



FINANCIAL STATEMENT 2019



*Shareholders' Meeting
of April 29th, 2020*



Financial Statement 2019

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Financial Statement 2019

COMPANY'S BOARD

BOARD OF DIRECTORS	CHAIRMAN	Andrea Moneta
	CEO AND GENERAL MANAGER	Alessandro Santoliquido
	BOARD MEMBERS	Alexander Wallace Humphreys
		Ugo Ruffolo
Paola Tagliavini		
Elio Berti		
BOARD OF STATUTORY AUDITORS	CHAIRMAN	Francesco Illuzzi
	STATUTORY AUDITORS	Guido Marchese
		Paolo Delpino
	ALTERNATE AUDITORS	Silvano Montaldo
	Giovanni Queirolo	
INDIPENDENT AUDITOR		EY S.p.A.



INTRODUCTION

REFERENCE FRAMEWORK

The Macroeconomic Scenario

According to the World Bank, the short-term outlook for the global economy remains broadly favourable by downsizing the consensus growth forecast. In 2019, the economic cycle should have slowed significantly with an annual growth rate of +2.4% (compared to +3.0% the previous year). The expansion phase seems to be maturing but the risks of a global recession are still remote. GDP is expected to increase slightly in the coming years, +2.5% in 2020, +2.6% in 2021 and +2.7% in 2022.

The influence of geopolitical risk on global market trends will continue to be significant in 2020. Within the protectionist dispute between the United States and China, a preliminary agreement on the future of trade relations between the two countries has been signed on 15 January, and analysts are cautiously optimistic about it. In addition, at the end of 2019, United States Congress approved the new trade agreement with Mexico and Canada, making the rules concerning the origin of products and production standards in the automotive industry more restrictive. The decision on duties on imports from the European Union has been indefinitely postponed. The effects of Brexit should be evaluated: on 31 January 2020, the United Kingdom officially abandoned the European Union, launching the "transition and implementation" period before its definitive exit by 31 December 2020. The issues to be settled mainly concern the creation of a free-trade area, the movement of people and the resolution of open disputes. A vast geographical area around the Chinese city of Wuhan is still isolated because of the spread of the Covid-19 virus, which has recently reached the Old Continent. The World Health Organization has recognised the epidemic as a global emergency, especially as regards the risk of the spread in countries with poor medical infrastructures to contain the infection. The consequences of this crisis are emerging on main high volatility financial markets as a result of the repercussions on the Chinese economy, the global supply chain, trade flows and commodity markets. Further downside risks include the possible escalation of tensions in the Persian Gulf, the breakdown of the positive cyclical phase of major industrialised economies and financial instability in emerging economies.

Net of volatile components, in the main advanced economies inflation is still moderate: around 2% in the United States and above 1.8% in the Eurozone. Even in emerging economies it remains below historical averages. Long-term inflation expectations resulting from financial market yields are essentially stable. Oil prices have increased during the last quarter of 2019 to \$58 a barrel in January. The worsening of tensions in Middle East has indeed triggered a rise in oil prices, even though at the end of 2020 the price of crude oil is expected to be around \$54.

Economic data in the **United States** are still positively developing, in line with a slight slowdown in the coming quarters and with still low recession risks. The economy will increase by 2.3% in 2019 (+2.9% compared to the previous year) before slowing down to below 2% in 2020-2022. The recovery will continue depending on resilient domestic demand and in particular on consumption, which is still supported by positive fundamentals. Investments showed signs of weakening, as well as the foreign market channel. The political risk is still high; hence the future of international trade agreements remains uncertain. However, the US economic situation is one of the longest in the post-war period: labour market nearly reached full employment, increased net wealth, decreased tax burden, high consumer confidence and residential investment supported by lower mortgage rates. The moderate (+2.3%) inflation trend in 2019 is stable, allowing for a renewed expansionary monetary policy. In order to tackle the cyclical slowdown, the Federal Reserve has announced rate cuts over the coming months.

Contrasting signals are coming from **Asian** countries and **emerging markets**. In **Japan**, the economy has continued to grow at a moderate pace in 2019 (+1.1%) but has recently weakened as global demand declined. Estimates remain low and uncertain at around 0.5%. Unemployment is currently estimated at 2.2% despite the ongoing increase of supply driven by female labour force and immigration. Savings accumulation of families does not show any signs of holding back both to cope with the fiscal tightening and the low inflation expectations. The foreign market is still a brake on Japanese growth: the risk of new duties, the slowdown in world growth and the exchange rate appreciation are obstacles. Inflation is facing a corrective phase with a potential return close to zero. In the near future, the Japanese economy will be characterised by pro-cyclical fiscal and monetary policies, although the country may emerge from the long-lasting spiral of low growth and deflation only if these initiatives are backed up by sustainable structural reforms and positive international dynamics.

In 2019, the Chinese economy pursued its “controlled” slowdown as expected by the country’s authorities (+6.1%, +6.6% in 2018) and in the three following years +5.9%, +5.8%, +5.7%. Please note that the risks related to the Coronavirus pandemic emergency are not included in any of these estimates. In addition to duties, the agricultural and manufacturing sectors have slowed down in **China** while the services sector has further accelerated. Credit to households is shrinking in both short and long term and is likely to stabilise. The authorities have maintained anti-speculative measures in the housing market and are concerned about the speed of increase in household debt. Real per capita consumption is growing in line with the increase in disposable income despite the decline in the labour market and retail sales. In line with the FED, the Chinese Central Bank is still prudent and has reiterated its intention not to pursue an expansionary policy on a large scale. It is indeed sending a clear signal to the market to be open to further action whereas necessary. As regards prices, the January 2020 survey shows an annual increase of +5.4%.

Among the so-called developing countries, **India**, with all its known weaknesses, is perhaps the only one showing positive trends in terms of reforms in a substantially stable political environment. After the grinding halt in 2019 (+5.0%, compared to +6.8% in 2018), GDP is expected to increase again in the following years (+5.8%, +6.1% and +6.1%). As for inflation, it is expected to be around +4.6% at the end of 2020 against +3.6% in 2019. As a conclusion, it should be noted that the economic forecasts for Russia are still improving, related to the expected increase in the price of crude oil. Brazil and many other countries of South America are struggling against the crisis triggered by the drop of raw materials and the unstable fiscal policies. Turkey, Argentina, South Africa and Venezuela are the developing countries facing the most critical issues.

The trend of GDP 2019 within the Eurozone is still positive by around 1%, even if lower than its potential with risks of negative fluctuations. Growth should increase again from 2020 through a partial recovery in car sales and a better international trade trend. The cycle is driven primarily by domestic demand and supported by household spending, positive financial conditions and moderately expansionary fiscal policies this year and the next one. The manufacturing concentration seems to be increasingly prolonged and deeper than expected, with effects on GDP counterbalanced so far by the tertiary sector. The political risk is still high and populist tendencies are reduced but not completely removed. Other risks concern Brexit and disputes with the US Administration over pricing policies. In December 2019, the unemployment rate fell compared to the previous month and stands at 7.4%, increasing upward pressure on wages and hourly labour costs. At the moment, apparently there is no pass-through into prices with 2019 Eurozone inflation firmly at around 1.3%. In the forecasts made by the Euro system in December, inflation appears to remain well below 2% over the next three years.

The latest information made available by National Statistical Institute (ISTAT) on the evolution of real GDP in **Italy** in the last three months of 2019 shows a negative change amounting to -0.3% compared to the previous quarter and equal to zero compared to the corresponding period of 2018. According to the Institute, the change derives from the weakness of the manufacturing sector and the decline in the agriculture, forestry, fisheries and industry sectors. As regards demand, the decrease in domestic demand apparently is not fully counterbalanced by the foreign element. Based on these estimates, Italian GDP growth for the whole of 2019 is expected to amount to +0.2%, as widely predicted. The forecasts of major institutions aim to achieve +0.4% growth in 2020 and +0.6% the following year. In December 2019, the general unemployment rate and the

youth unemployment rate (15-24 years) were stable compared to the previous month respectively amounting to 9.8% 3 and 28.9%. Inflation is still low, mainly as a result of energy prices: the harmonized consumer price index for December 2019 reached +0.4%.

Financial markets

At the meeting on 23 January 2020, the Governing Council of the ECB decided that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged respectively at 0.00%, 0.25% and 0.50%. The bond-buying program continues at a rate of 20 billion a month and will continue as long as necessary to maintain favourable liquidity conditions and a large degree of monetary accommodation. Also the Federal Reserve during its meeting of 29 January 2020 confirmed interest rates ranging from 1.50% to 1.75%, and specified that the next decisions will take into account the current situation and expected developments of the national economy, employment levels and inflation rate.

Regarding fixed income, yields on European and Japanese securities dynamically decreased over the last few months. The abundant liquidity allows them maintaining a low level for a long time. US government rates are still the highest among issuers with a high receivable rating. Emerging country bonds risk a possible rise in interest rates, but the emerging signs of economic growth are supporting factors. At the beginning of February 2020, the ten-year yield spreads of the main European countries compared to the rate offered by German government bonds with the same duration (-0.37%) amounted to 134 bps for Italy, 99 bps for the UK, 66 bps for Spain and 26 bps for France.

Stock prices in the main developed and emerging countries strongly recovered in the first months of 2019 before stabilising in the central months. The recovery has been halted by the ongoing trade tensions between USA and China. Medium-term perspectives are still favourable if, as it is likely, macro data will be stabilised at a global level. From a sectoral point of view, technological, pharmaceutical and industrial sectors benefited, while energy and commodity-related stocks recorded a lower relative strength. In the US, "large cap" stocks have performed better than "small cap" stocks.

Insurance

According to estimates by the association of insurance companies, in 2019 the recognized premiums of the Italian direct Life and Non-life portfolio should keep growing for the second consecutive year.

The figures for the first nine months of 2019 in the Non-Life insurance sector confirm such expectations. Premiums at the end of the third quarter 2019 amounted to 27.0 billion, increasing by 3.3% compared to the same period in 2018. The growth is the result of the significant increase in Other Non-Life insurance (+5.7%) and the lower increase in Motor liability insurance (+0.6%). The main form of intermediation is still the agency channel (74.1%), slightly decreasing compared to the previous year, followed by brokers (8.3%): bank classes with a 7.9% share represent an increasingly growing distribution channel highly involved (6.7%) in marketing premiums in Financial Losses insurance lines. Direct sales (Management, Telephone sales, Internet) are still in the last position in the distribution channels with a 9.3% share.

As regards Life insurance, policies have been gaining an increasingly significant share of Italian savings. Adding new premiums of individual and group policies to those for subsequent years relating to policies underwritten in previous years, overall life premiums (gross premiums written) should achieve an amount of approximately € 106 billion in 2019, increasing by 4.0% compared to 2018. Most preferences have been oriented to traditional policies still capturing the attention of savers looking for safety at a time when risk-free investment yields are close to zero (or even negative). Class I would grow by 10.0% (for a 73 billion € volume), only partially counterbalanced by the drop in class III by 6.0% (an overall amount of 28 billion €).

More than two-thirds of the funding comes from bank and post office branches, 14% from financial advisors, 12% from agents, and 7% from directly managed agencies.

Real estate

In the first nine months of 2019, total investments in Italy amounted to about 7.1 billion euros, up 40% compared with the same period in 2018. 34% of the volume invested has been included within the office sector, followed by the hotel industry. Investors are mainly foreign and focused on executive properties in the two main markets of Milan and Rome, which are increasingly attractive in Italy.

Data released by the Revenue Agency on the number of real estate transactions in the first nine months of 2019 confirm a growth trend amounting to +6.3% overall compared to the same period in 2018, with positive changes for almost all sectors, namely: residential +5.7%, tertiary-commercial +6.2%, productive -0.7%.

As regards housing, divided by territorial macro-areas, the highest rates are still recorded in the North respectively amounting to +6.9% North-West, +5.7% North-East, followed by the Islands +2.2%. The eight main Italian cities confirm a general trend of increasing trade volumes: Milan +11.4%, Genoa +11.9%, Rome and Turin +4.6%. In terms of prices, 2019 confirms an interruption in the downward trend in residential property prices, especially as regards sales prices, which rose by 0.1%. However, the share of operators reporting downward pressure on prices remains largely prevalent with short-term cautious expectations.

In the tertiary and commercial sector, the positive trend shows +14.3% in the Centre and +11.9% in the North-East: the Islands are the only macro-area in contrast to the trend, with a decrease by 5.4% as a result of the trend in non-capital municipalities. The higher dynamism of big cities compared to smaller ones can also be seen at a national level where the first ones report a decidedly higher rate of expansion by +15.8% compared to +4.3% of the other municipalities.

The hotel industry deserves a separate mention, with a strong increase compared to 2018. Venice, Florence and Rome were the most successful provinces, especially for tourism facilities.

In the first nine months, preference was given to higher-end hotels. This trend reflects the 2018 trend with 4 and 5 star hotels representing almost all transactions and invested capital (92% of the overall). According to the latest World Capital processing on ISTAT data, 5-star and 5-star luxury hotels represent only 2% of the total. Almost half is represented by 3-star hotels (46%) followed by 4 stars (18%), 2 stars (17%) and 1 star (8%). In conclusion, tourist hotel residences represent 9% of the total.

Solvency II

From 1 January 2016, the Solvency II legislation came into force.

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

In the letter dated 19 March 2018, IVASS defined the timing for the transmission of the Quantitative Reporting Templates (hereinafter QRT) with annual data for 31 December 2018 for individual companies (deadline for submission on 22 April 2019) and for Group data (deadline 03 June 2019). For the Quarterly Reports 2019 relating to the closing data for each quarter, the letter of 13 March 2019 indicated the last dates for sending the reports maintaining the division between individual companies and groups.

On 22 April 2019, in compliance with the disclosure obligations established by the Solvency II regulations, the Regulatory Supervisory Report (RSR) was sent to IVASS for individual companies.

Scheduled for 03 June 2019, the submission of the RSR of the Group and the single Solvency and Financial Condition Report (SFCR) was delayed respectively to 08 November 2019 for the single Solvency and Financial Condition Report (SFCR) and 16 December 2019 for the RSR of the Group. On 18 February 2019, IVASS began its inspections at the subsidiary Amissima Assicurazioni S.p.A. pursuant to art. 189 of Legislative Decree no. 209 of 7 September 2005, concluded on 17 May 2019, and formally notified the results of the inspections on 13 September 2019. In order to include in the reports any findings emerging from the inspections carried out by the Supervisory Authority against Amissima Assicurazioni S.p.A., the Parent Company required and obtained a postponement to the Authority.

Referring to the art. 216-novies of the Private Insurance Code as well as art. 36 of the IVASS Regulation n. 33 of 6 December 2016 regarding 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 Amissima Holdings, it opted for the drafting of a single report for all Group companies, including the information required for subsidiaries (Amissima Vita and Amissima Assicurazioni). Intention communicated to the Supervisory Authority by application dated February 27, 2017. This option also applies to the 2019 report.

In early 2019, the first phase of the review of the Solvency II regulatory framework, relating to the Standard Formula for calculating the Solvency Capital Requirement, was concluded.

On 18 June 2019, the European Commission published in the Official Journal of the European Union Delegated Regulation (EU) 2019/981 of 08 March 2019 amending Delegated Regulation (EU) 2015/35, enforceable from the third 2019 quarter.

EIOPA has launched a public consultation of the technical opinion, drafted following a request of the EU Commission, for reviewing the Solvency II Directive scheduled for 2020.

In the last few months of 2019, within the framework of the review of the Solvency II Directive, national authorities required the market quantitative information at the level of individual companies, upon a request of EIOPA, for carrying out a quantitative impact analysis on a number of proposals to amend the regulatory framework.

During 2019, IVASS also published the following letter to the market:

- ✓ Letter to the market of 13 March 2019 providing instructions on transmitting the information required pursuant to Directive 2009/138/EC (Solvency II) and Regulations (EU) No 1374/2014 and 2015/730 of the ECB on the statistical reporting requirements of insurance companies to IVASS.

The regulatory developments

In such a context, the regulatory framework appears to be constantly evolved by the legislator and by the industry regulator, with significant regulatory, legal and managerial impacts, as part of a more general Community strategy aimed at creating a single, integrated, competitive and efficient market at European level, with low costs, high stability and consumer protection. In particular:

- As regards specifically the secondary legislation, **IVASS** has issued:
 - IVASS Regulations:
 - *Regulation n. 43 IVASS of 12 February 2019*, IVASS Regulation implementing the provisions on the temporary suspension of capital losses in current securities.
 - *Regulation n. 44 IVASS of 12 February 2019*, Regulation no. 44 for money laundering on the organization, procedures, internal controls and customer due diligence.

➤ IVASS orders:

- *Order no. 84 of 13 February 2019*, Methods and terms for sending IVASS information on holdings and close links involving the subjects registered in the RUI (SINGLE REGISTER OF INTERMEDIARIES), in accordance with articles 3, paragraph 1 of Legislative Decree no. 68/2018 and 105 of Reg. IVASS n. 40/2018.
- *Ruling no. 86 of 14 May 2019*, Amendments to IVASS Regulations No. 1 of 8 October 2013 and no. 39 of 2 August 2018, respectively on the procedure for the application of pecuniary administrative sanctions and implementation provisions.
- *Order no. 87 of 23 July 2019*, Amendments to IVASS Order no. 39 of 4 December 2015 concerning the arrangements and terms for the payment of the supervisory fee by insurance and reinsurance undertakings starting from 2016.
- *Order no. 90 of 5 November 2019*, Order amending Regulation no. 39/2018 concerning the procedure for applying administrative sanctions and implementing provisions, and Regulations no. 1 and 2/2013.
- *Order no. 91 of 7 November 2019*, Determination of the percentage for the calculation of the management charges to be deducted from the insurance premiums collected in 2020 for the calculation of the supervisory fee on insurance and reinsurance business.
- *Order no. 92 of 19 November 2019*, Modifications and integrations to IVASS Regulation no. 43 of 12 February 2019 implementing the provisions on the temporary suspension of capital losses in current securities.

➤ in addition, the *Authority* issued the following Letters to the Market:

- *Letter to the market of 21 December 2018*, Instructions for electronic transmission of data from the Summary Reports and the Separate Management Statements containing a Gains Reserve.
- *Letter to the market of 22 February 2019*, Update of the instructions for the transmission of the data referred to in Article 4, paragraph 2, of Order IVASS No. 3 of 21 May 2013.
- *Letter to the market of 28 February 2019*, Outcome of macro-prudential analysis of the Own Risk and Solvency Assessment Reports (ORSA).
- *Letter to the market of 13 March 2019* providing instructions on transmitting the information required pursuant to Directive 2009/138/EC (Solvency II) and Regulations (EU) No 1374/2014 and 2015/730 of the ECB on the statistical reporting requirements of insurance companies to IVASS.
- *Market letter of 19 June 2019*, Self-assessment of the risk of money laundering and terrorist financing. Annual report on Anti-Money Laundering department. The deadline is set on: 30.09.2019 to send sections I to V; 31.10.2019 to send a new section VI.
- *Letter to the market of 20 June 2019*, Presentation to the undertakings of the new protocols for the exchange of statistical information and personal details.
- *Letter to the market of 27 June 2019*, Dormant life insurance policies - Request of companies data to assess the impact of the liquidation of "awakened" policies.
- *Letter to the market of 26 August 2019*, Supervisory fee for the year 2019.
- *Letter to the market of 4 October 2019*, New organizational structure of IVASS.

- *Letter to the market of 16 January 2020*, New protocol for the exchange of information - quarterly statistical recording of premiums.

- in the **national regulatory framework**, we report:
 - *Legislative Decree 10 May 2019 n.49*, implementing Directive 2017/828 (so-called "SHRD II" - "Shareholders' Rights Directive II") and amending Directive 2007/36 / EC (so-called "SHRD I"), as regards encouraging the long-term shareholders engagement.
 - *Law 12 April 2019, n. 31 (so-called "Class action")* - Class action provisions.
 - *Decree-law 21 September 2019, n. 105* - Urgent provisions regarding national cyber security perimeter.
 - *Law 19 December 2019, n. 157 (so-called "Tax Decree")* - Conversion of Legislative Decree 26 October 2019, n. 124, containing urgent provisions on tax matters and for immediate requirements.
 - *Law 27 December 2019, n. 160 (so-called "Budget Law")* - State budget Forecast for the 2020 financial year and multi-year budget for the 2020-2022 three-year period.
 - *Legislative Decree 25 November 2019, n. 165* (TUF and CAP amendments), containing "additional and corrective provisions of Legislative Decree 3 August 2017, n. 129, implementing Directive 2014/65 / EU (MiFID II) relating to markets for financial instruments and the adaptation of national legislation to Regulation (EU) 600/2014 (MiFIR) on the matter of financial instruments".

- in the **EU regulatory framework**, we report:
 - *Directive (EU) 2019/1937* of 23 October 2019, on the protection of persons who report breaches of Union law (so-called Whistleblowing).
 - *Regulation (EU) 2019/2088* of 27 November 2019, on sustainability-related disclosures in the financial services sector.
 - *Regulation (EU) 2019/2089* of 27 November 2019, amending Regulation (EU) 2016/1011 as regards EU Climate Transition Benchmarks EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks.
 - *Regulation (EU) 2020/34* of 15 January 2020, amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard (IAS) 39 and International Financial Reporting Standard (IFRS) 7 and 9.

- in the **fiscal field**, we point:
 - Legislative Decree no. 14 of 12 January 2019 "*Code of the business crisis and insolvency in implementation of Law no. 155 of 19 October 2017*" and Decree-Law no. 32 of 18 April 2019, containing "*urgent provisions for relaunching the public contracts sector, for accelerating infrastructure interventions, urban regeneration and reconstruction after seismic events*", which intervene in appointing the supervisory board and the statutory auditor in limited liability companies, amending art. 2477 of the Civil Code.

In particular, the changes introduced have lowered the thresholds for mandatory appointment of the control body or auditor of limited liability companies, and consequently have increased the number of subjects eligible; in addition, the rules intervene to settle the

failure to appoint the control body, granting the shareholders of the limited liability companies the power to bring complaints to the Court for significant irregularities on the part of the directors.

- Decree-Law no. 34 of 30 April 2019, containing "*urgent measures for economic growth and for the resolution of specific crisis situations*", converted into Law no. 58 of 28 June 2019, in force as of 30 June 2019 - the so-called Growth Decree - in particular as regards:
 - the reintroduction of super-depreciations with a 30% surcharge for persons holding entrepreneurial income and for artists and professionals;
 - the reform of the discipline of the so-called mini-Corporation tax, subsequently amended by the so-called "Stability Law 2020";
 - the progressive increase in deducting taxes on incomes of municipal real estate tax on operating properties;
 - the extension of payments period for taxpayers carrying out activities with approve financial confidence indicator (ISAs);
 - the postponement, when fully operational, of the deadline for the electronic transmission of Income and Regional Taxation models, from 30 September to 30 November for "annual" taxpayers;
 - keeping mechanised accounting records and modifying the deadline for issuing invoices;
 - the automation of the determination of stamp duty paid using the virtual system on electronic invoices;
 - the way of presenting data communication on periodic payments;
 - the introduction of partial voluntary tax return correction;
 - the reopening of the deadline to adhere to the settlement concessions of the receivables entrusted to the Tax Collectors between 1.1.2000 and 31.12.2017.
- Decree-Law of 26 October 2019 no. 124 containing urgent provisions on tax matters and for immediate requirements converted, with amendments, by the Law of 19 December 2019 n. 157 - so-called Tax Decree - linked to the Budget Law 2020, in particular with regard to:
 - the prohibition of compensation in case of writing-off tax payables of third parties;
 - the extension to 2019 and 2020 of the possibility of offsetting certified and claimed receivables from Public Administrations to pay tax debts;
 - the introduction of new provisions against the undue offsetting of tax credits within F24 form;
 - the introduction of new tax compliance requirements for contractors and clients with regard to Personal Income Tax (IRPEF) withholdings in "labour *intensive*" procurement, whereas the use of labour prevails over the use of equipment and means available to the contractor;
 - the widening of the application of the VAT *reverse charge* mechanism;
 - changes to the pre-compiled VAT return by the Revenue Agency Revenue and the deadlines for cross-border operations which becomes quarterly;
 - changes to the provisions on electronic invoices and stamp duty;
 - the modification of the payments on account of IRPEF, IRES and IRAP for financial confidence indicator (ISA) subjects;

- the possibility to use the voluntary repentance for all taxes, including local taxes (IMU and TASI);
 - the introduction of new limits on the use of cash;
 - the tightening on liability for tax offenses by companies and companies, with revision of the sanctioning system.
 - the amendment of the regulations governing the PIR (Long Term Savings Plan) by removing the limit on the uniqueness of the investment envisaged for mandatory pension funds and supplementary pension schemes.
- Law no. 160 of 27 December 2019 - State Budget Forecast for the 2020 financial year and multi-year budget for the 2020-2022 three-year period - the so-called "2020 Stability Law", in particular as regards:
- complete freezing for 2020 and part of 2021 of increases in VAT and excise rates;
 - the introduction of a new tax credit for expenses incurred for investment in new capital goods, instead of the extension to 2020 of the so-called super-amortisation and hyper-depreciation in favour of enterprises;
 - the deferral of the deductibility percentages, for corporate income tax (IRES) and regional business tax (IRAP) purposes, provided for by a number of legal provisions originally established for the 2019 tax period;
 - the reintroduction of the ACE (Aid for Economic Growth) benefit and the concomitant repeal of the so-called "mini-ires", as part of incentives for the capitalization of companies;
 - the provision of the deductibility of the Municipal real estate tax on instrumental real estate from business and professional income to the extent of 50% in the tax period 2019, 60% in the years 2020 and 2021, and full from the tax period 2022;
 - the reformulation of the regulation of the Municipal real estate tax and the indivisible services tax;
 - the introduction of the obligation to pay with traceable systems in order to benefit from the 19% deduction for personal income tax of the majority of the charges as referred to in Article 15 of the Income tax code (T.U.I.R).



MANAGEMENT REPORT

THE COMPANY SITUATION

Operating result

The 2019 financial statements of Amissima Vita closed with a net profit of € 11.9 million, down compared to last year (€ 33.7 million).

The main components of the result can be summarized as follows (amounts in € thousand):

INCOME STATEMENT SUMMARY

	2019	2018	Variation 2019– 2018	
			€k amounts	%
Gross premiums written	909,177	864,221	44,956	5.20%
Charges for claims	-673,787	-643,062	-30,725	4.78%
Variation in Technical Reserves	-344,107	-273,445	-70,663	25.84%
Management expenses	-28,142	-29,619	1,476	-4.98%
Net investment income	89,786	161,261	-71,475	-44.32%
Other net technical items and plus/minus class D	20,035	-19,013	39,048	-205.37%
Profit share Investments transferred to the non-technical account		-8,161	8,161	-100.00%
Gross technical balance	-27,038	52,183	-79,221	-151.81%
Profit or loss from reinsurance	406	-42	448	-1056.99%
Profit or loss of the technical account	-26,632	52,141	-78,773	-151.08%
Other income and charges	12,386	-9,404	21,791	-231.71%
Profit share Investments transferred to the Technical Account		8,161	-8,161	-100.00%
Ordinary profit or loss	-14,246	50,897	-65,143	-127.99%
Extraordinary profit or loss	235	1,586	-1,351	-85.16%
Profit before taxation	-14,011	52,483	-66,494	-126.70%
Income taxes	2,123	-18,805	20,928	-111.29%
Profit (Loss) for the financial year	-11,888	33,679	-45,567	-135.30%

Premiums written have increased by 5.2 % or € 45.0 million, with overall premiums written amounting to approximately € 909.2 million. The agency channel reports higher levels of production with an increase of 70.5%); Banca Carige loses 41.9% following the well-known events which involved the bank during the previous financial year; unit-linked production recorded a sharp slowdown (-85.8% compared to 2018) despite the marketing of hybrid products. In 2019 the contribution of the new bank distributors was very significant, also thanks to the agreements finalized during the year (including Azimut, EFG Bank and a Broker). Overall, at December 31, the new bank distributors collected traditional products for around € 390.0 million, substantially rebalancing and diversifying the weight of the various distribution channels.

- ✓ The **charges related to increasing claims** reflect the growth in the volume of payments completed as surrenders, maturities, coupons and annuities during the year. In particular, surrenders increased by 6.3% compared to 2018 mainly due to the problems related to Banca Carige.
- ✓ **Management expenses** decreased by around 5 percentage points due to the growth in the production of products with reduced loadings, while other administrative expenses benefited from the ongoing monitoring to reduce management costs. Service and Consulting expenses in particular decreased, while commercial expenses increased, related to advertising.
- ✓ **Net financial income** fell by 44.3% compared to 2018. In particular, ordinary income decreased as a result of lower rates of return on investments resulting from the change in asset allocation. In addition, value adjustments on financial investments (-€ 59,399 thousand) impacted the profit and loss account result. It should be noted that these adjustments are attributable to the write-downs of the Baf-Latam fund within the ICAV investment vehicle (for € 48.3 million) and the fall in prices of government bonds recorded on the markets in the last days of 2019 due to the increase in interest rates. There is also a recovery in value of the real estate investments of the equity investment of IH Roma of approximately € 2.4 million and write-down of the property portfolio for € 0.5 million.
- ✓ The **other income and charges** record a positive value compared to the previous year when they closed with a net charge of € -12,386 thousand. The change is mainly due to the provision for risks relating to the penalty pursuant to the distribution agreement with Banca Carige (€ 10,631 thousand) created in 2018 and fully reabsorbed in 2019 following the tomb transaction.
- ✓ **Taxes** (€ 2,123 million), calculated on the theoretical income as at 31 December 2019, represent a tax charge of 15.15%. Current taxes generated a cost for IRES (corporate income tax) of € 1.03 million and a cost for IRAP (regional business tax) of € 0 million, while net prepaid taxes resulted in a revenue of € 3.15 million, mainly due new deferred taxes assets posted on value adjustments to financial investments.

Key facts

During 2019, the Board of Directors of Amissima Vita S.p.A., in compliance with the provisions of IVASS Regulation no. 38 of July 3, 2018 on the system of governance and the IVASS Letter to the Market of July 5, 2018, pursued the self-assessment process on the system of governance, launched at the end of 2018, adopting a so-called "ordinary" governance structure with the implementation of additional organizational controls, in line with the resolutions passed by the Parent Company Insurance. The adoption of the new governance system required the establishment of two new endo-advisory committees at Group level, namely the Control and Risk Committee and the Remuneration Committee. The Meeting of the Shareholders, held on 29 April 2019, was called upon to express an opinion on a number of amendments to the Articles of Association, which became necessary for the implementation of the system of governance. The main amendments made to the Articles of Association by the Meeting of Shareholders, and authorised by the Supervisory Authority, concerned, on one side, the strengthening of the so-called "independent member" within the composition of the Board of Directors and, on the other side, the establishment of a Control and Risk Committee and a Remuneration Committee.

On the same date, the Meeting of the Shareholders redefined the composition of the Board of Directors both as a result of the resignation of the independent director, Laura Santori, but also to increase the number of independent directors creating a Board of Directors composed by six members, in accordance with the new statutory provisions.

Since the mandate conferred on the Board of Statutory Auditors expired with the approval of the 2018 Financial Statements, during the same meeting, the Meeting of the Shareholders of Amissima Vita S.p.A. appointed the Board of Statutory Auditors, reconfirming the previous composition until the Meeting called to approve the Financial Statements as at 31 December 2021.

Upon proposal of the meeting of the Board of Directors of 26 March 2019, the Meeting of the Shareholders resolved to approve the Company's Financial Statements as of 31 December, 2018, and to allocate the entire profit for the year, equal to € 33,678,736.00, as dividends to be distributed to the Sole Shareholder.

On 13 September 2019, IVASS notified Amissima Assicurazioni S.p.A. the Inspection Report concerning the results of the inspections carried out by the Authority in the period between 18 February 2019 and 17 May 2019.

As a result of the inspection activities, IVASS has made observations on the following issues:

- The governance and control system implemented by Non-life Insurance Company. According to the Supervisory Authority, it did not seem adequate to manage the strategic risk profile and financial risks in an adequate manner, also because of the complexity of the Asset Allocation strategy adopted;
- the shocks used to calculate the capital requirement on investments, with particular reference to some specific types of assets considered particularly complex;
- the failure, for some specific types of assets considered particularly complex, to carry out autonomous checks on the fair value values received from the managing bodies;
- techniques for mitigating market risk relating to exposure in currencies other than the euro;
- Some methodological approaches followed in the estimate of the Best Estimate claims.

Given the fact that some of the findings against Amissima Assicurazioni S.p.A. may also be significant for the whole Group and the company and considering the Group's governance structure, on the same date IVASS notified the Company and the Insurance Parent Company of a letter referring whereas applicable to the letter notified to Amissima Assicurazioni S.p.A..

Following assessment by the Administrative Bodies and in response to the above documents, the Company and the Parent Company Amissima Holdings S.r.l. sent IVASS on October 14, 2019 in their observations on the findings drafted by IVASS and the related action plan required by this latter.

Furthermore, based on the results emerging from the overall ORSA process, which took into account the overall observations of the Supervisory Authority emerged from the inspection, the Board of Directors on December 9, 2019, strengthened the solvency controls of the Company, redefining the coverage thresholds of the solvency requirement and thus approving a new version of the Group's RAF. Consequently, a new capital management plan was defined, including a strengthening plan to be finalised during the next financial year.

As a significant event in 2019, the settlement of all disputes between the Amissima Group and Apollo, on one side, and Banca Carige S.p.A. and Banca del Monte di Lucca S.p.A., on the other, was reached by signing the agreement on 21 November 2019, within the terms resolved by the Board of Directors of the Company, respectively with the Administrative Bodies of the Insurance Parent Company and the subsidiary Amissima Assicurazioni S.p.A..

In addition, as part of the above mentioned settlement agreement, a new exclusive distribution agreement was signed between the Company and Banca Carige S.p.A..

During 2019, as part of its management powers, the Board of Directors monitored the management projections for the current year and approved the new 2020-2022 Business Plan at the meeting of the Board of Directors held on 9 December 2019. The strategic guidelines supporting the approved business plan, together with the stress test hypotheses used in compliance with EIOPA guidelines, formed part of the overall

ORSA process implemented by the Company. The results of this process were approved during the above-mentioned meeting by the Company's Board of Directors and reported in the Single Report on the prospective own risk and solvency assessment (so-called Single ORSA document) sent to the Supervisory Authority.

During the meeting held on 30 May 2019, the Board of Directors approved the payment of the Management by Objectives (MBO) for 2018, also providing for a further 50% deferral of the variable component accrued; the same Board resolved to proceed to pay the remuneration components accrued in 2016 and then deferred.

In addition, the Board of Directors proposed to the Meeting of the Shareholders held on 29 April 2019 a new version of the Remuneration Policies, which were reviewed and updated on the basis of the new regulatory provisions and the consequent adoption by the Company of a new organisational model regarding remuneration. This version was then approved by the same Meeting of the Shareholders; based on the new policies, the Board of Directors set the variable remuneration plans for 2019.

As regards the governance, in order to progressively adapt it to the provisions of IVASS Regulation no. 38/2018, in 2019 the pre-existing intragroup agreements for the centralisation of the Fundamental Internal Audit, Compliance, Risk Management and Anti-Money Laundering/Anti-terrorism (so-called AML) functions at the Parent Company were terminated and the partial detachment of the Officers of these functions was activated in place. On the other hand, the infra-group agreement concerning the centralization of the Actuarial Function at the Company was maintained, in consideration of the continued outsourcing of the same Function by Amissima Holdings S.r.l. to Studio Savelli. In this regard, we note the acceptance by the Supervisory Authority of the request to extend the terms established by IVASS regulation no. 38/2018 for the re-internalization of the Function, pursuant the postponement required to the Supervisory Authority for the re-internalisation of the Function, scheduled for 1 January 2021, which will be implemented according to the plan approved by the Board of Directors during the meeting of 24 October 2019.

During 2019, the Board of Directors continued to adapt the organisational structure following the evolution of the governance structure and business model of the Company, as well as of the recently issued regulations; in this regard, it is worth mentioning (i) the creation of the Data Governance Committee as organisational unit for assessing and monitoring the governance system of data and information relating to the drafting of Solvency and Best Estimate Liabilities reports, (ii) the creation of the Privacy organisational unit to monitor the compliance with data protection regulations and support the activities of the Delegate of the Data Controller, (iii) the reorganization of the ICT Service and, in particular, the creation of a specific organisational unit for managing security and architecture of information systems, (iv) the reorganization of the organisational unit responsible for controlling the distribution network for a better supervision of the activities referred to in IVASS Regulation no. 40/2018 on insurance distribution, (v) the creation of the Life Reserves Committee, as additional control within the reserving process. In addition, as further coordination of the main core business segments of the Group and for a growing adaptation of the reporting models relating to the new IFRS 17 international accounting standard, the Board of Directors, in the session of 9 December 2019 established the role of Deputy General Manager, appointing Mr. Jozef Bala current Group CFO, supervising the Investment Department, Life Technical Department and Bancassurance Department.

The Board of Directors pursued its activities to adapt the directives on the system of internal controls and risk management of company operations; in particular, in implementing the guidelines issued by the Parent Company Assicurativa Amissima Holdings S.r.l., it introduced (i) the Policy on Governance and Control of Distribution, in compliance with the provisions of IVASS Regulation no. 40/2018 and the new IDD regulations, (ii) the Policy on Data Governance pursuant to IVASS Regulation no. 38/2018, and (iii) the Policy on Deferred Taxes, drafted pursuant to Delegated (EU) Regulation no. 2019/981.

With regard to the periodic monitoring carried out by the Administrative Body on the adequacy of the internal regulatory body in 2019, the Board of Directors has provided:

- to update the intra-group operations policy adopted pursuant to IVASS Regulation no. 30/2016;

- to adapt and implement the Investment, Liquidity Risk Management and Asset and Liability Management (ALM) Policies, by taking into account the business and the new governance model of the Company as well as the observations made by IVASS;
- to update the policies on Life Reservation, Life Reinsurance, temporary policies for coverage in the event of death and PPI Liquidation, Outsourcing, Corporate Governance System, Internal Audit, Actuarial Function, Compliance, Risk Management, Notifications to IVASS, Operational Risks, Money Laundering Risk Management, Compliance with Sanctions and Terrorist Financing, Life Underwriting, SFCR, RSR and QRT Reports, Anticorruption, Honourability, Professionalism and Independence Requirements, Statistical Data and Information, Privacy Management;
- to approve the Strategic Information Technology (ICT) Plan, also taking into account the provisions of the IVASS Letter to the Market of 3 June 2019;
- to approve the adoption of a new Privacy Organizational Model;
- to approve the update of the Business Continuity Plan.

The Board of Directors, through the Compliance and Internal Audit Bodies, continues to carry out routine monitoring of the regulatory adequacy and effective application of the Company Policies currently in force.

As part of its responsibilities, the Board of Directors intervened, among other things, to:

- approve the audit activity plans carried out in 2019 by the Internal Audit, Compliance and Risk Management functions, by monitoring over time both the performance of the planned activities and the implementation of the so-called remediation measures outlined as part of the different audit activities;
- in accordance with IVASS Regulation no. 42/2018, Ernst & Young S.p.A. has been appointed to carry out the external audit of the report on solvency and financial condition (the so-called SFCR) and the relevant extension of the scope of the audit, based on the findings of the Supervisory Authority at the subsidiary Amissima Assicurazioni S.p.A.;
- approve the 2019 reinsurance programme, in line with the reinsurance strategies previously adopted, which therefore remained unchanged;
- approve the disposal of the real estate unit for hotel use called "Hotel Lamosa" located in Provaglio d'Iseo;
- to approve the "Regular Supervisory Report", for the purposes of the related transmission to the Supervisory Authority pursuant to the IVASS Regulation no.33/2016;
- Approve the report on solvency and financial condition (the so-called Solvency and Financial Condition Report), to allow its transmission to the Supervisory Authority.

As part of the overall disposal of the company from the Group, on 14.11.2019 the sale of the business unit relating to the "core" business of Assi90 was completed to a company registered in section A (agents) of the RUI , whose shareholders are the current agents and former directors of Assi 90. The buyers will take over the agency mandate conferred by the Insurance Companies on the subsidiary / investee company. It should be noted that the transaction has generated a capital gain of approximately € 600 thousand in Assi90's 2019 financial statements.

In 2019, the Board of Directors has maintained regular relationships with key functions, receiving regularly specific information on their activities.

The Board of Directors has also been periodically informed by the Supervisory Board in accordance with Legislative Decree no. 231/01 regarding the monitoring of the adequacy of the Organisation and Management Model of the Company.

Even in 2019, the Administrative Body of the Company carried out the self-assessment activity, verifying the state of implementation of the initiatives taken following the results of the previous self-assessment. In this regard, the self-assessment process carried out by the Administrative Body confirmed that all members of the Board meet the requirements of the applicable regulations. Moreover, it found that the Administrative Body operates adequately and consistently with its mandate. Furthermore, during 2019, the Board of Directors has been provided with a training plan on specific issues suggested by its members.

With regards to relationships with the Supervisory Authorities, there are no further communications other than the above mentioned.

BUSINESS PLAN 2020-2022

The 2020-2022 Strategic Plan of the Insurance Group, approved by the Board of Directors, is based on a number of principles that are partially common to both companies (cost reduction, process efficiency, investment portfolio diversification) and partially specific. As regards Amissima Vita, the Plan is based on a level of premiums in line with the 2019 trend but with a different mix, favouring the subscription of so-called hybrid products, which will therefore increase the volume of class III premiums; premiums are also based on the new distribution agreement signed by Banca Carige as well as the contribution of the new distributors. The Group will continue the study aimed at offering products with characteristics that are attractive on the market while preserving good profitability for the Company. The objective of Amissima Vita is to combine growth with a balanced remuneration for the shareholder, in line with the Risk Appetite defined by the Company's Capital Management Policy. This goal will be achieved through a series of actions:

- a. Ongoing focus on the collaboration relationship with Banca Carige, aiming at maintaining sufficient production levels in relation to the new distribution agreement signed;
- b. Encouragement of the sale of temporary assurances on death, both on banks and agencies network guaranteeing a good profitability even in the presence of reduced interest rates;
- c. Development of Unit Linked production in order to diversify the business mix by selling "hybrid" products;
- d. strengthening commercial relationships with new partners and searching for potential bank distributors with whom to sign distribution agreements;
- e. Strategic Asset Allocation according to guidelines defined within the ORSA Plan. In particular, the SAA will be calibrated for each of the Separate Management funds (Norvita, Carige Vita Nuova and Amissima Multicredit), aiming at minimizing capital consumption and volatility of returns, ensuring both returns that are attractive to policyholders and profitability for the Company;
- f. The portfolio management strategy will focus on investments in government and corporate bonds government bonds and corporate listed, while maintaining, to a lesser extent, diversification into other asset classes (such as collective investment vehicles);
- g. Important spending review activity planned at Group level, aiming at freeing up resources for investments (mainly IT) without sacrificing the Company's profitability.

EVOLUTION OF THE INSURANCE PORTFOLIO

Premiums

The market as at September 2019 (latest ANIA data available) reported a slight decrease by 0.8% in Life production: "traditional" class I policies recorded a +9.4% increase, while "financial" class III policies decreased by 18.3%.

The overall dynamics of Amissima Vita were also positive. Its production increased by 5.2%, mainly thanks to the agency channel (+70.5%) and new distributors, with "traditional" class I policies recording a 5.0% increase, as well as a strong increase in capitalisation policies, with a collection of approximately € 92.8 million (€ 5.1 million in 2018); the production of Unit-linked policies fell sharply, recording € 13.7 million in premiums, a decrease of 85.6% compared to 2018 (€ 95.0 million). Of particular significance is also the good performance of temporary policies for coverage in the event of death products in the agency channel, which recorded a 15.4% increase. Agencies and new distributors made a positive contribution to sales, recording premiums of respectively € 81.9 million and € 390.0million.

We summarize in details the evolution of the gross premiums written by Amissima Vita in the following table, by sales channel and by type of product (amounts in € thousand):

ISSUED PREMIUMS

for sales channel and product type

	PREMIUMS		Change 2019 - 2018	
	2019	2018	€k amounts	%
Individual	75,510	41,177	34,333	83.4
Collective	6,153	6,702	-549	-8.2
<i>Unit Linked</i>	266	160	106	66.1
Total Agency channel	81,928	48,039	33,889	70.5
Individual	418,064	649,657	-231,594	-35.6
Collective	4,704	6,697	-1,993	-29.8
<i>Unit/Index Linked</i>	13,421	94,836	-81,415	-85.8
Banca Carige	436,189	751,191	-315,002	-41.9
Creditis	1,073	1,161	-88	-7.6
Banca Finnat	40,820	35,513	5,307	14.9
Banca Sella/Patrimoni	142,102	28,318	113,784	401.8
Azimut	107,375	-	107,375	-
Brokers	97,870	-	97,870	-
EFG Bank	1,820	-	1,820	-
GRAND TOTAL	909,177	864,221	44,956	5.2

In the following table we show the comparison between the Company and the market concerning sales channel distribution:

ISSUED PREMIUMS

distribution per sales channel

	Amissima Vita (at 12.2019)	Market (ANIA at 09.2019)
Agencies Network	20.8%	12.8%
Bank branches	68.4%	62.4%
Brokers	10.8%	1.8%
Other sales channel	-	23.0%
GRAND TOTAL	100.0%	100.0%

The item "Other channels" includes, for the market, mainly financial advisors for the market (13.2%) and agencies in economics and management (9.8%).

Finally, in the last table the production is divided by so-called ministerial class, pursuant to article 2 of the Private Insurance Code:

PREMIUMS ISSUED by class (art.2 Legislative Decree 209/05)

(amounts in € thousand)

	2019	2018	PREMIUMS €k amounts	Change 2019 - 2018 %	Market (ANIA as at 09/19)
Class I (human life)	802,697	764,172	38,525	5.0%	9.4%
Class III (Unit/Index Linked)	13,687	94,996	-81,309	-85.6%	-18.3%
Class V (capitalisation)	92,793	5,053	87,740	1736.6%	-47.5%
GRAND TOTAL	909,177	864,221	44,956	5.2%	-0.8%

Agency sales network

In financial year 2019, particular attention was paid to the productive improvement of the network, suitably strengthened by recruiting new agencies and training existing ones.

In particular, as concerns the strengthened network:

- The 2017 and 2018 reward system aimed at stimulating new production with incentives dedicated to agencies with higher potential has been confirmed.
- New initiatives aimed at involving the network in a more active way.

The following commercial initiatives have been launched:

- "Family Care": a three-day monthly initiative for all agencies with a Life mandate aimed at increasing the collection of temporary policies for coverage in the event of death;

In line with current regulations, the Company continued to monitor agencies from a quantitative and qualitative point of view. The measurement of excellence in the quality of service offered to end customers was carried out using the "Amis Stars" model.

Collaboration with Arca SGR has continued to ensure the proper continuation of the management of the pension products.

As at 31 December 2019, there were 286 agencies with a Life mandate, compared with 312 in December 2018, following 21 new openings and 47 mergers, mainly caused by critical issues with the mandate of Amissima Assicurazioni.

Training

Training has been planned aiming at fostering the professional growth of both the Agents and Agency collaborators network.

Even for 2019, the training phases were carried out in three main steps:

1. Webinar mode training;
2. E - Learning mode product and regulatory training;
3. Advanced training courses and Masters.

Basic courses have been provided to Agencies by the External Organization with the main objective of developing a method of commercial proposition in line with the new IDD Directive.

The P&C Advisor's advanced training course involved in particular the agency collaborators selected according to their commercial results with an in-depth examination of the National Institute for Social Security and National Institute for Insurance against Accidents at Work' welfare uncovering.

The new Webinar mode for providing courses for the 2019 financial year was mainly used to examine in depth issues related to "insurance social media marketing" and "NPL" (neuro-linguistic programming) as well as to provide Cyber Risk courses in compliance with the provisions of the IVASS letter to the market on the subject. (20% of the professional up hours dedicated to IT security).

Specific product topics covered a webinar on the new product "Concrete Value".

In addition, the first Amissima University MASTER began in November 2019 in collaboration with LUM Jean Monnet with the participation of several Amissima intermediaries in the headquarters of Milan and Bari.

There have been several meetings for Agents throughout the country held in the presence of the Sales Director for analysing the results of the first half of 2019 and introducing the initiatives aimed at end-of-year "Rush".

New Agencies products

The agency channel has started marketing the Multiramo product with internal funds, in two versions: regular annual premiums, monthly instalments and bonuses, a 7-year fixed term (Amissima Multi Piano Bonus - V800 rate) and a single premium and Vita Intera (Amissima Multi Piano - V801 rate).

Banking Distribution Channel

Distribution agreements

In the second half of 2019, two new distribution agreements were signed, the first with EFG Bank S.A. - Italian Branch and the second with Broker First Advisory S.r.l.

Training

The monitoring and verification of the training activity for IVASS purposes carried out by Banca Carige for its collaborators has been completed at the end of the year. The bank has carried out reports for drafting the Annual Report on Distribution Networks (ex. Order IVASS 2743/2009), as well as the usual annual report. Similar data summarising the training received by the members of section E of the RUI and internal operators were required from other bank distributors as well as Azimut Financial Insurance and Broker First Advisory.

Also with regard to Banche Finnat, Sella e Patrimoni e per Azimut Financial Insurance, the information / training activity pursued, carried out through a report distributed every two months, focused on the features of the products and on their Separate Management as well as customized for each Intermediary.

New Bank products

In 2019 the marketing of the two products brokered by Azimut Financial Insurance began by completing the distribution agreement on 19.12.2018, "Azimut Protezione" (Class I - linked to the Amissima Multicredit Separate Account) and "Azimut Obiettivo Sicuro" (Class V - linked to the C.Vitanuova Segregated Management).

The products brokered by the new distributors were also implemented: "Amissima Obiettivo Garantito", for EFG Bank S.A., "Amissima Target Sicuro" (Class I) and "Amissima Capital Solution" (Class V), marketed by Broker First Advisory S.r.l..

Institutional communications

In 2019, the Company continued to strengthen its brand visibility through sponsorships and participation in important sector events (e.g. AliExpo, Future Bancassurance Forum), as well as publishing articles in some specialized magazines (e.g. FundsPeople).

The "Newsletter" is still used as a communication tool, a periodic bulletin with the main events affecting the Company each month (e.g. training, meetings on the territory, events, amis stars, initiatives of the distribution network, etc.).

A merchandising catalogue with a wide range of selected items at exclusive prices is always available on the Mistral platform.

As regards online communication, the closed group "Talenti di Amissima" on Facebook is still active, for all Amissima intermediaries and employees.

The social communication campaign continued, with advertising banners on industry verticals, and on traditional media, with a strong presence of our commercials on the main radio stations and extras on strategic TV slots.

The communication method (training and information) continued successfully with the distribution network consisting of webinars (interactive seminars via the Internet), which are now a fundamental tool for promoting the activities of Intermediaries and support them in strengthening their presence on the web and for exploiting the resources offered by the digital world.

STATUS OF PAYMENTS AND TECHNICAL PROVISIONS

Total claims, surrenders and maturities paid to policyholders as at 31 December 2019, including the change in reserves for amounts to be paid, gross of the share payable by reinsurers, amounts to € 673,787 thousand (+4.8% on the same period of 2018). This increase mainly reflects the well-known events involving Banca Carige, particularly as regards the surrenders component.

PAID SUMS AND VARIATION IN COLLECTIBLE PROVISIONS

(amounts in € thousand)

	2019	2018	Change 2019 - 2018	
			€k amounts	%
Class I claims (<i>human life</i>)	138,812	138,844	-32	0
Class III claims (<i>Unit/Index Linked</i>)	8,846	9,491	-645	-6.8
Class V claims (<i>capitalisation</i>)	18	1	17	1,785.40
Total CLAIMS	147,675	148,336	-661	-0.4
Class I redemptions (<i>human life</i>)	290,526	281,403	9,123	3.2
Class III redemptions (<i>Unit/Index Linked</i>)	37,495	24,157	13,338	55.2
Class V redemptions (<i>capitalisation</i>)	5,816	8,464	-2,648	-31.3
Total REDEMPTIONS	333,836	314,023	19,813	6.3
Class I due dates (<i>human life</i>)	168,156	159,357	8,799	5.5
Class III due dates (<i>Unit/Index Linked</i>)	6	0	6	0.0
Class V due dates (<i>capitalisation</i>)	1,961	933	1,029	110.3
Total DUE DATES	170,123	160,290	9,833	6.1
Class I coupons (<i>human life</i>)	30,262	26,677	3,585	13.4
Class III coupons (<i>Unit/Index Linked</i>)	0	0	0	0
Total COUPONS	30,262	26,677	3,585	13.4
Class I Yields (<i>human life</i>)	190	195	-5	-2.7
Total YIELDS	190	195	-5	-2.7
TOTAL SUMS PAID	682,087	649,522	32,565	5.0

CHANGE IN RESERVES FOR SUM TO PAY

	2019	2018	Change 2019 - 2018	
			€k amounts	%
Class I (<i>human life</i>)	-8,288	-6,487	-1,801	27.8
Class III (<i>Unit/Index Linked</i>)	-8	2	-10	-488.5
Class V (<i>capitalisation</i>)	-4	25	-29	-114.6
TOTAL VARIATION IN RESERVES	-8,300	-6,460	-1,840	28.5
GRAND TOTAL	673,787	643,062	30,724	4.8

A particular attention is paid to the trend in surrenders, which increased both in the "traditional" classes (Class I, Human Life Insurance, and Class V, Capitalisation) by 2.2%, and in the "financial" Classes (Class III, Unit policies) by 55.2%. The increase has been observed at the beginning of the year, with a peak in January before rebalancing during the year. If we consider the percentage of surrenders compared to the average of the reference reserves, we can observe a stability in the "traditional" branches, which remains at 5.2% as in 2018, while increases in the "financial" classes by 8.8% (5.7% in 2018). As a whole, however, these ratios are higher than those observed on the Italian market, which in the third quarter of 2019 (last available data - source: ANIA) recorded a total incidence of 6.2%.

The technical provisions of direct business, which at the end of 2019 amounted to around € 6.4 billion (€ 5,984 million for "traditional" products, € 443 million for *unit* and *index linked* policies) are substantially calculated using the same criteria as those shown in the financial statements at 31.12.2018. It has been carried out by evaluating the additional reserve by interest rate (so-called ALM reserve) calculated with the so-called "C" method, as required by Annex 14-bis of ISVAP Regulation No. 22 April 4, 2008. The ALM reserve calculated with this method corresponds to approximately € 1,652 thousand (€ 1,195 thousand in 2018).

Compared to the 2018 financial statements, provisions for "traditional" products increase, after deduction of reinsurance cessions, by € 344.9 million, while provisions related to unit policies and index linked increase by € 3.4 million, depending on the normal premium-payment-revaluation trend. As regards Additional Reserves, demographic reserves amounting to approximately € 493 thousand recorded an increase compared to the previous year (€ 398 thousand) in addition to the aforementioned interest rate reserve (the so-called ALM Reserve) for temporary policies for coverage in the event of death with a technical rate higher than the rates of the "reference vector".

The payments of the contractual sums due to persons entitled take place in compliance with the times established by the general conditions of the policy and by the regulations in force.

REINSURANCE POLICY

The 2019 Reinsurance Cessions Plan is based on the "Outwards reinsurance provisions", the Framework Resolution on reinsurance strategy and Ivass Regulation no. 38, issued on 3 July 2018.

The Cession Plan and the 2019 placement were carried out in compliance with the aforementioned guidelines approved by the Board of Directors, by choosing types of reinsurance arrangements aimed at limiting risk and exposure according to the level of tolerance (risk appetite).

The product range for 2019 has been broadened by introducing 6 rates, all of them evaluable, which in any case did not lead to significant changes in portfolio. Similarly, effective mortality levels did not exceed those assumed in the premium calculation bases.

The protection of the Life portfolio continued to be significantly changed compared to what had been carried out up to 31 December 2016, in order to make reinsurance cessions more in line with the technical characteristics of the products marketed, in particular as regards the small impact in terms of SCR of the types of risk that would be ceded with different levels of retention.

In particular, for the *Pure Risk* rates and the additional guarantees *Death as a result of an accident*, the € 100,000 retention rate was confirmed.

Therefore, the reinsurance policy adopted, as early as 01.01.2017, entailed a change in the risk propensity principles for creating new business, while reinsurance cover for products already placed on the market remained unchanged.

According to the features of the products located, the types of coverage adopted by the Company were: "*proportional in excess*" for pure risk rates and "*non-proportional injury claims excess*" for injury-based complementary guarantees in the portfolio.

The reinsurers belonging to the member countries of the OECD of last financial year have been confirmed; they guarantee economic-patrimonial and financial solidity, certified by the Standard and Poor's agency minimum rating A-. In the selection process, the management of the reinsurer and its technical knowledge have been evaluated, with particular regard to leading reinsurers.

During the course of the year, as in the past and as a consequence of the still critical international financial situation, the firm verification of the creditworthiness of the reinsurers is still one of the key elements of the assessment of the Company, affecting the capital strength of the individual reinsurers and the reinsurance market as a whole.

ADMINISTRATION FEES

The Operating expenses item includes the commercial and operating costs of the company, constantly subjected to strict control to achieve the best management efficiency.

As regards the main components, there has been a decrease in commissions, as a result of the increased production of products with reduced loads, while Other Acquisition Costs have increased; on the other hand, there has been a decrease in general administrative expenses, as a result of the ongoing monitoring and efficiency of processes; it should be noted that IT investments, aimed at improvement and innovation, and advertising expenses for the relaunch of Group Companies have continued during the year.

It is also worth highlighting that operating expenses as a percentage of premiums rose from 3.4% in 2018 to 3.1% in 2019.

<i>(amounts in € thousand)</i>			Change 2019 - 2018	
	2019	2018	€k amounts	%
Commissions	6,390	8,897	-2,507	-28.2
Other acquisition costs	8,085	6,478	1,606	24.8
Administration costs	13,668	14,244	-576	-4.0
Gross Management Costs	28,142	29,619	-1,476	-5.0
Commisisions charged reinsurers	-356	-401	46	-11.4
Total Management Costs	27,787	29,217	-1,431	-4.9

As far as general expenses in particular, we provide details prior to reallocation of the portion to be attributed to commercial and capital costs, net of the chargeback of synergistic costs.

GENERAL ADMINISTRATION COSTS

(amounts in € thousand)

	2019	2018	Change 2019 - 2018	
			€k amounts	%
Staff (net of recovery of synergic costs)	9,929	9,328	601	6.4
EDP costs	3,810	3,645	164	4.5
Finctioning costs	1,211	1,016	195	19.2
Service and consultancy	3,573	6,455	-2,883	-44.7
Corporate costs	1,828	1,708	120	7.0
Commercial costs	1,904	758	1,146	151.2
Projects	27	140	-113	-80.8
TOTAL COSTS	22,281	23,050	-770	-3.3
Depreciation	-61	-8	-53	682.2
Real estate charges	2,051	2,131	-80	-3.7
Other recoveries	1,561	1,359	202	14.9
TOTAL COSTS (PRE RIALLOCATION)	25,832	26,533	-700	-2.6
Costs allocated to Capital charges	-7,762	-6,062	-1,699	28.0
Costs allocated to Commercial charges	-4,403	-6,226	1,823	-29.3
GRAND TOTAL ADMINISTRATION EXPENSES	13,668	14,244	-576	-4.0

Analysing the dynamics of the main items, there has been an increase mainly in the item relating to Commercial costs, especially for advertising expenses, for the relaunch of the Company, IT costs, operating costs and staff costs due to lower recovery of synergistic costs. There has been a decrease mainly in the item relating to costs for Services and Projects.

THE ORGANIZATIONAL STRUCTURE

In 2019, the number of employees decreased from 90 to 88, 6 of which with *part time* contracts (on average 78.60%); the decrease was due to the hiring of 1 resource and the removal of 3 resources. Changes in the year relate only to actuarial and technical areas.

Again in 2019, staff policy was mainly based on a redevelopment and / or enhancement of resources with specific technical know-how.

The detachments to the company Amissima Assicurazioni Spa for resources carrying out synergistic functions within the Insurance Group have continued also for the year 2019.

The premium/employee ratio, calculated using the ANIA (National Insurance Company Association) method, amounts to € 10,215 thousand with an increase compared to € 9,877 thousand in 2018, mainly due to higher premiums underwritten.

The remuneration strategies adopted and the structure of the incentives, closely linked to achieving the objectives as well as the career paths of the resources with the greatest potential, have allowed not only improving individual performance and loyalty, but also creating an intense climate of mutual trust; after having launched the performance management model in 2017, it has been used during the year, involving all company resources.

Amissima Vita's 2019 training plan, besides consolidating the technical skills of its human capital, aims at developing projects to increase personal and corporate competitiveness and to support evolution and development processes within the company.

The training plan took into account the indications given by the different company functions, the needs arising from organisational changes and the regulatory scenario, with particular reference to IDD and Cyber Security regulations. During 2019, the company delivered and completed training financed by the Banking and Insurance Fund, whose Plan, presented with Av.3/18 has focused not only on the consolidation of skills but also on the recognition of the customer, both internally and externally, to strengthen organizational wellbeing and team spirit. Participation made it possible to extend training to a greater number of employees than the previous year. In accordance with Law 124/2017, it should be noted that the profit deriving from the Bank and Insurance Fund, recorded in 2019 at the end of the reporting and control activities of the same Fund, amounts to € 52,420.00.

The mandatory updates have been focused on privacy legislation (GDPR - Regulation 2016/769) and the regulatory adjustments determined by the State and Regions Agreement of 21 December 2011 on "Occupational Health and Safety Protection". Training for Corporate Administrative Responsibility, Privacy, Anti-corruption, Solvency II and Anti-money laundering was also made available to new hires. Professional updates for company structures mainly concerned the Financial Statements and Internal Audit area; in addition, English language courses and technical updates specific to single company areas continued.

An overall of 268 man/days of training for 80 Amissima Vita employees has been provided for a total investment of € 118 thousand.

IT DEVELOPMENT

In 2019, the IT platform renewal programme continued, while giving clear priority to business needs and managing the different priorities of the main banking distributor.

The introduction of the Pegaso platform made it possible to quickly launch new products at the new distributors Banca Patrimoni, Azimut, FirstAvisory and EFG Bank. In addition, activities have begun to integrate a new bank distributor.

Concerning Banca Carige, activities focused on the management and improvement of the current platform considering the different priorities of the bank during the period.

The agency channel has introduced the management of sub-agencies, a new function for managing backlogs and a new capitalization product.

In the technological area, innovation activities have continued by introducing new centralised management systems for mobile devices (MDM and MAM), implementing new storage mechanisms using flash memory technology and introducing new security mechanisms in both the authentication and firewall areas.

In addition, the existing contract with the main supplier Cedacri was extended with significant savings.

An organisational unit dedicated to safety was introduced during the year and a further vulnerability test of applications and technologies was launched at the end of the year.

FINANCIAL AND ASSET MANAGEMENT

Investment policies

In view of the current economic and financial situation and the prospective macroeconomic scenarios, on 26 March 2019 the Administrative Body approved the investment policies as required by current legislation (Reg. Ivass Reg. no. 24/16). Investments must be consistent with the portfolio's short and medium-long term profitability objectives, focusing on asset classes able to generate a high return on capital and through careful risk management, in particular through high diversification of positions and the risks in the portfolio. Bond and shares investments made directly by the Company must mainly refer to issuers of high credit standard belonging to the OECD area, as well as must be mainly recorded in Euro and traded on regulated or active markets and have an adequate level of liquidity. The investments carried out through the funds of "Amissima Diversified Income ICAV" concern many alternative credit strategies, mainly private in assets. Within the vehicle, several sub-funds have been set up, each with specific performance targets, investment categories and management characteristics.

It is pointed out that the investment policies are implemented directly by the Company which supervises the more strictly strategic and decision-making activities through the periodic meetings of the Investments Committee, the Capital Committee and 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 trading desk of Banca Carige Spa or through the trading desk of Apollo Asset Management Europe, with which the Company has entered into a contract for the supply of services to implement operations. The Company can also directly operate with qualified counterparties, having rating investment grade and professional requirements in compliance with the legislation, with which the company has opened or intends to open direct dealing lines.

The operations of the year

The securities sector

During 2019, and in particular in the first part of the year, the investments were directed towards the Irish investment sector called "Amissima Diversified Income ICAV", aimed at managing investment funds to satisfy the Group's strategic financial needs in terms of investments. Other investments were directed towards foreign government bonds, diversifying the country risk and the issuer risk through the purchase of securities issued by both EU and non-EU countries and government ETF funds.

The investment portfolio at the end of December 2019 generated € 119.2 million accrued income: taking into account net realised capital gains from trading (€ 26.5 million), net impairment losses at Income Statement level of € 57 million (write-backs of € 7.2 million and value losses of € 64,2 million) and the average stock (€ 5.6 billion), the financial return on securities portfolio for 2019 was 1.59%.

At the end of the year, there were potential portfolio losses of € 90.4 million before alignment of carrying values to market values (€ 1.3 million on long-term securities, € 64 million on securities allocated to current assets and € 25.1 million on derivatives), against potential capital gains (before alignment of carrying values to market values) of € 370.7 million (€ 274.8 million on fixed assets, € 95.9 million on current assets).

The rates recognized to insured person on separate management are always important: the historical fund, the Norvita, settled at 2.30% (certified rate of October 2019), decreasing compared to 2.94% registered in October 2018, while the C. Vitanuova fund recorded average rates of return of 2.74% in 2019, higher than the average 2.72% in 2018; the Amissima Multicredit fund stood at 3.00% (certified rate of the month of October 2019), lower than the 3.30% of October 2018.

With regard to the composition of the securities portfolio, it should be noted that as at 31.12.2019 the carrying value was € 6,366.6 million, before the closing valuation. € 4,068.3 million refers to the non-durable segment and € 2,298.3 million to the long-term segment; at the end of the year the same portfolio had a total market value of € 6,646.9 million: € 4,075 million for the short-term segment and € 2,571.8 million for the long-term segment, as shown in the table below.

PORTFOLIO CURRENT / LONG-TERM PORTFOLIO

(amounts in € thousand)

	Book value pre assessment 31.12.2019	Market value 31.12.2019	Plus/Minus closing 31.12.2019	Plus/Minus latents
Current	4,068,330	4,075,099	-	6,769
of which at P&L	-	-	-56,989	-
Long-term	2,298,297	2,571,798	-	273,501
of which at P&L	-	-	-	-
TOTAL	6,366,627	6,646,897	-56,989	280,270

As at 31.12.2019, the assets of the Company recorded total unrealised net capital gains (before the alignment of book values to market values) of € 280.3 million: € 6.8 million in current assets (net of the capital loss of € 25.1 million relating to derivatives) and € 273.5 million in long-term assets. The valuation effects recorded in the income statement were negative by € 57 million.

In 2019, a sub-fund transfer was made from the durable to the non-durable of a Lower Tier 2 subordinated bond issued by Raiffeisen Bank for a nominal value of 1.5 million, maturing in 2025 and a call option of 100 starting from February 21, 2020. The security was transferred to the sub-fund and subsequently the Company accepted an offer for early repurchase by the issuer.

In addition, the transfer of the equity investment Assi 90 was made from the fixed asset sector to the current sector. The transaction did not generate effects on the income statement.

On 15 January, three Italian government securities were allocated to the Norvita segregated management, subject to forward sale negotiated at the end of October 2018, for a total value of € 151.6 million. This transaction generated capital gains amounting to € 9.2 million. Details of the operation carried out are shown below:

Isin	Description	Nominal value	Operation Value	Gain/losses realized
IT0004634132	B.T.P. 01.09.10-01.03.21 3.75%	32,000,000	33,257,280	1,270,236
IT0004356843	B.T.P. 01.02.08-01.08.23 4.75%	52,000,000	56,466,280	3,382,182
IT0004513641	B.T.P. 01.03.09-01.03.25 5.00%	55,900,000	61,827,636	4,530,225
		139,900,000	151,551,196	9,182,643

In 2019, securities were purchased with classification in the long-term sub-fund for an overall value of € 100.9 million: € 50 million in a subordinated security issued by Banca Carige and € 50.9 million in a securitization of residential mortgages. There were repayments of investment securities for an overall amount of € 100.7 million and no disinvestments in securities allocated to this segment have been made.

With reference to transactions in so-called "structured and subordinated" securities, € 50 million of the aforementioned subordinated security issued by Banca Carige was purchased, € 13.8 million of securities were sold and the pay-backs amounted to € 99.7 million. As at 31.12.2019 the structured and subordinated securities in the portfolio amounted to € 248.8 million.

The real estate sector

As far as the real estate sector is concerned, PRELIOS was appointed to update the current value of the properties. At the end of 2019, the presumed market value was estimated at € 100,410 thousand (€ 99,400 at the end of 2018) against a book value of € 99,141 thousand.

The average general occupancy level stands at the levels of the previous year, while the average profitability of the entire sector is 4.40% (4.75% in 2018).

Here below is the asset allocation for the last two years:

Description	2019		2018	
	value	%	value	%
Financial investments	6,310,591	98.2%	6,020,009	98.0%
Property investments	99,141	1.5%	99,641	1.6%
Liquidity	13,831	0.2%	26,503	0.4%
Total	6,423,563		6,146,153	

Financial risk management

As regards financial risk management policy, more specifically, pursuant to Article 2428, paragraph 2, no. 6-bis of the Italian Civil Code, we observe as follows.

The Company defines its own risk management policy as an approach of the entire company structure to identify, understand, measure and manage their own *business* risks.

In particular, the financial risks (credit risk, liquidity risk and market risk in its exchange or currency, interest

and price components) derive from the management of the Company's investment portfolio, naturally consisting of securities, equity investments, properties, loans of various nature and other liquid assets.

It should also be considered that Amissima Vita is under the control of the Supervisory Authority of the insurance sector which influences the Company's ability to absorb capital risks that may have an impact on insurance management through prudential provisions.

For a deeper examination of the exposure of the Company to financial risks, a detailed analysis of the various cases is carried out:

- **Credit Risk**

Credit risk is the risk that one party to a financial agreement will cause a financial loss for the other party by failing to discharge an obligation. The Company manages the level of credit risk it accepts by using market analyses and assessments carried out by the main international *rating* agencies.

The Board of Directors of the Company, in shaping the investment policies envisaged by the Reg. Ivass no. 24/16 defined a set of concentration limits with respect to a given issuer or issuer group (up to 3% of the portfolio with the exception of bonds issued by EU Member States or belonging to the CSE, or similar, which are not subject to a limit), in addition to limits based on the issuing sector (up to 25%). These limits are verified by taking into account both the securities held directly by the Company and the securities within the ICAV investment funds.

As regards *rating*, the securities which do not have a rating (so-called not rated) may not exceed the limit of 30% of the portfolio value, considering both the securities held directly by the Company and the securities held within the investment funds.

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

RISKINESS OF THE PORTFOLIO (amounts in € thousand)
(market value)

Description	2019	2018
Shares	134	85
Bond Rating AAA	990,286	886,163
Bond Rating AA	2,201,212	1,850,816
Bond Rating A	505,509	406,049
Bond Rating BBB	1,232,582	1,431,177
Bond Rating BB	49,215	86,346
Bond Rating B	1,236	
Bond Rating <=C	49,984	
Without Rating	51,127	58,302
Share in subsidiaries companies	12,389	9,978
Investment funds	424,890	
ICAV	1,067,445	1,382,416
Securitization	85,755	42,246
Derivatives	-25,042	5,764
Loans	175	
TOTAL INVESTMENT	6,646,897	6,159,341

As regards investment funds, as of 31.12.2019 there were five ETF funds in the Amissima Vita portfolio:

Description	Market Value	Rating medium
ISHARES EURO GOV. Bond 10-15y	9,922	A
ISHARES EURO GOV. BOND 5-7Y	39,534	Aa
ISHARES ITALY GOVERNMENT BOND UCITS	39,707	Baa
ISHARES EURO GOV. BOND 3-5Y	67,038	Aa
ISHARES EURO GOV. BOND 7-10Y	268,689	Aa
Total	424,890	

As for the ICAV shares, at 31.12.2019 the average rating was:

Description	Market Value	Rating
ACE CREDIT ALLOCATION FUND I - Class F	43,102	B
ICAV AMISSIMA LOAN ORIGINATION FUND	261,398	Ba
ICAV AV (CVN) GLOBAL IG CORP CREDIT FUND	148,915	A
ICAV AV (NORVITA) GLOBAL IG CORP CREDIT FUND	49,892	A
ICAV AV CORP LOANS HIGH YIELD BOND	68,604	B
ICAV AV MULTICREDIT STRATEGY FUND	495,534	NR
Total	1,067,445	

The functioning in derivative instruments may be carried out only in compliance with the instructions issued by the Supervisory Authority and in compliance with the resolutions of the Board of Directors. The Company is entitled to subscribe covering derivatives for the effective management of investments. Such contracts may be stipulated with counterparties with high credit *standing*, and in any case on financial instruments which must possess a high degree of liquidity.

As of 31.12.2019, besides hedging derivatives within the "Amissima Diversified Income ICAV" funds, the Company also holds positions in derivative financial instruments to hedge against Italy risk. The contracts have been entered into with Goldman Sachs.

ISIN	Description	Market Value at 31.12.2019
IT0004513641	Fwd 070222 103,791 B.T.P. 01.03.09 - 01.03.25 5.00%	-15,126
IT0004889033	Fwd 070222 105,694 B.T.P. 22.01.13 - 01.09.28 4.75%	-3,969
IT0004953417	Fwd 070222 101,506 B.T.P. 01.08.13 - 01.03.24 4.50%	-1,754
IT0004889033	Fwd 070222 105,694 B.T.P. 22.01.13 - 01.09.28 4.75%	-1,134
IT0004513641	Fwd 070222 103,791 B.T.P. 01.03.09 - 01.03.25 5.00%	-940
IT0004898034	Fwd 070222 100,542 B.T.P. 01.03.13 - 01.05.23 4.50%	-749
IT0004759673	Fwd 070222 98,278 B.T.P. 01.09.11 - 01.03.22 5.00%	-419
IT0005028003	Fwd 050221 99,484 B.T.P. 15.06.14 - 15.12.21 2.15%	-322
IT0003934657	Fwd 070222 103,615 B.T.P. 01.08.05 - 01.02.37 4.00%	-319
IT0005086886	Fwd 070222 97,973 B.T.P. 16.02.15 - 15.04.22 1.35%	-122
IT0004759673	Fwd 070222 98,278 B.T.P. 01.09.11 - 01.03.22 5.00%	-101
IT0005045270	Fwd 070222 97,23 B.T.P. 01.09.14 - 01.12.24 2.5%	-88
Total forward sales derivatives due 2021/2022		-25,042

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- **Liquidity risk**

Liquidity risk is the risk that an entity could have difficulty finding sufficient funds to meet obligations deriving from financial instruments.

The liquidity risk may arise out of an inability to sell financial assets quickly at a price close to its own *fair value*; in case of liquidation of insurance reimbursements before expectations; in the general inability to generate the expected positive cash flows.

The following table shows the breakdown by maturity of Italian government bonds in the portfolio.

DISTRIBUTION BY MATURITY OF THE PORTFOLIO (*amounts in € thousand*)
(*market value*)

	Equities	Debt securities	Total
Shares	134	-	134
Less than 1 year	-	591,761	591,761
1-5 years	-	1,377,484	1,377,485
5-10 years	-	1,489,342	1,489,342
10-20 years	-	1,222,879	1,222,879
More than 20 years	-	399,685	399,685
Participations	12,389	-	12,389
Share in subsidiaries companies	424,89	-	424,89
ICAV	1,067,445	-	1,067,445
Cartolarization	-	85,755	85,755
Derivatives	-	-25,042	-25,042
Loans	175	-	175
Total	1,505,033	5,141,864	6,646,897

As regards investment funds, as of 31.12.2019 the five ETF funds had the following average duration:

Description	Market value	duration
ISHARES EURO GOV.BOND 10-15Y	9,922	10.23
ISHARES EURO GOV.BOND 5-7Y	39,534	5.85
ISHARES ITALY GOVERNMENT BOND UCITS	39,707	7.01
ISHARES EURO GOV.BOND 3-5Y	67,038	3.88
ISHARES EURO GOV.BOND 7-10Y	268,689	8.14
TOTAL	424,890	

At 31.12.2019 the funds of the ICAVs and the ACE fund had the following average duration:

Description	Market value	duration
ACE CREDIT ALLOCATION FUND I - Class F	43,102	6.26
ICAV AMISSIMA LOAN ORIGINATION FUND	261,398	0.95
ICAV AV (CVN) GLOBALIG IG CORP CREDIT F	148,915	5.77
ICAV AV (NORVITA) GLOBALIG IG CORP CRE	49,892	5.73
ICAV AV CORP LOANS HIGH YIELD BONS	68,604	2.26
ICAV AV MULTI CREDIT STRATEGY FUND	495,534	0.89
TOTAL	1,067,445	

It should also be noted that the Company's bond portfolio is almost exclusively composed of financial instruments listed on regulated markets with medium-long term maturities while the securities present within the ICAV funds are to a large extent not listed. As a whole, considering both securities held directly by the Company and 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 deriving from a variation in the *fair value* of a financial instrument (price risk) which can be determined by several causes such as a change in exchange rates (foreign exchange risk, or currency risk) or in the prevailing market interest rates (interest risk). These changes are due to specific factors of the instrument and / or its issuer; that is to factors generally impacting on the market of the financial instrument.

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 the changes result from specific factors of the concerned assets/liabilities or from market factors. In order to avoid an excessive overall variability in the value of financial investments, the management follows the policy established by the Investment Committee, based on the strategic guidelines provided by the Board of Directors. This policy sets limits in terms of issuers, overall exposures, expected returns, types of financial assets that may be acquired, and possible use of derivatives. In addition, monitoring and control activities are carried out, while actions are taken to correct the distribution and concentration of assets, depending on market trends and the expected overall rate of return of the portfolio.

The currency risk, defined as a change in exchange rates, is almost zero, as at 31.12.2019 all securities held directly by the Company are in Euro and the exchange rate risk due to currency securities within the ICAV is almost entirely counterbalanced by hedging derivatives.

Interest rate risk is defined as the risk that the value and/or future cash flows of a financial asset or liability will fluctuate as a result of a change in market interest rates. The portfolio held directly by the company consists mainly of fixed-rate securities. Within the ICAV investment funds there are financial instruments mainly at variable rates to deal with phases of possible rise in interest rates without reducing the value of the units.

As regards synthetic indicators of interest risk, the *duration* as at 31.12.2019 amounts to 7.18 (6.57 in 2018).

SOLVENCY CAPITAL REQUIREMENT AND ASSETS COVERING TECHNICAL PROVISIONS

The IVASS letter to the market dated 13 March 2019 set the terms for sending the Solvency 2 Annual report 2019 for the individual companies (AES by 07 April 2020) and for the groups (ARG by 19 May 2020).

At the end of the financial year 2019, the capital requirement was calculated according to the model required by the Standard formula of Directive 2019/981 EC.

The Company has therefore adopted the Volatility Adjustment commensurate with EIOPA in 7 bp to be applied to the discount rate for the assessment of the best estimate of insurance contracts.

The Loss Absorbing Capacity (LAC) has been taken into account for calculating the solvency situation at 31.12.19 for assessing the Net Asset Value as a result of the market and technical risk shocks, i.e. the loss absorption capacity of Technical Provisions.

Therefore:

Reporting date	12.2019
Available capital	199,335
Eligible OF	199,335
SCR	150,513
Ratio of Eligible own funds to SCR	132%
Capital Surplus / Deficit	48,822
Eligible OF for MCR Coverage	199,335
MCR	67,731
Ratio of Eligible own funds to MCR	294%

In the event the VA is not applied:

Reporting date	12.2019
Available capital	184,569
Eligible OF	184,569
SCR	160,357
Ratio of Eligible own funds to SCR	115%
Capital Surplus / Deficit	24,212
Eligible OF for MCR Coverage	184,569
MCR	72,161
Ratio of Eligible own funds to MCR	256%

The funds eligible to cover the solvency requirement are entirely made up of Tier I capital elements:

SCR Eligible Own Funds	12.2019
Tier 1 - unrestricted	199,335
Tier 1 - restricted	-
Tier 2	-
Tier 3	-
Total	199,335

MCR Eligible Own Funds	12.2019
Tier 1 - unrestricted	199,335
Tier 1 - restricted	-
Tier 2	-
Tier 3	-
Total	199,335

In the event the VA is not applied:

SCR Eligible Own Funds	12.2019
Tier 1 - unrestricted	184,569
Tier 1 - restricted	-
Tier 2	-
Tier 3	-
Total	184,569

MCR Eligible Own Funds	12.2019
Tier 1 - unrestricted	184,569
Tier 1 - restricted	-
Tier 2	-
Tier 3	-
Total	184,569

The technical reserves at the end of the financial year are fully covered by assets that are fully and freely owned by the undertaking and are free from obligations or tax burdens of any kind.

In line with the approved Capital plan, Amissima Vita will issue a tier 2 subordinated loan of 45 million in 2020 which will bring the Solvency ratio (VA) to 162%.

As requested by IVASS, the Company has also activated weekly mechanisms for monitoring the solvency position for the purpose of prompt analysis of the evolution of the situation and the implementation of consequent actions, where necessary. At the date of approval of the financial statements, the updated solvency situation of the Company remains above the minimum requirements set by the standard.

TRANSACTIONS WITH RELATED PARTIES / INTRA-GROUP COUNTERPARTIES

A transaction with an intragroup counterparty can be defined, in compliance with IFRS international accounting standards, as a transfer of resources, services or obligations between a company and its parent company, subsidiaries, associated companies, affiliated companies, managers, directors, statutory auditors and majority shareholders, as well as their close family members, regardless of whether they have agreed on a remuneration.

Transactions with intragroup counterparties may raise critical issues and cause possible fraudulent phenomena. Against such risks, the prevailing approach is not to forbid such transactions, rather to require proper information, essential for the efficient functioning of the capital market. The objective of IAS 24 is indeed to allow the user of the financial statements understanding whether or not relationships with intragroup counterparties may influence the result for that or future periods as a result of the realisation or extinction of the existing balance sheets. The information required by the Standard also covers existing obligations at the balance sheet date and allows users of the financial statements to have useful information about their risks and opportunities.

Pursuant to IVASS Regulation n.30 / 2016 and the regulatory provisions of IAS 24, the business activities involved are all the activities and / or transactions between the Company on one hand, and the following bodies, natural and legal persons on the other:

- Natural persons:
 - directors, statutory auditors, managers with strategic responsibilities and risk takers of the Group;
 - close family members of the aforementioned individuals.

- Legal persons:
 - companies directly or indirectly controlling Amissima VitaSpA;
 - companies directly or indirectly controlled by Amissima VitaSpA;
 - Companies directly or indirectly connected to Amissima VitaSpA;
 - Companies controlled by an Amissima Vita SpA parent company;
 - Occupational pension funds as they represent, in accordance with IAS 24, after-employment benefit plans for the employees of the bodies drafting the financial statements or related bodies;
 - companies connected by corporate ties to the ultimate Shareholder;
 - subsidiaries or companies subject to significant influence by one of the aforementioned individuals.

Pursuant to IVASS Regulation no. 30/2016 concerning provisions on the supervision of intragroup transactions and risk concentrations, the Board of Directors of the Company adopts the Policy on intragroup operations, implementing the Parent Company's instructions, and updating it on an annual basis. The Policy provides for the prior authorisation of Intragroup Counterparties by the Board of Directors of the Company and, if applicable, by the Parent Company, if they are significant (i.e. they are significant also due to the regulatory provisions set out in the said Regulation) or atypical or unusual ("unusual" means "operations that are atypical compared to the normal management of the company, or carried out with procedures that are not usual, or without any clear economic logic or not in line with standard market conditions).

The Amissima Group registered in the relevant Register with No. 50 is wholly owned by Apollo Global Management LLC, primary American investment fund. If we analyse exclusively the domestic market, Amissima Holdings S.r.l. which is an Italian insurance or reinsurance holding company and the parent company, Amissima Assicurazioni S.p.A. exercise management and coordination activities over the Group, consisting not only in the insurance companies Amissima Vita S.p.A. and Amissima Assicurazioni S.p.A., (whose share capital is 100% owned by Amissima Holdings S.r.l.) - but also by their subsidiaries Assi90 S.r.l., I.H. Roma S.r.l. and Dafne Immobiliare S.r.l..

Amissima Vita SpA (hereinafter also referred to as "the Company") does not own treasury shares nor shares in the Parent Company.

Transactions with related parties / intragroup counterparties recorded in 2019 refers to:

- the following activities for Group companies;
- the remuneration / rewards paid (including MBO), the recovery of expenses incurred on their behalf and, also for the same subjects and their family members, the stipulation of policies with Amissima Vita SpA, with the related survey of the premiums paid, the provisions set aside and any sums paid out for the representatives of the Group companies;

- for the other companies related to the Group by the same shareholding bond with the ultimate shareholder Apollo Global Management Inc.:
 - with the Apollo Asset Management Europe PC LLP and Apollo Management International LLP companies, to an investment advisory contract;
 - with the Amissima Diversified Income (ICAV) company as investment vehicle of the Insurance Group.

Relation with the Parent company

During the financial year 2019 Amissima Vita S.p.A. recorded with Amissima Holdings S.r.l. (as Parent Company and Sole Shareholder), the following transactions:

- management of the insurance policy premium relating to the third party liability of Directors, Statutory Auditors and Executives of Group Companies (D&O Policy);
- secondment of personnel both as regards the heads of the Internal Audit, Compliance, Risk Management, Anti-Money Laundering/Anti-terrorism functions and as regards employees who carry out activities also for the Parent Company, including the charge-back of the related costs;
- agreement to centralise the Actuarial Function at the Insurance Parent Company;
- management of synergic services by the Company on behalf of the other, by a special agreement for other charges concerning services, supplies and services, recharging the related costs. In this regard, we note the renewal of the related framework agreement for the sharing of intercompany costs in 2019;
- transactions deriving from the Group's cash pooling agreement between the Companies, ancillary services undertakings and the Parent Company;
- reports concerning the group tax consolidation regime of the Group companies and related consequent activities;
- the distribution of the entire profit of the financial year as at 31.12.2018.

Relations with Subsidiaries

Amissima Vita SpA holds the:

- 51% of the shares of a real estate company, belonging to the Insurance Group that is IH Roma Srl (instrumental company belonging to the Insurance Group), owner of two hotels, in Rome and Milan which are now held for disposal. The Group holds the whole stake in the Company. During 2019 the Company granted a loan to I.H. Roma for an amount of € 100 thousand, in addition to the loan already granted for an amount of € 75 thousand during 2018.
- 60.25% of Assi90 Srl which carries out insurance brokerage activities; Amissima Assicurazioni SpA holds the remaining portion of Assi 90 Srl, equal to 39.75%, the Group holds a 100% stake in it. In 2019, on one hand, the termination of the agency mandate granted to Assi 90 by the Company with the recognition of the severance indemnity and, on the other, the granting of a new mandate at standard conditions.

Relations with Associates

All non-control shareholdings held in companies belonging to the Amissima Insurance Group even if the share held is lower than the limits indicated in art. 2359 of the Civil Code.

In this context, the Company has no investments in affiliated companies.

Relations with Subsidiary companies

Among the companies controlled by the Parent Company, Amissima Vita S.p.A. maintains relations with Amissima Assicurazioni S.p.A., with which it recorded the following transactions in 2019:

- the mutual charge-back of the synergic services between the two companies, managed both by partially seconding employees and through a special agreement for other charges concerning services, supplies and equipment as it happens for the Insurance Parent Company. In this regard, it should be noted that in 2019 the relevant intragroup cost sharing framework agreement has been renewed;
- the lease transfer of a portion of a property seat of the Agency.

The economic and financial balances generated by these relationships with the Parent Company, the Subsidiaries and the Associates are summarized in the following tables (amounts in € thousand).

Key

Balance sheet:

positive: assets

negative: liabilities

P&L:

positive: expenses

negative: incomes

PARENT COMPANY

Amissima Holdings S.r.l.

31.12.2019

Balance sheet

Invoices to be issued	156
Balance c / c of correspondence	-
Cash pooling	561
Invoices to be received	-332
Payables to Consolidated Tax	-756
Dividend distribution	33,678

P&L

Interest from cash pooling	-42
Recover synergic costs	-116
Synergic costs	592

ASSOCIATED INSURANCE COMPANY

Amissima Assicurazioni S.p.A.

31.12.2019

Balance sheet

Invoices to be issued	2,107
Balance c / c of Correspondence	-125
Invoices to be received	-2,889

P&L

Synergic costs	2,889
Rental Income	-48
Recover synergic costs	-2,107

INTERMEDIATION AREA - AGENCY CHANNEL

Assi 90 S.r.l.

31.12.2019

Balance sheet

Participation	1,636
Balance agency statement	-11

P&L

Commissions on policies	124
Dividends	-482

PROPERTY AREA

I. H. Roma

31.12.2019

Balance sheet

Participation	10,737
Loans	175

P&L

Writeback on equity investments	2,410
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Here following there are the quantitative results of the relationships with the other intragroup counterparties - including natural persons - not included in those shown in the previous tables:

OTHER RELATED PARTIES

31.12.2019

Balance sheet

Icav	1,022,621
Loans	164
Sums collected	1,584
Invoices	-893
Technical reserves	-35,107

P&L

Icav dividends	-38,798
Premiums collected	-4,931
Other costs	206
Amounts paid	1,997
Contributions	756
Recovery of expenses	-3
Compensation of Directors, Statutory Auditors and members Direction	2,838

OTHER SIGNIFICANT ELEMENTS

Non-financial risk management

In carrying out its activity as an insurance company, Amissima Vita is exposed to all risks that are generally associated with a business activity, and defines its own policies as an approach involving the entire company structure to identify, understand, measure and manage their own *business* risks.

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

The risks are therefore attributable to three macro categories, which can be subdivided into sub-categories of risk:

- the insurance risks, arising from the insurer's own business, who is the intermediary on the market able to determine a transfer and a consequent risk reduction, through a professional centralized management of the risks assumed; insurance risks are divided into:
 - underwriting risk,
 - reserve risk,
 - reinsurance risk;
- the operational risks, i.e. the event or events whose manifestation may result in a possible loss, including missed opportunities, arising from deficiencies and / or improper performance of internal processes and / or control systems, human resources and systems, both for internal and external causes;
- financial risks, which have been widely analysed in the specific paragraph of the section dedicated to Financial and Asset Management; among them, there is credit risk, existing in the non-financial area as well, with reference to the management of receivables from policyholders; in this case, the risk is managed by the direct collection activity carried out by intermediaries, with daily payments for the banks of the Carige Group, and decadal payments for agents, whose remittances are monitored in detail by the central and peripheral structures in order to contain the risk of insolvency; in the case of Amissima Vita, there is also the guarantee that Life insurance companies do not run the 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 the connected risks, by means of specific strategic policies in force at the date of this Report.

Insurance Risks

The technical insurance risk is the risk of unexpected losses related to the *core* processes of the company; it is possible to distinguish, as mentioned, two sub-categories of risks (underwriting and reserve) and a common sub-risk (reinsurance).

In particular, the underwriting risk, linked to the signing of insurance contracts, is the risk that the premiums requested to the policyholders are not sufficient to cover the deriving obligations, depending on the events covered, the pricing, the performance of the insured events, the company risk assumption policies,

the reinsurance policies. For each class or type of policy, actuarial models are used to determine the prices requirements and to monitor the claims.

The reserve risk is linked to the quantification of reserves, which may be inadequate to the obligations granted to policyholders; this inadequacy may depend both on incorrect estimates of the reserves and on changes in the general and market context in which the Company operates. The verification of the adequacy of the reserves is delegated to the Actuarial Function, and controlled and endorsed by the Company's Administrative Body.

Finally, as regards the reinsurance risk, once the self-retention levels have been defined, treaties are set up to adequately cover the main classes exclusively with leading market counterparties, in order to mitigate the risk of insolvency. In any case, the counterparties are constantly monitored and the exposure limits are annually reviewed, 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 the possible need to carry out write-offs/write-downs on loans recorded in the financial statements; here the risk of reinsurance overlaps with the credit risk, one of the most widely explained among the financial risks.

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

Operational risks

As mentioned, events that may result in a possible loss, including missed opportunities, arising from deficiencies and / or inadequate performance of internal processes and / or control systems, in human resources and in systems, both for internal and external causes are called operational risks.

In order to quantify, for regulatory purposes, the exposure to operational risk, the Company uses the method provided for by the Standard Formula pursuant to former 2009/138 / EC Directive, the so-called Solvency 2 at the same time, it developed evaluation methodologies that, while the complete mapping of this type of risk is implemented, insist on different processes, analyse qualitative evaluations produced by the different functions of business (according to a risk *self-assessment approach*), reviewed by the control functions, aimed at assessing the residual risk on company operating processes, net of the effectiveness of the controls put in place.

Also in this case, the Company's Board of Directors dictates the guidelines for operations, and for the management of the connected risks, by means of specific strategic policies in force at the date of this Report.

Internal control

In the context of the Insurance Group, for the purpose of progressive adaptation to the provisions of IVASS Regulation no. 38/2018, in 2019 steps were taken to resolve the pre-existing intra-group agreements for the centralization of the Fundamental Internal Audit, Compliance, Risk Management and Anti-Money Laundering/Counter-Terrorism (so-called AML) functions at the Parent Bank, activating, in replacement, the institution of partial secondment of the managers of these functions. On the other hand, the intra-group agreement relating to the centralization of the Actuarial Function with the Insurance Parent Company was maintained, in consideration of the maintenance of the outsourcing of the same Function by Amissima Holdings S.r.l. to external professional; the appointed internal contact provides collaboration to the Head of the Group Actuarial Function, in order to guarantee adequate and uniform risk control standards adequately calibrated with respect to the characteristics of the risks of the Company and the Insurance Group.

The activity of the **Internal Audit** Function is carried out as part of the Internal Audit Policy of the Insurance Parent Company, approved in its latest version by the Board of Directors on 30 July 2019. The Function adopts the operating methods and audit tools referred to in the Regulations of the Function, approved by the Board of Directors on 28 February 2018 and 26 September 2019. The operating methods are based on an approach based on the evaluation of controls and focused on the risks of business processes, allowing obtaining an assessment of the adequacy of the Internal Control System.

The activities planned for the entire 2019 financial year were formalized within the *Audit Plan*, approved by the Board of Directors on January 31, 2019.

Within the **Mandatory Activities** we find: the periodic reports on the management of complaints (ISVAP Reg. 24/2008), the Observations on the 2015 annual report on the control of the distribution networks (ISVAP Reg. 5/2006), the verifications on the distribution of insurance/financial products (Consob Resolution 17297); the verifications on the proper application of the remuneration policies defined by the Administrative Body (ISVAP Reg. IVASS 39/2018); the RSR and SFCR area of responsibility; the verifications of compliance with the statistical information policy (Reg. IVASS 36/2017); the verifications on the effective application of the Policies within corporate operations, periodic information reports to the Board of Directors and the Board of Statutory Auditors on the activities carried out by the Function; Internal Audit supported the Risk Management Function in carrying out a self-assessment campaign of "risks & controls" on the operational and support processes of the Companies (RSA).

With reference to the **Financial Audit** activities, the profiles inherent to the accounting information risks detected in the audited processes during the year have been analysed.

Management Activities (*Audit and Follow Up*) concerned the assessment of the existence/suitability and compliance of internal control systems compared to the risks identified in some of the main business processes. *Operational Audit*: Adjustment process to the European Insurance Distribution Directive (IDD); Implementation process of Regulation (EU) 2016/679 - "GDPR", relating to the protection of individuals with regard to the processing of personal data; Life Division Technical Reserves Audit - actuarial and balance sheet part; Illiquid investment management process; Anti-money laundering and anti-terrorism; Strategic planning and management control; Management Audit for the evaluation of the internal control system; *Follow up*: Outsourced Activities; Performance; Management of intra-group and related party transactions; Cyber Security.

During the financial year, **Advisory Activities/Support and Consulting Activities**, in particular, concerned the participation in the project concerning the updating of company processes and procedures, the implementation of an IT tool shared by the different control and organisational functions on based on a single structure and mapping of processes and a common taxonomy of risks and controls.

As regards relations with the different control bodies, the Board of Statutory Auditors and the Independent Auditors held meetings. The responsible of Internal Audit attended the meetings of the Control and Risk Committee, all meetings of the 231 Supervisory Body and supervised the verification activities carried out by the Function upon indication of the Supervisory Body.

The results of the activities carried out, the remedial actions and the action plans have been shared with the heads of the relevant Organizational Units and have been the subject of information reports and regular updates on the monitoring of the progress of the actions, forwarded to the Top Management, the Independent Directors, the Administrative Body, the Control Body, as well as within the context of the

participation of the Head of the Function in the Control and Risk Committee, the Management Committee and the Risk Committee.

The operations of the *Compliance* function have focused on the areas of competence, aiming at ensuring the compliance of the business activities with the law, supervision and self-regulation rules, developing in particular in the following areas:

- consultancy for complying with new Regulations, Measures and Letters to the Market issued by Ivass, by monitoring their regulatory aspects, providing support to the bodies concerned in identifying compliance, as well as preparing summary sheets if necessary;
- consultancy for compliance with new national and EU regulations, with the preparation of detailed information sheets;
- support to the bodies concerned for various regulatory aspects;
- *compliance* verifications (the activity concerned, among other things, the Remuneration Policies, other Company Policies, Traceability and exhaustiveness of the list of documents submitted to Ivass, pursuant to the Ivass Reporting Policy), followed by the monitoring of suggested actions;
- risk self-assessment in collaboration with the Operational officers
- *Compliance* is part of the process relating to transactions with related parties; in particular, in order to issue the authorisation of the Board of Directors, it is necessary to obtain its prior opinion on the exhaustiveness of the supporting documentation; in addition, the function must highlight the presence of a potential risk of contagion;
- examination of the information flows, implemented to ensure six-monthly compliance with consumer protection regulations, concerning customer complaints, administrative inspections at intermediaries and disputes with policyholders concerning the interpretation of contractual rules;
- preparation of "mandatory" reports in accordance with both internal and external regulations.

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

Article 45 of the Solvency 2 Directive requires undertakings and insurance groups to carry out an internal risk and solvency assessment. Such assessment is systematically taken into account when taking strategic decisions. This assessment, consistent with the provisions of IVASS Regulation no. 32/2016, must be carried out prospectively by assessing the current risk profile and its evolution over a medium-term time period.

In the second half of 2019, the Risk Management Function carried out these assessments in relation to the balance sheet and solvency situation in accordance with the second level implementing measures of Directive 2009/138/EC Solvency 2 concerning the closure of the 2018 financial year, whose results were assessed by the Board of Directors on 09.12.2019 within the framework of the preparation of the QRT - Quantitative Reporting Templates provided for by the so-called Full Measures and the Report on Solvency and Financial Condition pursuant to Regulation no. 33/2016, and sent UOA Solvency to the Supervisory Authority within the deadlines provided following the extension granted to the results of the 2019 Inspection activity and subsequent adjustments.

Again in the second half of 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 interim financial situation in June and September 2019. The results were prepared by the Solvency UOA in the QRT format and sent to the Supervisory Authority within the set deadlines (QES2 and QES3 disclosures).

The estimate of the SCR and MCR Solvency requirements, as well as the fair value measurement of all assets/liabilities of the Company were carried out using the methodological contents set out 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 under particular conditions of stress on financial markets, which require the use of a higher discount rate than the risk free rate in order to counterbalance the lower value of assets with a lower value of liabilities and thus mitigate the pro-cyclical effects induced by fair value measurements. It has therefore adopted the Volatility Adjustment commensurate with EIOPA to be applied to the discount rate for the assessment of the best estimate of insurance contracts.

In January 2020, 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 regarding the financial situation as at December 2019 pursuant to QES4 2019.

The estimate of the SCR and MCR solvency requirements, as well as the fair value assessment of all assets/liabilities of the Company have been carried out using the methodological contents set out 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 under conditions of particular stress on financial markets, which require the use of a higher discount rate than the risk free rate in order to counterbalance lower asset values with lower liabilities and thus mitigate the pro-cyclical effects induced by fair value assessments. It has therefore adopted the Volatility Adjustment commensurate with EIOPA in 7 bp to be applied to the discount rate for the assessment of the best estimate of insurance contracts.

The results of the assessment of the Solvency 2 requirements have been prepared by the Solvency UOA in the QRT (Quantitative Reporting Template) format and sent to the Supervisory Authority within the set deadlines (04 February 2019 for the quarterly data of December 2019 QES4).

The function has arranged also for the assessment referred to in art. 30 ter of the Code of Private Insurance on own risk and solvency assessment (so-called ORSA) and Regulation no. 32/2016 IVASS, containing the provisions to be observed by companies and insurance groups and by which recipient companies/groups of previous years are required to carry out a forecast assessment of the risk profile and solvency (so-called ORSA) with reference to the data as at 31 December 2018, the forecast in December 2019 and for the 2020-2022 three-year period by fulfilling the indications contained in the aforementioned Regulation.

The forecast risk profile has been assessed by projecting the individual financial statement figures as provided for in the Company's strategic plan.

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

As regards the risks included in the standard formula for calculating the solvency requirement 2, the shocks and assessment criteria defined in the current version of the EIOPA Technical Specifications for calculating the SCR have been applied. Risks not considered within the standard formula have been assessed qualitatively and/or quantitatively, in the latter case, evaluating, where possible, the impact on the Own Funds and the Solvency Capital Requirement.

The Function arranged the prospective assessment of the Company's Solvency profile in accordance with the new 2020-22 Business Plan, approved by the Board of Directors during the meeting held on 9 December 2019.

The Function will continue both in adapting the risk management model in accordance with the guidelines issued by the Board of Directors and in monitoring 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:

- assessing the solvency requirement of the Company calculated according to the standard formula on data at the following quarterly closures;
- updating the ORSA 2020 report and current and prospective risk and solvency assessments, including sensitivity and stress test analyses;
- updating the operational loss register and launching the 2020 operational risk self-assessment campaign (RSA) ;
- monitoring the limits set by the Strategic Policies and the Risk Appetite Framework (RAF) of the Group.

The **Board of Statutory Auditors** supervised the adequacy of the organisational, administrative and accounting structure adopted by the company and its actual functioning, by collecting documents, carrying out detailed controls and holding regular meetings with the representatives of the company. The Board of Statutory Auditors has continuously monitored the progress of the disputes in progress and, in particular, of the pending civil litigation with Banca Carige S.p.A., until the settlement of the dispute in the aforementioned terms. The Board of Statutory Auditors also supervised the system of internal controls by holding periodic meetings with the Head of the Internal Audit Department, and thus monitoring the state-of-the-art of the improvements suggested by such function as a result of the several audits carried out on corporate processes. Following the creation of the Control and Risk Committee, the Board of Statutory Auditors has taken part in its meetings keeping a regular exchange of information on information of common interest. The Board of Statutory Auditors monitored the feedback to the Supervisory Authority following the inspections carried out on the subsidiary company Amissima Assicurazioni S.p.A., monitoring the implementation of the action plan communicated to IVASS.

Notwithstanding the presence of the Board of Statutory Auditors at the meetings of the Board of Directors, in compliance with art. 15 of the Articles of Association and art. 150 of Legislative Decree no. 58/98 (the so-called Draghi Law) and art. 2381, paragraph 5, of the Italian Civil Code, the Board of Directors provided the Board of Statutory Auditors with a quarterly report detailing the activities and the most significant transactions carried out by the Company. Coordination within the Group is guaranteed by the presence of two members of the Board of Statutory Auditors of the Parent Company and the Company.

The functions of the **Supervisory Body pursuant to Legislative Decree no. 231/01** are carried out by the Board of Statutory Auditors of the Company, supported by the Head of the Internal Audit Department and a criminal expert, within the terms established by the same Body and where deemed suitable by the latter. In 2019, while continuing its activities and without prejudice to the separation of the functions assigned, the Body pursued its monitoring activities on the compliance with the Organisational Model adopted by the Company, carrying out specific hearings with the management of the Company, as well as with the officers in charge of the various divisions, in order to have a precise awareness of the events and deeds relating to the activities of the various offices and paying specific attention to compliance with anti-money laundering legislation and protocols. The Supervisory Board has maintained a continuous and regular connection and coordination with the Internal Audit, Compliance, Risk Management, Actuarial and Anti-Money Laundering/Anti-terrorism functions of the Company.

Anti-money laundering requirements

The activities of the Anti-Money Laundering Function concerned:

- analysis of external regulations: the Anti-Money Laundering function - supported by the Compliance function - carries out all the activities necessary to continuously identify any possible change in the regulatory framework and to ensure its knowledge, interpretation and analysis, by assessing its impact on the Company's processes in order to achieve compliance; in particular as regards the issuance of the Reg. Ivass 44/2019 it has cooperated in reviewing the Money Laundering Risk Management, Sanctions Compliance and Terrorism Financing Policy and with regard to the review of the operational processes relating to the adequate verification of customers;
- advice and opinions: preparing reports in response to specific requests concerning aspects relating to the organization, processes, corporate procedures, product line design, anti-money laundering and anti- terrorism management choices in general;
- controls: specific anti-money laundering and anti-terrorism control activities and persons subject to sanctions;
- relations with the Supervisory Authority: obligations related to the Letter to the Market of 19.06.2019 concerning the e self-assessment of the risks of money laundering and terrorist financing on 2018 financial statement data;
- transmit the aggregate data concerning the registrations to the ITU on a monthly basis in the Single IT Archive;
- control of terrorist financing risk and Sanctions Compliance;
- Customer due diligence, profiling pursuant to Legislative Decree 231/2007;
- training: support to the Recruitment, Training and *Marketing* office with specific reference to anti-money laundering and anti-terrorism regulations, in identifying training needs, in preparing the training plan and, whereas required, in providing courses for both employees and the direct distribution network. The manager and the employees of the Office participated in training modules all year long.

"Privacy protection" obligations

During the first half of 2019, the Company consolidated its data protection activities by creating a specific Privacy Office and updating the adjustment plan of measures and controls to protect rights and freedoms of the parties concerned.

As a result of this, in the second half of 2019, the safeguards for the security of personal data processed by the Company have been strengthened: a) the review of the Organisational Model for the protection of Personal Data, in order to make the control of the processing carried out more efficient and widespread; b) updating and completing the Register of the processing activities carried out within the Management of the Company; c) the analysis of the risks related to the processing activities recorded in the Register and the related impact assessment on fundamental rights and freedoms of the data subjects; d) the review and updating of the policies and procedures for protecting personal data, including the procedure for managing *data* breaches.

Complaints Office

The management of claims, as regulated by Isvap Regulation no. 24/2008, issued pursuant to art. 7 of Legislative Decree 209/2005 (so-called consolidated text of Insurance Companies), continued during the financial year by the Complaints Office.

With regard to the complaints received by the Company, in 2019 23 positions were listed in the appropriate Register, all of them negotiable with an average processing time of 37.41 days, while requests for IVASS investigations were received in relation to 2 positions (no. 16 at 31.12.2018).

Number of complaints	2019 Number	%	Change numb.	Var. %	2018 Number	%
Accepted	5	22.7	-8	-61.5	13	27.7
Concluded	0	0	0	-	0	0.0
Rejected	17	77.3	-17	-50	34	72.3
Hesitated total	22	100.0	-25	-53.2	47	100.0
In Investigation	1	0,04	-1	-50	2	4.1
Total treatable	23		-26		49	
Not treatable	1	0.04	1	-	0	0.0

National Tax Consolidation

As regards tax matters, it should be noted that in 2019 the "national tax consolidation" regime provided for in articles. 117 and following of Presidential Decree no. 917/86. The relations between consolidating (Amissima Holdings S.r.l.) and consolidated company deriving from Group taxation are regulated by a specific agreement stipulated between the parties. The exercise of the option for the three-year tax consolidation regime for the tax years 2019 to 2021 inclusive was exercised against the tax authorities. The option is tacitly renewed at the end of each three-year period, subject to revocation.

Tax litigation

In October 2011, the Company was notified of a tax settlement notice for approximately 3 million Euro in relation to the sale, in 2008, of the equity investment in Portorotondo Gardens Srl, a disposal of an equity investment considered by the Financial Administration as a sale of a company and as such, it is subject to a different tax regime; in April 2012 the notice was followed by a payment folder for about 4 million Euro.

The Company filed an appeal against both notifications, obtaining suspension and reunification of the two files; in October 2012 the appeal from Carige Vita Nuova (now Amissima Vita) was granted. In May 2013, the Tax Administration appealed the judgment and Carige Vita Nuova (now Amissima Vita) made up for trial in accordance with the law terms; in March 2014 second grade sentences were deposited, with which the Regional Tax Commission of Milan has confirmed the judgment in first instance, reiterating the nullity of the liquidation Notice previously issued by Milan's Revenue Agency.

In November 2014, Amissima Vita was notified of the appeal to Cassation from the Revenue Agency against the second grade sentences which were favourable to the Company, which itself presented counter-appeal to the Supreme Court of Cassation in December 2014, requesting inadmissibility of the appeals deposited by the Office.

In 2019, the Company benefited from the facilitated settlement of tax disputes (so-called "tax peace"), introduced by art. 6 of Decree Law no. 119 of 23 October 2018, in consideration of the cost-effectiveness of the subsidy offered.

In order to complete the procedure, Amissima Vita made a transfer of approximately € 136 thousand on 22 May 2019 and submitted the settlement applications to the Revenue Agency on 27 May 2019. Any refusal to settle must be notified by the Revenue Agency by 31 July 2020, in accordance with the

procedures for the notification of procedural documents. The denial can be challenged within sixty days before the judge with whom the dispute is pending.

Pending litigation

The most significant situations are detailed hereunder:

- Litigation established by a person who, claiming to have stipulated with Amissima Vita, through a former agency, six life insurance policies, sues the insurance company to obtain the payment of the premiums he claims to have paid, for a total of € 879 thousand, as well as compensation for non-material damage. The application was rejected at first instance. The first hearing of the appeal proceedings was held on 13 December 2017. By judgment of 9 November 2018, the court of second instance held that the claim of the counterparty was well founded, ordering the company to refund the premiums paid for an overall amount of € 907,335.71, in capital and interest and to pay legal fees. The company recurred appeals of high courts, pending the setting of the first hearing.
- Establishment, by Banca Carige SpA, of an action before the Court of Genoa, against Amissima Holdings Srl, its Insurance Companies, three companies of the Apollo Group and former directors of Banca Carige S.p.A. Cesare Castelbarco Albani and Piero Luigi Montani, in order to request condemnation, jointly among them, to pay compensation for damages allegedly suffered by Banca Carige consequently, *inter alia*, to the acquisition by Amissima Holdings of the same companies, to the following purchase offer for non-performing loans of Banca Carige and the concurrent subscription of a capital increase of the bank itself. Particularly, the claim for compensation against Amissima Holdings S.r.l. (Jointly and severally with Caesar Castelbranco Albani, Pier Luigi Montani, Apollo Management Holdings L.P. and Apollo Global Management L.L.C.) totalled € 450 million on the disposal of investments in insurance companies, while the Insurance Companies (jointly and severally with Caesar Castelbranco Albani, Pier Luigi Montani and Apollo Global Management L.L.C.) has been requested a compensation of € 800 million in relation to the remaining conducts held between November 2015 and March 2016.

With sentence n. 3118/2018, published on 6 December 2018, the Court of Genoa has rejected all the requests put forward by the Bank with the sentence to the reimbursement of court costs, quantified in a total of approximately € 363,000.00, plus VAT and CpA in favour of both companies. The Bank appealed the sentence before the Genoa Court of Appeal, re-proposing the claims for compensation advanced at first instance. On 21-22 November 2019, the dispute was settled by final transaction; the agreement reached made it possible to the parent company Amissima Holdings to fully reimburse the vendor loan and recover all outstanding receivables from Banca Carige.

- Disputes in 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 SpA.

With notified deed on 24.11.2016, the parties promoted arbitrary procedure in front of the Arbitrary Chamber of Milan against the defendant.

With such arbitrary demand, the parties request declaration of the original invalidity, or supervened in sub-order, of the clauses of Insurance Products Distribution Agreement; that the latter is declared resolved for supervened juridical impossibility; that the same is declared resolved for insolvency to the obligation of good faith and fairness from Amissima Vita.

On 3 May 2018, the Board rejected Banca Carige's request, declaring the validity of the distribution agreement and condemning the Bank to pay the company an amount equal to Euro 3.4 million, plus interest, by way of *adjustment* accrued in 2016. The sum was fully recovered. With a writ of summons on 10-14.09.2018 Banca Carige appealed the arbitration award requesting its invalidity and the acceptance of the requests already proposed before the Arbitration Board, including the refund of the amount paid, in execution of the challenged award, about 3.4 million Euro. The Court of Appeal postponed the case to the hearing on January 8, 2020 for clarification of the conclusions.

On 21-22 November 2019, the dispute was settled with a final transaction with the simultaneous payment by Banca Carige of all the payables to the Company pursuant to the previous distribution agreement and the signing of a new exclusive extended distribution agreement until 2038.

SIGNIFICANT EVENTS OCCURRED AFTER THE END OF THE REPORTING PERIOD

During the past month of February the CEO announced that, in the current transformation of the insurance industry which sees the market asking companies to strengthen in terms of presence and volumes, the Apollo Fund, owner of the Amissima Insurance Group, has received expressions of interest for the assets of our Group. For this reason, the Shareholder has decided to start an investigation to evaluate the best opportunities aimed at strengthening the Companies and looking for possible integrations and / or industrial partnerships in order to continue our growth on the market.

The new accounting standard IFRS 17 introduces a new approach to insurance contracts, profoundly different from the IFRS 4 in force. These amendments are intended to make the accounting of insurance products more transparent, and to ensure uniform accounting representation for countries that use IFRS principles, replacing the previous international regulatory fragmentation. The economic, equity and operational implications related to the adoption of IFRS 17 vary according to the specific nature of the company or group. However, the new standard will result in a substantial change in accounting policies for the majority of the sector. The entry into force of the Standard initially scheduled from 1 January 2021 was recently postponed to 1 January 2023. At the beginning of the year the kick-off of the project for IFRS17 took place. The Amissima Group has selected the Deloitte company for support in project management

The beginning of 2020 was also characterized by the spread of an infection generated by Covid-19 Coronavirus that initially developed in China. The contagion, recently classified as "pandemic" by the World Health Organization, resulted in precautionary measures taken in China and then extended to several other countries, including Italy. The law decree 17 March 2020 n. 18 (the so-called "Cura Italia" decree) contains measures aimed at:

- financing and other measures to strengthen the national health system and civil protection and other public subjects involved in the emergency;
- support for employment and workers for the defense of work and income;
- credit support for families and micro, small and medium-sized enterprises, through the banking system and use of the central guarantee fund;
- suspension of payment obligations for taxes and contributions as well as other tax obligations and tax incentives for the sanitation of the workplace and bonuses for employees who remain in service.

THE FORESEEABLE DEVELOPMENT OF MANAGEMENT

In a context of uncertainty and strong volatility due to the pandemic spread of Covid-19, whose size in terms of time duration and extent is currently difficult to estimate, our Group will continue to operate in order to pursue the strategic objectives outlined in the Business Plan. Emergency management through the action plan adopted by the Business Continuity crisis group guarantees operational continuity and at the same time safeguards the health of all employees and collaborators. The trend of the insurance business for the current year, depending on what will be the duration and seriousness of the health emergency currently underway on the economic cycle and on the financial markets, could be negatively impacted.

PROPOSAL TO THE ASSEMBLY

Dear Shareholders,

We invite you to approve the Financial Statements as at 31.12.2019, made up of Balance Sheet, Income Statement, Explanatory Notes and related attachments, Cash Flow Statement, and accompanied by this Report, as they have been prepared.

We propose to carry forward the loss for the year of € 11,888,060

The Board of Directors
The Chairman
(Mr Andrea Moneta)



BALANCE SHEET

Financial Statements

Annex 1 – Balance sheet 2019

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 **2019**
 (Amounts in €)

Financial Statements

Annex 1 – Balance sheet 2019

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	1.693.357				
b) Non-life insurance business	4	0	5	1.693.357		
2. Other acquisition costs		6	0			
3. Start-up and expansion costs		7	0			
4. Goodwill		8	0			
5. Other deferred costs		9	4.860.504	10	6.553.861	
C. INVESTMENTS						
- Land and buildings						
1. Buildings used in company operations		11	0			
2. Buildings rented to third parties		12	99.141.130			
3. Other properties		13	0			
4. Other real property rights		14	0			
5. Construction in progress and advance payments		15	0	16	99.141.130	
- Investments in Group companies and other shareholdings:						
1. Shares and interests in:						
a) Holding companies	17	0				
b) Subsidiaries companies	18	12.388.529				
c) Affiliated companies	19	0				
d) Associated companies	20	0				
e) Other companies	21	0	22	12.388.529		
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	175.000				
c) Affiliated companies	31	0				
d) Associated companies	32	0				
e) Other companies	33	0	34	175.000	35	12.563.529
			to carry forward			6.553.861

Values of the previous year		
		181 0
	182 0	
183 1.646.777		
184 0	185 1.646.777	
	186 0	
	187 0	
	188 0	
	189 5.798.707	190 7.445.483
	191 0	
	192 99.641.130	
	193 0	
	194 0	
	195 0	196 99.641.130
197 0		
198 9.978.256		
199 0		
200 0		
201 0	202 9.978.256	
203 0		
204 0		
205 0		
206 0		
207 0	208 0	
209 0		
210 75.000		
211 0		
212 0		
213 0	214 75.000	215 10.053.256
	to carry forward	7.445.483

Financial Statements

Annex 1 – Balance sheet 2019

BALANCE SHEET ASSETS

		Values of the year	
	carried forward		6.553.861
C. INVESTMENTS (continued)			
III - Other financial investments			
1. Shares and participating interests			
a) Listed shares	36 133.902		
b) Unlisted shares	37 0		
c) Interests	38 1.064.589.768	39 1.064.723.670	
2. Shares in common investment funds		40 424.890.237	
3. Bonds and other fixed-income securities			
a) Listed	41 4.693.378.460		
b) Unlisted	42 114.244.901		
c) Convertible debentures	43 0	44 4.807.623.361	
4. Loans			
a) loans secured by mortgage	45 132.786		
b) loans on policies	46 213.271		
c) other loans	47 443.685	48 789.742	
5. Participation in investment pools		49 0	
6. Deposits with credit institutions		50 0	
7. Other financial investments		51 0	52 6.298.027.011
IV - Deposits with ceding undertakings		53 0	54 6.409.731.669
D INVESTMENTS FOR THE BENEFIT OF LIFE-ASSURANCE POLICYHOLDERS who bear the			
I - Investments relating to contracts linked to investment funds and market indexes		55 441.730.660	
II - Investments relating to the administration of pension funds		56 0	57 441.730.660
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 10.531.324		
2. Unearned premium provision for supplementary coverage	64 0		
3. Provision for sum to be paid	65 1.782.483		
4. Provision for profit-sharing and premium refunds	66 0		
5. Other technical provisions	67 0		
6. Other technical provisions is born by the policyholders and relating to the administration of pension funds	68 0	69 12.313.807	70 12.313.807
	to carry forward		6.870.329.998

Values of the previous year			
	carried forward		7.445.483
216	85.050		
217	0		
218	1.381.450.687	219	1.381.535.737
		220	0
221	4.502.620.276		
222	124.952.228		
223	0	224	4.627.572.504
225	138.971		
226	296.263		
227	412.493	228	847.727
		229	0
		230	0
		231	0
		232	6.009.955.968
		233	0
		234	6.119.650.354
		235	445.160.466
		236	0
		237	445.160.466
238	0		
239	0		
240	0		
241	0	242	0
243	15.439.254		
244	0		
245	2.125.270		
246	0		
247	0		
248	0	249	17.564.523
		250	17.564.523
	to carry forward		6.589.820.827

Financial Statements

Annex 1 – Balance sheet 2019

BALANCE SHEET ASSETS

		Values of the year	
	carried forward		6.870.329.998
E. CREDITS			
I - Credits arising out of direct insurance operations			
1. Policyholders			
a) for premiums current year	71 2.782.464		
b) for premiums previous years	72 862.541	73 3.645.005	
2. Insurance intermediaries	74 11.186.825		
3. Current accounts with Insurance companies	75 0		
4. Policyholders and third parties for recoveries	76 0	77 14.831.829	
II - Credits arising out of reinsurance operations			
1. Insurance and reinsurance companies	78 418.214		
2. Reinsurance intermediaries	79 0	80 418.214	
III - Other credits		81 147.932.970	82 163.183.013
F. OTHER ASSETS			
I - Tangible assets and stocks:			
1. Furniture, office machines and internal transport vehicles	83 300.674		
2. Movable goods in public registers	84 0		
3. Machinery and equipment	85 153.631		
4. Stocks and other goods	86 15.688	87 469.993	
II - Cash at bank and in hand			
1. Bank and Postal accounts	88 13.829.931		
2. Cheques and cash on hand	89 734	90 13.830.665	
IV - Other			
1. Deferred reinsurance accounts receivable	92 0		
2. Miscellaneous assets	93 14.700.029	94 14.700.029	95 29.000.688
G. PREPAYMENTS AND ACCRUED INCOME			
1. Interest		96 28.020.428	
2. Rent		97 0	
3. Other prepayments and accrued income		98 1.014.897	99 29.035.325
Total Assets			100 7.091.549.024

Values of the previous year			
	carried forward		6.589.820.827
251	3.151.109		
252	320.843		
	253	3.471.951	
	254	19.483.840	
	255	0	
	256	0	257 22.955.791
	258	1.208.829	
	259	0	260 1.208.829
		261 162.127.262	262 186.291.883
	263	302.366	
	264	0	
	265	183.262	
	266	16.343	267 501.971
	268	26.502.695	
	269	611	270 26.503.306
	272	0	
	273	27.965.348	274 27.965.348 275 54.970.625
		276 35.044.944	
		277 18.400	
		278 1.314.134	279 36.377.478
	Total Assets		280 6.867.460.813

Financial Statements

Annex 1 – Balance sheet 2019

BALANCE SHEET LIABILITIES

		Values of the year	
A.	SHAREHOLDERS' EQUITY		
I	- Subscribed capital or equivalent funds	101 50.431.778	
II	- Share premium reserve	102 628.200	
III	- Revaluation reserves	103 0	
IV	- Legal reserve	104 24.975.738	
V	- Statutory reserves	105 0	
VI	- Reserves for own shares and shares of the controlling company	400 0	
VII	- Other reserves	107 74.446.911	
VIII	- Net Profit (loss) brought forward	108 673.167	
IX	- Net Profit (loss) for the year	109 -11.888.060	
X	- Negative Reserve for treasury shares	401 0	110 139.267.734
B	SUBORDINATED LIABILITIES		111 0
C	TECHNICAL PROVISIONS		
I	- NON-LIFE INSURANCE BUSINESS		
1.	Provision for unearned premiums	112 0	
2.	Provision for claims outstanding	113 0	
3.	Provision for profit-sharing and premium refunds	114 0	
4.	Other technical provisions	115 0	
5.	Equalization provision	116 0	117 0
II	- LIFE INSURANCE BUSINESS		
1.	Provision for policy liabilities	118 5.924.207.940	
2.	Unearned provision for supplementary coverage	119 43.494	
3.	Provision for sum to be paid	120 31.983.751	
4.	Provision for profit-sharing and premium refunds	121 0	
5.	Other technical provisions	122 28.255.025	123 5.984.490.210 124 5.984.490.210
D	TECHNICAL PROVISIONS FOR LIFE ASSURANCE POLICIES WHERE INVESTMENT RISK IS BORNE		
I	- Provisions relating to contract linked to investment funds and market indexes	125 441.730.660	
II	- Provisions relating to the administration o pension fund	126 0	127 441.730.660
	to carry forward		6.565.488.605

Values of the previous year

		281	50.431.778	
		282	628.200	
		283	0	
		284	24.975.738	
		285	0	
		500	0	
		287	74.446.911	
		288	673.167	
		289	33.678.836	
		501	0	290 184.834.630
				291 0
292	0			
293	0			
294	0			
295	0			
296	0	297	0	
298	5.575.511.878			
299	40.651			
300	40.283.780			
301	0			
302	29.000.937	303	5.644.837.247	304 5.644.837.247
		305	445.160.466	
		306	0	307 445.160.466
to carry forward				6.274.832.343

Financial Statements

Annex 1 – Balance sheet 2019

BALANCE SHEET LIABILITIES

		Values of the year	
	carried forward		6.565.488.605
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 1.323.390	131 1.461.531
F.	DEPOSITS RECEIVED FROM REINSURERS		132 12.400.440
G.	DEBTS AND OTHER LIABILITIES		
I	- Debts arising out of direct insurance operations:		
1.	Insurance intermediaries	133 14.691.909	
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 14.691.909
II	- Debts arising out of reinsurance operations:		
1.	Insurance and Reinsurance companies	138 3.060.060	
2.	Reinsurance intermediaries	139 0	140 3.060.060
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	145 637.487	
VIII	- Other debts		
1.	Premium taxes	146 55.995	
2.	Other tax liabilities	147 21.886.028	
3.	Social security contributions	148 200.281	
4.	Sundry debts	149 8.343.184	150 30.485.488
IX	- Other liabilities		
1.	Deferred reinsurance items	151 0	
2.	Commissions for premiums in course of collection	152 511.694	
3.	Sundry liabilities	153 462.142.694	154 462.654.388
	to carry forward		155 511.529.331
			7.090.879.906

Values of the previous year		
carried forward		6.274.832.343
	308 0	
	309 138.141	
	310 13.502.661	311 13.640.802
		312 17.752.575
313 21.078.535		
314 0		
315 0		
316 0	317 21.078.535	
318 2.639.285		
319 0	320 2.639.285	
	321 0	
	322 0	
	323 0	
	324 0	
	325 630.111	
326 51.747		
327 27.801.952		
328 204.641		
329 10.929.760	330 38.988.100	
331 0		
332 400.807		
333 496.862.724	334 497.263.531	335 560.599.562
to carry forward		6.866.825.283

Financial Statements

Annex 1 – Balance sheet 2019

BALANCE SHEET LIABILITIES

carried forward		7.090.879.906
H. ACCRUALS AND DEFERRED INCOME		
1. Accrued Interest	156 0	
2. Rent	157 320.916	
3. Other prepayments and accrued income	158 348.202	159 669.118
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		160 7.091.549.024

carried forward		6.866.825.283
	336 0	
	337 300.672	
	338 334.858	339 635.530
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		340 6.867.460.813

Financial Statements

Annex 1 – Balance sheet 2019

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 2019

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 **2019**
 (Amounts in €)

Financial Statements

Annex 2 – Profit and Loss Account 2019

Profit and Loss Account

Values of the year

I. TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS				
1. PREMIUMS EARNED, NET OF REINSURANCE				
a) Gross premiums written	1	0		
b)(-) Outward reinsurance premiums	2	0		
c) Change in the gross provision for unearned premiums	3	0		
d) Change in the provision for unearned premiums, reinsurers' share	4	0		5
				0
2. (+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT (ITEM III.6)				6
				0
3. OTHER TECHNICAL INCOME, NET OF REINSURANCE				7
				0
4. CLAIMS INCURRED, NET OF RECOVERIES AND REINSURANCE				
a) Claims paid				
aa) Gross amount	8	0		
bb) (-) reinsurers' share	9	0	10	0
b) Change in recoveries, net of reinsurance				
aa) Gross amount	11	0		
bb) (-) reinsurers' share	12	0	13	0
c) Change in the provisions for outstanding claims				
aa) Gross amount	14	0		
bb) (-) reinsurers' share	15	0	16	0
				17
				0
5. CLAIMS INCURRED, NET OF RECOVERIES AND REINSURANCE				18
				0
6. CLAIMS INCURRED, NET OF RECOVERIES AND REINSURANCE				19
				0
7. OPERATING EXPENSES:				
a) Acquisition commissions	20	0		
b) Other acquisition costs	21	0		
c) Change in commissions and other acquisition costs to be amortised	22	0		
	23	0		
d) Collecting commissions	24	0		
e) Other administrative expenses	25	0		
f) (-) Reinsurance commissions and profit-sharing				26
				0
8. OTHER TECHNICAL CHARGES, NET OF REINSURANCE				27
				0
9. CHANGE IN THE EQUALIZATION PROVISION				28
				0
10. BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE BUSINESS (Item III.1)				29
				0

Pag. 1

Values of the previous year

[illegible]

Financial Statements

Annex 2 – Profit and Loss Account 2019

Profit and Loss Account

Values of the year

II. TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS				
1. WRITTEN PREMIUMS, NET OF REINSURANCE:				
a) Gross premiums written	30	909.177.118		
b) (-) Outward reinsurance premiums	31	1.610.869	32	907.566.249
2. INVESTMENT INCOME:				
a) From shares and interests	33	41.428.516		
(of which: from Group companies	34	482.000)	
b) From other investments:				
aa) income from land and buildings				
bb) income from other investments	37	91.089.172		
(of which: from Group companies	38	48.073)	
c) Value re-adjustments on investments	39	7.212.315		
d) Gains on the disposal of investments	40	33.501.948		
(of which: from Group companies	41	2.410.272)	
			42	173.231.950
INCOME AND UNREALISED GAINS ON INVESTMENTS TO THE BENEFIT OF POLICYHOLDERS WHO BEAR THE INVESTMENT RISK				
3. AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS			43	43.433.212
4. OTHER TECHNICAL INCOME, NET OF REINSURANCE			44	8.697.423
5. CLAIMS INCURRED, NET OF REINSURANCE				
a) Claims paid:				
aa) Gross amount				
bb) (-) Reinsurers' share	47	675.175.165		
b) Change in the provision for claims to be paid:				
aa) Gross amount				
bb) (-) Reinsurers' share	50	-7.957.242	51	667.217.923
CHANGE IN PROVISIONS FOR POLICY LIABILITIES AND IN OTHER TECHNICAL PROVISION, NET OF REINSURANCE				
a) Provisions for policy liabilities:				
aa) Gross amount	52	348.280.351		
bb) (-) Reinsurers' share	53	-4.907.929	54	353.188.280
b) Unearned premium provision for supplementary coverage:				
aa) Gross amount	55	2.843		
bb) (-) Reinsurers' share	56	0	57	2.843
c) Other technical provisions:				
aa) Gross amount	58	-745.912		
bb) (-) Reinsurers' share	59	0	60	-745.912
d) Provisions for policies where the investment risk is borne by the policyholders and relating to the administration of pension funds	61	-3.429.807		
aa) Gross amount	62	0	63	-3.429.807
			64	349.015.404

Values of the previous year

			values of the previous year
	140	864.220.796	
	141	1.652.524	142 862.568.272
	143	32.519.697	
(of which: from Group companies	144	626.600)
	145	5.352.422	
	146	127.415.805	147 132.768.227
(of which: from Group companies	148	363.396)
	149	1.818.450	
	150	38.896.151	
(of which: from Group companies	151	0	) 152 206.002.524
			153 10.793.909
			154 23.341.546
	155	649.521.765	
	156	5.285.600	157 644.236.165
	158	-6.459.610	
	159	93.854	160 -6.553.464
			161 637.682.701
	162	235.687.406	
	163	-4.170.830	164 239.858.235
	165	-11.355	
	166	0	167 -11.355
	168	1.131.722	
	169	0	170 1.131.722
	171	36.636.740	
	172	0	173 36.636.740
			174 277.615.342

Financial Statements

Annex 2 – Profit and Loss Account 2019

Profit and Loss Account

Values of the year

7. PREMIUM REFUNDS AND PROFIT-SHARING, NET OF REINSURANCE			65	0
8. OPERATING EXPENSES:				
a) Acquisition commissions	66	5.177.055		
b) Other acquisition costs	67	8.084.705		
c) Change in deferred acquisition commissions and costs to be amortised	68	46.580		
d) Collecting commissions	69	1.259.644		
e) Other administrative expenses	70	13.667.612		
	71	355.746	72	27.786.691
9. INVESTMENT MANAGEMENT AND FINANCIAL CHARGES:				
a) Investment management charges, including interest	73	11.801.953		
b) Value adjustments on investments	74	64.701.355		
c) Losses on the disposal of investments	75	6.942.327	76	83.445.635
EXPENSES AND UNREALISED LOSSES ON INVESTMENTS TO THE BENEFIT OF POLICYHOLDERS				
10.			77	13.363.224
11. OTHER TECHNICAL CHARGES, NET OF REINSURANCE			78	18.732.612
12. (-) ALLOCATED INVESTMENT RETURNS TRANSFERRED TO THE NON-TECHNICAL ACCOUNT (item III.4)			79	0
13. BALANCE ON THE TECHNICAL ACCOUNT - LIFE BUSINESS (Item III.2)			80	-26.632.654
III. NON-TECHNICAL ACCOUNT				
1. BALANCE ON THE TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS (item I.10)			81	0
2. BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (item II.13)			82	-26.632.654
3. NON-LIFE INVESTMENT INCOME:				
a) From shares and interests	83	0		
(of which: from Group companies)	84	0		
b) From other investments:				
aa) income from land and buildings	85	0		
bb) income from other investments	86	0	87	0
(of which: from Group companies)	88	0		
c) Value re-adjustments on investments	89	0		
d) Gains on investments	90	0		
(of which: from Group companies)	91	0	92	0

Values of the previous year

		175	0
		176	7.292.216
		177	6.478.222
		178	39.346
		179	1.643.892
		180	14.243.772
		181	401.498
		182	29.217.258
		183	17.312.100
		184	14.293.850
		185	13.135.192
		186	44.741.142
		187	34.443.534
		188	18.705.024
		189	8.160.737
		190	52.140.512
		191	0
		192	52.140.512
		193	0
(of which: from Group companies	194	0)
	195	0	
	196	0	
(of which: from Group companies	197	0)
	198	0	
	199	0	
	200	0	
(of which: from Group companies	201	0)
	202	0	

Financial Statements

Annex 2 – Profit and Loss Account 2019

Profit and Loss Account

Values of the year

(+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM			
4.	THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (Item II. 12)	93	0
INVESTMENT MANAGEMENT AND FINANCIAL CHARGES			
5.	NON-LIFE BUSINESS:		
	a) Investment management charges, including interest	94	0
	b) Value adjustments on investments	95	0
	c) Losses on the disposal of investments	96	0
		97	0
6.	(-) ALLOCATED INVESTMENT RETURNS TRANSFERRED TO THE NON-LIFE INSURANCE TECHNICAL ACCOUNT (item I 2)	98	0
7.	OTHER INCOME	99	14.901.447
8.	OTHER CHARGES	100	2.515.282
9.	INCOME FROM ORDINARY OPERATIONS	101	-14.246.488
10.	EXTRAORDINARY INCOME	102	639.187
11.	EXTRAORDINARY CHARGES	103	403.765
12.	EXTRAORDINARY PROFIT OR LOSS	104	235.422
13.	PROFIT BEFORE TAXATION	105	-14.011.067
14.	INCOME TAXES	106	-2.123.007
15.	NET PROFIT (LOSS) FOR THE YEAR	107	-11.888.060

Values of the previous year

		203	8.160.737
		204	0
		205	0
		206	0
		207	0
		208	0
		209	4.562.223
		210	13.966.584
		211	50.896.888
		212	1.900.796
		213	314.305
		214	1.586.490
		215	52.483.378
		216	18.804.542
		217	33.678.836

Financial Statements

Annex 2 – Profit and Loss Account 2019

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 S.p.A.

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 2019

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 2019 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 2019 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 31.12.2019 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 S.p.A.

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.

With regard to the events resulting from the development and spread of Coronavirus, after 31 December 2019, the Company believes that they represent subsequent events that should not be incorporated in the balance sheet values, pursuant to OIC 29.

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 policyholders.

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.
- e) quotas: they are valued at the lower of the purchase cost and the market value corresponding to a conservative estimate of their presumed realizable value determined through a mark-to-model approach, applying the Discount Cash Flow method.

"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, receivables are recorded at their presumable realization or settlement value. The loss estimates are based on the evaluation of receivables 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, receivables 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 payables 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, payables 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 payable 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 load 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 Business 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 payables 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 2017 Stability Law (Law No. 208 of 28.12.2015).

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.

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 receivable 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 2019 to 2021 was applied to the Revenue Agency. The option is automatically renewed at the end of each three-year period, unless revoked.

As regards IRES, also in 2019, following the write-downs made in the real estate sector in previous years, depreciation of the value of the property was carried out for tax purposes only, to allow the misalignment between the civil value to be reabsorbed as quickly as possible and the tax value of the assets in question, generated by the aforementioned write-downs. This operation was carried out on the basis of what is indicated by the resolution of the Revenue Agency n.98 of 19 December 2013.

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:

- a) 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;
- b) 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 taxburden.
- c) With regard to the recoverability of deferred tax assets, a plan was drawn up, based on the 2020-2022 strategic plan approved by the Board of Directors on 9 December 2019, which shows the ability to generate, in the years in which the temporary deductible differences, taxable income not lower than the amount of prepaid taxes to be reabsorbed. To estimate the results of the years following 2022, the Management has projected the strategic guidelines of the 2020-2022 plan.

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 exchangerates");
- 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 € 6,554 thousand at 31 December 2019 and is composed as follows (in thousands €):

Description	Amount 31.12.2019	Amount 31.12.2018	Change
Deferred acquisition commissions	1,693	1,647	46
Other deferred costs	4,861	5,799	-938
Total	6,554	7,446	-892

- The portion not yet written off regarding acquisition commissions amounts to € 1,693 thousand, compared to € 1,647 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 € 4,861 thousand.

The costs for the development of the IT system and software (€ 4,536 thousand), training (€ 0.1 thousand) and trademarks (€ 9 thousand) are here included.

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

Description	Software licences	EDP Project	Other assets	Total
Opening balance	923	4,801	75	5,799
Purchases/Increases	39	601	297	937
Sales/Decreases	0	0	0	0
Deferments	-279	-1,549	-47	-1,875
Closing balance	683	3,853	325	4,861

The change of € -938 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 € 6,310,591 thousand (€ 6,020,009 thousand at the end of 2018):

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	2019	2018	Change
Property used by third parties	99,141	99,641	-500
Gross Total	99,141	99,641	-500

Compared to last financial year, the value of real estate used by third parties decreased slightly, due to the loss in value of the property unit located in Provaglio d'Iseo for € 500 thousand. The property, which was put up for sale during 2019, was the subject of a preliminary sale contract which will see the transfer of ownership of the same 3 years after the conclusion of the preliminary contract.

In 2019, the Company appointed an outside expert to assess the current value of all the Company's real estate assets, as previously estimated, by means of 2018 valuations, and to ascertain any long-term losses in value.

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 2019 (in thousands of €):

Description	Book value			Market value		
	Land	Building	Total	Land	Building	Total
Property used by third parties	47,855	51,286	99,141	47,528	52,882	100,410
Total	47,855	51,286	99,141	47,528	52,882	100,410

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 2019 was € 12,388 thousand (€ 9,978 at 31.12.2018) thus constituted (in thousands of €):

Description	Amount 31.12.2019	Amount 31.12.2018	Change
<i>Shares and interests in companies</i>			
b) subsidiary companies	12,389	9,978	2,411
Loans to subsidiaries	175	75	100
Total	12,564	10,053	2,511

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 a revaluation of € 2,411 thousand, consequence of price alignment to the market value (within the limit of the historical value) of the property located in Via Conca del Naviglio in Milan.

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

Companies	Equity 31.12.2019	% owning	Equity share 31.12.2019	Book value 31.12.2019
I.H. ROMA S.r.l.	21,084	51.00%	10,753	10,753
ASSI90 S.r.l.	3,228	60.25%	1,945	1,635

Loans to subsidiaries relate to a loan granted on 14.12.2018 by Amissima Vita to I.H. Roma Srl for € 75 thousand, to which a further € 100 thousand was granted on 11.06.2019.

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.

2.2.1 Current value of investments (referred to in Annexes 7, 8 and 9)

The price recorded on the last day of the last month of the financial year was taken for the current value of the investments traded on regulated markets

For investments traded on unregulated markets, but with quotations proposed by contributors representing primary intermediaries, the price indicated on the last day of the last month of the year was assumed. In the absence of significant prices, a prudent analytical assessment was carried out with regard to their probable realization value. In particular, a theoretical value was determined for securities using valuation models developed in accordance with financial best practice.

The current value of the investments in associated companies was determined considering the shareholders' equity, including the result for the year resulting from the last approved financial statements, adjusted by any latent capital gains and losses on securities and properties and, where found, by the goodwill value.

For the purpose of identifying any losses of a lasting nature on securities entered in the fixed assets sector, the impairment model defined at Group level described in Section 1, point C.III was used. There were no bonds or equity securities on which to record adjustments.

2.3 Other financial investments (item C.III)

The overall balance of this item amounts to € 6,298,027 thousand, with an increase of € 288,071 thousand compared to the previous year (+4.79%). The main components can be summarized as follows (in € thousands):

Description	Amount 31.12.2019	Amount 31.12.2018
Shares and units	1,064,724	1,381,536
Mutual funds shares	424,890	-
Bonds and other fixed-income securities	4,807,624	4,627,572
Loans	790	848
Other financial investments	-	-
Total	6,298,027	6,009,956

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 decrease compared to the previous year (€ 316,812 thousand) mainly refers to the buy-back of the units of underlying investment funds of the Amissima Diversified Income ICAV (Irish Collective Asset-management Vehicle) made in the last quarter of 2019 and the depreciation made in the financial statements. Below is a breakdown of the exposure in shares and quotas at 31 December (in thousands of €):

ISIN	Description	Book Value at 31.12.2019	Market Value at 31.12.2019
QU0006740322	ICAV AMISSIMA LOAN ORIGATION FUND NORVITA (A)	90,257	90,645
QU0006743755	ICAV AMISSIMA LOAN ORIGATION FUND CVITA (A1)	170,021	170,753
QU0006740306	ICAV AV (CVN) GLOBAL IG CORP CREDIT FUND	148,915	148,915
QU0006740330	ICAV AV (NORVITA) GLOBAL IG CORP CREDIT FUND	49,892	49,892
QU0006743771	ICAV AV CORP LOANS HIGH YIELD BOND CVITA (A1)	47,895	48,319
QU0006740314	ICAV AV CORP LOANS HIGH YIELD BOND NORVITA (A)	20,107	20,285
QU0006743789	ICAV AV MULTI CREDIT STRATEGY FUND CVITA (A1)	360,348	360,348
QU0006740348	ICAV AV MULTI CREDIT STRATEGY FUND NORVITA (A)	135,186	135,186
TOTAL		1,022,621	1,024,343

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 and in Banca Carige shares.

Compared to 2018, there are "Mutual fund shareholdings" in 2019, as there are 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.

In 2019, the Lower Tier 2 subordinated bond issued by Raiffeisen Bank, maturing in 2025 and with a call option at 100 as from 21 February 2020, was transferred from the long-term to the short-term segment for a nominal value of € 1,500,000. The security sub-fund transfer was carried out and the Company subsequently subscribed an early repurchase offer by the issuer.

On 15 January, three Italian government securities were allocated to the Norvita segregated management, subject to forward sale negotiated at the end of October 2018, for a total value of € 151.6 million. This transaction generated capital gains of € 9.2 million. Details of the operation carried out are shown below.

ISIN	Description	Nominal Value	Transaction Value	Gain or losses realized
IT0004634132	B.T.P. 01.09.10-01.03.21 3,75%	32,000,000	32,257,280	1,270,236
IT0004356843	B.T.P. 01.02.08-01.08.23 4,75%	52,000,000	56,466,280	3,382,182
IT0004513641	B.T.P. 01.03.09-01.03.25 5,00%	55,900,000	61,827,636	4,530,225
		139,900,000	150,551,196	9,182,643

During the year, securities were purchased with classification in the long-term sub-fund for an overall value of € 100.9 million: € 50 million towards a subordinated security issued by Banca Carige and € 50.9 million in mortgage securitization. There have been repayments of investment securities for an overall amount of € 100.7 million and 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 € 273.5 million compared to € 66.1 million at the end of 2018: hidden capital gains amount to 274.8 while hidden capital losses amount to € 1.3 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 € 12.5 million against € 11.3 million at the end of 2018: the positive differences to € 17.6 million while the negative differences to € 5.1 million.

Overall, during the year, the securities trading activity brought a positive net accounting result of € 27.1 million to the Income Statement, while repayments instead showed a negative net accounting result of € -510 thousand.

The item Value adjustments is the result of the algebraic sum of € -57,5 million for alignment net value adjustments (of which € -59,4 relating to securities, € +2.4 relating to the investment in IH Roma and € -0.5 relating to real estate), € 12.5 million for net trading discounts and € -0.5 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)

Issuer	n°	Book Value at 31.12.2019
Republic of Italy	33	913,764,104
French Republic	13	861,968,222
Kingdom of the Netherlands	9	483,605,704
Kingdom of Spain	9	397,843,278
Kingdom of Belgium	6	334,582,394
State of North Rhine-Westphali	4	295,280,124
Federal Republic of Germany	4	279,868,251
REPUBLIC OF AUSTRIA	5	173,537,634
Land Berlin	3	120,893,096
Purple Protected Asset S.A.	1	87,048,554
EUROPEAN INVESTMENT BANK	2	74,235,899
European Financial Stability F	3	60,472,792
Assistance Publique Hopitaux Paris	2	55,028,991
European Stability Mechanism	1	53,640,931
KFW	3	52,893,390

Communaute Francaise de Belgiq	1	50,051,850
BANCA CARIGE SPA	1	50,000,024
City of Amsterdam Netherlands	1	39,855,598
INTESA SANPAOLO SPA	10	39,634,812
Republic of Finland	1	37,935,770
Republic of Ireland	2	29,319,916
BANCA IMI SPA	1	25,000,000
LEONARDO SPA	2	23,050,253
APPLE INC	1	20,739,846
CREDIT AGRICOLE SA	2	19,389,836
EUROPEAN UNION	1	15,912,002
ENEL SPA	5	11,539,347
Telecom Italia SpA/Milano	2	11,002,045
ANHEUSER-BUSCH INBEV SA/NV	1	10,910,809
Nordea Bank Abp	1	10,102,426
Aroundtown SA	1	9,912,029
BERKSHIRE HATHAWAY INC	1	9,279,327
A2A SPA	1	9,012,577
REPUBLIC OF LATVIA	2	8,942,666
ENEL FINANCE INTL NV	2	8,562,916
ACEA SPA	1	7,001,888
ROYAL BK SCOTLND GRP PLC	1	6,598,093

The issuers were selected based on the total book value of the securities exceeding € 6 million and represent 97,73% 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)

Codice ISIN	Description	Currency	Book value as at 31.12.2019	Market value as at 31.12.2019	Date of Extinction	Classification	Listing
IT0005389934	EUR CARIGE SUB TIER II 19-29 8,25% (CALL 2024)	EUR	50.000.024	49.984.428	20.12.2029	SUB-LOWER TIER2	LISTED
XS1204154410	EUR CREDIT AGRICOLE 15-27 2,625% SUB	EUR	15.614.384	17.931.200	17.03.2027	SUB-LOWER TIER2	LISTED
XS1317439559	EUR NORDEA BANK 15-25 1,875%(DA 20 FRN)SUBCALL	EUR	10.102.426	10.145.000	10.11.2020	SUB-LOWER TIER2	LISTED
XS0971213201	EUR INTESA 13-23 6,625 SUB	EUR	6.311.348	7.558.508	13.09.2023	SUB-LOWER TIER2	LISTED
XS0856556807	EUR HANNOVER FIN 12-43 5,00%(FRN da 23) SUB CALL	EUR	5.777.300	5.777.300	30.06.2023	SUB-LOWER TIER2	LISTED
FR0012770063	EUR SCOR 15-47 3,25% (FRN da 2027) SUB CALL	EUR	5.144.228	5.704.150	05.06.2027	SUB-LOWER TIER2	LISTED
XS0897406814	EUR AQUARIUS ZURICH 13-43 4,25%(FRN 23) SUBCALL	EUR	5.645.119	5.667.800	02.10.2023	SUB-LOWER TIER2	LISTED
XS0526326334	EUR INTESA 10-20 5,15% SUB	EUR	5.006.578	5.128.400	16.07.2020	SUB-LOWER TIER2	LISTED
XS0849517650	EUR UNICREDIT 12-22 6,95% SUB	EUR	4.012.489	4.664.200	31.10.2022	SUB-LOWER TIER2	LISTED
XS0764278528	EUR MUNICH RE 12-42 6,25% (FRN DA 22) CALL SUB	EUR	3.993.867	4.579.440	26.05.2022	SUB-LOWER TIER2	LISTED
FR0012620367	EUR CREDIT AGRICOLE 15-25 2,70% SUB	EUR	3.775.452	4.103.506	14.04.2025	SUB-LOWER TIER2	LISTED
XS0357281046	EUR RBS 08-23 FRN INFL SUB	EUR	2.500.000	2.878.775	23.04.2023	SUB-LOWER TIER2	LISTED
XS0863907522	EUR ASS GENERALI 12-42 7,75% (FRN DA 22)CALL SUB	EUR	2.023.070	2.406.100	12.12.2022	SUB-LOWER TIER2	LISTED
XS0981632804	EUR RAIFFEISEN 13-23 6% SUB	EUR	2.026.046	2.395.460	16.10.2023	SUB-LOWER TIER2	LISTED
XS0878743623	EUR AXA 13-43 5,125% (FRN DA 23) CALL SUB	EUR	2.138.435	2.312.980	04.07.2023	SUB-LOWER TIER2	LISTED
XS0503665290	EUR AXA 10-40 5,25% (FRN DA 20) CALL SUB	EUR	2.010.014	2.027.420	16.04.2020	SUB-LOWER TIER2	LISTED
XS0951553592	EUR AVIVA 13-43 6,125% (RESET DA 23) CALL SUB	EUR	1.525.906	1.763.115	05.07.2023	SUB-LOWER TIER2	LISTED
XS1083986718	EUR AVIVA 14-44 3,875% (FRN DA 24) CALL SUB	EUR	999.950	1.114.560	03.07.2024	SUB-LOWER TIER2	LISTED
IT0004645542	EUR MEDIOBANCA 10-20 5% SUB	EUR	650.803	675.877	15.11.2020	SUB-LOWER TIER2	LISTED

As regards the so-called "structured and subordinated" securities, € 50 million of the above-mentioned subordinated security issued by Banca Carige was purchased, securities were sold for a total value of € 13.8 million and redemptions amounted to € 99.7 million. As at 31.12.2019 the structured and subordinated securities in the portfolio amounted to € 248.8 million.

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

Description	ISIN	Market value at 31.12.2019
FWD 070222 103,791 B.T.P. 01.03.09 - 01.03.25 5,00%	IT0004513641	-15,125,760
FWD 070222 105,694 B.T.P. 22.01.13 - 01.09.28 4,75%	IT0004889033	-3,968,674
FWD 070222 101,506 B.T.P. 01.08.13 - 01.03.24 4,50%	IT0004953417	-1,753,640
FWD 070222 105,694 B.T.P. 22.01.13 - 01.09.28 4,75%	IT0004889033	-1,133,907
FWD 070222 103,791 B.T.P. 01.03.09 - 01.03.25 5,00%	IT0004513641	-940,31
FWD 070222 100,542 B.T.P. 01.03.13 - 01.05.23 4,50%	IT0004898034	-749,447
FWD 070222 98,278 B.T.P. 01.09.11 - 01.03.22 5,00%	IT0004759673	-418,568
FWD 070222 99,484 B.T.P. 15.06.14 - 15.12.21 2,15%	IT0005028003	-321,722
FWD 070222 103,615 B.T.P. 01.08.05 - 01.02.37 4,00%	IT0003934657	-318,869
FWD 070222 97,973 B.T.P. 16.02.15 - 15.04.22 1,35%	IT0005086886	-121,913
FWD 070222 98,278 B.T.P. 01.09.11 - 01.03.22 5,00%	IT0004759673	-101,266
FWD 070222 97,23 B.T.P. 01.09.14 - 01.12.24 2,5%	IT0005045270	-87,863
TOTAL sales derivatives at maturity 2021/2022		-25,041,938

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 31.12.2019 there are no *Index contracts* connected to stock index or other reference values (in thousands of €):

Description	Amount 31.12.2019	Amount 31.12.2018	Change
Investments relating to contracts linked to investment funds and market indexes	441,731	445,160	-3,429
Total	441,731	445,160	-3,429

Gestilink's product prices have increased over the last year compared to the previous financial year: the Amissima Azionario Globale line recorded a +6.4%, the Amissima Bilanciato Global line a +2.1%, the Amissima Obbligazionario Globale line a -2.73%. The performance of the new funds of the UnitPiù line, on the other hand, was decidedly negative: apart from the Amissima Flessibile Dinamico +3.9%, Amissima Flessibile Bilanciato -1.64% and Amissima Flessibile Conservativo -13%, while the Amissima Azionario Paesi Emergenti Internal Fund achieved a +8.39%.

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 class I (in € thousand):

Description	Amount 31.12.2019	Amount 31.12.2018	Change
Provisions for policy liabilities	10,531	15,439	-4,908
Provision for sum to be paid	1,782	2,125	-343
Total	12,313	17,564	-5,251

In particular, with regard to the mathematical provisions, their amount decreases compared to the previous financial year (-30%) 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 31.12.2019 was € 163,183 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 31.12.2019	Amount 31.12.2018	Change
Policyholders	3,645	3,472	173
Insurance intermediaries	11,187	19,484	-8,726
Insurance and reinsurance companies	418	1,209	-791
Other debtors	147,933	162,127	-14,194
Total	163,183	186,292	-23,109

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

Retail funds	Amount 31.12.2019	Amount 31.12.2018	Change
Prov. for doubtful receivables v/insurance intermediaries	693	690	3
Prov. for doubtful receivables of other activities	0	0	0
Total	693	690	3

The ratio between premiums receivables and premiums issued remains stable at around 0.40% as the 0.40% at the end of 2018; receivables refer mainly to premiums issued in the last quarter of the year (€ 1,732 thousand). They have been continuously monitored and not devalued.

Insurance intermediaries' receivables are reported net of allowances amounting to € -693 thousand and mainly consisting of the amount for the third ten days of December 2019; € 719 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 2019 they consisted mainly of the receivable from Hannover Ruckvericherungs Ge (€ 210 thousand) and Scor Global Se (€ 139 thousand). In 2018 the balance of receivables amounted to € 1.209 thousand.

Other receivables (item E.III) are largely composed of tax credits (€ 143,987 thousand, equal to 97,33% 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 € 22,990 thousand, the amount of € 20,508 thousand paid in previous financial years has been used.

As at 31 December 2019, the tax credit accrued at the end of 2019 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 € 21,031 thousand will take place in June 2020. These receivables from the Inland Revenue shall in any case be used as profit to cover the technical provisions.

Receivables from tenants amount to approximately € 942 thousand.

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

	Devaluation Fund 31.12.2018	Use 2019	Provision 2019	Devaluation Fund 31.12.2019
Receivables from insurance intermediaries	690	-	3	693
Receivables from renters				
Total	690	-	3	693

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 € 18,613 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 change in the carrying amount compared to last financial year (€ 15,463 thousand as at 31.12.2018) is mainly due to the increase in deferred tax assets on the tax loss for the financial year and to the decrease in deferred tax assets allocated in previous years for the provisions for sundry risks recorded in the current year.

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 2018			Unwindings 2019			Increments 2019			Prepaid taxes 2019		
Deductible differences	Taxable	Rate	Tax (a)	Taxable	Rate	Tax (b)	Taxable	Rate	Tax (c)	Taxable	Rate	Tax (a-b+c)
Other non-deductible provisions (art.107, paragraph 4 T.U.I.R.)	15,988,440	24.00%	3,837,226	12,966,809	24.00%	3,112,034	1,042,738	24.00%	250,257	4,064,368	24.00%	975,448
Real estate property writedowns (art. 101, par. 1 T.U.I.R.)	20,786,858	24.00%	4,988,846	1,941,273	24.00%	465,906	-	24.00%	-	18,845,585	24.00%	4,522,940
Real estate assets held for disposal	27,654,026	24.00%	6,636,966	2,410,272	24.00%	578,465	500	24.00%	120	25,743,754	24.00%	6,178,501
Value adjustments on financial investments	-	24.00%	-	-	24.00%	-	28,901,628	24.00%	6,936,391	28,901,628	24.00%	6,936,391
Total	64,429,324		15,463,038	17,318,355		4,156,405	30,444,366		7,306,648	77,555,335		18,613,280

Description of temporary differences	Deferred taxes 2018			Unwindings 2019			Increments 2019			Deferred taxes 2019		
Taxable differences	Taxable	Rate	Tax (a)	Taxable	Rate	Tax (b)	Taxable	Rate	Tax (c)	Taxable	Rate	Tax (a-b+c)
Real estate property recovery (art. 86, par. 1 T.U.I.R.)	575,589	24.00%	138,141	-	24.00%	-	-	24.00%	-	575,589	24.00%	138,141
Total	575,589		138,141	-		-	-		-	575,589		138,141

6. Other assets (item F)

The balance of this item at 31.12.2019 is equal to € 29,001 thousand: the composition and the changes compared to the previous financial year are summarized in the following chart (in thousands of €):

Description	Amount 31.12.2019	Amount 31.12.2018	Change
Accrued income and interest on securities	470	502	-32
Rental prepaid expenses	13,831	26,503	-12,672
Other activities	14,700	27,965	-13,265
Total	29,001	54,970	-25,969

As regards "*tangible assets*", purchases amounted to € 144 thousand while € 176 thousand is the depreciation fund reserves set aside for the 2019 financial year.

We have very limited office supplies, printed materials and other consumables (€ 16 thousand at 31.12.2019) thanks to an efficient warehouse management.

"*Liquid assets*" (item F.II) amount to € 13,831 thousand (€ 26,503 thousand at 31.12.2018) and include € 13,829 thousand in bank and postal current accounts and € 0.7 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) fall by € -13,265 compared to the same period of 2018, including the decrease of € 5,375 thousand for guarantee deposits relating to the Bpt Solution modified following the advance sale of 3 Btp sold forward expiring in January 2020. Overall the item amounts to € 14,700 € 7,045 thousand and includes a guarantee deposit relating to the "BTP Derisking Solution" and € 3,779 thousand to transitory bank current accounts, relating to transactions awaiting reconciliation. The remaining € 3,876 thousand mainly includes two adjustments relating to technical items relating to the management of passive reinsurance. The first constitutes a post update, already present in previous years, equal to € 2,770 thousand; these are premiums sold in reinsurance in a single solution, against a multi-year coverage, on "death" contracts which insure the residual payable linked to loans, for a more correct correlation between costs and revenues pertaining to them. The second adjustment has the same nature as the previous one, but refers to the sale during the year of single premiums on a similar rate, and can be quantified as € 96 thousand. The related income statement items are allocated between "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 31.12.2019 equal to € 29,035 thousand, with a decrease of € 7,342 thousand compared to the previous financial year.

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

Description	Amount 31.12.2019	Amount 31.12.2018	Change
Accrued interest income on investments	28,02	35,045	-7,025
Prepaid rentals	-	18	-18
Other prepaid expenses	1,015	1,314	-299
Total	29,04	36,38	-7,34

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 31.12.2019 was composed ad follows (in thousands of €):

SHAREHOLDERS' EQUITY	Amount 31.12.2019	Amount 31.12.2018	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	-11,888	33,678	-45,566
Negative reserve for treasury shares	-	-	-
Total	139,268	184,834	-45,566

The share capital as at 31 December 2019 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.

The profit for the 2018 financial year of € 36,678,836 was allocated as follows:

- ✓ distribution to shareholders of a total of €36,678,836.

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

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 31.12.2018	50.432	628	24.976	673	33.679	74.447	184.835
Share capital distribution						-	
Allocation of the net profit for the 2018 financial year	-	-		-	-33.679	-	-33.779
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	-	-	-	-	-11.888	-	-11.888
Balance as at 31.12.2019	50.432	628	24.976	673	-11.888	74.447	139.168

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		A, B, C			
Net Profit (loss) brought forward	673	A, B, C		693	
Reserves for own shares and shares of the controlling company	-				
Total	151,156				

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

	Share capital	Share premium reserve	Revaluation reserves	Legal reserve	Other Reserves	Reserve extraordinary	Net profit (loss) brought forward
	A.I	A.II	A.III	A.IV	A.VII	A.VII	A.VIII
Balance as at 31.12.2016	124,879	628		24,976	0	0	-20
Provisions							24,708
Usage	-74,447					74,447	-24,015
Balance as at 31.12.2017	50,432	628		24,976	0	74,447	673
Provisions							34,724
Usage							-34,724
Balance as at 31.12.2018	50,432	628		24,976	0	74,447	673
Provisions							33,678
Usage							-33,678
Balance as at 31.12.2019	50,432	628		24,976	0	74,447	673

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 € thousand):

Description	Amount at 31.12.2019	Amount at 31.12.2018
Provisions for policy liabilities	5,924,208	5,575,512
Unearned provision for supplementary coverage	43	40
Provision for sum to be paid	31,984	40,284
Other technical provisions	28,255	29,001
Total	5,984,490	5,644,837

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 2019 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 € 5,918,655 thousand reserves for pure premiums, € 3,360 thousand reserves for unearned premiums and € 2,193 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 € 1,652 thousand. This means an increase compared to 1,195 thousand in 2018; the supplementary reserves pursuant to art. 41, paragraph 4, of Legislative Decree 209/05 for the amount of € 47 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 € 493 thousand. Starting from 2019, the amount of the mathematical provisions includes the Reserve for Profits established exclusively for the "Amissima Multicredit" segregated liability management, in accordance with the provisions of para. 38 bis of Annex no. 14.

Overall they refer for € 5,762,708 thousand to Class I, for € 47 thousand to Class III and € 161,453 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 € 31,984 thousand and decreased by € 8,300 thousand compared to 2018, because of maturities almost entirely, from € 14,592 thousand to € 12,757 thousand, and for claims, from € 24,865 to € 17,905. As of 31.12.2019 they are thus composed (amounts in € thousand):

- Sums to pay for maturities € 12,757
- Sums to be paid for claims outstanding € 17,905
- Sums to be paid for surrenders € 1,322

Maturities refer for € 11,139 thousand to Class I, for € 631 thousand to Class III and for € 987 thousand to Class V; claims refer for € 17,903 thousand to Class I and for € 1.6 thousand to Class III, while surrenders refer for € 1,259 thousand to Class I and for 63 thousand to Class V.

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: 27,230 thousand

Class III: 155 thousand

Class V: 870 thousand

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 € thousand):

Description	Amount 31.12.2019	Amount 31.12.2018
Provisions relating to contracts linked to investment funds and market indexes	441,731	445,160
Total	441,731	445,160

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)

	31.12.2019	31.12.2018
Amissima Obbligazionario Globale	32,022,688	32,922,638
Amissima Bilanciato Globale	40,132,799	39,302,852
Amissima Azionario Globale	34,873,706	32,772,743
Gestilink total book value	107,029,194	104,998,233
Amissima Azionario Paesi Emergenti	182,094	167,994
Amissima Flessibile Dinamico	161,910,862	155,839,080
Amissima Flessibile Bilanciato	108,281,984	110,089,227
Amissima Flessibile Conservativo	64,326,525	74,065,932
Total Balance Sheet value Linea Unit Più	334,519,371	339,994,239
TOTAL Unit + Index Linked	441,730,659	445,160,466

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 31.12.2019	Amount 31.12.2018	Change
Provisions for taxation	138	138	-
Other provisions	1,323	13,503	-12,180
Total	1,461	13,641	-12,180

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 pending lawsuits (€ 389 thousand) and agency contracts (€ 31 thousand). The Early Retirement and Corporate Restructuring Provision is (€ 140 thousand) while the Litigation Provision (€ 762 thousand). The reduction of € 12,180 thousand refers for € 10,631 thousand to the use of the fund set aside

in 2018 for the penalty on the distribution agreement with Banca Carige. 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 31.12.2019	Amount 31.12.2018	Change
Deposits received from reinsurers	12,400	17,753	-5,353

This item represents the payables for deposits that the Company retains in case of outwards reinsurance. The decrease of € 5.3 million represents the evolution of reinsurances in 2019.

13. Payables and other liabilities (item G)

The balance of this item as at 31 December 2019 amounted to € 511,529 thousand, a decrease of € 49,331 thousand compared to 31 December 2018, of which € 16,312 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 31.12.2019	Amount 31.12.2018	Change
Btp Derisking Solution (financial liabilities)	452,460	468,772	-16,312
Btp Derisking Solution (derivatives)	162	-	162
Other debts	30,485	38,988	-8,503
Other liabilities	10,033	28,491	-18,458
Payables deriving from direct transactions	14,692	21,079	-6,387
Payables deriving from reinsurance transactions	3,060	2,639	421
End-of-service treatment	637	630	7
Total	511,529	560,599	-49,070

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 31.12.2019	Amount 31.12.2018	Change
Sundry taxes	21,886	27,802	-5,916
Sundry payables	8,343	10,929	-2,586
Social security contributions	200	205	-5
Policyholders' tax	56	52	4
Total	30,485	38,988	-8,503

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 (€ 21,031 thousand, a decrease of € 1,971 thousand compared to 2018) 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 2020 together with the 2019 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 € 56 thousand payable to tax authorities for insurance taxes on premiums collected in December.

The item **"other liabilities"** amounts to € 462,654 thousand as at 31.12.2019 a decrease of € 34,609 thousand compared to 31.12.2018.

(in € thousand):

Description	Amount 31.12.2019	Amount 31.12.2018	Change
Btp Solution (financial liabilities)	452,460	468,772	-16,312
Btp Solution (derivatives)	162	-	162
Premium Commission under collection	9,520	28,090	-18,570
Other liabilities	512	401	111
Total	462,654	497,263	-34,609

Other liabilities include the item "Payable to consolidating company for IRES" (€ 757 thousand) which represents the provision for taxes for the year under IRES, net of tax credits and withholding taxes. We would like to remind you that in 2019 the adhesion to the national tax consolidation regime pursuant to art. 117 and following of Presidential Decree 917/1986, and therefore Amissima Vita S.p.A., as a consolidated company, regulates the payables / receivable items with the parent company Amissima Holdings S.r.l.

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 31.12.2019 equal to € 669 thousand, with a decrease of € 34 thousand compared to the previous financial year.

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

Description	Amount 31.12.2019	Amount 31.12.2018	Change
Item H1 - Interest	-	-	-
Item H2 - Lease payments	321	300	21
Item H3 - Other accruals and deferrals	348	335	13
Total	669	635	34

The item Other Accruals and Deferrals refers mainly to € 36 thousand accruals for agency costs and € 312 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 €):

Other related parties

Balance Sheet	Amount
Financial Investment	1,074,670
Funding	164
Amounts collected	1,584
Invoices to be received	-893
Technical reserves	-35,107
P&L	Amount
Icav dividends	-38,798
Premiums received	-4,931
Other costs	206
Claims paid	1,997
Contribution	756
Recovery of expenses and interest income	-3
Compensation to Directors, Statutory Auditors and Management members	2,838

Key

Balance sheet:

positive: assets

negative: liabilities

P&L:

positive: expenses

negative: incomes

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.

Item C

Loans	Amount at 31.12.2019	Amount due beyond 31.12.2020	Amount due beyond 31.12.2024
Loans with real guarantee	133	8	131
Loans on policies	213	173	123
Other loans	444	231	0
Total	790	412	254

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

Item E

Credits	Amount at 31.12.2019	Amount due beyond 31.12.2020	Amount due beyond 31.12.2024
E.I.1 Receivables from policyholders	3,645	254	-
E.I.2 Insurance intermediaries	11,187	-	-
E.II. Receivables from insurance companies and reinsurance.	418	-	-
E.III Other receivables	147,933	-	-
Total	163,183	254	-

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 € 3,792 thousand at the end of 2018 to € 5,992 thousand at 31.12.2019.

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

Guarantees received	Amount at 31.12.2019	Amount at 31.12.2018
Guarantees	3,680	1,437
Real warranties	2,312	2,355
Total	5,992	3,792

The guarantees received refer, for € 1,932 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 € 1,543 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 in 2019 are 0.

Here following the € 6,738,706 thousand securities on deposit with third parties:

- ✓ an amount of € 441,731 thousand the total value of the fund units referring to the investments relating to the *Unit Linked* policies deposited with Banca Carige;
- ✓ € 6,296,975 thousand from the value of other securities in the portfolio, almost entirely deposited with Banca Carige under the Securities Management Services Agreement, including € 1,064,590 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.

Pledges 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).

Derivative securities	Amount at 31.12.2019				Amount at 31.12.2018			
	Purchase		Sales		Purchase		Sales	
	Notional value	Fair value	Notional value	Fair value	Notional value	Fair value	Notional value	Fair value
Futures: on shares								
on debt securities								
on currency								
on tax rates								
other								
Option: on shares								
on debt securities								
on currency								
on tax rates								
other								
Swaps: on currency								
on tax rates								
other								
Other operations	406,983	-25,042			568,986	5,764		
Total	406,983	-25,042			568,986	5,764		

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 € 907,566 thousand and break down as follows (in € thousands):

Earned premiums, net of reinsurance	Amount 31.12.2019	Amount 31.12.2018	Change
Gross premiums accounted	909,177	864,221	44,956
Premiums ceded in reinsurance	-1,611	-1,653	42
Total	907,566	862,568	44,998

The balance of gross premiums written relating to direct domestic business is made up of € 802,697 thousand (31.12.2018 € 764,172 thousand) of class I premiums for the issue of traditional products, € 13,687 thousand (31.12.2018 € 94,996 thousand) of class III premiums related to *Unit* and *Index Linked* products, and € 92,793 (31.12.2018 € 5,053 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 € thousand):

Investment income	Amount 31.12.2019	Amount 31.12.2018	Change
Income from shares and interests	41,429	32,520	8,909
Income from land and buildings	5,927	5,352	575
Income from other investments	85,162	127,416	-42,254
Value readjustments on investments	7,212	1,818	5,394
Gains on the disposal of investments	33,502	38,896	-5,394
Total	173,232	206,002	-32,770

Revenues from the distribution of dividends from shares in undertakings amount to € 482 thousand while dividends from shares in other companies amount to € 40,946 thousand.

Income deriving from investments in land and buildings decreased by € 575 thousand compared to 2018.

The balance of income from other investments has among its most significant items € 65,231 thousand (104,250 thousand 2018) for coupons for the year accrued on fixed-income securities, € 17,582 thousand (21,105 thousand 2018) for trading discounts and € 1,759 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 € 2,367 thousand and, for € 4,845 thousand for shares valuation.

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 2019, Class D.I. investments profits prevailed, amounting to € 43,433 thousand, a decrease compared to the profits recorded at the end of 2018, amounting to € 10,794 thousand, as summarised in the following table (amounts in € thousand):

Description	Amount 31.12.2019	Amount 31.12.2018	Change
Incoming deriving from:			
Shares in common investment funds	83	16	67
Other financial investments	1,697	1,348	349
Gains on the disposal of investments			
On common investment funds	14,758	7,385	7,373
On other financial investments	-	-	-
Unrealised gains			
On common investment funds	26,895	2,045	24,85
On other financial investments	-	-	-
Total	43,433	10,794	32,639

19.4 Other technical charges net of earned premiums ceded, (item II.4), amount to € 8,697 thousand (at 31.12.2018 € 23,341 thousand) and consist of the following values (amounts in € thousands):

Other Technical Income net of reinsurance cessions	Amount 31.12.2019	Amount 31.12.2018	Change
Recovery of coupons paid to policyholders on Index Linked products with periodic coupon	-	14,631	-14,631
Technical Items (mainly Reassurance)	7,962	8,286	-324
Commissions earned on Unit Linked products	178	61	117
Other technical items	557	363	194
Total	8,697	23,341	-14,644

The decrease in commissions received on Unit Linked products is attributable to lower production and higher surrender charges during the year.

Technical items mainly refer for € 178 thousand to deferred income on reinsurance premiums, net of commissions, issued during the current financial year.

Other technical items mainly consist of commission transfers (€ 57 thousand) and commission reimbursements (€ 248 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), fully paid during 2019 following the resolution of the dispute with the Bank.

19.5 Charges relating to claims, net of earned premiums ceded (item II.5) amount to € 667,218 thousand and break down as follows (in thousands of €):

Claims-related liabilities, net of reinsurance cessions	Amount 31.12.2019	Amount 31.12.2018	Change
Gross claims paid	682,087	649,522	32,565
Reinsurers' share	-6,912	-5,286	-1,626
Change in the provision for claims to be paid	-8,300	-6,460	-1,840
Reinsurers' share	343	-94	437
Total	667,218	637,682	29,536

The overall amount of € 613,088 thousand refers to Class I, for € 46,339 thousand to Class III and € 7,791 thousand to Class V.

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

Gross claims paid	Amount 31.12.2019	Amount 31.12.2018	Change
Claims	147,675	148,336	-661
Surrenders	333,837	314,024	19,813
Maturities	170,123	160,290	9,833
Coupons	30,262	26,677	3,585
Income	190	195	-5
Total	682,087	649,522	32,565

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 € 349,015 thousand and refers to the overall increase in pledges to policyholders. Gross change in mathematical and other technical provisions decreased by € 352,444 thousand, while the reserves for *Unit* and *Index* products increased by € -3,429 thousand. For the composition, please see comments to the Statement of Assets and Liabilities.

19.7 The balance **of management costs totals** amounts to € 27,787 thousand (€ 29,217 thousand at 31.12.2018), already net of commissions received from reinsurers (€ 356 thousand at 31.12.2019, € 401 thousand at 31.12.2018). Acquisition costs of € 8,084 thousand (€ 6,478 thousand at 31 December 2018), collection costs of € 1,259 thousand (€ 1,644 thousand at 31 December 2018) and other administrative expenses of € 13,668 thousand (€ 14,244 thousand at 31 December 2018) are included. For more details on management costs, please refer to the Report on Operations.

19.8 Capital and financial charges amount to € 83,445 thousand and are composed as follows (amounts in € thousand):

Capital and financial expenses	Amount 31.12.2019	Amount 31.12.2018	Change
Investment management charges, including interest	11,802	17,312	-5,510
Value adjustments on investments	64,701	14,294	50,407
Losses on the disposal of investments	6,942	13,135	-6,193
Total	83,445	44,741	38,704

Management costs include operating costs (€ 3,875 thousand) as a portion allocated to this area of the balance sheet by the automatic allocated overheads process in the accounting management system, including charges relating to the management of real estate assets. The item also includes trading and issue discounts accrued on securities in portfolio (€ 7,363 thousand), interest expenses accrued to reinsurers on amounts held on deposit (€515 thousand).

Value adjustments on investments, as already mentioned in Part B, Section 2 commenting on the Investments item, consist of:

- Losses on securities depreciation € 58,850 thousand (€ 9,252 thousand in 2018);
- Losses on write-down of real estate € 500 thousand (€ 1,655 thousand in 2018);
- Capital losses on mutual funds € 4,189 (not in portfolio in 2018);
- Value adjustments on Btp solution derivatives € 162 thousand.

The adjustments to the securities are mainly attributable to two investments to the ICAV (BAF Latam and Elios) and, to a lesser extent, to the increase in interest rates in the last part of the year. The while losses on property write-downs refer to decreases in value of the property located in Provaglio d'Iseo as illustrated in point 2.1 Land and buildings (item C.I).

Losses on the realization of investments increased compared to 2018 by € 6,193 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 2019 there has been an increase in Class D.I investments charges, from € 34,443 thousand (2018) to € 13,363 thousand as summarised in the following table (amounts in € thousand):

Description	Amount 31.12.2019	Amount 31.12.2018	Change
<i><u>Charges deriving from:</u></i>			
Shares in common investment funds	11,181	7,744	3,437
Other financial investments	-	-	-
Other assets	7	27	-20
<i><u>Losses on realisation of investments</u></i>			
On common investment funds	1,600	10,661	-9,061
On other financial investments	-	-	-
<i><u>Unrealised losses</u></i>			
On common investment funds	575	16,011	-15,436
On other financial investments	-	-	-
Total	13,363	34,443	-21,080

19.10 Other technical charges net of earned premiums ceded, (item II.11) amounting to € 18,733 thousand, is composed as follows (amounts in € thousand):

Other Technical Expenses net of reinsurance cessions	Amount 31.12.2019	Amount 31.12.2018	Change
Commissions to intermediaries for maintaining portfolio	16,195	15,210	985
Depreciation of Assets Reassurance area. [v. Sect. 6 (Item F Assets)]	328	524	-196
Charges for management of portfolio	560	530	30
Reimbursement of premiums	508	1,343	-835
Reversal of premiums previous f/ys	870	1,098	-228
Other items	272	-	272
Total	18,733	18,705	28

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

19.11 The Item II.12 of € 2,167 thousand (€ 8,161 thousand in 2018) 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 € thousand):

Other income	Amount 31.12.2019	Amount 31.12.2018	Change
Recovery of synergic personnel and in outsourcing	2,224	2,622	-398
Utilisation of Credits Devaluation Provision and other Funds	12,308	755	11,553
Others	2	778	-776
Interest on bank deposits	130	320	-190
Exchange gain	237	87	150
Total	14,901	4,562	10,339

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

The change of € 11,533 thousand refers for € 10,631 to the use of the provision for sundry risks relating to the 2018 Banca Carige penalty.

21.4 Other charges (item III.8) The increase of € 11,452 thousand is mainly due to the provisions for risks relating to the Banca Carige penalty (€ 10,631 thousand in 2018). In detail:

Other Charges	Amount 31.12.2019	Amount 31.12.2018	Change
Charges third parties	133	11,129	-10,996
Provisions for pending litigation and other provisions	2,285	2,630	-345
Others	97	208	-111
Losses on debits and allocations to Devaluation Provision, Credits	-	-	-
Total	2,515	13,967	-11,452

The item Third party charges (€ 2,285 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 € thousand):

Extraordinary income	Amount 31.12.2019	Amount 31.12.2018	Change
Capital gains on disposal of assets	1	1,400	-1,399
Unanticipated gains	628	475	153
Other extraordinary income	10	25	-15
Total	639	1,900	-1,261

21.6 Extraordinary charges (item III.11):

Description	Amount 31.12.2019	Amount 31.12.2018	Change
Losses on the sale of assets	-	204	-204
Unanticipated losses	267	110	157
Taxes e penalties from previous years	137	-	137
Total	404	314	90

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

The item 14, Section III of the Income Statement - "Income taxes for the year" (€ -2,123 thousand) calculated on the theoretical income as at 31 December 2019, represent an estimated gross profit of 15,15%.

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

Description	2019	2018
IRES	1,027	5,504
IRAP	-	3,870
Deferred tax liabilities	-	138
Deferred tax assets	-3,150	9,293
Total	-2,123	18,805

Tax accounting generated a cost for IRES of € 1,027 thousand, a cost for IRAP of zero, and, at the same time a revenue of € 3,150 thousand for net deferred tax assets, mainly due to deferred tax assets allocated in relation to value adjustments on financial investments (€ 6,936 thousand), to the partial reversal of deferred tax assets allocated in relation to accruals to provisions (€ 3,112 thousand) and to the partial reversal of deferred tax assets allocated in relation to real estate assets or assets held for disposal (€ 1,044 thousand).

Regarding IRES, the taxable income is mainly determined, on the rise, by the value adjustments on financial investments (€ 28,902 thousand), by the share of non-deductible change in mathematical reserves (€ 5,287 thousand) and by the share of non-deductible municipal property tax (€ 388 thousand) while, decreasing, by the use of taxed provisions (€ 12,308 thousand), by the recovery in value of participations (€ 2,410 thousand), by depreciation of property (€ 1,941 thousand), by the exempt portion of dividends received (€ 458 thousand) and by benefit ACE (€ 452 thousand).

Regarding IRAP, tax accounting generated a cost of € zero, because of the negative taxable income.

Altogether, at December 31, 2019, deferred tax assets are € 18,613 thousand, and they are made up of early taxation allocated in relation to value adjustments on financial investments of € 6,936 thousand, in relation to real estate assets held for disposal of € 6,179 thousand, in relation to accruals to provisions of € 975 thousand and in relation to depreciation of property of € 4,523 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 € thousand) is attached:

IRES		
Profit before taxation	-14,011	
Theoretical tax charge (rate 27.50%)		-3,360
Exempt dividends	-458	
Temporary differences deductible/taxable in subsequent financial years	30,444	
Reversal of temporary differences from previous financial years	-17,318	
Differences not reversing in subsequent financial years	6,075	
Taxable income	4.732	
Usage benefit A.C.E.	-452	
New taxable income	4.280	
Current IRES (allocation of deferred tax assets with rate 27.50%)		-1,027
IRAP		
Item 13 C.E.	-28,800	
Theoretical tax charge (rate 6.82%)		-
I.N.A.I.L. and tax wedge	-7,837	
Temporary differences deductible/taxable in subsequent financial years	-	
Reversal of temporary differences from next financial years	-	
Differences not reversing in subsequent financial years	11,468	
Taxable income	-25,169	
Current IRAP (6.82% rate)		0

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 is unchanged. The number of employees, by category, was the following:

Category	Number
Managers	7
Middle Managers	15
Employees	68
Total	90

The cost of the year for Directors amounts to € 498 thousand (€ 528 thousand in 2018), while the cost for Statutory Auditors amounts to € 88 thousand (€ 89 thousand in 2018).

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 2019, determined overall impact on the income statement equal to € 162.

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 € thousand):

NET EQUITY	31.12.2019	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	-11.888	673
Operating profit (loss)	-11,888	11.888	-
Total	139,268	-	151,156

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 2019 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.

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 31.12.2019
- **Summary Data of the Latest Financial Statements of the Parent Company**

(Amounts in thousands of €)

Es. 2018

BALANCE SHEET

ASSETS		LIABILITIES	
A) SUBSCRIBED CAPITAL, UNPAID	-	A) NET EQUITY	370,094
B) FIXED ASSETS	403,509	B) PROVISIONS FOR LIABILITIES AND CHARGES	1,690
C) CURRENT ASSETS	26,330	C) SEVERANCE PAY	89
D) ACCRUALS AND DEFERRALS	287	D) PAYABLES	57,986
		E) ACCRUALS AND DEFERRALS	267
TOTAL ASSETS	430,127	TOTAL LIABILITIES	430,126

PROFIT AND LOSS ACCOUNT

A) PRODUCTION VALUE	2,014
B) OPERATING COSTS	-2,460
DIFFERENCE BETWEEN PRODUCTION VALUE AND COSTS	445
C) FINANCIAL INCOME AND CHARGES	32,012
D) VALUATION ADJUSTMENTS TO FINANCIAL ASSETS	-
EARNINGS BEFORE TAX	31,567
TAXES	300
OPERATING PROFIT (LOSS)	31,867

Information on public funds received

With reference to the regulation on the transparency of public disbursements introduced by art.1, paragraph 125 of law n.124 / 2017 and subsequent amendments and additions, it should be noted that the Company, during the 2019 financial year, did not benefit from grants, contributions, paid assignments and in any case economic advantages subject to the disclosure obligation pursuant to the aforementioned legislation. Whilst deeming the legislation in question not applicable to contributions received from inter-professional funds, it should be noted that, in 2019, the Company collected contributions from the Banks and Insurance Fund for an amount of € 52 thousand, in relation to training activities carried out in favor of their employees.

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.**

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

Registered offices Genova – Mura di S. Chiara, 1

Court in Genova

Notes to the Accounts

Financial year **2019**

(Amounts in €)

Notes to the Accounts

Annex 2 – Balance Sheet - Life

Company AMISSIMA VITA

BALANCE SHEET

Notes to the accounts: Annex 2

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	3	1.693		
2. Other acquisition costs	6	0		
3. Start-up and expansion costs	7	0		
4. Goodwill	8	0		
5. Other deferred costs	9	4.861	10	6.554
C. INVESTMENTS				
I - Land and buildings				
1. Buildings used in company operations	11	0		
2. Buildings rented to third parties	12	99.141		
3. Other properties	13	0		
4. Other real property rights	14	0		
5. Construction in progress and advance payments	15	0	16	99.141
II I - Investments in Group companies and other shareholdings:				
1. Shares and interests in:				
a) Holding companies	17	0		
b) Subsidiaries companies	18	12.389		
c) Affiliated companies	19	0		
d) Associated companies	20	0		
e) Other companies	21	0	22	12.389
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	175		
c) Affiliated companies	31	0		
d) Associated companies	32	0		
e) Other companies	33	0	34	175
			35	12.564
		to carry forward		6.554

Values of the previous year				
			181	0
182	0			
185	1.647			
186	0			
187	0			
188	0			
199	5.799		190	7.445
191	0			
192	99.641			
193	0			
194	0			
195	0	196	99.641	
197	0			
198	9.978			
199	0			
200	0			
201	0	202	9.978	
203	0			
204	0			
205	0			
206	0			
207	0	208	0	
209	0			
210	75			
211	0			
212	0			
213	0	214	75	215
			10.053	
	to carry forward			7.445

BALANCE SHEET

ASSETS

		Values of the year	
carried forward			6.554
C. INVESTMENTS (continued)			
III - Other financial investments			
1. Shares and participating interests			
a) Listed shares	36	134	
b) Unlisted shares	37	0	
c) Interests	38	1.064.590	39 1.064.724
2. Shares in common investment funds			40 424.890
3. Bonds and other fixed-income securities			
a) Listed	41	4.693.378	
b) Unlisted	42	114.245	
c) Convertible debentures	43	0	44 4.807.623
4. Loans			
a) loans secured by mortgage	45	133	
b) loans on policies	46	213	
c) other loans	47	444	48 790
5. Participation in investment pools			49 0
6. Deposits with credit institutions			50 0
7. Other financial investments			51 0
			52 6.298.027
IV - Deposits with ceding undertakings		53 0	54 6.409.732
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			
			55 441.731
II - Investments relating to the administration of pension funds			
			56 0
			57 441.731
II - LIFE ASSURANCE BUSINESS			
1. Mathematical provisions	63	10.531	
2. Unearned premium provision for supplementary co	64	0	
3. Provision for sum to be paid	65	1.782	
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 12.314
to carry forward			6.870.330

Values of the previous year			
carried forward			7.445
216	85		
217	0		
218	1.381.451	219	1.381.536
		220	0
221	4.502.620		
222	124.952		
223	0	224	4.627.573
225	139		
226	296		
227	412	228	848
		229	0
		230	0
		231	0
		232	6.009.956
		233	0
		234	6.119.650
		235	445.160
		236	0
		237	445.160
		243	15.439
		244	0
		245	2.125
		246	0
		247	0
		248	0
		249	0
		250	17.565
to carry forward			6.589.821

BALANCE SHEET

ASSETS

		Values of the year	
	carried forward		6.870.330
E. CREDITS			
I - Credits arising out of direct insurance operations			
1. Policyholders			
a) for premiums current year	71	2.782	
b) for premiums previous years	72	863	73
			3.645
2. Insurance intermediaries	74		11.187
3. Current accounts with Insurance companies	75		0
4. Policyholders and third parties for recoveries	76	0	77 14.832
II - Credits arising out of reinsurance operations			
1. Insurance and reinsurance companies	78		418
2. Reinsurance intermediaries	79	0	80 418
III - Other credits		81	147.933 82 163.183
F. OTHER ASSETS			
I - Tangible assets and stocks:			
1. Furniture, office machines and internal transport vehicles			83 301
2. Movable goods in public registers	84		0
3. Machinery and equipment	85		154
4. Stocks and other goods	86	16	87 470
II - Cash at bank and in hand			
1. Bank and Postal accounts	88		13.830
2. Cheques and cash on hand	89	1	90 13.831
IV - Other			
1. Deferred reinsurance accounts receivable	92		0
2. Sundry assets	93	14.700	94 14.700 95 29.001
of which the liaison account with damage management	901	0	
G. PREPAYMENTS AND ACCRUED INCOME			
1. Interest		96	28.020
2. Rent		97	0
3. Other prepayments and accrued income		98	1.015 99 29.035
TOTAL ASSETS			100 7.091.549

Values of the previous year			
carried forward			6.589.821
251	3.151		
252	321	253	3.472
		254	19.484
		255	0
		256	0
		257	22.956
		258	1.209
		259	0
		260	1.209
		261	162.127
		262	186.292
		263	302
		264	0
		265	183
		266	16
		267	502
		268	26.503
		269	1
		270	26.503
		272	0
		273	27.965
		274	27.965
		275	54.971
		276	35.045
		277	18
		278	1.314
		279	36.377
		280	6.867.461

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 Parent 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	-11.888	
X	- Negative reserve for treasury shares	401	0	110 139.268
B. SUBORDINATED LIABILITIES				111
C. TECHNICAL PROVISIONS				
II - LIFE INSURANCE BUSINESS				
1.	Provision for policy liabilities	118	5.924.208	
2.	Unearned provision for supplementary coverage	119	43	
3.	Provision for sum to be paid	120	31.984	
4.	Provision for profit-sharing and premium refunds	121	0	
5.	Other technical provisions	122	28.255	123 5.984.490
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	441.731	
II	- Provisions relating to the administration of pension fund	126	0	127 441.731
to carry forward				6.565.489

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	33.679
		290	184.835
		291	0
298	5.575.512		
299	41		
300	40.284		
301	0		
302	29.001	5.644.837	303 5.644.837
		305	445.160
		306	0
		307	445.160
	to carry forward		6.274.832

BALANCE SHEET

LIABILITIES

		Values of the year	
	carried forward		6.565.489
E. PROVISIONS FOR OTHER RISKS AND CHARGES			
1. Provisions for pensions and similar obligations		128 0	
2. Provisions for taxation		129 138	
3. Other provisions		130 1.323	131 1.462
F. DEPOSITS RECEIVED FROM REINSURERS			
			132 12.400
G. DEBTS AND OTHER LIABILITIES			
I - Creditors arising out of direct insurance operations:			
1. Insurance intermediaries	133	14.692	
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 14.692
II - DEBTS arising out of reinsurance operations:			
1. Insurance and Reinsurance companies	138	3.060	
2. Reinsurance intermediaries	139	0	140 3.060
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			
		145 637	
VIII - Other Debts			
1. Premium taxes	146	56	
2. Other tax liabilities	147	21.886	
3. Social security contributions	148	200	
4. Sundry Debts	149	8.343	150 30.485
IX - Other liabilities			
1. Deferred reinsurance items	151	0	
2. Commissions for premiums in course of collection	152	512	
3. Sundry liabilities	153	462.143	154 462.654
of which the liaison account with damage management	902	0	155 511.529
	to carry forward		7.090.880

Values of the previous year				
carried forward				6.274.832
		308	0	
		309	138	
		310	13.503	311 13.641
				312 17.753
313	21.079			
314	0			
315	0			
316	0	317	21.079	
318	2.639			
319	0	320	2.639	
		321	0	
		322	0	
		323	0	
		324	0	
		325	630	
326	52			
327	27.802			
328	205			
329	10.930	330	38.988	
331	0			
332	401			
333	496.863	334	497.264	335 560.600
to carry forward				6.866.825

BALANCE SHEET

LIABILITIES

		Values of the year	
	carried forward		7.090.880
H. ACCRUALS AND DEFERRED INCOME			
1. Accrued Interest	156	0	
2. Rent	157	321	
3. Other prepayments and accrued income	158	348	159 669
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			160 7.091.549

Values of the previous year

carried forward			6.866.825
	336	0	
	337	301	
	338	335	339 636
		340	6.867.461

Annex 3 – Profit and loss Account

Notes to the Accounts - Annex 3

Company AMISSIMA VITA S.p.A.

Financial year 2019

Breakdown of profit for the year per type of business (Life and Non-Life)

		Non-Life business	Life business	Total
Balance on the technical account	1	21	-26.633	41 -26.633
Investment income	+ 2			42
Investment charges	- 3			43
Allocated investment return transferred from the technical account - Life business	+ 24			44
Allocated investment return transferred to the technical account - Non-Life business	- 5			45
Intermediate operating profit	6	26	-26.633	46 -26.633
Other income	+ 7	27	14.901	47 14.901
Other charges	- 8	28	2.515	48 2.515
Extraordinary income	+ 9	29	639	49 639
Extraordinary charges	- 10	30	404	50 404
Profit before taxation	11	31	-14.012	51 -14.012
Tax on profit	- 12	32	-2.123	52 -2.123
Profit for the financial year	13	33	-11.889	53 -11.889

Notes to the Accounts

Annex 4 – Intangible assets, land and buildings

Notes to the Accounts: Annex 4

Financial year 2019

Company AMISSIMA VITA S.p.A.

Assets: Changes in intangible assets (item B) and land and buildings (item C.I) over the financial

		Intangible assets B	Land and buildings C.I
Gross amount as at 1 January	+ 1	21.545	31 99.641
Increases in the year	+ 2	1.470	32
through: purchases or increases	3	1.470	33
value re-adjustments	4		34
write-ups	5		35
other changes	6		36
Decreases in the year	- 7	37	37 500
through: disposals or decreases	8	37	38
permanent write-downs	9		39 500
other changes	10		40
Gross amount as at 31 December (a)	11	22.978	41 99.141
Depreciations:			
As at 1 January	+ 12	14.100	42
Increases in the year	+ 13	2.330	43
through: allocations for the year	14	2.330	44
other changes	15		45
Decreases in the year	- 16	6	46
through: disposals	17		47
other changes	18	6	48
As at 31 December (b) (*)	19	16.424	49
Book value (a - b)	20	6.554	50 99.141
Market value			51 100.410
Total write-ups	22		52
Total write-downs	23		53 500

Annex 5 – Group investments

Notes to the Accounts - Annex 5

Company AMISSIMA VITA S.p.A.

Financial year 2019

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 financin C.II.3
As at 1 January	+	1 9.978	21	41 75
Increases in the year:	+	2 2.410	22	42 100
through: purchase, subscription or financing		3	23	43 100
value re-adjustments write-		4 2.410	24	44
ups		5		
other changes		6	26	46
Decreases in the year:	-	7	27	47
through: sale or redemption		8	28	48
write-downs		9	29	49
other changes		10	30	50
Book value		11 12.388	31	51 175
Market value		12 12.698	32	52
Total write-ups		13 2.410		
Total write-downs		14	34	54

Item C.II.2 includes:

Listed debt securities	61
Unlisted debt securities	62
Book value	63
of which convertible bonds	64

Notes to the accounts

Annex 6 – Information on undertakings where participating interest are held

Notes to the Accounts - Annex 6

Company AMISSIMA VITA S.p.A.

Financial year 2019

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		350000	3.228	500	60,25		60,25
9	B	NQ	4	IH ROMA S.R.L. - MILANO	242		51000	21.084	4.706	51,00		51,00

(*) Please indicate Group undertakings, as well as undertakings where participating interests are directly held, including through fiduciary companies or their 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

(2) Please indicate L for securities listed in regulated markets and UL in all other cases

(3) Type of business
1 = Insurance company
2 = Financial services company
3 = Credit institution
4 = Property company
5 = Fiduciary company
for investment funds
7 = Consortium
8 = Industrial undertaking
9 = Other company or entity

(4) Amounts in original currency

(5) Please indicate the total % held

Notes to the accounts

Annex 7 – Investments in group companies

Notes to the Accounts - Annex 7
Financial year 2019

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 (3)	Increases in the year			Decreases in the year			Book value (4)		Purchase price	Market value
				Through purchases Quantity	Value	Other increases	Through disposals Quantity	Value	Other decreases	Quantity	Value		
1	B	V	ASSINOVANTA S.R.L.							210875	1.636,00	7.042,00	1.945,00
9	B	V	IH ROMA S.R.L.			2.410				100000	10.753,00	70.582,00	10.753,00
			Totals C.II.1								12.389	77.624	12.698
	a		Holding companies										
	b		Subsidiaries								10.753	70.582	10.753
	c		Associated undertakings										
	d		Affiliated undertakings										
	e		Other undertakings								1.636	7.042	1.945
			Total D.I.										
			Total D.II.										

(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
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 2019

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-Life business

		Long-term portfolio		Short-term portfolio		Total	
		Book value	Market value	Book value	Market value	Book value	Market value
1. Shares and units in undertakings:	a)	1	21	41	61	81	101
listed stocks	b)	2	22	42	62	82	102
unlisted stocks	c)	3	23	43	63	83	103
shares		4	24	44	64	84	104
2. Units and shares in investment funds		5	25	45	65	85	105
3. Bonds and other fixed-income securities ...		6	26	46	66	86	106
a1) listed government bonds		7	27	47	67	87	107
a2) 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 - Life business

		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	1.064.724	201	1.064.724
a) listed stocks		122	142	162	134	202	134
b) unlisted stocks		123	143	163	183	203	223
c) shares		124	144	164	1.064.590	204	1.064.590
2. Units and shares in investment funds		125	145	165	424.890	205	424.890
3. Bonds and other fixed-income securities ...		126	2.298.297	166	2.509.326	206	4.807.623
a1) listed government bonds		127	1.990.508	167	2.357.261	207	4.347.769
a2) other listed securities		128	193.544	168	152.065	208	345.609
b1) unlisted government bonds		129	149	169	189	209	229
b2) other unlisted securities		130	114.245	170	190	210	114.245
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
Financial year 2019

Company AMISSIMA VITA S.p.A.

Assets - Changes in other long-term financial investments over the financial year - Shares and units 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)

			Shares and units	Units and shares in investment funds	Bonds and other fixed-income securities	Participation in investment pools	Sundry financial investments	
			C.III.1	C.III.2	C.III.3	C.III.5	C.III.7	
As at 1 January	+	1	8	21	41	2.302.571	81	101
Increases in the year:	+	2		22	42	103.073	82	102
through: purchases		3		23	43	100.924	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	2.149	86	106
Decreases in the year:	-	7		27	47	107.348	87	107
through: disposals		8		28	48	100.752	88	108
write-downs		9		29	49		89	109
transfer to short-term portfolio		10		30	50	1.500	90	110
other changes		11		31	51	5.096	91	111
Book value		12	8	32	52	2.298.296	92	112
Market value.....		13	8	33	53	2.571.798	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 2019

Company AMISSIMA VITA 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	+	1 847	21
Increases in the year:.....	+	2 213	22
through: loans granted	3	212	
value re-adjustments	4		
other changes	5	1	
Decreases in the year:	-	6 272	26
through: repayments.....	7		
write-downs.....	8		
other changes	9	272	
Book value	10	788	30

Annex 11 – Statement of investments relating to benefits linked with investment funds and market indices

Notes to the Accounts - Annex 11

Financial year **2019**

Company AMISISMA VITA S.p.A.

Assets - Statement of investments relatino 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
		2019	2018	2019	2018
I. Land and buldings	1	0 21	0 41	0 61	0
II. Investment in Group undertakings and participating interest:					
1. Stocks and shares	2	0 22	0 42	0 62	0
2. Debt securities	3	0 23	0 43	0 63	0
3. Corporate financing	4	0 24	0 44	0 64	0
III. Units and shares in investment funds	5	31.874 25	32.788 45	29.991 65	34.630
IV. Other financial investments:					
1. Stocks and shares	6	0 26	0 46	0 66	0
2. Bonds and other fixed-income secoreties	7	0 27	0 47	0 67	0
3. Deposits with credit institutions.....	8	0 28	0 48	0 68	0
4. Sundry financial investments	9	0 29	0 49	0 69	0
V. Other assets	10	-15 30	-19 50	-15 70	-19
VI. Cash at bank and in hand.....	11	164 31	153 51	164 71	153
	12	0 32	0 52	0 72	0
	13	0 33	0 53	0 73	0
Total	14	32.023 34	32.922 54	30.140 74	34.764

Company AMISISMA VITA S.p.A.Financial year 2019

Assets - Statement of investments relatino to benefits linked with investment funds and market indices (item D.I)

Fund Code: Description fund: AMISSIMA BILANCIATO GLOBALE

		Market Value		Acquisition cost	
		Financial year	Financial year	Financial year	Financial year
		2019	2018	2019	2018
I.	Land and buldings	1	0 21	0 41	0 61
II.	Investment in Group undertakings and participating interest:				
	1. Shares and units	2	0 22	0 42	0 62
	2. Debt securities	3	0 23	0 43	0 63
	3. Corporate financing.....	4	0 24	0 44	0 64
III.	Units and shares in investment funds	5	39.964 25	39.232 45	35.590 65
IV.	Other financial investments:				
	1. Shares and units	6	0 26	0 46	0 66
	2. Bonds and other fixed-income securities	7	0 27	0 47	0 67
	3. Deposits with credit institutions.....	8	0 28	0 48	0 68
	4. Sundry financial investments	9	0 29	0 49	0 69
V.	Other assets	10	-42 30	-47 50	-42 70
VI.	Cash at bank and in hand.....	11	211 31	118 51	211 71
		12	0 32	0 52	0 72
		13	0 33	0 53	0 73
Total	.....	14	40.133 34	39.303 54	35.759 74
					41.807

Notes to the Accounts - Annex 11

Company AMISISMA VITA S.p.A.

Financial year 2019

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 2019	Financial year 2018	Financial year 2019	Financial year 2018
I.	Land and buldings	1	0 21	0 41	0 61
II.	Investment in Group undertakings and participating interest:				
	1. Shares and units	2	0 22	0 42	0 62
	2. Debt securities	3	0 23	0 43	0 63
	3. Corporate financing	4	0 24	0 44	0 64
III.	Units and shares in investment funds	5	34.765 25	32.803 45	40.389 65
IV.	Other financial investments:				
	1. Shares and units	6	0 26	0 46	0 66
	2. Bonds and other fixed-income secoreties	7	0 27	0 47	0 67
	3. Deposits with credit institutions.....	8	0 28	0 48	0 68
	4. Sundry financial investments	9	0 29	0 49	0 69
V.	Other assets	10	-56 30	-60 50	-56 70
VI.	Cash at bank and in hand.....	11	165 31	30 51	165 71
		12	0 32	0 52	0 72
		13	0 33	0 53	0 73
Total	.....	14	34.874 34	32.773 54	40.498 74
					29.679

Company AMISIMA VITA S.p.A.

Notes to the Accounts - Annex 11

Financial year 2019

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
		2019	2018	2019	2018
I.	Land and buldings	1	0 21	0 41	0 61
II.	Investment in Group undertakings and participating interest:				
	1. Stocks and shares	2	0 22	0 42	0 62
	2. Debt securities	3	0 23	0 43	0 63
	3. Corporate financing	4	0 24	0 44	0 64
III.	Units and shares in investment funds	5	179 25	167 45	204 65
IV.	Other financial investments:				
	1. Stocks and shares	6	0 26	0 46	0 66
	2. Bonds and other fixed-income securities	7	0 27	0 47	0 67
	3. Deposits with credit institutions.....	8	0 28	0 48	0 68
	4. Sundry financial investments	9	0 29	0 49	0 69
V.	Other assets	10	3 30	0 50	3 70
VI.	Cash at bank and in hand.....	11	0 31	1 51	0 71
		12	0 32	0 52	0 72
		13	0 33	0 53	0 73
Total	.....	14	182 34	168 54	207 74

Notes to the Accounts - Annex 11

Company AMISISMA VITA S.p.A.Financial year 2019

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	Financial year	Financial year	Financial year
		2019	2018	2019	2018
I.	Land and buldings	1	0 21	0 41	0 61
II.	Investment in Group undertakings and participating interest:				
	1. Shares and units	2	0 22	0 42	0 62
	2. Debt securities	3	0 23	0 43	0 63
	3. Corporate financing	4	0 24	0 44	0 64
III.	Units and shares in investment funds	5	64.585 25	74.131 45	63.604 65
IV.	Other financial investments:				
	1. Shares and units	6	0 26	0 46	0 66
	2. Bonds and other fixed-income securities	7	0 27	0 47	0 67
	3. Deposits with credit institutions.....	8	0 28	0 48	0 68
	4. Sundry financial investments	9	0 29	0 49	0 69
V.	Other assets	10	-1.042 30	-890 50	-1.042 70
VI.	Cash at bank and in hand.....	11	784 31	825 51	784 71
		12	0 32	0 52	0 72
		13	0 33	0 53	0 73
Total	.....	14	64.327 34	74.066 54	63.346 74

Company AMISISMA VITA S.p.A.Financial year 2019

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 2019	Financial year 2018		Financial year 2019	Financial year 2018
I.	Land and buldings	1	0 21	0 41	0 61	0
II.	Investment in Group undertakings and participating interest:					
	1. Shares and units	2	0 22	0 42	0 62	0
	2. Debt securities	3	0 23	0 43	0 63	0
	3. Corporate financing	4	0 24	0 44	0 64	0
III.	Units and shares in investment funds	5	108.985 25	110.096 45	103.980 65	114.764
IV.	Other financial investments:					
	1. Shares and units	6	0 26	0 46	0 66	0
	2. Bonds and other fixed-income securities	7	0 27	0 47	0 67	0
	3. Deposits with credit institutions.....	8	0 28	0 48	0 68	0
	4. Sundry financial investments	9	0 29	0 49	0 69	0
V.	Other assets	10	-346 30	515 50	-346 70	515
VI.	Cash at bank and in hand.....	11	-357 31	-521 51	-357 71	-521
		12	0 32	0 52	0 72	0
		13	0 33	0 53	0 73	0
Total	.....	14	108.282 34	110.090 54	103.277 74	114.758

Notes to the Accounts - Annex 11

Company AMISSIMA VITA S.p.A.Financial year 2019

Assets - Statement of investments relating 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	Financial year		Financial year	Financial year
		2019	2018		2019	2018
I.	Land and buildings	1	0 21	0 41	0 61	0
II.	Investment in Group undertakings and participating interest:					
	1. Shares and units	2	0 22	0 42	0 62	0
	2. Debt securities	3	0 23	0 43	0 63	0
	3. Corporate financing	4	0 24	0 44	0 64	0
III.	Units and shares in investment funds	5	108.985 25	110.096 45	103.980 65	114.764
IV.	Other financial investments:					
	1. Shares and units	6	0 26	0 46	0 66	0
	2. Bonds and other fixed-income securities	7	0 27	0 47	0 67	0
	3. Deposits with credit institutions	8	0 28	0 48	0 68	0
	4. Sundry financial investments	9	0 29	0 49	0 69	0
V.	Other assets	10	-346 30	515 50	-346 70	515
VI.	Cash at bank and in hand	11	-357 31	-521 51	-357 71	-521
		12	0 32	0 52	0 72	0
		13	0 33	0 53	0 73	0
	Total	14	108.282 34	110.090 54	103.277 74	114.758

Company AMISIMA VITA S.p.A.

Notes to the Accounts - Annex 11
Financial year 2019

Assets - Statement of investments relating to benefits linked with investment funds and market indices (item D.I)

Fund Code: Description fund: TOTAL

		Market Value		Acquisition cost	
		Financial year	Financial year	Financial year	Financial year
		2019	2018	2019	2018
I. Land and buildings	1	0 21	0 41	0 61	0
II. Investment in Group undertakings and participating interest:					
1. Shares and units	2	0 22	0 42	0 62	0
2. Debt securities	3	0 23	0 43	0 63	0
3. Corporate financing	4	0 24	0 44	0 64	0
III. Units and shares in investment funds	5	444.637 25	445.186 45	425.864 65	462.603
IV. Other financial investments:					
1. Shares and units	6	0 26	0 46	0 66	0
2. Bonds and other fixed-income securities	7	0 27	0 47	0 67	0
3. Deposits with credit institutions	8	0 28	0 48	0 68	0
4. Sundry financial investments	9	0 29	0 49	0 69	0
V. Other assets	10	-3.708 30	-557 50	-3.708 70	-557
VI. Cash at bank and in hand	11	803 31	532 51	803 71	532
	12	0 32	0 52	0 72	0
	13	0 33	0 53	0 73	0
Total	14	441.732 34	445.161 54	422.959 74	462.578

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 2019

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 2019		Financial year 2018		Changes
Mathematical provision for pure premiums.....	1	5.918.655	11	5.570.400	21 348.255
Premiums carried forward	2	3.360	12	3.469	22 -109
Provision for mortality risk.....	3	0	13	0	23 0
Supplementary provisions	4	2.193	14	1.643	24 550
Book Value	5	5.924.208	15	5.575.512	25 348.696
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 2019

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	11 138	21 13.503	31 630
Amounts allocated	+	2	12	22 129	32 8
Other increases	+	3	13	23	33
Amounts released	-	4	14	24 12.308	34 1
Other decreases	-	5	15	25	35
Book value		6	16 138	26 1.324	36 637

Notes to the Accounts

Annex 16 – Group undertakings and other participating interests - Detailed statement of assets and liabilities

Notes to the Accounts - Annex 16
Financial year 2019

Company AMISSIMA VITA S.p.A.

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 12.389	3	4	5	6 12.389
Debt securities	7	8	9	10	11	###
Corporate financing	13	14 175	15	16	17	### 175
Participation in investment pools	19	20	21	22	23	###
Deposits with credit institutions	25	26	27	28	29	###
Sundry financial investments	31	32	33	34	35	###
Deposits with ceding undertakings	37	38	39	40	41	###
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	67 717	68	69 1.983	70	71	72 2.700
Bank deposits and post office accounts	73	74	75	76	77	78
Sundry assets	79 271	80	81	82	83	84 271
Total	85 988	86 12.564	87 1.983	88	89	90 15.535
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	-332	140		141	-2.889	142		143		144
Sundry liabilities	145		146		147		148		149		150
Total	151	-332	152		153	-2.889	154		155		156
											-3.221
											-3.221

Notes to the Accounts

Annex 17 – Analysis of "Guarantees, pledges and other memorandum accounts"

Notes to the Accounts - Annex 17

Company AMISSIMA VITA S.p.A.

Financial year 2019

Analysis of "Guarantees, pledges and other memorandum accounts" - Classes I, II, III and IV

	Financial year 2019	Financial year 2018
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 pledges of holding companies, subsidiaries and associated undertakings	7	37
h) collateral securities for pledges of affiliated undertakings and other participating interests	8	38
i) collateral securities for pledges of third parties	9	39
l) guarantees issued for pledges of the Company	10	40
m) assets held in deposit on inward reinsurance operations	11	41
Total	12	42
II. Guarantees received:		
a) from Group undertakings, affiliated companies and other participating	13	43
b) from third parties	14	5.992 44 3.792
Total	15	5.992 45 3.792
III. Guarantees issued by third parties in favour of the Company:		
a) by Group undertakings, affiliated companies and other participating int	16	46
b) by third parties	17	47
Total	18	48
IV. Pledges:		
a) pledges arising out of purchases with resale agreements	19	412.815 49 554.988
b) pledges arising out of sales with repurchase agreements	20	50
c) other pledges	21	51
Total	22	412.815 52 554.988
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
Total	25	55

Notes to the Accounts

Annex 18 – Statement of pledges for transactions on derivative contracts

Nota integrativa - Allegato 18

Società Amissima Vita S.p.A

Esercizio 2019

Prospetto degli impegni per operazioni su contratti derivati

Contratti derivati	Esercizio				Esercizio precedente			
	Acquisto		Vendita		Acquisto		Vendita	
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
Futures: su azioni	1	101	21	121	41	141	61	161
su obbligazioni	2	102	22	122	42	142	62	162
su valute	3	103	23	123	43	143	63	163
su tassi	4	104	24	124	44	144	64	164
altri	5	105	25	125	45	145	65	165
Opzioni: su azioni	6	106	26	126	46	146	66	166
su obbligazioni	7	107	27	127	47	147	67	167
su valute	8	108	28	128	48	148	68	168
su tassi	9	109	29	129	49	149	69	169
altri	10	110	30	130	50	150	70	170
Swaps: su valute	11	111	31	131	51	151	71	171
su tassi	12	112	32	132	52	152	72	172
altri	13	113	33	133	53	153	73	173
Altre operazioni	14	406.983	114	-25.042	54	568.986	154	5.764
						0		0
Totale	15	406.983	115	-25.042	55	568.986	155	5.764
							75	175

Devono essere inserite soltanto le operazioni su contratti derivati in essere alla data di redazione del bilancio che comportano impegni per la società.

I contratti che prevedono lo scambio di due valute devono essere indicati una sola volta, facendo convenzionalmente riferimento alla valuta da acquistare. I

(1) Per i contratti derivati che comportano o possono comportare lo scambio a termine di capitali va indicato il prezzo di regolamento degli stessi; in tutti gli

(2) Indicare il fair value dei contratti derivati;

Annex 20 – Life assurance business - Summary of premium income and reinsurance balance

Notes to the Accounts - Annex 20

Company AMISSIMA VITA S.p.A. Financial year 2019 Life

assurance business - Summary of premium income and reinsurance balance

		Direct business		Inward reinsurance		Total
Gross premiums:	1	909.177	11	0	21	909.177
a) 1. from individual policies.....	2	897.247	12	0	22	897.247
2. from group policies	3	11.930	13	0	23	11.930
b) 1. regular premiums	4	121.066	14	0	24	121.066
2. single premiums.....	5	788.111	15	0	25	788.111
c) 1. from contracts without bonuses.....	6	9.890	16	0	26	9.890
2. from contracts with bonuses	7	885.601	17	0	27	885.601
3. from contracts where the investment risk is borne by policyholders and from pension funds	8	13.687	18	0	28	13.687
Balance on reinsurance.....	9	-406	19	0	29	-406

Notes to the Accounts

Annex 21 – Investment income

Notes to the Accounts - Annex 21

Company AMISSIMA VITA S.p.A.

Financial year 2019

Investment income (items II.2 and III.3)

	Non-Life insurance business	Life assurance business	Total
Income from Shares and units:			
Dividends and other income from Shares and units of Group undertakings and participating interests	1	41 482	81 482
Dividends and other income from Shares and units of other c	2	42 40.947	82 40.947
Total	3	43 41.429	83 41.429
Income from investments in land and buildings	4	44 5.927	84 5.927
Income from other investments:			
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	47 567	87 567
Income from bonds and other fixed-income securities	8	48 84.571	88 84.571
Interest on loans	9	49 24	89 24
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
Total	14	54 85.162	94 85.162
Value re-adjustments on investments relating to:			
Land and buildings	15	55	95
Shares and units of Group undertakings and participating inte	16	56 2.410	96 2.410
Debt securities issued by Group undertakings and participating interests	17	57	97
Other Shares and units	18	58 2.435	98 2.435
Other bonds.....	19	59 2.367	99 2.367
Other financial investments	20	60	100
Total	21	61 7.212	101 7.212
Gains on disposal of investments:			
Capital gains from disposal of land and buildings	22	62	102
Gains on Shares and units 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 Shares and units	25	65 4.232	105 4.232
Gains on other bonds	26	66 29.269	106 29.269
Gains on other financial investments	27	67	107
Total	28	68 33.501	108 33.501
GRAND TOTAL	29	69 173.231	109 173.231

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 VITA S.p.A.

Financial year 2019

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
Income from:	
Land and buildings	1 0
Investment in Group undertakings and participating interest	2 0
Units and shares in investment funds	3 83
Other financial investments	4 1.697
- of which bonds	5 0
Other assets	6 0
Total	7 1.780
Gains on disposal of investments	0
Capital gains from disposal of land and buildingd	8 0
Gains on investment in Group undertakings and participating interests.....	9 0
Gains on investment funds	10 14.758
Gains on other financial investments	11 0
- of which bonds.....	12 0
Other income.....	13 0
Total	14 14.758
Unrealized capital gains	15 26.895
GRAND TOTAL.....	16 43.433

II. Investments arising out of pension fund management

	Importi
Income from:	
Investment in Group undertakings and participating interests.....	21 0
Other financial investments	22 0
- of which bonds.....	23 0
Other assets	24 0
Total	25 0
Profits on disposal of investments	
Gains on investments in group undertakings and participating interests.....	26 0
Gains on other financial investments.....	27 0
- of which bonds.....	28 0
Other income.....	29 0
Total	30 0
Unrealised capital gains	31 0
GRAND TOTAL	32 0

Notes to the Accounts

Annex 23 – Investment charges

Notes to the Accounts - Annex 23

Company AMISSIMA VITA S.p.A.

2019

Investment charges (items II.9 and III.5)

	Non life-insurance business	Life assurance business	Total
Investment management charges and other charges			
Charges relating to Shares and units	1 31	27 61	27
Charges relating to investments in land and buildings	2 32	1.223 62	1.223
Charges relating to debt securities	3 33	10.035 63	10.035
Charges relating to investment funds.....	4 34	64	
Charges relating to participation in investment pools	5 35	65	
Charges relating to sundry financial investments	6 36	1 66	
Interest on deposits received from reinsurers	7 37	515 67	515
Total	8 38	11.801 68	11.801
Value adjustments on investments relating to:			
Land and buildings	9 39	500 69	500
Shares and units of Group undertakings and participating int	10 40	70	
Debt securities issued by Group undertakings and participatin	11 41	71	
Other Shares and units	12 42	50.887 72	50.887
Other bonds.....	13 43	9.125 73	9.125
Other financial investments	14 44	4.189 74	4.189
Total	15 45	64.701 75	64.701
Capital losses on disposal of investments			
Capital losses on land and buildings.....	16 46	76	
Capital losses on Shares and units.....	17 47	5.294 77	5.294
Capital losses on bonds	18 48	1.649 78	1.649
Capital losses on other financial investments	19 49	79	
Total	20 50	6.943 80	6.943
GRAND TOTAL	21 51	83.445 81	83.445

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 2019

Investment charges and unrealized 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
Management charges arising out of:	
Land and buildings.....	1 0
Investment in Group undertakings and participating interests.....	2 0
Units and shares in investment funds	3 11.181
Other financial investments.....	4 0
Other assets	5 7
Total	6 11.188
Losses on disposal of investments	
Capital losses arising from disposal of land and buildings	7 0
Losses on investments in Group undertakings and participating interest	8 0
Losses on units and shares in investment fund	9 1.600
Losses on other financial investments	10 0
Other charges	11 0
Total	12 1.600
Unrealised capital losses.....	13 575
GRAND TOTAL	14 13.363

II. Investments arising out of pension fund management

	Importi
Management charges arising out of:	
Investments in Group undertakings and participating interest.....	21 0
Other financial investments	22 0
Other assets.....	23 0
Total	24 0
Losses on disposal of investments	
Losses on investments in Group undertakings and participating interests	25 0
Losses on other financial investments	26 0
Other charges	27 0
Total	28 0
Unrealised capital losses	29 0
GRAND TOTAL	30 0

Notes to the Accounts

Annex 27 – Life assurance business - Summary of technical accounts by accounting class - Italian portfolio

Notes to the Accounts - Annex 27

Com AMISSIMA VITA S.p.A.

Financial year 2019

Life assurance business - Summary of technical accounts by accounting class - Italian portfolio

		Accounting class 01	Accounting class 02	Accounting class 03
		Life Assurance (name)	Marriage - birth (name)	Linked to inv. Funds (name)
Gross direct insurance business				
Premium written.....	+	1 802.697	1 0	1 13.687
Charges relating to claims	-	2 619.657	2 0	2 46.339
Change in mathematical provisions and sundry technical provisions (+ o -)	-	3 260.123	3 0	3 -3.327
Balance on other technical items (+ o -)	+	4 -13.958	4 0	4 3.972
Operating expenses	-	5 25.000	5 0	5 758
Investment returns net of share allocated to the non-technical account (*)	+	6 80.429	6 0	6 30.070
Gross profit from direct insurance business (+ o -)	A	7 -35.612	7 0	7 3.959
Balance on outward reinsurance (+ o -)	B	8 406	8 0	8 0
Balance on net inward reinsurance (+ o -)	C	9 0	9 0	9 0
Balance on the technical account (+ o -)	(A + B + C)	10 -35.206	10 0	10 3.959

		Codice ramo 04	Codice ramo 05	Codice ramo 06
		(denominazione)	(denominazione)	(denominazione)
Gross direct insurance business				
Premium written.....	+	1 0	1 92.793	1 0
Charges relating to claims	-	2 0	2 7.791	2 0
Change in mathematical provisions and sundry technical provisions (+ o -)	-	3 0	3 87.312	3 0
Balance on other technical items (+ o -)	+	4 0	4 -48	4 0
Operating expenses.....	-	5 0	5 2.385	5 0
Investment returns net of share allocated to the non-technical account (*)	+	6 0	6 9.357	6 0
Gross profit from direct insurance business (+ o -)	A	7 0	7 4.614	7 0
Balance on outward reinsurance (+ o -)	B	8 0	8 0	8 0
Balance on net inward reinsurance (+ o -)	C	9 0	9 0	9 0
Balance on the technical account (+ o -)	(A)	10 0	10 4.614	10 0

(*) 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

Notes to the Accounts

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 2019

Life assurance business - Summary of the aggregated technical account Italian portfolio

		Direct insurance risks		Inward reinsurance risks		Retention	
		Direct risks	Ceded risks	Accepted risks	Retroceded risks	Total	
		1	2	3	4	5 = 1 - 2 + 3 - 4	
Written premiums	+	1	909.177 11	1.611 21	0 31	0 41	907.566
Charges relating to claims	-	2	673.787 12	6.569 22	0 32	0 42	667.218
Change in mathematical provisions and sundry technical provisions (+ o -)	-	3	344.107 13	-4.908 23	0 33	0 43	349.015
Balance on other technical items (+ o -)	+	4	-10.034 14	0 24	0 34	0 44	-10.034
Operating expenses	-	5	28.143 15	356 25	0 35	0 45	27.787
Investment returns net of share allocated to the non technical account (*)	+	6	119.855	0 26	0	46	119.855
Balance on the technical account (+ o -)		7	-27.039 17	-406 27	0 37	0 47	-26.633

(*) 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

Notes to the Accounts

Annex 30 – Transactions with Group undertakings and other participating interests

Notes to the Accounts - Annex 30

Company AMISSIMA VITA S.p.A.

Financial year 2019

Transactions with Group undertakings and other participating interests

I: Income

	Holding companies	Subsidiaries	Associated undertakings	Affiliated undertakings	Other undertakings	Total
Investment income						
Income from land and buildings	1	2	3 48	4	5	6 48
Dividends and other income from Shares and units	7	8 482	9	10	11	12 482
Income from debt securities	13	14	15	16	17	18
Interest on corporate financing	19	20	21	22	23	24
Income from other financial investments	25	26	27	28	29	30
Interest on deposits with ceding undertakings	31	32	33	34	35	36
Total	37	38 482	39 48	40	41	42 530
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.....	43	44	45	46	47	48
Other income						
Interest on receivables	49	42 50	51	52	53	54 42
Administrative expenses and charges recovered	55	117 56	57 2.107	58	59	60 2.224
Other income and sums recovered	61	62	63	64	65	66
Total	67	159 68	69 2.107	70	71	72 2.266
Capital gains on disposal of investments (*)	73	74 2.410	75	76	77	78 2.410
Extraordinary income	79	80	81	82	83	84
GRAND TOTAL	85	159 86 2.892	87 2.155	88	89	90 5.206

Transactions with Group undertakings and other participating interests

II: Charges

	Holding companies	Subsidiaries	Associated undertakings	Affiliated undertakings	Other undertakings	Total
Investment management charges and interest payable:						
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
Total	157	158	159	160	161	162
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	163	164	165	166	167	168
Capital losses on disposal of investments (*)	169	170	171	172	173	174
Extraordinary charges	175	176	177	178	179	180
GRAND TOTAL	181	182	183	184	185	186

(*) With reference to the other party

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 2019

Direct insurance business - Summary of written premi

	Non-Life insurance business		Life insurance business		Total	
	Establishment	Freedom of services	Establishment	Freedom of services	Establishment	Freedom of services
Written premiums:						
in Italy	1	5	11	909.177 15	21	909.177 25
in other EU Member States	2	6	12	16	22	26
in countries outside the EU	3	7	13	17	23	27
Total	4	8	14	909.177 18	24	909.177 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 2019

Statement of charges relating to staff, Board members and Statutory Auditors

I: Staff costs

	Non-Life business	Life business	Total
Costs arising out of paid employment:			
Italian portfolio			
- Wages and salaries	1 31	6.266	61 6.266
- Social security contributions	2 32	1.398	62 1.398
- Allocation to the fund for staff leaving indemnity and similar obligations	3 33	419	63 419
- Sundry costs relating to staff	4 34	1.871	64 1.871
Total	5 35	9.954	65 9.954
Foreign portfolio:			
- Wages and salaries	6 36		66
- Social security contributions	7 37		67
- Sundry costs relating to staff	8 38		68
Total	9 39		69
Grand total	10 40	9.954	70 9.954
Costs arising out of self-employment:			
Italian portfolio	11 41	220	71 220
Foreign portfolio	12 42		72
Total	13 43	220	73 220
Total labour costs	14 44	10.174	74 10.174

II: Description of accounting items

	Non-Life business	Life business	Total
Investment management charges	15 45	808	75 808
Charges relating to claims	16 46		76
Other acquisition commissions	17 47	2.443	77 2.443
Other operating expenses	18 48	4.699	78 4.699
Administrative charges and expenses on behalf of third parties	19 49	2.224	79 2.224
Total	20 50		80
	21 51	10.174	81 10.174

III: Average number of staff in the financial year

	Number
Managers	91 7
White-collars	92 81
Blue-collars	93
Others	94
Total	95 88

IV: Board members and Statutory Auditors

	Number	Remuneration
Board members	96 6 ⁹⁸	535
Statutory Auditors	97 5 ⁹⁹	112

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

€ (thousand)

	31.12.2019	31.12.2018
SOURCING OF FINANCING		
Results for the period: Profit/(Loss)	-11.888	33.679
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.)	341.474	271.474
- amortisations for the financial year	2.537	2.609
- net increase in funds with specific allocation	-12.179	10.677
- variat. ESI fund: incr./ (decr.)	7	-72
- variat. loans receivable: (incr.)/decr.	-42	53
- variat. receivables, other assets and accrued income: (incr.)/decr.	43.731	-28.108
- variat. payables, other liabilities and accrued expenses: incr./ (decr.)	-54.396	484.863
- adjustment of securities to the market: (plus)/minus	28.587	5.882
- adjustment of securities to the Cat. D market: (plus)/minus	-30.070	-7.857
- depreciation of property: (plus)/minus	500	-21.375
- depreciation of investment: (plus)/minus	-2.410	14.657
Liquidity generated/(absorbed) by the operati (A1)	305.850	766.482
Net value of disposed assets:		
Property	-	-
Investments	-	-
Moveables and equipment	-	-
Total (A2)	-	-
Increase in Equity (increase in capital) (A3)	-	-
(A1)+(A2)+(A3) = (A)	305.850	766.482
INVESTED LIQUIDITY		
Purchase of real estate and incremental work	0	0
Net investment in shares, fixed-income securities and common funds	283.216	709.038
Net investment in holdings	0	0
Increase in fixed assets and capitalised charges	1.628	3.149
Distribution of profits	33.679	34.724
(B)	318.523	746.911
Net cash flow for the period (A) - (B) = (C)	-12.673	19.570
Liquid assets at the start of the financial year (D)	26.503	6.933
Liquid assets at the end of the period (C) + (D)	13.830	26.503



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
TECHNICAL PROVISIONS AS AT 31 DECEMBER 2019 EX
ART. 23-BIS, PAR. 3, REGOLAMENTO ISVAP N. 22/2008
AMISSIMA VITA S.P.A.

Milan, March 2020

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Introduction

This actuarial report, prepared pursuant to article 23-bis, paragraphs 2 and 3, of ISVAP Regulation no. 22 of 4 April 2008 (hereafter Regulations), as amended by Provision no. 53 of 6 December 2016, forms an integral part of the annual report of the Actuarial Function (hereinafter AFR). Therefore, the reporting scheme is the one attached to the Regulation.

The following paragraphs describe the methodologies adopted by the Company for the calculation of the technical provisions of the balance sheet at 31 December 2019 of Italian direct business, gross of reinsurance sales, in accordance with the current IVASS regulation on civil reserves, Legislative Decree no. 209 of 7 September 2005 and to the "Rules of application of the actuarial principles and Guidelines for the Appointed Actuary of Life Insurance Companies". In essence, the same control scheme previously applied by the Life Assignee Actuary was replicated.

The checks carried out by the actuarial function therefore constitute an independent and independent opinion, both on the correct application of the calculation methodology and on the verification of the sufficiency of the technical provisions entered in the Company's balance sheet at the closing date of the annual financial statements for 2019.

1. Checks on data base portfolio validation

All the technical provisions for the purpose of preparing the financial statements pursuant to Chapters II and III of Title VIII of Legislative Decree no. 209 of 7 September 2005 have been calculated for each contract, considering the policies in force on 31 December 2019, the respective effective date and all the commitments contractually undertaken, with the exception of some types of reserves, illustrated below, determined in aggregate form, in compliance with the provisions of current legislation.

1.1. Validation on the correct take-over of the portfolio

All checks were carried out on the correct take-over of the portfolio. In particular, the analytical recursive control procedure on the number of contracts was verified, starting from the state of the portfolio at the end of the previous year and considering all the incoming (new policies issued in the year) and outgoing (expired policies, redeemed, liquidated for loss or reversed for other reasons) during the year ending 31 December 2019.

The same control was also extended to the mathematical reserves to verify the consistency, in terms of economic value, of the change in the Technical provisions reserve (between start and end of the year) with respect to portfolio movements in the same year (premiums written, liquidation of policies and income made with the investment of mathematical reserves). In particular, an overall verification was performed for homogeneous portfolio aggregates.

Furthermore, it was ascertained that all the tariffs had a non-negative Technical provisions amount and, as a sample, it was verified that the policies for payment by deadlines, total redemption or per claim (recorded in the item "Amounts to be paid"), did not appear as active policies at the balance sheet date.

From the checks carried out, no particular problems emerged.

With reference to the comparison with the redemption value, the Company has communicated to the Actuarial Function that the comparison in question is managed directly in the portfolio management (LIFE and PASS) within the calculation formulas of the mathematical reserve.

In addition, some quantitative checks were carried out on an adequate number of active policy contracts, relating to most of the tariffs in the portfolio, in order to verify the correctness of the calculation methods of the 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 rates controlled by the Actuarial Function.

2. Calculation approach of technical provisions

2.1. Calculation approach of technical provisions adopted by the company

All the Technical provisions indicated below have been valued gross of reinsurance assignments.

a. Mathematical Reserve

The mathematical balance sheet reserves of Endowment insurance, deferred life capital, Fixed term, capitalisations, whole insurance, Term life insurance and deferred life annuities, with annual, constant and revaluable premium, single premium and recurring single premium (with technical rate 0%, 1%, 1.5%, 2%, 2.5%, 3%, 4%) have been calculated prospectively according to the technical bases of the first order and based on pure premiums (except as reported below with regard to the immediate annuity tariffs as well as the policies of deferred annuity tariffs in the state of enjoyment), through the complete linear

interpolation of the same elaborated on the previous and subsequent recurrence with respect to the balance sheet date.

With regard to the deferred annuity rate policies in use as well as immediate annuities with a demographic basis other than the A62 (ANIA), the Company determines the mathematical reserve directly with the A62 (ANIA) base for immediate commitments and for generations, divided by gender, and the technical rate 2% regardless of the first 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 updated the second-order table also taking into account the suggestion of the Actuarial Function.

Furthermore, with regard to Term Life linked to loans and priced at medium premium, the Company determines the mathematical reserves on a timely basis based on the age, gender and residual duration of the contract.

For revaluable benefit policies, the capital or annuity was adjusted based on the provisions of the respective policy conditions.

The gross rate of return for the period 1 November 2018 - 31 October 2019 achieved by the Segregated Fund "Norvita" was 2.30%, as certified by the Auditing Company. This rate will be attributed to revaluations with dates between 1 January 2020 and 31 December 2020.

The gross rate of return for the period 1 November 2019 - 31 October 2020 achieved by the Segregated Fund "Amisima Multicredit" was equal to 3.00 %, as certified by the Independent Auditors. This rate will be attributed to revaluations with dates between 1 January 2020 and 31 December 2020.

The gross annual rates of return of the "C. Vitanuova" Segregated Fund are recorded monthly at the end of the individual months, on an annual time horizon and are therefore attributed to revaluations with recurrence following the end of the third month following that of the survey. The revaluation method provides for the application of the annual return made in the twelve months preceding the start of the third month prior to the revaluation date.

In particular, the last two available rates certified by the auditing firm recognized in the financial year 2019 are shown below, in particular the rate recorded at the end of September 2019 and the one recorded at the end of October 2019, which will be used respectively for revaluations occurring in January 2020 and February 2020:

Month	Rate
January (certified)	2.74%
February (certified)	2.70%

These rates were also used to determine the insured capital revalued at the next occurrence for policies with January occurrence and February as part of the interpolation for the purpose of calculating the mathematical reserve for these policies as at 31 December 2019.

For the management of the interpolation as part of the calculation of the mathematical reserve at the valuation date for policies with occurrences subsequent to February 2020, the following rates of return have been adopted, estimated by the Company's Investment Department:

Months	Rate
March	2.62%
April	2.55%
May	2.52%
June	2.51%
July	2.50%
August	2.48%
September	2.49%
October	2.46%
November	2.48%
December	2.48%

The amounts of the mathematical balance sheet reserves relating to the annual premium forms include the accrued pure annual premium accrued; any installments of premiums that have not yet expired have not been considered for the fractioned annual premium contracts.

With regard to the contracts relating to the tariff changes made necessary for the purpose of transposing the regulatory provisions on equal treatment between genders, taking into account what is indicated in the "Guidelines" issued by the Order of Actuaries and consistently with the solutions allowed therein, the For these rates, Compagnia has used, in general, both for the calculation of the premiums and for the calculation of the mathematical reserves, a unisex demographic basis determined on the basis of the so-called "weighted risk", that is, through a prudent weighting of the probability of death (the latter obtained from mortality tables differentiated by sex) with weights inferred from the experience of the Company.

Following the issue of law no. 221 of 17 December 2012 - conversion of Legislative Decree No. 179 of 18 October 2012 - the Company verifies the need to make provisions to meet the obligations deriving from the obligation to return the part of the premium paid, concerning the residual period with respect to the original maturity, relating to policies connected with mortgages and other loans for which a single premium has been paid by the debtor / insured. The mathematical reserve is then integrated for two collective tariffs, linked to the loans, tariff V218 and tariff V219 equal to the difference, if positive, between the pure premium reparameterized on the basis of the residual debt at the valuation date and also taking into account the contractual period elapsed and of the mathematical reserve. The component linked to the uploads is considered covered by the combined provision of the Technical provisions for future management expenses and the agreement, which the Company has communicated to the Actuarial Function of having signed, with the distribution network to return the portion of the commissions of purchase perceived.

The amount of this Technical provision is **€ 183,059**.

The Technical provisions relating to the overpremiums have been calculated on the basis of the amount of the financial year's overpremiums. For annual premium rates, the Technical provision is equal to the amount of the premium for the year; while for single overpremium rates, the Technical provision is equal to the amount of the premium dismantled linearly during the contract term; in particular, the company uses the difference between the years of contractual duration and the elapsed between the effective date and the valuation date in the numerator of the calculation of the "pro rata", comparing this difference to the years of contractual duration.

The total amount of the mathematical reserves is equal to **€ 5,921,219,186**; that of the overpremium Technical provision is **€ 796,013**.

b. Additional Technical provisions for financial risk

Taking into account the characteristics and policy conditions of the contracts in the portfolio as well as the provisions of paragraphs 21, 22 and 23 of Annex 14 of the Regulation, it was necessary to set aside the additional Technical provisions for guaranteed interest rate risk only in relation to contracts not linked to any Segregated Fund but which in any case provide for a financial guarantee, according to the methods illustrated below.

As of 31/12/2019, the Company's liability portfolio, broken down by Segregated Funds, has the following distribution:

- For Norvita Segregated fund, the financial guarantee of 1.00% and 0.00% represents approximately 68% of the entire Management portfolio, while the highest guarantees (5.00% and 4.00%) represent approximately 14% of the total Management. Specifically, the 5.00% guarantee represents 0.07% of liabilities;
- For C.Vitanuova Segregated fund, the maximum guarantee is 3.00% and represents less than 0.01% of the liabilities of the Management, while the guarantees of 1.00% and 0.00% represent approximately 92% of the liability portfolio;
- For the Amissima Multicredit Segregated fund, the policy portfolio is concentrated entirely on the 0.00% guarantee.

The Company, similar to the previous year, both for contracts not linked to any Segregated Fund but which in any case provide for a financial guarantee and for contracts connected to a Segregated Fund, Method C applies. This method provides for the possibility of offsetting, for each Segregated Fund / guarantee line, between opposite sign balances referring to the different levels of financial guarantee as well as to the different annual periods.

Following this approach, it was verified that the prerequisites for setting aside any Technical provisions amount for both the Segregated Funds did not emerge. On the other hand, a provision is necessary for contracts not linked to any Segregated Fund but which in any case provide for a financial guarantee (in particular for the TCM component), for which the Company, over a 5-year time horizon, has defined a vector of foreseeable returns equal to the weighted average of the foreseeable returns of the Norvita Management and the foreseeable annual average of the C.Vitanuova Management.

The Company also has some contracts in its portfolio, other than TCM, which are not linked to any Segregated Fund but which in any case provide for a financial guarantee for an amount of mathematical reserve of approximately 97 thousand euros not managed on the Company's main management system; a part of these is included in the calculation of the interest rate Technical provisions of the Norvita Segregated Fund, in the relevant guarantee line, while a part, however residual (equal to approximately 37 thousand of mathematical reserves), does not contribute to the definition of the taxable initial Technical provisions for the calculation of the additional Technical provisions for guaranteed interest rate.

The additional Technical provisions was calculated using the foreseeable returns as shown below:

Segregated Fund **C. Vitanuova**

<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>
GE'20	2.50%	GE '21	2.42%	GE'22	2.20%	GE'23	1.66%
FE'20	2.52%	FE'21	2.41%	FE'22	2.16%	FE'23	1.67%
MR ' 20	2.50%	MR'21	2.43%	MR'22	2.12%	MR'23	1.64%
AP'20	2.48%	AP'21	2.45%	AP'22	2.10%	AP'23	1.64%
MG'20	2.50%	MG'21	2.44%	MG'22	2.11%	MG'23	1.67%
GI'20	2.42%	GI'21	2.32%	GI'22	2 , 06%	GI'23	1.57%
LU'20	2.36%	LU'21	2.27%	LU'22	1.97%	LU'23	1.75%
AG'20	2.33%	AG'21	2, 24%	AG'22	1.93%	AG'23	1.72%
SE'20	2.28%	SE'21	2.16%	SE'22	1.87%	SE'23	1.65%
OT'20	2.25 %	OT'21	2.19%	OT'22	1.82%	OT'23	1.57%
NO'20	2.23%	NO'21	2.24%	NO'22	1.79%	NO'23	1.57%
DI'20	2.27%	DI'21	2.28%	DI'22	1.70%	DI'23	1.50%

Segregated Fund **Norvita**

Year	2020	2021	2022	2023	2024
Rate	2.00	2.03	2.00	1.87	1.95

Weighted average of the current and foreseeable returns relating to the two Separate Managers

Weighted average on returns of the two managements, with weights equal to the Technical provisions associated with the two managements	2019	2020	2021	2022	2023
	Year rate n	Year rate n + 1	Year rate n + 2	Year rate n + 3	Year rate n + 4
	2.46%	2, 25%	2.10%	1.79%	1.58%

The related amount set aside is equal to **€ 1,652,206**.

c. Additional Technical provisions for decreasing rates

The Company did not deem it necessary to make the additional Technical provisions for decreasing rates taking into account the provisions of paragraph 23 of Annex 14 of ISVAP Regulation No. 22 of 4 April 2008, based on the following technical assessments.

For the services connected to the separate internal management called Norvita, whose contracts all have a time lag between the period in which the return to be contractually recognized has matured and the moment in which it is recognized to the insured, based on the provisions of paragraph 23 of Annex 14 of ISVAP Regulation No. 22 of April 4, 2008, it should be noted that at the time it was not necessary to set aside a Technical provision for time lag. In fact, the first rate of the vector of foreseeable returns (defined as "current" that is in the process of maturing) was higher than the average rate recognized to policyholders in 2020 on the basis of the last certified rate and the weighted average of the effective participation rates that they hold account of the corresponding minimum withheld.

Also for the Segregated Fund C. Vitanuova, despite having a reduced period of time lag, the Company communicated that it had made a comparison between the average of the 2020 rates referred to in the vector of the foreseeable returns and the estimate of the average rate that will be recognized to the insured in 2020, calculated taking into account the effective participation rates which in turn take into account the corresponding minimum deductions; this comparison did not reveal the need for a provision for the aforementioned additional Technical provisions.

d. Additional Technical provisions for other risks

Taking into account the characteristics and policy conditions of the contracts in the portfolio as well as the provisions of paragraph 35 to paragraph 38 of Annex 14 of ISVAP Regulation No. 22 of 4 April 2008, it was necessary to set aside an additional Technical provision in order to integrate the mathematical Technical provisions of the annuity rates during the deferral period, according to the technical assessments shown in the following sub-paragraph.

For the establishment of this Technical provision, the annuities calculated according to the demographic table A62 (ANIA) for immediate commitments and with the application of age shifting (modified compared to the previous year also on the basis of the indications of the Actuarial Function), compared as a basis, were compared of second order, with the annuities calculated with the bases of the first order, proceeding as follows.

For the annuity rates, the calculation was made analytically, that is, the increase in the capital value of the annuity was determined which is equal to:

$$I = a^* - a$$

where:

a^* indicates the annuity postponed obtained with the new technical base;

a indicates the postponed life annuity, with the first-order technical basis, relating to the individual types of contracts referred to above.

The annuities are calculated at the age to maturity for the contracts in force in the deferral period.

The burden thus identified was then discounted to 31 December 2019 in a financial demographic sense, without prudentially considering exit hypotheses other than mortality:

$$R = I * E$$

These amounts, in line with the provisions of points 36, 37 and 38 of Annex 14 of ISVAP Regulation No. 22 of 4 April 2008, were reduced based on the hypothesis relating to the propensity to enjoy the annuity, deriving from the results of the sample survey updated by ANIA (September 2019) equal to 5.77%.

All the assumptions used, including those of a demographic nature, will in any case be checked annually and possibly modified on the basis of actual experience.

With regard to pensions in receipt and immediate annuities with a demographic basis other than the A62 (ANIA), the mathematical reserve was calculated directly with the A62 (ANIA) base for immediate commitments and for generations, divided by gender, and the technical rate 2% therefore, a provision equal to the entire presentvalue of the difference between the two annuities was considered for them.

In this case, therefore, there was no need to set aside an additional Technical provision for demographic bases since the mathematical reserve was calculated, according to a prudential approach, directly with second-order bases.

The calculation of the aforementioned Technical provision was performed directly by the LIFE management system, replicating the methodology described above, policy by policy.

The Company has announced that it does not have capital rates in its portfolio with guaranteed conversion ratios.

The resulting amount to be set aside and set up in full in 2019 is **€ 493.421**.

e. Additional Technical provisions for management expenses

The Company has verified the need to make an additional Technical provision for future expenses in line with the provisions of paragraph 35.1 of Annex 14 of Regulation no. 22 of April 4, 2008 using the same methodology used in previous closings.

In order to verify therefore that a deviation of the technical bases has not occurred and that there is no need to create a specific additional Technical provision, the Company carried out a comparison test by calculating on the contracts in the portfolio at 31 December 2019 the present value of the net monthly balances between administrative expenses, increased by the commissions that the Company expects to have to bear and deducted the charges contained in any future premiums to be collected and future financial income, deriving from the investment of the premiums, not retroceded to the contracts and intended to finance the management fees.

The assessment of future expenses is based on assumptions derived from the forecast budget used by the Company for ORSA purposes, provided by the 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 costs, Network training, Commissions on bonds, shares, etc.) and other amounts are subtracted such as recoveries present in "other income". In determining the budget, the administrative offices also take into account expenses incurred in 2019 which may not be repeated in subsequent years.

The reference taxable items analytically loaded in the model are those deductible from the budget with reference to the year 2022; the model also takes into account some specific add-ons determined for the years 2020, 2021 and 2022 on the basis of the differences between the budget data forecast for the year and the budget data forecast for 2022 (considered as the basis of the model).

The Company, which periodically conducts internal analyzes in order to determine the actual costs connected to the different types of contracts, has quantified the costs per contract, differentiating between: acquisition costs, management costs and investment costs of the contracts in the portfolio, attributing different weights according to the different types of tariff, premium, profit sharing.

In particular, the charges relating to investments were assumed to vary according to the mathematical Technical provisions, the others according to the number of contracts.

The Company has adopted hypotheses of annual costs associated with the individual categories of contracts in the portfolio on the basis of the historical evidence of these analyzes, updated on the latest information available as previously described.

For all contracts, with the exception of class III contracts, the calculation of the future expense Technical provisions with first-order bases was carried out through the management systems in use, whose calculation algorithms are subject to periodic checks.

As regards the assessment of the prospective holding of expenses, the Company performed the analyzes using a dedicated software, MG ALFA. All the rates of the portfolio are regularly modeled on the MG ALFA software.

Through the dedicated software, therefore, the Company has estimated, on the basis of the "best estimate" assumptions, the net monthly balances between administrative costs, increased by the commissions that are expected to be paid to the sales network and deducted the loads contained in any future premiums to be collected and future financial income, deriving from the investment of the premiums, not retroceded to contracts and intended to finance future expenses.

For the assumptions adopted in the evaluation, the Company made reference, where possible, to the company's experience, to the context of the Italian insurance market as well as to the economic and financial scenarios of the markets at the valuation date. In particular:

- The interest rate for discounting the balances used for the verification was prudentially set at 60% of the TMO, or 1.510%, which is lower than the current annual reference rate (TAR) and in compliance with paragraph 14.1 of Annex 14 of ISVAP Regulation No. 22 of April 4, 2008. The
- return of the expected returns obtained before the change communicated by the Investment Department on the reduction of some forward rates, determined according to the indications, was used as asset yield of ISVAP Regulation n.22 of 4 April 2008 as modified by Provision n.53 of 6 December 2016, on the basis of the reference Segregated Fund for the years for which this

carrier is available; for the subsequent ones, rates estimated by the Company's Investment Department were used.

- A long-term inflation rate of 1.50% was adopted, 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 Segregated Fund, reference was made to the revaluation law regulated by contract for each tariff.
- The forfeiture assumptions used are the same as those for Solvency 2 for all revaluable products. In addition, the rate of propensity to pension used in the determination of the additional Technical provisions for demographic risk was also considered in the development. The methodology, as communicated by the Company, has remained unchanged compared to the evaluation of previous years.
- With reference to the portfolio of traditional policies, a propensity to renew premiums of 100% was assumed for all annual premium contracts, while for the recurring single premium contracts paying on the valuation date the same methodology was used as previous year, however, applied with a greater degree of historical depth (5 years instead of 4 years) and divided by guaranteed minimum.
- The actuarial assessments were conducted assuming an effective mortality deduced from the SIM / SIF 2010 tables with a discount of 26.10% and 30.20% respectively, excluding the TCM rates for which the 2010 SIM / SIF table was used with discount 37.40%.
- The costs used are the last available on the date on which this analysis was carried out.

From the results that emerged, the Company did not deem it necessary to set aside any amount as an additional Technical provisions for future expenses, compensating, in the context of Class I and V products, the results obtained on the tariffs individually and collectively.

The Company checks, in line with the provisions of paragraph 35.1 of Annex 14 of Regulation no. 22 of 4 April 2008, at the macro level, the need to set aside an additional Technical provisions for demographic risk on tariffs other than annuities by means of the comparison envisaged by paragraph 15.2; this verification did not highlight the need to set aside an additional Technical provisions for this purpose.

f. Profit participation Technical provisions

Pursuant to the provisions of IVASS Provision No. 68 of 02/14/2018, limited to the "Amissima Multicredit" Segregated Fund, the Company set up the related Technical provision obtained as the component of realized net pluses not attributed the financial result of the current period.

The total amount of the aforementioned Technical provision amounts to **€ 19,600**

g. Technical provisions of unit and index linked contracts and class VI

There are class III products in the portfolio. The class III portfolio at 31 December 2019 only includes products referred to in art. 41, paragraph 1, of Legislative Decree no. 209/2005.

For the Unit-Linked tariffs classified in class III pursuant to art. 2 of Legislative Decree no. 209/2005, based on the provisions of paragraph 39.3 of Annex 14 of the Regulation, the mathematical reserves of the financial statements have been calculated based on the number and value of the shares of the respective Managers (investment lines) in force on the valuation date or the market value of the corresponding hedging assets.

The total amount of class III contracts is **€ 441,730,660**.

h. Additional Technical provisions of unit and index linked contracts and pension products on class VI

With regard to the Unit Linked contracts, in relation to the different technical characteristics of the tariffs in the Company's portfolio, it was deemed necessary to set the respective additional Technical provisions pursuant to paragraph 41.1 of the Annex 14 of ISVAP Regulation No. 22 of April 4, 2008.

The total amount of the additional Technical provisions of the Unit Linked contracts, posted in class C.II.1, is equal to **€ 47,113**. In particular, € 29,924 relating to the coverage of additional guarantees in the event of death and the residuals € 17,189 relating to the coverage of a service defined as a "loyalty bonus", calculated with applications other than the main management system.

This bonus, recognized only for the V773 and V783 class III tariffs, is equal to the additional loading costs paid on the first year of the recognized premium, at the end of the insurance year in which the last agreed premium was paid, or fifteen whole years from the effective date of the policy, when premiums are expected to be paid for more than fifteen years.

i. Technical provisions for future expenses

The Company has calculated the Technical provisions for future management expenses according to the criteria defined in paragraph 20 of Annex 14 of ISVAP Regulation No. 22 of April 4, 2008 based on first-order assumptions for all contracts in the portfolio, with the exception of Unit Linked contracts. For the latter, the Company calculates the Technical provision for future management expenses, in accordance with paragraph 17 of Annex 14 of the Regulation.

For considerations on verifying the need to integrate the Technical provision for future expenses, please refer to paragraph 2.1.c) of this report.

The total Technical provisions entered in class C.II.5 of the financial statements amount to € **28,255,025**.

j. Additional Technical provisions for general risks and other technical provisions

It was not necessary to set up provisions for general risks.

k. Technical provisions for profit sharing and rebates

It was not necessary to set up provisions for profit sharing and rebates.

l. Technical provisions for sums to be paid

In these Technical provisions, only the sums relating to portfolio transactions which involve the liquidation of amounts which, although defined in the amount, have not yet been paid, have been considered.

The related amount is equal to € **31,983,751**.

m. Technical provisions of supplementary insurance

The technical provisions of supplementary insurance refer to individual contracts aimed at coverage in the event of death by accident and coverage in the event of disability. For these Technical provisions, in line with the provisions of paragraph 18 of Annex 14 of ISVAP Regulation No. 22 of April 4, 2008, reference was made to the legislation that regulates the technical provisions of the non-life classes.

The premium Technical provisions of supplementary accident insurance are calculated on a policy-by-policy basis by applying the pro rata temporis method.

Instead, with reference to the Claims Technical provisions for supplementary insurance, the exact capital subject to liquidation was placed in Technical provision according to the specific contractual rules; the corresponding amounts are entered in the Technical provision for sums to be paid.

The amount of Technical provisions for supplementary insurance is € **43,494**.

The total amount of technical provisions, gross of reinsurance sales, is € **6,426,220,870**.

2.2. CHECKS CARRIED OUT ON THE TECHNICAL PROVISIONS

Below are the results of the checks performed by the Actuarial Function both with reference to the correct application of the calculation methodology and with reference to the technical bases adopted and the results generated by the various calculation tools of the Company.

With the exception of 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 sufficient prudence contained in the Regulation, taking into account the evaluation criteria of the representative activities of the technical provisions. This choice was supported by the analysis of the trend of the technical bases of the first and second order (demographic, financial, expenditure components) which imposed the need to intervene, also 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 subsequently illustrated.

a. Financial assumptions

In relation to the provisions of paragraph 22.1 of Annex 14 of ISVAP Regulation No. 22 of 4 April 2008, it was necessary to establish the additional Technical provision for interest rate risk guaranteed only for contracts not connected to any Segregated Fund but which in any case present a financial guarantee,

taking into account the foreseeable returns determined pursuant to and according to the method described in paragraphs 24 to 32 of Annex 14 of ISVAP Regulation No. 22 of 4 April 2008.

This Technical provision has been calculated by applying the methodology "C" provided for in Attachment 14-bis of ISVAP Regulation No. 22 of April 4, 2008, considered consistent with the composition of the portfolio of the Segregated Funds which is less and less exposed, also in perspective, to high guarantee lines. In particular, the assessments carried out also took into consideration the contracts issued prior to 19 May 1995, taking into account the provisions of the same Regulation in relation to the trend and value assumed by the foreseeable rates of return.

The Actuarial Function has retraced, on the basis of the inputs transmitted by the Company, the calculation methodology applied, both on the revaluable component and on the TCM component.

The Company has not deemed it necessary to set aside an additional Technical provisions to face the decrease in rates of return over time and the consequent misalignment with respect to the relative commitments undertaken by the Company as a profit share. This is in relation to the comparative analysis of the contractually assumed commitments, the yields of the assets covering the technical provisions and the verification of their effect with respect to each of the Segregated Funds. The Actuarial Function, again on the basis of the information made available by the Company, carried out the aforementioned comparison independently with reference to both the Separate Managers, not highlighting any critical issues regarding the need for a provision.

For Unit Linked policies only, the provisions of paragraph 39.3 of Annex 14 of ISVAP Regulation n.22 of 4 April 2008 and paragraph 40.3 of the same Annex have applied, which provide that the corresponding Technical provisions are represented with the greatest approximation possible from reference assets valued at market prices.

Without prejudice to what is stated in the Introduction, based on the assessments made considering the Company's assets, the projections made for the calculation of the foreseeable returns, the limits imposed by the regulations and the foreseeable developments of the money and financial markets, it is believed that the financial assumptions used by the Company for the calculation of the technical provisions are adequate taking also into account the additional Technical provisions set aside for this purpose.

b. Demographic assumptions and other technical bases

The demographic basis indicated when defining the tariff is used in the calculation of the mathematical reserves of the class I life and class III tariffs.

With regard to class I death rates, the mathematical reserves are calculated on the basis of the first-order demographic basis, except in the cases expressly indicated where a second-order technical base is used.

The monitoring of the maintenance of the first-order demographic bases led, as previously indicated, to the provision:

- of an additional Technical provision for demographic risk for the annuity rates
- of an additional Technical provision to the mathematical reserve for the TCM tariffs linked to loans.

Both with reference to the additional Technical provision for demographic risk for annuity rates and with reference to the supplementary Technical provision to the mathematical reserve for TCM rates linked to loans, the Actuarial Function independently traced the calculation made by the Company for all the policies involved in the provision in question, being able to confirm that the logics used by the Company in this calculation are in line with those communicated by the Company to the same Actuarial Function and reported in the previous paragraph.

Without prejudice to what is stated in the introduction, on the basis of the assessments made considering the mortality differences between the first-order demographic technical base and the second-order demographic technical base, it is believed that the demographic assumptions for the calculation of the technical provisions are adequate, also taking into account the additional Technical provisions set aside for this purpose.

c. Assumptions for future expenses

The Technical provision for future expenses was determined for all the contracts in the portfolio, with the exception of the class III contracts, in accordance with paragraph 20 of Annex 14 of ISVAP Regulation No. 22 of 4 April 2008 and therefore using the first-order assumptions and subsequently making a comparison between the technical bases used in calculating the Technical provisions and the results derived from direct experience with the portfolio using the method previously described. The Company has determined the Technical provisions for future management expenses for class III contracts using second-order assumptions as required by paragraph 17 of Annex 14 of ISVAP Regulation No. 22 of 4 April 2008.

With particular reference to the determination of the Technical provisions additional for future expenses, the Actuarial Function has analyzed the logic and assumptions underlying the calculation, not proceeding with autonomous processing of verification of the calculation procedures that are already foreseen within the work plan scheduled for the year 2020.

On the basis of the assessments made considering the prospective evolution of the expenses and of the other variables that affect the evaluation under examination in the application of the methodology used

for the reserve for future management expenses and the results also in the budget forms of the comparison between theoretical and actual expenses, the assumptions relating to future expenses for the calculation of the technical provisions are adequate, also taking into account the methodology used by the Company for the determination of any additional reserve to be set aside for this purpose.

d. Other technical bases

No other technical bases have been applied.

e. Calculation procedures

The correctness of the calculation procedures of the Life and Pass management IT systems, 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 were carried out on the individual items of technical provisions as at 31 December 2019, with particular reference to the mathematical reserves and reserves for future management expenses elaborated by the Life and Pass management systems.

In particular, for these types of reserves, at 31 December 2019, an adequate number of active contracts of the main existing rates was selected, and was recalculated, on the basis of all the useful information on the individual head, with autonomous procedures, the amount of the reserve analyzed. This amount was compared with the amount made available by the Company for this purpose (LIFE and PASS) and the differences found were irrelevant.

The table below shows the results of the checks carried out on a sample basis on the most representative tariffs which represent more than 82% of the portfolio in existence at the balance sheet date in terms of mathematical reserve.

<i>Codice Tariffa</i>	<i>Forma tecnica</i>	<i>Num polizze</i>	<i>Riserva Matematica</i>	<i>Peso %</i>	<i>Scarto %</i>
V175	VITA INTERA PU RIC	6.942	224.825.044,75	3,80%	0,00%
V186	VITA INTERA PU RIC	3.224	189.552.686,94	3,20%	0,00%
V187	VITA INTERA PU RIC	4.163	248.005.668,11	4,19%	0,00%
V188	VITA INTERA PU CON CEDOLA	10.056	398.710.473,39	6,73%	0,00%
V200	VITA INTERA PU RIC	6.277	433.320.384,98	7,32%	0,00%
V201	VITA INTERA PU CON CEDOLA	7.726	356.480.570,99	6,02%	0,00%
V202	VITA INTERA PU RIC	8.904	477.488.349,86	8,06%	0,00%
V203	VITA INTERA PU CON CEDOLA	23.412	1.071.914.700,29	18,10%	0,00%
V204	VITA INTERA PU RIC	9.186	366.468.931,63	6,19%	0,00%
V353	MISTA RIV.LE PU	2.006	108.471.223,33	1,83%	0,00%
V370	MISTA RIV.LE PU	19.543	858.617.911,02	14,50%	0,00%
V726	CARIGE UNITPIU' EQUILIBRATO	3.818	107.969.736,76	1,82%	-0,05%
Totale		105.257	4.841.825.682,05	81,77%	

The Actuarial Function carried out autonomously on all the contracts the verification of the methodologies of calculation also of the technical reserves of the complementary insurance, on the basis of the information regarding the premiums referred to this coverage received by the Company. The checks carried out did not reveal any critical issues.

Specific autonomous recalculations, on all the policies, both annual and single premium and both for collective and individual rates, were also made with reference to the premium reserve. Also in this case, the checks carried out did not reveal any critical issues.

For the independent checks carried out by the Actuarial Function on the additional reserves not processed by the Life and Pass management systems, please refer to what was previously reported in this report.

The aforementioned checks, with any implementations also relating to types of technical reserves currently not yet subject to independent verification, will be systematically carried out in the future on an ongoing basis, also with reference to the rates and types of reserves already tested, with the aim, provided 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) shows the technical reserves of the Company distributed by type of reserve and by ministerial branch.

4. Observations

a) General observations

The Actuarial Function has taken on the specific task of verifying the technical reserves of direct work for the purpose of preparing the financial statements pursuant to Chapters II and III of Title VIII of Legislative Decree no. 209 of 7 September 2005 as an extension of the Actuarial Function activity following the issuance of IVASS Provision no. 53 of 6 December 2016. In the course of 2020, further improvements and insights are planned where and if deemed necessary. All the considerations, analyzes, observations and results of this Report must be read on the basis of the documentation made available to the Actuarial Function by the Company at the date of preparation of this.

In particular, these controls will concern checks on the assessment and balancing of the portfolio, as well as in general all the methodologies for calculating technical provisions, including additional reserves.

b) Critical

observations No critical observations.

5. Findings

Reasons are excluded which do not allow or make it impossible to express an opinion on the technical reserves of the Company.

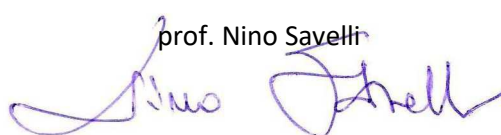
6. Opinion on the Technical provisions

Based on the foregoing, we certify the correctness of the procedures followed by the Company in the calculation of the technical provisions of the Italian direct portfolio that Amissima Vita S.p.A. company intends to enter in the financial statements for 2019, for an amount equal to € **6,426.220.870** considered, in the opinion of the Actuarial Function, overall sufficient to meet the costs and obligations assumed towards the policyholders, in accordance with current provisions of law and regulations.

Milan, 19 March 2020

Actuarial Function

prof. Nino Savelli



ANNEX A

CARRIERS OF THE CURRENT AND FORESEEABLE YIELD RATES USED IN THE ASSESSMENT OF THE ADDITIONAL TECHNICAL PROVISIONS FOR GUARANTEED INTEREST RATE RISK

Segregated Fund C. Vitanuova

<i>New Year 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>
GE'20	2.50%	GE'21	2.42%	GE'22	2.20%	GE'23	1.66%
FE'20	2.52%	FE'21	2.41%	FE'22	2.16 %	FE'23	1.67%
MR'20	2.50%	MR'21	2.43%	MR'22	2.12%	MR'23	1.64%
AP'20	2.48%	AP'21	2.45%	AP'22	2.10%	AP'23	1.64%
MG'20	2.50%	MG'21	2.44%	MG'22	2.11%	MG'23	1.67%
GI'20	2.42%	GI '21	2.32%	GI'22	2.06%	GI'23	1.57%
LU'20	2.36%	LU'21	2.27%	LU'22	1.97%	LU'23	1.75%
AG ' 20	2.33%	AG'21	2.24%	AG'22	1.93%	AG'23	1.72%
SE'20	2.28%	SE'21	2.16%	SE'22	1.87%	SE'23	1.65%
OT'20	2.25%	OT'21	2.19%	OT'22	1.82%	OT'23	1.57%
NO'20	2.23%	NO'21	2.24%	NO'22	1 , 79%	NO'23	1.57%
DI'20	2.27%	DI'21	2.28%	DI'22	1.70%	DI'23	1.50%

Segregated Fund Norvita

Year	2020	2021	2022	2023	2024
Rate	2, 00	2.03	2.00	1.87	1.95

Weighted average yield current and foreseeable entities relating to the two Segregated Funds

Weighted average of the returns of the two funds, with weights equal to the reserves associated with the two funds	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
	Year rate n	Year rate n + 1	Year rate n + 2	Year rate n + 3	Rate year n + 4
	2.46%	2.25%	2.10%	1.79%	1.58%

ANNEX B

EVIDENCE OF THE MATHEMATICAL RESERVE AMOUNTS DISTINGUISHED BY GUARANTEED RATE AND BY STRUCTURE OF THE GUARANTEES OFFERED

Name Management / Other	Guarantee lines	Structure of the guarantees	Mathematical reserve values in €
NORVITA	5.0%	Annual consolidation	1,101,508.32
	4.0%	Annual consolidation	219.571.187,92
	3.0%	Annual consolidation	50.353.534.58
	2.5%	Guaranteed at maturity	98.227, 39
	2.0%	Annual consolidation	217.482.500,44
	2.0%	Guaranteed at maturity	0.00
	1.0%	Annual consolidation	753.731.193,35
	0.0%	Annual consolidation	285.210.839,49
Total NORVITA			1,527,548,991.48
C.VITANUOVA	3.0%	Annual consolidation	43.211.49
	2.5%	Annual consolidation	3.078.592.90
	2.0%	Annual consolidation	327.437.334,31
	2.0%	Guaranteed to maturity	0.00
	1, 0%	Annual consolidation	14,766,120.15
	1.0%	Guaranteed at maturity	142,960,544.08
	0.0%	Annual consolidation	3,855,378,640.52
Total C.VITANUOVA			4,343,664,443.45
AMISSIMA MULTICREDIT	0.0%	Guaranteed at maturity	30.156.026,69
Total Management AMISSIMA MULTICREDIT			30.156.026,69
Other*	4.0%	Annual consolidation	62.461.71
	3.0%	Annual consolidation	38.006.53
Total Other			100,468.23

* contracts with interest rate guarantee although not linked to separate Managers: Indexed, adjustable and other.

ANNEX C

TABLE OF THE TECHNICAL BASES OF THE MAIN RATES AND RESERVES

Individual

rates Tariff	Description	1 st order demographic base 1st order		financial base
		During the postponement	After the postponement	
I389	Capit.diff. PUI	SIM71M		2.00%
V181	Capit.diff. PA	SIM71M		3.00%
V191	Capit.diff. PA	SIM71M		4.00%
V199	Capit.diff. PU	SIM71M		4.00%
V281	Capit.diff. PA	SIM71M		3.00%
V291	Capit.diff. PA	SIM71M		4.00%
V381	Capit.diff. PA	SIM71M		2.00%
V389	Capit.diff. PU	SIM71M		2.00%
V481	Capit.diff. PA	SIM71M		2.00%
V581	Capit.diff. PA	SIM71M		2.00%
V681	Capit.diff. PA	SIM71M		2.00%
V689	Capit.diff. PU	SIM71M		2.00%
S400	Capitalization Riv PU			0.00%
V404	Capitalization Riv PU			4.00%
V405	Capitalization Riv PU			3.00%
V415	Capitalization Riv PU			0.00%
V416	Capitalization Riv PU			0.00%
V418	Capitalization Riv PU			0.00%
V430	Capitalization Riv PU			0.00%
V431	Capitalization Riv PU			0.00%
V432	Capitalization Riv PU			0.00%
V790	FIP LINEA 1	SIM92M		0.00%
I266	Mixed revaluable PUI	SIM81M		3.00%
I267	Mixed revaluable PUI	SIM81M		0.00%

V250	Mixed revaluable PA	SIM51M		4.00%
V255	Mixed revaluable PA	SIM81M		4.00%
V256	Mixed revaluable PA	SIM81M		3.00%
V257	Mixed revaluable PA	SIM81M		0.00%
V258	Mixed revaluable PA	SIM81M		0.00%
V265	Mixed Revaluable PU	SIM81M		4.00%
V266	Mixed Revaluable PU	SIM81M		3.00%
V268	Mixed Revaluable PU	SIM81M		0.00%
V349	Mixed Revaluable PU	SIM92M		0.00%
V350	Mixed Revaluable PU	SIM92M		0.00%
V351	Mixed Revaluable PA	SIM51M		4.00%
V353	Mixed Revaluable PU	SIM92M		0.00%
V354	Mixed Revaluable PU	SIM92M		0.00%
V355	Mixed Revaluable PA	SIM81M		4.00%
V356	Mixed Revaluable PA	SIM81M		3.00%
V357	Mixed Revaluable PA	SIM81M		0.00%
V358	Mixed Revaluable PA	SIM81M		0.00%
V364	Mixed Revaluable PU	SIM92M		0.00%
V365	Mixed Revaluable PU	SIM92M		0.00%
V366	Mixed Revaluable PU	SIM92M		0.00%
V367	Mixed Revaluable PU	SIM92		0.00%
V368	Mixed Revaluable PU	SIM92		0.00%
V369	Mixed Revaluable PU	SI2010 Unisex		0.00%
V370	Mixed Revaluable PU	SIM92		0.00%
T197	Annuity diff. Riv PU	SIM71M	SIM71PS	4.00%
V192	Annuity Vit. Imm. PU	SIM71PS	SIM71PS	4.00%
V193	Annuity Vit. Imm PU on 2 P	SIM71PS	SIM71PS	4.00%

V194	Annuity Vit. Imm PU on 2 P	SIM92	SIM92	3.00%
V195	Annuity diff Riv PA	SIM71M	SIM71PS	4.00%
V197	Annuity diff Riv PU	SIM71M	SIM71PS	4.00%
V290	Annuity diff Riv PA	SIM31	SIM51	4.00%
V292	Annuity diff Riv PU	SIM31	SIM51	4.00%
V295	Annuity diff Riv PA	RevSIM71M	SIM71PS	4.00 %
V395	Annuity diff Riv PA	SIM31	SIM51	4.00%
V582	Annuity diff Riv PA	IPS55 U 50% Male / 50% Female		2.00%
V583	Annuity diff Riv PU	IPS55 U 50% Male / 50% Female		2.00%
V584	Annuity diff Riv PU	IPS55 U 50% Male / 50% Female		2.00%
V585	Annuity diff Riv PA	RG48M	RG48M	2.50%
V586	Annuity diff Riv PA	RG48F	RG48F	2.50%
V587	Annuity diff Riv PU	RG48M	RG48M	2.50%
V595	Annuity diff Riv PA	RG48M	RG48M	2.50%
V596	Annuity diff Riv PA	RG48F	RG48F	2.50%
V597	Annuity diff Riv PA	IPS55MF	IPS55MF	2.00%
V598	Annuity diff Riv PA	IPS55MF	IPS55MF	2.00%
V685	Annuity diff Riv PA	RG48M	RG48M	2,50%
V686	Annuity diff Riv PA	RG48F	RG48F	2,50%
V695	Annuity Vit. Imm PU	RG48MF	RG48MF	2,00%
V697	Annuity diff Riv PA	RG48M	RG48M	2,50%
V698	Annuity diff Riv PA	RG48F	RG48F	2.50%
B003	Temp. Case Death matched	SIM81M		4.00%
B005	Temp. Case Death matched	SIM81M		4.00%
TL20	Temp. Case Death PA	SIM81M		4.00%
V216	Temp. Case Death PA	SIM81M		4.00%

V217	Temp Death Case PU	SIM81M		4.00%
V218	Temp. Death Case PU	SIM81M		4.00%
V220	Temp. Death Case PA	SIM81M		4.00%
V226	Temp. Death Case PA	SIM81M		4.00%
V227	Temp. Death Case PA	SIM92MF		4 , 00%
V240	Temp. Death Case PA	SIM92M		3.00%
V310	Temp. Case Mort and PU	SIM92MF		4.00%
V311	Temp. Death Case PA	SIM92MF		4.00%
V314	Temp. Death Case PA	Unisex base 80% SIM 2004/20% SIF 2004		2.50%
V420	Temp. Death Case PA	SIM92M		4.00%
V422	Death Case Temp PU	SIM92M		4.00%
V531	Death Case Temp PU smok	92MFUM		4.00%
V532	Death Case Temp PU smok	92FFUM		4.00%
V540	Death Case Temp PA	SIM92M		2.00%
V541	Case Temp. Death PU non-smok	92MNFUM		4.00%
V542	Temp. Case Death PU non-smok	92FNFUM		4.00%
V551	Temp. Case Death PA smok	92MFUM		4.00%
V552	Temp. Case Death PA smok	92FFUM		4.00%
V561	Temp. Case Death PA non-smok	92MNFUM		4.00%
V562	Temp. Case Death PA non-smok	92FNFUM		4.00%
V571	Temp. Case Death PA smok	92MFUM		4.00%
V572	Temp. Case Death PA smok	92FFUM		4.00%
V591	Temp. Case PA non-smok	92MNFUM		4.00%
V592	Case Temp. PA non-smok	92FNFUM		4.00%
V593	Temp. Death Case PA	SIMF2004		4.00%
V594	Temp. Death Case PU	SIMF2004		4.00%

V602	Case Death Temp. PA	Unisex base 80% SIM 2004/20% SIF 2004		3.00%
V603	Temp. Case Death PU	Unisex base 80% SIM 2004/20% SIF 2004		3.00%
V604	Temp. Case death PA 3 years duration	Male females 80/20 of SIM / SIF 2004.		2.00%
V605	Temp. Case Death PA non- smoking	SIM / SIF 2004 (with mix 80% / 20%) sc 26.60%		1.50%
V606	Temp. Case Death PA fum	SIM / SIF 2004 (with mix 80% / 20%) increased 12.10%		1.50%
V360	Mixed type Fixed term PA	SIM92M		0.00%
V811	Mixed type PA	SIM81M		4, 00%
V720	Unit linked to PUR	*SIM92 sc10%		0.00%
V761	Unit linked to PU	*SIM92 sc10%		0.00%
V762	Unit linked to PU	*SIM92 sc10%		0.00%
V763	Unit linked to PU	*SIM92 sc10%		0.00%
V725	Unit linked to PU	*SIM2004		0.00%
V726	Unit linked to PU	*SIM2004		0.00%
V727	Unit linked to PU	*SIM2004		0.00%
V751	Unit linked to PUR	*SIM92 sc10%		0.00%
V752	Unit linked to PUR	*SIM92 sc10%		0.00%
V753	Unit linked to PUR	*SIM92 sc10%		0.00%
V773	Unit linked to PUR	*SIM92 sc10%		0.00%
V783	Unit linked to PUR	*SIM92 sc10%		0, 00%
V740	Multiramo 80_20	2004 M		0,00%
V741	Multiramo 70_30	2004 M		0,00%
V742	Multiramo 50_50	2004 M		0,00%
V743	Multiramo 30_70	2004M		0,00%
V744	Multiramo 80_20	2004M		0,00%

V745	Multiramo 70_30	2004M		0.00%
V746	multiramo 50_50	2004M		0.00%
V747	Multiramo 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 (class 3)	2004 M		0.00%
B002	Whole life at PUR	SIM81M		0.00%
B004	Whole life at PUR	SIM81M		0.00%
T164	Whole life at PU	SIM81M		4.00%
V123	Whole life at PU	SIM92M		0.00%
V124	PU whole life	SIM92M		0.00%
V125	PU whole life	SIM92M		0.00%
V126	PU whole life	SIM92M		0.00%
V128	PU whole life	SI2010 Unisex		0.00%
V129	PU whole life	SI2010 Unisex		0, 00%
V161	Whole life at PAT	SIM81M		3.00%
V162	Whole life at PU	SIM81M		0.00%
V163	Whole life at PU	SIM81M		3.00%
V164	Whole life at PU	SIM81M		4.00%
V165	Whole life at PAT	SIM81M		0, 00%
V166	entire Life PAT	SIM81M		3.00%
V167	entire Life PAT	SIM81M		4.00%
V168	entire Life PAT	SIM81M		0.00%
V169	entire Life PAT	SIM81M		3.00%
V170	entire Life PAT	SIM81M		4, 00%
V172	Whole life at PAT	SIM81M		3.00%

V175	Whole life at PUR	SIM81M		0.00%
V176	Whole life at P UR	SIM81M		0.00%
V177	Whole life at PUR	SIM81M		0.00%
V178	Whole life at PAT	SIM81M		0.00%
V179	Whole life at PAT	SIM81M		0.00%
V180	Whole life at PU	SIM81M		0.00%
V183	Whole life at PU	SIM92		0.00%
V184	Whole life at PUR	SIM92		0.00%
V185	Whole life at PUR	SIM81M		0.00%
V186	Whole life at PUR	SIM92		0.00%
V187	Whole life at PUR	SIM92		0.00%
V188	Whole life at PU coupon	SIM92		0.00%
V200	Whole life at PUR	SIM92		0.00%
V201	Whole life at PU coupon	SIM92		0.00%
V202	Whole life at PUR	SIM92		0.00%
V203	Whole life at PU coupon	SIM92		0.00%
V204	Whole life at PUR	SIM92		0.00%
W177	Whole life at PUR	SIM81M		0.00%

Collective

rates Tariff	Description	1st order demographic basis 1 st order		financial base
		During the deferment	After the deferment	
V044	Capitalization Riv PU			3.00%
V400	Capitalization Riv PU			0.00%
V404	Capitalization Riv PU			4.00%
V405	Capitalization Riv PU			3.00%
V410	Capitalization Riv PU			0.00%

V415	Capitalization Riv PU			0.00%
V416	Capitalization Riv PU			0.00%
V417	Capitalization Riv. PU			0.00%
V418	Capitalization Riv. PU			0.00%
V197	Annuity diff rev. PU	SIM71	SIM71PS	4.00%
V216	Death Case Temp PU	SIM92 sc40%		4.00%
V716	Group Death Case Temp	80% SIM 20 % SIF 2004		0.00%

The technical bases of the premiums and reserves are different:

- in the rates of immediate or life-long annuity where the reserve is calculated with A62 (ANIA) for immediate commitments and generations and financial base 2%.

- the collective rates V218 where the premium is average for duration, age and sex and the reserve is punctual on age and duration.

** For the Units and Index Linked, the demographic and financial basis refer to the death guarantee.*

ANNEX D

EVIDENCE OF THE AMOUNTS OF THE INDIVIDUAL TECHNICAL PROVISIO ITEMS RELATING TO EACH SINGLE BRANCH

TYPE OF RESERVE	RAMO I	RAMO II	RAMO III	RAMO IV	RAMO V	RAMO VI	TOTALE
DIRECT WORK							
Mathematical reserves for pure premiums	5.759.747.061,31	0	0	0	161.452.525,14	-	5.921.199.586,45
health and professional overpremium reserve	796.012,83	0	0	0	0	-	796.012,83
Additional TP for interest rate risk	1.652.206,33	0	0	0	0	-	1.652.206,33
Additional TP for time lag	0	0	0	0	0	-	0
Additional TP for demographic risk	493.421,07	0	0	0	0	-	493.421,07
Other additional TP	0	0	0	0	0	-	0
Earnings reserve	19.600,00	0	0	0	0	-	19.600,00
Additional TP article 41. paragraph 4. of Legislative Decree 209/2005	0	0	47.113,47	0	0	-	47.113,47
Total mathematical reserve class C.II.1	5.762.708.301,54	0	47.713,47	0	161.452.525,14	0	5.924.207.940,15
Future expenses TP (class C.II.5)	27.230.258,1700	-	154.953,7900	-	869.813,1100	0	28.255.025,07
Suppl. TP for general risks (class C.II.5)	-	-	-	-	-	0	0
Other technical provision (class C.II.5)	-	-	-	-	-	0	0
Profit share TP and rebates (class C.II.4)	-	-	-	-	-	0	0
Sums to be paid TP (class C.II.3)	30.301.301,73	-	632.800,11	-	1.049.649,19	0	31.983.751,03
Premiums TP of compl. (class C.II.2)	43.494,18	-	-	-	-	0	43.494,18
Total technical provisionsclass C	5.820.283.355,62	0	834.867,37	0	163.371.987,44	0	5.984.490.210,43
TP class DI contracts referred to in article 41. paragraph 1. of 209/2005	0	0	441.730.659,67	0	0	0	441.730.659,67
Class DI contracts referred to in article 41. paragraph 2. of Legislative Decree 209/2005	0	0	0	0	0	0	0
Total TP of class DI	0	0	441.730.659,67	0	0	0	441.730.659,67
Total TP of class D.II	0	0	0	0	0	0	0
TOTAL TECHNICAL PROVISIONS DIRECT WORK	5.820.283.355,62	0	442.565.527,04	0	163.371.987,44	0	6.426.220.870,10
TOTAL TECHNICAL PROVISIONS INDIRECT WORK	-	-	-	-	-	-	-
TOTAL TECHNICAL PROVISIONS	5.820.283.355,62	0	442.565.527,04	0	163.371.987,44	0	6.426.220.870,10

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, 2019, 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, 2019, 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.

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>Evaluation of illiquid or complex financial investments</p> <p>The financial statements at 31 December 2019 include unlisted bonds for an amount equal to Eur 114,245 thousand and investments in units for an amount equal to Eur 1,064,590 thousand, mainly referring to the units owned in sub-funds of Amissima Diversified Income ICAV (Irish Collective Asset-management Vehicle), a legal entity supervised by the Central Bank Irish definable as an investment fund organized according to a sub-fund structure. This ICAV was created to manage assets aimed to achieve the strategic pillars of the Amissima Group, for this reason, the ICAV sectors are at complete and exclusive service of Amissima Vita and the associated company Amissima Assicurazioni, which are therefore the only investors. Most of unlisted bonds and the underlying investments of the ICAV are receivables and loans characterized by low liquidity and, at least some out of them, by significant complexity. There is no active market for these investments, therefore a mark-to-model approach was adopted to estimate their recoverable value, applying the Discount Cash Flow methodology which consists in the determination of future cash flows and their discounting at the valuation date using a discount rate that reflects the credit risk of each borrower. These instruments are generally represented by bilateral operations, characterized by a complex contractual structure, in which the probability of default and loss given default parameters are not directly deducible from indications or market prices; therefore, this aspect was considered by us a key aspect for the purposes of the audit.</p> <p>The financial statement information relating to illiquid or complex financial investments is disclosed in the explanatory notes in “Part A - Valuation criteria” and in “Part B - Information on the balance sheet and income statement” in Section 2.3 - “Other financial investments” (item C.III).</p>	<p>The audit response included several procedures, the most relevant of which are outlined below:</p> <ul style="list-style-type: none"> • An understanding of the process related to the estimation of the recoverable value of the unlisted bonds and investments in the ICAV; • Analysis of the report produced by the independent expert provided by the Management, containing the determination of the fair value of some unlisted bonds and some investments held by ICAV in its portfolio; • Obtaining the financial statements at 31 December 2019 of the ICAV accompanied by the audit report; • Obtaining information on the investments held by the ICAV, also by accessing with the auditor of the financial statements of the ICAV; • Performance of independent repricing, for a sample of unlisted bonds and investments, in order to verify the reasonableness of the fair value at year end. <p>We also involved valuation specialists to assist us in performing our audit procedures. Further, we assessed the adequacy of the disclosures provided in the explanatory notes.</p>

Life technical provisions estimation

The technical provisions of the life segment are recorded at 31 December 2019 for an amount equal to Eur 6,426,221 thousand.

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.

For these reasons, we considered this aspect a key matter for our audit.

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 (item C.II) and Section 11 - Technical provisions when the investment risk is doubled by policyholders and deriving from the management of pension funds (item D).

The audit response included several procedures, the most relevant of which are outlined below:

- 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;
- 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;
- 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;
- Recalculation of the mathematical provision for pure premiums, for a representative sample of policies;
- 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.

We also involved an actuarial specialist to assist us in performing our audit procedures.

Further, we assessed the adequacy of the disclosures provided in the explanatory notes.

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 the International Standards on Auditing (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, 2019, 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, 2019 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, 2019 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, 2019. 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

S.p.A. as at December 31, 2019, 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.

Milan, 14 April 2020

EY S.p.A.

Signed by: Matteo Brusatori, auditor

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 2019

PURSUANT TO ARTICLE 2429, PARAGRAPH 2, OF THE ITALIAN CIVIL CODE.

Mr. Shareholder,

during the year ended 31 December 2019, the Board of Statutory Auditors carried out the supervisory activity required by law, taking into account the principles of conduct recommended by the National Council of Chartered Accountants.

The Company's Financial Statements, consisting of the Balance Sheet, Income Statement and Notes to the Financial Statements, together with the related attachments, were prepared by the Directors in accordance with the law and were duly communicated to us on 26 March 2020, together with the Report on Operations and the Cash Flow Statement.

The Financial Statements for the year ended 31 December 2019 have been prepared in compliance with current statutory regulations and those specific to the insurance sector.

In particular, they have been prepared in compliance with the provisions of ISVAP

Regulation (now IVASS) no. 22 of 4 April 2008 and subsequent amendments, and in its preparation have been 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 139/2015, interpreted and supplemented by the OIC accounting standards where applicable.

Group's scope

Group's scope to which your company belongs has not changed with respect to the previous year and, therefore, identifies as entities falling within the scope of Amissima Holdings Srl, Sole Shareholder and Parent Company Insurance, duly registered for this purpose with the Register No. 050, Amissima Assicurazioni S.p.A. and Amissima Vita S.p.A. as insurance companies and the instrumental companies, wholly owned by them, Dafne S.r.l., IH Roma S.r.l. and Assi 90 S.r.l. (in liquidation since 11 March 2020) ¹.

Amissima Vita S.p.A. is subject to the direction and coordination of the Insurance Parent Company and Sole Shareholder, Amissima Holdings S.r.l.

Function of the Board of Statutory Auditors as Internal Control and Audit Committee

(Art. 19 of Legislative Decree no. 39 of 27 January 2010).

During the year, we carried out the supervisory activity required by current regulations. In particular, pursuant to and for the purposes of Article 19 of Legislative Decree no. 39 of 27 January 2010, in our capacity as "Internal Control and Audit Committee", we monitored the following areas:

¹ The related branch of business was sold to a third party on 14 November 2019.

- Financial reporting process, maintaining relations for this purpose and acquiring information from the Chief Financial Officer (hereinafter also referred to as 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 with regard to the adequacy of the provision of non-audit services.

Preliminary evidence of significant events affecting the 2019 financial year.

The main events, which were the subject of attention by this Board of Statutory Auditors, were:

- due to 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 continued the self-assessment process on the corporate governance system started at the end of the previous year, adopting, in line with the resolutions taken by the Parent Company, a so-called "ordinary" governance structure with the implementation of additional organisational controls. The adoption of the new governance structure saw the creation of two internal committees at Group level, the Control and Risk Committee and the Remuneration Committee. Therefore, the Shareholders' Meeting held on 29 April 2019 was called upon to express an opinion on certain amendments to the Articles of Association that had become necessary to implement the corporate governance structure. The main amendments made to the Articles of Association by the said Shareholders' Meeting, duly authorised by the

Supervisory Authority, concerned, on the one hand, the strengthening of the so-called "independent member" within the composition of the Board of Directors and, on the other, the establishment of the two Committees mentioned above;

- again at the Shareholders' Meeting held on 29 April 2019, the composition of the Board of Directors was redefined, both in view of the resignation of an independent director and in order to integrate, in implementation of the new statutory provisions, the number of independent directors, bringing the composition of the Board of Directors to a total of 6 members;
- with the approval of the financial statements for the year ended 31 December 2018, the term of office conferred on the Control Body expired, therefore, at the meeting held on 29 April 2019 the Shareholders' Meeting appointed the Board of Statutory Auditors, reconfirming its previous composition for the three-year period 2019-2021;
- again, at the Shareholders' Meeting of 29 April 2019, upon proposal of the Board of Directors formulated with the presentation of the Financial Statements, they resolved a dividend for the Sole Shareholder in the amount of Euro 33,678,736.00;
- the proceedings instituted in 2016 by Banca Carige S.p.A., before the Court of Genoa, against Amissima Holdings S.r.l, both Insurance Companies, three U.S. and English companies of the Apollo Group and two former Directors of Banca Carige S.p.A. seeking an order for compensation for pecuniary and non-pecuniary damages, jointly and severally between the parties responsible, suffered by Banca Carige S.p.A. in connection, inter alia, with the acquisition of the insurance companies by Amissima, was settled on November 21, 2019, under satisfactory conditions, with a settlement agreement covering all outstanding disputes;

- on the basis of the findings of the overall ORSA process, which also took account of the overall observations made by IVASS during the inspection carried out at the Company (which will be discussed later in this report), the Board of Directors strengthened its supervision of the Company's solvency, redefining the thresholds for coverage of this solvency requirement and therefore approving a new version of the Group's RAF; as a result, a new capital management plan was defined, which includes a capital strengthening plan (as in fact occurred through the issue of a subordinated bond during the first quarter of 2020);
- due to the evolution of the company's governance structure and business model, as well as the recently issued regulations, the adjustment of the organisational structure continued.
- among other activities, the Board of Directors has also:
 - i) monitored the management projections for the current year, proceeding, in the meeting held on 9 December 2019, with the approval of the new 2020-2022 Business Plan, whose underlying strategic guidelines, together with the stress test hypotheses used in compliance with the EIOPA guidelines, were part of the overall ORSA process implemented by the Company and approved by that Board and reported in the Single Report on the prospective assessment of the risk profile and solvency, promptly sent to the Supervisory Authority;
 - ii) approved the 2020 Budget;
 - iii) approved the new reinsurance guidelines, adapting them to the different forms of reinsurance cover used by the Company to transfer part of the risks assumed

to other companies, including "ad hoc" cover, in order to optimise risk capital with a view to Solvency II;

- iv) approved the 2019 reinsurance programme, implementing the guidelines set out in the previous point;
- v) approved the update of the Business Continuity Plan;
- vi) approved the Regular Supervisory Report (RSR), for the purposes of its transmission to the Supervisory Authority pursuant to IVASS Regulation no. 33/2016;
- vii) assigned, pursuant to IVASS Regulation no. 42/2018, the external audit of the Solvency and Financial Condition Report (so-called SFCR) to the auditing firm Ernst & Young S.p.A.;
- viii) constantly monitored the solvency coverage requirement, initiating, where necessary, the related contingency plan;
- ix) carried out the self-assessment activity, verifying the state of implementation of the initiatives taken following the results of the previous self-assessment; the self-assessment process conducted by the Board of Directors confirmed that all members of the Board met the requirements of the applicable regulations and that the Board of Directors operates in a substantially adequate manner and consistent with its mandate, noting also the adequacy of the measures adopted during the year and being implemented following the areas of improvement that emerged from the previous self-assessment and the one completed at the beginning of 2020;

- x) implemented a training plan addressed to the Board of Directors on specific issues suggested by its members;
- xi) established, as a progressive adaptation of the reporting models concerned to the new international accounting standard IFRS 17, at the Board meeting held on 9 December 2019, the figure of Deputy General Manager, appointing the Company's CFO in this regard, assigning him further supervision of the Investment, Bancassurance and Technical Departments;
- xii) updated the policy on intra-group operations adopted pursuant to IVASS Regulation no. 30/2016;
- xiii) also updated the company's policies on Non-Life Reservation, Life Reinsurance, Settlement TCM e PPI, Outsourcing, Corporate Governance System, Internal Audit, Actuarial Function, Compliance, Risk Management, Reporting to IVASS, Operational Risks, Anti-terrorism and Compliance with Sanctions, Non-Life Subscription, SFCR, RSR and QRT Reports, Anti-Bribery, Honesty, Professional and Independence Requirements, Statistical Data and Information, Privacy Management;
- xiv) approved the Strategic Information Technology (ICT) Plan, also taking into account the provisions of the IVASS Letter to the Market of 3 June 2019;
- xv) adopted a new Privacy Organizational Model;
- xvi) through the Compliance and Internal Audit Function, continued to monitor the regulatory adequacy and the effective application of the Company Policies in force to date;

- xvii) approved the plans of the Audit activities that the Internal Audit, Compliance and Risk Management functions have carried out, monitoring, during the year, both the performance of the planned activities and the implementation of the remediation measures outlined in the various audit activities;
- xviii) approved the divestment of the hotel property unit called 'Hotel Lamosa' located in Provaglio d'Iseo;
- in order to progressively comply with the provisions of IVASS Regulation no. 38/2019, the pre-existing intra-group agreements for the centralisation of the Internal Audit, Compliance, Risk Management, Anti-terrorism/Anti-Money Laundering Functions at the Insurance Parent Company have been terminated, and the partial secondment of the heads of these Functions has been activated instead;
 - the intra-group agreement concerning the centralization of the Actuarial Function at the Insurance Parent Company has been maintained, in consideration of the continued outsourcing of the same Function by Amissima Holdings S.r.l. to Studio Savelli; in this regard, it seems useful to note that the Board of Directors' meeting of 24 October 2019 resolved to re-internalize the said Function as from 1 January 2021, after having obtained authorization to extend it from the Supervisory Authority;
 - the Board of Directors updated the overall body of regulations relating to the investment management process, with particular regard to assets covering technical reserves, in line with the investment asset allocation strategy outlined in the Group's new business plan, taking into account current and prospective risks and return requirements as set out in the so-called "ORSA Supervisory Report"; this update, in the first few months of 2019, was further implemented in the light of the elements

- that emerged after the self-assessment process carried out by the Company pursuant to the IVASS Letter to the Market of 5 July 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, continues to operate, through which these companies provide the Company with asset allocation consulting services;
 - the Administrative Body, within the scope of its powers under current legislation, has continued to update the directives on the internal control system and risk management; in particular, in implementation of the guidelines issued by the Parent Company Amissima Holdings S.r.l., it adopted (i) the Policy on Governance and Distribution Control, in compliance with the provisions of IVASS Regulation no. 40/2018 and the new IDD regulations, (ii) the Policy on Data Governance pursuant to IVASS Regulation no. 38/2018, and (iii) the Policy on Deferred Taxes, prepared pursuant to Delegated (EU) Regulation no. 2019/981;
 - the continued use of an Irish investment vehicle called the "Amissima Diversified Income ICAV" for the purpose of establishing and managing investment funds with the aim of meeting the Group's strategic investment needs;
 - the continuation of the activity of centralized cash pooling, also extended to the instrumental companies IH Roma S.r.l. and Dafne S.r.l.

1. Results for the financial year.

The financial statements for the year ended 31 December 2019 show a loss of Euro 11,888,060 (2018 profit Euro 33,678,836).

The Directors point out that premium income increased by about 5.5% compared to the previous year, equal to Euro 45.0 million, bringing total premium income to about Euro 909.2 million.

The agency channel showed higher levels of production with an increase of 70.5%.

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; in particular, the 6.3% increase in surrenders, compared to 2018, is linked to the problems of Banca Carige S.p.A.

Operating expenses decreased by about 5 percentage points due to the increased production of products loaded, while other administrative expenses benefited from constant monitoring in order to reduce operating costs.

Net asset and financial income contributed negatively to the operating result with a sharp decline of 44.3% compared to 2018 and in particular ordinary income decreased due to lower rates of return on investments resulting from the change in asset allocation. It also seems useful to point out the adjustments made to financial investments, amounting to Euro -59,399 thousand, which affected the income statement. In particular, these adjustments are attributable to the write-downs of Baf-Latam and Elios securities present in the ICAV investment vehicle for a value of approximately Euro 49.3 million compared to the initial investment and the drop in the prices of government bonds.

Other income and expenses recorded a positive value compared to the previous year, as the difference between the provision set aside in 2018 and the actual 2019 allocation

of the penalty on the distribution agreement signed with Banca Carige S.p.A.

2. The activities of the Board of Statutory Auditors.

With regard to the manner in which our institutional activity was carried out, we would like to make the following comments.

2.1 Comments on the most significant economic, financial and equity transactions carried out by the Company and their compliance with the law and the Articles of Association.

Through news and data reported during the meetings of the Board of Directors, the Executive Committee and the Control and Risk Committee, which the Board has always attended, the Directors have constantly informed us, in accordance with the procedures set out in the Articles of Association and at least quarterly, on the activities carried out as well as on the most significant economic, financial and equity transactions carried out by the Company.

The information thus acquired has enabled us to ascertain that they comply with the law and the Articles of Association and are in the Company's interest; we believe that these transactions, which are exhaustively described in the Report on Operations, do not require specific observations on our part.

We did not find any transactions that were 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 possible existence of atypical and/or unusual transactions,

including intra-group transactions or transactions with related parties.

We monitored that transactions with related parties, including intra-group transactions, complied with criteria of substantial and procedural correctness and were not in conflict with the Company's interests. 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 the aforesaid transactions, no atypical or unusual transactions that could give rise to doubts regarding the correctness and completeness of the information were found.

Pursuant to IVASS Regulation no. 30/2016 concerning provisions on the supervision of intragroup transactions and risk concentrations, the Company's Board of Directors, in accordance with the Parent Company's instructions, continued in 2019 with the usual update of the Policy on intragroup operations previously adopted. The new updated Policy provides, like the previous one, that transactions with Intragroup Counterparties require prior authorisation by the Company's Board of Directors and, if applicable, by the Parent Company, if they are significant or atypical or unusual. In this regard, the Board of Statutory Auditors noted the definition at the beginning of 2020 of a further strengthening of organisational controls within the process in question; this activity, which is currently being finalised, will be completed and formalised within the Policy in question within the current financial year.

2.3 Report of the Independent Auditors pursuant to art. 14 of Legislative Decree no. 39 of 27/1/2010, art. 10 of Regulation (EU) no. 537/2014 and art. 102 of Legislative

Decree no. 209 of 7/9/2005.

The Independent Auditors - Ernst & Young S.p.A. - reported to us on the statutory audit work and the absence of any situations of uncertainty or limitations in the checks carried out.

Today we were sent the Report of the Independent Auditors Ernst & Young S.p.A. appointed to carry out the statutory audit of the accounts, which, among other points better explained in that report, states that "We have audited the financial statements of Amissima Vita Spa (the Company), consisting of the balance sheet as at 31 December 2019, the income statement for the year then ended and the notes to the financial statements. In our opinion, the financial statements give a true and fair view of the Company's financial position as at 31 December 2019 and results of operations for the year then ended in accordance with Italian law governing the criteria for their preparation".

Moreover, in the opinion of the Independent Auditors, "the report on operations is consistent with the financial statements of Amissima Vita S.p.A. as at 31 December 2019 and has been prepared in accordance with the law".

The Independent Auditors also declares "With reference to the statement pursuant to art. 14, paragraph 2, letter e) of Legislative Decree no. 39 of 27 January 2010, issued on the basis of the knowledge and understanding of the company and the related context acquired during the audit, we have nothing to report".

At the conclusion of its report, Ernst & Young S.p.A. also highlights the following with regard to the assessment pursuant to Article 102, paragraph 2, of Legislative Decree no.

209 of 7/9/2005 of the non-life business: "The determination of technical reserves is a complex estimation process that includes numerous subjective variables whose modification may lead to a change in the final result. We have therefore developed a range of values considered reasonable so as to take into account the degree of uncertainty inherent in these variables. For the purposes of assessing the sufficiency of the total technical provisions referred to in the previous paragraph, we have verified that these provisions are within this range.

In its report, the Independent Auditors declare that no services other than auditing were provided that were prohibited under Article 5, paragraph 1 of Regulation (EU) no. 537/2014 and that they remained independent from the Company in the performance of the Legal Audit.

On the basis of the information acquired, further appointments have been conferred to parties linked to the appointed Independent Auditors, for which the Board of Statutory Auditors has given its authorisation. These are, in particular:

- Proposal for the auditing services of certain elements of the Report on the solvency and financial condition of Amissima Assicurazioni S.p.A., Amissima Vita S.p.A. and the Insurance Group pursuant to IVASS Regulation no. 42. of 2 August 2018 for the period 2018 - 2020, for which the related fees for the Company amount to € 229,000 (plus expenses and VAT) for 2019, of which € 101,500 related to the additional SII 2018 audit requested by IVASS following the inspection and € 60,000 related to the audit requested by IVASS to ascertain the recording in the accounting records of the value of the investments to be made through ICAV in September 2019 (pursuant to art. 104

of the CAP).

- Proposal for the audit of the segregated funds of investments for the period 2018 - 2026 for which the related consideration amounts to € 7,100 (plus expenses and VAT);
- Proposal for the examination of the annual report on the management of the internal insurance funds as at 31 December 2018 - 2026 for which the related consideration amounts to € 5,000 (plus expenses and VAT).

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 points out that the report substantially shows that:

- the Audit Firm's annual confirmation of its independence in accordance with Article 6 paragraph 2 of Regulation (EU) No. 537/214;
- the absence of factors of uncertainty regarding the business continuity assumption;
- the failure to identify significant "deficiencies" in the internal control system for financial reporting and/or the accounting system;
- the failure to identify significant issues concerning cases of actual or alleged non-compliance with laws and regulations or statutory provisions.

2.4 Disclosure of any complaints made pursuant to art. 2408 of the Italian Civil Code, any initiatives taken and their outcomes.

We acknowledge that no complaints pursuant to Article 2408 of the Italian Civil Code were submitted to the Board of Statutory Auditors during the year.

2.5 Disclosure of any complaints made, any initiatives taken and the related outcomes.

We acknowledge that no complaints were submitted to the Board of Statutory Auditors during the year.

2.6 Disclosure 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 2019 by the Internal Audit Function;
- on the occasion of the redefinition of the composition of the Board of Directors resolved by the Shareholders' Meeting of 29 April 2019, the Board of Statutory Auditors expressed a favourable opinion on the determination of the emoluments attributed to the new members of the Board of Directors, including those attributed to the independent Directors as members of the Internal Audit Committees.

2.7 Disclosure of the frequency and number of meetings of the Board of Directors, the Internal Control Committees, the Executive Committee and the Board of Statutory Auditors.

The Board of Statutory Auditors planned its activities in a manner appropriate to the overall system of controls for which it is responsible and carried out its supervisory activities through 11 meetings and maintaining a constant and adequate connection

with the Internal Audit, Risk Management, Compliance, Anti-terrorism/Anti-Money Laundering and Actuarial functions.

We also met with the Chief Executive Officer/General Manager and the heads of the Company's main corporate functions and liaised with the Independent Auditors.

The Board of Statutory Auditors also duly attended all 14 meetings of the Board of Directors, all 5 meetings of the Control and Risk Committee, 1 meeting of the Remuneration Committee² 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 adequate information on the general performance of operations and its outlook, as well as on the most significant transactions, due to their size or characteristics, carried out by the Company.

In particular, the decision-making process of the Board of Directors appeared to us to be correctly inspired by respect for the principle of informed action.

In this regard, we point out that we have acknowledged the process aimed at "evaluating the size, composition and functioning of the Administrative Body as a whole, as well as its Committees". The self-assessment process carried out, as mentioned above, showed, in general terms, that the Board of Directors operates in a substantially adequate manner and consistent with its mandate, noting also the adequacy of the measures adopted during the year and being implemented following the areas of improvement that have emerged. Among the measures adopted in this regard, we

² The meetings referred to the Internal Committees refer to the activity carried out by the latter since their establishment, 30 May 2019, throughout the second half of 2019.

would highlight in particular the implementation, during 2019, of a training plan for the members of the Board of Directors aimed at ensuring that the Board 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 Comments on compliance with the principles of proper administration.

We have acquired knowledge and supervised, to the extent of our competence, compliance with the fundamental criterion of sound and prudent management of the Company and the more general principle of diligence, all on the basis of our participation in the meetings of the Board of Directors, of the Internal Control Committees and of the Executive Committee, of the documentation and timely information received directly from the various Management Bodies as well as through the meetings held with Top Management, with regard to the transactions carried out by the Company.

The information acquired enabled us to ascertain that the actions decided and implemented were in compliance with the law and the Articles of Association and that they were not manifestly imprudent or risky.

We found that the Company has adopted a suitable risk management policy, of which the report on operations highlights in detail.

As a further clarification, during the year the Company was subject to the management and coordination of the Insurance Parent Company Amissima Holdings S.r.l., and in this regard we have noted compliance with art. 2497 ter of the Italian Civil Code.

2.9 Comments on the adequacy of the organisational structure.

We have monitored the adequacy of the Company's organisational structure, closely monitoring proposals for changes in the organisational structure which have been brought to the attention of the Board of Directors from time to time.

During 2019, the Board of Directors continued to adapt the organisational structure in line with the evolution of the Company's governance structure and business model. In this regard, it seems useful to note the establishment of the Data Governance Committee as an organisational body to evaluate and monitor the governance system for data and information relating to the preparation of Solvency and Best Estimate Liabilities reports, the establishment of the Privacy organizational unit, the reorganization of the ICT service, the reorganization of the organizational unit responsible for the control of the distribution network in order to provide greater control over the activities referred to in IVASS Regulation no. 40/2018.

As already mentioned, the Board also established the post of Deputy General Manager, appointing the CFO in this regard and giving him further supervision of the Investment, Bancassurance and Technical Departments.

The Board of Directors continued to monitor the adequacy of the organisational structure, intervening from time to time with possible reinforcements where deemed necessary.

We verified the existence of suitable actions by the Company to provide the necessary training for employees and the agency network.

Also in 2019, reorganisation activities continued with the aim of improving production processes, requalification and/or enhancement of resources with qualifications and

specific sectorial technical knowledge; the training plan took into account the indications given by the various company departments, the needs arising from organisational changes and the regulatory scenario, with particular reference to the IDD and Cyber Security regulations. The technical-professional updates for the company structures mainly concerned the Claims, Internal Audit and Information Technology areas.

2.10 Comments on the adequacy of internal control and anti-money laundering and anti-terrorism systems.

We have supervised the internal control system. We believe that this system, which is constantly improving, is on the whole adequate with respect to the Company's management characteristics and meets the requirements of efficiency and effectiveness in monitoring risks and in compliance with internal and external procedures and provisions.

In particular, we supervised the system of first, second and third level internal controls and in compliance with the provisions of the Regulations of the Supervisory Authority.

It should be noted that, in accordance with the provisions of the IVASS Regulation no. 38/2018, which requires the designation within each Control Function of a Holder to whom the overall relevant responsibility must be assigned, the Board of Directors' meeting of 27 February 2019 noted that the figure of the internal "contact person" can no longer be applied and, therefore, for the purposes of progressive adaptation 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, Risk

Management and Anti-Money Laundering/Anti-terrorism functions at the Parent Company and to activate the "partial secondment" of the current managers.

We believe that the Internal Audit, Risk Management, Compliance and Anti-terrorism/Anti-Money Laundering functions meet the requirements of competence, autonomy and independence and that, together with the other Organizational Bodies and Units to which a control function is assigned, they cooperate with each other by exchanging information useful for the performance of their respective duties.

With specific reference to the Internal Audit Function, we evaluated, in a specific audit meeting, the proposals concerning the planning of the activities planned for 2019, approved by the Board of Directors on 31 January 2019.

The activities of the Internal Audit Function are carried out in the context of the Policy of the Parent Company on Internal Audit, approved in the latest version by the Board of Directors on 30 July 2019. The Function adopts the operating methodology and audit tools referred to in the Regulations of the Function, last submitted to the Board of Directors on 26 September 2019. The operating methods are based on the use of an approach based on the evaluation of controls and oriented towards the risks inherent in company processes, which allows the formulation of an opinion on the adequacy of the Internal Control System.

We ascertained, by means of 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 methodologies and assumptions used in the calculation of reserves with respect to the specific nature of the various lines of business.

For 2019, the intra-group agreement concerning the centralization of the Actuarial Function at the Insurance Parent Company has been maintained, in view of the continuation of the outsourcing of the same Function by Amissima Holdings S.r.l. to the De Angelis-Savelli & Associati Actuarial Firm; in this regard, it should be noted the acceptance by the Supervisory Authority of the request for extension of the terms set out in IVASS Regulation no. 38/2018 for the re-internalisation of the Function, which, as already mentioned, will be implemented from 1 January 2021 on the basis of a re-internalisation plan approved by the Board of Directors during the meeting of 24 October 2019.

The Board of Statutory Auditors has constantly monitored the activities carried out by the Actuarial Function through the evaluation of the periodic reports that it has submitted to the Board of Directors on a quarterly basis.

The Board of Statutory Auditors also verified the implementation by the Board of Directors, also through the relevant organisational units, of the suggestions made over time by the Actuarial Function.

2.12 Comments on the administrative liability of legal persons pursuant to Legislative Decree no. 231 of 8 June 2001.

The Organisation, Management and Control Model pursuant to Legislative Decree 231/01, including the Code of Ethics, already approved by the Administrative Body, is being updated to take into account the continuous regulatory updates on the subject, process and organisational changes since the last revision, as well as the suggestions made by the Supervisory Body pursuant to Legislative Decree 231/01.

As of May 3, 2018, the Board of Directors assigned the task of the Supervisory Body pursuant to Legislative Decree 231/01, for the three-year period 2018-2020, to the Board of Statutory Auditors of the Company, confirming to its members the broadest authority and powers to carry out the activities contemplated in the Organization Model adopted, including the right to be supported by the Internal Audit Department and an external lawyer for purely criminal profiles.

2.13 Comments on the adequacy of the administrative-accounting system and its reliability in correctly representing management events.

We have assessed, within the scope of our competences, the reliability of the administrative and accounting system to correctly reflect and represent operating events, both by obtaining information from the heads of the various Functions and through contacts with the Independent Auditors and the analysis of the results of the work carried out by the same.

2.14 Comments on the activity of the Independent Auditors and any relevant aspects that have emerged.

The Board of Statutory Auditors has had meetings and exchanges of information with the Independent Auditors during which no significant aspects worthy of comment in this

report emerged, not even with reference to the periodic audits carried out by the same, pursuant to Article 14, paragraph one, letter b) of Legislative Decree no. 39 of 27/01/2010.

We have acknowledged the adequacy of the audit plan 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 controlling bodies of investee companies/subsidiaries.

It is acknowledged that during the course of the financial year the Chairman of the Board of Statutory Auditors contacted the Chairman of the similar Body of the investee company 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 to the Company by the Supervisory Authority; in this regard, it should be noted that on 13 September 2019, IVASS notified Amissima Assicurazioni S.p.A. of the inspection report concerning the results of the inspections conducted by the Authority in the period between 18 February 2019 and 17 May 2019.

In view of the fact that some of the findings made against Amissima Vita S.p.A. may also be relevant to the Group as a whole and to the Company, given the governance structure of the Group, IVASS notified the Company and the Parent Company of a letter on the same date, recalling the letter notified to Amissima Vita S.p.A., where applicable.

In response to the above-mentioned documents, the Company, in agreement with the Parent Company Amissima Holdings S.r.l. and after assessment by the Administrative Bodies, sent IVASS on 14 October 2019 its comments on the observations made by IVASS and the related action plan requested by the latter.

2.17 Final assessments of the supervisory activities carried out and any omissions, reprehensible facts or irregularities detected in the course of these activities.

We acknowledge that our supervisory activity was normal during the year and that no significant facts emerged that would require specific reporting in this report.

3 Fulfilments and activities carried out by the Board of Statutory Auditors in compliance with the provisions of the IVASS Regulations.

In addition to the verifications described above, the Board of Statutory Auditors has carried out, where applicable, further specific verifications, in compliance with the implementation or regulatory provisions of the Supervisory Authority. In this regard, we believe that we should specify the following.

Framework resolution on investments and assets covering technical reserves.

With reference to the provisions of IVASS Regulation no. 24 of 6 June 2016 on investments and assets covering technical provisions, we have carried out the checks provided for in Article 12 by verifying:

- that the general policies were compatible with the current and prospective conditions of the Company's economic and financial equilibrium; with reference to the financial statements under examination, we verified the compliance of the

management acts with the policies indicated in the relevant resolution;

- the consistency of all the transactions carried out in the various financial instruments, loans, assets of an occasional nature and other complex assets with the guidelines set out in the investment policy.

We have 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 restrictions.

On the occasion of the periodic assessments, we verified the freedom from restrictions and the full availability of the assets intended to cover the technical reserves, resorting, also using sample methods, to the acquisition of suitable declarations to this effect by the depositary.

Finally, we completed our checks on the securities by making the necessary cross-checks with the register of assets covering the technical reserves.

With regard to the investment management process, as already mentioned, the Service Agreement between the Company and the companies AAME and AMI, through which these companies (related parties) provide advisory services on the strategic asset allocation of financial assets, continued for the year 2019.

Transactions on derivative financial instruments.

At the end of the financial year, the Company directly held derivative financial instruments "hedging" Italian government securities subject to sale with forward delivery. The securities remained in the portfolio at current book value and coupons and discounts

relating to the security are regularly collected and recorded.

Details of transactions in derivative financial instruments are described in a specific section of the Notes to the Financial Statements.

Complaints.

In accordance with paragraph 4 of art. 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 regarding the handling of complaints.

In particular, the Board of Statutory Auditors monitored the effectiveness and efficiency and the constant further updating of the internal control system and the correctness of the complaint management procedures, monitoring the timing of their handling, the number and composition by branch.

Please note that there was a significant reduction in complaints during 2019 compared to 2018.

Remuneration policies.

The Board of Statutory Auditors, taking into account the provisions of the "Remuneration Policies for Corporate Bodies and Personnel" approved by the Shareholders' Meeting, in relation to the pro tempore 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 did not find any critical issues to report to this Shareholders' Meeting with regard to compliance with existing policies.

Please also note that the Board of Directors proposed to the Shareholders' Meeting of 29

April 2019 a new version of the Remuneration Policies, revised and updated on the basis of the new regulations and the consequent adoption by the Company of a new organisational model on remuneration, a version which was then approved by the Shareholders' Meeting; on the basis of the new policies, the Board of Directors defined the variable remuneration plans for 2019.

4 Reserves.

We received the "Actuarial Report on the technical reserves of the land motor vehicle and maritime, lake and river vehicle (including carrier's liability) liability branches" referred to in article 23-ter, paragraph 2, of IVASS Regulation no. 22/2008, for the financial statements for the 2019 financial year of Amissima Vita Spa issued by Prof. Nino Savelli on 19 March 2020, which concludes as follows: "On the basis of the above I certify the correctness of the procedures and methods followed by the company in calculating the Technical Reserves of the Italian direct portfolio regarding insurance classes 10 and 12 as per article 2, paragraph 3, of legislative decree N 209/2005 as well as the correct determination of the relative estimates that Amissima Vita Spa intends to enter in the financial statements for the 2019 financial year for a sum of € 305. 034 thousand considered, in the opinion of the Actuarial Function, overall sufficient to meet the commitments deriving from insurance contracts in compliance with current laws and regulations and other relevant provisions".

5 Comments and proposals concerning the budget and its approval.

With regard to the control of the regular keeping of accounts and the correct recording of operating events in the accounting records, as well as the verification of

correspondence between the information in the financial statements and the results in the accounting records and compliance of the individual financial statements with the law and the implementing regulations, we remind you that these tasks are entrusted to the Independent Auditors. For our part, we oversaw the general approach given to the financial statements.

In particular, through meetings with the heads of the Functions concerned and with the Independent Auditors, having ascertained in advance the adequacy of the administrative and accounting system to correctly incorporate and represent operating events and to translate them into reliable data systems for the production of external information:

- we verified compliance with the laws and regulations governing 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 standards and indicate the main valuation criteria adopted, as well as information supporting the items in the Balance Sheet and Income Statement, and are accompanied by the related "Attachments";
- we acknowledge that the "Cash Flow Statement" has also been prepared;
- we have ascertained that the financial statements correspond to the facts and information we became aware of following our participation in the meetings of the Corporate Bodies, which allowed us to acquire adequate information on the most significant economic, financial and equity transactions carried out by the Company;
- we have ascertained that the Report on Operations complies with current laws and is consistent with the resolutions adopted by the Board of Directors and 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 exhaustive analysis of the Company's situation, performance and results of operations.

As regards the Solvency Capital Requirement, it should be noted that, as at 31 December 2019, against a Solvency Capital Requirement of 150,513 thousand euro, there were eligible funds of 199,335 thousand euro with a surplus of 48,822 mila thousand euro, which results in coverage of the requirements of 132% (without application of the Volatility Adjustment 115%). It should be noted that, as a result of the subordinated issue made in the first quarter of 2020 mentioned above, the solvency ratio of Amissima Vita S.p.A. as at 31 December 2019 on a pro-forma basis stood at 162%, thus restoring the so-called Soft limit of coverage of the solvency requirement outlined in the Risk Appetite Framework in the latest version approved by the Board of Directors.

With regard to the pandemic spread of Covid-19, the Board of Directors illustrated the actions promptly taken by the Business Continuity crisis group in its report on operations to safeguard the health of all employees and collaborators, guaranteeing business continuity. With regard to the performance of the insurance business for the current year, the Board reported that it could be negatively impacted by the duration and severity of the current health emergency and its impact on the economic cycle and financial markets. In this regard, the Board recommends constant monitoring of the economic and financial performance of the business.

Mr. Shareholder,

In conclusion, with reference to the Financial Statements submitted for your approval, taking into account the share capital and equity reserves and therefore not resorting to the case referred to in Article 2446 of the Italian Civil Code, we express, from the point of view of our competence, our opinion in favour of its approval and acceptance of the proposal formulated by the Board of Directors regarding the carry forward of the net loss for the year resulting from it.

Milan 14 April 2020

The Board of Statutory Auditors

Mr. Francesco Illuzzi, Esq. (Chairman)

Mr. Paolo Delpino

Mr. Guido Marchese