the Regulation, mathematical reserves have been calculated based on the number and value of the shares of the respective the investment lines in force on the valuation date or the market value of the hedging correspondents.

The total amount of branch III contracts is **€ 445.160.466**.

### **g. Additional reserves of unit and index linked contracts and branch VI contracts**

Regarding Unit Linked contracts, in relation to the different technical characteristics of the fees present in the Company's portfolio, it has been considered necessary to enter the respective additional reserves pursuant to paragraph 41.1 of Attachment 14 of ISVAP Regulation N. 22 of 4<sup>th</sup> April 2008.

The total amount of the additional reserves of the Unit Linked contracts, posted in branch C.II.1, is equal to **€ 49.585**.

In particular, € 29.721 relating to the coverage of additional guarantees in case of death and the remaining € 19.864 relating to the coverage of a service defined as "loyalty bonus", calculated with applications other than the main management system.

This bonus, recognized only for V773 and V783 branch III fees, is equal to the additional loading costs paid on the first annuity of the recognized premium, at the end of the insurance year in which the last premium agreed has been paid, or after fifteen full years from the effective date of the policy, when premiums are due for more than fifteen years.

### **h. Reserves for future expenditures**

The Company has calculated the reserve for future management expenditures according to the criteria defined in paragraph 20 of Attachment 14 of ISVAP Regulation N. 22 of April 4<sup>th</sup>, 2008, based on the first-order hypotheses for all contracts in the portfolio, except for Unit Linked contracts. For the latter, the Company calculates the reserve for future management expenditures, in accordance with the provisions of paragraph 17 of Attachment 14 of the Regulation.

For considerations on the verification of the need to integrate the reserve for future expenditures, please refer to the contents of paragraph 2.1.c) of this report.

The total reserves recorded in branch C.II.5 of the financial statement amount to **€ 29.000.937**.

### **i. Supplementary reserves for general risks and other technical reserves**

It has not been necessary to set aside provisions for general risks.

## **j. Reserves for profit participations and rebates**

It has not been necessary to set up provisions for profit participations and rebates.

## **k. Reserves for sums to be paid**

In these reserves are been considered, only the sums relating to portfolio transactions involving the liquidation of amounts which, although defined in the amount, have not been paid yet.

The corresponding amount is **€ 40.283.780**.

## **l. Technical reserves for complementary insurances**

The technical provisions of complementary insurances refer to individual contracts aimed at hedging in the event of death by accident and at coverage in case of disability. For these reserves, in line with the provisions of paragraph 18 of Attachment 14 of ISVAP Regulation N. 22 of 4<sup>th</sup> April 2008, reference has been made to the regulations governing the non-life business technical provisions.

The premium reserves of supplementary accident insurance policies are calculated policy by policy, by applying the pro rata temporis method.

With reference to Claim Reserves for complementary insurance, the exact capital subject of the liquidation has been placed in reserve according to specific contractual rules; the corresponding amounts are entered in the Reserve for sums to be paid.

The amount of the reserves for complementary insurances is **€ 40.651**.

The total amount of technical provisions, gross of reinsurance cessions, is **€ 6.089.997.713**.

## 2.2 CHECKS PERFORMED ON TECHNICAL RESERVES

The results of the checks performed by the Actuarial Function are reported below, both with reference to the correct application of the calculation method and with reference to the technical bases adopted and the results generated by the various calculation tools of the Company.

Apart from some cases of mathematical reserves, as described above, the technical bases used in the calculation of the technical provisions are those of the first order in application of the principle of enough prudence contained in the Regulation, by considering the evaluation criteria of the assets representing the technical provisions. This choice has been supported by the analysis of the trend of the technical bases of the first and second order (demographic, financial, expenses), which have imposed the need to intervene, also by following the instructions given by IVASS, on the demographic component of the annuity insurance and the financial component in relation to the guaranteed rate of return, as illustrated below.

### a. Financial assumptions

In relation to the provisions of paragraph 22.1 of Attachment 14 of ISVAP Regulation N. 22 of 4<sup>th</sup> April 2008, it has been necessary to establish the additional reserve for interest rate risk guaranteed only for contracts not linked to any separate management, but presenting, however, a financial guarantee, by taking into account the foreseeable returns determined pursuant to and according to the method described in paragraphs 24 to 32 of Attachment 14 of ISVAP Regulation N. 22 of 4<sup>th</sup> April 2008.

This reserve has been calculated by applying the "C" method set out in Attachment 14-bis of ISVAP Regulation N. 22 of April 4<sup>th</sup>, 2008, considered consistent with the composition of the Separated Management portfolio, which is less and less exposed, also in perspective, to lines of high guarantee. In particular, the assessments carried out have also taken into consideration the contracts issued prior to 19<sup>th</sup> May 1995, by considering the provisions of the same Regulation in relation to the performance and value assumed by predictable rates of return.

The Actuarial Function has retraced, based on the inputs transmitted by the Company, the calculation method applied, both on the revaluable component and on the TCM component.

The Company has not considered necessary to set aside an additional reserve to face the decreasing rates of return over time and the consequent misalignment with the relative commitments assumed by the Company in terms of profit sharing. This in relation to the comparative analysis of the commitments contractually assumed, of the returns of the assets to cover the technical reserves and of the verification

of their effect, with respect to each of the Separate Managements. The Actuarial Function, again based on the information made available by the Company, independently carried out the comparison with reference to both the Separate Managements, without highlighting any critical points regarding the need to set aside.

Only for the Unit Linked policies, the provisions set forth in paragraph 39.3 of Attachment 14 of ISVAP Regulation N. 22 dated 4<sup>th</sup> April 2008 and in paragraph 40.3 of the same Attachment, which provide that the corresponding reserves are represented with maximum approximation possible from the reference assets valued at market prices.

Without prejudice to what is stated in the Introduction, based on the assessments made by considering the assets of the Company, the projections made for the calculation of foreseeable returns, the limits imposed by the law and the foreseeable developments in the money and financial markets, it is considered that the financial assumptions used for the calculation of technical reserves, the Company is adequate, also by taking into account the additional reserves set aside for this purpose.

## **b. Demographic assumptions and other technical bases**

In the calculation of the mathematical reserves of branch I life and branch III fees, the demographic base indicated when defining the fee is used.

Regarding branch I rates in the event of death, the mathematical provisions are calculated with the demographic basis of the first order, except in the cases expressly indicated where a second order technical base is used.

The monitoring of the stability of the first order demographic bases has involved, as previously indicated, the provision:

- an additional demographic risk reserve for annuity rates
- a supplementary reserve to the mathematical reserve for TCM rates linked to loans.

Both with reference to the additional demographic risk reserve for annuity fees and with reference to the supplementary reserve to the mathematical reserve for TCM rates linked to loans, the Actuarial Function has independently retraced the calculation made by the Company for all the policies affected by the provision in object, being able to confirm that the logic used by the Company in this calculation are in line with those communicated to the Actuarial Function and reported in the previous paragraph, by taking into account what is reported in the same paragraph regarding the slight overestimation of the additional demographic risk for annuity rates.

The Actuarial Function suggests the Company, in view of the next evaluation, to adjust the coefficient of propensity in annuity, used for the purpose of determining the supplementary annuity reserve, with ANIA coefficient updated to June 2018 and equal to 4.714%.

The estimated impact of this change would still be immaterial.

Without prejudice to what is stated in the introduction, based on the assessments made by considering the mortality differences between the demographic technical base of the first order and the demographic technical basis of the second order, it is considered that the demographic assumptions for the calculation of the technical reserves are adequate, by taking into account the additional reserves set aside for this purpose.

### **c. Future expenditures assumptions**

The reserve for future expenditures has been determined for all contracts in the portfolio, with the exception of branch III contracts, in accordance with the provisions of paragraph 20 of Attachment 14 of ISVAP Regulation N. 22 dated 4<sup>th</sup> April 2008 and, therefore, by using the assumptions of the first order and then carrying out a comparison between the technical bases used in the calculation of the reserve and the results derived from the direct experience on the portfolio, by using the methodology described above.

The Company has established the reserve for future management expenses for branch III contracts, by using second-order assumptions as required by paragraph 17 of Attachment 14 of ISVAP Regulation N. 22 of 4<sup>th</sup> April 2008.

With reference to the determination of the additional reserve for future expenses, the Actuarial Function has analysed the logic and hypotheses underlying the calculation, not proceeding to an autonomous process of verification of the calculation procedures, which are already provided for in the work plan for the year 2019.

On the basis of the assessments made by considering the prospective evolution of expenditures and other variables, which affect the assessment in question in the application of the method used for the reserve for future operating expenditures and the results also in the financial statement forms of the comparison between theoretical expenses and actual expenses, it is considered that the assumptions regarding future expenditures for the calculation of technical provisions are adequate, also by taking into account the method used by the Company to determine the possible additional reserve to be set aside for this purpose.

#### d. Other technical basis

No other technical basis has been applied.

#### e. Calculation procedures

The correctness of calculation procedures of the computerized management systems Life and Pass, of the main management systems and of the external applications used by the Company for the determination of certain types of reserves, has been verified by the Actuarial Function with the methods indicated below.

As already mentioned in paragraph 1 of this report, checks have been carried out on the individual technical reserve items as at 31<sup>st</sup> December 2018, with particular reference to the mathematical provisions and reserves for future management expenditures processed by the Life and Pass management systems.

In particular, for these types of reserves, at December 31<sup>st</sup>, 2018, an adequate number of existing contracts has been selected for the main existing fees, and has been recalculated, on the basis of all useful information on the individual head, with autonomous procedures, the amount of the analysed reserve. This amount has been compared with the amount allocated for this purpose by the Company processed by the management systems (LIFE and PASS) and the differences found have been considered irrelevant.

The table below shows the results of the checks carried out on a sample basis on the most representative fees representing more than 82% of the portfolio at the financial statement date in terms of mathematical reserve.

<i>Fee Code</i>	<i>Technical Form</i>	<i>Num. of Policies</i>	<i>Mathematical Reserve</i>	<i>Weight %</i>	<i>Deviation %</i>
V175	WHOLE LIFE PUR	7.324	226.347.683,58	3,82%	-0,01%
V186	WHOLE LIFE PUR	3.477	197.121.349,09	3,32%	0,00%
V187	WHOLE LIFE PUR	4.495	260.980.964,95	4,40%	-0,01%
V188	WHOLE LIFE PU WITH TAX	11.299	448.734.885,30	7,57%	0,00%
V200	WHOLE LIFE PUR	6.894	451.513.658,77	7,62%	0,00%
V201	WHOLE LIFE PU WITH TAX	8.693	404.646.660,58	6,82%	0,00%
V202	WHOLE LIFE PUR	9.786	490.148.514,91	8,27%	0,00%
V203	WHOLE LIFE PU WITH TAX	23.206	1.066.697.619,11	17,99%	0,00%
V204	WHOLE LIFE PUR	8.570	320.594.356,74	5,41%	0,00%
V353	MIXED PU	4.457	226.461.374,37	3,82%	0,00%
V370	MIXED PU	15.609	685.539.452,91	11,56%	-0,01%
V726	UNIT LINKED PU	4.118	110.039.318,75	1,86%	0,00%
<b>Total</b>		<b>107.928</b>	<b>4.888.825.839,06</b>	<b>82,46%</b>	

The Actuarial Function has carried out, on the totality of the contracts, the verification of the calculation methods also of the technical reserves of the complementary insurances, based on the information regarding the premiums referred to this coverage received by the Company. No critical issues have emerged from the checks carried out.

Specific autonomous recalculations, for all the policies with both annual premium and single premium and for both collective and individual rates, have been also carried out with reference to the reserve to exceed. Even in this case, no critical issues have emerged from the checks carried out.

For the independent verifications carried out by the Actuarial Function on the additional reserves not processed by Life and Pass management systems, please refer to what previously reported in this report.

The aforementioned verifications, with possible implementations, also relating to types of technical reserves for current events not yet subject to independent verification processing, will be systematically carried out in the future on an ongoing basis, also with reference to the fees and types of reserves already tested, with the aim, envisaged by the more general verification plan by the undersigned, to reach 100% as well as to test policies also referring to states other than the active state.

### 3. Values

Attachment d) contains the Company's technical reserves distributed by type of reserve and by ministerial branch.

### 4. Observations

#### *a) General observations*

The Actuarial Function has assumed the specific task of verifying the technical provisions of direct business for the purposes of preparing the financial statement referred to in Chapters II and III of Title VIII of Legislative Decree n. 209 of 7<sup>th</sup> September 2005, as an extension of the Actuarial Function activity following the issue of IVASS Provision n. 53 of 6<sup>th</sup> December 2016. In 2019, further improvements and in-depth analyses are planned, if necessary. All considerations, analyses, observations and results of this Report must be read based on the documentation made available to the Actuarial Function by the Company at the date of preparation of this report.

These checks will concern the checks on the assessment and the balancing of the portfolio, as well as all calculation methods of the technical reserves, including the additional reserves.

*b) Critical observations*

No critical observation.

## 5. Evaluations

Reasons not allowing, or making it impossible, to express a sufficient judgment of the technical reserves of the Company are excluded.

## 6. Judgment on reserves

On the basis of what expressed above, we certify the correctness of the procedures followed by the Company in the calculation of the technical reserves of the Italian direct portfolio that the Company Amissima Vita SpA intends to record in 2018 financial statement, for an amount equal to **€ 6.089.997.713** considered, in the opinion of the Actuarial Function, overall sufficient to meet the costs and obligations assumed towards the insured parties, in compliance with current legislations and regulations.

**Milan, 15th March 2019**

Actuarial function

Prof. Nino Savelli



## **ATTACHMENT A**

**VECTORS OF CURRENT AND PREDICTABLE INVESTMENT INCOMES USED IN THE  
ASSESSMENT OF ADDITIONAL RESERVES FOR GUARANTEED INTEREST RATE RISK**

**Separate Management C.Vitanuova**

Year n	Predictable rate	Year n+1	Predictable rate	Year n+2	Predictable rate	Year n+3	Predictable rate
Ja'19	2,89%	Ja'20	2,51%	Ja'21	2,73%	Ja'22	2,91%
Fe'19	2,80%	Fe'20	2,53%	Fe'21	2,76%	Fe'22	2,86%
Ma'19	2,95%	Ma'20	2,58%	Ma'21	2,75%	Ma'22	2,79%
Ap'19	2,89%	Ap'20	2,60%	Ap'21	2,78%	Ap'22	2,77%
Ma'19	2,79%	Ma'20	2,62%	Ma'21	2,78%	Ma'22	2,80%
Jn'19	2,69%	Jn'20	2,62%	Jn'21	2,77%	Jn'22	2,72%
Il'19	2,62%	Il'20	2,64%	Il'21	2,71%	Il'22	2,81%
Au'19	2,57%	Au'20	2,66%	Au'21	2,73%	Au'22	2,80%
Se'19	2,56%	Se'20	2,65%	Se'21	2,73%	Se'22	2,71%
Oct'19	2,49%	Oct'20	2,70%	Oct'21	2,78%	Oct'22	2,66%
No'19	2,42%	No'20	2,71%	No'21	2,83%	No'22	2,62%
De'19	2,51%	De'20	2,70%	De'21	2,84%	De'22	2,50%

**Separate Management Norvita**

Year	2019	2020	2021	2022	2023
Rate	2,53	2,52	2,21	2,12	2,08

**Weighted average of current and foreseeable incomes relative to the two Separate Managements**

	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
Weighted average of the returns of the two managements, with weights equal to the reserves associated with the two managements.	Year rate n	Year rate n+1	Year rate n+2	Year rate n+3	Year rate n+4
	2,90%	2,55%	2,67%	2,63%	2,40%

## **ATTACHMENT B**

### **EVIDENCE OF MATHEMATICAL RESERVE AMOUNTS NOTABLE FOR THE GUARANTEED RATE AND FOR THE STRUCTURE OF GUARANTEES OFFERED**

(Amount in thousands of €)

Management name/Other	Guarantee lines	Guarantee structure	Mathematical reserve
<b>NORVITA</b>	<b>5,0%</b>	Annual consolidation	1.139
	<b>4,0%</b>	Annual consolidation	220.929
	<b>3,0%</b>	Annual consolidation	56.936
	<b>2,5%</b>	Guaranteed to expire	106
	<b>2,0%</b>	Annual consolidation	225.471
	<b>2,0%</b>	Guaranteed to expire	21.689
	<b>1,0%</b>	Annual consolidation	963.159
	<b>0,0%</b>	Annual consolidation	110.479
<b>Total Management Norvita</b>			<b>1.599.908</b>
<b>C.VITANUOVA</b>	<b>3,0%</b>	Annual consolidation	53
	<b>2,5%</b>	Annual consolidation	3.462
	<b>2,0%</b>	Annual consolidation	343.720
	<b>2,0%</b>	Guaranteed to expire	17.717
	<b>1,0%</b>	Annual consolidation	14.899
	<b>1,0%</b>	Guaranteed to expire	262.655
	<b>0,0%</b>	Annual consolidation	3.312.396
<b>Total Management C. VITANUOVA</b>			<b>3.954.902</b>
<b>Other*</b>	<b>4,0%</b>	Annual consolidation	60
	<b>3,0%</b>	Annual consolidation	37
<b>Other Total</b>			<b>97</b>

\* rate guarantee contracts even if not linked to separate managements: indexed, adjustable and other.

## ATTACHMENT C

### TABLE OF THE TECHNICAL BASES OF THE MAIN FEES AND RESERVES

### Individual fees

Fee	Description	1° ORDER DEMOGRAPHIC BASIS		1° order financial basis
		During the deferral	After the deferral	
I389	Def. Cap. P.U.I	SIM71M		2,00%
V181	Def. Cap.P.A.	SIM71M		3,00%
V191	Def. Cap. P.A.	SIM71M		4,00%
V199	Def. Cap. P.U.	SIM71M		4,00%
V281	Def. Cap. P.A.	SIM71M		3,00%
V291	Def. Cap. P.A.	SIM71M		4,00%
V381	Def. Cap. P.A.	SIM71M		2,00%
V389	Def. Cap. P.U.	SIM71M		2,00%
V481	Def. Cap. P.A.	SIM71M		2,00%
V581	Def. Cap. P.A.	SIM71M		2,00%
V681	Def. Cap. P.A.	SIM71M		2,00%
V689	Def. Cap.P.U.	SIM71M		2,00%
S400	Rev. Capitalisation P.U.			0,00%
V404	Rev. Capitalisation P.U.			4,00%
V405	Rev. Capitalisation P.U.			3,00%
V415	Rev. Capitalisation P.U.			0,00%
V416	Rev. Capitalisation P.U.			0,00%
V418	Rev. Capitalisation P.U.			0,00%
V790	FIP LINE 1	SIM92M		0,00%
I266	Mixed revaluable P.U.I.	SIM81M		3,00%
I267	Mixed revaluable P.U.I.	SIM81M		0,00%
V250	Mixed revaluable P.A.	SIM51M		4,00%
V255	Mixed revaluable P.A.	SIM81M		4,00%

V256	Mixed revaluable P.A.	SIM81M		3,00%
V257	Mixed revaluable P.A.	SIM81M		0,00%
V258	Mixed revaluable P.A.	SIM81M		0,00%
V265	Mixed revaluable P.U.	SIM81M		4,00%
V266	Mixed revaluable P.U.	SIM81M		3,00%
V268	Mixed revaluable P.U.	SIM81M		0,00%
V349	Mixed revaluable P.U.	SIM92M		0,00%
V350	Mixed revaluable P.U.	SIM92M		0,00%
V351	Mixed revaluable P.A.	SIM51M		4,00%
V353	Mixed revaluable P.U.	SIM92M		0,00%
V354	Mixed revaluable P.U.	SIM92M		0,00%
V355	Mixed revaluable P.A.	SIM81M		4,00%
V356	Mixed revaluable P.A.	SIM81M		3,00%
V357	Mixed revaluable P.A.	SIM81M		0,00%
V358	Mixed revaluable P.A.	SIM81M		0,00%
V364	Mixed revaluable P.U.	SIM92M		0,00%
V365	Mixed revaluable P.U.	SIM92M		0,00%
V366	Mixed revaluable P.U.	SIM92M		0,00%
V367	Mixed revaluable P.U.	SIM92		0,00%
V368	Mixed revaluable P.U.	SIM92		0,00%
V370	Mixed revaluable P.U.	SIM92		0,00%
T197	Ref. Def. income P.U.	SIM71M	SIM71PS	4,00%
V192	Life imm. income P.U.	SIM71PS	SIM71PS	4,00%
V193	Life imm. income P.U. on 2 T	SIM71PS	SIM71PS	4,00%
V194	Life imm. income P.U. on 2 T	SIM92	SIM92	3,00%
V195	Rev. Def. income P.A.	SIM71M	SIM71PS	4,00%
V197	Rev. Def. income P.U.	SIM71M	SIM71PS	4,00%

V290	Rev. Def. Income P.A.	SIM31	SIM51	4,00%
V292	Rev. Def. Income P.U.	SIM31	SIM51	4,00%
V295	Rev. Def. Income P.A.	SIM71M	SIM71PS	4,00%
V395	Rev. Def. Income P.A.	SIM31	SIM51	4,00%
V582	Rev. Def. Income P.A.	IPS55 U 50% Male/50% Female		2,00%
V583	Rev. Def. Income P.U.	IPS55 U 50% Male/50% Female		2,00%
V584	Rev. Def. Income P.U.	IPS55 U 50% Male/50% Female		2,00%
V585	Rev. Def. Income P.A.	RG48M	RG48M	2,50%
V586	Rev. Def. Income P.A.	RG48F	RG48F	2,50%
V587	Rev. Def. Income P.U.	RG48M	RG48M	2,50%
V595	Rev. Def. Income P.A.	RG48M	RG48M	2,50%
V596	Rev. Def. Income P.A.	RG48F	RG48F	2,50%
V597	Rev. Def. Income P.A.	IPS55 M F	IPS55 M F	2,00%
V598	Rev. Def. Income P.A.	IPS55 M F	IPS55 M F	2,00%
V685	Rev. Def. Income P.A.	RG48M	RG48M	2,50%
V686	Rev. Def. Income P.A.	RG48F	RG48F	2,50%
V695	Life Imm. Income P.U.	RG48MF	RG48MF	2,00%
V697	Rev. Def. Income P.A.	RG48M	RG48M	2,50%
V698	Rev. Def. Income P.A.	RG48F	RG48F	2,50%
B003	Temp. Case of Combined Death	SIM81M		4,00%
B005	Temp. Case of Combined Death	SIM81M		4,00%
TL20	Temp. Case of Death PA	SIM81M		4,00%
V216	Temp. Case of Death PA	SIM81M		4,00%
V217	Temp. Case of Death PU	SIM81M		4,00%
V218	Temp. Case of Death PU	SIM81M		4,00%
V220	Temp. Case of Death PA	SIM81M		4,00%
V226	Temp. Case of Death PA	SIM81M		4,00%

V227	Temp. Case of Death PA	SIM92MF		4,00%
V240	Temp. Case of Death PA	SIM92M		3,00%
V310	Temp. Case of Death PU	SIM92MF		4,00%
V311	Temp. Case of Death PA	SIM92MF		4,00%
V314	Temp. Case of Death PA	Base unisex 80% SIM 2004/20% SIF 2004		2,50%
V420	Temp. Case of Death PA	SIM92M		4,00%
V422	Temp. Case of Death PU	SIM92M		4,00%
V531	Temp. Case of Death PU smok.	92MFUM		4,00%
V532	Temp. Case of Death PU smok.	92FFUM		4,00%
V540	Temp. Case of Death PA	SIM92M		2,00%
V541	Temp. Case of Death PU not smok.	92MNFUM		4,00%
V542	Temp. Case of Death PU not smok.	92FNFUM		4,00%
V551	Temp. Case of Death PA smok.	92MFUM		4,00%
V552	Temp. Case of Death PA smok.	92FFUM		4,00%
V561	Temp. Case of Death PA not smok.	92MNFUM		4,00%
V562	Temp. Case of Death PA not smok.	92FNFUM		4,00%
V571	Temp. Case of Death PA smok.	92MFUM		4,00%
V572	Temp. Case of Death PA smok.	92FFUM		4,00%
V591	Temp. Case of Death PA not smok.	92MNFUM		4,00%
V592	Temp. Case of Death PA not smok.	92FNFUM		4,00%
V593	Temp. Case of Death PA	SIMF2004		4,00%
V594	Temp. Case of Death PU	SIMF2004		4,00%
V602	Temp. Case of Death PA	Unisex base 80% SIM 2004/20% SIF 2004		3,00%
V603	Temp. Case of Death PU	Unisex base 80% SIM 2004/20% SIF 2004		3,00%
V604	Temp. Case of Death PA duration 3 years	Male Female 80/20 of SIM/SIF 2004.		2,00%
V605	Temp. Case of Death PA not smok.	SIM/SIF 2004 (mix 80%/20%) dev. 26,60%		1,50%
V606	Temp. Case of Death PA smok.	SIM/SIF 2004 (mix 80%/20%) increase 12,10%		1,50%

V360	Mixed type of fixed term PA	SIM92M		0,00%
V811	Mixed type PA	SIM81M		4,00%
V720	Unit linked P.U.R.	*SIM92 dev. 10%		0,00%
V761	Unit linked P.U.	*SIM92 dev. 10%		0,00%
V762	Unit linked P.U.	*SIM92 dev. 10%		0,00%
V763	Unit linked P.U.	*SIM92 dev. 10%		0,00%
V725	Unit linked P.U.	*SIM2004		0,00%
V726	Unit linked P.U.	*SIM2004		0,00%
V727	Unit linked P.U.	*SIM2004		0,00%
V751	Unit linked P.U.R.	*SIM92 dev. 10%		0,00%
V752	Unit linked P.U.R.	*SIM92 dev. 10%		0,00%
V753	Unit linked P.U.R.	*SIM92 dev. 10%		0,00%
V773	Unit linked P.U.R.	*SIM92 dev. 10%		0,00%
V783	Unit linked P.U.R.	*SIM92 dev. 10%		0,00%
V740	Multi-branch 80_20	2004 M		0,00%
V741	Multi-branch 70_30	2004 M		0,00%
V742	Multi-branch 50_50	2004 M		0,00%
V743	Multi-branch 30_70	2004M		0,00%
V744	Multi-branch 80_20	2004M		0,00%
V745	Multi-branch 70_30	2004M		0,00%
V746	Multi-branch 50_50	2004M		0,00%
V747	Multi-branch 30_70	2004M		0,00%
V800	Multi-branch (branch 1)	2004 M		0,00%
V801	Multi-branch (branch 1)	2004 M		0,00%
U800	Multi-branch (branch 3)	2004 M		0,00%
U801	Multi-branch (branch 3)	2004 M		0,00%
B002	Whole Life P.U.R.	SIM81M		0,00%

B004	Whole Life P.U.R.	SIM81M		0,00%
T164	Whole Life P.U.	SIM81M		4,00%
V123	Whole Life P.U.	SIM92M		0,00%
V124	Whole Life P.U.	SIM92M		0,00%
V125	Whole Life P.U.	SIM92M		0,00%
V126	Whole Life P.U.	SIM92M		0,00%
V161	Whole Life P.A.T	SIM81M		3,00%
V162	Whole Life P.U.	SIM81M		0,00%
V163	Whole Life P.U.	SIM81M		3,00%
V164	Whole Life P.U.	SIM81M		4,00%
V165	Whole Life P.A.T	SIM81M		0,00%
V166	Whole Life P.A.T	SIM81M		3,00%
V167	Whole Life P.A.T	SIM81M		4,00%
V168	Whole Life P.A.T	SIM81M		0,00%
V169	Whole Life P.A.T	SIM81M		3,00%
V170	Whole Life P.A.T	SIM81M		4,00%
V172	Whole Life P.A.T	SIM81M		3,00%
V175	Whole Life P.U.R.	SIM81M		0,00%
V176	Whole Life P.U.R.	SIM81M		0,00%
V177	Whole Life P.U.R.	SIM81M		0,00%
V178	Whole Life P.A.T	SIM81M		0,00%
V179	Whole Life P.A.T	SIM81M		0,00%
V180	Whole Life P.U.	SIM81M		0,00%
V183	Whole Life P.U.	SIM92		0,00%
V184	Whole Life P.U.R.	SIM92		0,00%
V185	Whole Life P.U.R.	SIM81M		0,00%
V186	Whole Life P.U.R.	SIM92		0,00%

V187	Whole Life P.U.R.	SIM92		0,00%
V188	Whole Life P.U. tax	SIM92		0,00%
V200	Whole Life P.U.R.	SIM92		0,00%
V201	Whole Life P.U. tax	SIM92		0,00%
V202	Whole Life P.U.R.	SIM92		0,00%
V203	Whole Life P.U. tax	SIM92		0,00%
V204	Whole Life P.U.R.	SIM92		0,00%
W177	Whole Life P.U.R.	SIM81M		0,00%

### **Collective fees**

Fee	Description	1° ORDER DEMOGRAPHIC BASIS		1° order financial basis
		During the deferral	After the deferral	
V044	Rev. Capitalisation P.U.			3,00%
V400	Rev. Capitalisation P.U.			0,00%
V404	Rev. Capitalisation P.U.			4,00%
V405	Rev. Capitalisation P.U.			3,00%
V410	Rev. Capitalisation P.U.			0,00%
V415	Rev. Capitalisation P.U.			0,00%
V416	Rev. Capitalisation P.U.			0,00%
V417	Rev. Capitalisation P.U.			0,00%
V418	Rev. Capitalisation P.U.			0,00%
V197	Rev. Def. Income P.U.	SIM71	SIM71PS	4,00%
V216	Temp. Case of Death PU	SIM92 dev. 40%		4,00%
V716	Temp. Case of Group Death	80%SIM 20%SIF 2004		0,00%

*The technical bases of prizes and reserves are different:*

- in the immediate annuity rates or in income ,where the Reserve is calculated with A62 (ANIA) for immediate commitments and generations, at 2% financial base.
- the collective rates V218, where the prize is average for duration, age and sex ,and the reserve is punctual on age and duration.

*\* For the Units and Index Linked, the demographic base and the financial base refer to the death guarantee.*

## **ATTACHMENT D**

### **EVIDENCE OF THE AMOUNTS OF THE INDIVIDUAL RESERVE ITEMS OF EVERY SINGLE BRANCH**

ITEM OF RESERVE	Segment I	Segment II	Segment III	Segment IV	Segment V	Segment VI	TOTAL
<b>DIRECT WORK</b>							
Mathematical reserves for pure premiums (including premiums carried forward)	5.499.022.965	0	0	0	74.102.218	-	<b>5.573.125.183</b>
Reserve health and professional premiums	744.034	0	0	0	0	-	<b>744.034</b>
Additional reserve for guaranteed interest rate risk	1.194.662	0	0	0	0	-	<b>1.194.662</b>
Additional reserve for time lag	0	0	0	0	0	-	<b>0</b>
Additional reserve for demographic risk	398.414	0	0	0	0	-	<b>398.414</b>
Other additional reserves	0	0	0	0	0	-	<b>0</b>
Additional reserves referred to in Article 41, paragraph 4. of Legislative Decree 209/2005	0	0	49.585	0	0	-	<b>49.585</b>
<b>Total mathematical reserve class C.II.1</b>	<b>5.501.360.075</b>	<b>0</b>	<b>49.585</b>	<b>0</b>	<b>74.102.218</b>	<b>0</b>	<b>5.575.511.878</b>
Reserve for future expenses (class C.II.5)	28.042.732	-	50.183	-	908.023	0	<b>29.000.937</b>
Additional reserves for general risks (class C.II.5)	-	-	-	-	-	0	<b>0</b>
Other technical provisions (class C.II.5)	-	-	-	-	-	0	<b>0</b>
Reserve for profit participation and rebates (class C.II.4)	-	-	-	-	-	0	<b>0</b>
Reserve for amounts to be paid (class C.II.3)	38.589.706	-	640.718	-	1.053.356	0	<b>40.283.780</b>
Reserve for supplementary insurance premiums (class C.II.2)	40.651	-	-	-	-	0	<b>40.651</b>
<b>Total technical reserve class C</b>	<b>5.568.033.164</b>	<b>0</b>	<b>740.486</b>	<b>0</b>	<b>76.063.597</b>	<b>0</b>	<b>5.644.837.247</b>
Reserves class D. Contracts pursuant to Article 41, paragraph 1. of Legislative Decree 209/2005	0	0	445.160.466	0	0	0	<b>445.160.466</b>
Reserves class D. Contracts pursuant to Article 41, paragraph 2. of Legislative Decree 209/2005	0	0	0	0	0	0	<b>0</b>
<b>Total reserves class D.I</b>	<b>0</b>	<b>0</b>	<b>445.160.466</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>445.160.466</b>
<b>Total reserves class D.II</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL TECHNICAL RESERVES DIRECT WORK</b>	<b>5.568.033.164</b>	<b>0</b>	<b>445.900.952</b>	<b>0</b>	<b>76.063.597</b>	<b>0</b>	<b>6.089.997.713</b>
<b>TOTAL TECHNICAL RESERVES INDIRECT WORK</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL TECHNICAL RESERVES</b>	<b>5.568.033.164</b>	<b>0</b>	<b>445.900.952</b>	<b>0</b>	<b>76.063.597</b>	<b>0</b>	<b>6.089.997.713</b>





# EXTERNAL AUDITORS' REPORT



**Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010, to article 10 of EU Regulation n. 537/ 2014 and to article 102 of Legislative Decree n. 209, dated 7 September 2005 (Translation from the original Italian text)**

To the shareholder of  
Amissima Vita S.p.A.

## **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of Amissima Vita S.p.A. (the Company), which comprise the balance sheet as at December 31, 2018, the income statement for the year then ended, and the explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at December 31, 2018, and of its financial performance for the year then ended, in accordance with Italian regulations governing financial statements.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other aspects**

The Financial Statements of the Company at December 31, 2017, was audited by another auditor that, in April 9, 2018, expressed an unmodified opinion.

The Company, as required by law, has included in the explanatory notes the main data of the last Financial Statements of the company that exercises on it the direction and coordination activity. The opinion on the Financial Statements of Amissima Vita S.p.A. does not extend to these data.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters:

Key Audit Matters	Audit Responses
<p><b>Life technical provisions estimation</b></p> <p>The technical provisions of the life segment are recorded at 31 December 2018 for an amount equal to Eur 5,644,837 thousand.</p> <p>The valuation of the life technical provisions is a well-structured estimation process that requires the use of complex statistical and actuarial methodologies and calculation models, characterised by a high level of subjectivity when choosing the assumptions used to develop the estimate. Furthermore, determining the technical provisions of the life segment requires the use of consistent databases whose completeness and accuracy are essential to determine the result.</p> <p>For these reasons, we considered this aspect a key matter for our audit.</p> <p>The financial statement information relating to life insurance provisions is disclosed in the explanatory notes in “ Part A – Evaluation criteria” and in “ Part B – Information on the balance sheet and income statement” in Section 10 – Technical provisions.</p>	<p>The audit response included several procedures, the most relevant of which are outlined below:</p> <ul style="list-style-type: none"> <li>▣ An understanding of estimation process of life technical provisions designed by the Company and of the related key controls, as well as the testing of these controls; these procedures were carried out with reference to the controls over completeness, accuracy and appropriateness of data related to the insurance portfolio used to calculate the life technical provisions, taking into consideration also the control activities performed by the actuarial function of the Company and the related results;</li> <li>▣ The evaluation of the appropriateness of the methodologies and the reasonableness of the assumptions used to estimate the life technical provisions, including the additional technical provisions;</li> <li>▣ Comparative analyses through the calculation of appropriate indicators observed historically and their correlation with other significant financial statements indicators, as well as the consistency with other financial statements information, the expected values and the results determined in previous financial years;</li> <li>▣ Recalculation of the mathematical provision for pure premiums, for a representative sample of policies;</li> <li>▣ The development, of an independent range of acceptable values, also through sensitivity analyses, representative of the level of uncertainty in setting the assumptions underlying the estimation of life technical provisions, and verifying that these were included in that range.</li> </ul> <p>We also involved an actuarial specialist to assist us in performing our audit procedures. Furthermore, we assessed the adequacy of the disclosures provided in the explanatory notes.</p>

## **Responsibilities of Directors and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The statutory audit committee (" Collegio Sindacale" ) is responsible, within the terms provided by the law, for overseeing 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have 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 have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 have 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 have 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 identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated with them all 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 have 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 have described these matters in our auditor's report.

### **Additional information pursuant to article 10 of EU Regulation n. 537/ 14**

The shareholders of Amissima Vita S.p.A., in the general meeting held on April 24, 2018, engaged us to perform the audits of the financial statements of each year ending December 31, 2018 to December 31, 2026.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/ 2014, and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements included in this report is consistent with the content of the additional report to the audit committee (" Collegio Sindacale" ) in their capacity as audit committee, prepared in accordance with article 11 of the EU Regulation n. 537/ 2014.

## **Report on compliance with other legal and regulatory requirements**

### **Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010**

The Directors of Amissima Vita S.p.A. are responsible for the preparation of the Report on Operations of Amissima Vita S.p.A. as at December 31, 2018, including their consistency with the related financial statements and its compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations with the financial statements of Amissima Vita S.p.A. as at December 31, 2018 and on its compliance with the applicable laws and regulations, and in order to assess whether it contain material misstatements.

In our opinion, the Report on Operations is consistent with the financial statements of Amissima Vita S.p.A. as at December 31, 2018 and comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

### **Opinion pursuant to the article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005 of the life segment**

In performing the engagement assigned by Amissima Vita S.p.A., we tested, in accordance with article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005, the accounts related to the life technical provisions recorded as liabilities in the financial statements of Amissima Vita S.p.A. as at December 31, 2018. The Directors are responsible for establishing sufficient technical provisions in respect of commitments arising from insurance and reinsurance contracts. Based on the procedures performed in accordance with article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005, ISVAP Regulation n. 22, dated 4 April 2008, and the related application guidance included in the explanatory guidance published on the IVASS website on 31 January 2017, the above- mentioned technical provisions, recorded as liabilities in the financial statements of Amissima Vita Sp.A. as at December 31, 2018, are sufficient in conformity with the applicable laws and regulations and generally accepted actuarial principles and practices, which comply with the application rules as per ISVAP Regulation n. 22, dated 4 April 2008.

### **Other aspects**

The determination of the technical provisions is a complex estimation process that involves many subjective variables for which any change thereof may have an effect on the results. For this reason, we developed a range of reasonably possible outcomes in order to take into consideration the uncertainty of these subjective variables. In assessing the sufficiency of the above-mentioned technical provisions, we tested that those provisions fall within such ranges.

Milano, 12 April 2019

EY S.p.A.

Signed by: Matteo Brusatori, partner

*This report has been translated into the English language solely for the convenience of international readers.*





# STATUTORY AUDITORS' REPORT



**AMISSIMA VITA S.p.A.**  
**Company with sole shareholder**  
**Headquarters in Genoa, Mura di Santa Chiara, 1**  
**Share capital of Euro 50,431,778 fully paid-up**  
**Registration number with the Register of Companies of Genoa**  
**01739640157**

**REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE**  
**SHAREHOLDERS' MEETING ON THE FINANCIAL STATEMENTS FOR THE**  
**YEAR ENDED 31 DECEMBER 2018**

**PURSUANT TO ARTICLE 2429, PARAGRAPH 2, OF THE ITALIAN CIVIL CODE**

Mr. Shareholder,

during the year ended 31 December 2018, the Board of Statutory Auditors carried out the supervisory activities required by law, having regard to the principles of conduct recommended by Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (National Council of Chartered Accountants and Accounting Experts).

The Company's financial statements, consisting of the balance sheet, income statement and notes to the financial statements, together with the related attachments, have been prepared by the Directors in accordance with the law and were duly communicated to us on 26 March 2019, together with the Report on Operations and the cash flow statement.

The Financial Statements for the year ended 31 December 2018 have been prepared in accordance with current statutory regulations and those specific to the insurance sector.

In particular, it was prepared in compliance with the provisions of ISVAP Regulation (now IVASS) no. 22 of 4 April 2008 and subsequent amendments and in its preparation were followed, in addition to the statutory provisions, those of Legislative Decree no. 173 of 26 May 1997, supplemented and amended by Article 8 of Legislative Decree no. 139/2015, interpreted and supplemented by the OIC accounting standards where applicable.

#### **Group scope**

The Group scope to which your company belongs has not changed compared to the previous year and, therefore, identifies Amissima Holdings S.r.l. as falling within the scope, Sole Shareholder and Insurance Parent Company, duly registered for this purpose in the Register under no. 050, Amissima Vita S.p.A. and Amissima Assicurazioni S.p.A. as insurance companies and instrumental companies, wholly owned by the same, Dafne S.r.l., IH Roma S.r.l. and Assi 90 S.r.l.

Amissima Vita S.p.A. is subject to the direction and coordination of the Insurance and Sole Shareholder Parent Company Amissima Holdings S.r.l.

#### **Internal Control and Audit Committee (Art. 19 of Legislative Decree no. 39 of 27**

#### **January 2010).**

During the year, we carried out the supervisory activities required by current

regulations. In particular, pursuant to and for the purposes of art. 19 of Legislative Decree no. 39 of 27 January 2010, in our capacity as "Internal Control and Audit Committee" we supervised the following areas:

- Financial reporting process, maintaining relationships for this purpose and acquiring information from the Chief Financial Officer (hereinafter the "CFO") and the Internal Audit function;
- Effectiveness of the Company's internal quality control and risk management systems;
- Statutory audit of the accounts and independence of the independent auditors, in particular as regards the adequacy of the provision of non-audit services.

**Preliminary evidence of significant events affecting the year 2018.**

The main facts, which were the subject of attention by this Board of Statutory Auditors, were as follows:

- the resolution passed by the Shareholders' Meeting of 24 April 2018 by which:
  - has appointed the Administrative Body, defining its composition in five members;
  - resolved, on the proposal of the Board of Directors, to allocate the entire profit for 2017 to dividends for a total amount of € 34,723,784;
- having taken into account the change in the statutory auditor of the Parent Company of Gruppo Assicurativo Amissima due to the expiry of the appointment and in order to ensure uniformity in the performance of the statutory audit

activities within the Group itself, it approved the early termination of the appointment given to Deloitte & Touche S.p.A. for the nine-year period 2012 - 2020 and the appointment of Ernst & Young S.p.A. as statutory auditor for the years 2018 - 2026;

- the proceedings initiated in 2016 by Banca Carige S.p.A. before the Court of Genoa against Amissima Holdings S.r.l., both insurance companies, three companies under US and English law of the Apollo Group and two former directors of Banca Carige S.p.A., for the purpose of obtaining a joint and several conviction among the parties responsible for compensation for financial and non-financial damages allegedly suffered by Banca Carige S.p.A. In relation to, inter alia, the acquisition of the insurance companies by Amissima, the first outcome was reached on 6 December 2018 with the Judgment of the Court of Genoa, which rejected all the claims made by Banca Carige S.p.A. and also the counterclaim by the Company, ordering the bank to pay the costs of the proceedings. With a document served on 3 January 2019, Banca Carige S.p.A. appealed against this sentence, putting forward the same claims made at first instance;

- the arbitration proceedings initiated in 2016 by Banca Carige S.p.A., Banca Carige Italia S.p.A., Banca del Monte di Lucca S.p.A. and Creditis Servizi Finanziari S.p.A., which, first of all, tends to have the clauses of the "Insurance Products Distribution Agreement" declared null and void, or in the alternative which has arisen, and of which, for further details, reference should be made to what is better illustrated in the Financial Statements in the chapter "Information on the Company - significant operations that

took place during the year", found its first outcome on 3 May 2018 with the rejection of the opposing claims by the Board of Arbitrators, which declared the distribution agreement to be valid. In a writ of summons dated 10/14 September 2018, Banca Carige S.p.A. appealed against the arbitration award, requesting that it be declared null and void and that the claims already submitted to the Board of Arbitrators be accepted;

- following the entry into force of IVASS Regulation no. 38/2018 containing provisions on corporate governance and the Letter to the Market of 5 July 2018, the Board of Directors began the process of self-assessment of the Company recommended by the Supervisory Authority during the second half of the year. On the basis of the results of this process, in the early months of 2019 and taking into account the timing provided for by IVASS Regulation no. 38/2018, the Board of Directors adopted, on the basis of the principle of proportionality set out in the above-mentioned Letter to the Market, an ordinary corporate governance model, providing for the implementation of additional organisational controls. The process of adjustment to the new regulatory provisions referred to above must be completed by 31 December 2019;

- Among other activities, the Board of Directors also has:

- i) approved the new Business Plan and projections for 2018 and monitored and adjusted them;
- ii) approved the 2019 Budget;
- iii) approved the 2018 reinsurance programme, in line with the previously established guidelines;

- iv) approved the update of the Business Continuity Plan;
- v) approved the Regular Supervisory Report (so-called RSR), including the Solvency II Financial Statements 2017;
- vi) approved the Single Report on Solvency and Financial Condition (so-called SFCR);
- vii) authorised the intercompany transaction relating to the disposal of 49% of the share held in the subsidiary I.H. Roma S.r.l. to Amissima Assicurazioni S.p.A. and the acquisition from the latter of the property located in Milan, Via Silva/Monte Bianco;
- viii) authorized, in line with the Real Estate Plan outlined above, the disposal of the former Politecnico building;
- ix) constantly monitored the solvency coverage requirement;
- x) evaluated the results of the self assessment activities carried out by the Board of Directors, noting, based on the areas of improvement found during the year, the initiatives taken by the Board;
- xi) approved the establishment of a new separate management and the related Regulations;
- xii) approved two Bancassurance distribution agreements;
- with regard to the organisational structure, the Board of Directors intervened in 2018 to adapt the organisational structure and governance to the business model, in particular by rationalising and efficientising the operations of the commercial sector and the governance committees within the organisational structure;
- the Internal Audit, Compliance, Risk Management, Actuarial and Anti-

terrorism/Money Laundering functions continued to operate centrally at the Parent Bank;

- on 24 January 2017, the Board of Directors had already adopted the related policy on intragroup transactions, pursuant to IVASS Regulation no. 30/2016, with the aim of regulating the management of transactions with intragroup counterparties; this policy was updated during 2018;
- with regard to the investment management process, the Board of Directors updated the related policy with particular regard to assets covering technical reserves, in line with the asset allocation strategy for investments outlined in the Group's new business plan, having regard to the current and prospective risks and return requirements set out in the ORSA Supervisory Report. In this regard, it should be noted that, in the early months of 2019, the policies relating to the investment segment were further reviewed in the light of the elements that emerged following the self-assessment process carried out by the Company pursuant to the IVASS Letter to the Market of July 5, 2018 and IVASS Regulation no. 38/2018;
- the Service Agreement between the Company and the companies AAME and AMI, both controlled by Apollo Global Management LLP, through which these companies provide the Company with advisory services on asset allocation, continues to operate;
- the Administrative Body, within the scope of its responsibilities as provided for by current legislation, continued to update the directives on the internal control system and risk management, adapting them to the company's operations and external

conditions;

- the continued use of an Irish investment vehicle called "Amissima Diversified Income ICAV" with the aim of establishing and managing investment funds with the aim of meeting the Group's strategic financial investment needs;
- the continuation of centralized cash pooling activities, now also extended to the instrumental companies IH Roma S.r.l. and Dafne S.r.l.

### **1. - Results for the year.**

The financial statements for the year ended December 31, 2018 show a profit of Euro 33,678,836, in line with the result for the previous year, equal to Euro 34,723,784.

The Directors report that premium income increased by approximately 11.6% compared to the previous year, bringing total premium income to approximately Euro 864.2 million.

The agency channel showed lower levels of production with a decrease of 4.9% while the bank channel grew by 3.9%.

The increase in claims expenses reflects the growth in the volume of settlements completed during the year in terms of surrenders, maturities, coupons and annuities.

Operating expenses increased by approximately 4 percentage points due to the increase in production, while other administrative expenses benefited from constant monitoring aimed at reducing operating costs.

Net financial income and assets contributed significantly to operating profit despite a

slight decrease of 0.6% compared to 2017. The net result from extraordinary activities showed a positive result of Euro 1.6 million, mainly due to the sale of non-strategic real estate units.

## **2. - The activities of the Board of Statutory Auditors.**

We have formulated the following considerations with regard to the manner in which our institutional activities were carried out.

### **2.1 Considerations on the most significant economic, financial and equity transactions carried out by the Company and on their compliance with the law and the Articles of Association.**

Through news and data reported during the meetings of the Board of Directors and the Executive Committee, which the Board of Statutory Auditors has always attended, the Directors have constantly informed us, in accordance with the Articles of Association and at least every three months, on the activities carried out as well as on the most significant economic, financial and equity transactions carried out by the Company.

The information obtained in this way enabled us to ascertain compliance with the law and the Articles of Association and compliance with the company's interests; we believe that these operations, which are described in detail in the Report on Operations, do not require specific observations on our part.

We have not found the existence of operations that are manifestly imprudent or risky, in potential conflict of interest, in contrast with the resolutions passed by the Shareholders' Meeting or such as to compromise the integrity of the company's assets.

**2.2 Indication of the existence, if any, of atypical and/or unusual transactions, including those within the group or with related parties.**

We monitored that the transactions with related parties, including intragroup transactions, met criteria of substantial and procedural correctness and were not in conflict with the interests of the Company. The Report on Operations provides a detailed description of transactions of an equity, economic and financial nature with Group companies and other related parties.

With regard to the overall scope of these transactions, it has been ascertained that there are no atypical or unusual transactions that could give rise to doubts as to the correctness and completeness of the information, the conflict of interest and the protection of the company's assets.

Pursuant to IVASS Regulation no. 30/2016 concerning provisions on the supervision of intragroup transactions and risk concentrations, at the meeting held on 30 January 2018 the Company's Board of Directors updated the previously adopted intragroup transaction policy in accordance with the Parent Company's instructions. The new updated Policy provides, as the previous one, that transactions with intragroup counterparties must be authorised in advance by the Board of Directors of the Company and, where appropriate, by the Parent Company, if they are significant, atypical or unusual.

**2.3 Report of the Independent Auditors pursuant to Article 14 of Legislative Decree No. 39 of 27 January 2010, Article 10 of Regulation (EU) No. 537/2014 and Article 102**

**of Legislative Decree No. 209 of 7 September 2005.**

The Independent Auditors - Ernst & Young S.p.A. - reported to us on the statutory audit of the accounts and on the absence of situations of uncertainty or any limitations in the audits carried out.

Today we received the Report of the Independent Auditors Ernst & Young S.p.A. appointed to carry out the statutory audit of the accounts. In their opinion, Ernst & Young S.p.A. states that *"the financial statements provide a true and fair view of the Company's assets and liabilities and financial position at 31 December 2018 and of the economic result for the year then ended, in accordance with the Italian regulations governing their preparation"*.

Furthermore, in the opinion of the Independent Auditors, *"the report on operations is consistent with the financial statements of Amissima Vita S.p.A. at 31 December 2018 and has been prepared in accordance with the law"*.

In its report, Ernst & Young S.p.A. focuses on the estimate of life insurance provisions and finally concludes by considering the adequacy of the related information in the financial statements contained in the notes to the financial statements; in this regard, reference should be made to the contents of the report itself.

In its report, the Independent Auditors declare that they have not provided any services other than auditing, which are prohibited under Article 5, paragraph 1 of Regulation (EU) No. 537/2014, and that they have remained independent of the Company in the performance of the Statutory Audit.

The Board of Statutory Auditors examined the report addressed to the Internal Control and Audit Committee pursuant to Article 11 of Regulation (EU) No. 537/2014 of the Independent Auditors. The Independent Auditors specify that the issues dealt with in this report have already been presented and illustrated to the Internal Control and Audit Committee during the meetings held with the Board of Statutory Auditors. The Board of Statutory Auditors notes that the report in question shows that:

- the annual confirmation by the Independent Auditors of their independence pursuant to Article 6, paragraph 2 of Regulation (EU) No. 537/2014;
- the absence of factors of uncertainty regarding the assumption of going concern;
- failure to identify significant "deficiencies" in the internal control system for financial reporting and/or in the accounting system;
- failure to identify significant issues concerning cases of non-compliance, actual or presumed, with laws and regulations or statutory provisions.

**2.4 Indication of any filing of complaints pursuant to art. 2408 of the Italian Civil Code, of any initiatives taken and of the relative results.**

We acknowledge that during the year no complaints were submitted to the Board of Statutory Auditors pursuant to Article 2408 of the Italian Civil Code.

**2.5 Indication of any complaints submitted, of any initiatives undertaken and of the results thereof.**

We acknowledge that during the year no complaints were submitted to the Board of Statutory Auditors by anyone.

## **2.6 - Indication of the existence of opinions issued by the Board of Statutory Auditors in accordance with the law during the year.**

During the year, the Board of Statutory Auditors:

- expressed a favourable opinion on the proposal relating to the plan of activities planned for 2018 by the Internal Audit function;
- on the occasion of the appointment of the new Board of Directors approved by the Shareholders' Meeting of 24 April 2018, which became necessary due to the expiry of the mandate, the Board of Statutory Auditors expressed a favourable opinion on the determination of the remuneration attributed to the new members of the Board of Directors, including that attributed to the independent directors for the assignment of powers to the latter with regard to monitoring the adequacy of the internal control system.

## **2.7 Indication of the frequency and number of meetings of the Board of Directors, the Executive Committee and the Board of Statutory Auditors.**

The Board of Statutory Auditors has planned its activities in a manner appropriate to the overall system of controls for which it is responsible and has carried out its supervisory activity through 17 meetings and maintaining a constant and adequate link with the functions of Internal Audit, Risk Management, Compliance, Anti-terrorism/ Anti-Money Laundering and Actuarial as well as with the Supervisory Body pursuant to Legislative Decree 231/01 until the time of assignment to this Board of Statutory Auditors of the relative task.

We also met with the Chief Executive Officer/General Manager and the heads of the Company's main corporate functions and maintained contact with the Independent Auditors.

The Board of Statutory Auditors also duly participated in all 11 meetings of the Board of Directors and all 6 meetings of the Executive Committee, obtaining, in compliance with the provisions of Article 2381, paragraph 5 of the Italian Civil Code, the IVASS Regulations and the Articles of Association, timely and appropriate information on the general performance of operations and its outlook, as well as on the most significant transactions, in terms of their size or characteristics, carried out by the Company.

In particular, the decision-making process of the Board of Directors seemed to us to be correctly inspired by the respect of the principle of informed action.

In this regard, we point out that we have taken note of the process aimed at "assessing the size, composition and functioning of the Board of Directors as a whole, as well as its committees". The self-assessment process carried out showed, in general, that the Board of Directors operates adequately and consistently with its mandate. As a result of this self-assessment, the Board of Directors has noted certain aspects of improvement in its functioning, which in any case emerged during the year and have been assessed and shared over time by the members of the Board itself. Furthermore, the Board of Directors has expressed the opportunity to proceed with the definition of training plans aimed at the members of the Board itself in order to ensure that the latter has the technical skills necessary to carry out the activities for which it is responsible. We

attended the meetings held during the year.

## **2.8 Observations on the respect of the principles of correct administration.**

We have acquired knowledge of and monitored, to the extent of our competence, compliance with the fundamental criterion of the sound and prudent management of the Company and the more general principle of diligence, all on the basis of participation in the meetings of the Board of Directors and the Executive Committee, of the documentation and timely information directly received from the various management bodies and through the meetings held with top management regarding the operations carried out by the Company.

The information obtained has enabled us to verify that the actions decided and implemented comply with the law and the Articles of Association and that they are not manifestly imprudent or risky.

We have found that the Company has adopted a suitable risk management policy, which is described in detail in the report on operations.

For further clarification, during the year the Company was subject to the management and coordination of the Parent Company Amissima Holdings S.r.l., and in this regard we have noted compliance with Article 2497-ter of the Italian Civil Code.

## **2.9 Observations on the adequacy of the organisational structure.**

We have monitored the adequacy of the Company's organisational structure, carefully monitoring the proposals for changes to the organisational structure that have been

brought to the attention of the Board of Directors from time to time.

We verified the existence of suitable Company actions aimed at providing the necessary training for employees and the agency network.

Also for 2018, the reorganisation activities continued, aimed at improving production processes, requalification and/or enhancement of resources with qualifications and specific sector-specific technical knowledge; this was also achieved through professional updates for company structures that have mainly involved information technologies, with particular reference to the continuation of the implementation activities of the Pegaso core business IT platform.

#### **2.10 Observations on the adequacy of the internal control, anti-money laundering and anti-terrorism systems.**

We monitored the internal control system. We believe that this system, which is constantly improving, is overall adequate with respect to the management characteristics of the Company and meets the requirements of efficiency and effectiveness in monitoring risks and in compliance with internal and external procedures and provisions.

In particular, we have supervised the system of first, second and third level internal controls and in compliance with the provisions of the regulations of the Supervisory Authority.

Also in 2018, the Internal Audit, Compliance, Risk Management and Anti-terrorism/ Anti-money laundering (AML) functions continued their activities in a centralised manner at

the Parent Company; the centralisation of the functions, during the year just ended, continued to be regulated by specific intragroup contracts, without prejudice to the appointment of the heads of the individual control functions and the identification for each function of an internal contact person with suitable requirements. In this regard, it should be noted that, in accordance with the provisions of IVASS Regulation no. 38/2018 which requires the appointment within each Control Function of a holder of the function to which to assign the relative overall responsibility, the Board of Directors of 27 February 2019, noting that the figure of the internal "contact person" is no longer replicable and, therefore, in order to gradually adapt to the new provisions on corporate governance, resolved, with effect from 1 March 2019, to terminate the intragroup agreements to centralise the Internal Audit, Compliance and Risk Management functions at the Parent Bank and to activate the "partial secondment" of the current managers.

We believe that the Internal Audit, Risk Management, Compliance and Anti-terrorism/Money Laundering functions meet the requirements of competence and autonomy and independence and that, together with the other bodies and organisational units to which a control function is assigned, they cooperate with each other, exchanging useful information for the performance of their respective duties.

With specific reference to the Internal Audit function, we evaluated, in a special verification meeting, the proposals concerning the planning of activities planned for 2018.

We have ascertained, through appropriate meetings with the Anti-Money Laundering/Anti-Terrorism function, the compliance of the Company's operations with the provisions of Legislative Decree no. 231 of 21 November 2007, concerning "the prevention of the use of the financial system for the purpose of money laundering and the financing of terrorism".

### **2.11 Actuarial Function.**

The purpose of this function is to ensure the adequacy of the methods and assumptions used in the calculation of reserves with respect to the specificity of the various lines of business.

It should be noted that the Board of Directors of the Parent Company of 31 July 2018 resolved to entrust the De Angelis-Savelli & Associati Actuarial Firm with the supervision of the Group Actuarial Function, replacing the Crenca & Associati Firm, without prejudice to the identification of the internal contact for the purposes of monitoring the activity outsourced.

As with the other Control Functions, in 2018 the Actuarial Function continued its activities in a centralised manner at the Parent Company and the latter maintained the outsourcing of the Function and the centralisation of the function, during the year just ended, continued to be regulated by specific intragroup contracts, without prejudice to the appointment of the function manager and the identification for each function of an internal contact person with suitable requirements. In this regard, without prejudice to the above provisions regarding the figure of the internal contact person referred to in

IVASS Regulation no. 38/2018, the outsourcing by the Parent Company to Studio De Angelis-Savelli & Associati is maintained and, therefore, the figure of the internal contact person at the latter and those of the Insurance Companies by reason of the relative intra-group agreements. As part of the redefinition of the internal control system pursuant to IVASS Regulation no. 38/2018, the Company will proceed to define a progressive plan for the re-internalisation of the Actuarial Function.

The Board of Statutory Auditors has constantly monitored the activity carried out by the Actuarial Function through the evaluation of the periodic reports that it has submitted to the Administrative Body on a quarterly basis.

The Board of Statutory Auditors also verified that the Board of Directors has taken on board, also through the organisational units in charge, the suggestions made over time by the Actuarial function.

#### **2.12 Observations regarding the administrative liability of legal persons pursuant to Legislative Decree no. 231 of 8 June 2001.**

The Administrative Body has approved the updated version of the Organisation, Management and Control Model pursuant to Legislative Decree 231/01, including the Code of Ethics.

Since the mandate previously granted to the Supervisory Body pursuant to Legislative Decree 231/01 expired with the approval of the financial statements as at 31 December 2017, on 3 May 2018 the Administrative Body appointed the Board of Statutory Auditors of the Company, conferring this function for the three-year period 2018-2020,

confirming to the members of the same, the broadest powers and responsibilities for carrying out the activities envisaged in the Organisation Model adopted, including the right to be supported by the Internal Audit Functions and by an external lawyer for purely criminal matters.

**2.13 Observations on the adequacy of the administrative-accounting system and its reliability in correctly representing operating events.**

We have assessed, within the scope of our responsibilities, the reliability of the administrative and accounting system to correctly understand and represent management events, both by obtaining information from the heads of the various functions, and through the contacts we have had with the Independent Auditors and the analysis of the results of the work carried out by them.

**2.14 Observations on the activities of the Independent Auditors and any significant aspects that have emerged.**

The Board of Statutory Auditors held meetings with the Independent Auditors during which no significant aspects worthy of comment emerged in this report, not even with reference to the periodic audits carried out by the same, pursuant to and for the purposes of Article 14, first paragraph, letter b) of Legislative Decree no. 39 of 27/01/2010.

We have acknowledged the adequacy of the audit plan for the financial statements and its compliance with an approach based on the risk of significant errors or reprehensible conduct; we have also acknowledged the auditor's independence.

**2.15 Exchange of information with control bodies of investee companies/subsidiaries.**

We acknowledge that during the year the Chairman of the Board of Statutory Auditors contacted the Chairman of the similar body of the subsidiary Assi 90 S.r.l. for a reciprocal exchange of information.

**2.16 Relations with the Supervisory Authority.**

During the year, the Board of Statutory Auditors was informed of the requests made by the Supervisory Authority to the Company:

- i) 24 April 2018 by means of which the Authority requested certain clarifications regarding the current and prospective solvency situation of the Company;
- ii) 31 May 2018, which requested additions and adjustments to the action plan for the management of the dormant policies adopted at the beginning of 2018;

In this regard, the Board of Statutory Auditors monitored compliance with these requests, and with particular reference to the issue of dormant policies, noted the adoption of the overall plan for the management of these policies, which incorporates the suggestions made by the Supervisory Authority.

**2.17 Concluding assessments of the supervisory activity carried out as well as of any omissions, censurable facts or irregularities detected during the course of the same.**

We acknowledge that our supervisory activity was carried out during the year in a normal manner and that no significant facts emerged from it that would require specific

mention in this report.

**3. - Fulfilments and activities carried out by the Board of Statutory Auditors in compliance with the provisions of the ISVAP Regulations, now IVASS.**

In addition to the checks described above, the Board of Statutory Auditors carried out, where applicable, further specific checks, in compliance with the implementing or regulatory provisions of the Supervisory Authority. In this regard, we believe that we should specify the following.

*Resolutions on investments - assets covering technical reserves.*

With reference to the provisions of IVASS Regulation no. 24 of 6 June 2016 concerning investments and assets covering technical reserves, we have carried out the controls provided for in article 12, verifying:

- that the general policies were compatible with the current and prospective conditions of economic and financial equilibrium of the company; with reference to the financial statements under examination, we also verified the conformity of the management acts with the policies indicated in the relative resolution;
- the consistency of all transactions carried out in the various financial instruments, loans, assets of an occasional nature, as well as other complex assets with the guidelines set out in the investment policy.

We verified the administrative procedures adopted by the company for the handling,

custody and accounting of financial instruments, ascertaining the instructions given to the depositary bodies regarding the periodic sending of statements of account with the appropriate evidence of any constraints.

During the periodic checks, we verified the freedom from restrictions and the full availability of the assets intended to cover the technical reserves, making use, also using sample methods, of the acquisition of suitable declarations to this effect by the depositary.

Lastly, we completed our checks on securities, making the necessary checks with the register of assets covering technical reserves.

With regard to the investment management process, as already mentioned, the Service Agreement between the Company and the companies AAME and AMI continued for 2018, through which these companies (related parties) provide consultancy services on the strategic asset allocation of financial activities.

#### *Transactions in derivative financial instruments.*

In February 2018, the Company signed derivative contracts with the counterparty Goldman Sachs, for hedging purposes, aimed at reducing the exposure relating to Italian government securities (the so-called "BTP Derisking Solution"). The operation, divided into two parts, provides for "forward sale" contracts and "forward purchase" contracts for BTPs, the latter previously sold spot, at a pre-established price and at a pre-established date (3 and 4 years). The Italian government securities, all allocated to the Segregated Fund of C.Vitanuova, subject to forward sale, have a total nominal value of € 396.2 million,

while those subject to spot sale and forward purchase amount to € 407.7 million. At the end of October 2018, the Company entered into derivative contracts with Goldman Sachs as a result of a further transaction to reduce exposure to Italian government bonds based on the use of forward sales contracts at a pre-established price and a pre-established date (15 January 2019). The nominal value of these BTPs, allocated to the Segregated fund of Norvita, is € 139.9 million.

At 31 December 2018 the total exposure to derivatives showed a countervalue of € 12.6 million.

#### *Complaints.*

Pursuant to paragraph 4 of Article 9 of the ISVAP Regulation (now IVASS) of 19 May 2008, the Board of Statutory Auditors verified the periodic reports prepared by the Internal Audit function concerning the handling of complaints.

In particular, the Board of Statutory Auditors monitored the effectiveness and efficiency of the internal control system and its constant updating, as well as the correctness of the procedures for handling complaints, monitoring the speed with which they were handled, the number of complaints and their composition by line of business.

#### *Remuneration policies.*

The Board of Statutory Auditors, taking into account the provisions of the "Remuneration Policies for Corporate Bodies and Personnel" ritually approved by the Shareholders' Meeting, in relation to the provisions of art. 23 of ISVAP Regulation (now IVASS) no. 39 of 9 June 2011, monitored the results of the controls carried out by the Internal Audit,

Compliance and Risk Management functions, and found no critical issues to report to the Shareholders' Meeting with regard to compliance with the policies in place.

It should also be noted that, on the basis of suggestions that emerged during the usual checks and taking into account the new regulatory provisions provided for by IVASS Regulation no. 38/2018, the Board of Statutory Auditors was made aware of the updated version of the policies in question that will be submitted to the Shareholders' Meeting for approval.

#### **4. - Reserves.**

*We have acquired the "Actuarial Report on technical reserves pursuant to art. 23 bis, paragraph 3, of Regulation no. 22 of 4 April 2008, for the 2018 financial statements of Amissima Vita S.p.A." issued by Prof. Nino Savelli on 15 March 2019, which concludes as follows "On the basis of the above, we certify the correctness of the procedures followed by the Company in calculating the technical reserves of the direct Italian portfolio that Amissima Vita S.p.A. intends to enter an amount of € 6,089,997,713 in the 2018 financial statements, which, in the opinion of the Actuarial Function, is considered overall sufficient to cover the costs and obligations undertaken towards policyholders, in compliance with the laws and regulations in force".*

#### **5. - Observations and proposals regarding the financial statements and their approval.**

With regard to checking that the accounts are kept properly and that the operating events are correctly recorded in the accounting records, as well as verifying that the information in the financial statements corresponds to the results in the accounting

records and that the individual financial statements comply with the provisions of the law and the implementing regulations, we remind you that these tasks are entrusted to the Independent Auditors. For our part, we have monitored the general layout of the financial statements.

In particular, having first ascertained the adequacy of the administrative and accounting system to correctly acknowledge and represent operating events and to translate them into reliable data systems for the production of external information, through meetings with the heads of the functions concerned and with the Independent Auditors:

- we verified compliance with the provisions of the law and regulations in force for the preparation and layout of the Company's financial statements;
- we acknowledge that the Notes to the Financial Statements contain an indication of compliance with the applicable accounting principles and indicate the main valuation criteria adopted, as well as information supporting the Balance Sheet and Income Statement items, and are accompanied by the relative "Annexes";
- we acknowledge that the "Cash Flow Statement" has also been prepared;
- we ascertained that the financial statements corresponded to the facts and information that came to our attention following our participation in the meetings of the Corporate Bodies, which enabled us to acquire adequate information on the most important economic, financial and equity transactions carried out by the Company;
- we have ascertained that the Report on Operations complies with the laws in force and is consistent with the resolutions adopted by the Board of Directors and with the

information available to the Board of Statutory Auditors; we believe that the information provided complies with the relevant provisions and contains a faithful, balanced and comprehensive analysis of the Company's situation, performance and results of operations.

With regard to the solvency capital requirement, it should be noted that against a Solvency Capital Requirement of € 148,063, there are eligible funds to cover € 228,329 thousand with a surplus of € 80,266 thousand, which results in a coverage of the requirements of 154%. Moreover, the Directors point out that, in the event of non-use of the Volatility Adjustment, the Solvency Ratio for 2018 would be 121%.

Mr. Shareholder,

in conclusion, with reference to the Financial Statements submitted for your approval, we express, from the point of view of our competence, a favourable opinion for their approval.

With regard to the allocation of the result for the year, we believe that there are no reasons to oppose the acceptance of the proposal formulated by the Board of Directors regarding the allocation of the result for the year, i.e. the distribution to shareholders of the entire profit achieved, amounting to 33,678,836 euros.

With the approval of the 2018 financial statements, our mandate expires; we thank the Shareholder for the trust he has placed in us and invite the Shareholders' Meeting to appoint the Board of Statutory Auditors for the next three years.

Milan, 12 April 2019

**The Board of Statutory Auditors**

Mr. Francesco Illuzzi Esq. (Chairman)

Mr. Paolo Delpino

Mr Guido Marchese