Solvency and Financial Condition Report

Intesa Sanpaolo Vita Insurance Group

31 December 2020

The Insurance Parent Company

Intesa Sanpaolo Vita S.p.A.

Registered office: Corso Inghilterra, 3 – 10138 Turin
Administration offices: Viale Stelvio, 55/57 – 20159 Milan
Turin Companies Register No. 02505650370 – Share capital 320,422,508.00 euro fully paid up
Listed on the Register of Insurance and Reinsurance Companies at no. 1.00066
Parent Company of the Intesa Sanpaolo Vita Insurance Group, listed on the Register of Insurance Groups at no. 28
Company subject to management and coordination by Intesa Sanpaolo S.p.A.

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INTRODUCTION

This "Solvency and Financial Condition Report (the "Report") of the Intesa Sanpaolo Vita Insurance Group" (the "Insurance Group" or the "Group") was prepared in application of the following:

- the public reporting requirements in Articles 290-303 of Title I, Chapter XII of Commission Delegated Regulation 2015/35 of 10 October 2014 ("Commission Delegated Regulation"), supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (the "Directive");
- Commission Implementing Regulation (EU) 2015/2452 laying down implementing technical standards with regard to the procedures, formats and templates of the solvency and financial condition report in accordance with the Directive;
- Regulation no. 33/2016 of IVASS (the Italian Insurance Regulator), on disclosures to the public and to IVASS, which contains additional provisions on the content of the solvency and financial condition report ("Solvency and Financial Condition Report") and on the periodic reports to IVASS ("Regular Supervisory Reports");
- Letter to the Market issued by IVASS on 28 March 2018, which takes into consideration the Assessment of the Solvency and Financial Condition Reporting published by EIOPA on 11 October 2017.
- IVASS Regulation no. 42/2018, on the external review of disclosures to the public.
- IVASS Regulation no. 46/2020 on the transparency of disclosures to the public, and undertakings of institutional insurance investors

At 31 December 2020, the Intesa Sanpaolo Vita Insurance Group was formed by the insurance companies Intesa Sanpaolo Vita S.p.A., Intesa Sanpaolo Assicura S.p.A., Fideuram Vita S.p.A. and Intesa Sanpaolo Life D.A.C., Intesa Sanpaolo RBM Salute S.p.A. and BancAssurance Popolari S.p.A. ("Intesa Sanpaolo Vita", "Intesa Sanpaolo Assicura", "Fideuram Vita", "Intesa Sanpaolo Life", "REM Salute" and "BAP").

It should be noted that the 2019 data of Intesa Sanpaolo RBM Salute S.p.A. and BancAssurance Popolari S.p.A. they have not been included in the UIPC but are shown in the following Report to represent homogeneity of data comparison. 2020 includes data for the entire year.

This Report is accompanied by the reports of the auditing firm engaged by Insurance Group Companies to audit Section D "Valuation for solvency purposes" and sub-section E.1 "Own Funds" and to limited review form sub-section E.2 "Solvency Capital Requirement and Minimum Capital Requirement" according to the provisions of Article 47-septies paragraph 7 of the Private Insurance Code, and QRT S.02.01, S.23.01, S.25.01, S.25.02, S.25.03, S.28.02 in accordance with IVASS Regulation no. 42/2018.

It should be noted that:

- The Intesa Sanpaolo Vita Insurance Group prepares its consolidated financial statements in accordance with IAS/IFRS;
- Intesa Sanpaolo Vita S.p.A., Intesa Sanpaolo Assicura S.p.A., Fideuram Vita S.p.A., Intesa Sanpaolo RBM Salute S.p.A. and BancAssurance Popolari S.p.A. prepare Separate Financial Statements in accordance with Italian accounting standards;

- Intesa Sanpaolo Life D.A.C. prepares its individual financial statements in accordance with IAS/IFRS.

Therefore the amounts taken from the Group Financial Statements and from those of the Group Companies, as shown in this document, follow the above-mentioned accounting standards. Comparative information for 2019 is also included, in accordance with Article 293(2)(3)(4) of the Delegated Regulation.

This Report was approved by the Board of Directors of Intesa Sanpaolo Vita on 4 May 2021, as required by Article 47-decies of the Private Insurance Code.

Annexed to this document is the information on the Quantitative Reporting Template (hereinafter QRT) provided for in Article 4 of the Implementing Regulation (EU) 2015/2452 and subsequently amended by Implementing Regulation (EU) 2017/2189.

The report is published on the companies' websites, respectively:

- www.intesasanpaolovita.it
- www.intesasanpaoloassicura.com
- www.fideuramvita.it
- www.intesasanpaololife.ie
- www.intesasanpaolorbmsalute.com
- www.bancassurance.it

SUMMARY OF CONTENTS

In relation to Article 292 of the Delegated Regulation, this report contains the main evidence on the:

- Action and Development Lines of the Business;
- Activities and results;
- Governance system;
- Risk profile;
- Valuation for solvency purposes;
- Management of the capital of the Group and of its member companies.

Action and Development Lines of the Business

The Intesa Sanpaolo Vita Group reported robust financial results, up by 3.5% over the same period of the previous year, despite the slowdown in commercial performance due to the effects of COVID-19 emergency measures.

2020 was affected by the spread of infection from the Coronavirus, which caused the quickest and deepest global recession in history, suddenly changing the economic, financial and social scenario in which insurance companies operate. The Group's result for 2020 was attained in a volatile market context, affecting the performance of the Life segment. Below are the main aspects observed:

- a considerable reduction in volumes managed in the first quarter, due to the performance of financial markets following the worsening of the health crisis; however, the significant rebound in market confidence, particularly evident in the last two months of the year, allowed for a growth in managed assets compared to the end of 2019;
- from July onwards, returns on government bonds fell rapidly, as a result of initiatives to support the economy at national and European level (recovery fund), and the ECB's emergency programme. A prolonged period of very low or even negative interest rates (lower for longer) can be expected, with consequent repercussions on the future investment strategies of companies.

Against this backdrop, the Group reported gross production equal to approximately 17 billion, down overall by around 5% over the previous year, mainly due to lower sales of unit-linked products, affected by the lockdown and market uncertainty. Gross written premiums were supported by multi-line products (around 30% of the total), and limited amounts of LoB I products for specific segments were placed, in response to a growing demand for guaranteed products. The Non-Life segment was also heavily affected by the decrease in claims and to a lesser extent by collected premiums.

2020 ended with non-life premiums totalling 1.2 billion, down by 4% over 2019. In particular, a decrease was recorded in the motor products and credit products segments (-9% and -30% respectively), only partially offset by a 3% increase in non-motor products (excluding CPI), which are the focus of the 2018-2021 business plan. However, the non-motor retail segment of the bancassurance network reported growth of +31%, confirming the effectiveness of the ISP group's

strategy, that has consolidated synergies in the last few years between bancassurance factories and the bank's retail network.

From a product strategy perspective, the modular product "XME protezione" performed well in 2020; with a view to diversifying the Group's product offering and reaching out to other customer targets, the range of products for businesses was extended with the launch of a collective accident insurance policy. Other types of cover for the corporate segment, including a property/damage/business interruption policy and a liability policy (third-party, employee, product liability), are also being developed.

As for the distribution and after-sales strategy, activities enabling the growth of Intesa Sanpaolo Assicura continued, for operating processes and training for specialists supporting the sales network. The pandemic further consolidated the need to speed up the digitalisation process and develop the recently started digital connection strategy. In this regard, the insurance app was released in the last part of the year, helping the company to evolve towards a service model that increasingly focuses on a combined physical/digital format. The Group also started a process to transition from a "full captive" offering to a capability model with a distribution capability that complements banking networks (the creation of an agency dedicated to the sale of non-standard products to corporate customers, and the development of the direct health channel). In this framework, the acquisition of control of RBM Salute approved by the Board of Directors of Intesa Sanpaolo and Intesa Sanpaolo Vita during December 2019, and completed in May 2020, has made it possible to respond to customers' contingent needs and, above all, focus on providing a standout Healthcare offer, making the most of the capabilities of Intesa Sanpaolo RBM Salute and the extensive structure of ISP networks.

With reference to the Group's governance areas, the guidelines developed during 2020 by the Parent Company Intesa Sanpaolo Vita focussed on the following aspects:

- making changes to the organisational structure, to gradually consolidate oversight of control processes, the core business and support for business needs. In particular, dedicated units, which are part of the core functions, have been set up for the Life and Non-Life Businesses, also to manage new activities related to the integration of ISP RBM Salute;
- following the health emergency related to COVID-19, the Insurance Group further consolidated the digitalisation process, to ensure the continuity of essential services to customers and critical company processes. For this reason, the Insurance Group has planned a number of project initiatives, to prepare it for the digital challenge of the next few years and to become a best-in-class company for the services and products it offers its customers;
- updating the ICT strategic plan launched in 2019, which is based on streamlining systems by coordinating all Insurance Group companies, the digital evolution of businesses and starting initiatives to make cyber security even more robust;
- activities to adopt a single integrated accounting system for the Group as part of the programme to adopt IFRS 17, which will come into force on 1 January 2023, were finalised.
- following the acquisition of control of Intesa Sanpaolo RBM Salute, a three-year project was launched to integrate the newly acquired subsidiary in the Intesa Sanpaolo Vita Group.

As regards the above, Intesa Sanpaolo Vita at the date of approval of the Solvency Financial Report:

- had maintained an extremely significant position on the domestic life market, and through its subsidiaries continued to expand in the non-life market, also through the acquisition of the new company Intesa Sanpaolo RBM Salute;

- had supported the network and therefore the commercial business when the market conditions were complicated, also through promotions, such as the launch of a life insurance product associated with a protection product
- had continued to implement a policy of reducing risks and consolidating the Internal Control System.

Besides the acquisition of RBM Salute S.p.a., Intesa Sanpaolo Vita signed a memorandum of understanding in February 2021 with BNP Paribas Cardif, containing the essential elements of a subsequent final agreement that will govern the acquisition of 100% of Cargeas Assicurazioni S.p.A., a non-life insurance company operating in bancassurance, mainly through the UBI Banca S.p.A. banking network, via the company BancAssurance Popolari S.p.A.. The final agreement is expected to be signed and the transaction completed in the first half of 2021, and is subject to necessary authorisations from the competent authorities. The purchase price of 390 million euro will be paid in full when the transaction is finalised. BNP Paribas Cardif is a global supplier of insurance services, including the non-life segment in Italy, and will continue to propose its entire product range for the BNP Paribas Group and for other partners.

Section A of this document illustrates the work done and the results achieved by the Group and by each company. The quantitative information required by the applicable Solvency regulations is each Separate Financial Statements prepared in accordance with Italian accounting standards.

With reference to the consolidated financial statements of the Insurance Group, prepared in accordance with IAS/IFRS, and to the separate financial statements prepared in accordance with Italian accounting standards, below are the main indicators for 2020:

(euro millions)

Income Statement	2020	2019	Change	
Intesa Sanpaolo Vita Group				
Gross Written Premium	18,295.0	18,609.0	-314.0	-1.7%
Net Profit IAS/IFRS of Group	701.0	681.4	19.6	2.9%
Individual Balance Sheet				
Net Profit ISV	248.8	690.4	-441.6	-64.0%
Net Profit ISA	121.2	78.1	43.1	55.2%
Net Profit ISL	150.1	130.7	19.4	14.8%
Net Profit FV	58.1	102.4	-44.3	-43.3%
Net Profit RBM	61.9	45.2	16.7	36.9%
Net Profit BAP	4.1	10.3	-6.2	-60.2%

Group Data	2020	2019	Change	
Number of Life Contract	4,454,430	4,396,745	57,685	1.3%
Number of Non Life Contract	3,282,245	3,207,585	74,660	2.3%
Number of Human Resource	1,030	875	155	17.7%

below are details of the main indicators relating to the Solvency regulations for the Group and also for each company.

(euro millions)

		Intesa Sanpaolo Vita	Intesa Sanpaolo Assicura	Fideuram Vita	Intesa Sanpaolo Life	Intesa Sanpaolo RBM Salute	BancAssurance Popolari	Intesa Sanpaolo Vita Insurance Group
A.	Solvency Capital Requirement (SCR)	3,445.4	236.7	440.5	531.2	143.3	74.6	3,957.3
B.	Minimum Capital Requirement (MCR)	1,550.4	106.5	198.2	239.0	35.8	33.6	2,163.6
C.	Eligible Own Funds to meet the SCR	7,409.7	733.8	1,214.7	1,553.6	387.0	143.2	8,848.7
D.	Eligible Own Funds to meet the MCR	6,466.8	733.8	1,098.2	1,553.6	387.0	143.2	7,872.2
C. / A.	Ratio Eligible Own Funds on SCR	215%	310%	276%	292%	270%	192%	224%
D. / B.	Ratio Eligible Own Funds on MCR	417%	689%	554%	650%	1080%	427%	364%

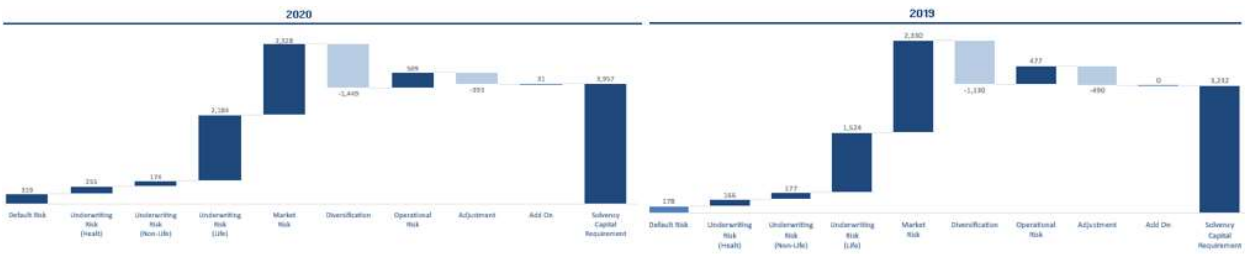
The Insurance Group's governance system is in proportion to the nature, extent and complexity of its business activities and relative risk profile, as indicated in more detail in Section B of this document.

The Group's risk management system covers each insurance company, as described in **Section C**. The risk management system is formalised by means of the internal regulation policies issued by each company according to the guidelines of the Ultimate Italian Parent Company (hereinafter the UIPC) in accordance with Article 30-bis(4) of the Private Insurance Code.

Special attention is paid to the major risks that could undermine the solvency of each company, or that could affect the objectives set by the Resolution on risk appetite. The main objective of the risk management system is to guarantee the capacity to fulfil obligations towards policyholders, beneficiaries, injured parties and stakeholders in general.

With reference to the risks measured for the purpose of quantifying the Insurance Group's regulatory capital requirement, the contribution of each risk compared to the total solvency capital requirement is shown below.

Composition of the solvency capital requirement (in millions of euro)



The solvency capital requirement of the Insurance Group at 31 December 2020 was 3,957 million euro.

The MCR is calculated on the basis of the provisions of Chapter VII of the Delegated Acts, and amounts to 2,164 million euro.

Evidence of levels of eligible own funds and the solvency capital requirement of the Insurance Group, with and without the Volatility Adjustment is reported below.

(euro millions)

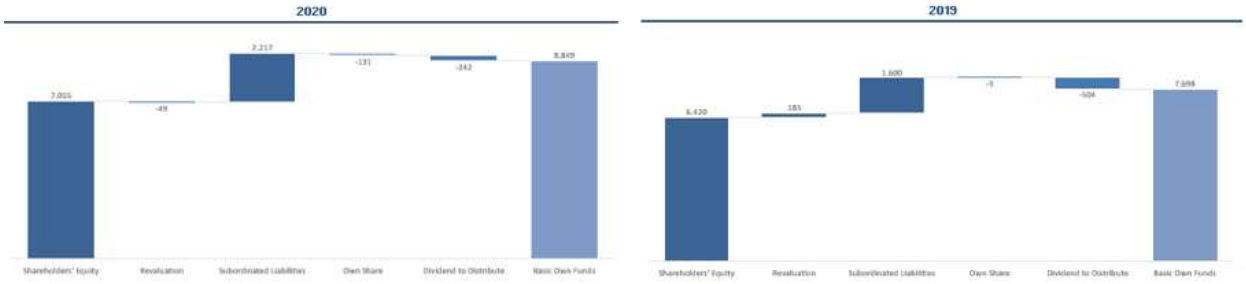
	No VA	VA
Eligible Own Funds	8.670,3	8.848,9
Solvency Capital Requirement	4.198,3	3.957,3
Solvency ratio	207%	224%

With reference to **Section D**, assets have been valued in accordance with IAS/IFRS, in line with the valuation approach referred to in Article 75 of Directive 2009/138/EC ("Directive").

To determine the own funds available to cover the solvency capital requirement, each company is required to prepare its own Solvency Report, according to the principles outlined above. This is different from the annual financial reports and is used to quantify the own funds to be included in the calculation of the solvency ratio of the Insurance Group and of the individual insurance companies.

The own funds of the Insurance Group compared to the shareholders' equity in the Consolidated Financial Statements of the Insurance Group at 31 December 2020 and at 31 December 2019 are represented below.

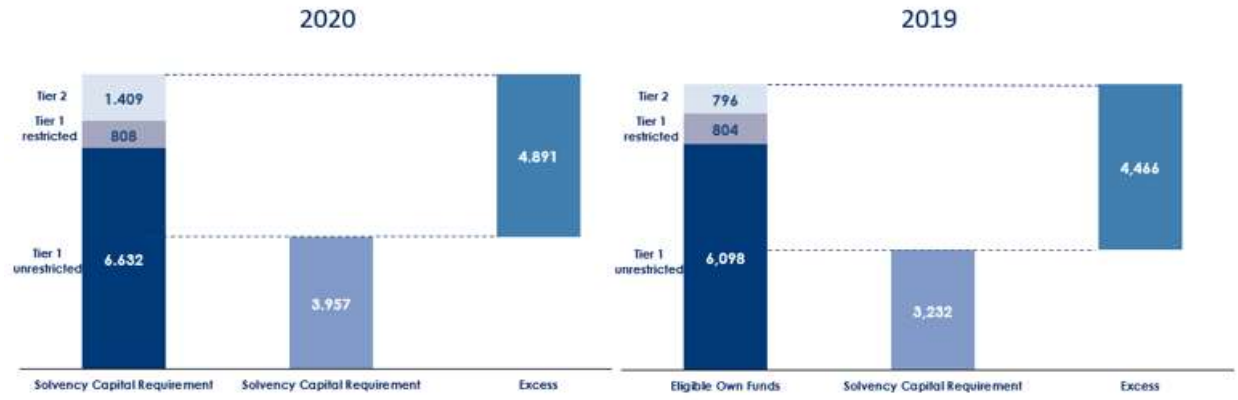
From Shareholders' Equity to Solvency II Own Funds (in millions of euro)



Section E, entitled "Capital Management", focuses on representing the solvency position of the Insurance Group and of each company in its consolidation perimeter.

Below is a comparison between Own Funds and the Solvency Capital Requirement of the Insurance Group at 31 December 2020 and at 31 December 2019.

Comparison between Own Funds and solvency capital requirements (in millions of euro)



The value of eligible own funds to cover the Solvency Capital Requirement at Group level is equal to 8,849 million euro, of which 6,632 million euro classifiable as Tier 1 unrestricted, 808 million euro as Tier 1 restricted and approximately 1,409 million euro as Tier 2. Controls on tiering for the eligibility of own funds to cover the solvency capital requirement did not identified the need to make reductions compared to the level of own funds available.

The value of eligible own funds to cover the Minimum Solvency Capital Requirement at Group level is equal to 7,872 million euro, of which 6,632 million euro classifiable as Tier 1 unrestricted, 808 million euro as Tier 1 restricted and approximately 433 million euro as Tier 2. Controls on tiering for the eligibility of own funds to cover the minimum solvency capital requirement did not identify the need to make reductions compared to the level of own funds available. In particular, a reduction of approximately 977 million euro for the Tier 2 component was observed.

DISCLOSURE ON THE EFFECTS OF COVID-19

The UIPC responded to the emergency extremely quickly, immediately putting in place a large number of initiatives designed to protect the health of people in the Intesa Sanpaolo Group and its customers, and ensure business continuity and combat the effects of COVID-19 at a social and economic level.

The initiatives adopted for business continuity and to protect health were based on the following areas of action:

- risk prevention in the workplace;
- the adoption of flexible working on a large scale;
- the consolidation of remote contact channels with customers and initiatives to encourage digital interaction;
- the consolidation of IT security measures to reduce the risk of attempted fraud against customers;
- the review of operating processes.

Many of the above actions quickly changed from a tactical logic - to guarantee a prompt response to the emergency - to a strategic vision focussed on steering structural change in the work organisation, company processes, interaction with customers, business opportunities and related risk management.

A. ACTIVITIES AND RESULTS

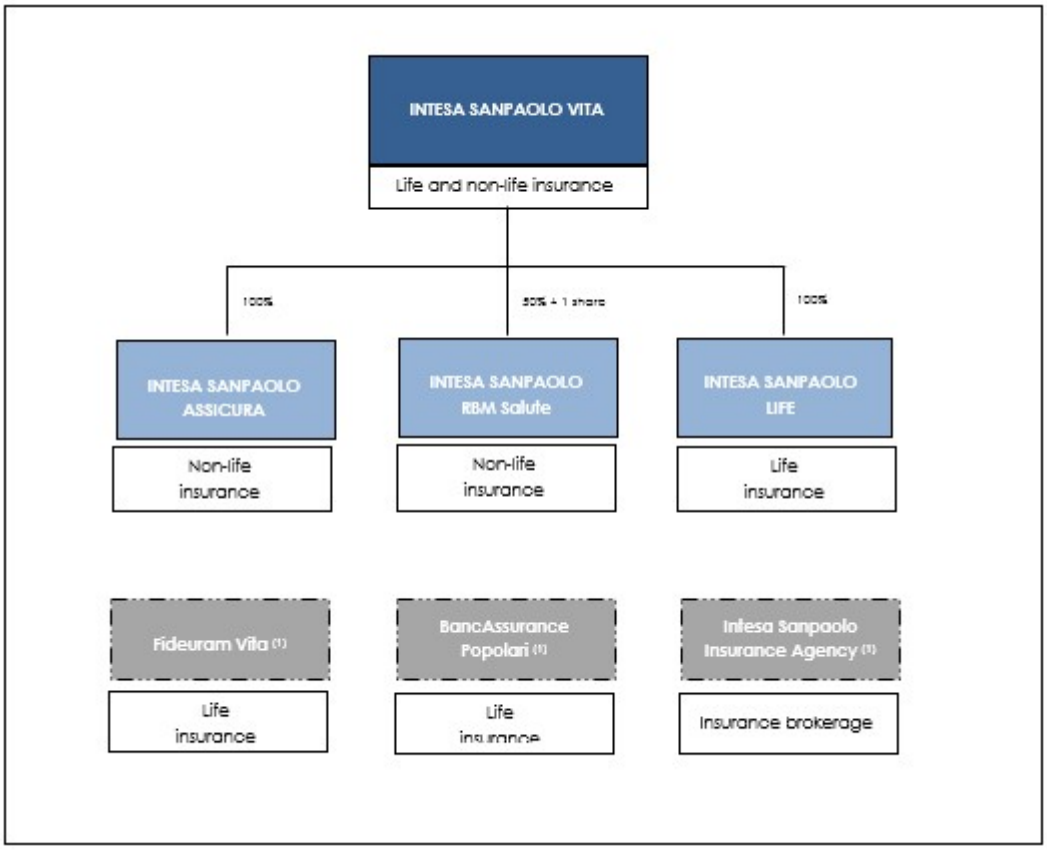
A.1 ACTIVITIES

Intesa Sanpaolo Vita Insurance Group

With reference to the QRT S.32.01 annexed to this Report, a list is given of the individual companies in the Insurance Group.

The Insurance Group is registered with the Register of Insurance Groups kept by IVASS (registration number 28).

The Group structure at 31 December 2020 is represented below:



(1) The company is consolidated through unitary management, as it is managed and coordinated by Intesa Sanpaolo Vita pursuant to Article 96 of the Insurance Code (Legislative Decree 209/2005).

In terms of management and coordination activities, the Insurance Parent Company provides the Group entities with strategic guidelines and governs the monitoring and supervising activities, to ensure sound and prudent management.

The Insurance Group operates in the Life insurance and Pension segments, with a leading position on the Italian market, as well as in the non-life segment, through its subsidiaries Intesa Sanpaolo Assicura and Intesa Sanpaolo RBM Salute. The data for production referred to the 2020 financial

year and compared with the previous financial year, prepared according to IAS/IFRS, are presented below.

(in milioni di euro)

Dati operativi	2020	2019	Variazione	
Gross Written Premium Life	17,099.3	17,937.3	-838.0	-4.7%
- Insurance products without DPF	2,871.9	2,233.3	638.6	28.6%
- Insurance products with DPF	7,185.4	7,390.6	-205.2	-2.8%
- Financial products without DPF	7,042.0	8,313.4	-1,271.4	-15.3%
Non-life gross written premiums	1,196.4	671.7	524.7	78.1%
Life new business	16,761.1	17,660.2	-899.1	-5.1%
Net insurance benefits and claims	11,329.7	11,206.7	123.0	1.1%
NET PRODUCTION	5,431.4	6,453.5	-1,022.1	-15.8%

The parent company Intesa Sanpaolo Vita mainly works with the banking network of the Intesa Sanpaolo Group to distribute its own insurance, savings and investment products, as well as creditor protection and pension products, both through the traditional banking network and through Branches online.

For residual dimension portfolios, the Company also has agreements in place for the management and sale of insurance-related savings and investment products, as well as pension products with intermediaries not belonging to the Intesa Sanpaolo Group

To distribute its own products, Intesa Sanpaolo Assicura prioritises working with the network of Banca dei Territori branches of the Intesa Sanpaolo Group, supporting branch managers providing over 200 "Protection Specialists" to assist them. The Company also relies on the financial advisor networks of the Fideuram Group - Intesa Sanpaolo Private Banking that directly distribute products, and also have management-only agreements with extracaptive banks. To propose the range of the new Corporate area, Intesa Sanpaolo Assicura works with leading insurance brokers.

As regards Fideuram Vita, the Company is assisted by a network of more than 5,500 financial advisors and private bankers in all regions and main cities of Italy, belonging to Fideuram S.p.A., Sanpaolo Invest Sim and Intesa Sanpaolo Private Banking, to distribute its products.

Lastly, Intesa Sanpaolo RBM Salute's business model is based above all on collective policies in the Contractual Welfare, Employee Benefits and Public Entities segment.

As regards Intesa Sanpaolo RBM Salute's retail business, mainly developed through non-exclusive agents and bancassurance channels, the trend of premiums was in line with the previous year.

The bancassurance business line is central to the strategy for developing a widespread, supplementary healthcare model and, in this context, Intesa Sanpaolo RBM Salute has consolidated relations with various local banks, that have already proven to be more effective at placing this type of product. The Group consolidated its presence in Emilia-Romagna, thanks to the merger of BCC Gradara with BCC Rimini and the development of the business with Cassa Ravenna. With a view to providing integrated savings and protection products, the Company has defined an agreement for cooperation with Banca IBL, through the Agency IBL Assicura.

At 31 December 2020, the Group recorded a consolidated shareholders' equity of 7,054.9 million euro, including net profit of 753.5 million, compared to an opening equity of 6,727.2 million euro.

Pursuant to Article 8 of IVASS Regulation no. 30/2016 and, along with the central structures of Intesa Sanpaolo, the Insurance Group governs the intragroup transactions included in the Framework resolution of these transactions, updating a list of counterparties that also includes the associate companies of the Intesa Sanpaolo Group:

1. Insurance Group companies;
2. Companies controlled by Intesa Sanpaolo not belonging to the Insurance Group;
3. Companies that are associates of Intesa Sanpaolo not belonging to the Insurance Group.

According to the above-mentioned framework resolution, it should be noted that each Insurance Group company:

- carries out intragroup transactions in accordance with principles of sound and prudent management, and does not carry out any operation that could adversely affect the solvency of the Insurance Group and companies involved, or that could harm the interests of the insurance companies involved (Article 6(1));
- conducts intragroup operations under market conditions, as the carrying out of operations under non-market conditions is only permitted on an exceptional basis, under application of the regulations concerning operations to be reported to IVASS "in all circumstances" (Article 6(2));
- has, within its corporate governance system, adequate risk management and internal control systems, which must be structured both at individual company level and at group level, for the constant supervision of all intragroup operations (Article 7(1));
- adopts a specific framework resolution for intragroup operations – this is reviewed at least annually by the Management Board, and its object is to obtain a specific policy in line with the investments strategy and related policies, to define the terms and conditions of intragroup operations and to identify the criteria and categories of significance, highly significant and reportable transactions based on the potential impact on solvency and risk profile, and in relation to the type of operation and counterparty (Article 8);
- reports to IVASS, through the UIPC Intesa Sanpaolo Vita, on "material" intragroup transactions on an annual basis, on "highly significant" transactions on a monthly basis, and on transactions "in all circumstances" as promptly as possible.

Intesa Sanpaolo Vita S.p.A.

Intesa Sanpaolo Vita S.p.A.
Company exercising the insurance business in the Life and Non-life segments
Share capital: euro 320,422,508.
Head office in Turin, Corso Inghilterra 3. Administration offices in Milan, Viale Stelvio 55/57.
Tax identification and registration with the Turin Companies Register, number: 02505650370.
A registered insurance and reinsurance company, number: 1.00066.
Parent Company of the Intesa Sanpaolo Vita Insurance Group.

For a graphic representation of Intesa Sanpaolo Vita's position within the Insurance Group, refer to the illustration of the Insurance Group structure, shown above.

Company subject to management and coordination by Intesa Sanpaolo S.p.A. ("Intesa Sanpaolo"), which holds 99.985% of the share capital. Intesa Sanpaolo, a listed company, has its head office in Turin, Piazza San Carlo 156, and a secondary office in Milan, Via Monte di Pietà 8. It is listed on the register of banks at no. 5361 and is the Parent Company of the Intesa Sanpaolo Banking Group.

The Supervisory Authority in charge is IVASS, headquartered in Rome, Via Del Quirinale 21 – 00187.

The firm responsible for the statutory auditing of the accounts is KPMG S.p.A. headquartered in Milan, Via Vittor Pisani 31.

Intesa Sanpaolo Vita operates nationwide, thanks to the retail network of the Intesa Sanpaolo Banking Group. Its offer is mainly directed to retail customers, households, and small and medium businesses. Through Fideuram Intesa Sanpaolo Private Banking, Intesa Sanpaolo Vita also offers its insurance services to private customers.

The company operates in the following areas of activity:

A. Non-life insurance obligations:

- Medical costs insurance;
- Income protection insurance.

B. Life insurance obligations:

- Insurance with profit participation;
- Index-linked and unit-linked insurance including policies with pension content;
- Other forms of Life insurance, namely pure risk products.

During 2020, the Company continued to focus on the objectives of the 2018/2021 Business Plan, guaranteeing the development of activities aimed at process efficiency and implementing requirements of changes to the regulatory framework.

Intesa Sanpaolo Vita ended 2020 with a profit of 248.8 million euro, down 64% on profit for 2019 which was equal to 690.4 million euro. This dynamic is mainly attributable to the impacts from the performance of financial markets due to the COVID-19 health emergency, which set off a deep global recession.

As in previous years, the company carried out some ordinary transactions with companies in the Intesa Sanpaolo Group. These transactions took place under arm's-length conditions, based on

reciprocal financial valuations. The company did not carry out any atypical or unusual transactions during the period, nor any intragroup, related party or third party transactions.

The following intragroup transactions were significant in 2020 for the purposes of IVASS Regulation no. 30/2016:

- payment of an extraordinary reserve equal to 504 million euro to Intesa Sanpaolo;
- the issue of a subordinated loan for a nominal amount of 600 million euro, classified as Tier 2 for solvency requirement purposes.

Intesa Sanpaolo Assicura S.p.A.

Intesa Sanpaolo Assicura S.p.A.
Company exercising the insurance business in the Non-life segment.
Share capital: euro 27,912,258.
Head office and General Management in Turin, Corso Inghilterra 3. Administration offices in Turin, San Francesco 3, and in Milan, Viale Stelvio 55/57.
Tax identification and registration with the Turin Companies Register, number: 06995220016.
A registered insurance and reinsurance company, number: 1.00125.

Intesa Sanpaolo Assicura S.p.A, is wholly owned, directed and coordinated by Intesa Sanpaolo Vita S.p.A., and belongs to the Insurance Group.

For a graphic representation of Intesa Sanpaolo Vita S.p.A.'s position within the Insurance Group, refer to the illustration of the Insurance Group structure.

The Supervisory Authority in charge is IVASS, headquartered in Rome, Via Del Quirinale 21 – 00187.

The firm responsible for the statutory auditing of the accounts is KPMG S.p.A. headquartered in Milan, Via Vittor Pisani 31.

Intesa Sanpaolo Assicura operates nationwide, mainly through the branches of the Intesa Sanpaolo Group to distribute its own products. To achieve its goal of becoming one of the first four insurance Groups in the non-life segment in Italy and the first for non-motor retail products, Intesa Sanpaolo Assicura has launched strategies to improve the products and services offered to its customers. In 2018, a new multi-channel offering was launched. The "XME Protezione" product offers a wide range of non-motor insurance cover for Customers and their families. The product is modular, so guarantees can be customised, also based on the priority of needs, both on initial sale and during the life of the contract. Moreover, since 2018, the offering dedicated to SMEs has been expanded, with the launch of the new product "Tutela Business Manifattura" (manufacturing cover) and additional services have been launched with the XME Salute health policy. Lastly, during 2018, Data Analytics methodologies began to be used, to identify customer needs more effectively, and offer customised financial conditions. All of the above actions were confirmed in the year just ended.

2020 was affected by the need to take prompt action to respond to issues related to the COVID-19 pandemic - regarding the range of products for personal/family protection and credit protection, and at the same time to respond to the commitments of the business plan and market demand, offering an enhanced range for the corporate segment thanks to the launch of a collective accident insurance product in June, and the launch of property, liability and collective accident Insurance products placed through the Broker channel.

In its infrastructural projects, the company is committed in particular to activities relating to the new "New-ISA" back-end system, and continued to take an active part in the banking Parent Company's integrated multichannel project, which will give customers a multichannel experience, also optimising and streamlining the operating efficiency of processes.

The company operates exclusively in the Non-life segment, in the following areas.

Non-life insurance obligations:

- Medical costs insurance;
- Income protection insurance;
- Motor vehicle liability insurance;
- Other motor insurance;
- Marine, aviation and transport insurance;
- Fire and other damage to property insurance;
- General liability insurance;
- Credit and suretyship insurance;
- Legal expenses insurance;
- Assistance;
- Miscellaneous financial loss.

There were no significant events that impacted the company's business during 2020. Premiums collected in 2020 totalled approximately 700.5 million euro, up by 4 % compared to the final figure for 2019 (670.9 million euro).

The increase in premiums issued was mainly due to Health and Accident products (+47.9% compared to the previous year), and Business products (up 38.9% compared to the previous year), while premiums for Credit Protection products fell by 30.5%. The Loss Ratio, which is a primary indicator of the cost effectiveness of the technical management of a non-life insurance undertaking, was equal to 32% in 2020, down by 4% compared to 36% in 2019. The group's Non-life company carried out various ordinary transactions with companies in the Intesa Sanpaolo Group. These transactions took place under arm's-length conditions, based on reciprocal financial valuations. The company did not carry out any atypical or unusual transactions during the period, nor any intragroup, related party or third party transactions.

The following intragroup transactions were relevant in 2020 for the purposes of IVASS Regulation no. 30/2016:

- the payment by Intesa Sanpaolo SmartCare S.r.l of expenses relating to the inserts used in the "Viaggia con me" products package for an amount equal to 8.7 million euro;
- the payment of some expenses relating to outsourced personnel from Intesa Sanpaolo Vita, for an amount equal to 7.4 million euro;
- the payment of some expenses relating to outsourced personnel from Intesa Sanpaolo, for an amount equal to 9.7 million euro;

Fideuram Vita S.p.A.

Fideuram Vita S.p.A.
Company exercising the insurance business in the Life segment.
Share capital: euro 357,446,836.
Head office in Rome, Via Ennio Quirino Visconti 80.
Tax identification and registration with the Rome Companies Register, number: 10830461009.
A registered insurance and reinsurance company, number: 1.00175.

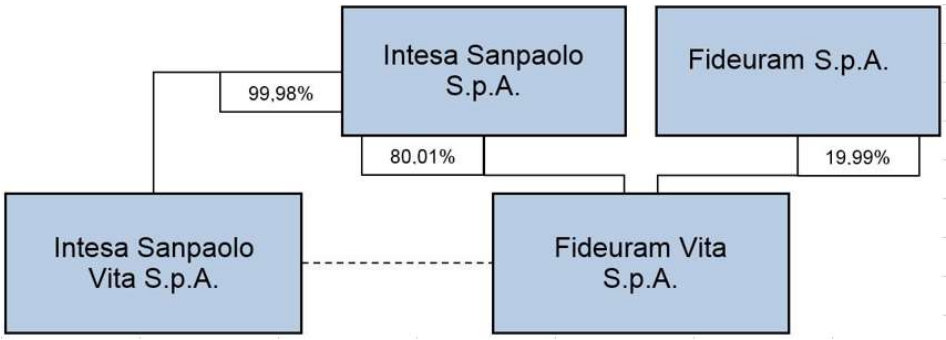
Fideuram Vita S.p.A. is held 80.01% by Intesa Sanpaolo S.p.A. and 19.99% by Fideuram-Intesa Sanpaolo Private Banking S.p.A., in brief Fideuram S.p.A.. Both companies have their registered office in Turin, Piazza San Carlo 156. The secondary office of Intesa Sanpaolo S.p.A. is in Milan, Via Monte di Pietà 8. The secondary office of Fideuram S.p.A. is in Milan, Via Montebello 18.

Fideuram Vita belongs to the Intesa Sanpaolo Vita Insurance Group, and is directed and coordinated by Intesa Sanpaolo Vita, as the Insurance Group Parent.

The Supervisory Authority in charge is IVASS, headquartered in Rome, Italy, in Via Del Quirinale 21 – 00187.

The firm responsible for the legal accounts auditing is KPMG S.p.A. headquartered in Milan, Via Vittor Pisani 31.

Below is a graph illustrating the company's position within the Intesa Sanpaolo Group:



------- Fideuram Vita S.p.A. is part of the regulatory consolidation area of the Insurance Group, for the purposes of Article 96 of Legislative Decree 209/2005 – Private Insurance Code, although it has no participatory control by Intesa Sanpaolo Vita S.p.A.

Fideuram Vita operates nationwide, thanks to an extensive retail network of private bankers in every major Italian city and region, belonging to Fideuram - Intesa Sanpaolo Private Banking, Sanpaolo Invest and Intesa Sanpaolo Private Banking.

Fideuram Vita operates exclusively in the Life segment, in LoB I, III, V and VI and offers the following solutions and products:

Life insurance obligations:

- Insurance with profit participation;
- Index-linked and unit-linked insurance including policies with pension content;
- Other life insurance.

Fideuram Vita ended 2020 with a net profit of 58.1 million, realised in a context where the financial markets were affected by considerable volatility due the COVID-19 health crisis, impacting the life segment, in particular due to the following aspects

- despite the reduction in volumes managed, particularly in the first quarter due to the performance of financial markets following the worsening of the health crisis, the significant rebound in market confidence, particularly evident in the last two months of the year, allowed for a growth in managed assets compared to the end of 2019;
- from July onwards, returns on government bonds fell rapidly, as a result of initiatives to support the economy at national and European level (recovery fund), and the ECB's emergency programme.

Fideuram Vita carried out various ordinary transactions with companies in the Intesa Sanpaolo Group. These transactions took place under arm's-length conditions, based on reciprocal financial valuations. The company did not carry out any atypical or unusual transactions during the period, nor any intragroup, related party or third party transactions.

The following intragroup transactions were significant in 2020 for the purposes of IVASS Regulation no. 30/2016:

- the sale of securities to counterparties of the Intesa Group on own account and on account of third parties for a total of 281 million euro and the opening and closing of a deposit with a company of the Intesa Sanpaolo Group as the counterparty, for a further 135 million euro;
- the signing of derivative contracts with an Intesa Group Bank counterparty to cover the exchange risk of managed pension funds, with a total notional value of 6,481 million euro;
- the signing of new policies with related parties of the Intesa Group, for 36 million euro;
- commission to pay to the retail network arising from the renewal of the distribution contract with Fideuram S.p.A. and related take-up agreement with Sanpaolo Invest to carry out insurance distribution and place supplementary pension products for 3,114.40 million euro.

Intesa Sanpaolo Life D.A.C.

Intesa Sanpaolo Life D.A.C. - Company operating in the Life insurance business.
Share capital: euro 625,000.
Head office in Dublin, 1st Floor, International House, 3 Harbourmaster Place, IFSC - Dublin D01 K8F1.
Irish Companies Register number 284248.

Intesa Sanpaolo Life is owned entirely by Intesa Sanpaolo Vita S.p.A. and belongs to the Intesa Sanpaolo Vita Insurance Group.

For a graphic representation of the company's position within the Insurance Group, refer to the illustration of the Group structure, shown above.

The regulatory authority is the Central Bank of Ireland (CBI), New Wapping Street, North Wall Quay - Dublin 1.

The firm responsible for the statutory auditing of the accounts is KPMG Chartered Accountants and Statutory Audit Firm, headquartered in Dublin, 1 Harbourmaster Place, IFSC - Dublin 1.

The business of Intesa Sanpaolo Life is mainly focused on the retail of Unit Linked policies in Italy. Moreover, Intesa Sanpaolo Life is expanding the distribution of its policies in Spain, and continuing to explore other European countries.

The company's sole area of activity is:

Life insurance obligations:

- unit-linked insurance.

During 2020, the main events affecting the Company were the following:

During the year ended, the subsidiary Intesa Sanpaolo Life reviewed and updated part of its retail offer.

In particular, Intesa Sanpaolo Life issued two products during 2020: Prospettiva Sostenibile and Valore Pro. In the event of death of the insured within the seventh year from when the contract is stipulated and no later than the eightieth birthday of the insured, these insurance products supplement the value of the Unit, regardless of the amount, on the occurrence of the event, if said value is below that of net premiums paid. The two new products are part of the ESG products range, along with the DoppioCentro product.

The new internal ESG funds introduced with the Prospettiva Sostenibile product, were also made available to investors of previous editions of the Prospettiva product, in the "Tactical Area".

These Insurance products are recognised in the financial statements, indicating the premiums, payments and change in technical provisions in profit and loss; the commission from acquisitions and collections is recognised in profit and loss in the year of accrual. Deferred acquisition costs mainly include expenses incurred for the undertaking in the portfolio of a particular type of long-term insurance contracts, that are amortised line by line for a period equal to the duration of each contract, which is less than ten years.

Moreover, the new "Tattico" option was added to the "Selezione Private" product dedicated to Intesa Sanpaolo Private Banking for the new internal fund "Selezione Private Trend" with gradual exposure to the stock market.

During 2020, Intesa Sanpaolo Life collected premiums of approximately 3.8 billion euro, mainly regarding unit-linked products, against early exits of 3.3 billion euro.

Intesa Sanpaolo Life carried out various ordinary financial transactions with companies in the Intesa Sanpaolo Group. These transactions took place under arm's-length conditions or in any case in compliance with regulations on related party transactions and based on reciprocal financial valuations.

During the reporting period, the Company carried out the following material intragroup transactions:

- the signing of 8 derivative contracts with an Intesa Group Bank counterparty, for a notional value equal to approximately 108.7 million euro;
- the signing of 3 bank deposits, lasting for a month, for a value of approximately 79 million euro each;
- the payment of commission for outsourcing services, to counterparties of the Intesa Group, totalling approximately 380 million euro.

Intesa Sanpaolo RBM Salute S.p.A

Intesa Sanpaolo RBM Salute S.p.A.
Company exercising the insurance business in the Non-life segment.
Share capital: 160,000,000 euro.
Registered office and general headquarters in Venice, Via Lazzari, 5. Administration offices in Milan, Viale Stelvio 55/57.
Tax identification and registration with the Venice Rovigo Companies Register, number 05796440963.
A registered insurance and reinsurance company, number: 1.00161.

Intesa Sanpaolo RBM Salute S.p.A. is controlled, managed and coordinated by Intesa Sanpaolo Vita S.p.A., that has a share equal to 50% + 1, and belongs to the Insurance Group.

For a graphic representation of Intesa Sanpaolo RBM Salute S.p.A.'s position within the Insurance Group, refer to the illustration of the Insurance Group structure.

The Supervisory Authority in charge is IVASS, headquartered in Rome, Via Del Quirinale 21 – 00187.

The firm responsible for the statutory auditing of the accounts is EY S.p.A., with registered office in Rome, Via Lombardia, 31.

During 2020, Intesa Sanpaolo RBM Salute was confirmed as the leading Insurance Company specialised in the healthcare sector. At present, ISP RBM provides insurance for the main Healthcare Funds and the biggest healthcare polices on the market.

As annual statistics from ANIA in the last few years show, Intesa Sanpaolo RBM Salute is the biggest growing operator in the healthcare segment, capable of acquiring a considerable market share in around ten years. This significant growth is due mostly to the combination of operating excellence in claims management and insurance activities, as well as the innovative nature of products that, among others, provide insurance cover chiefly for "out of pocket" health expenses (and specifically dental treatments, high-level diagnostics, high-level specialisation treatments, appointments with specialists and medicines), traditionally excluded and/or considerably limited in the health insurance offered by "conventional" market players. In addition, Intesa Sanpaolo RBM Salute has developed a business model that strongly values the role of early diagnosis and prevention as a means of promoting the health of its insured customers, and also of reducing the onset of diseases and in particular noncommunicable diseases, also known as chronic diseases, that represent the main cause of death in western countries, thus avoiding higher costs of related treatment.

BancAssurance Popolari S.p.A.

BancAssurance Popolari S.p.A.
Company exercising the insurance business in the Life segment.
Share capital: 61,080,900 euro.
Registered office and general headquarters in Milan, Via Monte di Pietà n. 7, and administrative offices in Rome, Via Francesco De Sanctis, 11.
Tax identification 01652770510, a registered company with the Milano Monza Brianza Lodi Companies' Register – Milan Economic and Administrative Register no. 2536908.
A registered insurance and reinsurance company, number: 1.00139.

BancAssurance Popolari S.p.A. was included in the aggregate consolidated financial statements of Intesa Sanpaolo Vita S.p.A., despite its capital being held 100% by UBI Banca (incorporated into Intesa Sanpaolo S.p.A. on 12 April 2021) and is part of the Intesa Sanpaolo Vita Insurance Group ("ISV Group") pursuant to Article 1, letter r-bis), no. 1) of the CAP, on the basis of which the group includes insurance companies under unitary management, with consequent effects also for the position of Intesa Sanpaolo Insurance Agency S.p.A.

For a graphic representation of BancAssurance Popolari S.p.A.'s position within the Insurance Group, refer to the illustration of the Insurance Group structure.
The Supervisory Authority in charge is IVASS, headquartered in Rome, Via Del Quirinale 21 – 00187.
The firm responsible for the statutory auditing of the accounts is KPMG S.p.A. headquartered in Milan, Via Vittor Pisani 31.

The Company Bancassurance Popolari operates nationwide, placing its products mainly through the banking channel.

BAP operates only in the Life segment, in ministerial LoB I, III, V and VI, in the following areas of activity:

- Insurance with profit participation;
- Index-linked and unit-linked Insurance;
- Other life insurance.

The most significant events of 2020 are summarised below:

- On 5 August 2020, UBI Banca S.p.A. and its subsidiaries came under the management and coordination of Intesa Sanpaolo.
- Since 30 September 2020, the Company has been included in the aggregate data of both Intesa Sanpaolo and Intesa Sanpaolo Vita, despite its capital being held 100% by UBI Banca and is part of the Intesa Sanpaolo Vita Insurance Group pursuant to Article 1, letter r-bis), no. 1) of the CAP, with consequent effects also on the position of Intesa Sanpaolo Insurance Agency, which is held 100% by the Company.
- Therefore, on 15 October, the Company forwarded a request to IVASS to cancel the BAP Insurance Group.

The Company closed the year with a net profit of 4.1 million euro, down on the figure of 10.3 million euro at 31 December 2019.

Market instability, which characterised most of the year, led to financial portfolio valuation effects, for which BAP recognised value adjustments equal to 1.9 million euro, going against the trend of 2019, when value adjustments of 3.1 million euro were posted. The COVID-19 pandemic had

economic effects at global level, with consequent impacts also on the Company's economic activity, in particular with a fall in premiums of 57.3 million euro (-13.8%) over the previous year, and net premium inflows down over the previous year 43.1 million euro (-28.1%).

The result for the period was further affected by the value of the property owned by the Company being adjusted to the new fair value, as indicated in the survey produced by the company CBRE Valuation S.p.A.. This adjustment led to the recognition of a net write-down of 0.5 million euro.

Pursuant to Article 216-novies of Legislative Decree 209/2005, the Company was involved for the first time in the preparation of this report of the Intesa Sanpaolo Vita Insurance Group In order to represent all economic information in keeping with the information of the Intesa Sanpaolo Vita Insurance Group, some reclassifications related to the 2019 financial year were made, so the information does not exactly match the data sent to IVASS on 21 April 2020.

Specifically, the reclassifications concern the items "Operating costs" and "Other costs", which - in the disclosure sent, totalled 33.4 million euro, while in this report, the amount is equal to 31.2 million euro.

The most significant events of 2020 are summarised below:

- the signing of commission agreements with an Intesa Group Bank, for new policies launched in 2020, with the total payments amounting to 17.9 million euro;
- the payment of some expenses relating to advisory services for portfolio management from Pramerica SGR for an amount equal to 1.3 million.

A.2 UNDERWRITING RESULTS

Intesa Sanpaolo Vita Insurance Group

With reference to the QRT S.05.01 annexed to this Report, which has been summarised and compared against the results for the previous year, please note the following:

- gross production for the year, net of reinsurance, totalled approximately 16,681.8 million euro for the Life Business and 943.4 million euro for the Non-life Business, giving a total of 17,625.2 million euro. The Life segment is predominantly made up of products linked to investment funds, unit-linked policies in particular, equal to 9,487.1 million euro corresponding to 57% of the entire amount, slightly down on the previous year;
- the Claims portion (including payouts for coupon redemptions and other payments), of 16.3 billion euro, was up by 26.5% compared to the previous year. 49.5% relates mainly to separate management, while 50.2% relates to products connected to unit-linked or pension policies.
- The change in other technical provisions increased to 6,779 million euro; this is due to the combined effect of the increase in technical provisions, mainly caused by commercial performance and financial revaluation of the insured.
- The total expenses of the Insurance Group amounted to approximately 1,161 million euro, which included 909.9 million euro for the Life Business and 251.3 million euro for the Non-Life Business. This figure indicates an increase of approximately 8%. These costs include agents' commission.

Below are the underwriting results divided by Solvency Line of business, as represented in the Quantitative Reporting Template S.05.01. prepared in accordance with Solvency Regulations

(Delegated Acts, IVASS Regulations and published EIOPA interpretations), with a distinction made between the Life and Non-life businesses.

(euro thousands)

Line of Business	Premiums earned		Claims incurred		Changes in other technical provisions		Expenses incurred		Other expenses		Total underwriting performance	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Insurance with profit participation	6.914.292	7.533.155	-6.452.571	-6.215.667	-1.728.587	-2.485.629	-202.087	-175.257				
Index-linked and unit-linked insurance	9.487.120	10.124.982	-6.743.542	-6.599.538	-4.974.982	-10.084.780	-619.130	-594.760	-5.621	-4.361	**-4.224.346**	**-8.404.302**
Other life insurance	280.357	278.184	-37.749	-37.748	-58.754	-59.982	-83.092	-82.898				
Total amount	**16.681.769**	**17.936.320**	**-13.233.862**	**-12.852.954**	**-6.762.323**	**-12.630.392**	**-904.309**	**-852.915**	**-5.621**	**-4.361**		

(euro thousands)

Line of Business	Premiums earned		Claims incurred		Changes in other technical provisions		Expenses incurred		Other expenses		Total underwriting Result	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Medical expenses insurance	370,448	10,287	-234,873	-3,883	-13,594	-282	-27,440	-4,062				
Income protection insurance	245,092	195,687	-69,366	-57,223	-2,513	-2,069	-94,430	-88,999				
Motor vehicle liability insurance	77,406	81,348	-49,592	-62,484	-	-	-23,887	-23,956				
Other motor insurance	13,767	14,194	-5,868	-6,672	-25	-	-3,825	-4,135				
Marine, aviation and transport insurance	168	47	14	-4	-	-	-51	-18				
Fire and other damage to property insurance	118,348	89,599	-22,290	-22,880	-335	-548	-53,164	-41,992	-5,210	-4,017	**283,480**	**127,406**
General liability insurance	60,985	49,749	-8,120	-12,178	-	-	-20,439	-18,312				
Credit and suretyship insurance	910	1,395	-1,756	187	-	-30	-95	-122				
Legal expenses insurance	309	409	125	-158	-	-	2,250	200				
Assistance	9,954	7,868	-301	-461	-	-	-5,135	-5,717				
Miscellaneous financial loss	46,002	70,693	-84	-2,360	-	-	-19,907	-31,698				
Total amount	**943,389**	**521,277**	**-392,111**	**-168,115**	**-16,466**	**-2,928**	**-246,122**	**-218,810**	**-5,210**	**-4,017**		

The rest of this Section reports on the underwriting results of the individual companies as shown in each Quantitative Reporting Template (QRT S.05.01) and also the underwriting results reclassified to provide a comparison with the Separate Financial Statements prepared according to national accounting standards.

Intesa Sanpaolo Vita S.p.A.

In the year under review, the Company Intesa Sanpaolo confirmed a solid commercial performance, despite the instability of financial markets characterising most of the year. Profit after taxes is equal to 248.8 million euro compared to 690.5 million euro in the previous year.

The health emergency caused by the pandemic which is still underway, affected both market trends and commercial operations from the last week of February 2020, with the latter affected by increasingly strict containment measures, leading to numerous production activities in Italy and other countries being stopped.

The Parent Company Intesa Sanpaolo responded extremely quickly to the emergency, immediately putting in place extensive measures to protect the health of the Group's employees and customers and ensure business continuity, and offset the effects of COVID-19 at a social and economic level, with measures to prevent risks in the workplace, adopting flexible working policies on a large scale, consolidating IT security measures and revising some operating processes.

The result for 2020 was achieved in a context of market volatility that substantially affected the life segment; in particular, the following is noted:

- a reduction in volumes managed in the first quarter due to the performance of financial markets following the worsening of the health crisis, the significant rebound in market confidence, particularly evident in the last two months of the year, allowed for a growth in managed assets compared to the end of 2019;
- from July onwards, returns on government bonds fell rapidly, as a result of initiatives to support the economy at national and European level (recovery fund), and the ECB's emergency programme.

In this context, the Company:

- posted gross written premiums for the life segments equal to 9,469 million euro, up 3% compared to the same period of the previous year;

- new life production amounted to 9,308 million euro, up 3% over 31 December 2019, going against the trend of the Italian Insurance Market (including companies with freedom to provide services), that recorded a 7% decline over the previous year;
- the composition of the investments portfolio for separate management maintained a considerable quota of fixed income securities issued by governments or government agencies (equal to 64.4% of total assets related to separate management, in line with 31 December 2019).

During the year just ended, the Company continued to pursue the objectives set out in the 2018/2021 Business Plan.

During 2020, the acquisition of control of RBM Salute (50% + 1 share) was finalised. At present, the company is integrating the new subsidiary in the Intesa Sanpaolo Vita Insurance Group, that will consolidate its non-life range in the segment of health products and services offered by Insurance Group companies. The company issued a ten-year subordinated loan during 2020, for a nominal value of 600 million euro.

During 2020, the Parent Company Intesa Sanpaolo finalised the acquisition of Lombarda Vita S.p.A. and Aviva Vita S.p.A. through Ubi Banca S.p.A.. These two Companies will come under the scope of insurance consolidation of the Intesa Sanpaolo Vita Insurance Group, starting from the interim report at 30 June 2021, as they are managed and coordinated by the UIPC. The two Companies will flank BancAssurance Popolari, which joined the Insurance Group in September 2020. In this context, Intesa Sanpaolo Vita is continuing the project to integrate the aforesaid life insurance companies of the former UBI Banca Group.

With a view to expanding its product offering, a commercial proposition has been made, mainly to medium/large companies, offering the non-standard insurance solutions of all Italian companies of the Insurance Group, through the multi-agent Intesa Sanpaolo Insurance Agency, which has a specialist sales network in Italy, complementing the corporate and business channels of the Intesa Sanpaolo Group.

Lastly, in February 2021, the company signed a memorandum of understanding with BNP Paribas Cardif, containing the essential elements of a subsequent final agreement that will govern the acquisition of 100% of Cargeas Assicurazioni S.p.A., a non-life insurance company operating in bancassurance, mainly through the UBI Banca S.p.A. banking network. The transaction is expected to be completed in the first half of 2021, and is subject to necessary authorisations from the competent authorities. This initiative, in keeping with Intesa Sanpaolo's growth strategy for the non-life segment, is expected to generate considerable synergies and an alignment of corporate governance, risk control and service levels with Intesa Sanpaolo Group standards.

The Company will continue to strive for the excellent commercial performance recorded in previous years, maintaining a robust financial position and performance, while also improving performance for customers.

In financial terms, the Company is continuing to pursue the goal of profitability in separate management, which is as consistent as possible with the return on assets profile and with the dynamics and characteristics of liabilities, over a long-term horizon. Despite the uncertain economic scenario that the pandemic created in 2020, the Company aims to tackle this situation with a clear strategy that focuses on operating excellence generating value in the long term.

In line with the Intesa Sanpaolo Group's strategic objectives, and the increasing significance of Environmental, Social and Governance matters in consumer preferences, and the plans of institutions and national and international regulators, the Company is seeing through its

sustainability strategy, with concrete initiatives focussed on environmental, social and governance topics.

The average duration of the securities portfolio was 6.40 years. Regarding the allocation of government bonds per country, the mix was decidedly oriented in favour of Italian bonds, with the component of bonds issued by core countries (Europe, mainly the Federal Republic of Germany) remaining unchanged.

Premiums collected in the year for the Life business were equal to 9,468.8 million euro, up by 3% compared to the figure for 2019 (9,172.8 million euro). The figure for the non-life business fell by 15%, from 688.8 thousand euro to 584.6 thousand euro.

Expenses for claims, net of sums to be payed, went up considerably. In 2020, an amount equal to 10,242.1 million euro was recognised, up by 42% compared to the figure of the previous year (7,217.3 million euro) for the life business. In the non-life business, this figure was negligible. Below are the underwriting results divided by Solvency LoB, as represented in the Quantitative Reporting Template S.05.01. The company only performs its underwriting activity in the Republic of Italy.

(euro thousands)

Line of Business	Premiums earned		Claims incurred		Changes in other technical provisions		Expenses incurred		Other expenses		Total underwriting Result	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Insurance with profit participation	6,774,112	6,480,992	-7,465,804	-5,863,916	-265,829	-1,679,225	-180,723	-166,210				
Index-linked and unit-linked insurance	2,490,514	2,415,916	-2,741,020	-1,317,117	54,653	-2,288,679	-83,890	-84,280	-3,857	-2,392	**-1,313,431**	**-2,408,126**
Other life insurance	204,165	275,930	-35,319	-36,306	-566	-60,201	-59,867	-82,639				
Total amount	**9,468,791**	**9,172,838**	**-10,242,143**	**-7,217,339**	**-211,742**	**-4,028,104**	**-324,480**	**-333,129**	**-3,857**	**-2,392**		

(euro thousands)

Line of Business	Premiums earned		Claims incurred		Changes in other technical provisions		Expenses incurred		Other expenses		Total underwriting Result	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Medical expenses insurance	4	4	-	-	-	-	-1	-1				
Income protection insurance	581	685	349	213	7	176	-226	-411	-	-	**714**	**666**
Total amount	**585**	**689**	**349**	**213**	**7**	**176**	**-226**	**-412**	**-**	**-**		

The underwriting result was calculated on the basis of the data in the QRT S.05.01 (Earned Premiums for the period – Claims + Changes in technical provisions – Operating Costs) and partially represents the company's underwriting result. This highlights an underwriting result that takes into account the "Technical Interest" in the Life segment, and other "Expenses and Income" that were not included in the QRT S.05.01.

Underwriting result for the company, considering the QRT S.05.01 data:

(euro thousands)

	2020	2019
Net premiums	9,469,375	9,173,526
Claims incurred	-10,241,795	-7,217,126
Changes in technical provisions	-211,735	-4,027,929
Operating cost	-328,563	-335,933
Underwriting Result (QRT S.05.01)	**-1,312,717**	**-2,407,461**

Details of the underwriting results are given below, to provide a representation comparable with the Separate Financial statements prepared according to Italian accounting standards.

(euro thousands)

	2020	2019
Net premiums	9,469,375	9,173,526
Claims incurred	-10,241,795	-7,217,126
Changes in technical provisions	-211,735	-4,027,929
Underwriting expenses	-183,757	-206,425
Claims management expenses	*-3,923*	*-3,720*
Acquisition expenses	*-179,835*	*-202,705*
Technical interest	1,282,698	2,386,798
Underwriting Result	**114,786**	**108,845**

Intesa Sanpaolo Assicura S.p.A.

2020 saw an increase in collected premiums, for a total of 700.5 million euro, up by 4% compared to the final figure for 2019 (670.9 million euro).

The main reasons for this increase are chiefly related to premiums for "Income protection insurance" (+25.4%) "Fire and other damage to property insurance" (+32.01%) and "Medical expense insurance" (+82.8%).

Claims-related expenses net of recoveries and the effects of reinsurance and the change in the claims provision rose from 168.3 million euro in 2019 to 186.6 million euro, an increase on the previous year. The ratio of claims to earned premiums for the period, net of reinsurance effects, was equal to 31.9%, against 35.8% in 2019.

Operating costs including purchase commission amounted to 236.7 million euro, an increase of approximately 6% on the previous year (222.8 million euro), mainly due to the increase in the commission load which is correlated to the increase in volumes.

Below are the underwriting results divided according to Solvency II LoB represented in the QRT S.05.01. The company only performs its underwriting activity in the Republic of Italy.

(euro thousands)

Line of Business	Premiums earned		Claims incurred		Changes in other technical provisions		Expenses incurred		Other expenses		Total underwriting Result	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Medical expenses insurance	18,795	10,283	-6,755	-3,883	-344	-282	-5,772	-4,061				
Income protection insurance	244,511	195,003	-69,715	-57,436	-2,520	-2,069	-94,454	-89,470				
Motor vehicle liability insurance	77,406	81,348	-49,592	-62,484	-	-	-24,101	-24,241				
Other motor insurance	13,767	14,194	-5,868	-6,672	-25	-	-3,825	-4,135				
Marine, aviation and transport insurance	168	47	14	-4	-	-	-51	-86	-5,210	-4,017		
Fire and other damage to property insurance	118,348	89,599	-22,290	-22,880	-335	-548	-53,696	-42,455			**186,913**	**117,460**
General liability insurance	60,985	49,749	-8,120	-12,178	-	-	-20,690	-18,613				
Credit and suretyship insurance	910	1,395	-1,756	187	-	-30	-88	-41				
Legal expenses insurance	309	409	125	-158	-	-	-3,711	-7,317				
Assistance	9,954	7,868	-301	-461	-	-	-5,135	-5,720				
Miscellaneous financial loss	46,002	70,693	-84	-2,360	-	-	-19,946	-31,716				
Total amount	**591,155**	**520,588**	**-164,342**	**-168,328**	**-3,223**	**-2,928**	**-231,467**	**-227,855**	**-5,210**	**-4,017**		

The underwriting result was calculated on the basis of the data in the QRT S.05.01 (Earned Premiums for the period – Claims + Changes in technical provisions – Operating Costs).

Underwriting result for the company, considering the QRT S.05.01 data:

(euro thousands)

	2020	2019
Net premiums	591,155	520,588
Claims incurred	-164,342	-168,328
Changes in technical provisions	-3,223	-2,928
Operating cost	-236,676	-231,872
Underwriting Result (QRT S.05.01)	**186,913**	**117,460**

Details of the underwriting results are given below, to provide a representation comparable with the Separate Financial statements prepared according to Italian accounting standards.

(euro thousands)

	2020	2019
Net premiums	591,155	520,588
Claims incurred	-164,342	-168,328
Changes in technical provisions	-3,223	-2,928
Underwriting expenses	-186,644	-181,253
Claims management expenses	*-22,219*	*-18,130*
Acquisition expenses	*-164,425*	*-163,123*
Underwriting Result	**236,946**	**168,079**

Fideuram Vita S.p.A.

With reference to the QRT S.05.01 annexed to this Report, which has been summarised and compared against the results for 2020, please note the following.

The Company recorded gross written premiums for 3,709.5 million euro in 2020, down by 3.7% compared to 3,850.2 million euro in the previous year. This dynamic is chiefly due to the decrease in premiums collected from traditional products, which went down by -616.5 million euro (-58.4%).

Premiums from LoB III products, consisting entirely of unit-linked and multi-line products, for the component invested in units, amounted to 3,079 million euro, up by 17.3% compared to 2019 volumes. Gross premiums from LoB VI products, namely from the Fideuram Pension Fund, amounted to 192.1 million euro, up by 21.6 million euro (+12.7%) compared to 2019 volumes.

Due to the aforementioned flows, the percentage of unit-linked products contributing to total gross written premiums went up from 68.2% to 83%. The amount of LoB I premiums went down (from 27.4% to 11.8%) and LoB VI premiums went up (from 4.4% to 5.2%).

Sums paid and to pay, net of the amount payable by reinsurers, amounted to 2,528.7 million euro, decreasing by 9.3% compared to 2,790.4 million euro in 2019. This trend is due to lower payments for surrenders (-18.9%) and for maturities (-0.9%), while payments for annuities and claims went up (+7.1% and +16.8% respectively).

This performance reflects a positive technical balance in the Life segments of 67,752 thousand euro, compared to 120,822 thousand euro in 2019.

Net of amounts payable by reinsurers, technical provisions at year end came to 36,034.2 million euro, increasing by 6.2% in the period, mainly due to net premiums and the revaluation of the value of class D mathematical reserves.

Costs amounted to 42.1 million euro, slightly up on the figure of 39.1 million euro in 2019 and mainly affect unit-linked policies.

The underwriting result was negative at -902.6 million euro. The balance does not include total technical interest, which amounted to 853.3 million euro. Excluding this component, the balance was negative at 49.3 million euro.

Below are the figures for Fideuram Vita, separated according to area of Life business, for the underwriting results as presented in the QRT S.05.01.

(euro thousands)

	Insurance with profit participation	Index-linked and unit-linked insurance	other life insurance	2020	2019
Net earned premiums	433,300	3,271,116	4,427	3,708,843	3,849,669
Claims incurred	- 384,744	- 2,133,056	- 1,356	-2,519,156	-2,782,306
Changes in technical provisions	- 139,811	- 1,910,416	63	-2,050,164	-3,933,029
Operating cost	- 9,448	- 32,358	- 297	-42,103	-39,149
Underwriting Result (QRT S.05.01)	**- 100,703**	**- 804,713**	**2,837**	**- 902,580**	**-2,904,815**

(euro thousands)

Line of Business	Premiums earned		Claims incurred		Changes in other technical provisions		Expenses incurred		Other expenses		Total underwriting Result	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Insurance with profit participation	433,300	1,052,163	-384,744	-351,752	-139,811	-806,405	-8,890	-9,047				
Index-linked and unit-linked insurance	3,271,116	2,795,252	-2,133,056	-2,429,113	-1,910,416	-3,126,843	-30,210	-27,874	-2,701	-1,969	**-902,580**	**-2,904,815**
Other life insurance	4,427	2,254	-1,356	-1,442	63	218	-303	-259				
Total amount	**3,708,843**	**3,849,669**	**-2,519,156**	**-2,782,306**	**-2,050,164**	**-3,933,029**	**-39,403**	**-37,180**	**-2,701**	**-1,969**		

The underwriting result was calculated on the basis of the data in the QRT S.05.01 (Earned Premiums for the period – Claims + Changes in technical provisions – Operating Costs).

Underwriting result for the company, considering the QRT S.05.01 data:

(euro thousands)

	2020	2019
Net premiums	3,708,843	3,849,669
Claims incurred	-2,519,156	-2,782,306
Changes in technical provisions	-2,050,164	-3,933,029
Operating cost	-42,103	-39,149
Underwriting Result (QRT S.05.01)	**- 902,580**	**-2,904,815**

Details of the underwriting results are given below, to provide a representation comparable with the Separate Financial statements prepared according to Italian accounting standards.

(euro thousands)

	2020	2019
Net premiums	3,708,843	3,849,669
Claims incurred	-2,519,156	-2,782,306
Changes in technical provisions	-2,050,164	-3,933,029
Underwriting expenses	-10,947	-11,093
Claims management expenses	*-4,966*	*-4,730*
Acquisition expenses	*-5,981*	*-6,363*
Technical interest	853,341	2,865,298
Underwriting Result	**-18,082**	**-11,461**

Intesa Sanpaolo Life D.A.C

The commercial offer of Intesa Sanpaolo Life, aimed mainly at Italian customers, refers to unit-linked policies.

During the year, the Company's collected premiums amounted to 3.8 billion euro, down by 22.7% on the previous year. Payouts, mainly for surrenders, decreased by approximately 423 million euro, equal to 14.8%.

Below is the underwriting result as presented in the QRT S.05.01:

(euro thousands)

Line of Business	Premiums earned		Claims incurred		Changes in other technical provisions		Expenses incurred		Other expenses		Total underwriting Result	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Index-linked and unit-linked insurance	3,800,108	4,913,751	-3,276,304	-2,853,309	-849,511	-4,669,259	-500,552	-482,606	-	-	-826,260	-3,091,423
Total amount	**3,800,108**	**4,913,751**	**-3,276,304**	**-2,853,309**	**-849,511**	**-4,669,259**	**-500,552**	**-482,606**	**-**	**-**	**826,260**	**-3,091,423**

The underwriting result was calculated on the basis of the data in the QRT S.05.01 (Earned Premiums for the period – Claims + Changes in technical provisions – Operating Costs).

(euro thousands)

	2020	2019
Net premiums	3,800,108	4,913,751
Claims incurred	-3,276,304	-2,853,309
Changes in technical provisions	-849,511	-4,669,259
Operating cost	-500,552	-482,606
Underwriting Result (QRT S.05.01)	**-826,260**	**-3,091,423**

Details of the underwriting results are given below, to provide a representation comparable with the separate IAS financial statements.

(euro thousands)

	2020	2019
Net fund margin	338,779	319,420
Acquisition expenses	-138,485	-137,716
Net deferred income	2,162	-2,685
Other	-240	-137
Underwriting Result	**202,216**	**178,882**

Intesa Sanpaolo RBM Salute S.p.A.

Intesa Sanpaolo RBM Salute posted a reduction in collected premiums due mainly to the health emergency that affected Italy and the entire world from March onwards, and that will have effects in 2021 as well. In particular, collected premiums for the corporate business reported a slowdown from March onwards, due to tenders/renewals of main Health Funds being postponed/stopped, and also considering interruptions in negotiations to renew various National Collective Bargaining Agreements. In addition, the Company was particularly penalised by the high concentration of premiums collected in the corporate business segment, and by voluntary supplementary policies that were not activated by insured due to a limited possible use of private healthcare.

Despite this, the Company maintained its ability to develop the new business with the launch of a Product range entirely dedicated to Protection from Pandemic-type Risks (such as COVID-19), mainly distributed through the direct channel for corporate customers and online channel for retail customers), with a positive uptake from the market (10,664 thousand euro of new production on an annual basis), which contributed to results for the period.

Gross written premiums recognised, equal to 495,292 thousand euro and referring nearly entirely to the health insurance segment, equal to 494,463 thousand euro - were down 14% compared to the previous year (576,973 thousand euro in 2019).

Claims-related expenses net of recoveries and the effects of reinsurance went down approximately 31% over the previous year, from 340,153 thousand euro in 2019 to 235,277 thousand euro.

Total operating costs, including purchase commission and commission received from reinsurers was equal to 14,530 thousand euro, down on the previous year (16,967 thousand euro), as a result of the decrease in the commission load.

Technical operations generated a positive result equal to 88,592 thousand euro (64,105 thousand euro at 31 December 2019), with a combined technical account ratio, net of reinsurance, of 78.6% (compared to 84.8% in 2019).

As regards the reinsurance policy, total premiums issued in 2020 went up (142,314 thousand euro compared to 134,506 thousand euro in the previous year), accounting for approximately 29% of gross written premiums recognised. The result at 31 December 2020 recognised a cost of 3,822 thousand euro, of which 3,773 thousand euro attributable to quota arrangements and 49 thousand euro for arrangements in excess of claims.

Below are the underwriting results divided according to Solvency II LoB represented in the QRT S.05.01. The company only performs its underwriting activity in the Republic of Italy.

(euro thousands)

Line of Business	Premiums earned		Claims incurred		Changes in other technical		Expenses incurred		Other expenses		Total underwriting Result	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Medical expenses insurance	351,649	440,718	-228,118	-338,904	-13,250	-19,494	-21,689	-18,215	-	-	88,592	64,105
Total amount	**351,649**	**440,718**	**-228,118**	**-338,904**	**-13,250**	**-19,494**	**-21,689**	**-18,215**	**-**	**-**	**88,592**	**64,105**

The underwriting result was calculated on the basis of the data in the QRT S.05.01 (earned Premiums for the period – Claims + Changes in technical provisions – Operating Costs).

Underwriting result for the company, considering the QRT S.05.01 data:

(euro thousands)

	2020	2019
Net premiums	351,649	440,718
Claims incurred	-228,118	-338,904
Changes in technical provisions	-13,250	-19,494
Operating cost	-21,689	-18,215
Underwriting Result (QRT S.05.01)	**88,592**	**64,105**

Details of the underwriting results are given below, to provide a representation comparable with the Separate Financial statements prepared according to Italian accounting standards.

(euro thousands)

	2020	2019
Net premiums	351,649	440,718
Claims incurred	-228,118	-338,904
Changes in technical provisions	-13,250	-19,494
Underwriting expenses	-6,843	-7,781
Claims management expenses	*-7,159*	*-1,249*
Acquisition expenses	*316*	*-6,532*
Underwriting Result	**103,438**	**74,539**

BancAssurance Popolari S.p.A.

The underwriting result went down from -64.2 million euro at the end of 2019 to -60.3million euro at 31 December 2020; this improvement was mainly due to the increased volume of managed reserves.

Collected premiums, net of amount ceded to reinsurance, amounted to 357.9 million euro, down on premiums collected in the previous year, equal to 415.2 million euro.

Premiums issued mainly refer to the business line "Insurance with profit participation", which represents around 76% of total premiums, in line with 74% at 31 December 2019. Premiums collected from "Index-linked and unit-linked Insurance" instead accounted for 23% of total premiums at the end of 2020, in line with the figure for the previous year (approximately 24%). Lastly, premiums for "Other life insurance" did not deviate from 2019 figures.

The mix of premiums collected in 2020 continued to refer chiefly to the "Insurance with profit participation" area.

Claims-related expenses for the year, net of amount ceded to reinsurance, amounted to 221.1 million euro, down on the previous year equal to 235.2 million euro. In this case as well, the item mainly referred to the "Insurance with profit participation" area and accounts for 92% of the total (91% at 31 December 2019). Claims-related expenses for "Index-linked and unit-linked Insurance" instead represented 8% of total expenses (9% the previous year).

Change in Technical provisions moved from -231.0 million euro to -165.5 million euro. In 2020, the company allocated additional provisions for 2.1 million euro, compared to a change of 1.6 million euro in the same period of the previous year, for a total value at year end of 4.7 million euro. The change in provisions basically had the same composition for areas of activity as 2019, with provisions mainly for the "Insurance with profit participation" area representing 55%, while the "Index-linked and unit-linked Insurance" area represents 44%, and the "Other life insurance" area accounts for the residual part.

Total costs, including management commission, amounted to 31.7 million euro and overall are in line with costs incurred in 2019 (31.2 million euro).

This item mainly refers to "Insurance with profit participation" products, as indicated in the table below.

The balance does not include the total technical interest, which amounted to 32.4 million euro. Excluding this component, the balance was negative at 5.9 million euro.

Below are the underwriting results divided according to Solvency II Line of business represented in the QRT S.05.01.

(euro thousands)

Line of Business	Premiums earned		Claims incurred		Changes in other technical		Expenses incurred		Other expenses		Total underwriting Result	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Insurance with profit participation	271,045	307,614	-203,911	-214,556	-90,448	-116,652	-26,891	-27,064				
Index-linked and unit-linked insurance	81,811	100,925	-17,065	-20,328	-73,624	-93,504	-4,179	-3,522	-528	-515	**-60,334**	**-64,215**
Other life insurance	5,083	6,700	-87	-359	-1,384	-2,857	-156	-97				
Total amount	**357,939**	**415,239**	**-221,063**	**-235,243**	**-165,456**	**-213,013**	**-31,226**	**-30,682**	**-528**	**-515**		

The underwriting result, shown in the next table, was calculated on the basis of the data in the QRT S.05.01 (Earned Premiums for the period – Claims + Changes in technical provisions – Operating Costs).

(euro thousands)

	2020	2019
Net premiums	357,939	415,239
Claims incurred	-221,063	-235,243
Changes in technical provisions	-165,456	-213,013
Operating cost	-31,754	-31,198
Underwriting Result (QRT S.05.01)	**-60,335**	**-64,215**

The underwriting result prepared for the Separate Financial Statements of the Company according to Italian accounting standards is shown below. This result, in relation to the above, includes technical interest while it does not consider trail commission on reserve management.

(euro thousands)

	2020	2019
Net premiums	357,939	415,239
Claims incurred	-221,063	-235,243
Changes in technical provisions	-165,456	-213,013
Underwriting expenses	-9,334	-11,070
Claims management expenses	*-1,056*	*-1,380*
Acquisition expenses	*-8,278*	*-9,690*
Technical interest	32,479	40,979
Underwriting Result	**-5,436**	**-3,108**

A.3 INVESTMENT RESULTS

Intesa Sanpaolo Vita Insurance Group

The financial results of the Insurance Group's investment activity, recognised according to IAS/IFRS, are illustrated in the following table.

Performances relate to the Group's total investment portfolio and thus also includes assets relating to policies in which the risk is borne by the policyholders.

(euro thousands)

Asset Class	2020	2019	Change	
Real estate investments	161	-	161	-
Partecipations	-651	572	- 1,223	<100%
Loans and receivables	733	-281	1,014	<100%
Financial assets avaiable-for-sale	1,889,229	2,152,542	- 263,313	-12%
Financial assets held-for-trading	-8,117	-62,148	54,031	-87%
Financial assets designates at fair value through profit or loss	1,408,321	6,745,138	- 5,336,817	-79%
Cash and cash equivalents	-12,707	636	- 13,343	<100%
Financial liabilities held-for-trading	18,583	-69,115	87,698	<100%
Financial liabilities designated at fair value throught profit or loss	-1,122,893	-6,166,749	5,043,856	-82%
Other financial liabilities	-62,956	-70,964	8,008	-11%
Total investments	**2,109,702**	**2,529,630**	**- 419,928**	**-17%**

The closing balance of investment income from financial management, net of capital and financial charges, was 2,110 million euro, down by 16.6% compared to the previous year's figure of 2,530 million euro.

With regard to the position in terms of asset allocation there was substantial continuity compared to the last part of the previous year, with a gradual increase in diversification particularly in the Corporate segment, and an extension of the duration of asset portfolios linked to the Insurance Group's profit sharing products, as well as a considerable decrease in exposure to share market downturns, through suitable hedging transactions.

The Insurance Parent Company Intesa Sanpaolo Vita and Fideuram Vita hold investments in securitisations:

- Intesa Sanpaolo Vita has two securitised assets, which at 31 December 2020 had a market value of around 2.6 million euro;
- Fideuram Vita has two securitised assets, which at 31 December 2020 had a market value of around 1.3 million euro.

Intesa Sanpaolo Vita S.p.A.

The financial results of the investment activity of Intesa Sanpaolo Vita are illustrated in the following table. The asset classes for which this data was recorded are those in the QRT S.09.01 defined in accordance with the Implementing Regulation of the European Commission 2452/2015 and subsequently amended by Regulation 2189/2017. These results are recognised according to national accounting standards based on which the Separate Financial Statements are prepared.

Performances relate to the company's total investment portfolio and thus also include assets relating to unit-linked and index linked policies.

(euro thousands)

Asset Class	2020	2019
Total investments (Shareholder return)		
Government bonds	1,255,727	1,463,410
Corporate bonds	247,108	409,562
Equity	60,546	519,102
Derivatives	-21,080	-120,601
Other investments	-	-
Total investments (Shareholder return)	**1,542,301**	**2,271,473**
Total investments (Policyholder return)		
Government bonds	19,282	56,564
Corporate bonds	7,225	2,464
Equity	536,691	1,625,362
Derivatives	2,323	-48,549
Other investments	-	-
Total investments (Policyholder return)	**565,521**	**1,635,841**
Total investments	**2,107,822**	**3,907,314**

The determining factor of the year's results was financial management, with income from investments, net of capital and financial charges amounting to 2,107,822 thousand euro, decreasing by 3,907,314 thousand euro recorded in the previous year. The most significant change was seen in the instruments linked to Class D investment products.

Evidence of the Investment results obtained is given below, as the difference between the income and expenses of investment activity and the costs of portfolio management.

(euro thousands)

	2020	2019
Investment income and expense	2,119,409	3,907,314
Investment management expense	-63,549	-62,128
Technical interest	-1,282,698	-2,386,798
Investment Result	**773,162**	**1,458,388**

Intesa Sanpaolo Assicura S.p.A.

The financial results of the investment activity of Intesa Sanpaolo Assicura are illustrated in the following table. The asset classes for which this data was recorded are those in the QRT S.09.01 defined in accordance with the Implementing Regulation of the European Commission 2452/2015 and subsequently amended by Regulation 2189/2017. The information provided follows the national accounting standards used to prepare the Separate Financial Statements.

(euro thousands)

Asset Class	2020	2019
Government bonds	9,456	15,359
Corporate bonds	3,522	61
Equity	- 65	7,433
Derivatives	-	-
Other investments	-	-47
Total investments	**12,913**	**22,807**

The closing balance of investment income from financial management, net of capital and financial charges, was 12.9 million euro, down on 9.9 million euro in 2019.

Intesa Sanpaolo Assicura does not hold any investments in securitisations.

Evidence of the Investment results obtained is given below, as the difference between the income and expenses of investment activity and the costs of portfolio management.

(euro thousands)

	2020	2019
Investment income and expense	18,792	28,820
Investment management expense	-5,892	-6,013
Investment Result	**12,900**	**22,807**

Fideuram Vita S.p.A.

The financial results of the investment activity of Fideuram Vita are illustrated in the following table. The asset classes for which this data was recorded are those in the QRT S.09.01 defined in accordance with the Implementing Regulation of the European Commission 2452/2015 and subsequently amended by Regulation 2189/2017. The information provided follows the national accounting standards used to prepare the Separate Financial Statements.

Performances refer to the total of Fideuram Vita's investment portfolio, which also include assets relating to unit-linked and pension fund policies.

The closing balance of investment income from financial management, net of capital and financial charges, was equal to 1,483 million euro.

(euro thousands)

Asset Class	2020	2019
Total investments (Shareholder return)		
Government bonds	125,515	134,485
Corporate bonds	20,034	47,163
Equity	-3,747	3,571
Investment funds Collective Investment Undertakings	11,360	26,413
Structured Bonds	2,674	10,202
Derivatives	-8	-
Total investments (Shareholder return)	**155,828**	**221,834**
Total investments (Policyholder return)		
Government bonds	28,216	42,966
Corporate bonds	6,854	19,033
Equity	64,070	221,715
Investment funds Collective Investment Undertakings	1,170,523	3,070,281
Structured Bonds	758	2,539
Derivatives	56,725	- 31,194
Total investments (Policyholderr return)	**1,327,145**	**3,325,340**
Total investments	**1,482,973**	**3,547,174**

Income from Class C net investments, made in relation to traditional policies and free assets, amounted to 155.8 million euro, down by 29.8% over the previous year. The breakdown of this item is as follows:

- ordinary net income equal to 149.9 million euro, up by 0.5 million euro compared to 2019;
- net income equal to 9.8 million euro, down by 69.1% over the previous year;
- net value adjustments of -3.9 million euro.

Class D net income referring to assets underlying unit-linked policies and pension funds, wholly attributable to insured, amounted to 1,327.1 million euro, including net gains realised and net gains from valuation. In 2019, this item was positive by 3,325.3 million euro.

Evidence of the Investment results obtained is given below, as the difference between the income and expenses of investment activity and the costs of portfolio management.

(euro thousands)

	2020	2019
Investment income and expense	1,482,973	3,547,174
Investment management expense	-9,125	-9,148
Technical interest	-853,341	-2,865,298
Investment Result	**620,507**	**672,728**

Intesa Sanpaolo Life D.A.C.

The company's share of the return on investments was equal to 276 million euro, deriving from policyholders and shareholders. The result derives from a prudent policy of investing in secure short-term liquid assets with a high credit rating.

(euro thousands)

Asset Class	2020	2019
Policyholder Investment Return	271,302	2,609,343
Shareholder Investment Return	4,210	5,633
Total investments	**275,512**	**2,614,976**

Intesa Sanpaolo Life does not hold any investments in securitisations.

Intesa Sanpaolo RBM Salute S.p.A

The financial results of the investment activity of Intesa Sanpaolo RBM Salute are illustrated in the following table. The asset classes for which this data was recorded are those in the QRT S.09.01 defined in accordance with the Implementing Regulation of the European Commission 2452/2015 and subsequently amended by Regulation 2189/2017. The information provided follows the national accounting standards used to prepare the Separate Financial Statements.

(euro thousands)

Asset Class	2020	2019
Government bonds	67,613	31,074
Corporate bonds	-	-
Equity	-	-
Derivatives	-	-
Other investments	-	-
Total investments	**67,613**	**31,074**

The closing balance of investment income from financial management, net of capital and financial charges, was 424 thousand euro, increasing compared to 141 thousand euro in 2019.

Intesa Sanpaolo RBM Salute does not hold any investments in securitisations.

Evidence of the Investment results obtained is given below, as the difference between the income and expenses of investment activity and the costs of portfolio management.

(euro thousands)

	2020	2019
Investment income and expense	424	141
Investment management expense	-	-
Investment Result	**424**	**141**

BancAssurance Popolari S.p.A.

The financial results of the investment activity of BAP are illustrated in the following table. The asset classes for which this data was recorded are those in the QRT S.09.01 defined in accordance with the Implementing Regulation of the European Commission 2452/2015 and subsequently amended by Regulation 2189/2017. The information provided follows the national accounting standards used to prepare the Separate Financial Statements.

(euro thousands)

Asset Class	2020	2019
Total investments (Shareholder return)		
Government bonds	44,864	39,413
Corporate bonds	8,385	20,571
Equity	-16	302
Investment funds Collective Investment Undertakings	-1,032	703
Structured Bonds	598	866
Derivatives	-	-
Total investments (Shareholder return)	**52,799**	**61,855**
Total investments (Policyholder return)		
Government bonds	224	329
Corporate bonds	14	34
Equity	-46	655
Investment funds Collective Investment Undertakings	12,382	16,381
Structured Bonds	-	-
Derivatives	-	-
Total investments (Policyholderr return)	**12,574**	**17,399**
Total investments	**65,374**	**79,254**

Performances refer to the total investment portfolio of Bancassurance Popolari and thus also include assets relating to unit-linked and pension fund policies.

The closing balance of investment income from financial management, net of capital and financial charges, was 65.4 million euro, down on 79.2 million euro in the previous year, due both to year-end valuation effects and to the decrease in portfolio transaction income effects following a reduction in rates.

Income from Class C net investments, made in relation to traditional policies and free assets amounted to 52.7 million euro. The breakdown of this item is as follows:

- ordinary net income of 52.7 million euro;
- net earned income of 1.3 million euro;
- net value adjustments of 1.3 million euro.

Net income from assets consisting of unit-linked policies and pension funds, due entirely to insured, amounted to 12.6 million euro, including net gains realised, and latent gains. The reduction compared to the previous year's balance refers to net profits equal to 0.9 million euro, down on the figure of 4.7 million euro in 2019.

Evidence of the Investment results obtained is given below, as the difference between the income and expenses of investment activity and the costs of portfolio management.

(euro thousands)

	2020	2019
Investment income and expense	65,374	79,254
Investment management expense	-1,721	-1,352
Technical interest	-32,479	-40,979
Investment Result	**31,174**	**36,922**

Operating costs for investments include the fee to Pramerica SGR, as well as fees for securities held in custody owing to the depositary bank UBI BANCA.

A.4 RESULTS OF OTHER ACTIVITIES

Intesa Sanpaolo Vita Insurance Group

The sources of revenues and costs of the Insurance Group not related to the underwriting and investment areas are recorded in the items Other income/expenses, on the consolidated financial statements.

With regard to other Insurance Group income, a value of 173,541 thousand euro was recognised (194,894 thousand euro at 31 December 2019), a decrease of 11%, mainly attributable to management commission relating to unit-linked policies and exchange differences relating to investments.

Regarding other expenses, the amount recorded was 707,381 thousand euro (554,418 thousand euro at 31 December 2019), an increase of 27.6% relating to net provisions for risks and charges, adjustments in the value of tangible and intangible assets and exchange differences allocated to the income statement plus other technical expenses. This last amount is mainly comprised of trail commission paid to the sales network.

(euro thousands)

	Income		Expense		Result	
	2020	2019	2020	2019	2020	2019
Other income/expenses	173,541	194,894	-707,381	-554,418	-533,840	-359,524
Extraordinary income/ expense	-	-	-	-	-	-
Other activities	**173,541**	**194,894**	**-707,381**	**-554,418**	**-533,840**	**-359,524**

Intesa Sanpaolo Vita S.p.A.

The sources of income and costs of Intesa Sanpaolo Vita not related to the underwriting and investment areas are recognised in the following items of the Separate Financial Statements:

- Other income/expenses;
- Non-recurring income/expenses,

(euro thousands)

	Income		Expense		Result	
	2020	2019	2020	2019	2020	2019
Other income/expenses	-	129	-70,225	-64,309	-70,225	-64,181
Extraordinary income/ expense	2,855	5,763	-9,940	-516	-7,085	5,246
Other activities	**2,855**	**5,892**	**-80,165**	**-64,826**	**-77,310**	**-58,934**

Below is a summary of the company's financial performance:

(euro thousands)

Overall performance	**2020**	**2019**
Underwriting performance	-108,308	-83,357
Investment performance	474,149	1,110,381
Performance of other activities	-77,310	-58,934
Other P&L items	-852	-6,694
Taxes	-38,389	-270,948
Net result	**249,290**	**690,447**

Intesa Sanpaolo Assicura S.p.A.

The sources of income and costs of Intesa Sanpaolo Assicura not related to the underwriting and investment areas are recognised in the following items of the Separate Financial Statements:

- Other income/expenses;
- Non-recurring income/expenses.

(euro thousands)

	Income		Expense		Result	
	2020	2019	2020	2019	2020	2019
Other income/expenses	3,374	3,304	-6,824	-8,866	-3,450	-5,562
Extraordinary income/ expense	1,651	1,403	-849	-780	802	622
Other activities	**5,025**	**4,707**	**-7,673**	**-9,646**	**-2,648**	**-4,939**

Below is a summary of the company's financial performance:

(euro thousands)

Overall performance	2020	2019
Underwriting performance	423,590	349,332
Investment performance	12,900	22,807
Overhead and administrative expenses	-259,089	-254,302
Performance of other activities	-2,648	-4,939
Other P&L items	-497	-483
Taxes	-53,074	-34,299
Net result	**121,182**	**78,115**

Fideuram Vita S.p.A.

The sources of income and costs of Fideuram Vita not related to the underwriting and investment areas are recognised in the following items of the Separate Financial Statements:

- Other income/expenses;
- Non-recurring income/expenses.

(euro thousands)

	Income		Expense		Result	
	2020	2019	2020	2019	2020	2019
Other income/expenses	3,459	1,165	-10,713	-7,921	-7,254	-6,756
Extraordinary income/ expense	395	455	-1,305	-366	-910	89
Other activities	**3,854**	**1,620**	**-12,018**	**-8,287**	**-8,163**	**-6,667**

Other income amounts to 3.4 million euro and relates to amounts recovered from other Insurance Group companies for the cost of personnel on secondment. The item Other expenses amounts to 10.7 million euro and includes 4.1 million euro of interest payable on subordinated loans, 2.7 million euro for the amortisation of intangible assets and 3.5 million euro of costs paid to third parties, as well as other expenses for 0.5 million euro.

The result of non-recurring transactions refers to contingent assets for 373 thousand euro, extraordinary income for NAV differences for 22 thousand euro, and contingent liabilities from the sale of shares of the Parent Company recognised under long-term assets for 27 thousand euro. These shares had been purchased to service the free assignment plan for Company Management

(so-called "Risk Takers"), and other extraordinary expenses for 437 thousand euro, and expenses for NAV differences for 841 thousand euro.

The balance for the other income components is negative by 492 million euro, mainly attributable to the share of management costs deducted from the unit-linked policies, retroceded to the distributors. This item also includes the trail commission payable on certain profit-sharing policies, the management costs for Class D investments and other technical items.

Below is a summary of the company's financial performance:

(euro thousands)

Overall performance	**2020**	**2019**
Underwriting performance	-18,082	-11,462
Investment performance	620,507	672,727
Overhead and administrative expenses	-22,032	-18,908
Performance of other activities	-8,163	-6,667
Other P&L items	-491,893	-491,949
Taxes	-22,240	-41,366
Net result	**58,098**	**102,376**

Intesa Sanpaolo Life D.A.C

The sources of income and costs of Intesa Sanpaolo Life that are not related to the underwriting and investment areas are recognised in the residual items of the Separate Financial Statements, and mainly refer to other expenses and non-technical income.

(euro thousands)

	2020	**2019**
Operations expenses	-29,088	-27,137
Fund administration expenses	-7,549	-6,941
Other income and expenses	582	11,620
Other P&L items	2,018	7,393
Other technical income and expenses	-	-
Net result	**-34,037**	**-15,065**

Below is a summary of the company's financial performance:

(euro thousands)

	2020	**2019**
Underwriting performance - local report	202,216	178,882
Investment performance	4,210	5,633
Other P&L items	-34,036	-15,065
Taxes	-19,037	-21,232
Net result	**153,353**	**148,218**

Intesa Sanpaolo RBM Salute S.p.A

The sources of income and costs of Intesa Sanpaolo RBM Salute not related to the underwriting and investment areas are recognised in the following items of the Separate Financial Statements:

- Other income/expenses;
- Non-recurring income/expenses.

(euro thousands)

	Income		Expense		Result	
	2020	2019	2020	2019	2020	2019
Other income/expenses	39	124	-535	-4	-496	120
Extraordinary income/ expense	14	232	-196	-196	-182	36
Other activities	**53**	**356**	**-731**	**-200**	**-678**	**156**

Below is a summary of the company's financial performance:

(euro thousands)

Overall performance	2020	2019
Underwriting performance	103,438	74,539
Investment performance	424	141
Overhead and administrative expenses	-14,846	-10,434
Performance of other activities	-93	-45
Other P&L items	-678	156
Taxes	-26,380	-19,204
Net result	**61,865**	**45,153**

BancAssurance Popolari S.p.A.

Below are details of other revenues and other costs not included in sections A.2 and A.3 above, realised and incurred in the period under review:

(euro thousands)

	Income		Expense		Result	
	2020	2019	2020	2019	2020	2019
Other income/expenses	550	609	-283	-762	267	-154
Extraordinary income/ expense	905	343	-531	-677	373	-334
Other activities	**1,455**	**952**	**-814**	**-1,439**	**641**	**-488**

The item other income components includes extraordinary income and expenses, referred mainly to contingent assets and liabilities.

Below is a summary of the company's financial performance:

(euro thousands)

Overall performance	2020	2019
Underwriting performance	-5,436	-3,108
Investment performance	31,174	36,922
Overhead and administrative expenses	-20,699	-18,775
Performance of other activities	640	-488
Other P&L items	-	-
Taxes	-1,606	-4,261
Net result	**4,073**	**10,290**

A.5 OTHER INFORMATION

No other information is reported.

B. GOVERNANCE SYSTEM

B.1 GENERAL INFORMATION ABOUT THE GOVERNANCE SYSTEM

Intesa Sanpaolo Vita Insurance Group

The UIPC manages and coordinates the other companies of the Insurance Group, in line with the general guidelines set by the Board of Directors of the UIPC which reflect the requirements of current regulations. It also adopts risk management and internal control procedures that ensure the coordinated, unitary management of the various Insurance Group companies by providing them with instructions, also regarding the implementation of IVASS provisions, through specific instruments, such as the Regulations of the Insurance Group, the internal control policy of the Insurance Group and the application of the provisions in the Private Insurance Code and IVASS Regulation no. 22/2016.

In particular, the Regulations of the Insurance Group govern the procedures for management and coordination by Intesa Sanpaolo Vita S.p.A., as the UIPC, over other Insurance Group companies.

The Insurance Group Regulations provide for the following in particular:

- strategic-economic control: with a view to promoting efficiency and realising the overall value of the Insurance Group, and of safeguarding its stability also in terms of the adequate availability of own funds for identified risks, and profitability, the UIPC is required to put in place an Insurance Group planning process, preparing the "Group Plan" and "Group Budget", which include the plans and budgets of the individual companies, following the processes coordinated by the UIPC;
- operational control: the aim is to standardise operations within the Insurance Group:
    - the UIPC imposes internal regulations on the other Insurance Group companies for the implementation of measures issued by the Regulator regarding the Insurance Group, and checks that these measures are complied with;
    - with reference to the monitoring and control of all risks (underwriting, reserve, market, credit, liquidity, operational risk, risk of belonging to the Insurance Group, compliance and reputational risk) the Group's core functions (Audit, Compliance, Risk Management and Actuarial) help to put in place and maintain an internal control and risk management system at Group level;
    - for the production of data and information used in the supervision of the Insurance Group, the UIPC assigns responsibility to its own Group Financial Reporting organisational unit;
    - for controls on financial data, the UIPC acquires periodic information flows from Group companies, which are analysed and controlled by the UIPC's Management Control and Planning function.

- Group Regulatory Unit: the UIPC is tasked with defining and circulating the "Insurance Group Governance Documents" (for example the "Policies" and "Guidelines), the "Rules" and "Operational instructions", which contain binding regulatory provisions. These may refer to: (i) defining the objectives, roles, duties and responsibilities of each player in the principal business management processes, thus establishing the principles of relations between the central departments and the operational units of the Insurance Group; (ii) the types and characteristics of regular information flows between the Insurance Group companies and the UIPC, which enable the latter to fulfil its role of managerial and supervisory guidance, governance and control; (iii) specific or generic regulatory issues; (iv) temporary or permanent measures, and (v) measures intended for individual entities or business units, or for the Insurance Group as a whole;
- specific obligations of the other Insurance Group companies, through a system of "pre-authorisations" from the UIPC for certain transactions of Group Companies such as (i) changes to the articles of association and the granting of authorities to executive bodies, (ii) mergers and demergers, (iii) the acquisition and/or transfer of businesses, business units and legal relations en bloc; (iv) the acquisition, disposal and contribution of equity investments, (v) the election of the management boards and boards of statutory auditors, (vi) changes to the organisational structure;
- advance notifications and periodic information flows to the UIPC from other Insurance Group companies regarding among other things (i) findings of the Regulator and significant events, (ii) meetings of the company bodies, (iii) activities concerning personnel management (iv) activities related to the collection of data for the calculation of the Solvency Capital Requirement at Insurance Group level and own funds eligible for its coverage, and for all the quantitative and qualitative reports required by the Solvency II regulation, and (v) approvals of policies based on the application of Group or regulatory policies.

The coordinated management of relevant issues within the Insurance Group, the effective control of internal risks, and an adequate level of internal discussion and communication is assured by the management committees (Coordination Committee, Controls Coordination Committee, Investment Committees and Alternative Investment Committee) and the board committees (Remuneration and Internal Control and Risks Committees) of the UIPC. These committees, which are established by the Board of Directors of Intesa Sanpaolo Vita, are specialized in certain subjects. The number and type of their members are defined on the basis of specific requirements.

The UIPC informs the other Insurance Group companies of:

- the strategic guidelines and other instructions to be followed by the Subsidiaries;
- the criteria for identifying, measuring, assessing, managing and controlling risks;
- the decisions taken on authorisations or opinions requested by the Insurance Group companies on specific matters;
- the changes to its own structure as regards functions, powers and offices, if they affect Insurance Group companies;
- any information of general significance for the Insurance Group or of specific interest for each company.

Insurance Group companies are required to:

- provide the UIPC with all data and information deemed necessary or expedient in connection with the performance of its management and coordination duties, also for the fulfilment of legal or supervisory obligations of the Insurance Group;
- send the UIPC the agenda of Board and shareholders' meetings and, on request, a copy of minutes of resolutions passed by corporate bodies;
- request preliminary opinions or authorisations to the UIPC on the matters for which said obligation arises;
- abide by the rules, policies and controls established by the UIPC;
- provide the UIPC with all information which may be useful to establish Group policies with greater detail, guaranteeing consistency between the specific implementation of the UIPC's instructions and the specific needs of other Insurance Group companies.

For the calculation of the Group capital requirement, the Insurance Group uses Method 1 (also known as the standard method) as provided for in Article 75 of the Directive of the European Parliament 138/2009. This calculates the solvency capital requirement based on the consolidated accounts data.

Using this method, the capital requirement is calculated as the difference between the eligible consolidated own funds and the Insurance Group capital requirement, calculated on the basis of the consolidated data.

To determine whether the consolidated requirement adequately reflects the Insurance Group risk profile, particular attention must be paid to cases in which a specific risk at Group level is not sufficiently covered by the Standard Formula, as it cannot be quantified.

The consolidated data includes:

- The proportional consolidation of the data of companies managed by a subsidiary together with the other companies not considered as such, if their liability is limited to the share of capital they hold;
- based on the adjusted equity method (Article 13 (3) of the Delegated Acts), the proportion of own funds for subsidiaries that are credit institutions, investment firms and financial institutions, managers of alternative investment funds and UCITS management companies, pension funds and unregulated financial services companies;
- the data for all the subsidiaries in accordance with Article 13 of the Delegated Acts, other than those listed in the above points.

The above data should be considered net of intragroup operations. The consolidated Insurance Group capital requirement is calculated as the sum of four components:

- the capital requirement calculated on the basis of the consolidated data;
- the proportion of the capital requirement pertaining to each subsidiary company;
- the proportion of the capital requirements of the other equity investments in credit firms, investment companies, financial entities, alternative investment funds and UCITS management firms, pension funds, added to the notional capital requirements of unregulated firms providing financial services;

- of the capital requirement of the other related undertakings, including instrumental companies, other than those mentioned above.

In relation to the bases, methods and assumptions used at Group level for the solvency valuation of group assets and liabilities other than technical provisions, refer to section D of this Report.

Coordination between the executive and supervisory bodies and key functions

Coordination of the Board of Directors, Board of Statutory Auditors and Core Functions of the group is governed by the Insurance Group Regulations and related information flows among Group Core Functions and between these functions and the Board of Statutory Auditors of the UIPC.

The methods of sending communications between the Core Functions are agreed between the interested parties (for example through the email addresses of each Organizational Unit) and are such as to ensure the timeliness and traceability of the communication exchange; finally, sent documentation is archived and stored by the respective sending Organizational Unit.

The purpose of the Controls Coordination Committee is for the Core Group Functions and the GAF Unit to share the most relevant information concerning the Group's control activities. The Board of Statutory Auditors receives all the information requested by the Corporate Affairs unit in relation to each matter of interest, inviting the competent Organizational Units to attend the meetings to provide information and clarifications in relation to requests.

As regards the main flows to the Board of Directors of the UIPC by the Group's Core Functions, the following are sent:

- annual activity plans;
- reports on the activities carried out twice a year (annually by the Actuarial and Risk Management Functions) with evidence of any inefficiencies and/or weaknesses detected, the identification of any recommendations and areas for improvement regarding the internal control and risk management system and the monitoring of recommendations/findings formulated in previous periods;
- quarterly reports (for the Actuarial and Risk Management Functions) on controls carried out, including monitoring of the plan of recommendations made in previous valuations and any new recommendations;
- urgently, information on particularly serious situations and any significant breach or discovered deficiency;

The Group's Core Functions manage and coordinate the Core Functions of the Group's Companies, so that activities carried out are such as to guarantee a consistent and coordinated approach within the Insurance Group.

Risk management for the Insurance Group is overseen by the Group Risk Management function, which guarantees a standard approach to audits and the development of operating synergies, as well as assessments of the Insurance Group.

As regards Intesa Sanpaolo Life, the Risk Management function of the UIPC: i) provides its Irish counterpart with the principles used to draw up the internal regulations, methodologies and verification methods used, to ensure that risk is managed and measured in the same way, and ii) check that these regulations are implemented, by attending the Risk & Compliance Committee,

as a permanent attendee, so that it can analyse and discuss the main risk control dynamics, in view of decisions to be taken by the Management Board.

Activities are regularly coordinated, partly through the use of common systems to standardise the management of financial and operational risks.

Remuneration system and salary policies

The Insurance Group companies are required to implement the Remuneration Policies defined in the Regulations on Remuneration of the Parent Company Intesa Sanpaolo, by setting out, where necessary, specific mechanisms that also take into account sector regulations and governance constraints, which, as far as the Insurance Group is concerned, are contained in the provisions of IVASS Regulation no. 38/2018. For the Company BancAssurance Popolari, which joined the Insurance Group during 2020, the Policies for 2020 were approved beforehand, as they conform to the Regulations and are based on the same principles.

The Remuneration Policies applied in 2020 were based on the following principles:

- **alignment of the conduct** of management and personnel with the interests of all stakeholders, with a focus on creating value for shareholders, as well as on the social impact for communities;
- **correlation between remuneration and risks undertaken**: steering the behaviour of personnel towards achieving objectives in a framework of rules centred on the control of business risks; remuneration systems aligned with financial and non-financial risk management policies, in line with indications in the Insurance Group's Risk Appetite Framework; definition of a fixed component that is sufficiently high to enable the variable part to significantly decrease and reset to zero if certain conditions occur;
- **focus on medium and long term objectives** considering the Group risk tolerance, through incentive systems that target performance to an accrual period longer than a year;
- **merit** in terms of salary flexibility, in order to recognise bonuses related to achieving results and undertaking risks, competitiveness such as focussing on key resources and senior managers, and their competitive salary positioning in relation to the market;
- **fairness**, in terms of relating fixed remuneration to the level of responsibility, measured using the Global Banding system and focussing on the gender pay gap;
- **sustainability**, in order to reduce expenses from adopting the policy to within values compatible with available financial resources; selective measures for fixed remuneration based on market benchmarks; mechanisms to adjust provisions for total incentives based on profitability and results achieved by the Insurance Group; appropriate caps on total incentives and individual bonuses;
- **meeting legal requirements**, conforming to international, European and national laws and regulations, with a focus on Key Personnel including Risk Takers and Core Functions.

The salary policy guidelines are based on the principle of personnel segregation, according to the role and contribution made to corporate governance processes and to instruments adopted; in this regard, the 2020 Remuneration Policy Report enacted the provisions of IVASS Regulation 38, also concerning **the identification of Key Personnel**.

In General, the Regulations require the Company to ensure the following:

I. **it adopts remuneration policies that are consistent** with sound, prudent management and which do not over-incentivise risk;

II. **it adopts decision-making processes based on** the principle of transparency, and which avoid conflicts of interest;

III. **shareholders play an active role** in improving the policies and in assessing their implementation.

With the aim of increasing awareness of the remuneration of the corporate bodies, the holders of key functions and key personnel as defined in the Regulation, more detailed disclosures are required for shareholders. IVASS must be sent quantitative data on the payments made to such personnel, according to the list of information contained in Annex 3 to the Regulation.

Remuneration policies thus play an important role in ensuring that adequate professional figures can be attracted and retained, in a competitive context; from a prudential point of view it is necessary to ensure that the Insurance Group Companies adopt remuneration systems that reflect sound, prudent management of risks and avoid any incentives that may encourage excessive risk-taking behaviour.

The alignment of remuneration policies with the long-term interests of Intesa Sanpaolo Vita and the Insurance Group helps to reinforce the protection of the interests of all stakeholders, including policyholders, and the stability of the market.

The remuneration policies are based on individual and company performance. As far as the profits principle is concerned, bonuses are awarded in relation to the achievement of subsequent results (of the Intesa Sanpaolo Group, on a company and individual level) which are measured by specific performance indicators.

The correlation between remuneration, performance and risk is ensured for all employees through:

- **the adoption of a balanced pay mix**: with a weight, in percentage terms on overall remuneration, of the fixed component and variable part, establishing beforehand the maximum and balanced limits of variable remuneration through the definition of specific caps for bonus increases in relation to any over-performance. The adoption of a suitably "balanced" pay mix for the above remuneration components enables a flexible management of labour costs and discourages behaviour focused on achieving results in the short term, particularly if arising from undertaking high risks;
- **minimum activation conditions** based on principles of a robust financial position, liquidity and financial sustainability of the variable component of remuneration;
- **funding conditions** of the bonus pool, i.e. mechanisms to determine the amount of financial resources available to fund the incentive system that relates the amount to allocate to the incentive to the performance of the pre-defined conditions. The failure to fulfil even one of these condition means that the Intesa Sanpaolo Group bonus pool is not activated. The principle of financial sustainability is set out also at an individual Company level;
- **measurement of performance** based on several quantitative dimensions (profitability, growth, productivity and cost of risk), as well as qualitative dimensions (e.g. projects, managerial qualities).

The Remuneration Report of the Insurance Group was prepared pursuant to Article 71(2) n) of the Regulation and meets the obligations of the combined provisions of Articles 93(6) and 59(1)(2) of the Regulation to report to the Shareholders' Meeting on 2019 Remuneration and Incentive Policies and on the adoption of these policies.

The Report was presented to the Board of Directors of the UIPC on 21 April 2020 and approved by the Shareholders' Meeting on the same date.

Intesa Sanpaolo Vita, as the UIPC, ensures that the remuneration policies of the other Insurance Group companies are coherent, and that they are suited to the profile of each company, checking their correct adoption; It also checks that all the Insurance Group companies comply with the provisions of IVASS Regulation no. 38/2018, including companies with head offices based overseas, compatibly with the regulatory framework of the foreign country.

Operations with shareholders and persons of influence

The Insurance Group and its Companies put in place and maintain a Policy to manage conflicts of interest, which is prepared on the basis of the nature, size and complexity of their individual businesses.

The Insurance Group Companies have internal procedures and internal regulations which are designed to identify and regulate operational situations that could give rise to potential conflicts of interest deriving from group relations, their own business relations, or those of Intesa Sanpaolo Group companies.

The Insurance Group also has its own procedure to manage related party transactions, and transactions with affiliates of the Insurance Group, and intragroup transactions; this procedure is coordinated, and reflects the regulations of the Parent Company Intesa Sanpaolo.

The procedures are periodically reviewed by the Companies, which verify that they are effective and adequate, based on changes to the organisational structures and regulatory requirements.

Self-assessment of the management board

Article 71, paragraph 2 bb) of the IVASS Regulation 38/2018, in setting out the responsibilities of the management board of the UIPC at an Insurance Group level with a view to improving the efficiency of the operational process as part of its strategic and organisational duties, and to assess the adequacy of the insurance companies' structure, requires the Board of Directors of the UIPC to assess, at least once a year, the composition and functioning of the executive body of the UIPC overall, and of its committees, expressing guidelines for the professional roles who should be included on the Board, also considering the group structure, and proposing any corrective actions.

For the above purposes, each Director of the UIPC in office in 2020 was sent three questionnaires referring to the Board of Directors, the Internal Control and Risks Committee and the Remuneration Committee respectively, with questions on the role of the UIPC of Intesa Sanpaolo Vita and the Insurance Group.

The replies to the questionnaires at an UIPC level, processed in an aggregate and anonymous form:

(i) confirmed the following for 2020:

- the climate within the Board, the Internal Control and Risks Committee and the Remuneration Committee favoured an open, constructive debate among all members, and fostered the contribution of ideas from the diverse experiences, facilitating the adoption of broad-consensus decisions;

- the Board's decision-making process was fuelled by prompt, effective information flows, also based on new remote participation methods, used due to the current health emergency, and the minutes of all discussions and resolutions were considered to be complete and accurate;
- the size of the Board of Directors, the Remuneration Committee and the Internal Control and Risks Committee was such as to ensure effective functioning in relation to the complexity, size and objectives of the Company and Insurance Group;

(ii) an adequate personal contribution to board meetings by each Director, a good assessment of the value and quality of the overall performance of other members;

(iii) an adequate assessment of the strategic supervision function of the Board of Directors;

(iii) all members of the Board of Directors, the Remuneration Committee and Internal Control and Risks Committee carried out their duties diligently and independently.

The analysis, which was presented to the Board of Directors on 17 March 2021, indicated that the overall framework was on average positive for 2020, with the composition, functioning and size of the Board of Directors, the Internal Control and Risks Committee and the Remuneration Committee at an UIPC level considered to be adequate.

Intesa Sanpaolo Vita S.p.A.

The organisational structure of Intesa Sanpaolo Vita is defined in accordance with that of the Insurance Group, and confirms the differentiation between the core and control, staff and business functions.

The Company has adopted the conventional management and control model based on a Board of Directors and a Board of Statutory Auditors, in keeping with the provisions of Articles 2380 and following of the Civil Code.

The Board of Directors of Intesa Sanpaolo Vita in office since 19 March 2018 and until the approval of the Financial Statements at 31 December 2020 was formed of 9 members including a Chair, a Vice Chair and CEO.

All the members of the Board Directors meet the integrity, professionalism and independence requirements stipulated by current legislation.

The Board of Directors of Intesa Sanpaolo Vita acts on behalf of the Group and is ultimately responsible for defining the strategies and guidelines concerning risk management and internal controls, and for ensuring that they are adequate and maintained over time in terms of their completeness, functionality and efficiency, in line with the size and specific operations of the Company, as well as the nature and intensity of the company's and Insurance Group's risks.

The Board of Directors of the company is ultimately responsible for compliance with directly applicable national and European legislative and regulatory provisions.

The Board of Directors of Intesa Sanpaolo Vita, also in a capacity as the UIPC, within the scope of strategic and organisational governance duties, is solely responsible for the exercise of its powers with reference to:

- checking that the corporate governance system is consistent with the strategic objectives, risk appetite and risk tolerance limits, as established, and is able to capture any changes in the company risks and the interaction between them;

- periodic setting of the risk-adjusted objectives in compliance with the goal of protecting its assets and with the guidelines of the Intesa Sanpaolo Group implemented by Intesa Sanpaolo Vita and Insurance Group Companies;
- approval of annual reporting documents (quantitative and qualitative) required by the entry into force of the Solvency II Regulation;
- approval of the Current and Forward-Looking Risk Assessment Report provided for by the Solvency II Directive.
- approval of this Policy on investments of the Insurance Group, of the Framework Resolution on investments of Intesa Sanpaolo Vita, including the Policy on investments, the Policy on asset and liability management and Policy on liquidity risk management;
- approval of the risk management and risk appetite policies and strategies of Intesa Sanpaolo Vita and of the Insurance Group, through the specific policies;
- approval of the remuneration policies;
- approval of the capital management policy;
- approval of ESG investment policies;
- a periodic review of results, including the results of stress tests, and periodic examination of the underlying risk profiles of Intesa Sanpaolo Vita and other Group Companies, which are communicated to Senior Management and to the independent Risk Management function;
- gathering of information on the most significant critical aspects concerning risk management and internal control of Intesa Sanpaolo Vita and of the other Insurance Group Companies identified by the various bodies tasked with their monitoring and control;
- timely assessment of said critical aspects and initiation of the necessary corrective measures by issuing directives. In urgent cases linked to situations that may compromise the solvency of the Company and Insurance Group and reaching company goals, the corrective actions are determined by the Senior Management of Intesa Sanpaolo Vita, also in a capacity as the UIPC, provided that it duly informs the Board at a following meeting.

For instrumental purposes, in addition to said powers and responsibilities, the Board of Directors of Intesa Sanpaolo Vita, also in a capacity as the UIPC:

- identifies the strategic guidelines and policy for the current and forward-looking risk assessments;
- ensures that the implementation of the Risk Appetite Framework is consistent with the approved risk appetite and tolerance threshold; periodically evaluates (at least once a year) the adequacy and effectiveness of the Risk Appetite Framework and compatibility between actual risk and risk targets;
- checks that Senior Management defines the structure of internal controls in line with the selected risk appetite, that the control functions have an adequate degree of autonomy within the organisational unit, and that adequate resources are provided for proper functioning;
- checks the definition of the organisational structure so that tasks and responsibilities are assigned clearly and appropriately and is informed of any organisational change and of the reasons that led to such change, ensuring that supervisory authorities are duly notified in the case of significant changes; is later informed of whether the expected improvements are achieved;

- ensures that adequate decision-making processes are adopted and formalised and that functions are segregated appropriately within the organisational structure;
- approves the system of delegating powers and responsibilities, making sure that it remains adequate over time, and provides for adequate contingency arrangements if it decides to reserve the delegated powers for itself;
- is informed at least on a quarterly basis by the Chief Executive Officer about actions by proxy-holders concerning the most important transactions in terms of size and characteristics;
- is informed, each quarter, about significant related party transactions carried out by Intesa Sanpaolo Vita;
- promotes staff compliance with the principles of moral integrity and the ethical values of the Company formalised within the Code of Ethics, and fosters an "audit culture" so that all personnel are aware of the importance and usefulness of internal audits;
- appoints and revokes:
  - the head of internal auditing (Audit),
  - the Chief Risk Officer also as the Head of the independent risk control function (Risk Management);
  - the Chief Compliance Officer also as the Head of the compliance function (Compliance), the head of AML, and Data Protection Officer;
  - the Head of the Actuarial Department;
- approves the annual plan of action for the Compliance, Risk Management, Audit and Actuarial functions;
- examines, at least once every six months, the reports on the work done by the Heads of the control functions, on the audits carried out;
- sets out the main characteristics of the internal controls and risk management system, expressing its opinion on the overall adequacy thereof based on the reports prepared by the competent functions; These activities are carried out at least once a year;
- makes sure that shortcomings and anomalies found as a result of the controls at the various levels are timely brought to its attention in order to give directives on the adequate corrective measures;
- determines the measures to be adopted following any recommendations received, and identifies the measures to eliminate deficiencies found by the Audit function, ensuring that the necessary measures are implemented;
- ensures continuous professional development which is extended also to the members of the body itself;
- carries out, at least once a year, a review on the size, composition and operation of the management board as a whole, including its internal committees.

The principal role of the Chief Executive Officer is to:

- implement the decisions about the corporate governance and risk management systems, taken by the Board of Directors, and to supervise the management of the business and all the

Company's affairs, ensuring that this is conducted in accordance with the general management guidelines established by the Board of Directors;

- supervise the setting of the annual and multi-year plans and budgets to be submitted to the Board of Directors;
- supervise the setting of the technical insurance policies to be submitted to the Board of Directors;
- Propose business-related growth strategies;
- present the Board of Directors with the matters for which it is responsible, and any other issues regarding the performance of the company, and formulate any proposals;
- coordinate the Company's activities;
- establish and maintain external, corporate, shareholder and industrial relations;
- define, in detail, the organisational structure of the business, the duties and responsibilities of the basic operational units as well as the decision-making processes in accordance with the instructions given by the Board of Directors.

The Board of Statutory Auditors of Intesa Sanpaolo Vita S.p.A. in office at 31 December 2020 was appointed during the Shareholders' Meeting of 25 March 2019 and comprises 5 members, of whom 3 standing members, appointed by the Chair, and two substitute members, who all meet the requirements of integrity, professionalism and independence as required by current legislation.

The Board of Statutory Auditors of Intesa Sanpaolo Vita verifies the adequacy of the organisational, administrative and accounting structure of the Company, and its functioning.

Under the limits permitted by Law no. 183/2011, the Company has assigned the Board of Statutory Auditors the prerogatives previously held by the Supervisory Body under Legislative Decree 231/2001.

The Governance system of Intesa Sanpaolo Vita includes various permanent advisory committees core functions, as provided for in current regulations (Legislative Decree 209/2005, updated by Legislative Decree 74/2015): Risk Management, Compliance, Actuarial, Audit Functions. In addition to these core functions is the additional control function responsible for AML (Anti-Money Laundering) controls.

There are 4 managerial committees and 2 board committees:

Management committees:

- A Coordination Committee, which meets in two sessions (Insurance Group, Insurance Group Products and Intesa Sanpaolo Vita), usually once every two months, and whose mandate is to:
  - facilitate interaction and communication between the departments of Intesa Sanpaolo Vita and the Insurance Group companies at the highest level, in order to coordinate the key decisions of the Insurance Group and to monitor the economic performance of the Group;
  - approve the products plan of the Insurance Group and substantial changes to it;
  - discuss proposals for determining company strategies and for monitoring the company's economic trends, as well as discussing the structure of new products, monitoring their launch plan, and for defining, prioritising and verifying the progress of key projects.

- an Investment Committee which meets in three sessions (Insurance Group Investment Strategies, ALM and Investments and Corporate Bond & Emerging Market Investments) usually at least once every two months, with the respective objectives of:
    - helping to outline investment strategies for the Insurance Group that the individual companies will adopt in their own specific strategies, though operating and tactical choices discussed by their respective Investment Committees;
    - suggesting and defining the investment strategies and financial policies, to propose, in conjunction with the Delegated Manager, as well as the guidelines for tactical operations to be submitted for approval by the Board of Directors;
    - monitoring the limits regulated by the Policies on investments of the Insurance Group and individual Companies including the Policy for sustainable and socially responsible investments based on ESG (Environmental, Social and Governance) and SRI (Sustainable and Responsible Investments) principles, regarding ESG principles and analysing any deviations and exceptions.
- Controls Coordination Committee, a body with an information and advisory role that operates to consolidate the coordination and the mechanisms of inter-functional cooperation as part of the internal controls system of the Insurance Group. The Committee meets usually on a quarterly basis but it may also be convened by the Head of the Audit Function whenever necessary.
- The Alternative Investment Committee which supports the Board of Directors of the UIPC in formulating guidelines on alternative investments and on identifying related monitoring tools for Intesa Sanpaolo Vita and Fideuram Vita. The Committee usually meets on a quarterly basis but it may also be convened by the Chair, whenever necessary.

Members of the Insurance Group session of the Coordination Committee:

- for Intesa Sanpaolo Vita:
    - Chief Executive Officer;
    - Heads of the Core Functions;
    - Heads of the first-line Organisational Units;
    - Head of Organisation, in a capacity as Committee secretary;
- CEOs and General Managers of the Insurance Group Companies.

The Insurance Group Products session of the Coordination Committee is attended by:

- for Intesa Sanpaolo Vita:
    - Heads of the Core Functions;
    - Head of Finance and Actuarial Area;
    - Head of Sales Area;
    - Chief Financial Officer;
- CEOs and General Managers of the Group Companies.

The Intesa Sanpaolo Vita session of the Coordination Committee is attended by:

- Chief Executive Officer;
- Heads of the Core Functions;
- Heads of the first-line Organisational Units;
- Head of Organisation, in a capacity as Committee secretary.

The Insurance Group Investment Strategies session of the Investment Committee is attended by:

- for Intesa Sanpaolo Vita:
    - Chief Executive Officer;
    - *Chief Risk Officer;*
    - Head of Risk Management;
    - Chief Financial Officer;
    - Head of Finance and Actuarial Area;
    - Head of Investments;
- CEOs and General Managers of Intesa Sanpaolo Assicura, Intesa Sanpaolo Life and Fideuram Vita.

The ALM Investment session of the Investment Committee is attended by:

- for Intesa Sanpaolo Vita:
    - Chief Executive Officer;
    - Chief Risk Officer;
    - Head of Life Risk Management;
    - Chief Financial Officer;
    - Head of Finance and Actuarial Area;
    - Head of Investments;
    - Head of Line I and Property Investments;
    - Head of Lines III and VI Investments;
    - Head of Actuarial;
    - Head of ALM;
    - Head of the Actuarial Function;
    - Head of Sales Area;
- Chief Executive Officer and General Manager of Intesa Sanpaolo Assicura;
- Head of the Investments Division of Eurizon Capital.

Members of the Corporate Bond & Emerging Market Investment session of the Investment Committee:

- for Intesa Sanpaolo Vita:
  - Chief Executive Officer;
  - Chief Risk Officer;
  - Chief Financial Officer;
  - Head of Finance and Actuarial Area;
  - Head of Investments;
  - Head of Line I and Property Investments;
  - Head of Life Risk Management;
- Head of the Financial and Market Risks Head Office Department of the Parent Company Intesa Sanpaolo;
- Chief Executive Officer and General Manager of Intesa Sanpaolo Assicura.
- Chief Executive Officer and General Manager of Fideuram Vita.

Members of the Controls Coordination Committee:

- Head of Audit;
- *Chief Risk Officer;*
- *Chief Compliance Officer;*
- Head of Life Risk Management;
- Head of GAF and Regulatory Agenda;
- Head of Organisation;
- Head of the Actuarial Function;
- Financial Reporting Officer (currently the Chief Financial Officer).

The Alternative Investment Committee is attended by:

- for Intesa Sanpaolo Vita:
  - Chief Executive Officer;
  - Chief Risk Officer;
  - Chief Financial Officer;
  - Head of Finance and Actuarial Area;
  - Head of Investments;
  - Head of Line I and Property Investments;
  - Head of Life Risk Management;
- for Fideuram Vita:
  - Chief Executive Officer and General Manager;
  - Head of Risk Management;
  - Administration, Governance and Support Manager;

- CEO and General Manager of Eurizon Capital Real Asset SGR;
- Head of Financial and Market Risks and Intesa Sanpaolo Chief Lending Officer Chief Governance Area Representative.

The Board Committees are the Remuneration Committee and the Internal Control and Risks Committee.

The Remuneration Committee comprising three non-executive members of Board of Directors, the majority of whom independent pursuant to Article 2387 of the Civil Code, and from among whom the Chair will be elected, is responsible for advising the Board of Directors on the remuneration policies for corporate bodies and personnel of the Company and Insurance Group.

The Remuneration Committee is attended by representatives of the Company, of the other companies in the Insurance Group or of the Parent Company Intesa Sanpaolo, if considered helpful in fulfilling the Committee's functions regarding each item on the agenda.

Meetings of the Remuneration Committee are held at intervals determined according to a calendar based on the work needed to carry out the committee's tasks, but at least twice a year, in order to provide advice and suggestions on any revisions to the remuneration policies, and to provide adequate information on how the policies are to be applied, to be included in the annual report to the ordinary shareholders' meeting of the Italian companies of the Insurance Group.

The Internal Control and Risks Committee, comprising three members, from whom the Chair is elected, monitors the functioning of the internal controls system and the efficiency and functioning of the process to manage financial, technical and operational risks of Intesa Sanpaolo Vita and the Insurance Group, and also advises the Board of Directors (with the aim of increasing the effectiveness of its strategic supervision functions with regard to risk governance and management); the Committee meets in separate sessions, one dedicated to the risks of the Company and Insurance Group (including those of other Companies which are a part of the Group), and one dedicated to internal control of the Company and Insurance Group (including those of other Companies which are a part of the Group).

The Committee pays particular attention to the work necessary for the Board to correctly determine the Risk Appetite Framework (RAF) and the risk governance policies, and in order to effectively fulfil its additional duties relating to risks, as provided for under current regulations. Its duties include examining, advising and proposing. It supports the Board of Directors in understanding the control of risks and the implementation of the RAF of the Company and of the Insurance Group in exercising the functions of strategic supervision regarding the governance and management of risk.

The Internal Control and Risks Committee also assists the Board of Directors:

- in approving proposals for risk mitigation, resulting from the Risk Assessment;
- in defining and approving the ORSA, helping to ensure that it is consistent with the RAF;
- in preparing the risk reports to be sent to the regulatory bodies.

The Internal Control and Risks Committee usually meets on a monthly basis but it may also be convened by the Chair of the Committee at any time, whenever necessary. A schedule of the meetings based also on the schedule of the meetings of the Board of Directors is prepared at the beginning of every year.

An additional part of the corporate governance system is composed of the five core and control functions, established by applicable regulations: Risk Management, Compliance, Actuarial, Audit and AML (Anti-Money Laundering).

These functions are independent and play a leading role in overseeing the correct operation of corporate mechanisms. They are called upon to ascertain that the system of rules and procedures that Intesa Sanpaolo Vita has put in place is adequate to ensure the monitoring of identified risks and can thus protect the interests of all stakeholders.

These functions are separate, in organisational terms: the respective roles and responsibilities are described in the Organisational code and in more detail in the respective Policies.

Their main tasks are detailed below:

The Audit function: is tasked with assessing the completeness, operation, effectiveness and adequacy of the Internal Controls System with regard to the nature of the activity and risk levels, and assessing the need for adjustments, also by providing support and advice to other business units.

The Audit function is independent, also hierarchically, from the operating organisational units. Those tasked with the activity are ensured - for the purpose of carrying out the relevant checks - access to all hard copy and electronic documents and to the company structures subject to audit, as well as to information for control on the correct performance of the outsourced activities. The Unit must also have organic ties with the other Core Functions tasked with internal control. The assigned structure must be appropriate to the scope, complexity of the activity and development objectives of the Company in terms of human and technological resources.

The Head of the Audit function presents the audit plan to the Board of Directors, on an annual basis. The audit plan also takes into account any input from the Board of Directors. The Head of Audit can also include areas of investigation in the Audit plan, to guarantee the independence of the internal audit process.

The Board of Directors is regularly updated about the work done, and on any progress in corrective actions implemented by the relevant units.

The audits are concluded with a follow-up on the effectiveness of the adjustments made to the Internal Control System.

The Risk Management function: supports Senior Management in determining and implementing the Risk Management System, and contributes to the internal risk and solvency assessment based on the Risk Appetite Framework, by identifying each business risk, measuring the effects and performing all controls within its remit, and liaising with the other Core Functions to coordinate the risk management-related company departments, in compliance with the rules imposed by the supervisory bodies.

The Risk Management structure is independent, also hierarchically, from the operations structures. The Risk Management Function, with the support of the Actuarial Function, helps to define the risk management policy and determines the criteria and the methods for measuring risk, as well as the outcome of the assessments, which are sent to the management board (for further details, please see the Risk Management Function Regulation and Policies on Risk Management, the Risk Appetite Framework and risk assessment (ORSA)).

The Chief Risk Officer is the Head of the Risk Management Function.

The Compliance Function: evaluates the adequacy and effectiveness of organisational and control measures adopted to prevent compliance risk and proposes organisational and procedural changes to ensure adequate risk oversight.

Compliance risk is the risk of receiving judicial or administrative penalties, suffering losses or reputational damage as a consequence of violations of directly applicable laws, regulations and European regulations, or rulings of the Supervisory Authorities or governance tools, such as articles of association, codes of conduct or corporate governance codes; In addition, it represents the risk arising from unfavourable changes to the legal framework or legal guidance. The Compliance Function is independent and hierarchically separate from operational units.

The Chief Compliance Officer is the Head of the Compliance Function.

The Chief Compliance Officer was appointed by the management board, with the prior approval of the relevant functions of the Parent Company Intesa Sanpaolo and also holds the position of AML officer and Data Protection Officer (DPO) within the Company.

The Data Protection Officer (DPO) informs and advises the Controller, and staff carrying out data processing activities; he/she oversees compliance with Regulation (EU) 2016/679 ("GDPR") and the controller's policies on data protection, including the allocation of authorities, training and guidance for data processing personnel and related control activities; if required, the DPO also provides an opinion on the data protection impact assessment required by Article 35 of the GDPR, and oversees the assessment process; he/she cooperates with the regulatory authority and acts as a point of contact for data processing issues, including the pre-assessment required by Article 36 of the GDPR also carrying out consultations on other issues as necessary; he/she keeps Data Processing Records.

The overall architecture of the risk management and control system regarding privacy is set out in the Guidelines of the Parent Company Intesa Sanpaolo, which establish - for Insurance Group Companies - a decentralised "coordination and control" model, also governed by the Guidelines of the Intesa Sanpaolo Vita Group. This model requires each Group Company to appoint its own DPO, who reports functionally to the Parent Company's DPO. Intesa Sanpaolo Vita's DPO carries out Management and Coordination activities for all Insurance Group Companies, comprising Intesa Sanpaolo Assicura, Intesa Sanpaolo Life, Fideuram Vita, Intesa Sanpaolo RBM Salute and BancAssurance Popolari (BAP) and also for the indirect subsidiary Intesa Sanpaolo Insurance Agency (formerly Ubi Sicura, an insurance agency controlled by BAP).

Within this model, the DPO of Intesa Sanpaolo Vita:

- carries out management and coordination activities;
- oversees direct relations with the DPOs of Insurance Group Companies;
- issues instructions and guidelines to the Insurance Group Companies.

Moreover the DPOs of Fideuram Vita, Intesa Sanpaolo Assicura, Intesa Sanpaolo RBM Salute, Intesa Sanpaolo Life and BAP report functionally and periodically to the DPO of Intesa Sanpaolo Vita, in a capacity as the Ultimate Italian Parent Company. The DPO of Intesa Sanpaolo Vita, in a capacity as the UIPC, reports functionally to the Data Protection Officer of the Parent Company Intesa Sanpaolo.

The Chief Compliance Officer is responsible for the AML (Anti-money Laundering) function, and also reports suspicious activity (SOS).

The AML function carries out all activities necessary to asses and manage money laundering, terrorist financing and corruption risk, assisting the corporate bodies and Senior Management in carrying out functions required under applicable law.

The Anti-money laundering function mainly carries out the following duties:

- monitors the risk of money laundering, terrorist financing, embargo management and risk of corruption, and in this context, the suitability of the internal controls system and procedures adopted;
- carries out AML steering and coordination activities in the Group;
- advises corporate functions on anti-money laundering, anti-corruption, combating terrorism and managing embargoes;
- verifies that the company's procedures are consistent with the aim of preventing and combating breaches of applicable external and internal regulations, and in particular:
    - reviews level one suspicious activity reporting, and prepares cases for final evaluation by the Head of Suspicious Activity Reporting;
    - prepares adequate information flows for the corporate bodies of the Company and other entities involved;
    - ensures information required by legislation is correctly entered in the AUI (Single Electronic Archive);
    - prepares an adequate training plan to ensure the continual professional development of personnel and staff, assisted by other company functions responsible for training;
    - sends aggregate data on the above records to the FIU each month;
    - carries out second level controls, in particular on operating entities;
    - carries out Enhanced Due Diligence;
- reports to the Parent Company Intesa Sanpaolo;
- as regards new products, assists relevant functions in advance, in order to identify adequate controls to monitor and mitigate the risk of money laundering and terrorist financing (AML Clearing);
- assesses the residual risk profile regarding money laundering, terrorist financing and breaches of embargoes based on the "AML Risk Assessment" methodology, coordinating activities also at a Group level.

The Actuarial Department's main tasks are as follows:

- coordinates the calculation of Solvency II provisions;
- ensures the adequacy of the underlying methodologies and models, as well as the assumptions on which the calculation is based;
- assesses the sufficiency and quality of the data used in the calculation of technical provisions;
- compares the Best Estimates against experiential data;
- informs the Board of Directors about the reliability and adequacy of the calculation of the technical provisions;
- gives an opinion on the overall underwriting policy and on the adequacy of reinsurance arrangements;
- contributes to the effective implementation of the risk management system as per Article 30-bis of Italian Legislative Decree 209/2005, with specific reference to the modelling of risks underlying the calculation of capital requirements and the internal risk and solvency

assessment referred to in Article 30-ter of Italian Legislative Decree 209/2005; supervises the calculation of technical provisions in the two cases provided for by Article 36-duodecies of Italian Legislative Decree 209/2005;

- assessing the adequacy of the individual reserves, in accordance with IVASS provision no. 53/2016;
- assessing the cohesion between the amounts of the reserves calculated according to the valuation criteria applicable to the statutory accounts and the calculation of the Solvency II technical provisions.

The company has assessed its Governance system as being adequate, compared to the nature, scope and complexity of the risks of the company's activities in 2020.

Coordination between the executive and supervisory bodies and key functions

In compliance with the Policy on the Internal Control system of Intesa Sanpaolo Vita, the core and control functions (Audit, Risk Management, Compliance, AML and Actuarial Function) are separated by operational Organisational Units and from each other, in organisational terms, to guarantee their independence, directly reporting to the Board of Directors on activities carried out.

The heads of the core functions are members of the Coordination Committee and Controls Coordination Committee.

Core and control functions are coordinated, through the involvement of the functions in the Controls Coordination Committee, and through the exchange of information flows. The auditing firm, the Board of Statutory Auditors, the Supervisory Body and the Administration and Finance Governance (GAF) and Regulatory Agenda Organisational Unit also come under the scope of the Policy, as participants in the system of controls.

The information that these functions send to the Board of Directors regarding planned audits and outcomes is governed by the policies for the control functions. These reports are mainly carried out using the dashboard of critical issues and the periodic report to the Board of Directors.

Each control function performs its activities through a dedicated department.

All personnel of key company departments have adequate specialist expertise and are periodically updated by attending training courses, to allow them to carry out their controls and audits.

These core functions inform and support the Boards of directors and auditors mainly by proactively participating in the above committees and by providing reports which focus on describing the plan of action, the activities performed, and the outcomes.

In the specific case of coordination between the executive and supervisory bodies and the risk management, compliance, internal audit and actuarial functions, the procedure of direct reporting to the Board of Directors by the internal audit function, is the main system used. Also in this case, the reports focus on a description of the plan of action, the activities performed, and the outcomes.

With regard to Solvency II, the Head of the Actuarial function reports at least once a year to the Board of Directors, expressing an opinion on the adequacy of the technical provisions, the underwriting and reserving policy, and the reinsurance arrangements.

During 2020 the following changes were made to the company's governance system:

- the Digital Transformation Unit was set up, under the CEO, with the mission of monitoring digital transformation activities involving the Life Companies of the Insurance Group (Intesa Sanpaolo Vita, Intesa Sanpaolo Life, Fideuram Vita) and the aim, among others, of identifying the division's digital identity and redesigning customer experience (already referred in the SFCR Report at 31 December 2019);
- the front line Unit "Personnel and Change Management" was renamed "Personnel, Change Management and Sustainability", with the aim of focussing on needs related to the Insurance Group's growing interest in sustainability issues and Environmental, Social and Governance (ESG) risks (already referred in the SFCR Report at 31 December 2019);
- the Alternative Investments Unit, already under the CEO, was cancelled, due to the transfer of the related business unit to the company Eurizon Capital Real Asset SGR S.p.A., with the adoption of an outsourcing agreement between this company and Intesa Sanpaolo Vita;
- two second level Organisational Units ("Units) - "Life Audit" and "Non-Life Audit" were set up, reporting directly to the ISV Group and ISV Audit Function;
- two second level Units - "Life Actuarial Function" and "Non-Life Actuarial Function", reporting directly to the ISV Group and ISV Actuarial Function were set up;
- the second line Risk Management Unit reporting directly to the Chief Risk Officer of ISV (who is also the Head of the Risk Management Function of the ISV Group and ISV) was divided into two separate second level Units - "Risk Management Life" and "Risk Management Non-Life", leaving the second level unit "Internal Validation" unit, directly reporting to the Chief Risk Officer, unchanged, with the aim of more effectively organising activities of the Core Functions referred to, in relation to the two types of business;
- the second level Compliance Unit reporting directly to the Chief Compliance Officer of ISV (who is also the Head of the Compliance Function of the ISV Group and ISV), was divided into two separate second level Units - "Group Compliance and Specialist Oversight" and "Life and Non-Life Products Compliance", leaving the second level "AML" unit, directly reporting to the Chief Compliance Officer, unchanged, with the mission of assigning specific importance to Product Oversight Governance and similarly ensuring the targeted oversight of Group activities;
- Fideuram Vita outsourced administration and budget management, planning and control and organisational coordination to Intesa Sanpaolo Vita.

Remuneration system and remuneration policies

The remuneration system and remuneration policies of Intesa Sanpaolo Vita are in line with the principles described in the section on the Insurance Group.

The Remuneration Report of Intesa Sanpaolo Vita S.p.A. meets the obligations in Article 5(2)(l) and 42 of the Regulation, as well as Article 59 of the Regulation on reporting to the Shareholders' Meeting concerning 2019 Remuneration and Incentive Polices and the adoption of 2019 Remuneration Policies.

The Remuneration Report was approved on 21 April 2020 by the Board of Directors and Shareholders' Meeting held on the same date.

Operations with shareholders and persons of influence

Intesa Sanpaolo Vita has agreements in place with the majority shareholder Intesa Sanpaolo for the retailing of insurance products, and outsourcing agreements for services related to corporate protection, human resources, risk management, external relations, corporate affairs and equity investments.

The Company did not carry out any major transactions during the year with any persons that exercise a considerable influence on the company or with the members of the management, executive or supervisory boards.

Self-assessment of the management board

To ensure the sound, prudent management of the Company, in particular the effective functioning of its management board, the members of the Board of Directors must meet the integrity, professionalism and independence requirements as contained in the current provisions of law and regulations and the articles of association.

To ensure these requirements were met, including those concerning what is known as the "interlocking ban" (in Article 36 of Decree Law 201/2011, converted with amendments by Law no. 214/2011), on 29 May 2020, the Board of Directors in office initially assessed the eligibility of a newly appointed Director, co-opted to replace a Director who had resigned, and carried out an annual assessment of the eligibility of its members, as required by laws and regulations and the articles of association.

The Supervisory Authorities were notified of all assessments.

In connection with these assessments all the Directors accepted an obligation to keep the company regularly updated on any changes in their situations. As no notifications have been received, all members of the Board of Directors are currently considered to meet the requirements to hold that office.

Secondly, the self-assessment of the Board and the assessment by its internal committees is generally based on a specific analysis of the board's functions, and the work it has actually done during the year. This may be based on quantitative data relating to the number, frequency and duration of its meetings, the recurrence of any topics dealt with and the quantitative information emerging from the documents prepared for examination by the board, as well as the discussions held during the meetings.

It is also necessary to consider whether there is a structured, transparent system of circulating information, and regular flows of communication to enable the board members to have full, constant visibility of all the work overseen by the Board of Directors and Committees.

For this purpose, during 2020 each Director in office was sent three questionnaires referring respectively to the Board of Directors, the Internal Control and Risks Committee and the Remuneration Committee. The questionnaires were prepared on the basis that the individual contribution of each director and the frequency of their attendance at meetings are crucial factors with regard to the objective of taking informed, shared decisions.

The replies to the questionnaires, processed in an aggregate and anonymous form:

(i) confirmed the following for 2020:

- the climate within the Board, the Internal Control and Risks Committee and the Remuneration Committee favoured an open, constructive debate among all members, and fostered the

contribution of ideas from the diverse experiences, facilitating the adoption of broad-consensus decisions;

- the Board's decision-making process was fuelled by prompt, effective information flows, also based on new remote participation methods, used due to the current health emergency, and the minutes of all discussions and resolutions were considered to be complete and accurate.
- the size of the Board of Directors, the Remuneration Committee and the Internal Control and Risks Committee was such as to ensure effective functioning in relation to the complexity, size and objectives of the Company;

(ii) an adequate personal contribution to board meetings by each Director, a good assessment of the value and quality of the overall performance of other members;

(iii) an adequate assessment of the strategic supervision function of the Board of Directors;

(iii) all members of the Board of Directors, the Remuneration Committee and Internal Control and Risks Committee carried out their duties diligently and independently.

The analysis, which was presented to the Board of Directors on 17 March 2021, indicated that the overall framework is positive and once again for 2020 the assessment of the composition, functioning and size of the Board of Directors, the Internal Control and Risks Committee and the Remuneration Committee was considered to be adequate.

Intesa Sanpaolo Assicura S.p.A.

The organisational structure of Intesa Sanpaolo Assicura is defined in accordance with that of the Insurance Group, and confirms the differentiation between the control, staff and business functions.

The Company has adopted the conventional management and control model based on a Board of Directors and a Board of Statutory Auditors, in keeping with the provisions of Articles 2380 and following of the Civil Code.

The Board of Directors of Intesa Sanpaolo Assicura in office until the approval of the Financial Statements at 31 December 2020 comprises 8 members including a Chair, a Vice Chair and CEO, who also holds the office of General Manager.

All the members of the Board of Directors and the General Manager meet the integrity, professionalism and independence requirements stipulated by current legislation.

The Board of Directors of Intesa Sanpaolo Assicura is ultimately responsible for defining the strategies and guidelines concerning risk management and internal controls, and for ensuring that they are adequate and maintained over time in terms of their completeness, functionality and efficiency, in line with the size and specific operations of the company, as well as the nature and intensity of the company's risks. These powers also extend to the outsourced activities.

The Board of Directors of the company is ultimately responsible for compliance with directly applicable national and European legislative and regulatory provisions.

The Board of Directors of Intesa Sanpaolo Assicura operates, at a company and not at an Insurance Group level, with the same powers and responsibilities as the corresponding body within the UIPC.

The principal role of the Chief Executive Officer and General Manager is to:

- supervise the management of the company and all the affairs of the Company, representing it before the Market, Institutions and Regulators, conducting relations with the other Intesa Sanpaolo Group Companies;
- ensure that the Company's financial, commercial and risk targets are met by defining the commercial, technical insurance, pricing and personnel coordination policies, assuring service quality and business development.

The Board of Statutory Auditors of Intesa Sanpaolo Assicura, in office at 31 December 2020 was appointed during the Shareholders' Meeting of 18 March 2019 and comprises 5 members, of whom 3 standing members, appointed by the Chair, and two substitute members, who all meet the requirements of integrity, professionalism and independence as required by current legislation.

The Board of Statutory Auditors of Intesa Sanpaolo Assicura verifies the adequacy of the organisational, administrative and accounting structure of the Company, and its functioning.

Under the limits permitted by Law no. 183/2011, the Company has assigned the Board of Statutory Auditors the prerogatives previously held by the Supervisory Body under Legislative Decree 231/2001.

The Governance system of Intesa Sanpaolo Assicura also includes 3 advisory committees:

- the Management Committee, whose objective is to discuss proposals for determining company strategies and for monitoring the company's economic trends, as well as discussing the structure of new products, monitoring their launch plan, and for defining, prioritising and verifying the progress of key projects;
- the Investment Committee, whose aim is to discuss the investment strategies and financial policies that were defined in the Group Investment Strategies session of the UIPC's Investment Committee. It suggests, in conjunction with the Delegated Manager, the guidelines for tactical operations to be submitted for approval by the Board of Directors.
- The Risks Committee, which is responsible for supporting Senior Management in defining the Company's risk profiles and the related economic capital levels, monitoring the risk profiles on the basis of data reported by the relevant departments and supporting Senior Management in establishing any corrective strategies and sharing the financial, operational and technical assumptions for the Solvency II processes.

Members of the Management Committee:

- for Intesa Sanpaolo Assicura:
  - Chief Executive Officer and General Manager;
  - Heads of the Core Functions;
  - Heads of the first-line Organisational Units;
  - Data Protection Officer.
- for Intesa Sanpaolo Vita:
  - Chief Financial Officer;
  - Head of the Operations and Organisation Area;
  - Head of Organisation;
  - Head of Planning and Control of Intesa Sanpaolo Assicura;
  - Head of Personnel, Change Management and Sustainability.

Members of the Investment Committee:

- for Intesa Sanpaolo Assicura:
  - Chief Executive Officer and General Manager;
  - Head of the Actuarial Function;
  - Head of Risk Management.

- for Intesa Sanpaolo Vita:
  - Head of the Risk Management Organisational Unit;
  - Chief Financial Officer;
  - Head of Finance and Actuarial Area;
  - Head of Investments;
  - Head of Line I and Property Investments;
  - Head of ALM and Capital Management.

Members of the Risks Committee:

- for Intesa Sanpaolo Assicura:
  - Chief Executive Officer and General Manager;
  - Heads of the Core Functions;
  - Head of Complaints and Litigation;
  - Head of Motor policies;
  - Head of the Actuarial and Reinsurance Department;
  - Head of RE/CPI policies and Digital Channels;
  - Head of Retail and Corporate Products;
  - Head of Operations.

- for Intesa Sanpaolo Vita:
  - Head of Risk Management;
  - Head of Investments;
  - Chief Financial Officer;
  - Head of Finance and Actuarial Area;
  - Data Protection Officer.

In addition, the CEO and General Manager also attend the Insurance Group sessions of the following committees of the UIPC: Coordination Committee – Insurance Group and Insurance Group Products session, Investment Committee - Insurance Group Investment Strategies session,

ALM and Investments session, Corporate Bond & Emerging Markets Investment session and the UIPC's board committees.

The Company has outsourced the activities of the core functions to Intesa Sanpaolo Vita, as the UIPC. Please see the contents of the section on the UIPC.

The company has assessed its Governance system as being adequate, compared to the nature, scope and complexity of the risks of the company's activities in 2020.

Coordination between the executive and supervisory bodies and key functions

The Company considers the governance of information flows as a fundamental factor, so that it may achieve efficient management and effective controls, and value the different levels of responsibility within the company organisation. The Company ensures the constant, timely and extensive distribution of information among corporate bodies, board committees, core functions, functions that carry out control activities and other entities concerned, complying with the various competences of bodies with supervision and control functions.

The Board of Directors acknowledges the importance of risk and control management, and from this perspective, it ensures constant and worthwhile interaction, also through the activities of its committees with entities concerned and in particular with the Core and Control Functions.

The Chairman of the Board of Directors ensures that board activities take place guaranteeing appropriate communication flows regarding the times and contents, with the Core Functions, Board Committees and managerial committees. Adequate minutes are taken of board meetings, which report on evidence presented and analysed, discussions taking place, decisions taken, actions to take and updates concerning previous decisions made.

The Management Board is assisted by the Core Functions that take part in board meetings, if requested, considering the specific issues addressed. The Board is also advised on individual matters concerning the internal control system.

Changes to the system of Governance

During 2020 the following changes were made to the company's governance system:

- the front line "Actuarial" Unit was renamed "Actuarial and Reinsurance" following the insourcing of activities related to the stipulation and management of reinsurance arrangements;
- the front line "SME Products and Corporate Development" Unit was renamed "Retail and Corporate Products".

Other aspects of the governance system (Committees, roles of administration and control bodies and core functions) have remained unchanged.

Remuneration system and remuneration policies

The remuneration system and remuneration policies of Intesa Sanpaolo Assicura are in line with the principles described in the section on the Insurance Group.

The Remuneration Report of Intesa Sanpaolo Assicura meets the obligations in Article 5(2)(l) and 42 of the Regulation, as well as Article 59 of the Regulation on reporting to the Shareholders' Meeting concerning 2020 Remuneration and Incentive Polices and the adoption of 2019 Remuneration Policies.

The Remuneration Report was approved on 21 April 2020 by the Board of Directors and Shareholders' Meeting held on the same date.

Operations with shareholders and persons of influence

Intesa Sanpaolo Assicura has:

- outsourcing agreements in place with the majority shareholder Intesa Sanpaolo Vita for the supply of services concerning procurement (Management of purchases of goods and services), Legal and Corporate Affairs, Administration, Management Control, Taxation, Securities and Treasury, Personnel Development and Administration, Personnel Safety, Finance/Investments, Complaints' Management, Organisation, Reinsurance Accounting, General and Support Services, CPI and CQS Portfolio Management, Regulations and Trade Union Relations, Organic Cost Planning, Data Office, ALM, GAF, Management of environmental obligations, IT Security, Management of the Data Protection Officer's obligations, Distribution Monitoring, Capital Management, Tax Controls, Analytics, Performance Monitoring, Studies, Cost Management, Information Systems, besides the control functions already described;
- outsourcing agreements in place with the indirect parent company Intesa Sanpaolo for the supply of services relating to Internal Communication, Cybersecurity and Business Continuity Management, Property and Logistics, Operations, Organisation and General Services, Development Policies and Learning Academy, External Relations, Human Resources, Safety, Information Systems, Transformation Center and Company Protection; as well as insurance product distribution agreements.

The Company did not carry out any major transactions during the year with any persons that exercise a considerable influence on the company or with the members of the management, executive or supervisory boards.

Self-assessment of the management board

To ensure the sound, prudent management of the company, in particular the effective functioning of its management board, the members of the Board of Directors must meet the integrity, professionalism and independence requirements as contained in the current provisions of law and regulations.

To ensure these requirements were met, including those concerning what is known as the "interlocking ban" (Article 36 of Decree Law 201/2011, converted with amendments by Law no. 214/2011), on 28 May 2020, the Board of Directors in office carried out an annual assessment of the eligibility of its members, with a positive outcome, notified to the Supervisory Authority.

In connection with these assessments all the Directors accepted an obligation to keep the company regularly updated on any changes in their situations. As no notifications have been received, all members of the Board of Directors are currently considered to meet the requirements to hold that office.

Secondly, the self-assessment of the Board and the assessment by its internal committees is generally based on a specific analysis of the board's functions, and the work it has actually done during the year. This may be based on quantitative data relating to the number, frequency and duration of its meetings, the recurrence of any topics dealt with and the quantitative information emerging from the documents prepared for examination by the board, as well as the discussions held during the meetings.

It is also necessary to consider whether there is a structured, transparent system of circulating information, and regular flows of communication to enable the board members to have full, constant visibility of all the work done by the Board of Directors.

For this purpose, during 2020 each director in office was sent a questionnaire prepared on the basis that the individual contribution of each director and the frequency of their attendance at meetings are crucial factors with regard to the objective of taking informed, shared decisions.

The answers to the questions, which were collected in aggregate, anonymized form, confirmed that, for 2020:

- the climate within the Board favoured an open, constructive debate among all members, and fostered the contribution of ideas from the diverse experiences, facilitating the adoption of broad-consensus decisions;
- the Board's decision-making process was fuelled by prompt, effective information flows and the minutes of all discussions and resolutions are considered to be complete and accurate;
- the training sessions, provided pursuant to Article 5(2)(v) of IVASS Regulation no. 38/2018, were appreciated more than the previous year, with an entirely positive outcome, in terms of frequency, duration, trainers and the topics addressed.

The analysis, which was presented to the Board of Directors on 16 March 2021, therefore indicated that the overall framework is positive and once again for 2020 the assessment of the composition, functioning and size of the Board of Directors was considered to be adequate.

Fideuram Vita S.p.A.

The organisational structure of Fideuram Vita is defined in accordance with that of the Insurance Group, and confirms the differentiation between the core, staff and business functions.

The Company has adopted the conventional management and control model based on a Board of Directors and a Board of Statutory Auditors, in keeping with the provisions of articles 2380 and following of the Civil Code.

The Board of Directors was appointed at the shareholders' meeting on 15 March 2019 and will remain in office until approval of the Financial Statements at 31 December 2021; the Board comprises 8 members including a Chair, a Vice Chair and CEO, who also holds the office of General Manager and a Director appointed to monitor activities, the adequacy and correct functioning of the risk management system pursuant to Article 17(3) of IVASS Regulation no. 38/2018.

All the members of the Board of Directors and the General Manager meet the integrity, professionalism and independence requirements stipulated by current legislation.

The Board of Directors is ultimately responsible for defining the strategies and guidelines concerning risk management and internal controls, and for ensuring that they are adequate and maintained over time in terms of their completeness, functionality and efficiency, in line with the size and specific operations of the company, as well as the nature and intensity of the company's risks. These powers also extend to the outsourced activities.

The Board of Directors of Fideuram Vita operates, at a company and not at an Insurance Group level, with the same powers and responsibilities as the corresponding body within the UIPC.

It has no internal committees. The Board of Directors has delegated part of its powers to the Chief Executive Officer and the General Director, and determines their powers.

The principal role of the Chief Executive Officer and General Manager is to:

- supervise the management of the company and all the affairs of the Company, representing it before the Market, Institutions and Regulators, conducting relations with the other Intesa Sanpaolo Group Companies;
- ensure that the company's financial, commercial and risk targets are met by defining the commercial, technical insurance, pricing and personnel coordination policies, assuring service quality and business development.

The Board of Statutory Auditors of Fideuram Vita comprises 5 members, of whom 3 standing members including the Chair, and 2 substitute members. They all meet the requirements of integrity, professionalism and independence as stipulated by current legislation.

The Board of Statutory Auditors of Fideuram Vita verifies the adequacy of the organisational, administrative and accounting structure of the Company, and its functioning.

The Board of Statutory Auditors was appointed at the Shareholders' Meeting on 15 March 2019 and will remain in office until approval of the Financial Statements at 31 December 2021.

Under the limits permitted by Law no. 183/2011, the Company has assigned the Board of Statutory Auditors the prerogatives previously held by the Supervisory Body under Legislative Decree 231/2001.

The Governance system of Fideuram Vita also includes the following managerial advisory committees:

- the Management Committee, which shares proposals for company strategies and the monitoring of the Company's economic performance, and also for the definition, priorities and analysis of the progress of main project initiatives. It is also competent for sharing the structure of new products for Product Oversight Governance (POG) purposes, and supports the CEO and General Manager in approving the products plan and substantial changes to it
- the Investment Committee which provides an opinion on the structuring and definition of investment and financial policies, formulating proposals on the operational guidelines to be approved by the Board of Directors. During annual planning, it proposes the capital and income forecasts which may be reviewed during the year. Based on the guidance approved by the Board of Directors, the Committee proposes the performance of activities related to operational and tactical ALM, by implementing investments and monitoring the ALM position of the Company;
- the Risks Committee, which is responsible for supporting Senior Management in defining the Company's risk profiles and the related economic capital levels, monitoring the risk profiles on

the basis of data reported by the relevant departments and supporting Senior Management in establishing any corrective strategies.

Members of the Management Committee:

- for Fideuram Vita:
  - Chief Executive Officer and General Manager;
  - Head of Audit;
  - Head of Compliance;
  - Head of Risk Management;
  - Head of the Actuarial Function;
  - Head of AML;
  - Customer Relations Manager;
  - Head of Sales;
  - Head of the Actuarial, Calculation Processes and Product Development Department;
  - Head of Technical Management;
- for Intesa Sanpaolo Vita:
  - Head of Personnel, Change Management and Sustainability;
  - Head of the Operations and Organisation Area;
  - Head of Organisation;
  - Chief Financial Officer;
  - Head of Planning and Management Control;

The Management Committee is chaired by the CEO and General Manager, and meets at least once every two months.

Members of the Investment Committee:

- for Fideuram Vita:
  - Chief Executive Officer and General Manager;
  - Head of Risk Management;
  - Head of the Actuarial, Calculation Processes and Product Development Department;
  - Head of the Actuarial Function;
  - Head of Managed Products of Fideuram Investimenti;
- for Intesa Sanpaolo Vita:
  - Chief Financial Officer;
  - Head of Planning and Management Control of ISV and FV;
  - Head of Finance and Actuarial Area;
  - Head of Line I and Property Investments;
  - Head of Managed Products of Fideuram Investimenti;

The Investment Committee is chaired by the CEO and General Manager, and meets at least once every three months.

Members of the Risks Committee:

- Chief Executive Officer and General Manager;
- Head of Audit;
- Head of Risk Management;
- Head of Compliance;
- Head of AML;
- Head of the Actuarial Function;
  - Head of Technical Management;
  - Head of the Actuarial, Calculation Processes and Product Development Department;
  - Head of Sales;
  - Customer Relations Manager;
- Chief Financial Officer of Intesa Sanpaolo Vita

The Risks Committee is chaired by the CEO and General Manager, and meets at least once every three months.

In addition, the CEO and General Manager of Fideuram Vita also attend the Insurance Group sessions of the following committees of the UIPC: Coordination Committee - Insurance Group and Insurance Group Products session, Investment Committee - Insurance Group Investment Strategies session and board committees of the UIPC.

The Company has outsourced the activities of the core functions to Intesa Sanpaolo Vita, as the UIPC. Please see the contents of the section on the UIPC.

The company has assessed its Governance system as being adequate, compared to the nature, scope and complexity of the risks of the company's activities in 2020.

Coordination between the executive and supervisory bodies and key functions

The Company considers the governance of information flows as a fundamental factor, so that it may achieve efficient management and effective controls, and value the different levels of responsibility within the company organisation. The Company ensures, as required by the Company's Regulations, the constant, timely and extensive distribution of information among corporate bodies, board committees, core functions, functions that carry out control activities and other entities concerned, as well as supplementary pension products, complying with the various competences of bodies with supervision and control functions.

The Board of Directors acknowledges the importance of risk and control management, and from this perspective, it ensures constant and worthwhile interaction, also through the activities of its committees with entities concerned and in particular with the Core and Control Functions.

The Chairman of the Board of Directors ensures that board activities take place guaranteeing appropriate communication flows regarding the times and contents, with the Core Functions,

Board Committees and managerial committees. Adequate minutes are taken of board meetings, which report on evidence presented and analysed, discussions taking place, decisions taken, actions to take and updates concerning previous decisions made.

The Management Board is assisted by the Core Functions that take part in board meetings, if requested, considering the specific issues addressed. The Board is also advised on individual matters concerning the internal control system.

Changes to the system of Governance

During 2020 the following changes were made to the company's governance system:

- the front line "Administration, Governance and Support" function and related units directly reporting to it were cancelled, with the concurrent outsourcing to Intesa Sanpaolo Vita, based on a specific agreement, of activities carried out regarding administration and budget management, planning and control and organisational coordination;
- the "Commercial and Technical Management" function was divided into two separate units "Commercial" and "Technical Management", both front line, and the units previously reporting to the "Commercial and Technical Management" unit were re-allocated to them;
- the "Actuarial and Product Developments" function was reorganised and is now renamed the "Actuarial, Calculation Processes and Product Development" Function, with the reporting units "Product Development" and "Actuarial" moved to a single unit "Product Development and Product Actuarial", eliminating the "Data Monitoring and Quality" unit and setting up the "Calculation processes" unit.

Other aspects of the governance system (Committees, roles of administration and control bodies and core functions) have remained unchanged.

Remuneration system and remuneration policies

The remuneration system and remuneration policies of Fideuram Vita are in line with the principles described in the section on the Insurance Group.

The Remuneration Report of Intesa Fideuram Vita meets the obligations in Article 5(2)(l) and 42 of the Regulation, as well as Article 59 of the Regulation on reporting to the Shareholders' Meeting concerning 2020 Remuneration and Incentive Polices and the adoption of 2019 Remuneration Policies.

The Remuneration Report was approved on 21 April 2020 by the Board of Directors and Shareholders' Meeting held on the same date.

Operations with shareholders and persons of influence

Fideuram Vita has:

- outsourcing agreements in place with the parent company Intesa Sanpaolo Vita for the supply of services concerning Procurement, Support for management, Regulations and trade union relations, Planning and organic costs, Personnel management, GAF, Corporate Secretarial activities, Personnel Security and Management of the Environmental Officer's obligations, Management of the DPO Officer's obligations, Anti-money laundering , Finance

and Investments related to separate management assets and own portfolio, Capital Management, IT Security, Information Systems, Taxation and Tax Controls, Actuarial Models Management, Sustainability, Organisation, Statutory Reserves, Financial Reporting and Solvency, Securities and Treasury, Data Office, Cost Management, Technical Accounting, General Accounting, Planning and Management Control, as well as the control functions already described;

- agreements in place with the shareholder Intesa Sanpaolo Private Banking, for the distribution of insurance products;
- outsourcing agreements in place with the shareholder Intesa Sanpaolo for the supply of services relating to Procurement, Cybersecurity and Business Continuity Management, Property and Logistics, Operations, Organisation and General Services, Development Policies and Learning Academy, Safety, Information Systems, Transformation Center, Company Protection, Human Resources, Risk Management.

Self-assessment of the management board

To ensure the sound, prudent management of the company, in particular the effective functioning of its management board, the members of the Board of Directors must meet the integrity, professionalism and independence requirements as contained in the current provisions of law and regulations.

To ensure these requirements were met, including those concerning what is known as the "interlocking ban" (Article 36 of Decree Law 201/2011, converted with amendments by Law no. 214/2011), on 28 May 2020, the Board of Directors in office carried out an annual assessment of the eligibility of its members, with a positive outcome, notified to the Supervisory Authority.

In connection with these assessments all the Directors accepted an obligation to keep the company regularly updated on any changes in their situations. As no notifications have been received, all members of the Board of Directors are currently considered to meet the requirements to hold that office.

Secondly, the self-assessment of the Board and the assessment by its internal committees is generally based on a specific analysis of the board's functions, and the work it has actually done during the year. This may be based on quantitative data relating to the number, frequency and duration of its meetings, the recurrence of any topics dealt with and the quantitative information emerging from the documents prepared for examination by the board, as well as the discussions held during the meetings.

It is also necessary to consider whether there is a structured, transparent system of circulating information, and regular flows of communication to enable the board members to have full, constant visibility of all the work done by the Board of Directors.

For the above reasons, each Director in office in 2018 received a questionnaire for an analytical self-assessment concerning 2020, as in depth as possible, based on international methodologies and best practices.

In particular, the self-assessment process comprises a procedure, completed on 15 March 2021, which entailed:

- the UIPC's Corporate Organisational Unit preparing the questionnaire, with sections for self-analysis of the structure, functioning, efficiency and areas for improvement of the board, identifying conventional parameters in order to measure the degree of adequacy, priorities

of any corrective actions and identify directors' perception of the analysis elements in the questionnaire;

- sharing the questionnaire with the Chairman;
- individual Directors compiling the questionnaire anonymously, with the chance to make observations or recommendations;
- the quantitative and qualitative analysis of replies, by the Chairman, assisted by the Secretary of the Board of Directors;
- sending the questionnaire analysis results to all Board Directors and Auditors, and presenting the analyses carried out to the Board meeting of 15 March 2021;

the Board of Directors giving an opinion on the composition and functioning of the Board, overall.

Intesa Sanpaolo Life D.A.C

The organisational structure of Intesa Sanpaolo Life is defined in accordance with that of the Insurance Group, and confirms the differentiation between the control, staff and business functions.

The insurance company is an Irish law company pursuant to the New Companies Act 2014 and is licensed and regulated by the Central Bank of Ireland.

At 31 December 2020, the Board of Directors of Intesa Sanpaolo Life comprised seven members (one executive director, three independent non-executive directors and three group non-executive directors).

All the members of the Board of Directors meet the integrity, professionalism and independence requirements stipulated by current legislation.

The Board of Directors of Intesa Sanpaolo Life is ultimately responsible for defining the strategies and guidelines concerning the business, risk management and internal controls, to ensure they are adequate and maintained over time in terms of their completeness, functionality and efficiency, in line with the size and specific operations of the Company, as well as the nature and intensity of the company's risks. These powers also extend to the outsourced activities.

The Board of Directors of the company is ultimately responsible for compliance with directly applicable national and European legislative and regulatory provisions.

In fulfilling its mandate the Board of Directors is assisted by various board committees, each of which has its own roles and responsibilities which are reviewed at least once a year. In any case, the Board of Directors is kept updated at all times on the work of each committee, in reports which allow it to maintain appropriate supervision. Each committee is chaired by an independent, non-executive director appointed by the Board of Directors.

The Board of Directors of Intesa Sanpaolo Life has formed the following internal committees:

- Audit & Reporting (Audit & Reporting Committee): this committee has a preparatory, advisory role, assisting the Board of Directors with the process of financial reporting, the accuracy and integrity of the company's financial statements; It supervises the internal control systems and activities in relation to events that expose the company to significant risks and exercises its duty to make recommendations to the Board on the options available to it regarding the external auditors (hiring auditors, determining their fees, supervising their work and terminating the contract if necessary). It also supervises the financial reporting process, provides analysis to the Board of Directors, monitors the work of the company's internal audit function, and

receives reports. The Audit & Reporting Committee has its own operations committee, named the IT & Cyber Committee, tasked with preparing, monitoring and proposing mitigation solutions in the ICT security and Cyber risk environment;

- Investment & Product Committee: it proposes the policies for managing investment risk and investments in derivatives, to the Board of Directors and ensures that the investments, both those of the company and those relating to unit-linked and index-linked policies, are managed in accordance with these policies. In submitting the approval of products to the Board of Directors, the Committee gives an opinion on the adequacy of the product in meeting product governance regulations issued by the applicable authorities, with particular care taken to review and identify any impacts of a material nature that can affect the modus vivendi of the Company. The Investments and Products Committee has set up another two operational committees: an Operational Investment Committee which is responsible for implementing the policies of the Board of Directors and the strategy relating to investments by the company, as well as a Products Committee (OPGC) which has to implement the product governance policies authorised by the Board of Directors and by the Investment & Product Committee in accordance with European, Italian and Spanish regulations on product governance, and the regulations of the local regulator;
- Risk & Compliance Committee: advises the Board of Directors on the efficiency of the strategies and policies, the degree of risk appetite and tolerance which is appropriate in view of the future strategy and financial positioning of the company. The Committee also supervises compliance with the applicable regulations, the company's AML programme, and compliance with *data protection* laws.

The Remuneration Committee of the UIPC also evaluates the remuneration of the CEOs of the Insurance Group companies, both Italian and foreign, thus including Intesa Sanpaolo Life in the reference perimeter, and checks that the remuneration policies adopted by the Insurance Group companies are cohesive. The appointment of the key personnel of the company, and the members of the board of directors, is delegated to the committees of the Intesa Sanpaolo Group and of the Insurance Group.

The Board of Directors has put in place an effective Risk Management system which is supervised by the Head of Risk Management (CRO). The Head of Risk Management (CRO) is an employee of the company who reports directly to the Board of Directors. Assisted by a Risk Management team, the CRO ensures that the risk management system is an integral part of the company's strategy and decision-making processes. The key responsibilities include assisting the Board of Directors in relation to:

- preparation of the risks register;
- maintaining the definition of the risk appetite;
- elaborating appropriate risk management policies;
- management of the ORSA process;
- risk monitoring and reporting;
- calculation of the Solvency Capital Requirement and the Minimum Capital Requirement.

The Head of Risk Management (CRO) attends the meetings of the Risk & Compliance Committee. The CRO also attends, as permanent attendee, the meetings of the Investment & Product Committee and the Audit & Reporting Committee.

The main activities of the Head of Risk Management (CRO) are summarised in this function's Terms of Reference.

The Compliance Function plays a fundamental role in ensuring that the company complies with the regulatory and legal requirements specific to Ireland, and in general, that it complies with the laws in countries in which it invests its policies in order to ensure that the business objectives are reached in accordance with all legal requirements. In addition to oversight of company compliance, the Compliance Function supervises AML activities and supports the FATCA Officer for specific interpretations and compliance regarding FATCA/CRS regulations. The overall architecture of the risk management and control system regarding privacy is overseen by the Compliance Function, with the head that is also the Data Protection Officer.

The Compliance Function is part of the second line of defence of the Company's governance and control model.

The Head of Compliance (HoC) attends the meetings of the Risk & Compliance Committee. He/she also takes part as Chairman of meetings of the Products sub-committee (OPGC) and on request attends the meetings of the Investment & Product Committee and Audit & Reporting Committee.

The main activities of the Head of Compliance (HoC) are summarised in this function's Terms of Reference.

The Head of the Actuarial Function is supervised directly by the Board of Directors in order to guarantee independence in control activities. The roles and responsibilities are in line with the structure in force at the UIPC and correspond to the specific requirements of the Local Regulator.

The Head of Actuarial Function performs their duties in accordance with the Solvency II regulations. The Head of the Actuarial Function produces a report at least once a year for the Board of Directors (the Actuarial Function Report which includes the Actuarial Report on Technical Provisions). The report summarises all the main activities overseen by the Actuarial Function, including, where necessary, identifying any shortcomings in the governance system. It also provides recommendations on how these deficiencies can be resolved. The main activities of the Actuarial Function are summarised in the function's Terms of Reference (they correspond to the provisions of the Domestic Actuarial Regime) and include an assessment of the adequacy of the models and data used to calculate the Technical Provisions (Actuarial Report on Technical Provisions), and provide an opinion on the underwriting, reinsurance and ORSA process of the Company.

In addition, the Head of Actuarial gives an annual Actuarial Opinion on Technical Provisions to the Central Bank of Ireland, which contains an opinion about the adequacy of the technical provisions according to Solvency II.

The head of the Actuarial Function is supervised directly by the Board of Directors in order to guarantee independence in control activities. The roles and responsibilities are in line with the structure in force at the UIPC and correspond to the specific requirements of the Local Regulator.

Internal Audit holds the critical role of the third line of defence in implementing the three lines of the governance and control model.

Audit activities have been outsourced to the UIPC. The company guarantees an efficient, independent Audit function through the supervision of the Board of Directors, especially through the directions indicated by the Audit and Reporting Committee. The Head of the Audit Function is a permanent attendee at the meetings of the Audit and Reporting Committee, and regularly meets its Chair (an independent non-executive director), at separate meetings. The Head of the Audit Function presents the annual audit plan to the Board of Directors. The audit plan also takes into account any input from the Board of Directors. The Head of the Audit Function can also

include areas of investigation in the Audit plan, to guarantee the independence of the internal audit process.

The Audit & Reporting Committee and the Board of Directors are regularly updated on the work done and on the progress of any corrective actions implement by the relevant units.

The company has assessed its Governance system as being adequate, compared to the nature, scope and complexity of the risks of the company's activities in 2020.

Coordination between the executive and supervisory bodies and key functions

The Company considers the governance of information flows as a fundamental factor, so that it may achieve efficient management and effective controls, and value the different levels of responsibility within the company organisation. The Company ensures, as required by the Company's Regulations, the constant, timely and extensive distribution of information among corporate bodies, board committees, core functions, functions that carry out control activities and other entities concerned, as well as supplementary pension products, complying with the various competences of bodies with supervision and control functions.

The Board of Directors acknowledges the importance of risk and control management, and from this perspective, it ensures constant and worthwhile interaction, also through the activities of its committees with entities concerned and in particular with the Core and Control Functions.

The Chairman of the Board of Directors ensures that board activities take place guaranteeing appropriate communication flows regarding the times and contents, with the Core Functions, Board Committees and managerial committees. Adequate minutes are taken of board meetings, which report on evidence presented and analysed, discussions taking place, decisions taken, actions to take and updates concerning previous decisions made.

The Management Board is assisted by the Core Functions that take part in board meetings, if requested, considering the specific issues addressed. The Board is also advised on individual matters concerning the internal control system.

Changes to the system of Governance

The company did not make any substantial changes to its governance system during the period.

Remuneration system and salary policies

The remuneration system and remuneration policies of Intesa Sanpaolo Life are in line with the principles described in the section on the Insurance Group.

Operations with shareholders and persons of influence

Intesa Sanpaolo Life:

- has outsourcing agreements with the parent company Intesa Sanpaolo Vita for the supply of services concerning application user licences and audit activities.

The company did not carry out any major transactions during the year 2020 with any persons that exercise a considerable influence on the company or with the members of the management, executive or supervisory boards.

Self-assessment of the management board

The 2020 assessment of the Board of Directors was conducted by an independent, external company, in compliance with indications in the Corporate Governance Code. The Chairman, assisted by the external company, will present the results to the Board in the first half of 2021. Overall the assessment of previous years was positive, with minor aspects for improvement, in the governance plan.

Intesa Sanpaolo RBM Salute S.p.A

The organisational structure of Intesa Sanpaolo RBM Salute is defined in accordance with that of the Insurance Group, and confirms the differentiation between the control, staff and business functions.

The Company has adopted the conventional management and control model based on a Board of Directors and a Board of Statutory Auditors, in keeping with the provisions of articles 2380 and following of the Civil Code.

The Board of Directors of Intesa Sanpaolo RBM Salute in office until the approval of the Financial Statements at 31 December 2020 comprises 8 members including a Chair, a Vice Chair and CEO, who also holds the office of General Manager.

All the members of the Board of Directors and the General Manager meet the integrity, professionalism and independence requirements stipulated by current legislation.

The Board of Directors of Intesa Sanpaolo RBM Salute is ultimately responsible for defining the strategies and guidelines concerning risk management and internal controls, and for ensuring that they are adequate and maintained over time in terms of their completeness, functionality and efficiency, in line with the size and specific operations of the company, as well as the nature and intensity of the company's risks. These powers also extend to the outsourced activities.

The Board of Directors of the company is ultimately responsible for compliance with directly applicable national and European legislative and regulatory provisions.

The Board of Directors of Intesa Sanpaolo RBM Salute operates, at a company and not at an Insurance Group level, with the same powers and responsibilities as the corresponding body within the UIPC.

The principal role of the Chief Executive Officer and General Manager is to:

- Supervise the management of the company and all the affairs of the Company, representing it before the Market, Institutions and Regulators, conducting relations with the other Intesa Sanpaolo Group Companies;
- ensure that the Company's financial, commercial and risk targets are met by defining the commercial, technical insurance, pricing and personnel coordination policies, assuring service quality and business development.

The Board of Statutory Auditors of Intesa Sanpaolo RBM Salute, in office at 31 December 2020 was appointed during the Shareholders' Meeting of 18 March 2019 and comprises 5 members, of

whom 3 standing members, appointed by the Chair, and two substitute members, who all meet the requirements of integrity, professionalism and independence as stipulated by current legislation.

The Board of Statutory Auditors of Intesa Sanpaolo RBM Salute verifies the adequacy of the organisational, administrative and accounting structure of the Company, and its functioning.

Under the limits permitted by Law no. 183/2011, the Company has assigned the Board of Statutory Auditors the prerogatives previously held by the Supervisory Body under Legislative Decree 231/2001.

The Governance system of Intesa Sanpaolo RBM Salute also includes 3 advisory committees:

- the Management Committee, whose objective is to discuss proposals for determining company strategies and for monitoring the company's economic trends, as well as discussing the structure of new products, monitoring their launch plan, and for defining, prioritising and verifying the progress of key projects;
- the Outsourcing Monitoring Committee, which is responsible for assisting the CEO in monitoring the progress of contractual SLAs with intragroup and non-group outsourcers and analysing the cases of any KPIs that are not met, evaluating the related remediation plan.
- the Risks Committee, which is responsible for assisting the CEO in defining the Company's risk profiles and the related economic capital levels, monitoring the risk profiles on the basis of data reported by the relevant departments and supporting Senior Management in establishing any corrective strategies.

Members of the Management Committee:

- for Intesa Sanpaolo RBM Salute:
    - Chief Executive Officer and General Manager;
    - Heads of the Core Functions;
    - Heads of the first-line Organisational Units

- for Intesa Sanpaolo Vita:
    - Head of the Operations and Organisation Area;
    - Head of Organisation;
    - Head of Legal and Corporate Affairs and Complaints;
    - Head of Personnel, Change Management and Sustainability.

The following are on the Outsourcing Monitoring Committee:

- for Intesa Sanpaolo RBM Salute:
    - Chief Executive Officer and General Manager;
    - Head of Administration, Planning and Control;
    - Head of Operations;
    - Head of ICT;
    - Head of Outsourcing Oversight;

- Head of Portfolio;
- Head of Claims.
- Chief Information Officer and Chief Operating Officer of Previmedical;
- Organisation of Intesa Sanpaolo Vita.

- for Intesa Sanpaolo Vita:
  - Head of the Risk Management Organisational Unit;
  - Chief Financial Officer;
  - Head of Finance and Actuarial Area;
  - Head of Investments;
  - Head of Line I and Property Investments;
  - Head of ALM and Capital Management.

Members of the Risks Committee:
- Chief Executive Officer and General Manager;
- Heads of the Core Functions;
- Heads of the first-line Organisational Units;

In addition, the CEO and General Manager also attend the Insurance Group sessions of the following committees of the UIPC: Coordination Committee - Insurance Group and Insurance Group Products session, board committees of the UIPC.

The Company has outsourced the activities of the core functions to Intesa Sanpaolo Vita S.p.A., as the UIPC. Please see the contents of the section on the UIPC.

The company has assessed its Governance system as being adequate, compared to the nature, scope and complexity of the risks of the company's activities in 2020.

Coordination between the executive and supervisory bodies and key functions

The Company considers the governance of information flows as a fundamental factor, so that it may achieve efficient management and effective controls, and value the different levels of responsibility within the company organisation. As required by Company Regulations, the Company ensures the constant, timely and extensive distribution of information among corporate bodies, board committees, core functions, functions that carry out control activities and other entities concerned, complying with the various competences of bodies with supervision and control functions.

The Board of Directors acknowledges the importance of risk and control management, and from this perspective, it ensures constant and worthwhile interaction, also through the activities of its committees with entities concerned and in particular with the Core and Control Functions.

The Chairman of the Board of Directors ensures that board activities take place guaranteeing appropriate communication flows regarding the times and contents, with the Core Functions, Board Committees and managerial committees. Adequate minutes are taken of board meetings,

which report on evidence presented and analysed, discussions taking place, decisions taken, actions to take and updates concerning previous decisions made.

The Management Board is assisted by the Core Functions that take part in board meetings, if requested, considering the specific issues addressed. The Board is also advised on individual matters concerning the internal control system.

Changes to the system of Governance

Changes to the organisational structure, explained below, were made concerning the acquisition (50% + 1) of the shares of the Company by Intesa Sanpaolo Vita, finalised on 11 May 2020, with the consequent transfer of majority control of RBM from RBHold S.p.A. to Intesa Sanpaolo Vita and RBM Salute joining the Intesa Sanpaolo Vita Insurance Group ("ISV Group").

As regards direct reporting to the CEO and General Manager, the following changes are noted:

- an Organisational Unit called "Administration, Planning and Control" was set up, with two second line units reporting to it, called "Administration and Financial Reporting" and "Planning and Management Control", and at the same time, the front line unit "Finance & Accounting" was eliminated and the second line units were set up for these areas;
- a Unit called "Operations" was also set up to manage all activities related to the Company's operations, with four second line Units reporting to it, called "Outsourcing Monitoring" (newly established), "ICT", "Portfolio", "Claims" (attributable to the same, previous front line areas, with the consequent elimination of the Units reporting to them);
- to align with ISV Group entities, the following were renamed:
    - the "Actuarial Department" was renamed "Actuarial", eliminating the underlying entities whose activities will be directly carried out in the Actuarial Unit;
    - the "Commercial Department" was renamed "Commercial", eliminating the underlying entities whose activities will be directly carried out in the Commercial Unit;
    - the "Underwriting Department" was renamed "Underwriting and Tenders", with two second line units reporting to it, called "Underwriting" and "Tenders";
- the following Units under the Chief Executive Officer and General Manager were eliminated:
    - the "Corporate Governance" Unit, whose activities (Legal, Corporate Affairs and Organisation) are outsourced to the UIPC Intesa Sanpaolo Vita, under specific service agreements;
    - the "Strategic Planning and Management Control" Unit, with activities channelled to the "Planning and Management Control" Unit, reporting to the "Administration, Planning and Control" Unit;
    - the front line Unit "Claims", due to related activities being outsourced to the UIPC, under specific service agreements.

The Data Protection Officer (DPO) entity was also eliminated, previously comprising a specific Unit directly reporting to the Board of Directors, and related activities were assigned to the Compliance Function, where the DPO already appointed by the Company now works.

Lastly, the Core Functions Committee and Monitoring and Strategic Panning Committee, which are both managerial and whose activities are carried out as part of the Controls Coordination

Committee of Intesa Sanpaolo Vita in a capacity as the Ultimate Italian Parent Company of the ISV Group and as part of the Management Committee of the Parent Company were eliminated, and three managerial committees were set up, the Management Committee, the Risks Committee an the Outsourcing Monitoring Committee, that are not indicated in the organisation chart, in line with the ISV Group configuration.

The new structure is effective from 11 May 2020, with the exception of the elimination of the Corporate Governance and Claims units - effective from the finalisation of the related service agreements with Intesa Sanpaolo Vita, authorised on 19 May 2020.

Remuneration system and salary policies

The remuneration system and remuneration policies of Intesa Sanpaolo RBM Salute in line with the principles described in the section on the Insurance Group.

The Remuneration Report of Intesa Sanpaolo RBM Salute meets the obligations in Article 5(2)(l) and 42 of the Regulation, as well as Article 59 of the Regulation on reporting to the Shareholders' Meeting concerning 2020 Remuneration and Incentive Polices.

Information on the adoption of 2019 Remuneration Policies is not included in this report, as the company was not part of the ISV Insurance Group during 2019.

The Remuneration Report was approved on 15 June 2020 by the Board of Directors and Shareholders' Meeting held on the same date.

Operations with shareholders and persons of influence

Intesa Sanpaolo RBM Salute has:

- outsourcing agreements in place with the majority shareholder Intesa Sanpaolo Vita for the supply of services relating to Procurement (Management of goods and services' procurement), Legal & Corporate Affairs, Complaints Management, Organisation, Securities Management, IT applications management, as well as the activities of the control functions as already described;
- outsourcing agreements in place with the indirect parent company Intesa Sanpaolo for the supply of services relating to Internal Communication, Cybersecurity and Business Continuity Management, Property and Logistics, Operations, Organisation and General Services, Development Policies and Learning Academy, External Relations, Human Resources, Safety, Information Systems, Transformation Center, Company Protection.

Self-assessment of the management board

To ensure the sound, prudent management of the company, in particular the effective functioning of its management board, the members of the Board of Directors must meet the integrity, professionalism and independence requirements as contained in the current provisions of law and regulations.

To ensure these requirements were met, including those concerning what is known as the "interlocking ban" (Article 36 of Decree Law 201/2011, converted with amendments by Law no. 214/2011), the Board of Directors in office since 11 May 2020 assessed, on the same date, the

eligibility of newly appointed members, with a positive outcome, notified to the Supervisory Authority.

In connection with these assessments all the Directors accepted an obligation to keep the company regularly updated on any changes in their situations. As no notifications have been received, all members of the Board of Directors are currently considered to meet the requirements to hold that office.

Secondly, the self-assessment of the Board and the assessment by its internal committees is generally based on a specific analysis of the board's functions, and the work it has actually done during the year. This may be based on quantitative data relating to the number, frequency and duration of its meetings, the recurrence of any topics dealt with and the quantitative information emerging from the documents prepared for examination by the board, as well as the discussions held during the meetings.

It is also necessary to consider whether there is a structured, transparent system of circulating information, and regular flows of communication to enable the board members to have full, constant visibility of all the work done by the Board of Directors.

For this purpose, each Director was sent a questionnaire for the period from 11 May to 31 December 2020, i.e. from the date of their appointment. The questionnaire was prepared on the basis that the individual contribution of each director and the frequency of their attendance at meetings are crucial factors with regard to the objective of taking informed, shared decisions.

In particular, the self-assessment process comprises a procedure, completed on 16 March 2021, which entailed:

- the UIPC's Corporate Organisational Unit preparing the questionnaire, with sections for self-analysis of the structure, functioning, efficiency and areas for improvement of the board, by identifying conventional parameters in order to measure the degree of adequacy, priorities of any corrective actions and identify directors' perception of the analysis elements in the questionnaire;
- sharing the questionnaire with the Chairman;
- individual Directors compiling the questionnaire anonymously, with the chance to make observations or recommendations;
- the quantitative and qualitative analysis of replies, by the Chairman, assisted by the Secretary of the Board of Directors;
- sending the questionnaire analysis results to all Board Directors and Auditors, and presenting the analyses carried out to the Board meeting of 16 March 2021;
- the Board of Directors giving an opinion on the composition and functioning of the Board, overall.

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The governance structure is defined by the Board of Directors, considering primary and sector legislation, provisions of the articles of association, the specific operations of the Company and guidelines provided by the UIPC as part of management and coordination activities exercised pursuant to Article 2497 of the Civil Code.

The Company has adopted a single administration and control model.

The Management Board has defined the governance structure so as to guarantee an effective corporate governance system enabling a sound and prudent management of activities, putting in place a Corporate Governance system, in proportion to the nature, scope and complexity of current and future risks, relating to activities carried out, and using applications for these purposes in compliance with applicable regulations and legislation in force.

Specifically, the Corporate Governance System is based on the following aspects:

- the organisational and corporate structure in general;
- the internal control system, comprising the rules, procedures, as well as organisational structures for ensuring the correct functioning and good performance of the company, guaranteeing, with a reasonable safety margin. that the Corporate Governance System objectives are attained;
- the risk management system, that includes the strategies, processes, procedures, including reporting procedures, necessary to identify, measure, assess, monitor, manage and represent on an ongoing basis current and future risks the company could be exposed to and, where possible, related interdependencies and potential aggregations. The risk management system considers at least the areas indicated in Article 30-bis(3) of the Code, and ensures that the objectives of the Corporate Governance System are attained.

The Governance System is based on the dissemination and endorsement of principles of integrity and legality, related to the promotion of a "corporate culture" that is essential for implementing the principles and rules of the corporate system - through various perspectives, including a risk, control and anti-money laundering culture. These principles are set out in the Group's Code of Ethics, the Organisational Model and additional provisions of legislation and regulations in effect.

Pursuant to Article 17 of the Articles of Association, the **Board of Directors** comprises a minimum of 7 (seven) and a maximum of 11 (eleven) members, appointed by the Shareholders' Meeting. At the reporting date, the Board of Directors comprised 9 (nine) members appointed for three financial years, with their term of office ending on the date of the Shareholders' Meeting convened to approve the financial statements for the year ended 31 December 2021. As part of an "ordinary" corporate governance system, the above number of members is adequate for at least one third to be selected from candidates that meet the independence requirements of Article 2399(1) of the Civil Code, as well as various areas and profiles of specialisation, expertise and experience.

The Board of Directors, in line with the functions assigned to it by the Articles of Association and applicable regulations, has the widest-ranging powers for the ordinary and extraordinary management of the Company, apart from powers which by law are given to the Shareholders' Meeting. First and foremost the Board has powers given to it by the Articles of Association (Article 19), which may not be delegated, in particular as regards the business model, business and/or financial plans and budgets of the Company, general planning and strategic guidelines, risk and governance management policies and objectives, the adoption of directives and group regulations as well as supervisory regulations; transactions that are material (in financial terms), with particular reference to related-party transactions; approval of accounting and reporting systems; assignment and withdrawal of powers of the Chief Executive Officer.

The Board of Directors is responsible for the corporate governance system, defines its strategic guidelines, ensures completeness, functionality and effectiveness, also with reference to outsourced activities. The Board of Directors also ensures the corporate governance system is suitable for attaining related objectives, carrying out its duties and specifically those in Article 5 of IVASS Regulation no. 38/2018.

Pursuant to the Articles of Association, the Board of Directors sets up advisory board committees, in any case with functions required by applicable regulations, necessary for adequate corporate governance.

The Board of Directors continually assesses the corporate governance system and is required to issue instructions so that duties and responsibilities are assigned adequately, and proportionally coordinated and distributed.

The Board adopts written policies for all matters required by sector regulations, reviewing these policies each year. The Board approves the policies and additional regulations, based on indications provided, such as management and coordination instructions of the UIPC.

At least once a year, the Board of Directors assesses the adequacy of the Board and its Committees, as regards the number of members, composition, and functions, based on an assessment of quantitative and qualitative criteria, considering the eligibility requirements specifically indicated in the Fit & Proper policy, providing an opinion on the professional positions considered appropriate to sit on the Board, as well the number of independent directors, and proposing any corrective actions, as necessary.

The Board of Directors takes decisions after being informed, where requested, by board committees specifically setup, in compliance with the steering and coordination guidelines of the UIPC.

The **Chief Executive Officer**, also given the function of General Manager, is an "executive" director. In addition to powers to adopt board decisions and carry out all other ordinary administration in the company object, this position carries out the functions assigned by the Board of Directors and reports to the Board on activities performed. As part of its powers, the Chief Executive Officer signs for and represents the Company. The Chief Executive Officer reports to the Board from time to time on decisions taken, according to relevant procedures.

Pursuant to Article 2409-octiesdecies of the Civil Code and Article 23 of the Articles of Association, the Board of Directors has set up a board **Management Control Committee**. As decided by the Shareholders' Meeting, the Board comprises three members, of whom one appointed as Chair, meeting the requirements of professionalism, integrity and independence indicated in applicable regulations, and in compliance with specific limits on holding a certain number positions, as well as the independence requirements in Article 2399(1) of the Civil Code. At least one member of the Management Control Committee must be a registered statutory auditor pursuant to Legislative Decree 39/2010.

In compliance with the requirements of the Board of Statutory Auditors of the Parent Company and coordinating with its activities, the Committee supervises the internal control system, assessing its design, efficiency and management. The Board of Statutory Auditors also has the duties specifically indicated in Article 8 of IVASS Regulation no. 38/2018, and may request the assistance of all entities with control duties to carry these out.

Under the limits permitted by Law no. 183/2011, and considering the principle of proportionality and reasons of functional efficiency, independence, competence and professionalism, the Company has assigned the Board of Statutory Auditors the activities previously overseen by the Supervisory Body under Legislative Decree 231/2001.

The Supervisory Body has powers of initiative and control (Article 6(1)(a)(b), and in line with group indications, monitors the functioning of and compliance with the Organisational, Management and Control model, and updates to it.

Pursuant to Article 24 of the Articles of Association and Article 6 of IVASS Regulation no. 38/2018, the **Internal Control and Risks Committee (CCIR)** is set up as a Board Committee, with advisory functions.

The Internal Control and Risks Committee coordinates with the Management Control Committee and supports the Board of Directors in carrying out duties related to the management of the internal control system and the design, assessment and management of the risk management system. Specifically, the Committee assists the Board of Directors in determining the guidelines of the internal control and risk management system, in the periodic verification of its adequacy and effective functioning, and in the identification and management of main business risks.

The Internal Control and Risks Committee comprises 3 non-executive directors, including the Chair, of whom the majority is independent pursuant to Article 2399(1) of the Civil Code, who all meet the requirements of integrity, professionalism and independence as required by current legislation.

Moreover, in line with "Directives on the Corporate Governance System of the Intesa Sanpaolo Vita Group" and "Regulations of the Intesa Sanpaolo Vita Insurance Group", which establish that "the **Remuneration Committee** acts for the Group and has advisory functions with the Board of Directors of the UIPC, in defining and monitoring remuneration policies for the sound and prudent management of Group Companies, in keeping with the risk appetite and related tolerance limits" - the duties and functions are overseen and carried out by the Remuneration Committee of the UIPC, as regards the definition of the Group's Remuneration Policies, save for the competencies and duties of the Board of Directors of BAP.

The Governance system of the Company is complemented by the following advisory committee and by the core functions provided for in current regulations (Legislative Decree 209/2005 as amended); Risk Management, Compliance, Actuarial, Audit Functions). In addition to these core functions is the additional control function responsible for AML (Anti-Money Laundering) controls.

The **ALM (Asset Liability Management)**, Investments and Products Committee assists the Chief Executive Officer in situations that may require a specialist or multi-disciplinary assessment and may advise on matters that require final evaluation by the Board of Directors. The Committee may also be required to monitor investments, the activities of retail networks and adequacy of products over time, in relation to developments in target markets. The Committee comprises various sessions, that may also be activated separately. The Committee is convened by the Chief Executive Officer and meets periodically based on planning overseen at the start of the year, also considering scheduled Board meetings, and whenever necessary.

The Chief Executive Officer, or a delegated person in his absence takes part in the Investments, ALM and Products Committee meetings, as well as the following persons, in relation to specific matters of interest:

- Head of the Technical Area;
- Head of the Administration, Management Control and Finance Area;
- Head of the Market Area;
- Head of the Risks Area;
- Head of the Actuarial Function;
- Head of the Risk Management Function;
- Head of the Compliance Function;

Head of the Audit Function attends Committee meetings on matters of interest (products). The Delegated Manager and representatives of Retail Networks may also be invited to attend, for areas in their responsibility.

As regards the **Core Functions**, the Internal Audit Function (third level controls) and the Risk Management, Actuarial and Compliance and AML functions (second level controls) - have an organisational structure that is such as to guarantee their effectiveness and actual independence over other units/functions controlled, and also prevent conflicts of interest (principle of segregation). The functions have specific organisational authority.

The head of each Core Function is appointed and withdrawn from office by the Board of Directors and meets necessary requirements to hold the position. The head is not in charge of operational areas, nor hierarchically dependent on persons responsible for these areas. The Board of Directors appoints and removes from office positions of the Core Functions, after specifically consulting with the Management committee and, where requested, with the Internal Control and Risks Committee.

The purpose of including the Risk Management Function, Compliance Function, Actuarial Function and AML Function in the Risks Area is to maximise coordination and cooperation, without affecting autonomy and independence.

The head of each Core Function annually presents an activity plan to the Board of Directors which indicates the activities that it intends to carry out, taking into account the main risks to which the company is exposed and the activities to undergo priority checks. The activity plan includes an assessment of the consistency of available resources with planned targets and the budget. Any significant changes in the approved activity plan are approved again by the Board of Directors. At least once a year or when considered necessary, the head of each Core Function also presents a report to the Management Board, which summarises the activities and checks carried out in the reference period, the emerging results, critical issues and shortcomings found and the recommendations formulated for their removal, as well as the status and timing of improvement actions, if implemented. Quarterly periodic reporting is also provided.

The Core Functions report directly to the Management Board and where necessary participate in board meetings.

The Core Functions have free access to the company's activities, structures and all relevant information, including information to assess the adequacy of controls on outsourced functions.

The **Internal Audit Function** - reporting to the Chief Executive Officer - assesses and monitors in a continual, independent and objective manner, the completeness, functionality, effectiveness and adequacy of the internal control system and additional components of the corporate governance system and any need for adjustments, also through the support and advice of other company functions. The Audit function is independent, also hierarchically, from operating functions and reports directly to the Board of Directors. Those tasked with the activity are ensured - for the purpose of carrying out the relevant checks - access to all hard copy and electronic documents and to the company structures subject to audit, as well as to information for control on the correct performance of the outsourced activities.

The Risks Area - reporting to the Management Board - has been set up to coordinate and promote the Risk Management, Compliance and Actuarial Functions, in conformity to their duties and operating autonomies.

The **Risk Management Function** is tasked with implementing the risk management policies and guidelines, as adopted by the Management Board, supported by the CCIR Committee. It is therefore responsible for setting up and monitoring the risk management system. Specifically, the

Risk Management Function contributes to defining the risk management policies and in particular identifying the measurement parameters, assessing their adequacy and effectiveness, and coordinates the process to review them, reporting additional risks, also potential, which may be considered to optimise consistency with the Company's risk profile to the Management Board. The Risk Management Function also monitors the limits and tolerance thresholds of the Risk Appetite Framework. To ensure an integrated assessment of current and future risks, the Function continually monitors the solvency profile of the Company and its consistency with forward-looking assessments.

The **Actuarial Function** monitors the adequacy of methodologies, processes and procedures and the reliability of data used to calculate technical provisions, and assists the Board of Directors in ensuring a sound and prudent management of the Company's insurance activities. In particular, the Actuarial Function coordinates the calculation of technical provisions, monitoring the calculation procedures, and identifies any deviation from legal requirements, informing the Board of Directors. The Actuarial Function also provides opinions on underwriting policies, the consistency of product pricing with the underwriting policy and reinsurance arrangements, and gives an opinion on the main risk factors affecting profitability (products plan and business plan), and that will be undersigned in the subsequent year and on the possible financial impact of each planned material change to the terms and conditions of contracts.

The **Compliance Function** is tasked with monitoring compliance risk management, ensuring, among others, compliance with regulations on transparency and the fair treatment of insured, pre-contract and contract information and the proper performance of contracts, with specific reference to claims and, more generally, to the protection of insured customers and other persons entitled to insurance benefits. The Anti-money Laundering Function has been set up within and is coordinated by the Compliance Function, with a Head (Head of Anti-money Laundering) assigned to define and oversee processes and activities to prevent and combat money laundering and terrorist financing. The Function is organised in a such a way as to ensure segregation from operating functions, in order to guarantee their independence, autonomy and objectivity of judgement.

The **Anti-money Laundering Function** specifically provides oversight to prevent and combat money laundering and terrorist financing. The Anti-money Laundering Function oversees controls on the consistency of company procedures with the aim of combating and preventing money laundering risks, suggesting, as necessary, appropriate organisational and procedural changes. The Function identifies applicable regulations on money laundering and terrorist financing and advises company bodies and senior management on aspects in its responsibility, preparing adequate information flows. The Function's independence is ensured through adequate controls to guarantee the segregation of duties and prevent conflicts of interest.

In addition, as **Data Protection Officer (DPO)**, since 1 January 2021, the role of DPO, as provided for in Article 37(1)(c) of Regulation (EU) 2016/679 on personal data processing (the "GDPR"), has been reassigned to the Head of the Compliance Function. The DPO monitors the correct and actual compliance with privacy regulations.

Coordination between the executive and supervisory bodies and key functions

The Company considers the governance of information flows as a fundamental factor, so that it may achieve efficient management and effective controls, and value the different levels of responsibility within the company organisation. The Company ensures the constant, timely and

extensive distribution of information among Corporate Bodies, Board Committees, Core Functions, Functions that carry out control activities and other entities concerned, as well as supplementary pension products, complying with the various competences of bodies with supervision and control functions.

The Board of Directors acknowledges the importance of risk and control management, and from this perspective, it ensures constant and worthwhile interaction, also through the activities of its committees with entities concerned and in particular with the Core and Control Functions.

The Chairman of the Board of Directors ensures that board activities take place guaranteeing appropriate communication flows regarding the times and contents, with the Core Functions, Board Committees and managerial committees. Adequate minutes are taken of board meetings, which report on evidence presented and analysed, discussions taking place, decisions taken, actions to take and updates concerning previous decisions made.

The Management Board is assisted by the Core Functions that take part in board meetings, if requested, considering the specific issues addressed. The Board is also advised on individual matters concerning the internal control system.

Changes to the system of Governance

Following the outcome of the Public Offer for the Purchase and Exchange of all UBI Banca S.p.A. shares, made by Intesa Sanpaolo (ISP), as from 5 August 2020, Intesa Sanpaolo purchased indirectly 100% of the Company, from 5 August onwards. Subsequently, in application of sector regulations, resolutions were passed to cancel the BAP Insurance Group, and include it in the perimeter of the ISV Insurance Group, and under the management and coordination of Intesa Sanpaolo Vita.

The Company therefore started activities to integrate the new group and the following main changes were made to its governance system during the period under review:

- the Articles of Association were amended to include the wording that the company belongs to the Intesa Sanpaolo Vita Insurance Group: this amendment was approved by the Extraordinary Shareholders' Meeting on 28 October 2020;
- Group regulations were gradually implemented;
- with the adoption of the "Directives on the Corporate Governance System of the Intesa Sanpaolo Vita Group" and "Regulations of the Intesa Sanpaolo Vita Insurance Group", the duties and functions undertaken and carried out by the Remuneration Committee of the UIPC, as regards the definition of the Group's Remuneration Policies, were acknowledged;
- the Related-Parties Committee was cancelled, due to the previous internal regulation no longer being adopted;
- the Financial Reporting Officer was appointed.

In addition:

- three new members of the Board of Directors were co-opted, replacing the resigning members, with the following roles: Chairman of the Board of Directors, Deputy Chairman of the Board of Directors and Board Director;
- the role of DPO was reassigned as from 01/01/2021.

Where required, these changes were specifically notified to the Supervisory Authorities pursuant to provisions in applicable regulations.

Remuneration system and salary policies

The Remuneration Policies, for 2020, were approved by the Shareholders' Meeting of 11 March 2020, and conform to provisions in IVASS Regulation no. 38 of 3 July 2018, and have been prepared in compliance with additional regulatory provisions and guidelines of the former UBI group (which the Company belonged to).

The Policies adopt suitable criteria guaranteeing compliance with principles of sound and prudent risk management, in line with strategic objectives, profitability and business balance in the long-term, also considering the existence of criteria functional to the adoption of the principle of proportionality.

The mechanisms adopting the Policies, in order to align incentive systems with indications for the UIPC Intesa Sanpaolo Vita, have been defined in the document "2020 Remuneration Policies and Incentives" approved by the Board of Directors on 16 December 2020.

The Remuneration Report of BancAssurance Popolari meets the obligations in Article 5(2)(l) and 42 of the Regulation, as well as Article 59 of the Regulation on reporting to the Shareholders' Meeting concerning 2020 Remuneration and Incentive Polices and the adoption of 2019 Remuneration Policies.

Operations with shareholders and persons of influence

BancAssurance Popolari has agreements in place with the sole shareholder UBI Banca S.p.A. for the retailing of insurance products, and outsourcing agreements, also with companies of the former UBI Group, for the supply of services related to IT, Procurement (Management of the procurement of goods and services), Coordination, Personnel Development and Administration, Personnel Security and General Services.

The Company did not carry out any major transactions during the year with any persons that exercise a considerable influence on the company or with the members of the management, executive or supervisory boards.

Self-assessment of the management board

To ensure the sound, prudent management of the Company, and in particular the effective functioning of its management board, the members of the Board of Directors must meet the integrity, professionalism and independence requirements as contained in the current provisions of law and regulations.

To ensure that these requirements are met, including those relating to the interlocking prohibition (Article 36 of decree-law 201/2011, converted with amendments by law 214/2011):

- on 26 February 2020, the Board of Directors carried out appropriate annual assessments;
- on 16 December 2020, the Board of Directors, on the appointment of three co-opted members, carried out appropriate assessments, notifying the Supervisory Authorities.

In connection with these assessments all the Directors accepted an obligation to keep the Company regularly updated on any changes in their situations. As no notifications have been received, all members of the Board of Directors are currently considered to meet the requirements to hold that office.

Secondly, the self-assessment of the Board and the assessment by its internal committees is generally based on a specific analysis of the board's functions, and the work it has actually done during the year. This may be based on quantitative data relating to the number, frequency and duration of its meetings, the recurrence of any topics dealt with and the quantitative information emerging from the documents prepared for examination by the board, as well as the discussions held during the meetings.

It is also necessary to consider whether there is a structured, transparent system of circulating information, and regular flows of communication to enable the board members to have full, constant visibility of all the work done by the Board of Directors.

For this purpose, each Director in office was sent a questionnaire prepared on the basis that the individual contribution of each director and the frequency of their attendance at meetings are crucial factors with regard to the objective of taking informed, shared decisions.

The replies to the questions in the questionnaire, in aggregate and anonymous form, put to the Board meeting of 26 February 2020, confirmed overall positive findings about the adequacy of the qualitative and quantitative composition, functioning and size of the Board, and generally, all aspects being assessed.

B.2 COMPETENCE AND INTEGRITY REQUIREMENTS

Intesa Sanpaolo Vita Insurance Group

During the Board meeting on 7 April 2020 Intesa Sanpaolo Vita, in accordance with Article 71(2)(p) of IVASS Regulation no. 38/2018, adopted the "Policy for identifying and assessing fitness for office requirements", in a capacity as the UIPC.

This policy governs the terms and conditions under which the Company carries out its assessment of fitness for office:

- of individuals in roles of administration, management and control;
- of board committee members;
- of the managers and staff of Key Functions (Audit, Risk Management, Compliance, Actuarial) of the Company and Insurance Group;
- of the Head of the Anti money-laundering Function;
- of the Head of suspicious activity reporting;
- of the Chief Risk Officer and Chief Compliance Officer where appointed;
- of the Data Protection Officer (DPO);
- of the Retail managers, where appointed;
- of any other key personnel, who may be identified, of the Company and Insurance Group.

For all of these roles, the Policy provides for specific criteria of integrity, professionalism and independence to be submitted for assessment by the Board of Directors at the time of appointment and subsequently at least once a year.

The Insurance Group Companies implemented this document during the course of their board meetings.

Intesa Sanpaolo Vita S.p.A.

See above.

Intesa Sanpaolo Assicura S.p.A.

At the board meeting on 30 April 2020, Intesa Sanpaolo Assicura S.p.A. adopted its "Policy for identifying and assessing fitness for office requirements", prepared in accordance with Article 5(2)(n) of IVASS Regulation no. 38/2018, after implementing the same Policy issued by the UIPC in accordance with Article 71(2)(p) of the same regulation.

These policies are issued and reviewed at least once a year.

Refer to the details of the section on the Insurance Group.

Fideuram Vita S.p.A.

During the board meeting of 30 April 2020, Fideuram Vita implemented the "Policy for identifying and assessing fitness for office requirements" of Intesa Sanpaolo Vita as the UIPC and adopted its own "Policy for identifying and assessing fitness for office requirements".

These policies are issued and reviewed at least once a year.

Refer to the details of the section on the Insurance Group.

Intesa Sanpaolo Life D.A.C.

The rules on assessing the criteria for fitness for office are prepared in accordance with the instructions contained in the code of corporate governance, and with the same document issued by Intesa Sanpaolo, the UIPC of the Insurance Group, which has been adopted by the Board of Directors of Intesa Sanpaolo Life.

These rules conform to the Fitness and Probity Standards of the Central Bank of Ireland. The policy is reviewed and approved by the Board of Directors at least once a year.

According to the Central Bank of Ireland, the specific expertise required for key functions depends on the role, but will traditionally relate to some or all of the following areas:

- the insurance and financial market;
- strategy and business models;
- governance systems;
- actuarial and financial analysis;
- the regulatory framework and legal requirements.

The Central Bank of Ireland requires due diligence on all persons within the Company who hold key positions, and reserves the power to approve their appointments, continually check requirements and declare a loss of eligibility.

Under Irish law, due diligence is intended to demonstrate that persons in key positions:

- are competent and capable;
- are honest and conduct themselves in an ethical, honourable way;

- are financially stable.

CBI has approved the appointments of all the managers of key functions and senior managers.

For further details refer to the section on the Insurance Group.

Intesa Sanpaolo RBM Salute S.p.A

During the board meeting of 11 May 2020, Intesa Sanpaolo RBM Salute implemented the "Policy for identifying and assessing fitness for office requirements" of Intesa Sanpaolo Vita as the UIPC and adopted its own "Policy for identifying and assessing fitness for office requirements".

These policies are issued and reviewed at least once a year.

Refer to the details of the section on the Insurance Group.

BancAssurance Popolari S.p.A.

The Company defines the requirements and procedures for assessing fitness for office or purpose, in terms of integrity, professionalism and independence, on employment of the personal and continually, in compliance with applicable legislation, the articles of association and corporate governance practices, adopted with reference to the insurance sector and considering the guidelines established by the UIPC.

In defining the requirements, the Company considered in particular the requirements of professionalism and integrity, necessary to carry out duties assigned, in order to ensure an appropriate diversification of qualifications, knowledge and significant experience.

In this regard, the Company has put in place a specific "Fit & Proper Policy", in particular for:

- members of the Board of Directors, including members of the Management Control Committee, the Chief Executive Officer and members of the Internal Control and Risks Committee;
- members of the Related Parties Committee, members of the Supervisory Body or other bodies with specific duties;
- "key personnel" as identified by the Company.

Eligibility is assessed annually. With particular reference to the professional requirements of the Management Board, Board of Statutory Auditors and Internal Control and Risks Committee, the above policy establishes that specific requirements on qualifications, knowledge and competencies must be met, with experience of at least three years in:

- administration or control activities, or managerial duties with companies in the insurance, credit or financial sectors;
- professional activities concerning the insurance, credit or financial sectors; university teaching on legal, economic or actuarial subjects, which are significant for the insurance sector;
- administrative or managerial functions with public or private administrations, which are significant for the credit, financial or insurance sector, or with public or private administrations that do not concern the above sectors, provided the functions involve the management of economic and financial resources.

The Chairman of the Board of Directors and the Chief Executive Officer shall have gained the above experience for at least a five-year period.

Moreover, the Management Board must also have professional expertise and technical competencies at least in matters concerning the insurance and financial markets, governance systems, financial and actuarial analysis, the legal framework, commercial strategies and business models.

Pursuant to Article 17 of the Articles of Association, at least one third of Directors must meet the independence requirements in Article 2399(1) of the Civil Code.

All members of the Management Control Committee, pursuant to Article 17.4 of the Articles of Association, must meet the independence requirements of Article 2399(1) of the Civil Code and at least one member must be a registered statutory auditor.

The majority of members of the Internal Control and Risks Committee, pursuant to Article 24.2 of the Articles of Association, must meet the independence requirements of Article 2399(1) of the Civil Code.

The Heads of the Core Functions, i.e. the Internal Audit, Risk Management, Actuarial and Compliance Functions, as well as other control functions, shall be qualified and have experience, specifically for the functions performed and/or a proven track record in the insurance of financial sectors, in their areas of responsibility, or in equivalent sectors for at least five years.

The "Fit & Proper Policy" sets out the requirements for the integrity of company officers, which are the requirements indicated in applicable legislation and in particular in Article 5 of Ministerial Decree 220/2011. Besides the requirement of integrity, the Company requires specific criteria of fairness to be met by each officer, with reference to their personal and professional conduct, in line with Delegated Acts and EIOPA guidelines on the governance system. In line with the Solvency II Directive and relevant EIOPA guidelines, honesty, financial robustness, personal behaviour and professional conduct are also considered as requirements for eligibility.

The requirements of professionalism and integrity, as established in the "Fit & Proper Policy" of people that manage businesses or oversee other Core Functions and other people concerned are assessed on appointment and during their engagement, and for this purpose, the Company has adopted processes to check the requirements, also obtaining suitable documentation. The assessments conducted on appointment and additional, periodic assessments conducted had a positive outcome.

During the board meeting of 12 March 2021, BAP also implemented the "Policy for identifying and assessing fitness for office requirements" of Intesa Sanpaolo Vita as the UIPC. For details, refer to the section on the Insurance Group.

B.3 RISK MANAGEMENT SYSTEM, INCLUDING THE INTERNAL ASSESSMENT OF RISK AND SOLVENCY

Intesa Sanpaolo Vita Insurance Group

Risk management process, and role of the risk management function

The system of risk management and control for the whole of the Insurance Group conforms to the requirements of supervisory insurance regulations and is consistent with the corresponding regulations on the control system, of the parent company Intesa Sanpaolo, which define the reference principles and responsibilities of the corporate bodies, and those of the audit functions which help to ensure that the system of internal controls operates correctly. The process of managing the risks of the Insurance Group is governed in line with the self-assessment of risk profile and risk appetite (Risk Appetite Framework or RAF). The Level 1 documentation referred to above is complemented by the Operational Policies and Guidelines concerning the management of all the risks to which the Insurance Group is exposed.

Intesa Sanpaolo Life adopted them as a reference for the definition of its own company guidelines in this area, in accordance with applicable regulations, reporting any incompatibility to the UIPC with regulations in the country where it does business.

There are four main phases in the Insurance Group's risk management process:

- Risk identification and assessment;
- Risk management;
- Monitoring risk exposure;
- Reporting.

The first main phase, specifically the Risk Assessment, gives Senior Management an immediate overview of the risk exposure, which can guide their decision-making processes and help to define the priority actions, also in terms of strategic planning.

There are 4 phases of the risk assessment process, which are carried out at least once a year (or when specific events occur):

- Analysis: this includes all activities to obtain information, identify and record risks with the association of an Owner and involvement of other Specialist Functions[1] to identify and assess risk profiles that are directly supervised.
- Assessment: this includes a self-assessment in terms of probability, impact and risk mitigation by the risk Owner. In this phase, the Owner identifies any actions to implement or implemented, to mitigate risk;
- Validation: this includes the phase where the risk Owner assesses the result of the analysis and the Risk Management Function works with other Core Functions to verify whether the assessment result is aligned with their evidence;

[1] The term "Specialist Functions" means the Functions in charge of managing some specific risks, i.e. second level Core Functions, the DPO, the IT Security and AML Function, as governed by company regulations.

- Risk Map: this includes activities to prepare a report on the risk exposure of each Insurance Group Company and the Group as a whole.

Once the risks have been identified, the Insurance Group obtains documents for each specific risk to determine procedures for managing each one, together with the operational tolerance limits. An assessment is also carried out on hard-to-quantify risks considered to be significant for the Insurance Group, and risk mitigation actions may be proposed.

On conclusion of the Risk Assessment process, the Group manages each risk by following the conditions and tolerance limits stated in the Policies, which constitute the risk management framework.

The final phase involves monitoring and quantification of the risks.

The monitoring process provides for the constant application of stress tests. The stress tests consist of a set of techniques used by the companies to:

- measure their vulnerability to extraordinary yet plausible events;
- allow Senior Management to understand the relationship between the risk assumed and the risk appetite, as well as the adequacy of available capital.

Should the results of the stress tests show that there is potential non-compliance with the minimum regulatory requirements and/or that the controls for each risk are inadequate, the Internal Control and Risks Committee will suggest improvements in order to consolidate the capital stability to the Board of Directors of the company concerned, also considering solvency at Group level.

In addition to this activity, there is a structured information gathering process, which is necessary to calculate the indicators and parameters defined for the size of the risk according to the Risk Appetite Framework, which is intended to control the Limits and Early Warnings.

The risk management process is an integral part of the organisation and decision-making processes of the Insurance Group and of each company, as it is prepared in accordance with the internal risk assessment and solvency process, and with the Risk Appetite Framework.

With regard to the roles and responsibilities of the Risk Management function, see the contents of section B.1 of this report.

Internal risk and solvency assessment

The new prudential regulations which entered into force on 1 January 2016 are based on three pillars. They require companies in the second pillar to perform a self-assessment of risks, both current and forward-looking, in order to determine a governance system which allows the effective and efficient management and control of risks, by tasking the Supervisory Body with the assessment, through the Supervisory Review Process, of the reliability and consistency of the results and by adopting, where needed, the appropriate corrective measures. The main objective of ORSA is to ensure that the companies adopt processes to assess all the current and forward-looking risks of their business and determine the corresponding hedging capital in line with the strategic and Risk Appetite objectives.

The internal risk and solvency assessment is carried out through the ORSA process, which has been adopted by the Insurance Group and is split into 2 preliminary transverse activities, and 5 separate, specific phases.

The preliminary activities are:

- defining the Risk Appetite Framework: the UIPC sets out above all the standards to guide the Insurance Group in taking on risks and monitoring them in order to ensure a continuous and excellent service toward customers and to create value for all stakeholders.
- defining the methodologies for risk and capital measurement: the methods used to measure risks are defined and proposed, along with the risk and capital measurement and control models and systems needed to address unexpected losses. The proposed methodologies are consistent and comply with the requirements set out by current supervisory regulations.

The detailed phases are as follows:

- identifying and monitoring risks: in order to evaluate the risk profile, the companies of the Intesa Sanpaolo Vita Group must identify all the risks to which the individual company and the entire Insurance Group is or may be exposed. This identification is aimed at:
- building an effective risk management system to support the achievement of the company goals while protecting policyholders;
- determining the risk capital both for regulatory and internal purposes and to assess capital adequacy;
- performing the internal assessment of the risk profile with regard to that underlying the standard formula.
- Self-assessment: the objective of this phase is to assess the regulatory capital requirement and the economic capital considering all the relevant risks to which Intesa Sanpaolo Vita and the Insurance Group companies are exposed, and taking into account the strategic and business objectives. Unlike the Pillar 1 requirements, the assessment includes also any material risks not considered in Pillar I and requests a forward-looking internal assessment of risk and solvency.
- Capital adequacy assessment: the objective of this phase is to assess the capital adequacy in terms of own funds at individual and consolidated level compared to the level of risk assumed. The phase to determine the available own funds and to compare it with the economic capital is broken down in the following sub-phases:
    - determination of available own funds;
    - assessment of capital adequacy.
- Preparation and approval of the ORSA Report: the UIPC documents the findings of the ORSA process for all Insurance Group companies in a single report. The "Single internal risk and solvency assessment document" is a consolidated document (supervisory report on the internal risk and solvency assessment) covering the internal risks and solvency assessment carried out at Insurance Group level and at the level of some group subsidiaries at the same date and in the same reporting period;
- Independent review of the ORSA process: the ORSA process is included in the audit scope, and is periodically audited by the Audit function. The results of the audits are submitted to the Board of Directors in the periodic reports, and used by it for process challenge and assessment activities.

In relation to the measurable risks, the Standard formula parameters proposed in the Solvency II regulations are currently considered to be adequate for this purpose, except for the operational risks. However, controls are in place for all risks.

In this regard, Intesa Sanpaolo Assicura, in accordance with the Supervisory Authorities, assessed the advisability of adopting specific parameters (USP), to calculate the capital requirement for pricing and reserving risk. About that, it should be noted that the Company did not use the

aforementioned parameters for the valuation at 31.12.2020 but obtained the authorization to adopt the USP parameters for the calculation of the capital requirement for the Non-Life and Health underwriting risks to starting from the assessments of the first quarter of 2021.

The companies have also put in place controls to cover all business risks, including forward-looking, and with a view to safeguarding of assets.

Within the ORSA process, the Board of Directors of the UIPC, the Senior Management of the UIPC and the Internal Control and Risks Committee of the UIPC have a fundamental role.

The UIPC Board of Directors, in its remit also for the Group: determines and is responsible for the adequacy and effectiveness of the risk management system as part of which it approves the risk management strategy, the risk appetite of the Group, the risk management policies and related limits.

With specific reference to the ORSA process, the Board of Directors sets out and approves the relative Policy, ensures their timely adaptation to significant changes in strategic policies, organisational arrangements and the business environment and promotes full use of the ORSA results for strategic purposes and in the decisions implemented by Group Companies. In addition, the UIPC Board of Directors, on the proposal of the UIPC Internal Control and Risks Committee:

- determines the Risk Appetite of the Group in line with its global solvency needs, identifying the types of risk it will assume, consistently establishing the relative risk tolerance limits of the Group, which it reviews at least one once a year;
- approves the Insurance Group Risk Map;
- approves the methodologies to measure, review, manage and control significant risks, contained in the Policies on their management;
- ensures that the Group level risk management policy is implemented consistently and continuously within the Group, taking into account the structure, size and specificity, as well as the risks of each Group Company and the mutual interdependencies;
- critically assesses the outcome of the Risk Assessment process and monitors the follow-up actions to be taken based on its outcome;
- approves the level of regulatory capital and current and forward-looking economic capital quantified based on the risks identified in the risk map;
- approves the level of current and forward-looking own funds to hedge all the risks identified in the risk map;
- assesses the ORSA process with the support of the core functions;
- approves the ORSA Report expressing a final opinion on the current and forward-looking capital adequacy supported by the relevant reasons;
- approves the capital needs plans and resolves upon the capitalisation measures and other corrective/mitigation measures to protect current and forward-looking capital adequacy.

UIPC Senior Management, in it remit also for the Group, is responsible for the overall implementation, maintenance and monitoring of the corporate governance system at Group level, consistent with the Directives of the Board of Directors and in compliance with the roles and tasks attributed to it.

With reference to the internal assessment of the Group's risk and solvency:

- circulates the Policies on risk management and is responsible for their implementation;

- critically assesses the outcome of the Risk Assessment process and monitors the follow-up actions to be taken based on its outcome;
- implements the internal risk assessment and Group solvency policy, contributing to ensuring the definition of operating limits and ensuring the prompt verification of the limits themselves, as well as the monitoring of risk exposure and compliance with Group tolerance limits.

The UIPC Internal Control and Risks Committee, it its remit also for the Group, assists the UIPC Board of Directors in determining the guidelines of the internal control and risk management system at Group level, in the periodic verification of its adequacy and its effective functioning, and in the identification and management of the main business risks. Furthermore, it controls the specific risk profile of Group Companies.

With specific reference to the ORSA process, the Internal Control and Risks Committee:

- takes steps to ensure the full use of the results of the ORSA for the strategic and decision-making purposes of Group Companies;
- assesses the proposals to submit to the Board of Directors for final approval on:
  - ORSA process description;
  - risk appetite level;
  - risk map;
  - current and forward-looking capital level;
  - level of own funds to cover current and forward-looking capital - ORSA Report.

The Risk Committee periodically analyses the results of monitoring the regulatory requirements both in current and forward-looking terms and of the stress tests submitted by Risk Management.

The internal risk assessment is prepared annually, and is examined and approved by the Board of Directors of the UIPC.

The assessment of the capital requirement during the period of the analysis is measured by considering the forward-looking exposure to a potentially broader risk perimeter than Pillar I, the stress tests and the impacts in terms of value and capital used in commercial strategies.

Furthermore, the following is taken into account:

- any scheduled issue of capital;
- maturity, including both contractual maturity and any other earlier repayment or surrender opportunity, of the own-fund items;
- the effects that any issue, surrender or repayment or other measurement changes of an own-fund item can have under the applicable capital management system;
- the extent to which the company is based on own-fund items subject to provisional measures;
- application of the dividend distribution policy and how it affects own funds.

The multi-year capital management plan is defined in line with the strategic objectives of the Insurance Group and in coordination with the Strategic ALM and Capital Management Department, which liaises with the Capital & Liquidity Management and Recovery Plan Unit of the parent company Intesa Sanpaolo.

The capital requirement is assessed for the Insurance Group and on an individual basis, taking into account the risk tolerance thresholds identified in the RAF and the forward-looking risk and solvency assessment according to ORSA standards and strategic planning.

During the year, the following are periodically monitored:

- the cohesion between the strategic plan, the performance of the business and the profitability of the companies and at an Insurance Group level;
- the cohesion of the assumptions underlying the capital management plan and the related actions, compared to the ordinary performance at Insurance Group level;
- the maintaining of management solvency levels and of the capital management plan based on the sensitivity and stress tests.

Intesa Sanpaolo Vita S.p.A

Risk management processes, and role of the risk management function

The process of managing the risks of Intesa Sanpaolo Vita is governed in line with the self-assessment of its risk profile and risk appetite (Risk Appetite Framework or RAF). The Level 1 documentation referred to above is complemented by the Operational Rules and Guidelines concerning the management of all the risks to which the Company is exposed.

There are four main phases in the risk management process:

- Risk identification and assessment;
- Risk management;
- Monitoring risk exposure;
- Reporting.

The first major phase gives Senior Management an immediate overview of the risk exposure, which can guide their decision-making processes and help to define the priority actions, also in terms of strategic planning.

There are 4 phases of the risk assessment process, which are carried out at least once a year (or when specific events occur):

- Analysis: this includes all activities to obtain information, identify and record risks with the association of an Owner and involvement of other Specialist Functions2 to identify and assess risk profiles that are directly supervised;
- Assessment: this includes a self-assessment in terms of probability, impact and risk mitigation by the risk Owner. In this phase, the Owner identifies any actions to implement or implemented, to mitigate risk;
- Validation: this includes the phase where the risk Owner assesses the result of the analysis and the Risk Management Function works with other Core Functions to verify whether the assessment result is aligned with their evidence;

[2] The term "Specialist Functions" means the Functions in charge of managing some specific risks, i.e. second level Core Functions, the DPO, the IT Security and AML function, as governed by company regulations.

- Risk Map: this includes activities to prepare a report on the risk exposure of each Insurance Group Company and the Group as a whole.

The risk assessment process also includes the hard-to-quantify risks considered to be significant for the Company and risk mitigation actions may be proposed.

On conclusion of the risk assessment process, the Group manages each risk by following the conditions and tolerance limits stated in the Rules, which constitute the risk management framework.

The final phase involves monitoring and quantification of the risks.

The monitoring process provides for the constant application of stress tests. The stress tests consist of a set of techniques used by the Company to:

- measure their vulnerability to extraordinary yet plausible events;
- allow Senior Management to understand the relation between the risk taken on and its risk appetite, in addition to the adequacy of the available capital.

Should the results of the stress tests show that there is potential non-compliance with the minimum regulatory requirements and/or that the controls for each risk are inadequate, the Risk Committee will suggest improvements in order to consolidate the capital stability to the Board of Directors of the company concerned, also considering solvency at Insurance Group level.

In addition to this activity, there is a structured information gathering process, which is necessary to calculate the indicators and parameters defined for the size of the risk according to the Risk Appetite Framework, which is intended to control the Limits and Early Warnings.

Within the Risk Appetite Framework the Insurance Group has imposed early-warning thresholds on the main risk factors. The main limits relate to the following risks:

- Solvency: the levels of solvency ratio and the levels of individual risk types, in relation to Own Funds;
- Liquidity: the level of highly liquid securities, cash flow matching and the insurance liquidity coverage ratio;
- Investments;
- Operational risks: the level of operational losses.

The "prudent person" principle

Depending on the nature, scope and complexity of the risks of its business, the Company will set investment policies for all its assets, in line with the prudent person principle.

Financial portfolio management must be aimed at the following:

- the general criteria of prudence and promoting quality of assets;
- profitability assessment, adequately taking into consideration all related market, credit, concentration and liquidity risks;
- Enhancement of risk diversification factors;
- An asset allocation objective that adequately reflects the time frame of the liability and the economic returns hoped for by the Company.

The Company's Policies on investments are consistent with its strategy and risk policies, and take into account the risk appetite, risk tolerance and the possibility of identifying, measuring, monitoring and managing the risks involved with each type of asset.

The Policies on investments are adopted by taking into account that the assets covering the technical provisions are adequate considering the nature of the risks and the obligations, and the duration of the liabilities, in the best interests of all policyholders, customers, beneficiaries and anyone entitled to insurance benefits.

The investment policy defines the composition of the medium-to-long-term investment portfolio, indicating the security, quality, liquidity, profitability and availability level for the entire asset portfolio.

With regard to details of how the company meets its obligation to invest all assets in accordance with the "prudent person" principle, it should be noted that asset investment activities are not done in consideration of the direct, immediate obligations towards the insured parties and therefore they are not subject to the limitations included in the rules on separate management. At the same time, the capital profitability enhancement targets must be met.

The setting of operational limits for this type of activity is based on the principle that, with a view to the prudent management of assets and the solvency of the company, the share of assets needed to cover the economic capital must be invested in highly solvent, highly liquid assets, and only a surplus can be directed towards higher-risk investments.

The use of derivatives must be consistent with the principles of sound and prudent management, with a view to mitigating risks. It must take place in alignment with the Company's financial situation and operating performance.

Assessing the appropriateness of credit ratings

In order to measure the credit rating of assets in the company's portfolios, apart from the ratings given by the main rating agencies (Standard & Poor's, Moody's and Fitch Ratings), priority is given to an internal assessment done by the company itself in accordance with the internal models of the Parent Company Intesa Sanpaolo.

This internal assessment is done for all issuers towards whom there is a significant exposure.

The process of defining internal ratings is described in more detail in the Investment Policies.

Assessments of credit rating are used where required by the Solvency II Regulations (i.e. spread and counterparty risks). The Company carries out formal checks on all flows of information regarding credit ratings received from external bodies. The Risk Management operating system also involves a process of user authorisation, following each rating update received from an external body.

The outsourcing agreements with rating agencies providing the company with credit ratings do not contain any limitations on the reporting of external rating information or on the ECAI selected in the quantitative reporting models.

Considerations on the extrapolation of the risk-free rate and volatility adjustment

The company has fulfilled the regulatory requirements regarding application of the volatility adjustment:

- by defining the scope of application of the VA;
- by preparing a liquidity plan;

- by conducting a quantitative analysis to support the use of the VA;
- by assessing the extrapolation of the risk-free rate.

With reference to the extrapolation of the risk-free rate, with and without the volatility adjustment mentioned in Article 44, 2a) of Directive 2009/138/EC, please note that the rates curve published by EIOPA has been used.

Risk-free interest rate 31.12.2020		
T	NO VA	VA
1	-0.62%	-0.55%
2	-0.62%	-0.55%
3	-0.61%	-0.54%
4	-0.59%	-0.52%
5	-0.56%	-0.49%
6	-0.53%	-0.46%
7	-0.49%	-0.42%
8	-0.45%	-0.38%
9	-0.40%	-0.33%
10	-0.37%	-0.30%
11	-0.32%	-0.25%
12	-0.28%	-0.21%
13	-0.26%	-0.19%
14	-0.21%	-0.14%
15	-0.17%	-0.10%
16	-0.17%	-0.10%
17	-0.16%	-0.09%
18	-0.15%	-0.08%
19	-0.13%	-0.06%
20	-0.09%	-0.02%
21	-0.04%	0.03%
22	0.03%	0.10%
23	0.11%	0.17%
24	0.19%	0.25%
25	0.27%	0.33%
26	0.35%	0.42%
27	0.44%	0.50%
28	0.52%	0.58%
29	0.61%	0.66%
30	0.69%	0.74%

The table below shows the impact of zeroing the VA, which is indicated in terms of a change in own funds and in terms of the solvency ratio, in order to verify any non-compliance with the threshold of 100%, as a result of the zeroing.

(euro millions)

	No VA	VA
Eligible Own Funds	7,249.6	7,409.7
Solvency Capital Requirement	3,681.6	3,445.4
Solvency ratio	197%	215%

The Solvency Ratio without the application of the VA remains above the minimum threshold and limits provided for in the Risk Appetite Framework.

Internal solvency risk assessment

The main objective of ORSA is to ensure that the companies adopt processes to assess all the current and forward-looking risks of their business and determine the corresponding hedging capital in line with the strategic and RAF objectives.

In detail, the Company, by executing the ORSA process, aims to:

- assess, at least on a yearly basis, the risk profile both in the short and long term in line with the time horizon considered for strategic planning (including the capital management plan). This assessment comprises the so-called Pillar 2 risks;
- assess the significance of the deviation between the risk profile and assumptions underlying the calculation of the regulatory capital;
- assess the overall solvency needs considering the planning time horizon, ensuring compliance at all times with requirements in terms of the regulatory capital and RAF;
- make available the ORSA results to Senior Management in order to allow their use in the operating and strategic decision-making processes (e.g. capital management, planning, budgeting, product development, investments, etc.).

The risk management process is an integral part of the organisation and decision-making processes of the company, as it is prepared in accordance with the ORSA process, and with the Risk Appetite Framework.

The internal solvency risk assessment is carried out through the ORSA process, which has been adopted by Intesa Sanpaolo Vita and by the Insurance Group and is split into 2 preliminary transverse activities, and 5 separate, specific phases.

The preliminary activities are:

- defining the Risk Appetite Framework: Intesa Sanpaolo Vita sets out above all the standards to guide the Insurance Group in taking on risks and monitoring them in order to ensure a continuous and excellent service toward customers and to create value for all stakeholders.
- defining the methodologies for risk and capital measurement: the methods used to measure risks are defined and proposed, along with the risk and capital measurement and control models and systems needed to address unexpected losses. The proposed methodologies are consistent and comply with the requirements set out by current supervisory regulations.

The detailed phases are as follows:

- identifying and monitoring risks: to assess the individual and Group risk profile, Intesa Sanpaolo Vita must identify all the risks to which the individual company and the entire Insurance Group is or may be exposed. This identification is aimed at:
    - building an effective risk management system to support the achievement of the company goals while protecting policyholders;
    - determining the risk capital both for regulatory and internal purposes and to assess capital adequacy;
    - performing the internal assessment of the risk profile with regard to that underlying the standard formula.

- Self-assessment: the objective of this phase is to assess the regulatory capital requirement and the economic capital considering all the relevant risks to which Intesa Sanpaolo Vita and the Insurance Group companies are exposed, and taking into account the strategic and business objectives. Unlike the Pillar 1 requirements, the assessment includes also any material risks not considered in Pillar I and requests a forward-looking internal assessment of risk and solvency.
- Capital adequacy assessment: the objective of this phase is to assess the capital adequacy in terms of own funds at individual and consolidated level compared to the level of risk assumed. The phase to determine the available own funds and to compare it with the economic capital is broken down in the following sub-phases:
  - determination of available own funds;
  - assessment of capital adequacy.
- Preparation and approval of the ORSA Report: Intesa Sanpaolo Vita documents the findings of the ORSA process for all Insurance Group companies in a single report. The "Single internal risk and solvency assessment document" is a consolidated document (supervisory report on the internal risk and solvency assessment) covering the internal risks and solvency assessment carried out at group level and at the level of some group subsidiaries at the same date and in the reporting period.
- Independent review of the ORSA process: the ORSA process is included in the audit scope, and is periodically audited by the Audit function. The results of the audits are submitted to the Board of Directors in the periodic reports, and used by it for process challenge and assessment activities.

In relation to the measurable risks, the standard formula parameters proposed in the Solvency II Directive are currently considered to be adequate for this purpose, except for operational and reputational risks. However, controls are in place for all risks. The company has also put in place controls to cover all business risks, including forward-looking, and with a view to safeguarding of assets.

Within the ORSA process, the Board of Directors, the Senior Management of the Company and the Internal Control and Risks Committee of the Company have a fundamental role.

The Board of Directors of the Company determines and is responsible for the adequacy and effectiveness of the risk management system as part of which it approves the risk management strategy, the risk appetite of ISV, the risk management policies and related limits.

With specific reference to the ORSA process, the Board of Directors sets out and approves the relative Policy, ensures timely adaptation to significant changes in strategic policies, organisational arrangements and the business environment and promotes full use of the ORSA results for strategic purposes and in the decisions implemented by the Company. Moreover, the Board of Directors, on the proposal of the Internal Control and Risks Committee:

- determines the Risk Appetite in line with its global solvency needs, identifying the types of risk it will assume, consistently establishing the relative risk tolerance limits of the Company, which it reviews at least once a year;
- approves the ISV risks map;
- approves the methodologies to measure, review, manage and control significant risks, contained in the Policies on their management;

- ensures that the risk management policy is implemented consistently and continuously within the Company, taking into account its structure, size and specificity, as well as the risks and the mutual interdependencies;
- critically assesses the outcome of the Risk Assessment process and monitors the follow-up actions to be taken based on its outcome;
- approves the level of regulatory capital and current and forward-looking economic capital quantified based on the risks identified in the risk map;
- approves the level of current and forward-looking own funds to hedge all the risks identified in the risk map;
- assesses the ORSA process with the support of the core functions;
- approves the ORSA Report expressing a final opinion on the current and forward-looking capital adequacy supported by the relevant reasons;
- approves the capital needs plans and resolves upon the capitalisation measures and other corrective/mitigation measures to protect current and forward-looking capital adequacy.

With reference to the internal risk and solvency assessment, Senior Management:

- circulates the Policies on risk management and is responsible for their implementation;
- critically assesses the outcome of the Risk Assessment process and monitors the follow-up actions to be taken based on its outcome;
- implements the internal risk assessment and solvency policy of the Company, contributing to ensuring the definition of operating limits and ensuring the prompt verification of the limits themselves, as well as the monitoring of risk exposure and compliance with the tolerance limits of the Company.

The Internal Control and Risks Committee assists the Board of Directors in determining the guidelines of the internal control and risk management system, in the periodic verification of its adequacy and its effective functioning, and in the identification and management of the main business risks. Moreover, it monitors the specific risk profile of the Company.

With specific reference to the ORSA process, the Internal Control and Risks Committee:

- takes steps to ensure the full use of the results of the ORSA for strategic and decision-making purposes of the Company;
- assesses the proposals to submit to the Board of Directors for final approval on:
    - ORSA process description;
    - risk appetite level;
    - risk map;
    - methodologies for measuring, assessing, managing and controlling risks;
    - stress test methodologies;
    - level of current and forward-looking economic capital;
    - level of own funds to cover current and forward-looking capital - ORSA Report.

The Internal Control and Risks Committee periodically analyses the results of economic capital monitoring, the regulatory requirements both in current and forward-looking terms and of the stress tests submitted by Risk Management.

The internal risk assessment is prepared annually, and is examined and approved by the Board of Directors of the Company.

For the assessment of solvency using the standard formula and in the internal risk assessment, the Company assures the quality of the data used in the calculation processes.

To guarantee the quality of data the Company has set up a data quality management framework in accordance with the Solvency II requirements. The framework is designed to ensure ongoing compliance with the data quality requirements contained in the European standards on the appropriateness, completeness and accuracy of information. European regulations require that Companies adopt processes and procedures aimed at ensuring that the data used to calculate provisions comply with these standards.

The Company aims to ensure an adequate level of oversight of the entire data production/transformation process starting from when the data is produced through to its transformation and inclusion in the reporting systems. For this purpose, the Company implements a monitoring and diagnosis system to recognise and resolve any irregularities through appropriate corrective actions.

Specifically, the Data Governance system is established to ensure compliance with the following requirements:

- Governability: the data, the aggregation and perimeter definition procedures, and the extraction, recording, transformation and loading procedures of the data in archives are documented and classified to ensure traceability and monitoring;
- Usability: accessibility of information by users is ensured through adequate instruments for the activities carried out;
- Integrity and confidentiality: data must be protected against unauthorised access in order to protect their accuracy, completeness and absence of tampering in compliance with applicable internal and external regulations;
- Availability: availability of data, when required by company processes, and availability of the resources needed for the purpose is ensured in compliance with the provisions in the document "Insurance Group Business Continuity Guidelines";
- Retention and filing: specific data conservation procedures are provided for each data category ensuring the availability of the information in compliance with current regulations and any specific requirements expressed by users;
- Adaptability: the data are generated and aggregated to provide adequately address the internal and external information needs and the development of the company.

In compliance with the regulatory provisions, data quality must be assessed according to the following dimensions (or "quality standards"):

- Accuracy: the data must be input without errors and omissions in a consistent and timely manner for the purposes for which it is processed. By way of example, the controls on the structure of the information flow (presence of the primary key and mandatory data, presence of duplicate records, etc.) and on the requirements of timeliness in the provision of data can be considered accuracy controls;
- Completeness: the data must have sufficient granularity and historical depth for the purposes for which it is processed. For example, the assessment of completeness requires the implementation of periodic procedures to ascertain that no data have been excluded. From a technical point of view, to ensure the completeness of the individual data flow, mechanisms

are to be put in place to prevent deliberate or accidental causes, such as abnormal interruptions of IT procedures, from resulting in the production of incomplete data;

- Appropriateness: the data must be directly related to the purposes for which it is processed. For example, the assessment of the appropriateness requires procedures for the periodic review of compliance of the data with company needs including through performance controls, comparisons with benchmarks or balancing of data with certified sources.

The Data Quality process (or Data Quality Management) is aimed at pursuing the objectives of accuracy, completeness and appropriateness of data as set out by European and Italian regulations. It involves the following four main phases:

- Definition of data;
- Assessment of data quality;
- Identification and resolution of irregularities;
- Monitoring and reporting.

Internal risk and solvency assessment

The internal risk management process for Intesa Sanpaolo Vita is conducted in accordance with the Insurance Group process. Refer to the details of the section on the Insurance Group.

Intesa Sanpaolo Assicura S.p.A.

Risk management process, and role of the risk management function

The process of managing the risks of the Intesa Sanpaolo Assicura is governed in line with the self-assessment of risk profile and risk appetite (Risk Appetite Framework or RAF). The Level 1 documentation referred to above is complemented by the Operational Rules and Guidelines concerning the management of all the risks to which the Company is exposed.

There are four main phases in the risk management process:

- Risk identification and assessment;
- Risk management;
- Monitoring risk exposure;
- Reporting.

The first major phase gives Senior Management an immediate overview of the risk exposure, which can guide their decision-making processes and help to define the priority actions, also in terms of strategic planning.

There are 4 phases of the risk assessment process, which are carried out at least once a year (or when specific events occur):

- Analysis: this includes all activities to obtain information, identify and record risks with the association of an Owner and involvement of other Specialist Functions3 to identify and assess risk profiles that are directly supervised;
- Assessment: this includes a self-assessment in terms of probability, impact and risk mitigation by the risk Owner. In this phase, the Owner identifies any actions to implement or implemented, to mitigate risk;
- Validation: this includes the phase where the risk Owner assesses the result of the analysis and the Risk Management Function works with other Core Functions to verify whether the assessment result is aligned with their evidence;
- Risk Map: this includes activities to prepare a report on the risk exposure of each Insurance Group Company and the Group as a whole.

The risk assessment process also includes the hard-to-quantify risks considered to be significant for the Company and risk mitigation actions may be proposed.

On conclusion of the risk assessment process, the Group manages each risk by following the conditions and tolerance limits stated in the Rules, which constitute the risk management framework.

The final phase involves monitoring and quantification of the risks.

The monitoring process provides for the constant application of stress tests. The stress tests consist of a set of techniques used by the Company to:

- measure their vulnerability to extraordinary yet plausible events;
- allow Senior Management to understand the relation between the risk taken on and its risk appetite, in addition to the adequacy of the available capital.

Should the results of the stress tests show that there is potential non-compliance with the minimum regulatory requirements and/or that the controls for each risk are inadequate, the Risk Committee will suggest improvements in order to consolidate the capital stability to the Board of Directors of the company concerned, also considering solvency at Insurance Group level.

In addition to this activity, there is a structured information gathering process, which is necessary to calculate the indicators and parameters defined for the size of the risk according to the Risk Appetite Framework, which is intended to control the Limits and Early Warnings.

Within the Risk Appetite Framework the Insurance Group has imposed early-warning thresholds on the main risk factors. The main limits relate to the following risks:

- Solvency: the levels of solvency ratio and the levels of individual risk types, in relation to Own Funds;
- Liquidity: the level of highly liquid securities, cash flow matching and the insurance liquidity coverage ratio;
- investments;
- operational risks: the level of operational losses.

The "prudent person" principle

[3] The term "Specialist Functions" means the Functions in charge of managing some specific risks, i.e. second level Core Functions, the DPO, the IT Security and AML function, as governed by company regulations.

Depending on the nature, scope and complexity of the risks of its business, the Company will set investment policies for all its assets, in line with the prudent person principle.

Financial portfolio management must be aimed at the following:

- the general criteria of prudence and promoting quality of assets;
- profitability assessment, adequately taking into consideration all related market, credit, concentration and liquidity risks;
- Enhancement of risk diversification factors;
- An asset allocation objective that adequately reflects the time frame of the liability and the economic returns hoped for by the Company.

The Company's Policies on investments are consistent with its strategy and risk policies, and take into account the risk appetite, risk tolerance and the possibility of identifying, measuring, monitoring and managing the risks involved with each type of asset.

The use of derivatives must be consistent with the principles of sound and prudent management, with a view to mitigating risks. It must take place in alignment with the Company's financial situation and operating performance, and strictly adhere to the provisions of IVASS Regulation no. 24/2016.

Assessing the appropriateness of credit ratings

In order to measure the credit rating of assets in the company's portfolios, apart from the ratings given by the main rating agencies (Standard & Poor's, Moody's and Fitch Ratings), priority is given to an internal assessment done by the company itself in accordance with the internal models of the Parent Company Intesa Sanpaolo.

This internal assessment is done for all issuers towards whom there is a significant exposure.

The process of defining internal ratings is described in more detail in the Investment Policies.

Assessments of credit rating are used where required by the Solvency II Regulations (i.e. spread and counterparty risks). The Company carries out formal checks on all flows of information regarding credit ratings received from external bodies. The Risk Management operating system also involves a process of user authorisation, following each rating update received from an external body.

The outsourcing agreements with rating agencies providing the company with credit ratings do not contain any limitations on the reporting of external rating information or on the ECAI selected in the quantitative reporting models.

Considerations on the extrapolation of the risk-free rate and volatility adjustment

The Company does not apply the volatility adjustment to the calculation of insurance liabilities.

Below is the valuation regarding the extrapolation of the risk free rate without the volatility adjustment mentioned in Article 44, paragraph 2a, of Directive 2009/138/EC. The curve corresponds to the EIOPA curve.

Risk-free interest rate 31.12.2020	
T	NO VA
1	-0.62%
2	-0.62%
3	-0.61%
4	-0.59%
5	-0.56%
6	-0.53%
7	-0.49%
8	-0.45%
9	-0.40%
10	-0.37%
11	-0.32%
12	-0.28%
13	-0.26%
14	-0.21%
15	-0.17%
16	-0.17%
17	-0.16%
18	-0.15%
19	-0.13%
20	-0.09%
21	-0.04%
22	0.03%
23	0.11%
24	0.19%
25	0.27%
26	0.35%
27	0.44%
28	0.52%
29	0.61%
30	0.69%

Internal solvency risk assessment

The main objective of ORSA is to ensure that the companies adopt processes to assess all the current and forward-looking risks of their business and determine the corresponding hedging capital in line with the strategic and RAF objectives. In detail, the Company, by executing the ORSA process, aims to:

- assess, at least on a yearly basis, the risk profile both in the short and long term in line with the time horizon considered for strategic planning (including the capital management plan). This assessment comprises the so-called Pillar 2 risks;
- assess the significance of the deviation between the risk profile and assumptions underlying the calculation of the regulatory capital;
- assess the overall solvency needs considering the planning time horizon, ensuring compliance at all times with requirements in terms of the regulatory capital and RAF;

- make the results of ORSA available to Senior Management, so they may be used in operating and strategic decision-making processes (e.g. capital management, planning, budget process, product development, investments, etc.).

The risk management process is an integral part of the organisation and decision-making processes of the company, as it is prepared in accordance with the ORSA process, and with the Risk Appetite Framework process.

The internal solvency risk assessment is carried out through the ORSA process, which has been adopted by Intesa Sanpaolo Assicura and by the Insurance Group and is split into 2 preliminary transverse activities, and 5 separate, specific phases.

The preliminary activities are:

- defining the Risk Appetite Framework: Intesa Sanpaolo Assicura follows the general principles defined by the UIPC in the undertaking and monitoring of risks, in order to ensure a continuous and excellent service toward customers and to create value for all stakeholders;
- defining the methodologies for risk and capital measurement: the methods to measure risks are defined and proposed, along with the risk and capital measurement and control models and systems needed to address unexpected losses. The proposed methodologies are consistent and comply with the requirements set out by current supervisory regulations.

The detailed phases are as follows:

- identifying and monitoring risks: to assess the individual and Insurance Group risk profile, Intesa Sanpaolo Assicura must identify all the risks to which the individual company and the entire Insurance Group is or may be exposed. This identification is aimed at:
  - building an effective risk management system to support the achievement of the company goals while protecting policyholders;
  - determining the risk capital both for regulatory and internal purposes and to assess capital adequacy;
  - performing the internal assessment of the risk profile with regard to that underlying the standard formula.
- Self-Assessment: the objective of this phase is to assess the regulatory capital requirement and the economic capital considering all the relevant risks to which Intesa Sanpaolo Assicura and the Insurance Group companies are exposed, and taking into account the strategic and business objectives. Unlike the Pillar 1 requirements, the assessment includes also any material risks not considered in Pillar I and requires a forward-looking internal assessment of risk and solvency.
- Capital adequacy assessment: the objective of this phase is to assess the capital adequacy in terms of own funds compared to the level of risk assumed. The phase to determine the available own funds and to compare it with the economic capital is broken down in the following subphases:
  - determination of available own funds;
  - assessment of capital adequacy.
- preparation and approval of the ORSA Report: Intesa Sanpaolo Assicura contributes to the results of the ORSA process which are contained in a single report. The "Single internal risk and solvency assessment report" is a consolidated document (supervisory report on the internal risk and solvency assessment) covering the internal risks and solvency assessment carried out

at Insurance Group level and at the level of some group subsidiaries at the same date and in the same reporting period;

- independent review of the ORSA process: the ORSA process is included in the audit scope, and is periodically audited by the Audit function. The results of the audits are submitted to the Board of Directors in the periodic reports, and used by it for the process assessment and challenge activity.

Regarding the assessment of whether the standard formula represents its risk profile, in agreement with the regulators the Company has decided to use specific parameters to calculate the capital requirement for the pricing and reserving risk, for non-life and health insurance. In this regard, it should be noted that the Company did not use the aforementioned parameters for the valuation at 31.12.2020 but obtained the authorization to adopt the USP parameters for the calculation of the capital requirement for the Non-Life and Health underwriting risks to starting from the assessments of the first quarter of 2021.

In relation to the other risk types, the standard formula parameters proposed in the Solvency II Directive are currently considered to be adequate for this purpose, except for the operational risks. However, controls are in place for all risks. The company has also put in place controls to cover all business risks, including forward-looking, and with a view to safeguarding of assets.

Within the ORSA process, the Board of Directors, the Senior Management of the Company and the Internal Control and Risks Committee of the UIPC have a fundamental role.

With specific reference to the ORSA process, the Board of Directors sets out and approves the policy for the current and forward-looking risk assessments, ensures their timely adaptation to significant changes in strategic policies, organisational arrangements and the business environment and promotes full use of the ORSA results for strategic purposes and in the decisions implemented by the Company. In addition, the Board of Directors:

- determines the Risk Appetite in line with its global solvency needs, identifying the types of risk it will assume, consistently establishing the relative risk tolerance limits of the Company, which it reviews at least once a year;
- approves the Company's risks map;
- approves the methodologies to measure, review, manage and control significant risks, contained in the Policies on their management;
- ensures that the risk management policy is implemented consistently and continuously within the Company, taking into account its structure, size and specificity, as well as the risks and the mutual interdependencies;
- critically assesses the outcome of the Risk Assessment process and monitors the follow-up actions to be taken based on its outcome;
- approves the level of regulatory capital and current and forward-looking economic capital quantified based on the risks identified in the risk map;
- approves the level of current and forward-looking own funds to hedge all the risks identified in the risk map;
- assesses the ORSA process with the support of the core functions;
- approves the results of the ORSA process, expressing a final opinion on the current and forward-looking capital adequacy supported by the relevant reasons;

- approves the capital needs plans and resolves upon the capitalisation measures and other corrective/mitigation measures to protect current and forward-looking capital adequacy.

With reference to the internal risk and solvency assessment, Senior Management:

- circulates the Policies on risk management and is responsible for their implementation;
- critically assesses the outcome of the Risk Assessment process and monitors the follow-up actions to be taken based on its outcome;
- implements the internal risk assessment and solvency policy of the Company, contributing to ensuring the definition of operating limits and ensuring the prompt verification of the limits themselves, as well as the monitoring of risk exposure and compliance with the tolerance limits of the Company.

The Internal Control and Risks Committee of the UIPC assists the Board of Directors in determining the guidelines of the internal control and risk management system, in the periodic verification of its adequacy and its effective functioning, and in the identification and management of the main business risks. Moreover, it monitors the specific risk profile of the Company.

With specific reference to the ORSA process, the Risk Committee:

- takes steps to ensure the full use of the results of the ORSA for strategic and decision-making purposes of the Company;
- assesses the proposals to submit to the Board of Directors for final approval on:
    - ORSA process description;
    - risk appetite level;
    - risk map;
    - methodologies for measuring, assessing, managing and controlling risks;
    - stress test methodologies;
    - level of current and forward-looking economic capital;
    - level of own funds to cover current and forward-looking capital - ORSA Report.

The Risk Committee periodically analyses the results of monitoring the economic capital and regulatory requirements both in current and forward-looking terms and of the *stress tests* submitted by Risk Management.

The internal risk assessment is prepared annually, and is examined and approved by the Board of Directors of the Company.

For the assessment of solvency using the standard formula and in the internal risk assessment, the Company assures the quality of the data used in the calculation processes.

To guarantee the quality of data the Company has set up a data quality management framework in accordance with the Solvency II requirements. The framework is designed to ensure ongoing compliance with the data quality requirements contained in the European standards on the appropriateness, completeness and accuracy of information. European regulations require that Companies adopt processes and procedures aimed at ensuring that the data used to calculate provisions comply with these standards.

The Company aims to ensure an adequate level of oversight of the entire data production/transformation process starting from when the data is produced through to its transformation and inclusion in the reporting systems. For this purpose, the Company implements

a monitoring and diagnosis system to recognise and resolve any irregularities through appropriate corrective actions.

Specifically, the Data Governance system is established to ensure compliance with the following requirements:

- governability: the data, the aggregation and perimeter definition procedures, and the extraction, recording, transformation and loading procedures of the data in archives are documented and classified to ensure traceability and monitoring;
- usability: accessibility of information by users is ensured through adequate instruments for the activities carried out;
- integrity and confidentiality: data must be protected against unauthorised access in order to protect their accuracy, completeness and absence of tampering in compliance with applicable internal and external regulations;
- availability: availability of data, when required by company processes, and availability of the resources needed for the purpose is ensured in compliance with the provisions in the document "Insurance Group Business Continuity Guidelines";
- conservation and archiving of data: specific data conservation procedures are provided for each data category ensuring the availability of the information in compliance with current regulations and any specific requirements expressed by users;
- adaptability: the data are generated and aggregated to provide adequately address the internal and external information needs and the development of the company.

In compliance with the regulatory provisions, data quality must be assessed according to the following dimensions (or "quality standards"):

- accuracy: the data must be input without errors and omissions in a consistent and timely manner for the purposes for which it is processed. By way of example, the controls on the structure of the information flow (presence of the primary key and mandatory data, presence of duplicate records, etc.) and on the requirements of timeliness in the provision of data can be considered accuracy controls;
- completeness: the data must have sufficient granularity and historical depth for the purposes for which it is processed. For example, the assessment of completeness requires the implementation of periodic procedures to ascertain that no data have been excluded. From a technical point of view, to ensure the completeness of the individual data flow, mechanisms are to be put in place to prevent deliberate or accidental causes, such as abnormal interruptions of IT procedures, from resulting in the production of incomplete data;
- appropriateness: the data must be directly related to the purposes for which it is processed. For example, the assessment of the appropriateness requires procedures for the periodic review of compliance of the data with company needs including through performance controls, comparisons with benchmarks or balancing of data with certified sources.

The Data Quality process (or Data Quality Management) is aimed at pursuing the objectives of accuracy, completeness and appropriateness of data as set out by European and Italian regulations. It involves the following four main phases:

- definition of data;
- assessment of data quality;
- identification and resolution of irregularities;

- monitoring and reporting.

Internal risk and solvency assessment

The internal risk management process for Intesa Sanpaolo Assicura is conducted in accordance with the Insurance Group process. Refer to the details of the section on the Insurance Group.

Fideuram Vita S.p.A.

Risk management process, and role of the risk management function

The process of managing the risks of the company Fideuram Vita is governed in line with the self-assessment of the risk profile and risk appetite (Risk Appetite Framework or RAF). The Level 1 documentation referred to above is complemented by the Operational Rules and Guidelines concerning the management of all the risks to which the Company is exposed.

There are four main phases in the risk management process:

- Risk identification and assessment;
- Risk management;
- Monitoring risk exposure;
- Reporting.

The first major phase gives Senior Management an immediate overview of the risk exposure, which can guide their decision-making processes and help to define the priority actions, also in terms of strategic planning.

There are 4 phases of the risk assessment process, which are carried out at least once a year (or when specific events occur):

- Analysis: this includes all activities to obtain information, identify and record risks with the association of an Owner and involvement of other Specialist Functions to identify and assess risk profiles that are directly supervised;
- Assessment: this includes a self-assessment in terms of probability, impact and risk mitigation by the risk Owner. In this phase, the Owner identifies any actions to implement or implemented, to mitigate risk;
- Validation: this includes the phase where the risk Owner assesses the result of the analysis and the Risk Management Function works with other Core Functions to verify whether the assessment result is aligned with their evidence;
- Risk Map: this includes activities to prepare a report on the risk exposure of each Insurance Group Company and the Group as a whole.

The risk assessment process also includes the hard-to-quantify risks considered to be significant for the Company and risk mitigation actions may be proposed. On conclusion of the risk assessment process, the Group manages each risk by following the conditions and tolerance limits stated in the Rules, which constitute the risk management framework.

The final phase involves monitoring and quantification of the risks.

The monitoring process provides for the constant application of stress tests. The stress tests consist of a set of techniques used by the Company to:

- Measure their vulnerability to extraordinary yet plausible events;
- Allow Senior Management to understand the relation between the risk taken on and its risk appetite, in addition to the adequacy of the available capital.

Should the results of the stress tests show that there is potential non-compliance with the minimum regulatory requirements and/or that the controls for each risk are inadequate, the Risk Committee will suggest improvements in order to consolidate the capital stability to the Board of Directors of the company concerned, also considering solvency at Insurance Group level.

In addition to this activity, there is a structured information gathering process, which is necessary to calculate the indicators and parameters defined for the size of the risk according to the Risk Appetite Framework, which is intended to control the Limits and Early Warnings.

Within the Risk Appetite Framework the Insurance Group has imposed early-warning thresholds on the main risk factors. The main limits relate to the following risks:

- Solvency: the levels of solvency ratio and the levels of individual risk types, in relation to Own Funds;
- Liquidity: the level of highly liquid securities, cash flow matching and the insurance liquidity coverage ratio;
- Investments;
- Operational risks: the level of operational losses.

The "prudent person" principle

Depending on the nature, scope and complexity of the risks of its business, the Company will set investment policies for all its assets, in line with the prudent person principle.

Financial portfolio management must be aimed at the following:

- the general criteria of prudence and promoting quality of assets;
- profitability assessment, adequately taking into consideration all related market, credit, concentration and liquidity risks;
- Enhancement of risk diversification factors;
- An asset allocation objective that adequately reflects the time frame of the liability and the economic returns hoped for by the Company.

The Company's Policies on investments are consistent with its strategy and risk policies, and take into account the risk appetite, risk tolerance and the possibility of identifying, measuring, monitoring and managing the risks involved with each type of asset.

The Policies on investments are adopted by taking into account that the assets covering the technical provisions are adequate considering the nature of the risks and the obligations, and the duration of the liabilities, in the best interests of all policyholders, customers, beneficiaries and anyone entitled to insurance benefits.

The investment policy defines the composition of the medium-to-long-term investment portfolio, indicating the security, quality, liquidity, profitability and availability level for the entire asset portfolio.

With regard to details of how the company meets its obligation to invest all assets in accordance with the "prudent person" principle, it should be noted that asset investment activities are not done in consideration of the direct, immediate obligations towards the insured parties and therefore they are not subject to the limitations included in the rules on separate management. At the same time, the capital profitability enhancement targets must be met.

The setting of operational limits for this type of activity is based on the principle that, with a view to the prudent management of assets and the solvency of the company, the share of assets needed to cover the economic capital must be invested in highly solvent, highly liquid assets, and only a surplus can be directed towards higher-risk investments.

The use of derivatives must be consistent with the principles of sound and prudent management, with a view to mitigating risks. It must take place in alignment with the Company's financial situation and operating performance.

Assessing the appropriateness of credit ratings

In order to measure the credit rating of assets in the company's portfolios, apart from the ratings given by the main rating agencies (Standard & Poor's, Moody's and Fitch Ratings), priority is given to an internal assessment done by the company itself in accordance with the internal models of the Parent Company Intesa Sanpaolo.

This internal assessment is done for all issuers towards whom there is a significant exposure.

The process of defining internal ratings is described in more detail in the Investment Policies.

Assessments of credit rating are used where required by the Solvency II Regulations (i.e. spread and counterparty risks). The Company carries out formal checks on all flows of information regarding credit ratings received from external bodies. The Risk Management operating system also involves a process of user authorisation, following each rating update received from an external body.

The outsourcing agreements with rating agencies providing the company with credit ratings do not contain any limitations on the reporting of external rating information or on the ECAI selected in the quantitative reporting models.

Considerations on the extrapolation of the risk-free rate and volatility adjustment

The company has fulfilled the regulatory requirements regarding application of the volatility adjustment:

- by defining the scope of application of the VA;
- by preparing a liquidity plan;
- by conducting a quantitative analysis to support the use of the VA;
- by assessing the extrapolation of the risk-free rate.

With reference to the extrapolation of the risk-free rate, with and without the volatility adjustment mentioned in Article 44, 2a) of Directive 2009/138/EC, please note that the rates curve published by EIOPA has been used.

Risk-free interest rate 31.12.2020		
T	NO VA	VA
1	-0.62%	-0.55%
2	-0.62%	-0.55%
3	-0.61%	-0.54%
4	-0.59%	-0.52%
5	-0.56%	-0.49%
6	-0.53%	-0.46%
7	-0.49%	-0.42%
8	-0.45%	-0.38%
9	-0.40%	-0.33%
10	-0.37%	-0.30%
11	-0.32%	-0.25%
12	-0.28%	-0.21%
13	-0.26%	-0.19%
14	-0.21%	-0.14%
15	-0.17%	-0.10%
16	-0.17%	-0.10%
17	-0.16%	-0.09%
18	-0.15%	-0.08%
19	-0.13%	-0.06%
20	-0.09%	-0.02%
21	-0.04%	0.03%
22	0.03%	0.10%
23	0.11%	0.17%
24	0.19%	0.25%
25	0.27%	0.33%
26	0.35%	0.42%
27	0.44%	0.50%
28	0.52%	0.58%
29	0.61%	0.66%
30	0.69%	0.74%

The table below shows the impact of zeroing the VA, which is indicated in terms of a change in own funds and in terms of the solvency ratio, in order to verify any non-compliance with the threshold of 100%, as a result of the zeroing.

(euro millions)

	No VA	VA
Eligible Own Funds	1,201	1,215
Solvency Capital Requirement	450	441
Solvency ratio	267%	276%

The Solvency Ratio without the application of the VA remains above the minimum threshold and limits provided for in the Risk Appetite Framework.

Internal solvency risk assessment

The main objective of ORSA is to ensure that the companies adopt processes to assess all the current and forward-looking risks of their business and determine the corresponding hedging capital in line with the strategic and RAF objectives.

In detail, the Company, by executing the ORSA process, aims to:

- assess, at least on a yearly basis, the risk profile both in the short and long term in line with the time horizon considered for strategic planning (including the capital management plan). This assessment comprises the so-called Pillar 2 risks;
- assess the significance of the deviation between the risk profile and assumptions underlying the calculation of the regulatory capital;
- assess the overall solvency needs considering the planning time horizon, ensuring compliance at all times with requirements in terms of the regulatory capital and RAF;
- make available the ORSA results to Senior Management in order to allow their use in the operating and strategic decision-making processes (e.g. capital management, planning, budgeting, product development, investments, etc.).

The risk management process is an integral part of the organisation and decision-making processes of the company, as it is prepared in accordance with the ORSA process, and with the Risk Appetite Framework.

The internal solvency risk assessment is carried out through the ORSA process, which has been adopted by Fideuram Vita and by the Insurance Group and is split into 2 preliminary transverse activities, and 5 separate, specific phases.

The preliminary activities are:

- defining the Risk Appetite Framework: Fideuram Vita, in conjunction with the general guidelines of the Insurance Group for undertaking and monitoring risks, has the objective of continually guaranteeing an excellent service for customers and of creating value for all stakeholders;
- defining the methodologies for risk and capital measurement: the methods used to measure risks are defined and proposed, along with the risk and capital measurement and control models and systems needed to address unexpected losses. The proposed methodologies are consistent and comply with the requirements set out by current supervisory regulations.

The detailed phases are as follows:

- identifying and monitoring risks: to assess the risk profile, Fideuram Vita has to identify all risks which the individual Company is or could be exposed to. This identification is aimed at:
- building an effective risk management system to support the achievement of the company goals while protecting policyholders;
- determining the risk capital both for regulatory and internal purposes and to assess capital adequacy;
- performing the internal assessment of the risk profile with regard to that underlying the standard formula.
- Self-assessment: the objective of this phase is to assess the regulatory capital requirement and the economic capital considering all the relevant risks to which Fideuram Vita is exposed

taking into account the strategic and business objectives. Unlike the Pillar 1 requirements, the assessment includes also any material risks not considered in Pillar I and requires a forward-looking internal assessment of risk and solvency.

- Capital adequacy assessment: the objective of this phase is to assess the capital adequacy in terms of own funds at individual and consolidated level compared to the level of risk assumed. The phase to determine the available own funds and to compare it with the economic capital is broken down in the following sub-phases:
  - determination of available own funds;
  - assessment of capital adequacy.
- Preparation and approval of the ORSA Report: Intesa Sanpaolo Vita documents the findings of the ORSA process for all Insurance Group companies in a single report. The "Single internal risk and solvency assessment document" is a consolidated document (supervisory report on the internal risk and solvency assessment) covering the internal risks and solvency assessment carried out at group level and at the level of some group subsidiaries at the same date and in the reporting period.
- Independent review of the ORSA process: the ORSA process is included in the audit scope, and is periodically audited by the Audit function. The results of the audits are submitted to the Board of Directors in the periodic reports, and used by it for process challenge and assessment activities.

In relation to the measurable risks, the standard formula parameters proposed in the Solvency II Directive are currently considered to be adequate for this purpose, except for operational and reputational risks. However, controls are in place for all risks. The company has also put in place controls to cover all business risks, including forward-looking, and with a view to safeguarding of assets.

Within the ORSA process, the Board of Directors, the Senior Management of the Company and the Internal Control and Risks Committee of the UIPC have a fundamental role.

With specific reference to the ORSA process, the Board of Directors sets out and approves the policy for the current and forward-looking risk assessments, ensures their timely adaptation to significant changes in strategic policies, organisational arrangements and the business environment and promotes full use of the ORSA results for strategic purposes and in the decisions implemented by the Company. In addition, the Board of Directors:

- determines the Risk Appetite in line with its global solvency needs, identifying the types of risk it will assume, consistently establishing the relative risk tolerance limits of the Company, which it reviews at least once a year;
- approves the Company's risks map;
- approves the methodologies to measure, review, manage and control significant risks, contained in the Policies on their management;
- ensures that the risk management policy is implemented consistently and continuously within the Company, taking into account its structure, size and specificity, as well as the risks and the mutual interdependencies;
- critically assesses the outcome of the Risk Assessment process and monitors the follow-up actions to be taken based on its outcome;
- approves the level of regulatory capital and current and forward-looking economic capital quantified based on the risks identified in the risk map;

- approves the level of current and forward-looking own funds to hedge all the risks identified in the risk map;
- assesses the ORSA process with the support of the core functions;
- approves the results of the ORSA process, expressing a final opinion on the current and forward-looking capital adequacy supported by the relevant reasons;
- approves the capital needs plans and resolves upon the capitalisation measures and other corrective/mitigation measures to protect current and forward-looking capital adequacy.

With reference to the internal risk and solvency assessment, Senior Management:

- circulates the Policies on risk management and is responsible for their implementation;
- critically assesses the outcome of the Risk Assessment process and monitors the follow-up actions to be taken based on its outcome;
- implements the internal risk assessment and solvency policy of the Company, contributing to ensuring the definition of operating limits and ensuring the prompt verification of the limits themselves, as well as the monitoring of risk exposure and compliance with the tolerance limits of the Company.

The Internal Control and Risks Committee of the UIPC assists the Board of Directors in determining the guidelines of the internal control and risk management system, in the periodic verification of its adequacy and its effective functioning, and in the identification and management of the main business risks. Moreover, it monitors the specific risk profile of the Company.

With specific reference to the ORSA process, the Risk Committee:

- takes steps to ensure the full use of the results of the ORSA for strategic and decision-making purposes of the Company;
- assesses the proposals to submit to the Board of Directors for final approval on:
    - ORSA process description;
    - risk appetite level;
    - risk map;
    - methodologies for measuring, assessing, managing and controlling risks;
    - stress test methodologies;
    - level of current and forward-looking economic capital;
    - level of own funds to cover current and forward-looking capital - ORSA Report.

The Risk Committee periodically analyses the results of monitoring the economic capital and regulatory requirements both in current and forward-looking terms and of the *stress tests* submitted by Risk Management.

The internal risk assessment is prepared annually, and is examined and approved by the Board of Directors of the Company.

For the assessment of solvency using the standard formula and in the internal risk assessment, the Company assures the quality of the data used in the calculation processes.

To guarantee the quality of data the Company has set up a data quality management framework in accordance with the Solvency II requirements. The framework is designed to ensure ongoing compliance with the data quality requirements contained in the European standards on the

appropriateness, completeness and accuracy of information. European regulations require that Companies adopt processes and procedures aimed at ensuring that the data used to calculate provisions comply with these standards.

The Company aims to ensure an adequate level of oversight of the entire data production/transformation process starting from when the data is produced through to its transformation and inclusion in the reporting systems. For this purpose, the Company implements a monitoring and diagnosis system to recognise and resolve any irregularities through appropriate corrective actions.

Specifically, the Data Governance system is established to ensure compliance with the following requirements:

- Governability: the data, the aggregation and perimeter definition procedures, and the extraction, recording, transformation and loading procedures of the data in archives are documented and classified to ensure traceability and monitoring;
- Usability: accessibility of information by users is ensured through adequate instruments for the activities carried out;
- Integrity and confidentiality: data must be protected against unauthorised access in order to protect their accuracy, completeness and absence of tampering in compliance with applicable internal and external regulations;
- Availability: availability of data, when required by company processes, and availability of the resources needed for the purpose is ensured in compliance with the provisions in the document "Insurance Group Business Continuity Guidelines";
- Retention and filing: specific data conservation procedures are provided for each data category ensuring the availability of the information in compliance with current regulations and any specific requirements expressed by users;
- Adaptability: the data are generated and aggregated to provide adequately address the internal and external information needs and the development of the company.

In compliance with the regulatory provisions, data quality must be assessed according to the following dimensions (or "quality standards"):

- Accuracy: the data must be input without errors and omissions in a consistent and timely manner for the purposes for which it is processed. By way of example, the controls on the structure of the information flow (presence of the primary key and mandatory data, presence of duplicate records, etc.) and on the requirements of timeliness in the provision of data can be considered accuracy controls;
- Completeness: the data must have sufficient granularity and historical depth for the purposes for which it is processed. For example, the assessment of completeness requires the implementation of periodic procedures to ascertain that no data have been excluded. From a technical point of view, to ensure the completeness of the individual data flow, mechanisms are to be put in place to prevent deliberate or accidental causes, such as abnormal interruptions of IT procedures, from resulting in the production of incomplete data;
- Appropriateness: the data must be directly related to the purposes for which it is processed. For example, the assessment of the appropriateness requires procedures for the periodic review of compliance of the data with company needs including through performance controls, comparisons with benchmarks or balancing of data with certified sources.

The Data Quality process (or Data Quality Management) is aimed at pursuing the objectives of accuracy, completeness and appropriateness of data as set out by European and Italian regulations. It involves the following four main phases:

- Definition of data;
- Assessment of data quality;
- Identification and resolution of irregularities;
- Monitoring and reporting.

Internal risk and solvency assessment

The internal risk and solvency process of Fideuram Vita is conducted in accordance with the Insurance Group process. Refer to the details of the section on the Insurance Group.

Intesa Sanpaolo Life D.A.C.

Risk management process, and role of the risk management function

As regards Intesa Sanpaolo Life, the Risk Management function of the UIPC: i) provides its Irish counterpart with the principles used to draw up the internal regulations, methodologies and verification methods used, to ensure that risk is managed and measured in the same way, and ii) check that these regulations are implemented, by attending the Risk & Compliance Committee, as a permanent attendee, so that it can analyse and discuss the main risk control dynamics, in view of decisions to be taken by the Management Board.

Activities are regularly coordinated, partly through the use of common systems to standardise the management of financial and operational risks.

Internal risk and solvency assessment

The internal risk management process for Intesa Sanpaolo Life is conducted in accordance with the Insurance Group process. Refer to the section on the Insurance Group. In addition to the Group reports, Intesa Sanpaolo Life provides an annual ORSA report at company level. This is based on the reports prepared by the Insurance Group, investigates the specific risks of the Irish company and includes the analysis required by the regulations and the country guidelines.

Intesa Sanpaolo RBM Salute S.p.A

The process to integrate the Company in the Insurance Group began, with effect from 11 May 2020, in order to guarantee a gradual alignment of Intesa Sanpaolo RBM Salute to the standards of the Intesa Sanpaolo Vita Group, above all with reference to the Risk Management System and Risk Management process.

The risk management process of the Company Intesa Sanpaolo RBM Salute is governed in line with the self-assessment of risk profile and risk appetite (Risk Appetite Framework or RAF). The Level

1 documentation referred to above is complemented by the Operational Rules and Guidelines concerning the management of all the risks to which the Company is exposed.

There are four main phases in the risk management process:

- Risk identification and assessment;
- Risk management;
- Monitoring risk exposure;
- Reporting.

The first major phase gives Senior Management an immediate overview of the risk exposure, which can guide their decision-making processes and help to define the priority actions, also in terms of strategic planning.

There are 4 phases of the risk assessment process, which are carried out at least once a year (or when specific events occur):

- Analysis: this includes all activities to obtain information, identify and record risks with the association of an Owner and involvement of other Specialist Functions4 to identify and assess risk profiles that are directly supervised;
- Assessment: this includes a self-assessment in terms of probability, impact and risk mitigation by the risk Owner. In this phase, the Owner identifies any actions to implement or implemented, to mitigate risk;
- Validation: this includes the phase where the risk Owner assesses the result of the analysis and the Risk Management Function works with other Core Functions to verify whether the assessment result is aligned with their evidence;
- Risk Map: this includes activities to prepare a report on the risk exposure of each Insurance Group Company and the Group as a whole.

The risk assessment process also includes the hard-to-quantify risks considered to be significant for the Company and risk mitigation actions may be proposed.

On conclusion of the risk assessment process, the Group manages each risk by following the conditions and tolerance limits stated in the Rules, which constitute the risk management framework.

The final phase involves monitoring and quantification of the risks.

The monitoring process provides for the constant application of stress tests. The stress tests consist of a set of techniques used by the Company to:

- measure their vulnerability to extraordinary yet plausible events;
- allow Senior Management to understand the relation between the risk taken on and its risk appetite, in addition to the adequacy of the available capital.

Should the results of the stress tests show that there is potential non-compliance with the minimum regulatory requirements and/or that the controls for each risk are inadequate, the Risk Committee will suggest improvements in order to consolidate the capital stability to the Board of Directors of the company concerned, also considering solvency at Insurance Group level.

[4] The term "Specialist Functions" means the Functions in charge of managing some specific risks, i.e. second level Core Functions, the DPO, the IT Security and AML function, as governed by company regulations.

In addition to this activity, there is a structured information gathering process, which is necessary to calculate the indicators and parameters defined for the size of the risk according to the Risk Appetite Framework, which is intended to control the Limits and Early Warnings.

Within the Risk Appetite Framework the Insurance Group has imposed early-warning thresholds on the main risk factors. The main limits relate to the following risks:

- Solvency: the levels of solvency ratio and the levels of individual risk types, in relation to Own Funds;
- Liquidity: the level of highly liquid securities, cash flow matching;
- sustainability of earnings; the combined ratio level.

The "prudent person" principle

Depending on the nature, scope and complexity of the risks of its business, the Company will set investment policies for all its assets, in line with the prudent person principle.

Financial portfolio management must be aimed at the following:

- the general criteria of prudence and promoting quality of assets;
- profitability assessment, adequately taking into consideration all related market, credit, concentration and liquidity risks;
- Enhancement of risk diversification factors;
- An asset allocation objective that adequately reflects the time frame of the liability and the economic returns hoped for by the Company.

The Company's Policies on investments are consistent with its strategy and risk policies, and take into account the risk appetite, risk tolerance and the possibility of identifying, measuring, monitoring and managing the risks involved with each type of asset.

The use of derivatives must be consistent with the principles of sound and prudent management, with a view to mitigating risks. It must take place in alignment with the Company's financial situation and operating performance, and strictly adhere to the provisions of IVASS Regulation no. 24/2016.

Assessing the appropriateness of credit ratings

In order to measure the credit rating of assets in the company's portfolios, apart from the ratings given by the main rating agencies (Standard & Poor's, Moody's and Fitch Ratings), priority is given to an internal assessment done by the company itself in accordance with the internal models of the Parent Company Intesa Sanpaolo.

This internal assessment is done for all issuers towards whom there is a significant exposure.

The process of defining internal ratings is described in more detail in the Investment Rules.

Assessments of credit rating are used where required by the Solvency II Regulations (i.e. spread and counterparty risks). The Company carries out formal checks on all flows of information regarding credit ratings received from external bodies. The Risk Management operating system also involves a process of user authorisation, following each rating update received from an external body.

The outsourcing agreements with rating agencies providing the company with credit ratings do not contain any limitations on the reporting of external rating information or on the ECAI selected in the quantitative reporting models.

Considerations on the extrapolation of the risk-free rate and volatility adjustment

The Company does not apply the volatility adjustment to the calculation of insurance liabilities.

Below is the valuation regarding the extrapolation of the risk free rate without the volatility adjustment mentioned in Article 44, paragraph 2a, of Directive 2009/138/EC. The curve corresponds to the EIOPA curve.

Risk-free interest rate 31.12.2020	
T	NO VA
1	-0.62%
2	-0.62%
3	-0.61%
4	-0.59%
5	-0.56%
6	-0.53%
7	-0.49%
8	-0.45%
9	-0.40%
10	-0.37%
11	-0.32%
12	-0.28%
13	-0.26%
14	-0.21%
15	-0.17%
16	-0.17%
17	-0.16%
18	-0.15%
19	-0.13%
20	-0.09%
21	-0.04%
22	0.03%
23	0.11%
24	0.19%
25	0.27%
26	0.35%
27	0.44%
28	0.52%
29	0.61%
30	0.69%

Internal solvency risk assessment

The main objective of ORSA is to ensure that the companies adopt processes to assess all the current and forward-looking risks of their business and determine the corresponding hedging capital in line with the strategic and RAF objectives. In detail, the Company, by executing the ORSA process, aims to:

- assess, at least on a yearly basis, the risk profile both in the short and long term in line with the time horizon considered for strategic planning (including the capital management plan). This assessment comprises the Pillar 2 risks;
- assess the significance of the deviation between the risk profile and assumptions underlying the calculation of the regulatory capital;
- assess the overall solvency needs considering the planning time horizon, ensuring compliance at all times with requirements in terms of the regulatory capital and RAF;
- make available the ORSA results to Senior Management in order to allow their use in the operating and strategic decision-making processes (e.g. capital management, planning, budgeting, product development, investments, etc.).

The risk management process is an integral part of the organisation and decision-making processes of the company, as it is prepared in accordance with the ORSA process, and with the Risk Appetite Framework.

The internal risk and solvency assessment of the Company is carried out through the ORSA process. This process, adopted by Intesa Sanpaolo RBM Salute and by the Insurance Group is split into 2 preliminary transverse activities, and 5 separate, specific phases.

The preliminary activities are:

- defining the Risk Appetite Framework:
- identifying the risk and capital measurement methodologies.

The detailed phases are as follows:

- identifying and monitoring risks: to assess the individual and Group risk profile, Intesa Sanpaolo RBM Salute must identify all the risks to which the individual company and the entire Insurance Group is or may be exposed. This identification is aimed at:
  - building an effective risk management system to support the achievement of the company goals while protecting policyholders;
  - determining the risk capital both for regulatory and internal purposes and to assess capital adequacy;
  - performing the internal assessment of the risk profile with regard to that underlying the standard formula.
- Self-Assessment: the objective of this phase is to assess the regulatory capital requirement and the economic capital considering all the relevant risks to which Intesa Sanpaolo RBM Salute is exposed taking into account the strategic and business objectives. Unlike the Pillar 1 requirements, the assessment includes also any material risks not considered in Pillar I and requires a forward-looking internal assessment of risk and solvency.
- Capital adequacy assessment: the objective of this phase is to assess the capital adequacy in terms of own funds compared to the level of risk assumed. The phase to determine the available own funds and to compare it with the economic capital is broken down in the following subphases:
  - determination of available own funds;
  - assessment of capital adequacy;
- preparation and approval of the ORSA Report: Intesa Sanpaolo RBM Salute contributes to the results of the ORSA process which are contained in a single report. The “Single internal risk and

solvency assessment document" is a consolidated document (supervisory report on the internal risk and solvency assessment) covering the internal risks and solvency assessment carried out at Insurance Group level and at the level of Group subsidiaries at the same date and in the same reporting period;

- independent review of the ORSA process: the ORSA process is included in the audit scope, and is periodically audited by the Audit function. The results of the audits are submitted to the Board of Directors in the periodic reports, and used by it for process challenge and assessment activities.

Regarding the assessment of whether the standard formula represents its risk profile, in agreement with the regulators the Company has decided to use specific parameters to calculate the capital requirement for the pricing and reserving risk. In this regard, an internal project has been launched to adopt specific parameters to calculate the capital requirement.

In relation to the other risk types, the Formula Standard parameters proposed in the Solvency II regulations are currently considered to be adequate for this purpose, except for the operational risks. However, controls are in place for all risks. The company has also put in place controls to cover all business risks, including forward-looking, and with a view to safeguarding of assets.

Within the ORSA process, the Board of Directors, the Senior Management of the Company and the Internal Control and Risks Committee of the UIPC have a fundamental role.

With specific reference to the ORSA process, the Board of Directors sets out and approves the policy for the current and forward-looking risk assessments, ensures their timely adaptation to significant changes in strategic policies, organisational arrangements and the business environment and promotes full use of the ORSA results for strategic purposes and in the decisions implemented by the Company. In addition, the Board of Directors:

- determines the Risk Appetite in line with its global solvency needs, identifying the types of risk it will assume, consistently establishing the relative risk tolerance limits of the Company, which it reviews at least once a year;
- approves the Company's risks map;
- approves the methodologies to measure, review, manage and control significant risks, contained in the Policies on their management;
- ensures that the risk management policy is implemented consistently and continuously within the Company, taking into account its structure, size and specificity, as well as the risks and the mutual interdependencies;
- critically assesses the outcome of the Risk Assessment process and monitors the follow-up actions to be taken based on its outcome;
- approves the level of regulatory capital and current and forward-looking economic capital quantified based on the risks identified in the risk map;
- approves the level of current and forward-looking own funds to hedge all the risks identified in the risk map;
- assesses the ORSA process with the support of the core functions;
- approves the results of the ORSA process, expressing a final opinion on the current and forward-looking capital adequacy supported by the relevant reasons;
- approves the capital needs plans and resolves upon the capitalisation measures and other corrective/mitigation measures to protect current and forward-looking capital adequacy.

With reference to the internal risk and solvency assessment, Senior Management:

- circulates the Policies on risk management and is responsible for their implementation;
- critically assesses the outcome of the Risk Assessment process and monitors the follow-up actions to be taken based on its outcome;
- implements the internal risk assessment and solvency policy of the Company, contributing to ensuring the definition of operating limits and ensuring the prompt verification of the limits themselves, as well as the monitoring of risk exposure and compliance with the tolerance limits of the Company.

The Internal Control and Risks Committee of the UIPC assists the Board of Directors in determining the guidelines of the internal control and risk management system, in the periodic verification of its adequacy and its effective functioning, and in the identification and management of the main business risks. Moreover, it monitors the specific risk profile of the Company.

With specific reference to the ORSA process, the Internal Control and Risks Committee:

- takes steps to ensure the full use of the results of the ORSA for strategic and decision-making purposes of the Company;
- assesses the proposals to submit to the Board of Directors for final approval on:
    - ORSA process description;
    - risk appetite level;
    - risk map;
    - methodologies for measuring, assessing, managing and controlling risks;
    - stress test methodologies;
    - level of current and forward-looking economic capital;
    - level of own funds to cover current and forward-looking economic capital

The Internal Control and Risks Committee of the UIPC periodically analyses the results of economic capital monitoring, the regulatory requirements both in current and forward-looking terms and of the stress tests submitted by Risk Management.

The internal risk assessment is prepared annually, and is examined and approved by the Board of Directors of the Company.

For the assessment of solvency using the standard formula and in the internal risk assessment, the Company assures the quality of the data used in the calculation processes.

The Company considers information to be of primary importance for the organisation and for the pursuit of the strategic and business objectives; in this regard, the Company outlined a data governance system aimed at ensuring a high level of quality and monitoring of the entire data production/transformation process, starting from generation, through subsequent transformations and up to the supply of target systems.

Specifically, the Data Governance system is established to ensure compliance with the following requirements:

- governability;
- Integrity and confidentiality;
- availability;

- retention and filing;
- adaptability.

Internal risk and solvency assessment

The internal risk management process for Intesa Sanpaolo RBM Salute is conducted in accordance with the Group process. Refer to the details of the section on the Insurance Group.

BancAssurance Popolari S.p.A.

Risk management process, and role of the risk management function

The UIPC has adopted a risk management system in proportion to the nature, scope and complexity of activities carried out, and which is functional to maintaining the risks a business is exposed to at an acceptable level, in keeping with assets and ensuring, with a reasonable safety margin, that company objectives are attained.

The risk management system includes the strategies, processes, procedures, including reporting procedures, necessary to identify, measure, assess, monitor, manage and represent on an ongoing basis current and future risks the company could be exposed to and, where possible, related interdependencies and potential aggregations.

Processes concerning the risk management system, which the Management Board is ultimately responsible for, are coordinated by the Risk Management Function that implements the guidelines, in conjunction along with Senior Management, and coordinated by the Risks Area and with the Compliance, Actuarial and Internal Audit Functions, as part of specific duties and reciprocal autonomies. Without prejudice to the foregoing, all components of the company organisation are involved and contribute to risk management, in particular by carrying out controls on operating processes and their subsequent monitoring and reporting.

The risk management system comprises the following fundamental processes:

- identifying and classifying risks:
- assessing the risks and defining the risk appetite;
- controlling and monitoring risks;
- risk reporting.

Risk identification is carried out to map all potential risks the Company is exposed to, considering in particular risks that may have a direct or indirect impact on the insured.

The classification of risks considers both quantitative and qualitative aspects, with the purpose of determining which risks are significant for the Company, and which may impact solvency or in any case hinder the attainment of company objectives.

The risks identified are in turn classified as "more significant" (or "High"), "to monitor" (or "Medium"), and "not significant" (or "Low"), depending on the residual risk on an assessment scale determined by combining three parameters:

- the Probability or frequency of occurrence: an indication of the probability of the occurrence of an event related to the identified risks;
- the Impact: provides an estimate of the impact that the occurrence of the risk could have, also jointly, on operations, the income statement and solvency of the Company, or the effect for insured. For pillar I risks, with a capital absorption estimated as being higher than five per cent of the undiversified SCR, the impact cannot be below High. When instead absorption is between one and five per cent of the undiversified SCR, the impact cannot be estimated as below Low. In any case, for all risks considered, the impact must be estimated without considering any mitigation factors or controls;
- Control: this provides an estimate of how the Company manages risks through its own policies, procedures, controls or safeguards for their monitoring.

The risks assessment involves measuring the impact that risks may have on the Company's solvency, and therefore quantify the potential loss according to a pre-established confidence interval, using the standard formula of applicable regulations. Risk assessment activities are set out and summarised in the Risk Appetite Framework (RAF), approved at least annually by the Board of Directors. The RAF defines the Company's risk appetite and tolerance thresholds in terms of the Solvency Ratio.

In this context, the following are defined:

- the risk capacity, i.e. the maximum level of risk a company can technically undertake without infringing regulatory requirements;
- the risk appetite, i.e. the risk level (overall or by type) that the company is willing to undertake to achieve its strategic objectives;
- the risk tolerance, i.e. the maximum deviation from the risk appetite permitted; the tolerance threshold is set so as to ensure the company has sufficient margins to operate, also in stress conditions, within the maximum risk that may be undertaken. If the undertaking of risk is permitted beyond the set risk objective, without affecting compliance with the tolerance threshold, the management actions necessary to restore the risk undertaken to within the pre-set objective, are identified.

The tolerance risk thresholds and risk capacity are significant also for no-viability risk monitoring purposes, defined as the risk that the Company, following a significant deterioration in its economic/financial situation, is able to restore adequate risk levels and consequently one or more circumstances occur, regulated by "Part XVI - Safeguard, recovery and liquidation measures" of Legislative Decree 209/2005 (Private Insurance Code).

The risk assessment is key to defining the risk strategy, which involves identifying the risks that the Company believes it will undertake in pursuing its objectives and the exposure levels (risk appetite) considered acceptable for each one.

The Company assesses its own risk appetite also with reference to specific "Pillar II" risks, setting out risk limits and guidelines to manage them in specific policies.

Risk monitoring involves the periodic control on compliance with operating limits and risk indicators, in order to guarantee compliance with the risk profile and attainment of company objectives. The effects on the financial position and performance arising from certain external risk factors, that cannot be controlled by the Company, are also quantified. The Company monitors risks classified as most significant over time and their consistency with the risk appetite, with the aim of identifying possible structural weaknesses or unfavourable external trends that may affect business solvency.

During this phase, the organisational units involved in the risk management process carry out line controls, i.e. they ensure that activities to manage and monitor risks are actually put in place.

Risk monitoring is monitored and overseen by the Risk Management Function. If monitoring identifies thresholds or limits being exceeded, necessary corrective actions are taken, as well as actions to return to within set parameters.

From the date when the Company was included in the Insurance Group, a process to align the management system to standards established at Insurance Group level, was started. Reference is made to the relevant section.

Internal risk and solvency assessment

The internal risk and solvency process of Bancassurance Popolari is conducted in accordance with the Insurance Group process. Refer to the details of the section on the Insurance Group.

B.4 INTERNAL CONTROLS SYSTEM

Intesa Sanpaolo Vita Insurance Group

The internal control system of the Insurance Group involves all the company structures and every member of staff, each within his/her own field of competence and responsibility, in order to ensure constant and effective monitoring of risks.

The Board of Directors of Intesa Sanpaolo Vita, responsible for the Group, is in charge of the Group's internal control and checks that the Senior Management of the UIPC implements the system correctly, assessing its adequacy and proper functioning and ensuring that the main risks of the Group are adequately identified and managed.

The Senior Management of Intesa Sanpaolo Vita, including with reference to the role of the UIPC, ensures that staff are made aware of their own role and responsibilities so as to be effectively engaged in controls understood to be an integral part of their activity. For this purpose, it ensures that the system of authorities is formalised and is known by staff, as well as the procedures governing the allocation of tasks, the operational processes and the reporting channels. It also verifies the exercise of the powers assigned to legal representatives in the course of major transactions in terms of dimensions and characteristics they conducted with the powers granted to them.

The Insurance Group's Internal Controls System is structured on multiple levels.

- **Level I Control** - line controls: consist in the checks carried out both by those who perform a given activity and by those who are responsible for supervision, generally within the same organizational unit. These are the checks carried out by the production units themselves or embedded in the automated procedures or those carried out as part of the back-office activity. These are an essential part of the Internal Controls System and require the development and rooting of a "culture of control" in order to ensure the achievement of company goals. The operational and business departments are directly responsible for the risk management process; during the course of their daily operations, these units – in cooperation with the level II functions and, where applicable, the Organisation function – must identify, measure, evaluate, monitor, control, mitigate and communicate the risks arising from ordinary

business operations, in accordance with the risk management process. The organizational units must comply with the operational limits imposed upon them by the risk objectives and by the procedures for risk management governed in the relevant internal documentation. These controls must be provided for and described in the procedure and set out in the mapping of the processes.

- **Level II Control** - risk monitoring: these are specific activities assigned to independent bodies other than the organisational units; their aim is to ensure inter alia:
- correct implementation of the risk management process;
- the conformity of the company's operations to the regulations, including the self-governance rules, and helping to set the methods for measuring risks, checking compliance with the limits assigned to the different organizational units and checking consistency of the activities with objectives and risk levels set by the competent company bodies. Specifically, this level includes controls on the risks identified in the risk map resulting from the Risk Assessment process (for example, underwriting risks, credit risks, asset-related and investment risks, operational risks and reputational risks and compliance risks. This group of checks comprises activities carried out by functions such as: the Risk Management, Actuarial, AML, Compliance, Tax controls and GAF and Regulatory Agenda Functions. The Actuarial Function is tasked with the control and supervision of the calculations of the Solvency II technical provisions and assesses the activities carried out by the actuarial units;
- **Level III Control** - internal audit (hereinafter "Audit"): activities to assess whether the Internal Controls System (including the level I and level II controls) are complete, functional and adequate. These activities are identified as controls aimed at identifying violations of procedures and regulations and at periodically assessing whether the organisational structure is complete, adequate and reliable.

Some organisational units, as in the case of the Specialist Functions defined in the Integrated Internal Controls System Regulation of Intesa Sanpaolo, may identify, in the course of their activities, risks and/or shortcomings deemed to be significant for the solvency and/or reputation of the company and Insurance Group by carrying out specific control tasks. In order to set up an integrated and cohesive controls system, the organisational units carry out their functions considering not only the actual corporate situation of the UIPC, but also the Insurance Group's overall operating activity and the risks to which it is exposed.

They monitor any risks identified in compliance with the rules approved by the management board on specific risks at a Group level (e.g., underwriting and reserving, liquidity etc.). If critical aspects are identified, they are reported to the control functions and Senior Management according to the procedures and conditions for the preparation of systematic reports.

In addition to the Level 1, 2 and 3 controls mentioned above, in relation to the core business, the following activities are also the subject of specific risk observing:

- Planning and management control;
- Data quality;
- passive cycle, financial reporting, taxation and supervision of the Insurance Group, IT security and business continuity.

The Insurance Group encourages a favourable control environment, which is a set of behaviours and actions that testify to the importance attached to internal control by the company organisation - this is a prerequisite for its effectiveness and is based on:

- Integrity and ethical values;

- dissemination of regulations applicable to the group;
- control activity and segregation of tasks;
- timely and reliable financial reporting to stakeholders and availability of all the information necessary to evaluate the trend in the company's business, as produced by the standard accounting and management processes and by the ancillary information systems that ensure compliance with data quality standards, which require accuracy, completeness, timeliness, cohesion, transparency and relevance.

This information is brought to the attention of the Board of Directors of companies periodically, with varying levels of detail, in the form of financial and income schedules that summarise management performance.
All the information to be disclosed externally is assessed and authorised in advance by the Unit tasked with producing it. Specifically, financial information must be assessed by those in charge of drawing up accounting documents.
This system ensures the continuous integrity, completeness and correctness of the stored data and of the represented information also for the purpose of enabling a reconstruction of the activity, and the identification of the persons in charge, while ensuring that recorded information can be checked easily.

Implementation of the compliance audit function

For details of the implementation of the compliance audit function, refer to the following sections in relation to the individual Insurance Group companies.

At an Insurance Group level, the organisational model will vary depending on the organisational structure of each Company. In line with provisions in IVASS Regulation no. 38/2018, with effect from 1 July 2019 the Compliance Function of each company was set up. The compliance activities for Intesa Sanpaolo and Fideuram Vita are carried out by Intesa Sanpaolo Vita under an outsourcing agreement. With reference to Intesa Sanpaolo RBM Salute, compliance activities were outsourced to the Compliance Function of Intesa Sanpaolo Vita, with effect from 19 May 2020. At BAP and Intesa Sanpaolo Life, a local Compliance Function is present.

The Compliance organisational units of the Chief Compliance Officer of Intesa Sanpaolo Vita carry out management and coordination, activities, also by issuing the instructions of the Supervisory Authorities.

Each company in the Insurance Group implements the *Compliance Function Policy of the Insurance Group Intesa Sanpaolo Vita and the Compliance Rulebook of the Insurance Group*, adapting them where necessary to the specific context and provisions of local laws.

Intesa Sanpaolo Vita S.p.A.

Internal control system

Refer to the section on the Insurance Group.

Implementation of the compliance audit function

Intesa Sanpaolo Vita recognises the strategic importance of controlling compliance risk, in the firm belief that respect for regulations and fair business dealings are fundamental aspects of the insurance business.

Intesa Sanpaolo Vita compliance guidelines were approved by the Board of Directors of the Company. They identify not only the general principles that apply to the Insurance Group but also the roles, responsibilities, duties, operational processes, methods and reporting procedures regarding the management of compliance risk. The Compliance Rulebook of the Insurance Group is attached to the Compliance Policy.

The Chief Compliance Officer, who is responsible for coordinating the AML and Compliance Functions, the latter divided into the Group Compliance and Specialist Oversight and Life and Non-Life Products Compliance organisational units (the "CCO units"), directly reports to the Board of Directors, in the same way as the organisational model for the control functions of the parent company Intesa Sanpaolo.

The Compliance Function is responsible for carrying out a risk-based assessment of the adequacy of the procedures, processes, policies and internal organisation, in order to prevent compliance risk.

The methodology used to manage compliance risk, which is also defined at Insurance Group level, provides for the need to grade the duties of the compliance function in accordance with the regulations requiring specialised forms of control, based on the various regulatory areas involved in the company's business.

The Compliance Function still has the ultimate responsibility for defining the methods used to assess compliance risk, to identify the right procedures to prevent and manage this risk, and to check that they are adequate.

For all other applicable regulatory areas with potential compliance risks, for which Specialist Functions have been identified with the necessary expertise, compliance oversight duties have been assigned to these functions, save for the responsibility of the Compliance Function to:

- establish assessment methodologies and mitigation procedures for compliance risk, in collaboration with the Specialist Functions;
- make an independent assessment on compliance risk and the adequacy of oversight adopted by the Specialist Functions for their mitigation;
- give Company Bodies, in periodic reports, an overall view of areas at most risk, overseen by the Specialist Functions.

Based on this model, the Compliance Risk Assessment (CRA) is prepared annually, to measure compliance risk by assessing the risks and oversights on an aggregate basis for each applicable direct and indirect regulatory area.

The aggregate assessment of the risks and oversight leads to the formation of a ranking of regulatory areas, which is used to define and prioritise the assessments.

Moreover, IVASS Regulation no. 38/2018 does not rule out any regulatory area from the activities of the Compliance Function, that may take action if it considers significant compliance risks are present.

With regard to compliance risk, the Compliance Function also continuously identifies the regulations applicable to the Company and assesses the adequacy of the controls on

Compliance risk (which are identified in the various regulatory areas within its remit), by planning activities in advance, and by performing specific activities in sensitive areas.

The Compliance Function also proposes organisational changes and consolidation of oversight in order to mitigate Compliance risk, and continuously assesses the adequacy of procedures being issued.

It prepares company policies in its area of responsibility, required by applicable legislation.

The Compliance Function supervises and takes part in Product Governance (POG) activities, with the aim of consolidating protection of the insured, guaranteeing the product's conformity to a pre-defined customer target, from as early on as the product launch and design phase. As part of the POG Process, the Compliance Function also clears policies, checking that the pre-contract and contract documentation, commercial manuals and advertising material reflect the indications of regulations.

Lastly, the participation of the Compliance Function in company projects is particularly important in terms of the prior management of compliance risk, and of providing special support and advice. In particular, the following project activities on obligations contained in IVASS Regulation no. 45 and IVASS order no. 97 are reported below.

Intesa Sanpaolo Assicura S.p.A.

Internal control system

The Board of Directors is responsible for the company's internal control and risk management system and checks that Senior Management implements the system correctly, assessing its adequacy and proper functioning and ensuring that the main business risks are adequately identified and managed.

The Senior Management of Intesa Sanpaolo Assicura guarantees that personnel are made aware of their roles and responsibilities. For this purpose, it ensures that the system of authorities is formalised and is known by staff, as well as the procedures governing the allocation of tasks, the operational processes and the reporting channels.

The internal control system for Intesa Sanpaolo Assicura is developed in accordance with the Group process. Refer to the details of the section on the Insurance Group.

Implementation of the compliance audit function

Intesa Sanpaolo Assicura recognises the strategic importance of controlling compliance risk, in the firm belief that respect for regulations and fair business dealings are fundamental aspects of the insurance business.

The Compliance Function of Intesa Sanpaolo Vita carries out compliance activities on behalf of Intesa Sanpaolo Assicura under an outsourcing agreement, save for the appointment of the Compliance Function in the Owner's Company.

The Compliance policy of Intesa Sanpaolo Assicura is prepared in accordance with the same document issued by the Intesa Sanpaolo Vita Insurance Group, updated at least annually and approved by the Board of Directors.

The purpose of the Policy is to provide a comprehensive reference model for the control of regulatory compliance, by outlining all the roles and responsibilities of the company departments

involved in Compliance activities. The Compliance Rulebook of the Insurance Group is attached to the Compliance Policy.

For details of the roles, responsibilities and Compliance process, refer to the section on Intesa Sanpaolo Vita as the compliance audit function of Intesa Sanpaolo Assicura is implemented in the same way.

Fideuram Vita S.p.A.

Internal control system

The Board of Directors is responsible for the company's internal control and risk management system and checks that Senior Management implements the system correctly, assessing its adequacy and proper functioning and ensuring that the main business risks are adequately identified and managed.

The Senior Management of Fideuram Vita guarantees that the personnel are made are aware of their roles and responsibilities. For this purpose, it ensures that the system of authorities is formalised and is known by staff, as well as the procedures governing the allocation of tasks, the operational processes and the reporting channels.

The internal control system for Fideuram Vita is developed in accordance with the Group process. Refer to the details of the section on the Insurance Group

Implementation of the compliance audit function

Fideuram Vita recognises the strategic importance of controlling the compliance risk, in the firm belief that respect for regulations and fair business dealings are fundamental aspects of the insurance business.

The Compliance Function of Intesa Sanpaolo Vita carries out compliance activities on behalf of Fideuram Vita under an outsourcing agreement, save for the appointment of the Compliance Function in the Owner's Company.

The Compliance policy of Fideuram Vita is prepared in accordance with the same document issued by the Intesa Sanpaolo Vita Insurance Group, updated at least annually and approved by the Board of Directors.

The purpose of the Compliance Policy is to provide a comprehensive reference model for the control of regulatory compliance, by outlining all the roles and responsibilities of the company departments involved in Compliance activities. The Compliance Rulebook of the Insurance Group is attached to the Compliance Policy.

For details of the roles, responsibilities and Compliance process, refer to the section on Intesa Sanpaolo Vita as the compliance audit process for Fideuram Vita is implemented in the same way.

Intesa Sanpaolo Life D.A.C.

Internal control system

The Board of Directors is responsible for the company's internal control and risk management system and checks that Senior Management implements the system correctly, assessing its adequacy and proper functioning and ensuring that the main business risks are adequately identified and managed.

The Senior Management of Intesa Sanpaolo Life guarantees that personnel are made aware of their roles and responsibilities. For this purpose, it ensures that the system of authorities is formalised and is known by staff, as well as the procedures governing the allocation of tasks, the operational processes and the reporting channels.

The internal control system for Intesa Sanpaolo Life is conducted in accordance with the Group process. Refer to the details of the section on the Insurance Group.

Implementation of the compliance audit function

Intesa Sanpaolo Life recognises the strategic importance of controlling the compliance risk, in the firm belief that respect for regulations and fair business dealings are fundamental aspects of the insurance business.

The Compliance policy of Intesa Sanpaolo Life is prepared in accordance with the same document of the Insurance Group, is updated at least annually and adopted by the Board of Directors.
The purpose of the Compliance Policy is to provide a comprehensive reference model for the control of regulatory compliance, by outlining all the roles and responsibilities of the company departments involved in Compliance activities. The Compliance Rulebook of the Company is attached to the Compliance Policy, prepared in conformity to the Compliance Rulebook of the Insurance Group.

The Head of Compliance, who is responsible for coordinating the AML and Data Protection functions, reports directly to the Board of Directors, in the same way as the organisational model for the control functions of the parent company Intesa Sanpaolo Vita.

The Compliance Function is responsible for carrying out a risk-based assessment of the adequacy of the procedures, processes, policies and internal organisation, in order to prevent compliance risks.

The methodology used to manage compliance risk, which is also defined at Insurance Group level, provides for the need to grade the duties of the compliance function in accordance with the regulations requiring specialised forms of control, based on the various regulatory areas involved in the company's business.

The Compliance Function still has the ultimate responsibility for defining the methods used to assess compliance risk, to identify the right procedures to prevent and manage this risk, and to check that they are adequate.

For all other applicable regulatory areas with potential compliance risks, for which Specialist Functions have been identified with the necessary expertise, compliance oversight duties have been assigned to these functions, save for the responsibility of the Compliance Function to:

- establish assessment methodologies and mitigation procedures for compliance risk, in collaboration with the Specialist Functions;

- make an independent assessment on compliance risk and the adequacy of oversight adopted by the Specialist Functions for their mitigation;
- give Company Bodies, in periodic reports, an overall view of areas at most risk, overseen by the Specialist Functions.

Based on this model, the Compliance Risk Assessment is prepared annually, to measure compliance risk by assessing the risks and oversights on an aggregate basis for each applicable direct and indirect regulatory area.

The aggregate assessment of the risks and oversight leads to the formation of a ranking of regulatory areas, which is used to define and prioritise the assessments.

With regard to compliance risk, the Compliance Function also continuously identifies the regulations applicable to the Company and assesses the adequacy of the controls on Compliance risk (which are identified in the various regulatory areas within its remit), by planning activities in advance, and by performing specific activities in sensitive areas.

The Compliance Function also proposes organisational and procedural proposals aimed at adapting the controls on Compliance risk, and continuously assesses the adequacy of procedures awaiting issue.

The Compliance Function takes part in Product Governance (POG) activities, with the aim of consolidating protection of the insured, guaranteeing the product's conformity to a pre-defined customer target, from as early on as the product launch and design phase. As part of the POG Process, the Compliance Function also clears products, checking that the pre-contract and contract documentation, commercial manuals and advertising material reflect the indications of regulations.

Lastly, the participation of the Compliance Function in company projects is particularly important in terms of the prior management of compliance risk, and of providing special support and advice.

Intesa Sanpaolo RBM Salute S.p.A

Internal control system

The Board of Directors is responsible for the company's internal control and risk management system and checks that Senior Management implements the system correctly, assessing its adequacy and proper functioning and ensuring that the main business risks are adequately identified and managed.

The Senior Management of Intesa Sanpaolo RBM Salute guarantees that personnel are made aware of their roles and responsibilities. For this purpose, it ensures that the system of authorities is formalised and is known by staff, as well as the procedures governing the allocation of tasks, the operational processes and the reporting channels.

The internal control system for Intesa Sanpaolo RBM Salute is conducted in accordance with the Group process. Refer to the details of the section on the Insurance Group.

Implementation of the compliance audit function

Intesa Sanpaolo RBM Salute recognises the strategic importance of controlling the compliance risk, in the firm belief that respect for regulations and fair business dealings are fundamental parts of the insurance business.

The Compliance Function of Intesa Sanpaolo Vita carries out compliance activities on behalf of Intesa Sanpaolo RBM Salute, under an outsourcing agreement, from when the Company joined the Insurance Group in May 2020, save for the appointment of the Head of the Core Function in the Owner's Company.

The Compliance policy of Intesa Sanpaolo RBM Salute is prepared in accordance with the same document issued by the Intesa Sanpaolo Vita Insurance Group, updated at least annually and approved by the Board of Directors.

The purpose of the Compliance Policy is to provide a comprehensive reference model for the control of regulatory compliance, by outlining all the roles and responsibilities of the company departments involved in Compliance activities. The Compliance Rulebook of the Insurance Group is attached to the Compliance Policy.

For details of the roles, responsibilities and Compliance process, refer to the section on Intesa Sanpaolo Vita as the compliance audit function of Intesa Sanpaolo RBM Salute is implemented in the same way.

BancAssurance Popolari S.p.A.

Internal control system

The Board of Directors is responsible for the company's internal control and risk management system and checks that Senior Management implements the system correctly, assessing its adequacy and proper functioning and ensuring that the main business risks are adequately identified and managed.

The Senior Management of BancAssurance Popolari guarantees that the personnel are made are aware of their roles and responsibilities. For this purpose, it ensures that the system of authorities is formalised and is known by staff, as well as the procedures governing the allocation of tasks, the operational processes and the reporting channels.

The internal control system for BancAssurance Popolari is conducted in accordance with the Group process. Refer to the details of the section on the Insurance Group.

Implementation of the compliance audit function

As part of the overall internal controls system, the Board of Directors considers the dissemination, within the company, of a culture of compliance as a general priority, along with general principles of fair treatment, good faith and transparency in relations with the insured. In this perspective, the activity of the Compliance Function is essential for continually identifying applicable regulations and assessing their impact on company processes and procedures, in order to assess and guarantee the adequacy of compliance risk oversight.

The Compliance Function operates as provided for in the specific policy approved by the Board of Directors of the Company, which specify in detail the responsibilities, duties, operational processes, methods and reporting procedures regarding the management of compliance risk.

The Compliance Function is tasked with monitoring compliance risk management, adopting a risk-based approach, ensuring, among others, compliance with regulations on transparency and the fair treatment of insured, pre-contract and contract information and the proper performance of contracts, with specific reference to claims and, more generally, to the protection of insured customers and other persons entitled to insurance benefits, also in terms of conflicts of interest.

The Function periodically reports to the Board of Directors and prepares an annual activity plan, indicating actions to carry out, considering any shortcomings identified in previous controls, any new compliance risks the Company is exposed to and any specific activities which are particularly at-risk.

The Compliance Function takes part in Product Governance (POG) activities, with the aim of consolidating protection of the insured, guaranteeing the product's conformity to a pre-defined customer target, from as early on as the product launch and design phase. As part of the POG Process, the Compliance Function also clears policies, checking pre-contract and contract documentation.

B.5 INTERNAL AUDIT FUNCTION

Intesa Sanpaolo Vita Insurance Group

The mission assigned to the Audit Function (the "Function") is to Ensure a constant, independent and impartial assessment activity on the adequacy and efficiency of the internal controls system and its suitability to ensure the effectiveness and efficiency of business processes, the protection of corporate assets and of the Insurance Group, the reliability and integrity of financial and management information, compliance of the activity with current regulations, directives and company procedures.

Assure the regular assessment and monitoring of the additional components of the group's corporate governance system.

Provide advice to the Group's corporate functions, including through participation in projects in order to create added value and improve the effectiveness of control processes, risk and compliance management, and governance.

Oversee the system of internal controls and the other elements of the group's corporate governance system, by providing governance and guidance for the relevant local audit departments.

Support the company governance and ensure Senior Management, company bodies and competent institutions (IVASS, Bank of Italy, etc.) receive timely and systematic disclosures on the state of the controls system, on the results of the activities carried out and on the progress of corrective actions.

Internal auditing is done by the Audit function of the Intesa Sanpaolo Vita Insurance Group as the ultimate Italian parent company, it reports functionally to the Chief Audit Officer of the parent company Intesa Sanpaolo.

The Head of the Audit Function of the Intesa Sanpaolo Vita Insurance Group coordinates the Controls Coordination Committee, a body with an information and advisory role that operates to consolidate the coordination and the mechanisms of inter-functional cooperation as part of the internal controls system of the Insurance Group.

Intesa Sanpaolo Vita S.p.A.

The Audit Function of the Company comprises a specific Organisational Unit, directly reporting to the Board of Directors and has appointed the Head of the function.

The mission assigned to the Audit Function is to ensure a constant, independent and impartial assessment of the adequacy and efficiency of the internal controls system, and make sure that it guarantees the effectiveness and efficiency of business processes, the protection of assets and of the Insurance Group and the reliability and integrity of financial and management information, while ensuring that all activities comply with current regulations, directives and company procedures.

The Audit function provides support and advice to other company functions, participating in projects to create added value, improve the effectiveness of the control processes and maintain their adequacy to the development of structures and internal processes. The function also supports the company governance and provides Senior Management, company bodies and institutions such as IVASS and the Bank of Italy with timely and systematic disclosures on the state of the controls system, the results of the activities and on the progress of corrective actions.

The Head of the Audit Function produces an annual action plan for the Board of Directors.

The annual plan takes into account the evidence provided during the Controls Coordination Committee meeting by the control functions and the level of attention required from the various processes/Organisational Units depending on the risk level.

The Head is tasked with assigning processes and/or entities the corresponding level of attention based on elements that are as objective as possible. Planning is therefore based on the analysis and assessment of the potential risks carried out through risk assessment methods, the processing of indicators relating to the operations of the Company to identify potentially abnormal transactions and/or situations or through a comparative examination of the information and findings continuously collected from the Organisational Units.

The results of audit activities are presented in audit reports, prepared according to a standard format to ensure that all the work done is transparent and effective. The recipients of the audit reports are the Organisational Units of the Company, specifically the audited units, and Senior Management.

The submission of the report is the start of a process that sheds light on the causes of any irregularities and identifies, schedules and implements corrective actions. For this purpose, the Head of the Audit function will meet with the management of the audited unit in an exit meeting, as well as the other business units that were involved in identifying and developing all the corrective actions. At the end of the meeting a draft plan for the development of corrective actions to be submitted to the Board of Directors is formalised and the latter is tasked with determining the measures to be taken. The actions will then be used by the Audit function to update their reports, the dashboard (which contains all the audit points highlighted during the activity, and the actions planned to remedy them), and for the follow-up actions.

Checks on the corrective actions proposed by the Audit Function during its interventions are carried out quarterly. The follow-up activity carried out consists of a written report with the summary of the interventions implemented to eliminate any findings during the audit and those not yet implemented. The report will identify the reasons for any delay in implementing corrective measures by the stated deadline.

With regard to audit reporting activities, the Head of the Audit Function will report:

- quarterly, to the Internal Control and Risks Committee, the Board of Statutory Auditors and the Board of Directors on the results and recommendations in relation to audits conducted in the period;
- every six months, to the Internal Control and Risks Committee, the Board of Statutory Auditors and the Board of Directors (every three months to the Audit & Reporting Committee of Intesa Sanpaolo Life) on the activity carried out in the period, providing written results of its audits, identifying discrepancies and highlighting the improvement actions adopted or to be adopted;
- urgently to the Board of Directors and Board of Statutory Auditors (Audit & Reporting Committee for Intesa Sanpaolo Life) on any particularly serious situations, breaches or deficiencies;
- during periodic meetings, it reports to the Supervisory Body, in the event of interventions concerning compliance risks;
- every year, the management board, Senior Management and the control body with regard to the activities carried out on anti-money laundering and terrorist financing and the related results, without prejudice to the principle of confidentiality on reports of suspicious transactions;
- the Parent Company Intesa Sanpaolo, by ending the documents according to the procedures and timing set out in the relevant operational guide.
- reports to the other control functions by sending extracts of reports on its audit activities, and a Dashboard at least every six months;
- if there is a need to inform IVASS in response to tangible evidence of serious violations that could significantly prejudice the sound and prudent management of the Company, the Audit function will implement the provisions of internal procedures, informing the Chair of the Board of Directors and the Chair of the Board of Statutory Auditors.

The Audit Function has links with all other Core and Control Functions of the Company and of the Insurance Group entities; it will exchange information either through specific meetings and by sending documentation and reports, attending discussion groups with the supervisory functions, or by sitting on committees.

The Audit function will agree with the Board of Statutory Auditors (Audit & Reporting Committee for Intesa Sanpaolo Life) on an independent form of collaboration designed to ensure that all relevant information about the results of the audits is promptly transmitted, to guarantee continuous updates on the supervision of the internal controls system.

Considering the responsibilities assigned to the Supervisory Body by the Board of Directors and the professional contents of the activities that characterise it, the Body, in carrying out its monitoring and control tasks, is supported by the Head of the Audit function.

The function also maintains relations with the auditing firm and the managers of the open pension funds.

Independence and objectivity

The Audit function reports directly to the Company's Board of Directors and is independent from the operational units. The Audit function reports in functional but not hierarchical terms to the head of the Audit function of the Insurance Group.

The Head of the Audit Function discusses the mission of internal auditing and the mandatory elements of the Internal Professional Practices Framework with Senior Management and the Board of Directors.

The internal audit Policy describes how the Company's Audit Function maintains the required independence.

The Audit function has the following characteristics:

- an organisational structure that guarantees its independence and autonomy so that its objective judgement is not compromised;
- free access to all company structures and to the documentation related to the audited business area, including information instrumental to the assessment of the adequacy of the controls on the outsourced company functions;
- organic links with all the centres in charge of internal control functions; quantitatively and qualitatively adequate human and technological resources to continuously carry out checks, analyses and other tasks necessary to fulfil its mandate;
- sufficient knowledge to assess the risks of fraud and the way in which these are managed by the organisation, however it is not necessary for the Department to have the knowledge of those whose primary responsibility is the invest identification and investigation of fraud.

The independent action of the Audit function is also ensured by the Head who:

- has specific expertise and professionalism and meets the eligibility requirements for the position to carry out the activity, as governed by the Rules adopted pursuant to article 25(1)(l) of IVASS Regulation no. 38/2018;
- is appointed or revoked by the Board of Directors, having consulted the Board of Statutory Auditors, which sets the tasks, powers, responsibilities and reporting procedures to the Board;
- has no hierarchical and functional relations with the audited areas;
- reports its activity directly to the Board of Directors and to the Board of Statutory Auditors;
- confirms to the Board of Directors, at least on an annual basis, the organizational independence of the internal audit activity;
- informs the Board of Directors of any interference in determining the scope or objective of internal audits, in carrying out the work, in disclosing the results and discussing the implications;
- if independence and objectivity has been compromised or appears to be compromised, it will inform the relevant parties of the circumstances of these influences;
- If there are any breaches of the code of ethics or standards that may affect the scope or work done during the internal audit activity, it will disclose any non-conformities and their impact, to Senior Management and to the Board of Directors.

The Audit function is staffed by people with the necessary skills, abilities and knowledge to conduct their work competently and professionally.

According to the current regulations (IVASS Regulation no.38/2018 Article 25), Audit personnel have been included in the company's "Policy on fitness for office and requirements" in terms of integrity, professionalism and independence to be assessed. Therefore, each year, the Board of Directors will assess whether the Audit team meets these requirements.

Intesa Sanpaolo Assicura S.p.A.

The Audit Function of the Company comprises a specific Organisational Unit, directly reporting to the Board of Directors and has appointed the Head of the function. The relevant activities of the Function are carried out by Intesa Sanpaolo Vita under a specific outsourcing agreement.

The mission assigned to the Audit Function is to ensure a constant, independent and impartial assessment of the adequacy and efficiency of the internal controls system, and make sure that it guarantees the effectiveness and efficiency of business processes, the protection of assets and of the Insurance Group and the reliability and integrity of financial and management information, while ensuring that all activities comply with current regulations, directives and company procedures.

The Audit function provides support and advice to other company functions, participating in projects to create added value, improve the effectiveness of the control processes and maintain their adequacy to the development of structures and internal processes. The function also supports the company governance and provides Senior Management, company bodies and institutions such as IVASS and the Bank of Italy with timely and systematic disclosures on the state of the controls system, the results of the activities and on the progress of corrective actions.

The Head of the Audit Function produces an annual action plan for the Board of Directors.

The annual plan takes into account the evidence provided during the Controls Coordination Committee meeting of the UIPC by the control functions and the level of attention required from the various processes/Organisational Units depending on the risk level.

The Head is tasked with assigning processes and/or entities the corresponding level of attention based on elements that are as objective as possible. Planning is therefore based on the analysis and assessment of the potential risks carried out through risk assessment methods, the processing of indicators relating to the operations of the Company to identify potentially abnormal transactions and/or situations or through a comparative examination of the information and findings continuously collected from the Organisational Units.

The results of audit activities are presented in audit reports, prepared according to a standard format to ensure that all the work done is transparent and effective. The recipients of the audit reports are the Organisational Units of the company, specifically the audited units, and Senior Management.

The submission of the report is the start of a process that sheds light on the causes of any irregularities and identifies, schedules and implements corrective actions. For this purpose, the Head of the Audit function will meet with the management of the audited unit in an exit meeting, as well as the other business units that were involved in identifying and developing all the corrective actions. At the end of the meeting a draft plan for the development of corrective actions to be submitted to the Board of Directors is formalised and the latter is tasked with determining the measures to be taken. The actions will then be used by the Audit function to update their reports, the dashboard (which contains all the audit points highlighted during the activity, and the actions planned to remedy them), and for the follow-up actions.

Checks on the corrective actions proposed by the Audit Function during its interventions are carried out quarterly. The follow-up activity carried out consists of a written report with the summary of the interventions implemented to eliminate any findings during the audit and those not yet implemented. The report will identify the reasons for any delay in implementing corrective measures by the stated deadline.

With regard to audit reporting activities, the Head of the Audit Function will report:

- quarterly, to the Internal Control and Risks Committee of the UIPC and the Board of Directors on the results and recommendations in relation to audits conducted in the period;
- every six months to the Internal Control and Risks Committee of the UIPC, the Board of Statutory Auditors and Board of Directors on the activity carried out in the period, providing written results of its audits, identifying discrepancies and highlighting the improvement actions adopted or to be adopted;
- urgently to the Board of Directors and Board of Statutory Auditors on any particularly serious situations, breaches or deficiencies;
- during periodic meetings, it reports to the Supervisory Body, in the event of interventions concerning compliance risks;
- every year, the management board, Senior Management and the control body with regard to the activities carried out on anti-money laundering and terrorist financing and the related results, without prejudice to the principle of confidentiality on reports of suspicious transactions;
- the parent company Intesa Sanpaolo, by ending the documents according to the procedures and timing set out in the relevant operational guide;
- reports to the other control functions by sending extracts of reports on its audit activities, and a Dashboard at least every six months;
- if there is a need to inform IVASS in response to tangible evidence of serious violations that could significantly prejudice the sound and prudent management of the Company, the Audit function will implement the provisions of internal procedures, informing the Chair of the Board of Directors and the Chair of the Board of Statutory Auditors.

The Audit Function has links with all other Core and Control Functions of the Company and of the Insurance Group entities; it will exchange information either through specific meetings and by sending documentation and reports, attending discussion groups with the supervisory functions, or by sitting on committees.

The Audit function will agree with the Board of Statutory Auditors on an independent form of collaboration designed to ensure that all relevant information about the results of the audits is promptly transmitted, to guarantee continuous updates on the supervision of the internal controls system.

Considering the responsibilities assigned to the Supervisory Body by the Board of Directors and the professional contents of the activities that characterise it, the Body, in carrying out its monitoring and control tasks, is supported by the Head of Audit.

The function also maintains relations with the auditing firm.

Independence and objectivity

The Audit function will report directly to the company's Board of Directors and is independent from the operational units. The company's audit function reports in functional but not hierarchical terms to the head of the Audit function of the Insurance Group.

The Head of the Audit Function will discuss the mission of internal auditing and the mandatory elements of the Internal Professional Practices Framework with Senior Management and the Board of Directors.

The internal audit Policy describes how the Company's Audit Function maintains the required independence.

The Audit function has the following characteristics:

- an organisational structure that guarantees its independence and autonomy so that its objective judgement is not compromised;
- free access to all company structures and to the documentation related to the audited business area, including information instrumental to the assessment of the adequacy of the controls on the outsourced company functions;
- organic links with all the centres in charge of internal control functions;
- quantitatively and qualitatively adequate human and technological resources to continuously carry out checks, analyses and other tasks necessary to fulfil its mandate;
- sufficient knowledge to assess the risks of fraud and the way in which these are managed by the organisation, however it is not necessary for the Department to have the knowledge of those whose primary responsibility is the invest identification and investigation of fraud.

The independent action of the Audit function is also ensured by the Head who:

- has specific expertise and professionalism and meets the eligibility requirements for the position to carry out the activity, as governed by the Rules adopted pursuant to article 25(1) of IVASS Regulation no. 38/2018;
- is appointed or revoked by the Board of Directors, having consulted the Board of Statutory Auditors, which sets the tasks, powers, responsibilities and reporting procedures to the Board;
- has no hierarchical and functional relations with the audited areas;
- reports its activity directly to the Board of Directors and to the Board of Statutory Auditors;
- confirms to the Board of Directors, at least on an annual basis, the organizational independence of the internal audit activity;
- informs the Board of Directors of any interference in determining the scope or objective of internal audits, in carrying out the work, in disclosing the results and discussing the implications;
- if independence and objectivity has been compromised or appears to be compromised, it will inform the relevant parties of the circumstances of these influences;
- If there are any breaches of the code of ethics or standards that may affect the scope or work done during the internal audit activity, it will disclose any non-conformities and their impact, to senior management and to the Board of Directors.

The Audit function is staffed by people with the necessary skills, abilities and knowledge to conduct their work competently and professionally.

According to current regulations (IVASS Regulation 38/2018 Article 25), Audit personnel have been identified based on the company's "Policy on fitness for office and requirements" in terms of meeting requirements of integrity, professionalism and independence. Therefore, each year, the Board of Directors will assess whether the Audit team meets these requirements.

Fideuram Vita S.p.A.

The Audit Function of the Company comprises a specific Organisational Unit, directly reporting to the Board of Directors and has appointed the Head of the function. The relevant activities of the Function are carried out by Intesa Sanpaolo Vita under a specific outsourcing agreement.

The mission assigned to the Audit Function is to ensure a constant, independent and impartial assessment of the adequacy and efficiency of the internal controls system, and make sure that it guarantees the effectiveness and efficiency of business processes, the protection of assets and of the Insurance Group and the reliability and integrity of financial and management information, while ensuring that all activities comply with current regulations, directives and company procedures.

The Audit function provides support and advice to other company functions, participating in projects to create added value, improve the effectiveness of the control processes and maintain their adequacy to the development of structures and internal processes. The function also supports the company governance and provides Senior Management, company bodies and institutions such as IVASS and the Bank of Italy with timely and systematic disclosures on the state of the controls system, the results of the activities and on the progress of corrective actions.

The Head of the Audit Function produces an annual action plan for the Board of Directors.
The annual plan takes into account the evidence provided during the Controls Coordination Committee meeting of the UIPC by the control functions and the level of attention required from the various processes/Organisational Units depending on the risk level.

The Head is tasked with assigning processes and/or entities the corresponding level of attention based on elements that are as objective as possible. Planning is therefore based on the analysis and assessment of the potential risks carried out through risk assessment methods, the processing of indicators relating to the operations of the Company to identify potentially abnormal transactions and/or situations or through a comparative examination of the information and findings continuously collected from the Organisational Units.

The results of audit activities are presented in audit reports, prepared according to a standard format to ensure that all the work done is transparent and effective. The recipients of the audit reports are the Organisational Units of the Company, specifically the audited units, and Senior Management.

The submission of the report is the start of a process that sheds light on the causes of any irregularities and identifies, schedules and implements corrective actions. For this purpose, the Head of the Audit function will meet with the management of the audited unit in an exit meeting, as well as the other business units that were involved in identifying and developing all the corrective actions. At the end of the meeting a draft plan for the development of corrective actions to be submitted to the Board of Directors is formalised and the latter is tasked with determining the measures to be taken. The actions will then be used by the Audit function to update their reports, the dashboard (which contains all the audit points highlighted during the activity, and the actions planned to remedy them), and for the follow-up actions.

Checks on the corrective actions proposed by the Audit Function during its interventions are carried out quarterly. The follow-up activity carried out consists of a written report with the summary of the interventions implemented to eliminate any findings during the audit and those not yet implemented. The report will identify the reasons for any delay in implementing corrective measures by the stated deadline.

With regard to audit reporting activities, the Head of the Audit Function will report:

- quarterly, to the Internal Control and Risks Committee of the UIPC, the Board of Statutory Auditors and the Board of Directors on the results and recommendations in relation to audits conducted in the period;
- every six months to the Internal Control and Risks Committee of the UIPC, the Board of Statutory Auditors and Board of Directors on the activity carried out in the period, providing written results of its audits, identifying discrepancies and highlighting the improvement actions adopted or to be adopted;
- urgently to the Board of Directors and Board of Statutory Auditors on any particularly serious situations, breaches or deficiencies;
- during periodic meetings, it reports to the Supervisory Body, in the event of interventions concerning compliance risks;
- every year, the management board, Senior Management and the control body with regard to the activities carried out on anti-money laundering and terrorist financing and the related results, without prejudice to the principle of confidentiality on reports of suspicious transactions;
- the Parent Company Intesa Sanpaolo, sending the documents according to the procedures and timing set out in the relevant operational guide.
- reports to the other control functions by sending extracts of reports on its audit activities, and a Dashboard at least every six months;
- if there is a need to inform IVASS in response to tangible evidence of serious violations that could significantly prejudice the sound and prudent management of the Company, the Audit function will implement the provisions of internal procedures, informing the Chair of the Board of Directors and the Chair of the Board of Statutory Auditors.

The Audit Function has links with all other Core and Control Functions of the Company and of the Insurance Group entities; it will exchange information either through specific meetings and by sending documentation and reports, attending discussion groups with the supervisory functions, or by sitting on committees.

The Audit function will agree with the Board of Statutory Auditors on an independent form of collaboration designed to ensure that all relevant information about the results of the audits is promptly transmitted, to guarantee continuous updates on the supervision of the internal controls system.

Considering the responsibilities assigned to the Supervisory Body by the Board of Directors and the professional contents of the activities that characterise it, the Body, in carrying out its monitoring and control tasks, is supported by the Head of the Audit function.

The function also maintains relations with the auditing firm and the managers of the open pension funds.

Independence and objectivity

The Audit function will report directly to the company's Board of Directors and is independent from the operational units. The company's audit function reports in functional but not hierarchical terms to the head of the Audit function of the Insurance Group.

The Head of the Audit Function will discuss the mission of internal auditing and the mandatory elements of the Internal Professional Practices Framework with Senior Management and the Board of Directors.

The internal audit Policy describes how the Company's Audit Function maintains the required independence.

The Audit function has the following characteristics:

- an organisational structure that guarantees its independence and autonomy so that its objective judgement is not compromised;
- free access to all company structures and to the documentation related to the audited business area, including information instrumental to the assessment of the adequacy of the controls on the outsourced company functions;
- organic links with all the centres in charge of internal control functions;
- quantitatively and qualitatively adequate human and technological resources to continuously carry out checks, analyses and other tasks necessary to fulfil its mandate;
- sufficient knowledge to assess the risks of fraud and the way in which these are managed by the organisation, however it is not necessary for the Department to have the knowledge of those whose primary responsibility is the invest identification and investigation of fraud.

The independent action of the Audit function is also ensured by the Head who:

- has specific expertise and professionalism and meets the eligibility requirements for the position to carry out the activity, as governed by the Rules adopted pursuant to article 25(1) of IVASS Regulation no. 38/2018;
- is appointed or revoked by the Board of Directors, having consulted the Board of Statutory Auditors, which sets the tasks, powers, responsibilities and reporting procedures to the Board;
- has no hierarchical and functional relations with the audited areas;
- reports its activity directly to the Board of Directors and to the Board of Statutory Auditors;
- confirms to the Board of Directors, at least on an annual basis, the organizational independence of the internal audit activity;
- informs the Board of Directors of any interference in determining the scope or objective of internal audits, in carrying out the work, in disclosing the results and discussing the implications;
- if independence and objectivity has been compromised or appears to be compromised, it will inform the relevant parties of the circumstances of these influences;
- If there are any breaches of the code of ethics or standards that may affect the scope or work done during the internal audit activity, it will disclose any non-conformities and their impact, to Senior Management and to the Board of Directors.

The Audit function is staffed by people with the necessary skills, abilities and knowledge to conduct their work competently and professionally.
According to current regulations (IVASS Regulation 38/2018 Article 25), Audit personnel have been identified based on the company's "Policy on fitness for office and requirements" in terms of meeting requirements of integrity, professionalism and independence. Therefore, each year, the Board of Directors will assess whether the Audit team meets these requirements.

Intesa Sanpaolo Life D.A.C.

The Audit function of Intesa Sanpaolo Vita performs audit activities for Intesa Sanpaolo Life, under an outsourcing agreement.

Refer to the information given in the section on Intesa Sanpaolo, in accordance with the applicable regulations.

Independence and objectivity

The company's audit operations have been outsourced to the UIPC, through its Audit function, under an outsourcing agreement. Refer to the section on Intesa Sanpaolo Vita.

Intesa Sanpaolo RBM Salute S.p.A

Following the Company joining the Intesa Sanpaolo Vita Insurance Group, the Board of Directors of the Company, in the meeting of 11 May 2020, resolved to set up the Audit Function, as a specific Organisational Unit, outsourcing activities to the UIPC, under a specific outsourcing agreement; on the same date, it also appointed the Head of the Function.

The mission assigned to the Audit Function is to ensure a constant, independent and impartial assessment of the adequacy and efficiency of the internal controls system, and make sure that it guarantees the effectiveness and efficiency of business processes, the protection of assets and of the Insurance Group and the reliability and integrity of financial and management information, while ensuring that all activities comply with current regulations, directives and company procedures.

The Audit function provides support and advice to other company functions, participating in projects to create added value, improve the effectiveness of the control processes and maintain their adequacy to the development of structures and internal processes. The function also supports the company governance and provides Senior Management, company bodies and institutions such as IVASS and the Bank of Italy with timely and systematic disclosures on the state of the controls system, the results of the activities and on the progress of corrective actions.

The Head of the Audit Function produces an annual action plan for the Board of Directors.

The annual plan takes into account the evidence provided during the Controls Coordination Committee meeting of the UIPC by the control functions and the level of attention required from the various processes/Organisational Units depending on the risk level.

The Head is tasked with assigning processes and/or entities the corresponding level of attention based on elements that are as objective as possible. Planning is therefore based on the analysis and assessment of the potential risks carried out through risk assessment methods, the processing of indicators relating to the operations of the Company to identify potentially abnormal transactions and/or situations or through a comparative examination of the information and findings continuously collected from the Organisational Units.

The results of audit activities are presented in audit reports, prepared according to a standard format to ensure that all the work done is transparent and effective. The recipients of the audit reports are the Organisational Units of the Company, specifically the audited units, and Senior Management.

The submission of the report is the start of a process that sheds light on the causes of any irregularities and identifies, schedules and implements corrective actions. For this purpose, the Head of the Audit function will meet with the management of the audited unit in an exit meeting, as well as the other business units that were involved in identifying and developing all the corrective actions. At the end of the meeting a draft plan for the development of corrective actions to be submitted to the Board of Directors is formalised and the latter is tasked with determining the measures to be taken. The actions will then be used by the Audit function to update their reports, the dashboard (which contains all the audit points highlighted during the activity, and the actions planned to remedy them), and for the follow-up actions.

Checks on the corrective actions proposed by the Audit Function during its interventions are carried out quarterly. The follow-up activity carried out consists of a written report with the summary of the interventions implemented to eliminate any findings during the audit and those not yet implemented. The report will identify the reasons for any delay in implementing corrective measures by the stated deadline.

With regard to audit reporting activities, the Head of the Audit Function will report:

- quarterly, to the Internal Control and Risks Committee of the UIPC, the Board of Statutory Auditors and the Board of Directors on the results and recommendations in relation to audits conducted in the period;
- every six months to the Internal Control and Risks Committee of the UIPC, the Board of Statutory Auditors and Board of Directors on the activity carried out in the period, providing written results of its audits, identifying discrepancies and highlighting the improvement actions adopted or to be adopted;
- urgently to the Board of Directors and Board of Statutory Auditors on any particularly serious situations, breaches or deficiencies;
- during periodic meetings, it reports to the Supervisory Body, in the event of interventions concerning compliance risks;
- every year, to the administrative body, Senior Management and the control body with regard to the activities carried out on anti-money laundering and terrorist financing and the related results, without prejudice to the principle of confidentiality on reports of suspicious transactions;
- the Parent Company Intesa Sanpaolo, by sending the documents according to the procedures and timing set out in the relevant operational guide;
- reports to the other control functions by sending extracts of reports on its audit activities, and a Dashboard at least every six months;
- if there is a need to inform IVASS in response to tangible evidence of serious violations that could significantly prejudice the sound and prudent management of the Company, the Audit function will implement the provisions of internal procedures, informing the Chair of the Board of Directors and the Chair of the Board of Statutory Auditors.

The Audit Function has links with all other Core and Control Functions of the Company and of the Insurance Group entities; it will exchange information either through specific meetings and by sending documentation and reports, attending discussion groups with the supervisory functions, or by sitting on committees.

The Audit function will agree with the Board of Statutory Auditors on an independent form of collaboration designed to ensure that all relevant information about the results of the audits is promptly transmitted, to guarantee continuous updates on the supervision of the internal controls system.

Considering the responsibilities assigned to the Supervisory Body by the Board of Directors and the professional contents of the activities that characterise it, the Body, in carrying out its monitoring and control tasks, is supported by the Head of the Audit function.

The function also maintains relations with the auditing firm.

Independence and objectivity

The Audit function will report directly to the Company's Board of Directors and is independent from the operational units. The company's audit function reports in functional but not hierarchical terms to the head of the Audit function of the Insurance Group.

The Head of the Audit Function will discuss the mission of internal auditing and the mandatory elements of the Internal Professional Practices Framework with Senior Management and the Board of Directors.

The internal audit Policy describes how the Company's Audit Function maintains the required independence.

The Audit function has the following characteristics:

- an organisational structure that guarantees its independence and autonomy so that its objective judgement is not compromised;
- free access to all company structures and to the documentation related to the audited business area, including information instrumental to the assessment of the adequacy of the controls on the outsourced company functions;
- organic links with all the centres in charge of internal control functions;
- quantitatively and qualitatively adequate human and technological resources to continuously carry out checks, analyses and other tasks necessary to fulfil its mandate;
- sufficient knowledge to assess the risks of fraud and the way in which these are managed by the organisation, however it is not necessary for the Department to have the knowledge of those whose primary responsibility is the invest identification and investigation of fraud.

The independent action of the Audit function is also ensured by the Head who:

- has specific expertise and professionalism and meets the eligibility requirements for the position to carry out the activity, as governed by the Rules adopted pursuant to article 25(1) of IVASS Regulation no. 38/2018;
- is appointed or revoked by the Board of Directors, having consulted the Board of Statutory Auditors, which sets the tasks, powers, responsibilities and reporting procedures to the Board;
- has no hierarchical and functional relations with the audited areas;
- reports its activity directly to the Board of Directors and to the Board of Statutory Auditors;
- confirms to the Board of Directors, at least on an annual basis, the organizational independence of the internal audit activity;
- informs the Board of Directors of any interference in determining the scope or objective of internal audits, in carrying out the work, in disclosing the results and discussing the implications;
- if independence and objectivity has been compromised or appears to be compromised, it will inform the relevant parties of the circumstances of these influences;

- If there are any breaches of the code of ethics or standards that may affect the scope or work done during the internal audit activity, it will disclose any non-conformities and their impact, to senior management and to the Board of Directors.

The Audit function is staffed by people with the necessary skills, abilities and knowledge to conduct their work competently and professionally.

According to current regulations (IVASS Regulation 38/2018 Article 25), Audit personnel have been identified based on the company's "Policy on fitness for office and requirements" in terms of meeting requirements of integrity, professionalism and independence. Therefore, each year, the Board of Directors will assess whether the Audit team meets these requirements.

BancAssurance Popolari S.p.A.

With effect from 1 January 2020, the Company insourced the Internal Audit Function (previously outsourced to Ernst & Young), which has been organised as a specific organisational unit and with a separate Head.

Following the Public Offer of Purchase and Exchange announced to the public on 17 February 2020, the UBI Group was purchased by the Intesa Sanpaolo Group. This operation enabled Intesa Sanpaolo to indirectly acquire a majority stake in BancAssurance Popolari. BancAssurance Popolari (BAP) has therefore been subject to management and coordination by Intesa Sanpaolo Vita since 12 October 2020.

The mission assigned to the Audit Function is to ensure a constant, independent and impartial assessment of the adequacy and efficiency of the internal controls system, and make sure that it guarantees the effectiveness and efficiency of business processes, the protection of assets and the reliability and integrity of financial and management information, while ensuring that all activities comply with current regulations, directives and company procedures.

The Audit function provides support and advice to other company functions, participating in projects to create added value, improve the effectiveness of the control processes and maintain their adequacy to the development of structures and internal processes. The function also supports the company governance and provides Senior Management, company bodies and institutions such as IVASS and the Bank of Italy with timely and systematic disclosures on the state of the controls system, the results of the activities and on the progress of corrective actions.

The Head of the Audit Function produces an annual action plan for the Board of Directors. The annual plan takes into account, in particular, requests from the Corporate Bodies, mandatory activities and the level of attention required from the various processes and business units, depending on this level. The Head is tasked with assigning processes and/or entities the corresponding level of attention based on elements that are as objective as possible. Planning is therefore based on the analysis and assessment of the potential risks carried out through risk assessment methods.

The results of audit activities are presented in audit reports, prepared according to a standard format to ensure that all the work done is transparent and effective. The recipients of the audit reports are the Organisational Units of the Company, specifically the audited units, and Senior Management.

The submission of the report is the start of a process that sheds light on the causes of any irregularities and identifies, schedules and implements corrective actions. For this purpose, the Head of the Audit function will meet with the management of the audited unit in an exit meeting,

as well as the other business units that were involved in identifying and developing all the corrective actions. The actions will then be used by the Audit function to update their reports.

Checks on the corrective actions proposed by the Audit Function during its interventions are carried out at least annually. The follow-up activity carried out consists of a written report with the summary of the interventions implemented to eliminate any findings during the audit and those not yet implemented. The report will identify the reasons for any delay in implementing corrective measures by the stated deadline.

With regard to periodic audit reporting activities, the Head of the Audit Function reports to Company Bodies:

- at least every six months, on the activity carried out in the reference period, submitting the results of the audits carried out in the period, any identified difference and the improvement actions adopted or to be adopted;
- urgently, on particularly serious situations and any significant breach or discovered deficiency.
- The Internal Audit Function of the Parent Company Intesa Sanpaolo is sent reporting produced according to the procedures and timing in the specific operational guide.

The Audit Function has links with all other Core and Control Functions of the company; it will exchange information either through specific meetings and by sending documentation and reports, attending discussion groups with the supervisory functions, or by sitting on committees.

The function also maintains relations with the auditing firm and the managers of the open pension funds.

Independence and objectivity

The Internal Audit Function maintains its own independence and objectivity regarding the activities it controls, also through an adequate positioning in the organisational structure, to avoid its objective judgement. For this purpose, the Function, organised as a specific organisational unit, reports to the Board of Directors and has no hierarchical relations with the heads of company sectors that are controlled, to avoid conflict of interest situations.

B.6 ACTUARIAL FUNCTION

Intesa Sanpaolo Vita Insurance Group

The activities of the Actuarial function are carried out in accordance with the provisions of Article 272 of Delegated Regulation (EU) 2015/3 and Article 48 of the Solvency II Directive (2009/138/EC).

Apart from performing its duties for the Company, the Actuarial Function of the UIPC has introduced a series of controls, in its capacity as the Actuarial function of the UIPC.

The Group Companies must send the Actuarial function of the UIPC all the information needed for the relevant control activity.

The Group Actuarial Function carries out independent audits, and in performing its coordination and steering duties, supervises the contents of documents prepared by the Actuarial Function of

individual companies, as well as the completeness of audit activities carried out, with reference to the following areas:

- Solvency II Technical Provisions;
- Underwriting policies and reinsurance agreements;
- contribution to the risk management system and to the internal risk and solvency assessment; in this context, the Actuarial Function contributes to identifying specific Group parameters (GSP), and parameters to determine them, as well as controls on the consistency of data used to calculate specific parameters and the parameters used to determine technical provisions.

Intesa Sanpaolo Vita S.p.A.

The Actuarial Function of Intesa Sanpaolo Vita reports directly to the Board of Directors to ensure its independence in control activities.

In particular, the Head of the Actuarial Function:

- is responsible for the fulfilment of the function's duties;
- must meet the requirements of competence, integrity and experience (in the same way as other members of Function identified as key resources);
- with regard to Solvency II, the Head of the Actuarial function reports at least once a year to the Board of Directors, expressing an opinion on the adequacy of the technical provisions, the underwriting and reserving policy, and the reinsurance agreements. Specifically, the opinion on the technical provisions included in the Solvency Report will consist of an analysis of their adequacy and reliability both in terms of process and numerical results. This opinion can be accompanied, if necessary, by a series of recommendations and indications relating to potential improvement areas;
- liaises with the other control functions, organisational units and committees by exchanging information with the respective heads and contact persons as provided for by the relevant internal regulations;
- determination of the action plan, at least on an annual basis, to submit to the Board of Directors.

The Head of the Actuarial Function is provided free access to the information needed to carry out his/her responsibilities to the extent allowed by law.

The company's Actuarial function also performs a series of duties as part of the audits on the adequacy of the technical provisions, as provided for in IVASS Provision no. 53/2016. In particular, the Head of the Actuarial function prepares and signs the technical report on the provisions of the direct Italian portfolio which the Company intends to include in the financial statements. In the report, the Actuarial function describes in detail the procedures and assessments carried out with reference to the basic techniques used to calculate the technical provisions. It specifically highlights any implicit valuations and the reasons for them, confirms the accuracy of the procedures, reports on the audits of the procedures used to calculate the provisions and for the correct recording of the portfolio, and gives an opinion on the sufficiency of all the technical provisions.

The Head of the Actuarial Function and the company representative sign the report on the current and foreseeable performance, as required by section 32 of Annex 14 to ISVAP Regulation no. 22/2008.

Intesa Sanpaolo Assicura S.p.A.

The Actuarial Function of Intesa Sanpaolo Assicura reports directly to the Board of Directors to ensure its independence in control activities.

The activities of the Function are carried out by Intesa Sanpaolo Vita under a specific outsourcing agreement.

Refer to the information given in relation to roles and responsibilities in the section on Intesa Sanpaolo Vita.

With reference to the direct Italian portfolio reserves, which the company intends to recognise in the company's statutory accounts, the Head of the Actuarial Function also signs the report on technical provisions only for the following lines: Third-party Motor (Land-based) (Line 10) and Third-party marine, lake and river craft (Line 12). In addition to the work done for Intesa Sanpaolo Vita, in connection with civil liability insurance for motorised vehicles, the Head of the Actuarial Function will prepare a report whenever there is a change in the pricing or discount rates, describing the work done and the reasons underlying the company's decisions, as required by Article 11 of IVASS Regulation no. 37 of 2018. Together with the legal representative of Intesa Sanpaolo Assicura, they will also sign the annual CARD claims report as required by IVASS provision no. 43/2016.

Fideuram Vita S.p.A.

The Actuarial function of Fideuram Vita reports directly to the Board of Directors to ensure its independence in control activities.

The activities of the Function are carried out by Intesa Sanpaolo Vita under a specific outsourcing agreement.

Refer to the information given in relation to roles and responsibilities in the section on Intesa Sanpaolo Vita.

Intesa Sanpaolo Life D.A.C.

The Head of the Actuarial Function reports directly to the Board of Directors in order to guarantee independence in control activities.

The roles and responsibilities are in line with the structure in force at the UIPC and correspond to the specific requirements of the Local Regulator.

Intesa Sanpaolo RBM Salute S.p.A

The Actuarial Function of Intesa Sanpaolo RBM Salute reports directly to the Board of Directors to ensure its independence in control activities.

The activities of the Function are carried out by Intesa Sanpaolo Vita under a specific outsourcing agreement.

Refer to the information given in relation to roles and responsibilities in the section on Intesa Sanpaolo Vita.

BancAssurance Popolari S.p.A.

The Actuarial Function oversees its responsibilities in compliance with provisions in Legislative Decree 209/2005 (Private Insurance Code) and IVASS Regulation no. 38/2018. It is set up as a specific organisational unit operating in the Risks Area, coordinating with the Risk Management Function, and reporting functionally to the Board of Directors, with reference to own activities.

In particular, the Actuarial Function:

- coordinates the calculation of technical provisions, monitoring the calculation procedures, and identifies any deviation from legal requirements.
- assesses the quality of data used to calculate technical provisions, verifying the consistency of internal and external data used for this calculation with regulatory standards and market best practices;
- evaluates and notifies the Board of Directors of any significant effects on the amount of technical provisions deriving from changes in the data, in the methods or assumptions used, taking place between two different reference dates;
- notifies the Board of Directors of all significant deviations from real experience and the best estimate (Best Estimate Liability);
- provides, on request, information on the adequacy of the underlying methodologies and models, as well as the assumptions on which the calculation of technical provisions is based;
- checks the consistency of and reasons for differences in amounts of the technical provisions calculated on the basis of the valuation criteria applicable to the statutory financial statements and the calculations resulting from the application of the Solvency II criteria.
- gives an opinion on the underwriting policy and the consistency of product pricing with said underwriting policy;
- gives an opinion on the main risk factors affecting profitability (products plan and business plan), and that will be undersigned in the subsequent year;
- gives an opinion on the possible financial impact of each significant planned changed on the terms and conditions of contracts;
- gives an opinion on reinsurance arrangements.

B.7 OUTSOURCING

Intesa Sanpaolo Vita Insurance Group

Activities may be outsourced due to the need to achieve cost savings (for example services that would require investments and overheads if they were performed internally can be done by a specialised firm that can rely on economies of scale); specialised companies with best practices in a specific business such as financial management may also be used; the need to concentrate efforts on the core business, looking outside for non-characteristic activities (e.g. mail

management services outsourcing); objectives to streamline the organisational model of the Insurance Group.

Intesa Sanpaolo Vita has adopted and updates the Policy on outsourcing and selecting suppliers of the Insurance Group, that defines the principles used to regulate the decision-making process, the responsibilities, duties and controls applicable to the outsourcing of activities and company functions within the Intesa Sanpaolo Vita Insurance Group, and to other third parties, thus strengthening the control of risks related to outsourcing decisions.

The Policy:

- establishes that the Insurance Group Companies may, if appropriate, outsource some of the activities and/or processes within their production cycle based on the need to achieve economies of scale and of purpose;
- regulates the criteria for identifying which services should be outsourced, based on the possibility of obtaining intragroup or external suppliers (in reference to the Intesa Sanpaolo Group) according to the guidelines of the Regulator and of the Parent Company;
- regulates the criteria for choosing service providers based on ethical, documentary and technical criteria, and their financial status.

Intesa Sanpaolo Vita S.p.A.

Intesa Sanpaolo Vita mainly uses Intesa Sanpaolo Group companies for the outsourcing of essential services; this choice, which is prevalent but not exclusive (horizontal outsourcing of broad-ranging services) nor mandatory, guarantees, as business areas become more complex to manage, a greater focus on business continuity, service quality, the containment and integrated management of costs, as well as certified professional ability and financial status of the supplier.

All the outsourced services, and relations with outsourcers themselves are governed by service agreements, which define the object and terms of the services, the rights, obligations, responsibilities, penalties, duration of the agreements, renewal, termination conditions and any reciprocal commitments related to termination, the Service Level Agreement, the parameters used to monitor service levels, and the process used to determine payment.

The policy on outsourcing and selecting suppliers of Intesa Sanpaolo Vita regulates the audits and evaluations that the business units receiving the outsourced services must perform, and defines the reports that need to be produced for Senior Management, the Board of Directors and the Regulator, as well as any reports to the Supervisory Body.

Intesa Sanpaolo Assicura S.p.A.

Intesa Sanpaolo Assicura has implemented the Policy on outsourcing of the Insurance Group and adopted its own Policy on outsourcing and selecting suppliers of Intesa Sanpaolo Assicura to outsource essential services in particular; this choice, which is prevalent but not exclusive (horizontal outsourcing of broad-ranging services) nor mandatory, guarantees, as business areas become more complex to manage, a greater focus on business continuity, service quality, the containment and integrated management of costs, as well as certified professional ability and financial status of the supplier.

Fideuram Vita S.p.A.

Fideuram Vita has implemented the "Policy on outsourcing and selecting suppliers of the Insurance Group" and adopted its own "Policy on outsourcing and selecting suppliers", mainly for Intesa Sanpaolo Group Companies and the Insurance Group, for outsourcing essential services in particular; this choice, which is prevalent but not exclusive (horizontal outsourcing of broad-ranging services) not mandatory, guarantees, as business areas become more complex to manage, a greater focus on business continuity, service quality, the containment and integrated management of costs, as well as certified professional ability and financial status of the supplier.

Intesa Sanpaolo Life D.A.C.

Intesa Sanpaolo Life adopted the Outsourcing Risk Policy in 2012. It defines the governance, due diligence processes, approval and monitoring processes followed by the company in accordance with the requirements of the Central Bank of Ireland and European regulations (Solvency II).

Intesa Sanpaolo Life has also adopted the Group outsourcing guidelines.

The Corporate Governance Office function is responsible for maintaining and updating the policy at least once a year as defined in the policy itself.

The Policy sets out the roles and responsibilities within the Company, detailing the internal supplier selection process, the regulations to observe for preparing contracts and the activities for and frequency of monitoring supply performance, in accordance with contracts and internal regulations.

The Policy indicates the requirements that the company needs to assess before entering into a new outsourcing agreement:

- Defining the process and obligations to report to the Central Bank of Ireland in the case of a critical outsourcer;
- Defining the Fitness and Probity standards to be considered;
- Listing the criteria to be included in the selection process.

Each quarter, the Corporate Governance function reports to the Board of Directors on the adequacy of control oversight and the actions considered necessary for more efficient and effective controls.

Intesa Sanpaolo RBM Salute S.p.A

Intesa Sanpaolo RBM Salute has implemented the Policy on outsourcing of the Insurance Group and adopted its own Policy on outsourcing and selecting suppliers for outsourcing essential services in particular; this choice, which is prevalent but not exclusive (horizontal outsourcing of broad-ranging services) nor mandatory, guarantees, as business areas become more complex to manage, a greater focus on business continuity, service quality, the containment and integrated management of costs, as well as certified professional ability and financial status of the supplier.

BancAssurance Popolari S.p.A.

In compliance with sector regulations and the guidelines of the UIPC, the Company has adopted a specific policy to define and govern the outsourcing of functions and services, therefore outsourcing is undertaken in compliance with the guidelines of the Board of Directors in the applicable "Policy on outsourcing and the choice of suppliers", which indicates the essential requirements and procedures to follow to correctly carry out the outsourcing process.

In particular, the policy defines:

- the criteria and processes to identify outsourcing, which are continually applicable;
- the criteria for the process to qualify functions or activities as critical or important;
- the criteria to select suppliers, in terms of professionalism, integrity, independence, financial capacity and compliance with authorisations required by law to exercise outsourced functions or activities;
- the control process to adopt prior to finalising the contract; the methods to assess the level of results and performance of the supplier (service level agreement - SLA) and indication of the frequency of assessments;
- detailed information to include in the outsourcing agreement with the services supplier;
- a reference to the company's emergency plan, as indicated in Article 19(5)(6) of Regulation 38/2018, and related procedures;
- controls on outsourcing activities, adopted by the Company;
- the organisation and governance model, as well as the roles and responsibilities of company structures involved in outsourcing;
- the reporting procedures.

Control of outsourced activities is guaranteed by adequate control oversight and continual monitoring of actual activities carried out by outsourcers, coordinated by the Head of outsourced activities.

The Company has outsourced the following critical or important activities to suppliers having their registered office in Italy:

- financial management of resources of the open-end pension fund;
- management of internal insurance fund portfolios;
- management of portfolios on an individual basis (separate management and own portfolio);
- the framework Agreement for the provision of IT services;
- document controls, optical filing and hard copies of policies;
- management of the Single Electronic Archive (AUI);
- administrative management of the open-end pension fund;
- application maintenance to manage life portfolios, home insurance and the digital storage of records.

In the reporting year, the number and type of outsourced activities changed, due to the insourcing of the Audit Function, with effect from 1 January 2020.

B.8 ADEQUACY OF THE SYSTEM OF GOVERNANCE

The Board of Directors receives regular updates about the assessment of the internal control and risk management system, from the control functions, as part of their periodic reports. The report presented during 2020 by these functions did not highlight any areas of concern in the internal control or risk management system that would affect the proper functioning of the company or of the Insurance Group. In particular the corporate governance system was reviewed, as provided for by Regulation 38, Article 71(2)(cc), as regards:

- the adequacy of the organisational model;
- the suitability of the system of powers;
- the adequacy and effectiveness of the risk management system;
- the effectiveness and efficiency of the internal control system;
- the effectiveness of the information transmission system;
- he requirements of professionalism, integrity and independence of those who carry out administrative, management and control functions, of the heads and of those who carry out core functions and of other staff able to affect the risk profile.

The outcome of the review process shows that the corporate governance system is adequate for the nature, scope and complexity of risks concerning the Company's activities.

B.9 OTHER INFORMATION

Intesa Sanpaolo Vita Insurance Group

Following the closing of the public offer of purchase and exchange launched by Intesa Sanpaolo, UBI Banca S.p.A. and its subsidiaries, including the Agency Ubi Sicura (now called Sanpaolo Insurance Agency) a subsidiary of Bancassurance Popolari, came under the management and coordination of Intesa Sanpaolo, as from 5 August 2020 and Intesa Sanpaolo Vita as from 14 October 2020.

Intesa Sanpaolo Vita S.p.A.

Since early 2021, the Company has been developing specific products for the new agency distribution channel, set up within the Insurance Group.

Intesa Sanpaolo Assicura S.p.A.

Since early 2021, the Company has been developing specific products for the new agency distribution channel, set up within the Insurance Group.

Fideuram Vita S.p.A.

Since early 2021, the Company has been developing specific products for the new agency distribution channel, set up within the Insurance Group.

Intesa Sanpaolo RBM Salute S.p.A.

Since early 2021, the Company has been developing specific products for the new agency distribution channel, set up within the Insurance Group.

Since January 2021, an organisational change has been in place, as part of the Company's commercial development plans to meet the need for a focus on the product development process, and network control, with three second line units set up called "Products Development", "Agents and Brokers Commercial" and "Executive and Corporate Customers Commercial" reporting to the front line structure "Commercial", now renamed "Commercial and Products Development".

BancAssurance Popolari S.p.A.

Additional information on the governance system not covered in previous chapters:

- following the closing of the public offer of purchase and exchange launched by Intesa Sanpaolo, UBI Banca S.p.A. and its subsidiaries, including the Company, came under the management and coordination of Intesa Sanpaolo, as from 5 August 2020;
- in application of sector regulations, resolutions were passed on 14 October 2020, which resulted, in particular, in the subsequent cancellation of the BAP Insurance Group, and the inclusion of the Company and the instrumental subsidiary (former UBI Sicura, now Intesa Sanpaolo Insurance Agency), in the perimeter of the ISV Insurance Group, and under the management and coordination of Intesa Sanpaolo Vita.

C. RISK PROFILE

Below is the composition of the Insurance Group's capital requirement divided by major risk type.

(euro thousands)

Module	2020	2019	Delta	%
Solvency Capital Requirement	**3,957,255.4**	**3,232,399.3**	**724,856.1**	**22.4%**
Add On[5]	**30,692.4**	**0.0**	**30,692.4**	**na**
Deferred Tax Adjustment	-392,842.6	-490,142.0	97,299.4	-19.9%
Solvency Capital Requirement before Adjustment	4,319,405.6	3,722,541.3	596,864.3	16.0%
Operational Risk	**508,600.7**	**477,021.5**	**31,579.2**	**6.6%**
Basic Solvency Capital Requirement	**3,810,804.9**	**3,245,519.8**	**565,285.1**	**17.4%**
Diversification	-1,449,274.0	-1,129,619.6	-319,654.4	28.3%
Market Risk	**2,328,384.7**	**2,329,827.2**	**-1,442.5**	**-0.1%**
Interest Rate Risk	60,273.1	180,204.3	-119,931.2	-66.6%
Equity Risk	963,907.6	935,735.1	28,172.5	3.0%
Property Risk	61,266.0	56,261.7	5,004.2	8.9%
Spread Risk	1,091,374.2	1,100,612.3	-9,238.1	-0.8%
Concentration Risk	89,854.8	109,918.8	-20,064.0	-18.3%
Currency Risk	767,612.7	678,179.5	89,433.2	13.2%
Diversification	-705,903.5	-731,084.5	25,180.9	-3.4%
Underwriting Risk (Life)	**2,183,581.7**	**1,524,239.2**	**659,342.6**	**43.3%**
Mortality Risk	135,936.7	132,738.8	3,197.9	2.4%
Longevity Risk	270,598.9	208,177.1	62,421.8	30.0%
Disability Risk	-	-	-	na
Expenses Risk	271,815.3	236,855.4	34,959.8	14.8%
Revision Risk	-	-	-	na
Lapse Risk	1,920,496.9	1,291,960.0	628,536.9	48.6%
Cat Risk	76,883.5	77,146.5	-263.0	-0.3%
Diversification	-492,149.6	-422,638.7	-69,510.9	16.4%
Underwriting Risk (Non-Life)	**174,360.7**	**176,716.3**	**-2,355.6**	**-1.3%**
Premium & reserve Risk	159,452.8	153,743.3	5,709.5	3.7%
Lapse Risk	41,720.5	54,332.1	-12,611.5	-23.2%
Cat Risk	29,598.6	39,775.4	-10,176.7	-25.6%
Diversification	-56,411.2	-71,134.4	14,723.2	-20.7%
Underwriting Risk (Health)	**254,599.2**	**165,857.0**	**88,742.3**	**53.5%**
Cat Risk	17,251.2	2,210.2	15,041.0	>100%
Mass Accident Risk	*1,163.9*	*1,143.9*	*20.1*	1.8%
Concentration Risk	*415.3*	*410.5*	*4.8*	*1.2%*
Pandemic Risk	*17,206.9*	*1,846.1*	*15,360.8*	>100%
Diversification	*-1,534.9*	*-1,190.2*	*-344.6*	29.0%
Non- SLT Risk	249,737.9	165,290.6	84,447.3	51.1%
Reserve Risk	*242,451.6*	*158,642.5*	*83,809.1*	*52.8%*
Lapse Risk	*59,885.5*	*46,406.3*	*13,479.1*	29.0%
Diversification	*-52,599.1*	*-39,758.2*	*-12,840.9*	*32.3%*
Diversification	-12,389.9	-1,643.8	-10,746.0	>100%
Default Risk	**319,152.4**	**178,499.7**	**140,652.8**	**78.8%**

[5] The quantification of the item "Add-On" in the next table concerns the valuation of the SCR of Intesa Sanpaolo RBM Salute S.p.A., which exposes the Group to the impact of a capital add-on comprising two contributions:

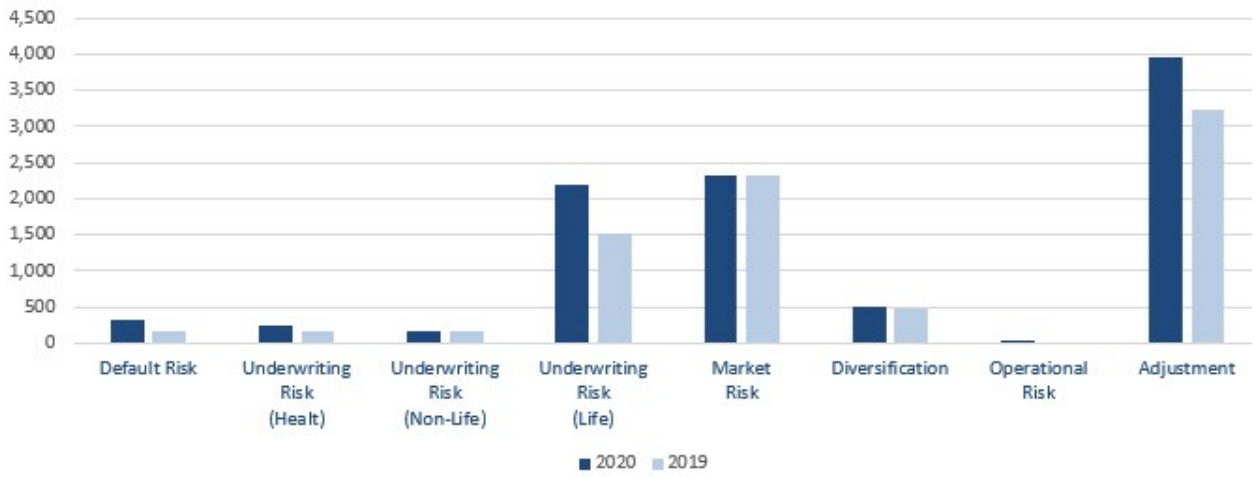
- a temporary increase in capital equal to 10,300 thousand euro, as regulated by IVASS Order no. 0067739/18 of 27 February 2018;

- a conservative margin (equal to 21,759 thousand euro for Intesa Sanpaolo RBM Salute and to 20,392 thousand euro for the Insurance Group), calibrated based on the volatility of the Premium and Reserve risk and updated annually.

Composition of the solvency capital requirement (in millions of euro)



Comparison of the solvency capital requirement (in millions of euro)



The table and graph show an increase in the Capital Solvency Requirement, compared to the valuation at 31 December 2019, of approximately 22%, i.e. around 725 million euro. Underwriting risk (Life and Health), and Credit Risk increased. The above changes are due (mainly as regards the Underwriting risk for health and Credit risk) to the expansion in the Insurance Group's perimeter, with the inclusion of Intesa Sanpaolo RBM Salute and BancAssurance Popolari.

C.1 UNDERWRITING RISK

Intesa Sanpaolo Vita Insurance Group

C.1.1 Exposures and their measurement

The Insurance Group defines the underwriting risk as the risk of loss or adverse change to the value of the insurance liabilities due to inadequate price setting assumptions (price setting risk), or the assumptions used in establishing the technical provisions.

The companies belonging to the Intesa Sanpaolo Vita Insurance Group, under Article 1(r)-bis of the Private Insurance Code, adopt the standard formula for the calculation of the Solvency Capital Requirement (Article 45-quinquies to 45-undecies).

At 31 December 2020, the value of the technical risks of the Life business, according to the Standard Formula, was 2.184 million euro. The main risks of this type to which the Company is exposed are those related to policyholder behaviour (surrender risk), followed by the costs risk, and demographic risks.

With regard to the absorption of capital by the technical risks of the Non-life business this amounts to 174 million euro while Health technical risks amounts to 255 million euro. The main risks of this type to which the Insurance Group is exposed are the pricing and reserve risks.

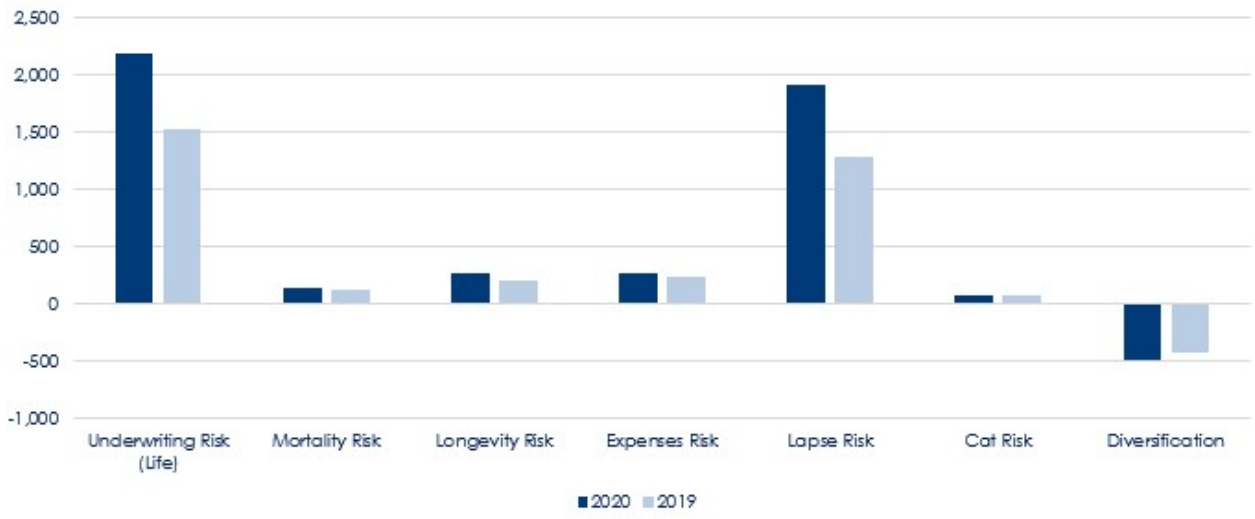
The tables below show a breakdown of the submodules of the Insurance Group's technical risks:

(euro thousands)

Module	2020	2019	Change	
Underwriting Risk (Life)	**2,183,582**	**1,524,239**	**659,343**	**43%**
Mortality Risk	135,937	132,739	3,198	2%
Longevity Risk	270,599	208,177	62,422	30%
Disability Risk	-	-	0	na
Expenses Risk	271,815	236,855	34,960	15%
Revision Risk	-	-	-	na
Lapse Risk	1,920,497	1,291,960	628,537	49%
Cat Risk	76,884	77,147	-263	0%
Diversification	-492,150	-422,639	-69,511	16%

Compared to the previous valuation of 31 December 2019, the underwriting risk (Life) rose by 43% for a total of approximately 659 million euro. Below is a bar chart summarising the changes between the two valuations.

Underwriting Risk - Life (in millions of euro)

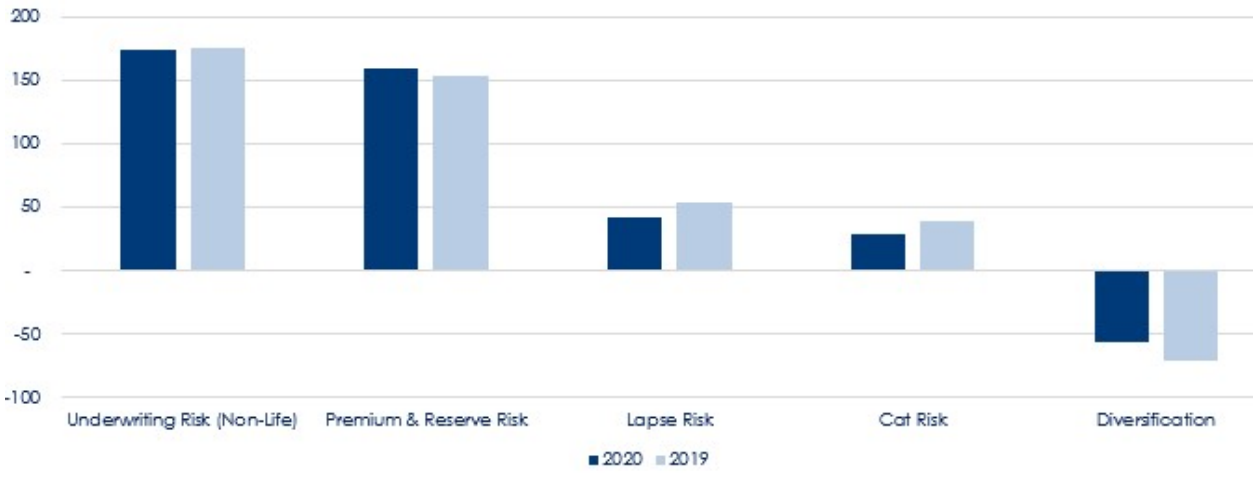


(euro thousands)

Module	2020	2019	Change	
Underwriting Risk (Non-Life)	**174,361**	**176,716**	**-2,356**	**-1%**
Premium & reserve Risk	159,453	153,743	**5,709**	**4%**
Lapse Risk	41,721	54,332	-12,612	-23%
Cat Risk	29,599	39,775	-10,177	-26%
Diversification	-56,411	-71,134	14,723	-21%

Compared to the previous valuation of 31 December 2019, the underwriting risk (Non-life) fell by 1% for a total of approximately 2 million euro. The decrease in the capital solvency requirement for Underwriting Risk (Life) is mainly due to the decrease in Surrender and Catastrophe risks. Below is a bar chart summarising the changes between the two valuations.

Underwriting Risk - Non-life (in millions of euro)

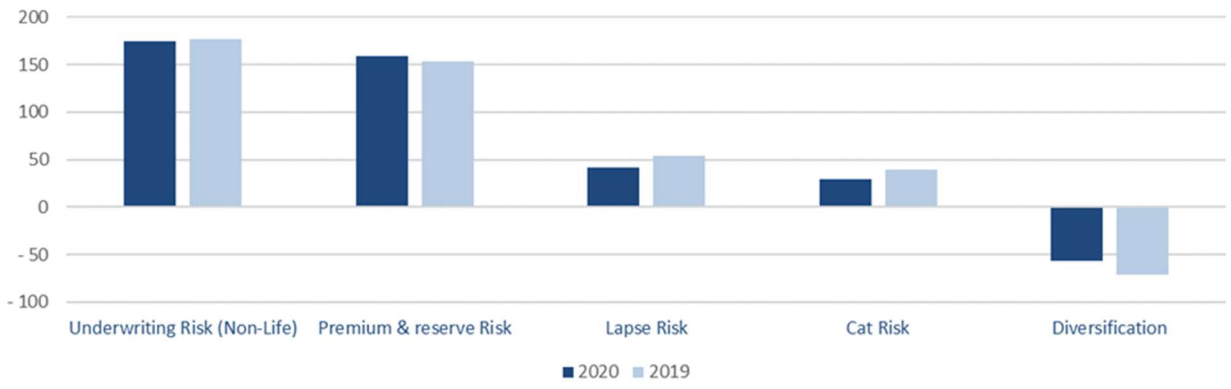


(euro thousands)

Module	2020	2019	Change	
Underwriting Risk (Health)	**254,599**	**165,857**	**88,742**	**54%**
Cat Risk	17,251	2,210	15,041	>100%
Mass Accident Risk	1,164	1,144	20	2%
Concentration Risk	415	410	5	1%
Pandemic Risk	17,207	1,846	15,361	>100%
Diversification	-1,535	-1,190	-345	29%
Non- SLT Risk	249,738	165,291	84,447	51%
Reserve Risk	242,452	158,643	83,809	53%
Lapse Risk	59,885	46,406	13,479	29%
Diversification	-52,599	-39,758	-12,841	32%
Diversification	-12,390	-1,644	-10,746	>100%

SLT refers to "Similar to Life Techniques" and therefore "Non-SLT" refers to all policies that are similar to non-life policies. Compared to the previous valuation of 31 December 2019, the subscription risk (Health) rose by 54% for a total of approximately 89 million euro. The increase in the capital solvency requirement for Underwriting Risk is mainly due to the increase in non-SLT risk. Below is a bar chart summarising the changes between the two valuations.

Underwriting Risk - Health (in millions of euro)



The diversification effect between the various sub-lines is 22,5% for the underwriting risk (Life), for the Non-life underwriting risks it is 32%, while for the Health underwriting risk it is 21%.

With regard to measurement methods, specific monitoring processes are put in place within the Insurance Group's risk management framework, which incorporates a regular stress test activity for Underwriting risks.

The stress tests are represented by a set of techniques used by the Insurance Group to:

- measure their vulnerability to extraordinary yet plausible events;
- allow Senior Management to understand the relationship between the risk assumed and its risk appetite, as well as the adequacy of the available capital.

The stress testing activity involves hypothesising a joint shock of selected risks and the related calculation of loss. The Risk Management function of the Insurance Group Parent together with the Risk Management functions assess the impact on the capital availability of each insurance company of the Insurance Group and the Group as a whole, and the related impact in terms of the regulatory and economic capital requirement.

Should the results of the stress tests show that there is potential non-compliance with the minimum regulatory requirements and/or that the controls for each risk are inadequate, the Risk Committee will suggest improvements in order to consolidate the Insurance Group's capital stability to the Board of Directors of the company concerned.

Depending on the nature, scope and complexity of the risks of the company's business, the Insurance Group companies define investment policies for the entire portfolio, based on the principle of a reasonable person, as already described in section B.3 "System of risk management, including the internal assessment of risk and solvency".

The risk of underwriting is also managed through the definition and monitoring of Risk Appetite limits for some indicators representative of such a risk. As regards underwriting risk, the Company's Risk Appetite framework establishes limits on the ratio between the capital requirement for underwriting risk and eligible own funds of the Company. The Group monitors the guaranteed minimum levels. The monitoring of these limits at 31 December 2020 did not identify any defined thresholds being exceeded.

Below are the figures for the Insurance Group companies' exposures to Technical risks, in terms of use of capital. The figures are also compared against those for 31 December 2019.

C.1.2 Concentration of risks

The Insurance Group has a risks concentration policy that defines the concentrations considered to be significant, together with the calculation methods in order to mitigate the risk that could have negative effects on the solvency and financial situation of the Insurance Group.

The objective of the policy is to define a risk concentration policy that would be consistent with the risks management strategy and policy and with the investment policies.

Risk concentrations are identified by assessing the impact they may have on the company's capital and solvency, in the wake of adverse scenarios on the main risk factors whether they could be financial or technical.

The criteria used to identify them are based, in accordance with IVASS Regulation no. 30/2016, on the percentage they have compared to the total group technical provisions, or compared to the group technical requirements depending on their nature.

For the life, non-life and health segments present at the year-end date, the capital requirement associated with the catastrophic risk (CAT) net of any reassurance is calculated. That value is compared to the capital requirements of the ISV Group, calculated for the last annual report.

For the Underwriting risk, the Insurance Group has set the concentration threshold for the capital requirement associated with the Natural Disaster risk at 5%, Underwriting risk taking into account the standard operations and limits on operations as provided for in the Framework Decision on Investments. This has been calculated as the ratio between the capital requirements for the Company's catastrophe module, and the Group Solvency Capital Requirement.

There were no significant concentrations as of the reporting date of 31 December 2020.

C.1.3 Sensitivity analysis

Stress tests analyse the solvency and stability of the company, in adverse, extreme scenarios.

As part of the self-assessment, the Insurance Group carries out stress tests by combining the underwriting and market risks in a way that presents the solvency and stability impacts in a collective and reasonably realistic manner.

The results of these analyses are presented in the ORSA Report.

Intesa Sanpaolo Vita S.p.A.

C.1.1 Exposures and their measurement

At 31 December 2020, the value of the technical risks of the Life business, according to the Standard Formula, was 1.950 million euro. The main risks of this type to which the Company is exposed are those related to policyholder behaviour (surrender risk), followed by demographic risks and costs risk.

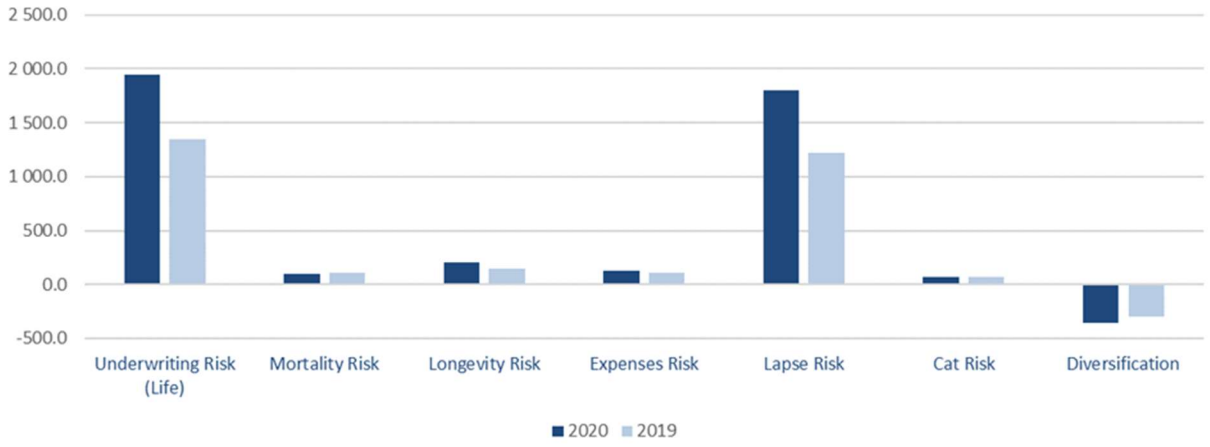
(euro thousands)

Module	2020	2019	Change	
Underwriting Risk	**1,949,747**	**1,348,688**	**601,059**	**45%**
Mortality Risk	103,674	105,186	-1,511	-1%
Longevity Risk	200,551	144,922	55,628	38%
Expenses Risk	125,484	106,586	18,898	18%
Lapse Risk	1,800,987	1,222,575	578,412	47%
Cat Risk	70,006	71,321	-1,316	-2%
Diversification	-350,955	-301,902	-49,053	16%

The effect of diversification among the various sub-lines was 18% of the underwriting risk, down if compared with the figure at 31 December 2019.

Compared to the previous valuation of 31 December 2019, the Underwriting risk rose by 45% for a total of approximately 601 million euro. The main difference compared to the previous valuation is due to the increase in the surrender risk (+578 million euro). Below there is a bar chart summarising the changes between the two valuations.

Underwriting Risk (in millions of euro)



The risk of underwriting is also managed through the definition and monitoring of Risk Appetite limits for some indicators representative of such a risk. As regards underwriting risk, the Company's Risk Appetite framework establishes limits on the ratio between the capital requirement for

underwriting risk and eligible own funds of the Company. The monitoring of these limits at 31 December 2020 did not identify any defined thresholds being exceeded.

C.1.2 Risk mitigation techniques

On the valuation date, the company did not consider underwriting risk mitigation techniques in the calculation of the solvency requirements under the Solvency II regulations. Outward reinsurance is residual, and there are no collateral guarantees.

The risk containment strategies are designed to reduce the volatility of income statement results and the resulting technical balance of the portfolio.

For the Life business lines, the aim is to protect the portfolio through reinsurance agreements, in order to mitigate any peak exposures and to protect against the risks of catastrophe that could affect multiple people in the same event.

At the time of its formation, Intesa Sanpaolo Vita received fully paid-up share capital that is sufficient to cover the normal risks of its underwriting without any need for substantial recourse to proportional reinsurance agreements.

The responsibility for reinsurance strategies lies with the Financial Reporting area of Intesa Sanpaolo Vita, while the annual reinsurance plan must be shared with Risk Management and the Actuarial function.

At 31 December 2020, the Company had not used optional reinsurance.

Intesa Sanpaolo Assicura S.p.A.

C.1.1 Exposures and their measurement

At 31 December 2020, the valuation according to the standard formula, of the technical risks for the Non-life business was approximately 174 million euro, while for the technical risks of the Health business it was approximately 185 million euro. The main risks of this type to which the Company is exposed are pricing and reserving risks.

(euro thousands)

Module	2020	2019	Change	
Underwriting Risk (Non- Life)	**174,361**	**176,716**	**-2,356**	**-1%**
Premium & Reserve Risk	159,453	153,743	5,709	4%
Lapse Risk	41,721	54,332	-12,612	-23%
Cat Risk	29,599	39,775	-10,177	-26%
Diversification	-56,411	-71,134	14,723	-21%

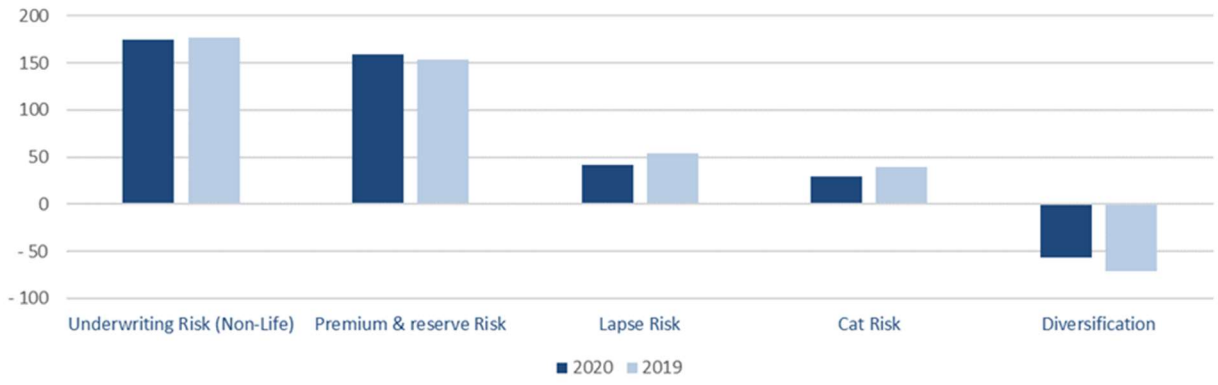
(euro thousands)

Module	2020	2019	Change	
Underwriting Risk (Health)	**184,563**	**165,857**	**18,706**	**11%**
Cat Risk	1,863	2,210	-347	-16%
Mass Accident Risk	1,119	1,144	-25	-2%
Concentration Risk	415	410	5	1%
Pandemic risk	1,431	1,846	-415	-23%
Diversification	-1,102	-1,190	88	-7%
Non-SLT Risk	184,088	165,291	18,797	11%
Lapse Risk	177,871	158,643	19,228	12%
Lapse Risk	47,438	46,406	1,032	2%
Diversification	-41,221	-39,758	-1,463	4%
Diversification	-1,389	-1,644	255	-16%

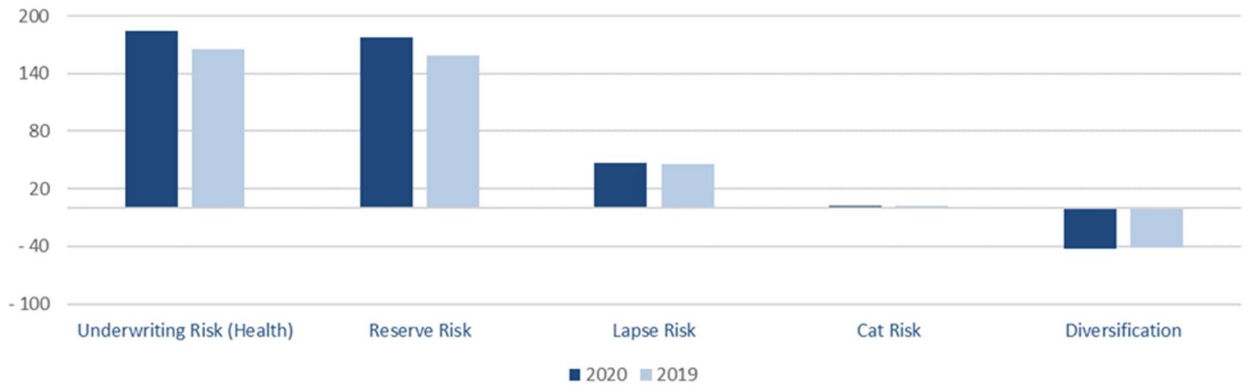
The diversification effect is equal to 24% for the Non-Life business and 19% for the Health business.

Compared to the solvency valuation of 31 December 2019, the underwriting risk of the Non-Life business went down by 1%, for a total of 2 million euro, while the underwriting risk of the Health business went up by 11%, for a total of 19 million euro. For the Life business, the change was mainly due to the decrease in Surrender and Catastrophe Risks, while for the Health business, the increase was due to the increase in Pricing and Reserve risk. Below there are charts summarising the changes between the two valuations.

Underwriting Risk - Non-life (in millions of euro)



Underwriting Risk - Health (in millions of euro)



The risk of underwriting is also managed through the definition and monitoring of Risk Appetite limits for some indicators representative of such a risk. With reference to underwriting risk, the Company's Risk Appetite framework has limits on the Combined Ratio of the total Company's portfolio and on the Loss Ratio of the main business lines; there are also limits on the ratio between the capital requirement for underwriting risk (Non-Life and Health) and own eligible funds of the Company. The monitoring of these limits at 31 December 2020 did not identify any defined thresholds being exceeded.

C.1.2 Risk mitigation techniques

On the valuation date the company used outward reinsurance as a way to mitigate the underwriting risk.

At the time of its formation, Intesa Sanpaolo Assicura received fully paid-up share capital sufficient to cover the normal risks of its underwriting without any need for reinsurance arrangements available on the market.

The risk containment strategy aims to reduce the volatility of the income statement results and the ensuing technical balance of the portfolio based on the impact on the solvency margin of the various business lines provided for by regulations.

Under the Solvency II rules, Intesa Sanpaolo Assicura considers the effects of reinsurance with reference to the calculation of the pricing risk, the reserving risk, the surrender risk, the catastrophe risk and the Best Estimate Liability. Subject to considerations on materiality of the re-insured items, all these components are calculated both gross and net of reinsurance, in order to value the use of reinsurance as a strategic resource for the effective transfer of risk and thus to limit the capital requirement.

The responsibility for reinsurance strategies lies with the Actuarial and Reinsurance Area of Intesa Sanpaolo Assicura, while the annual reinsurance plan must be shared with Risk Management and the Actuarial function.

The reinsurance system is calibrated to suit the specific features of the policies and is intended to reduce the potential exposures from the placement of policies. Intesa Sanpaolo Assicura places retail products for motor, home and health insurance, with a high content of service, Credit Protection Insurance, Business Protection policies for SMEs and corporate products for collective accident insurance. From this point of view, the company protects the portfolio with non-proportional arrangements in excess of claims, to mitigate peak exposures and catastrophe risks (earthquakes, atmospheric events, large claims), and only for specific types of cover or policies, by means of proportional arrangements. During the year, coinsurance policies were signed and were then assigned under optional reinsurance, with high percentages of risks not applicable to the current reinsurance arrangements.

Fideuram Vita S.p.A.

C.1.1 Exposures and their measurement

At 31 December 2020, the value of the technical risks of the Life business, according to the Standard Formula, was 309 million euro. The main risks of this type to which the Company is exposed are those related to policyholder behaviour (surrender risk), followed by demographic risks and costs risk.

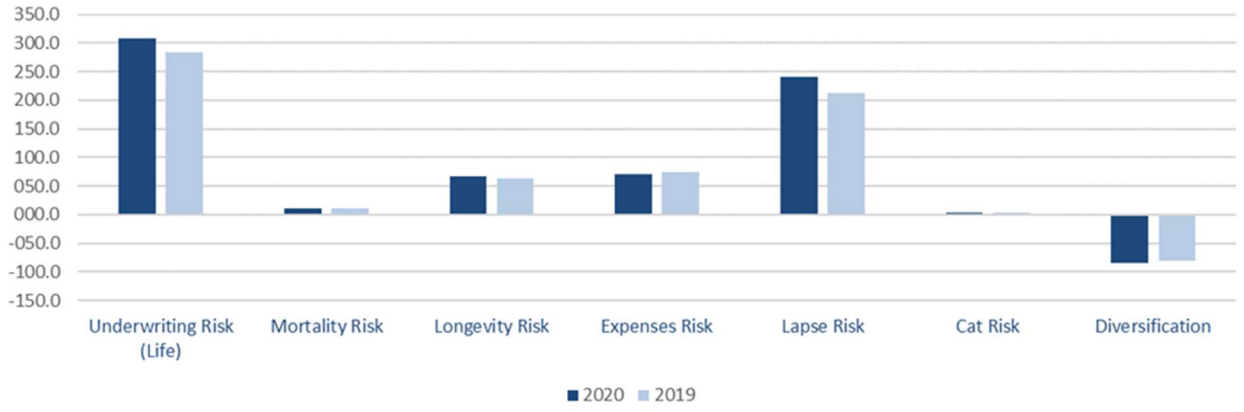
(euro thousands)

Module	2020	2019	Change	
Underwriting Risk	**309,282**	**284,746**	**24,536**	**9%**
Mortality Risk	11,295	11,382	-87	-1%
Longevity Risk	67,430	63,255	4,175	7%
Disability Risk	-	-	-	na
Expenses Risk	70,796	75,138	-4,342	-6%
Revision Risk	-	-	-	na
Lapse Risk	240,626	213,676	26,950	13%
Cat Risk	3,125	2,548	577	23%
Diversification	-83,990	-81,253	-2,737	3%

The effect of diversification among the various sub-lines was 27% of the underwriting risk, down on the figure at 31 December 2019.

Compared to the previous valuation of 31 December 2019, the Underwriting risk rose by 9% for a total of approximately 25 million euro. The main difference compared to the previous valuation is due to the increase in the surrender risk (+27 million euro). Below there is a bar chart summarising the changes between the two valuations.

Underwriting Risk (in millions of euro)



The risk of underwriting is also managed through the definition and monitoring of Risk Appetite limits for some indicators representative of such a risk. As regards underwriting risk, the Company's Risk Appetite framework establishes limits on the ratio between the capital requirement for underwriting risk and eligible own funds of the Company. The monitoring of these limits at 31 December 2020 did not identify any defined thresholds being exceeded.

C.1.2 Risk mitigation techniques

On the valuation date, the company did not consider underwriting risk mitigation techniques in the calculation of the solvency requirements under the Solvency II regulations. Outward reinsurance is residual, and there are no collateral guarantees.

To limit exposures regarding specific portfolios, a proportional arrangement in excess to protect products with death and accident cover was used; moreover, an arrangement in excess of claims to protect Catastrophe risk for the part held in all portfolios was used.

Recourse to optional reinsurance was not necessary in the year, which was limited to cases in which the risk does not apply to the existing reinsurance arrangements.

All reinsurance was finalised with leading and specialist operators.

With particular attention to the mitigation of the Company's risks, insurance cover is arranged with leading reinsurers. Within the framework agreement the Company identifies the criteria used to select these reinsurers. In particular:

- the structure and composition of the shareholder body and their membership of a group or conglomerate;
- the financial stability and solidity of the reinsurers;
- the regulatory framework of the country in which the reinsurer is based;
- the level of concentration of the counterparty's risk, on an individual and group basis.

Intesa Sanpaolo Life D.A.C.

C.1.1 Exposures and their measurement

At 31 December 2020, the value of the technical risks, according to the Standard Formula, was 381 million euro. The main risks of this type to which the company is exposed are those related to policyholder behaviour (redemption risk), followed by the costs risk, and mortality risk.

The table below shows the percentage of the sub-modules on the total underwriting risk diversification.

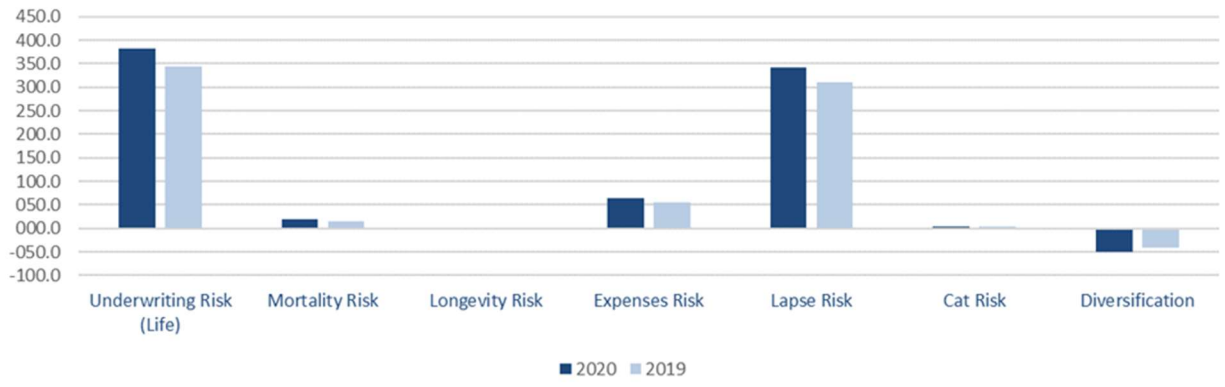
(euro thousands)

Module	2020	2019	Change	
Underwriting Risk	**381,207**	**343,358**	**37,849**	**11%**
Mortality Risk	20,148	16,172	3,977	25%
Longevity Risk	-	-	-	na
Disability Risk	-	-	-	na
Expenses Risk	64,066	55,132	8,934	16%
Revision Risk	-	-	-	na
Lapse Risk	342,794	310,475	32,319	10%
Cat Risk	3,201	3,277	-76	-2%
Diversification	- 49,002	-41,697	-7,305	18%

The effect of diversification among the various sub-lines was 13% of the underwriting risk, in line with the figure for 2019.

Compared to the previous valuation of 31 December 2019, the underwriting risk increased by 11%, i.e. 38 million euro. Below there is a bar chart summarising the changes between the two valuations.

Underwriting Risk (in millions of euro)



C.1.2 Risk mitigation techniques

The Company uses "smart product design" as the main form of mitigation; this includes variations in the level of cover according to age band, and the inclusion of surrender penalties in the first few years of the policy term. The Company also carefully analyses surrender history and mortality rates in order to formulate the assumptions to maximise the mitigation of underwriting risk.

Intesa Sanpaolo RBM Salute S.p.A

C.1.1 Exposures and their measurement

At 31 December 2020, the value of the technical risks of the Life business, according to the Standard Formula, was equal to 98 million euro. The main risks of this type to which the Company is exposed are pricing and reserving risks.

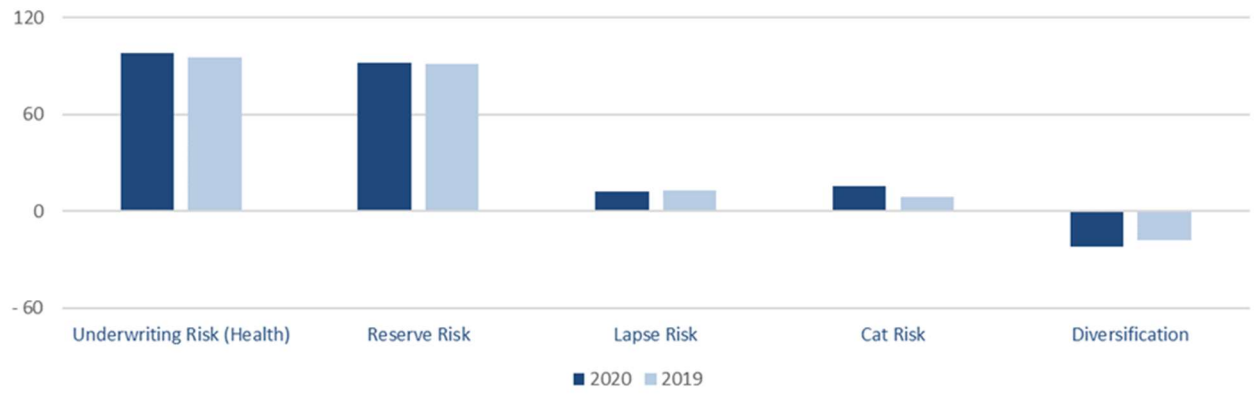
(euro thousands)

Module	2020	2019	Change	
Underwriting Risk (Health)	**97,930**	**94,948**	**2,982**	**3%**
Cat Risk	15,772	8,905	6,868	77%
Mass Accident Risk	45	1,068	-1,022	-96%
Concentration Risk	-	-	-	na
Pandemic risk	15,772	8,840	6,932	78%
Diversification	-45	-1,003	958	-95%
Non-SLT Risk	92,789	92,329	460	0%
Lapse Risk	91,950	91,483	467	1%
Lapse Risk	12,447	12,471	-24	0%
Diversification	-11,609	-11,625	16	0%
Diversification	-10,631	-6,286	-4,345	69%

The diversification effect is equal to 19% for the Health business.

Compared to the solvency valuation of 31 December 2019, the underwriting risk of the Health business went up by 3%, for a total of 3 million euro. For the Health business, the change was due to the increase in Catastrophe risk. Below there are charts summarising the changes between the two valuations.

Underwriting Risk - Health (in millions of euro)



With reference to underwriting risk, the Company's Risk Appetite framework has a limit on the Combined Ratio of the Company, with no deviations reported at 31 December 2020.

C.1.2 Risk mitigation techniques

On the valuation date the company used outward reinsurance as a way to mitigate the underwriting risk.

The risk containment strategy aims to reduce the volatility of the income statement results and the ensuing technical balance of the portfolio based on the impact on the solvency margin of the various business lines provided for by regulations.

Under the Solvency II rules, Intesa Sanpaolo RBM Salute considers the effects of reinsurance with reference to the calculation of the pricing risk, the reserving risk, the surrender risk, the catastrophe risk and the Best Estimate Liability. Subject to considerations on materiality of the re-insured items, all these components are calculated both gross and net of reinsurance, in order to value the use of reinsurance as a strategic resource for the effective transfer of risk and thus to limit the capital requirement.

The reinsurance system is calibrated to suit the specific features of the policies and is intended to reduce the potential exposures from the placement of policies. Intesa Sanpaolo RBM Salute places collective and individual health policies. The company has stipulated reinsurance contracts which, based on the type of lines and products sold, are typically:

- proportional for frequency claims (reimbursement of medical expenses);
- proportional and non-proportional, to cover lead claims in accident insurance and permanent disability insurance contracts.

BancAssurance Popolari S.p.A.

C.1.1 Exposures and their measurement

At 31 December 2020, the value of the technical risks of the Life business, according to the Standard Formula, was 37 million euro. The main risks of this type to which the Company is exposed are those related to policyholder behaviour (surrender risk), followed by demographic risks and costs risk.

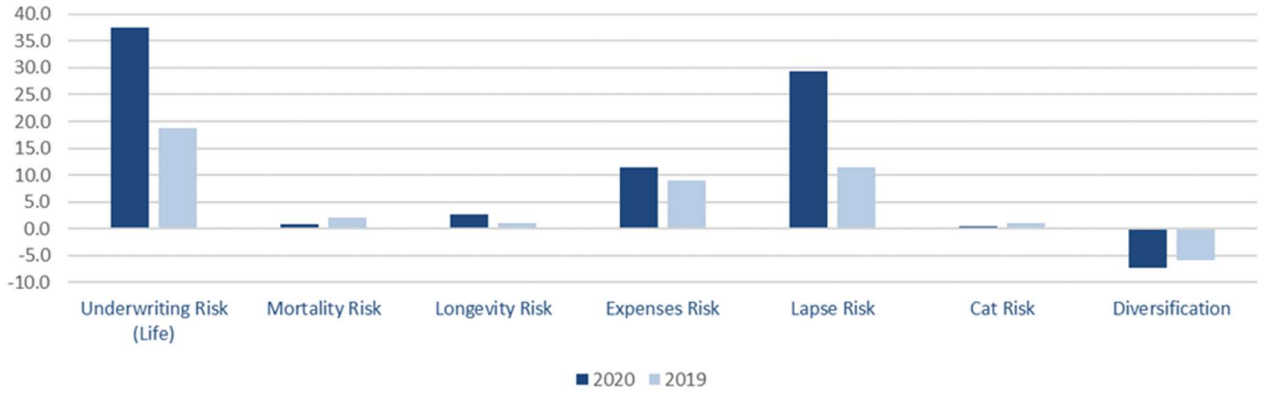
(euro thousands)

Module	2020	2019	Change	
Underwriting Risk	**37,476**	**18,811**	**18,665**	**99%**
Mortality Risk	820	2,044	- 1,225	-60%
Longevity Risk	2,618	1,058	1,560	>100%
Disability Risk	-	-	-	na
Expenses Risk	11,470	9,113	2,357	26%
Revision Risk	-	-	-	na
Lapse Risk	29,328	11,384	17,944	>100%
Cat Risk	552	1,062	- 510	-48%
Diversification	- 7,312	- 5,851	- 1,461	25%

The effect of diversification among the various sub-lines was 20% of the underwriting risk, down on the figure at 31 December 2019.

Compared to the previous valuation of 31 December 2019, the Underwriting risk rose by 99% for a total of approximately 19 million euro. The main difference compared to the previous valuation is due to the increase in the surrender risk (+18 million euro). Below there is a bar chart summarising the changes between the two valuations.

Underwriting Risk (in millions of euro)



The underwriting risk is managed within the risk management framework already mentioned in section B.3 - "Risk management system, including the internal risk and solvency assessment".

The Company has also identified the strategies to be pursued in order to ensure that premium collection and the provisions level can meet all the company's insurance obligations in accordance with the underwriting and reserving rules. These rules are also aimed at monitoring and managing underwriting risk.

C.1.2 Risk mitigation techniques

To manage Life underwriting risk, the Company uses reinsurance for arrangements, in line with its reinsurance policy. No significant changes in the reinsurance programme compared to that adopted the previous year are reported.

Specifically, for policies that cover the risk of death, the programme provides for proportional arrangements in "excess" or the "quota and excess". Transfer to reinsurance counterparties is determined for each risk based on the insured capital so as to enable the Company to retain a maximum equal to the full retention provided for. Transfer at an arrangement level depends on the type of product in order to maintain limited size risks.

For the temporary product providing cover in the event of death, with also provides cover in the event of serious illness, the proportional arrangement provides for an 80% transfer.

During 2020, an optional agreement was signed for the proportional transfer of the quota of the risk of death and serious illness related to a collective policy.

Lastly, to protect the Company from multiple claims related to a single catastrophic event, which is concentrated in its timing and geographic location, the Company signed a catastrophe arrangement. The arrangement is applied to all products which provide cover for death, present in the Company's portfolio.

C.2 MARKET RISK

Intesa Sanpaolo Vita Insurance Group

C.2.1 Exposures and their measurement

The Insurance Group defines market risk as the risk of a loss or adverse change in the financial situation deriving directly or indirectly from fluctuations in the level and volatility of the market prices of the assets, liabilities and financial instruments.

The companies belonging to the Insurance Group, under Article 1(r)-bis of the Private Insurance Group, adopt the standard formula for the calculation of the Solvency Capital Requirement (Articles 45-quinquies to 45-undecies).

At 31 December 2020, the value of the Market risks, according to the Standard Formula, was approximately 2,328 million euro. The main risks of this type, to which the Insurance Group is exposed, are the spread and share price risks.

The tables below show a breakdown of the submodules of the Group's Market risks:

(euro thousands)

Module	2020	2019	Change	
Market Risk	**2,328,385**	**2,329,827**	**-1,442**	**0%**
Interest Rate Risk	60,273	180,204	-119,931	-67%
Equity Risk	963,908	935,735	28,173	3%
Property Risk	61,266	56,262	5,004	9%
Spread Risk	1,091,374	1,100,612	-9,238	-1%
Concentration Risk	89,855	109,919	-20,064	-18%
Currency Risk	767,613	678,179	89,433	13%
Diversification	-705,904	-731,084	25,181	-3%

The effect of diversification among the various sub-lines was 30% of the market risk, in line with the figure for 2019.

Compared to the previous valuation of 31 December 2019, the market risk fell by 0% for a total of 1 million euro.

Below there is a bar chart summarising the changes between the two valuations.

Market Risk (in millions of euro)



With regard to measurement methods, specific monitoring processes are put in place within the Group's risk management framework. Further details in this regard can be found in section C.1.1 "Underwriting risk - Exposures and their measurement".

In reference to the assets portfolio, the Company defines its investment policies in line with the prudent person principle as already mentioned in section B.3 "Risk Management system".

The market risk is managed within the risk management framework already mentioned in section B.3 "Risk Management system".

The Company also controls this risk using the principles, processes and operational limits defined in the investment rules and in the rules regarding the management of assets and liabilities. All the assets are invested in accordance with the risk appetite limits and the limits contained in the Framework Agreement on Investments.

As regards market risk, the Group's Risk Appetite framework establishes limits on the ratio between the capital requirement for market risk and eligible own funds of the Company. The monitoring of this limit at 31 December 2019 did not identify any defined thresholds being exceeded.

Below are the figures for the Insurance Group companies' exposures to Market risks, in terms of use of capital. The figures are also compared against those for 31 December 2019.

C.2.2 Concentration of risks

The Insurance Group as already described in section C.1.2 "Concentration of risks" has a risks concentration policy that defines the significant concentrations and the related calculation methods.

The Insurance Group has defined various concentration thresholds in relation to Market risk, taking into account the normal, standard operations and limitations imposed by the Framework Decision on Investments.

The following risk concentrations have been identified as potentially significant. For each of them, the metrics and methods of calculating the concentration have been indicated, for which the scope of application, where referring to financial instruments, is made up of the following portfolios:

- Class C and class D guaranteed of the company Intesa Sanpaolo Vita;
- Class C and class D guaranteed of the company Fideuram Vita;
- the entire financial portfolio of the company Intesa Sanpaolo Assicura;
- the Shareholder Fund of Intesa Sanpaolo Life.

Geographical concentration

For each country, the market value of all the direct and indirect bond and equity exposures is added together. That value is compared to the total technical provisions of the Insurance Group, calculated for the last annual report. The threshold is 1.5% of the value of the Insurance Group's technical provisions.

Sector concentration - financial sector

For each issuer group in the financial sector, the market value of all the direct and indirect bond and equity exposures is added together. That value is compared to the total technical provisions

of the ISV Group, calculated for the last annual report. The threshold is 0.1% of the value of the group's technical provisions.

Sector concentration - corporate sector

For each issuer group in the corporate sector, the market value of all the direct and indirect bond and equity exposures is added together. That value is compared to the total technical provisions of the ISV Group, calculated for the last annual report. The threshold is 0.1% of the value of the group's technical provisions.

Sector concentration – government sector

For each issuer group in the government sector, the market value of all the direct and indirect bond and equity exposures is added together. That value is compared to the total technical provisions of the ISV Group, calculated for the last annual report. The threshold is 0.1% of the value of the group's technical provisions.

Concentration by currency

For each currency other than the euro, the capital requirement is calculated (asset side only) for that currency, associated with the Currency risk submodule. That value is compared to the capital requirements of the ISV Group, calculated for the last annual report. The concentration for the capital requirement associated to the currency risk has been identified at 5% which is calculated as a ratio between the capital requirement for the currency risk element of the company, and the group SCR.

C.2.3 Risk mitigation techniques

The risk containment strategy aims to reduce the volatility of the income statement results and the ensuing technical balance of the portfolio based on the impact on the solvency margin of the various lines of business provided for by the regulations.

In order to mitigate the financial risks to which it is exposed, the company uses financial derivatives that differ depending on the objective.

Below is a list of the main financial risks that can be mitigated by using derivatives:

- Rate risk;
- Spread risk;
- Equity risk;
- Currency risk.

When planning its activities the Company intends to use risk mitigation techniques (including derivatives) whenever the market conditions deviate significantly from the average long-term levels, or ahead of particular phases in which there is likely to be an increase in volatility, or simply when there are latent gains or losses to be safeguarded, or managed in a more flexible, efficient manner.

In such situations, apart from the potential increase in distortion effects, due to the presence of cover included in the policies and behavioural dynamics on the part of the policyholders, additional adverse economic impacts can occur due to forced losses, heightened by weak liquidity in the reference markets and/or lower ability to liquidate the portfolio assets.

C.2.4 Sensitivity analysis

Stress tests analyse the solvency and stability of the company, in adverse, extreme scenarios.

As part of the self-assessment, the Company carries out stress tests by combining the underwriting and market risks in a way that presents the solvency and stability impacts in a collective and reasonably realistic manner. The results of these stress tests are presented in the ORSA Report.

Intesa Sanpaolo Vita S.p.A.

C.2.1 Exposures and their measurement

The Company Intesa Sanpaolo Vita has significant exposure to market risk.

At 31 December 2020, the value of the market risks, according to the Standard Formula, was equal to approximately 2,146 million euro. The main risks of this type to which the Company is exposed, are the spread and share price risks.

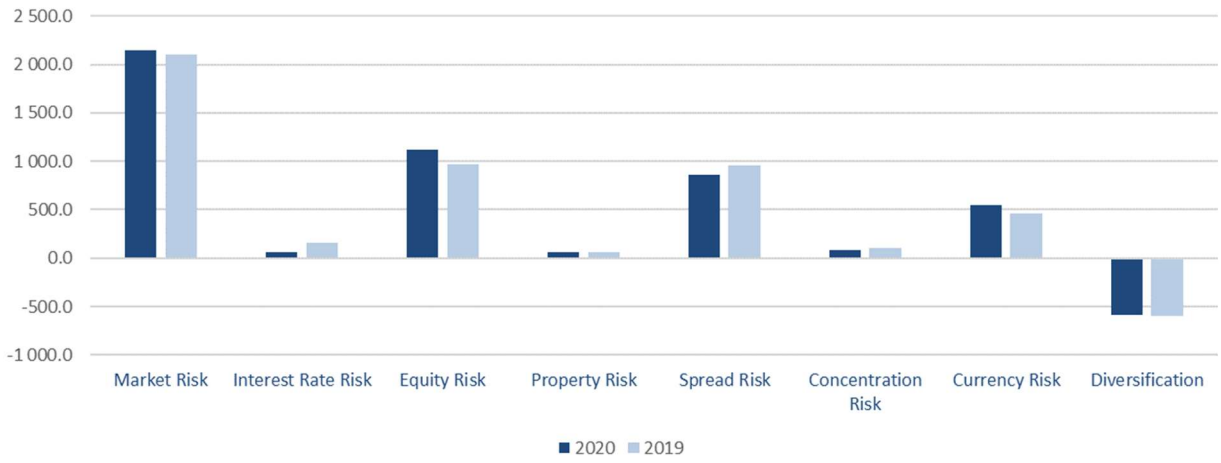
(euro thousands)

Module	2020	2019	Change	
Market Risk	**2,146,246**	**2,108,278**	**37,968**	**2%**
Interest Rate Risk	56,369	156,237	-99,868	-64%
Equity Risk	1,122,209	971,468	150,742	16%
Property Risk	58,664	56,262	2,402	4%
Spread Risk	863,797	955,327	-91,530	-10%
Concentration Risk	84,676	106,859	-22,183	-21%
Currency Risk	544,442	464,084	80,358	17%
Diversification	-583,911	-601,958	18,047	-3%

The effect of diversification among the various sub-lines was 27% of the market risk, in line with the figure for 2019.

Compared to the previous valuation on 31 December 2019, the Market risk rose by 2% for a total of approximately 38 million euro. This increase is mainly due to the rise in equity and currency risk, only partially offset by the reduction in other risk modules. Below is a bar chart summarising the changes between the two valuations.

Market Risk (in millions of euro)



As regards market risk, the Company's Risk Appetite framework establishes a limit on the ratio between the capital requirement for market risk and eligible own funds of the Company. The monitoring of this limit at 31 December 2020 did not identify any defined thresholds being exceeded.

C.2.2 Disclosures to the public on the Policy of engagement and agreements with asset mangers (in compliance with IVASS Regulation 46/2020)

European Directive 2017/828 (on the encouragement of long-term shareholder engagement-SHRD II), and implementing legislation in Italy (Legislative Decree 49/2019 amending Legislative Decree 58/98) establish that Insurance Undertakings, also in their capacity as entities establishing pension funds, notify the public of any adoption of a policy describing the procedures supplementing the engagement of shareholders in listed companies having their registered office in a member state in their investment strategy.

At present, with reference to equity investments, the Company opted for the following:

- **it did not adopt an engagement policy** based on the remaining shares held directly compared to volumes managed and equity assets in the portfolio, and therefore it did not carry out activities covered by the policy concerning **a**) the monitoring of investees as regards significant matters, such as strategy, financial and non-financial results, risks, capital structure, social and environmental impact and corporate governance, **b**) engagement with investees, through the exercise of voting rights and other rights related to shares, **c**) cooperation with other shareholders or in communication with the company's stakeholders, including the management of current and potential conflicts of interest;

- for the remainder of the portfolio**, it stipulated specific management mandates with the following delegated managers:**

  Eurizon Capital Real Asset SGR. S.p.A.
  Eurizon Capital SGR S.p.A.
  Epsilon SGR S.p.A.

  That, to adopt the engagement policy with reference to the exercise of voting rights for equity investments, it disclosed information on the vote, indicated in documents available at:

  - Eurizon Capital SGR S.p.A. and Eurizon Capital Real Asset SGR S.p.A.

    https://www.eurizoncapital.com/Lists/AllegatiDocumento/Pagine/20200710164806_EC%20SGR_Politica%20di%20impegno_30062020.pdf

  - Epsilon SGR S.p.A.

    https://www.epsilonsgr.it/it/societa/Documents/EPSSGR_Politica%20di%20impegno.pdf

The management mandates govern, among others, the following aspects:

- the procedures adopted by the Company to provide incentives for the delegated manager to align the strategy and investment decisions with the profile and duration of liabilities of managed volumes; in particular, the same results are achieved through identifying different types of benchmark and portfolio diversification. The Company continually monitors the

alignment of the portfolio duration with that of liabilities (the duration mismatch), by adopting suitable safeguards to monitor compliance with limits and the investment choices adopted by the delegated manager;

- the procedures adopted by the delegated manager, in performing the mandate, comply with the guidelines established by the Company with reference to the characteristics of each portfolio. To monitor financial results, time intervals are adopted, consistent with the medium/long term time horizon of the strategic asset allocation.
  As regards assessments of non-financial variables, with particular reference to guidelines to include ESG factors in investment strategies, the Company monitors the engagement and voting activities of the delegated managers;

- the procedures adopted by the company to put in place specific organisational oversight suitable for guaranteeing the monitoring of the delegated manager's activities, also in the long term. In particular, if investment limits are exceeded, recovery procedures defined with the delegated manager according to efficient procedures and times, are put in place. In this context, the Company checks the progress of results of activities carried out by the delegated manager, based on portfolio choices made, and an analysis of performance and market views;

- the duration of management mandates stipulated by the Company in relation to each delegated manager.
  The mandates with Eurizon Capital SGR S.p.A., Epsilon SGR S.p.A. and Eurizon Capital Real Asset SGR S.p.A. for assets underlying insurance investment products are indefinite (with the Company having the right to early withdrawal);
  The mandates with Eurizon Capital SGR S.p.A. and Epsilon SGR S.p.A. for assets underlying pension funds have an annual duration with automatic renewal.

The mandates do not establish specific turnover limits, considering the main characteristics of the products and investment management policies. In any case, the manager's operations are monitored based on specific organisational safeguards.

Intesa Sanpaolo Assicura S.p.A.

C.2.1 Exposures and their measurement

At 31 December 2020, the value of the Market risks, according to the Standard Formula, was 41 million euro. The main risks of this type to which the Company is exposed, are the spread and currency risks.

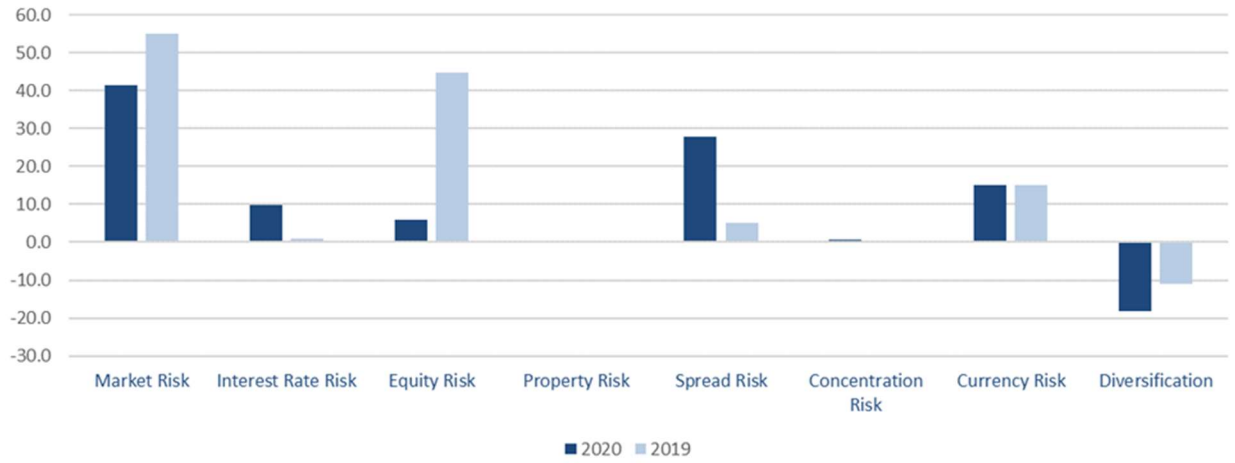
(euro thousands)

Module	2020	2019	Change	
Market Risk	**41,389**	**55,206**	**-13,816**	**-25%**
Interest Rate Risk	9,989	1,070	8,920	>100%
Equity Risk	6,039	44,713	-38,674	-86%
Property Risk	-	-	-	na
Spread Risk	27,769	5,155	22,614	>100%
Concentration Risk	804	-	-	na
Currency Risk	15,000	15,261	-261	-2%
Diversification	-18,212	-10,993	-7,219	66%

The diversification effect relative to market risk is equal to 31%, up on the figure for 2019.

Compared to the solvency valuation of 31 December 2019, the market risk fell by 25% for a total of approximately 14 million euro. The decrease in market risk is mainly due to the reduction in share price risk. Below is a bar chart summarising the changes between the two valuations.

Market Risk (in millions of euro)



As regards market risk, the Company's Risk Appetite framework establishes a limit on the ratio between the capital requirement for market risk and eligible own funds of the Company. Figures at 31 December 2020 confirmed compliance with the set limit.

Fideuram Vita S.p.A.

C.2.1 Exposures and their measurement

At 31 December 2020, the value of the Market risks, according to the Standard Formula, was 303 million euro. The main risks of this type to which the Company is exposed, are the spread and share price risks.

The table below shows the percentage of the sub modules on the total market risk:

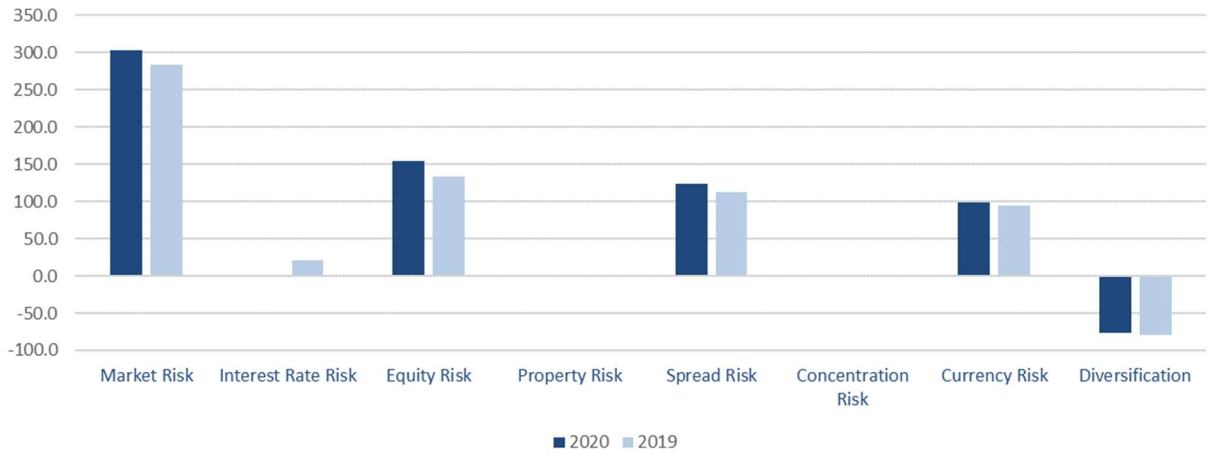
(euro thousands)

Module	2020	2019	Change	
Market Risk	**303,295**	**283,519**	**19,776**	**7%**
Interest Rate Risk	1,865	21,379	-19,514	-91%
Equity Risk	153,870	133,033	20,837	16%
Property Risk	473	-	473	na
Spread Risk	123,686	112,958	10,728	9%
Concentration Risk	-	-	-	na
Currency Risk	99,356	94,826	4,530	5%
Diversification	-75,956	-78,677	2,721	-3%

The diversification effect is 20% of the Market risk prior to diversification, down compared to the figure for 2019.

Compared to the previous valuation on 31 December 2019, the Market risk rose by 7% for a total of approximately 20 million euro. This increase is mainly due to the rise in the equity and spread risk. Below there is a bar chart summarising the changes between the two valuations.

Market Risk (in millions of euro)



As regards market risk, the Company's Risk Appetite framework establishes a limit on the ratio between the capital requirement for market risk and eligible own funds of the Company. The monitoring of this limit at 31 December 2020 did not identify any defined thresholds being exceeded.

C.2.2 Disclosures to the public on the Policy of engagement and agreements with asset mangers (in compliance with IVASS Regulation 46/2020)

European Directive 2017/828 (on the encouragement of long-term shareholder engagement-SHRD II), and implementing legislation in Italy (Legislative Decree 49/2019 amending Legislative Decree 58/98) establish that Insurance Undertakings, also in their capacity as entities establishing pension funds, notify the public of any adoption of a policy describing the procedures supplementing the engagement of shareholders in listed companies having their registered office in a member state in their investment strategy.

At present, with reference to equity investments, the Company opted for the following:

- **it did not adopt an engagement policy** based on the remaining shares held directly compared to volumes managed and equity assets in the portfolio, and therefore it did not carry out activities covered by the policy concerning **a**) the monitoring of investees as regards significant matters, such as strategy, financial and non-financial results, risks, capital structure, social and environmental impact and corporate governance, **b**) engagement with investees, through the exercise of voting rights and other rights related to shares, **c**) cooperation with other shareholders or in communication with the company's stakeholders, including the management of current and potential conflicts of interest;

- for the remainder of the portfolio, **it stipulated specific management mandates with the following delegated managers:**

  Fideuram Asset Management Ireland dac.
  Fideuram Asset Management SGR S.p.A.,
  Eurizon Capital Real Asset SGR S.p.A.,

  that, to adopt the engagement policy with reference to the exercise of voting rights for equity investments, it disclosed information on the vote, indicated in documents available at:

- Fideuram Asset Management Ireland

  http://www.fideuramireland.ie/it/policy/
  http://www.fideuramireland.ie/upload/File/pdf/Policy_FAMI/Sustainable%20and%20Responsible%20Investment%20Policy.pdf
  http://www.fideuramireland.ie/upload/File/pdf/Policy_FAMI/Engagement%20Policy.pdf
  http://www.fideuramireland.ie/upload/File/pdf/Policy_FAMI/Voting%20Rights%20Policy.pdf

- Fideuram Asset Management SGR

  http://www.fideuramireland.ie/upload/File/pdf/Policy_FidInvestimenti/8.%20CA_30.10.20_Allegato%20B%20Politica%20di%20impegno%20di%20Fideuram%20Investimenti%20SGR%20S.p.A_def.docx.pdf

- Eurizon Capital Real Asset SGR

  https://www.eurizoncapital.com/Lists/AllegatiDocumento/Pagine/20200710164806_EC%20SGR_Politica%20di%20impegno_30062020.pdf

The management mandates govern, among others, the following aspects:

- the procedures adopted by the Company to provide incentives for the delegated manager to align the strategy and investment decisions with the profile and duration of liabilities of managed volumes; in particular, the same results are achieved through identifying different types of benchmark and portfolio diversification. The Company continually monitors the alignment of the portfolio duration with that of liabilities (the duration mismatch), in compliance with the limits in the Investment Policies, Regulations on Separate Management, by adopting suitable safeguards to monitor compliance with limits and the investment choices adopted by the delegated manager;

- the procedures adopted by the delegated manager, in performing the mandate, comply with the guidelines established by the Company with reference to the characteristics of each portfolio.
  To monitor financial results, time intervals are adopted, consistent with the medium/long term time horizon of the strategic asset allocation.
  As regards assessments of non-financial variables, with particular reference to guidelines to include ESG factors in investment strategies, the Company monitors the engagement and voting activities of the delegated managers;

- the procedures adopted by the company to put in place specific organisational oversight suitable for guaranteeing the monitoring of the delegated manager's activities, also in the long term. In particular, if investment limits are exceeded, recovery procedures defined with the delegated manager according to efficient procedures and times, are put in place. In this context, the Company checks the progress of results of activities carried out by the delegated manager, based on portfolio choices made, and an analysis of performance and market views;

- the duration of management mandates stipulated by the Company in relation to each delegated manager.

The mandates with Asset Management SGR S.p.A. and Eurizon Capital Real Asset SGR S.p.A. for assets underlying insurance investment products are indefinite (with the Company having the right to early withdrawal);
The mandate with Fideuram Asset Management Ireland dac. for assets underlying the Pension Funds expires on 31 December 2024.

The mandates do not establish specific turnover limits, considering the main characteristics of the products and investment management policies. In any case, the manager's operations are monitored based on specific organisational safeguards

Intesa Sanpaolo Life D.A.C.

C.2.1 Exposures and their measurement

At 31 December 2020, the value of the Market risks, according to the Standard Formula, was 259 million euro. The main risks of this type to which the Company is exposed, are the share price risks followed by currency risks.

The following table shows the amount of each sub module of market risk, and the diversification effect:

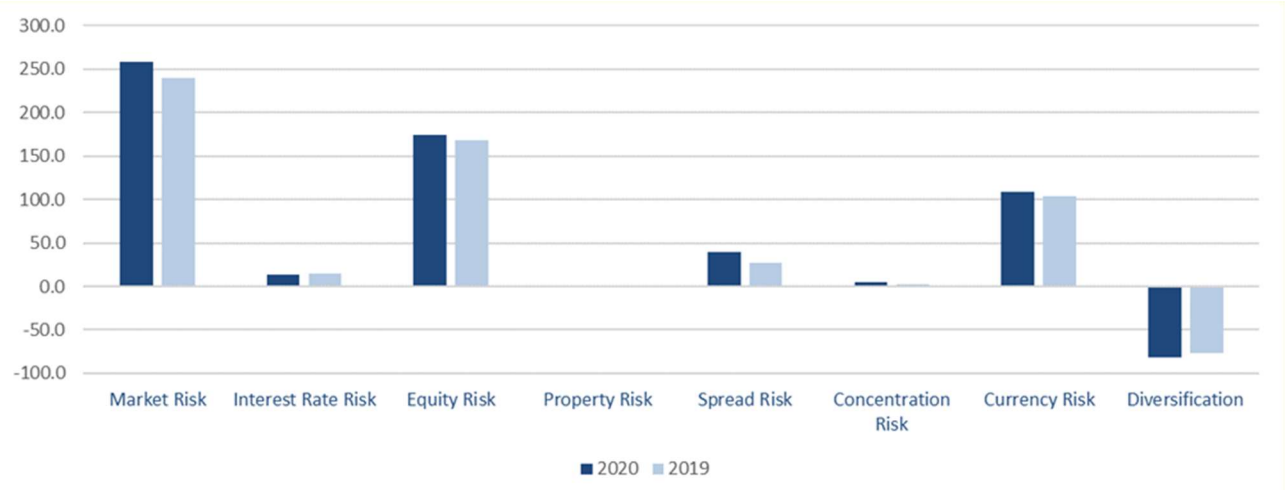
(euro thousands)

Module	2020	2019	Change	
Market Risk	**258,765**	**240,400**	**18,365**	**8%**
Interest Rate Risk	13,095	15,325	-2,230	-15%
Equity Risk	174,786	167,939	6,847	4%
Property Risk	-	-	-	na
Spread Risk	39,729	27,172	12,557	46%
Concentration Risk	4,375	3,060	1,315	43%
Currency Risk	108,815	104,009	4,806	5%
Diversification	-82,035	-77,105	-4,930	6%

The effect of diversification among the various sub-lines was 32% of the market risk, in line with the figure for the previous year.

The capital absorbed by the market risk has increased compared to the figures for 31 December 2019 by 8% overall. The bar chart shows the changes compared to the previous year.

Market Risk (in millions of euro)



Intesa Sanpaolo RBM Salute S.p.A

C.2.1 Exposures and their measurement

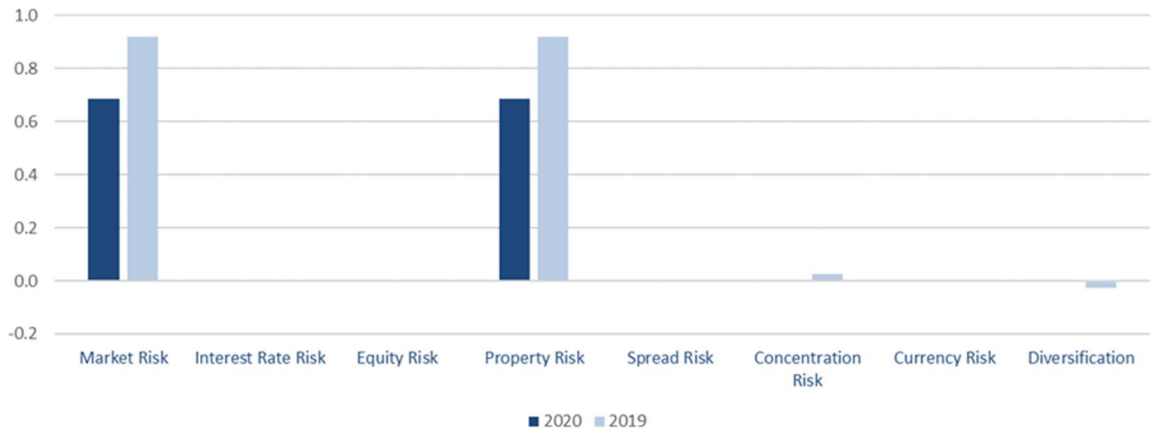
At 31 December 2020, the value of the Market risks, according to the Standard Formula, was 685 thousands euro. The main risks of this type to which the Company is exposed, is property risk.

(euro thousands)

Module	2020	2019	Change	
Market Risk	**685**	**920**	**-235**	**-26%**
Interest Rate Risk	-	-	-	na
Equity Risk	-	-	-	na
Property Risk	685	920	-235	-26%
Spread Risk	-	-	-	na
Concentration Risk	-	25	-25	-100%
Currency Risk	-	-	-	na
Diversification	-	-24	24	-100%

Compared to the solvency valuation of 31 December 2019, the market risk fell by 26% for a total of approximately 235 thousands euro. The decrease in market risk is mainly due to the reduction in property values. Below there is a bar chart summarising the changes between the two valuations.

Market Risk (in millions of euro)



BancAssurance Popolari S.p.A.

C.2.1 Exposures and their measurement

At 31 December 2020, the value of the Market risks, according to the Standard Formula, was 45 million euro. The main risks of this type to which the Company is exposed, are the spread and share price risks.

The table below shows the percentage of the sub modules on the total market risk:

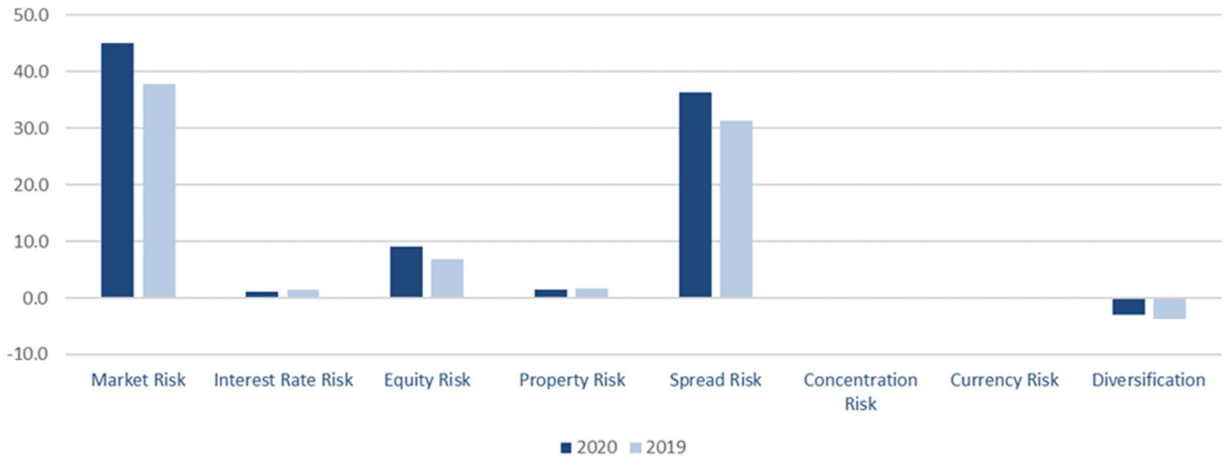
(euro thousands)

Module	2020	2019	Change	
Market Risk	**45,036**	**37,757**	**7,279**	**19%**
Interest Rate Risk	1,141	1,526	- 385	-25%
Equity Risk	9,033	6,898	2,135	31%
Property Risk	1,444	1,701	- 257	-15%
Spread Risk	36,394	31,278	5,116	16%
Concentration Risk	-	-	-	na
Currency Risk	-	-	-	na
Diversification	-2,976	-3,647	670	-18%

The diversification effect is 6% of the Market risk prior to diversification, down compared to the figure for 2019.

Compared to the previous valuation on 31 December 2019, the Market risk rose by 19% for a total of approximately 7 million euro. This increase is mainly due to the rise in the equity and spread risk. Below there is a bar chart summarising the changes between the two valuations.

Market Risk (in millions of euro)



The Company controls this risk using the principles, processes and operational limits defined in the Policy on investments and in the Policy on the management of assets and liabilities. All activities comply with the Risk Appetite Statement and are consistent with the Company's Risk Appetite.

C.3 CREDIT RISK

Intesa Sanpaolo Vita Insurance Group

C.3.1 Exposures and their management

The Insurance Group defines credit or counterparty risk as the risk of loss deriving from default by the counterparty on deposits, derivatives or credit exposures.

The companies belonging to the Insurance Group, under Article 1(r)-bis of the Private Insurance Group, adopt the standard formula for the calculation of the Solvency Capital Requirement (Articles 45-quinquies to 45-undecies).

At 31 December 2020, the Credit risks represented about 8% of the Company's Basic Capital Requirement, for a total of approximately 319 million euro.

Compared to the previous valuation of 31 December 2019, the credit risk rose by 79% for a total of approximately 141 million euro.

As regards credit risk, the Insurance Group's Risk Appetite framework establishes a limit on the ratio between the capital requirement for credit risk and eligible own funds of the Company. The monitoring of this limit at 31 December 2020 did not identify any defined thresholds being exceeded.

Below are the figures for the Group companies' exposures to Credit risks, in terms of use of capital. The figures are also compared against those for 31 December 2019.

C.3.2 Concentration of risks

The Intesa Sanpaolo Vita Group has not identified the concentration of credit risk as being potentially significant in the Rules on risk concentration. However, there are limits on operations contained in the Investments Framework Decision and types of contract that reduce the risk of concentration.

C.3.3 Risk mitigation techniques

The high credit quality is guaranteed through the selection of counterparties and management of related exposures in accordance with the risk preferences defined in the Risk Appetite Framework.

C.3.4 Sensitivity analysis

The Group companies consider the shocks defined in the Standard Formula to be sufficient for the purposes of evaluating the sensitivity to Credit risk.

The companies' risk profile highlights a limited exposure to credit risk and therefore the companies did not consider it necessary to use additional quantitative sensitivity analyses for this risk.

Intesa Sanpaolo Vita S.p.A.

C.3.1 Exposures and their management

At 31 December 2020, the value of the counterparty risks, according to the Standard Formula, was 176 million euro.

The Company's exposure in terms of counterparties shows a high level of credit quality.

On the valuation date there were no accounts receivable from reinsurers. The major exposures relate to the amount of deposits held.

As regards credit risk, the Company's Risk Appetite framework establishes limits on the ratio between the capital requirement for market risk and eligible own funds of the Company. The monitoring of this limit at 31 December 2020 did not identify any defined thresholds being exceeded.

Compared to the previous valuation of 31 December 2019, the credit risk rose by 47% for a total of approximately 56 million euro.

C.3.3 Risk mitigation techniques

For the exposures to derivatives, it must be remembered that these operations are all regulated by ISDA contracts with annexed CSA that standardise the following clauses, among others:

- *Function transferability;*
- *Change of credit rating;*
- *Change of control;*
- *Resolution;*
- *Termination amount.*

The clauses in the ISDA contracts regulate events that could have an adverse impact on both parties, such as a downgrading of credit rating or change of control and therefore limit the unexpected risks of exposure to the Default risk, on existing derivatives contracts.

Intesa Sanpaolo Assicura S.p.A.

C.3.1 Exposures and their management

At 31 December 2019, the value of the counterparty risks, according to the Standard Formula, was 32 million euro.

During 2020, the Company did not carry out any derivatives transactions and therefore there are no open positions. The main exposures relate to banking counterparties holding the Company's liquidity in the form of deposits, and accounts receivable from insured.

As regards credit risk, the Company's Risk Appetite framework establishes limits on the ratio between the capital requirement for market risk and eligible own funds of the Company. Figures at 31 December 2020 confirmed compliance with the set limit.

Compared to the solvency valuation at 31 December 2019, the capital absorbed by counterparty rose by 19% overall for a total of approximately 5 million euro.

The Company's exposure in terms of counterparties shows a high level of credit quality.

C.3.3 Risk mitigation techniques

The high credit quality is guaranteed through the selection of counterparties and management of related exposures in accordance with the risk preferences defined in the Risk Appetite Framework.

With regard to exposure to reinsurers, the Company resorts to reinsurance in accordance with the principle of fair distribution of risk placement among multiple operators, and is attentive to achieving the right balance between the diffusion of counterparty risk and efficiency of administration.

Fideuram Vita S.p.A.

C.3.1 Exposures and their management

At 31 December 2020, the value of the counterparty risks, according to the Standard Formula, was 27 million euro.

The Company's exposure in terms of counterparties shows a high level of credit quality.

As regards credit risk, the Company's Risk Appetite framework establishes limits on the ratio between the capital requirement for market risk and eligible own funds of the Company. The monitoring of this limit at 31 December 2020 did not identify any defined thresholds being exceeded.

Compared to the previous valuation of 31 December 2019, the credit risk rose by 86% for a total of approximately 13 million euro.

C.3.3 Risk mitigation techniques

Currently, the Company does not consider it necessary to use specific techniques to mitigate credit risks. The high credit quality is guaranteed through the selection of counterparties and management of related exposures in accordance with the risk preferences defined in the Risk Appetite Framework.

Intesa Sanpaolo Life D.A.C.

C.3.1 Exposures and their management

At 31 December 2020, the value of the counterparty risks, according to the Standard Formula, was 32 million euro.

The main components of the Company's credit risk relate to banking counterparties that hold its liquidity in the form of deposits and credits to third parties.

The capital absorbed by the credit risk fell by 89% compared to the figures at 31 December 2019.

C.3.3 Risk mitigation techniques

The Company sets limits on investment in its proprietary portfolio, based on the counterparties' ratings. There are also methods to diversify investments. The risks committee regularly evaluates the level of exposure to risk in accordance with the Company's risk appetite.

Intesa Sanpaolo RBM Salute S.p.A.

C.3.1 Exposures and their management

At 31 December 2020, the value of the counterparty risks, according to the Standard Formula, was 66 million euro.

During 2020, the Company did not carry out any derivatives transactions and therefore there are no open positions. The main exposures relate to banking counterparties holding the Company's liquidity in the form of deposits, and accounts receivable from insured.

Compared to the solvency valuation at 31 December 2019, the capital absorbed by counterparty fell by 56% overall for a total of approximately 84 million euro.

C.3.3 Risk mitigation techniques

As regards exposures with reinsurers, the Company uses reinsurance based on agreements with reinsurers that have a high credit standing.

BancAssurance Popolari S.p.A.

C.3.1 Exposures and their management

At 31 December 2020, the value of the counterparty risks, according to the Standard Formula, was 222 thousands euro.

The Company's exposure in terms of counterparties shows a high level of credit quality.

On the valuation date there were no accounts receivable from reinsurers. The major exposures relate to the amount of deposits held.

The credit risk is managed within the risk management framework already mentioned in section B.3 "Risk management system, including the internal risk and solvency assessment".

Compared to the previous valuation of 31 December 2019, the credit risk fell by 39% for a total of 144 thousands euro.

C.3.3 Risk mitigation techniques

The Company does not adopt techniques to mitigate credit risk, and is not exposed to concentration risk.

C.4 LIQUIDITY RISK

Intesa Sanpaolo Vita Insurance Group

C.4.1 Exposures and their management

The Insurance Group defines liquidity risk as the risk of not being able to meet its obligations to policyholders and other creditors due to problems in converting investments into liquidity without suffering losses.

The Companies are exposed to the financial and liquidity risks with the aim of ensuring that they reflect the characteristics of their insurance obligations, thus favouring the diversification of assets and prudent management.

The companies' objectives include achieving solidity of the liquidity position as stated in the Group Risk Appetite Statement.

During the activity planning period there are not expected to be any changes in the exposure to liquidity risk as the Company's investment strategy is aimed at maintaining highly liquid securities in order to deal with any adverse scenarios quickly, without incurring significant losses.

The liquidity risk is managed within the risk management framework already mentioned in section B.3 "Risk management system, including the internal risk and solvency assessment".

The Companies also control this risk using the principles, processes and operational limits defined in the Rules on managing liquidity risk.

If the analysis highlights any imbalances or need for financial resources, either in normal conditions or under stress conditions, specific monitoring is put in place.

The liquidity risk is measured at least once a quarter, by analysing the mismatches between the asset and liability flows generated from the technical operations only, checking that it is higher than zero for each portfolio and for the entire portfolio of each Company, with a time frame of up to one year in stress situations.

The liquidity risk is of principal importance within the fundamental risk dimensions of the Risk Appetite Framework and is monitored using the following metrics:

- amount of highly liquid securities;
- indicator level of cumulative Cash Flow Matching.

The monitoring of these metrics at 31 December 2019 did not identify any defined thresholds being exceeded.

C.4.2 Concentration of risks

The Insurance Group, as already described in section C.1.2 "Concentration of risks - Underwriting Risks", has a risks concentration policy that defines the significant concentrations and the related calculation methods.

For each financial instrument valued with a fair value of 3, the market value of all direct exposures are added together. That value is compared to the total technical provisions of the ISV Group, calculated for the last annual report. In case of alternative investment funds, the total commitment is considered instead of the market value of the exposures. The threshold is 0.2% of the value of the group's technical provisions.

With regard to liquidity risk, there were no significant concentrations at the valuation date of 31 December 2020.

C.4.3 Risk mitigation techniques

The companies operate with the aim of achieving cohesion between the Financial Reporting activities and the liability structure in order to reduce its exposure to liquidity risk.

Currently, the companies do not consider it necessary to use specific techniques to mitigate the liquidity risk, as there is a robust liquidity monitoring system.

C.4.4 Profits expected from future premiums

As required by the regulations, the companies have carried out a quantitative assessment on the appropriateness of the composition of the assets in terms of their type, duration and liquidity for the purposes of complying with the company's obligations as they arise. No specific critical issues have been detected.

The Group Companies have conducted an assessment to identify the cash flows and profits generated only from the future premiums component, relating to policies in existence on the valuation date, which each Company expects to receive according to the conditions of these policies; this assessment will measure the value of the profits expected in future premiums (EPIFP).

C.4.5 Sensitivity analysis

Stress tests analyse the solvency and stability of the company, in adverse, extreme scenarios.

The liquidity position of companies under stress is reflected by the shocks defined in the stress tests imposed for the other risks.

In addition to the impact of liquidity on stress tests conducted as part of the self-assessment, there is quarterly monitoring of the liquidity coverage as part of the monitoring of the Risk Appetite Framework.

Intesa Sanpaolo Vita S.p.A.

C.4.1 Exposures and their management

The Company manages liquidity risk in accordance with the provisions determined at Group level. Refer to the details of the section on the Insurance Group.

The liquidity risk is of principal importance within the Risk Appetite Framework. The Company monitors exposure to liquidity risk with the following metrics:

- highly liquid securities;
- cumulative Cash Flow Matching.

The monitoring of these metrics at 31 December 2020 did not identify any defined thresholds being exceeded.

C.4.4 Profits expected from future premiums

With regard to Intesa Sanpaolo Vita, for the valuation at 31 December 2020, the total EPIFP was 334 million.

C.4.5 Sensitivity analysis

The ALM function monitors the liquidity risk each quarter, by applying various levels of stress on the Assets side, and a shock on the surrender risk, on the Liabilities side.

On the Asset side, for the purposes of assessing the gains from the assets considered in the analysis, the realisable assets were subject to 3 levels of stress, with a hypothetical shock rate.

On the Liabilities side, an increase in surrenders is used.

Intesa Sanpaolo Assicura S.p.A.

C.4.1 Exposures and their management

The Company manages liquidity risk in accordance with the provisions determined at Group level. Refer to the details of the section on the Insurance Group.

C.4.4 Profits expected from future premiums

As regards Intesa Sanpaolo Assicura, for the valuation at 31 December 2020, the total EPIFP was 59 million euro.

C.4.5 Sensitivity analysis

The AML function monitors liquidity risk monthly. The purpose of monitoring is to identify any current and forward-looking cash imbalances of the Company in given stress scenarios.

Fideuram Vita S.p.A.

C.4.1 Exposures and their management

The Company manages liquidity risk in accordance with the provisions determined at Group level. Refer to the details of the section on the Insurance Group.

C.4.4 Profits expected from future premiums

With regard to Fideuram Vita, for the valuation at 31 December 2020, the total EPIFP was 170 million euro.

C.4.5 Sensitivity analysis

The liquidity position of the Company under stress is reflected by the shocks defined in the stress tests identified for the other risks which analyse company solvency and stability in adverse scenarios.

Intesa Sanpaolo Life D.A.C.

C.4.1 Exposures and their management

The Company manages liquidity risk in accordance with the provisions determined at Group level. Refer to the details of the section on the Insurance Group.

C.4.4 Profits expected from future premiums

As regards Intesa Sanpaolo Life, for the valuation at 31 December 2020, the total EPIFP was equal to 55 million euro.

C.4.5 Sensitivity analysis

The Company evaluates the impact of certain stressors on liquidity, in the self-assessment process with particular reference to easily liquidated assets. The stressors are placed on technical variables and on market variables. A shock is also imposed, by raising the taxation rate for the mathematical reserves.

Intesa Sanpaolo RBM Salute S.p.A

C.4.1 Exposures and their management

The objectives of Intesa Sanpaolo RBM Salute include achieving solidity of the liquidity position.

During the activity planning period there are not expected to be any changes in the exposure to liquidity risk as the Company's investment strategy is aimed at maintaining highly liquid securities in order to deal with any adverse scenarios quickly, without incurring significant losses.

Liquidity risk is managed within the risk management framework, in particular as defined in the Framework Agreement of Investments and related attachments.

If the analysis highlights any imbalances or need for financial resources, either in normal conditions or under stress conditions, specific monitoring is put in place.

The liquidity risk is of principal importance within the fundamental risk dimensions of the Risk Appetite Framework and is monitored using the cumulated Cash Flow Matching indicator. The monitoring of this metric at 31 December 2020 did not identify any defined thresholds being exceeded.

C.4.4 Profits expected from future premiums

As regards Intesa Sanpaolo RBM Salute, for the valuation at 31 December 2020, the total EPIFP was 45 million euro.

C.4.5 Sensitivity analysis

Planning and management control monitors liquidity risk. The purpose of monitoring is to identify any current and forward-looking cash imbalances of the Company in given stress scenarios.

BancAssurance Popolari S.p.A.

C.4.1 Exposures and their management

The Company manages liquidity risk in accordance with the provisions determined at Group level. Refer to the details of the section on the Insurance Group.

C.4.4 Profits expected from future premiums

As regards BancAssurance Popolari, for the valuation at 31 December 2020, the total *EPIFP* was 19 million euro.

C.4.5 Sensitivity analysis

The liquidity position of the Company under stress is reflected by the shocks defined in the stress tests identified for the other risks which analyse company solvency and stability in adverse scenarios.

C.5 OPERATIONAL RISK

Intesa Sanpaolo Vita Insurance Group

C.5.1 Exposures and their management

The Insurance Group has implemented the definition of operational risk as indicated in ISVAP Regulation no. 20/2008 and the one provided by the Intesa Sanpaolo Group as indicated below: "the risk of sustaining losses arising from the inadequacy or malfunction of internal procedures, human resources and internal systems, or from external events".

For the economic loss component, the following risks are included in operational risk: legal, conduct, compliance, financial crime, IT and cyber, physical security, operating continuity, financial disclosure, third parties and model risk. Strategic and reputational risks are excluded.

Strategic and reputational risks are not included.

At 31 December 2020, the valuation according to the standard formula of the operational risks was approximately 509 million euro, inclusive of the diversification effect, compared to the previous valuation of 31 December 2019, operational risk went up by 7%, i.e. 32 million euro.

There are not expected to be any significant changes in the operational risks during the planning period.

By adopting the framework of the Parent Company Intesa Sanpaolo for the management of operational risks, the Insurance Group contributes to the internal model of Intesa Sanpaolo which quantifies a risk indicator (capital absorption) that includes the insurance perimeter.

This framework consists of two main processes: Loss Data Collection and self-diagnosis (assessment of the operational context and scenario analysis).

This work is done with the assistance of the Operational, Reputational and Cyber Risk unit of the Parent Company's Enterprise Risk Management Head Office Department.

The absorption of capital for the Company's operational risk which derives from the internal model of the Parent Company Intesa Sanpaolo, is used for the self-assessment of the risk itself for the Pillar II valuation.

C.5.2 Concentration of risks

The Insurance Group has not identified the operational risk concentration as being potentially significant, in the Rules on risk concentration.

C.5.3 Risk mitigation techniques

The operational risk in the Standard Formula is calculated using a linear formula. The operational risk increases as the size of the Insurance Group companies' business increases, except where the company has a very low Basic Capital Requirement. The Standard Formula does not provide for any diversification of that risk with the other risks to which the companies of the Insurance Group are exposed, nor any mitigation techniques that can reduce exposure.

In order to mitigate operational risks, a system of controls has been set up within the Risk Appetite Framework with the aim of keeping operational risks within certain limits.

The Insurance Group, together with the Parent Company Intesa Sanpaolo, has also implemented a Business Continuity Management System (BCMS) to minimise the potential financial, regulatory and reputational impact of interruptions to company operations.

This system may be defined as a holistic management process involving the advance identification of the threats to the Group and its individual Companies and their potential impacts on its critical business processes, aimed at the implementation of primarily organisational, infrastructural and technological countermeasures that guarantee its survival, even when it has lost all or part of the assets supporting its operational capability.

The Intesa Sanpaolo Group and, in particular, the Insurance Group are focussed on ensuring the continuity of services, processes and critical functions, in order to contribute to the stability of financial markets, maintain customers' trust, safeguard revenues and mitigate risks.

C.5.4 Sensitivity analysis

The shocks defined in the Standard Formula for the valuation of the operational risk sensitivity tend not to represent the company's' risk profile as they refer to the quantity of business underwritten, or to the future commitments towards the policyholders and not to the operational context (which is all of the systems, procedures and actions by personnel) and its vulnerability to endogenous and exogenous variables.

In reference to the internal valuation framework the companies do not consider it necessary to use additional quantitative sensitivity tests.

Intesa Sanpaolo Vita S.p.A.

C.5.1 Exposures and their management

At 31 December 2020, the valuation according to the standard formula of the operational risks was approximately 353 million euro, compared to the previous valuation of 31 December 2019, operational risk went up by 3%, i.e. 11 million euro.

The main sources of operational risk identified are related to the following circumstances:

- "Customers, products and operating practices" attributable to customer relations, in particular concerning legal proceedings brought by customers;
- "Performance, delivery and management of processes" attributable to unintentional errors in managing operations.

Intesa Sanpaolo Assicura S.p.A.

C.5.1 Exposures and their management

At 31 December 2020, the value of the operational risks of Intesa Sanpaolo Assicura according to the Standard Formula, was equal to approximately 22 million euro. Compared to the solvency valuation of 31 December 2019, the operational risk rose by 7%, i.e. by approximately 2 million euro.

The main source of operational risk identified was related to the circumstance:

- "external offences", attributable to fraudulent activities of persons qualified as external to the Company, usually carried out to obtain personal advantages to the detriment of the Company.

Fideuram Vita S.p.A.

C.5.1 Exposures and their management

At 31 December 2020, the value of the operational risks, according to the Standard Formula, was 36 million euro. Compared to the previous valuation of 31 December 2019, operational risk fell by 32%, i.e. by approximately 17 million euro.

The main source of operational risk identified was related to the circumstance "Performance, delivery and management of processes" attributable to unintentional errors in managing the Company's operations.

Intesa Sanpaolo Life D.A.C.

C.5.1 Exposures and their management

At 31 December 2020, the value of the operational risks, according to the Standard Formula, was 85 million euro. Compared to the previous valuation of 31 December 2019, the operational risk rose by 6%, i.e. 5 million euro.

The main sources of operational risk identified are related to the following circumstances:

- "Customers, products and operating practices" attributable to customer relations, in particular concerning legal proceedings brought by customers;
- "Performance, delivery and management of processes" attributable to unintentional errors in managing operations.

Intesa Sanpaolo RBM Salute S.p.A

C.5.1 Exposures and their management

At 31 December 2020, the value of the operational risks of Intesa Sanpaolo RBM Salute, according to the Standard Formula, was equal to approximately 15 million euro. Compared to the solvency valuation of 31 December 2019, the operational risk fell by 17%, i.e. by approximately 3 million euro.

The main sources of operational risk identified are related to the following circumstances:

- "external offences", attributable to fraudulent activities of persons qualified as external to the Company, usually carried out to obtain personal advantages to the detriment of the Company;
- "Customers, products and operating practices" attributable to customer relations, in particular concerning legal proceedings brought by customers.

BancAssurance Popolari S.p.A.

C.5.1 Exposures and their management

At 31 December 2020, the value of the operational risks, according to the Standard Formula, of BancAssurance Popolari was approximately 11 million euro. Compared to the previous valuation on 31 December 2019, the operational risk rose by 13%, i.e. approximately 1 million euro.

The main source of operational risk identified was related to the circumstance "Performance, delivery and management of processes" attributable to unintentional errors in managing the Company's operations.

C.6 OTHER MATERIAL RISKS

The Group has no significant exposure to other measurable risks other than those provided for in Pillar I of the Standard Formula.

As mentioned in section B.3 "System of risk management internal assessment of risk and solvency", the material risks that the company has identified, and which are not entirely included in the calculation of the solvency capital requirements, according to the Standard Formula, include:

- reputational risks, referring to those events that may tarnish the reputation or image of each Insurance Group company;
- regulatory risks, which refer to the failure to comply with existing or upcoming regulations;
- strategic risks, which refer to the risk of losses due to wrong strategic choices and includes financial, management, logistics and product subcategories. This category also includes group risks (risks deriving from intragroup operations, the risk of contagion and the risk of conducting an insurance business in different companies and jurisdictions);
- AML risk which includes any activity that could involve the laundering of cash, goods or other commodities or the financing of terrorism, as provided for in local laws.

The controls in place for these risks are on the whole adequate.

C.6.1 Exposures and their management

The Insurance Group defines the risks to which it is exposed using an impact/control concept and risk map. Exposure to risk, or inherent risk is determined according to the combination between probability and impact, and is assessed on a scale of 1 to 6; assessment of the control, or the efficiency of the risk mitigation and monitoring systems, consists of three levels: poor, good and

excellent. The combination of exposure to risk (inherent risk) and control is represented in the residual risk which is assessed on a numerical scale from 1 to 6.

With reference to Cyber Risk and the GDPR, the Insurance Group has paid increasing attention to consolidating its own Information System, concerning governance and through a specific technology transformation project.

Within the Risk Appetite Framework the Insurance Group has imposed early-warning thresholds on the main risk factors. The main limits are:

- Solvency: the levels of solvency ratio and the levels of individual risk types, in relation to Own Funds;
- Liquidity: the level of highly liquid securities, cash flow matching and the liquidity coverage ratio;
- Investments;

Operational risks: the level of operational losses.

C.6.2 Concentration of risks

Not applicable.

C.6.3 Risk mitigation techniques

Not applicable.

C.6.4 Sensitivity analysis

Not applicable.

C.7 OTHER INFORMATION

Intesa Sanpaolo Vita Insurance Group

The Group, and each company, have input all the relevant information about their own risk profiles, in the above sections.

D. VALUATION FOR SOLVENCY PURPOSES

This section provides information about the values of the assets and liabilities used for the purposes of the solvency of the Insurance Group and of each company. The comparison between financial parameters in the Solvency Report and the Group financial statements prepared according to IAS/IFRS and those in the Separate Financial Statements prepared according to national accounting standards by individual companies is also described.

The main regulatory references relating to the preparation of the Solvency Report are the following:

- Article 75 of European Directive No. 138/2009;
- Article 35 quater of Legislative Decree No. 74/2015 which enacts the above Directive;
- IVASS Regulation No. 18/2016 concerning rules for determining technical provisions;
- IVASS Regulation No. 34/2017, concerning the provisions on corporate governance relating to the valuation of assets and liabilities other than technical provisions, and the related valuation criteria;
- Delegated Regulation No. 35/2015 of the European Commission – Reference to Title I – Chapter II;
- "Guidelines" issued by EIOPA (European Insurance and Occupational Pensions Authority).

In particular, the Solvency Report has been prepared according to a market-consistent approach to value the assets and liabilities, in particular:

- assets are measured at the amount at which they could be exchanged between consenting parties in an operation carried out at normal market conditions;
- liabilities are valued at the amount of which they could be transferred or settled between informed, consenting parties, in an arm's-length transaction without any adjustment to take into account the credit rating of the insurance company.

Moreover, the assets and liabilities are also valued on a going concern basis, with express reference to IAS/IFRS, which are usually the reference standards utilised to value assets and liabilities for solvency purposes, unless stipulated otherwise, and if the valuation criteria provided for in IAS are temporarily or permanently in line with the above-mentioned market consistent valuation approach.

Therefore, the Insurance Group's Solvency Report involved the following phases:

- a valuation of individual assets and liabilities in application of the criteria provided for in Delegated Regulation No. 35/2015, in line, where applicable, with the valuations given for the purposes of the Group Consolidated Financial statements prepared in accordance with IAS/IFRS;
- re-presentation of the assets and liabilities of each company based on the classification criteria applied to the compilation of the QRT S.02.01 (Balance Sheet).

Annexed to this report are the QRT for the Solvency Report (S.02.01.02) for the Insurance Group and individual companies at 31 December 2020. Each QRT includes a list of the assets and liabilities of the Insurance Group and of each company.

The valuation criteria used for the assets and liabilities contained in the QRT, in line with the provisions of article 10 of the above-mentioned Delegated Regulation are the following:

- assets and liabilities are valued at market prices quoted on active markets according to the definition of the international accounting standards;
- when no such market prices are available, the prices recorded on active markets for similar assets and liabilities are used, and adjusted to reflect any differences considering the specific characteristics of the asset or liability (such as condition, location, the extent to which the valuation input relates to comparable elements, the volume or level of activity in the markets from which the input was taken);
- if it is impossible to apply the above mentioned valuation criteria, the Group and individual companies have used alternative valuation methods, minimising the use of specific input from the company and using market input as far as possible, including the elements indicated below:
    - prices quoted for identical or similar assets or liabilities, in non-active markets;
    - input other than the observable listed prices, including interest rates and performance curves observed at commonly-quoted intervals, implied volatility and credit spread;
    - input corroborated by the market, which may not be directly observable but is based on observable market data, or supported by it.

If no observable input is available, including situations of low activity on the market on the valuation date, non-observable input is used, which reflects the scenarios that the market traders would use in determining the price, including the risk hypotheses. In evaluating the risk hypotheses, companies take into account the risk of a particular valuation technique used to measure the fair value and the risk related to the input used in the valuation technique.

Section 3 of the Delegated Regulation provides for methods on the solvency valuation of the insurance company's technical provisions that are specific and separate from the measurement criteria used in the annual Financial Statements and IAS/IFRS.

D.1 ASSETS

Intesa Sanpaolo Vita Insurance Group

With reference to the QRT S.02.01 annexed to this Report, a list is given of the items in the Solvency Report for each item.

Goodwill

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Goodwill	-	913,972	-913,972

Goodwill, equal to 913,972 thousand euro, consists of the variation of 279,392 million euro recognised at 31 December 2020, and is wholly attributable to the recent acquisition of control in Intesa Sanpaolo RBM Salute. The remaining 634,580 thousand euro refers to extraordinary transactions concerning the group, in particular the companies Intesa Sanpaolo Vita (596.3 million euro) and Sud Polo Vita (35.3 million euro) incorporated in the parent company at 31 December 2011 and the sale of the business unit of Intesa Sanpaolo Previdenza SIM SPA (2.9 million euro) on 1 December 2014.

Deferred acquisition costs

Deferred acquisition costs in the Solvency Financial Statements are valued at zero in line with the provisions of Delegated Regulation no. 35/2015.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Deferred acquisition costs	-	483,991	- 483,991

Intangible assets

The intangible assets in the Solvency Report are valued at zero in line with Delegated Regulation No. 35/2015. The intangible assets recognised in the Consolidated Financial Statements and the Separate Financial Statements cannot be sold separately and it is not possible to demonstrate any fair value, on an active market, for an identical or similar asset.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Intangible assets	-	112,448.5	-112,448.5

Deferred tax assets

The calculation of the deferred taxes given in the Solvency Report was made in application of IAS 12 and Articles 20-22 of IVASS Regulation No. 34/2017. Deferred taxes are calculated on the temporary differences between the book value of the assets and liabilities on the solvency report and their fiscal value.

For the individual companies, the differences compared to what was contained in the annual financial statements relate to the deferred fiscal effect on the temporary differences deriving from the adjustments of asset and liability valuations. In line with IAS 12, the Insurance Group records tax assets for deferred taxes to the extent that it is probable that the deductible temporary differences or fiscal losses could lead to a corresponding reduction in the future liabilities for current taxes.

The recoverability analysis is based on an examination of the presence, in future years, of a presumable reversal of the deductible temporary differences of corresponding taxable

temporary differences (for the same tax, and towards the same tax authority) for which the corresponding liabilities for deferred taxes were recorded.

Any part not covered by the above point is determined by taking into account:

- The presence of temporal restrictions that limit the carrying forward of tax losses and/or temporary differences to future years;
- The expected profitability, which can be deduced from the results of the plans approved by the executive bodies corroborated by an analysis of the capacity to generate taxable income during previous years that would reabsorb any past fiscal losses. The presence of significant taxable amounts at the end of the period is a reasonable measure of the company's long-term profitability, on the basis of which it is possible to evaluate the recoverability of any temporary deductible differences that would be expected to be cancelled out in years after those covered by the plan.

The Group's solvency report includes:

- deferred tax assets (DTA) totalling 3,210.3 million euro, compared to 478.3 million euro entered in the Consolidated Financial Statements; the solvency value represents 1.7% of the total assets in the financial statements;
- deferred tax liabilities (DTL) totalling 3,529.7 million euro, compared to 963.0 million euro entered in the Consolidated Financial Statements; the solvency value represents 1.9% of the total assets in the financial statements.

Below is a breakdown of assets and liabilities for deferred taxes recorded for the Insurance Group companies:

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Deferred tax assets	3,210,307	478,265	2,732,041
Deferred tax liabilities	3,529,663	963,052	2,566,611

Deferred taxes mainly relate to temporary differences that refer to the adjustments between the value of the consolidated financial statements and the Solvency II value of the investments and technical provisions.

These temporary differences are reversed with the approximation of the maturity or sale of the financial instruments or the liquidation of the corresponding portfolio policies.

Real estate, plant and equipment held for own use

With reference to real estate, the fair value valuation is calculated on the basis of the expert's value determined by the valuer's engaged by each Group company, in line with the provisions of current legislation. For solvency purposes, investments in real estate have to be valued at fair value even if they are entered at cost on the statutory or IAS accounts. The Fair Value Model in IAS 40 is considered a valid approximation for the purposes of the solvency valuation.

For each company, the Italian regulations are applied (OIC 16), establishing that the initial cost is adjusted by depreciation (throughout the useful life, on a straight line systematic basis) for as long as there is evidence that the net value can be recovered through the use of civil buildings that represent a form of investment and cannot be depreciated; if they are depreciated the depreciation plan responds to the same characteristics as the other tangible assets. Land is not appreciated unless its utility will be extinguished over time.

This item also includes office furniture and equipment which is valued at the cost as depreciated on the statutory accounts. This valuation principle is not coherent with the market consistent valuation approach. However, taking into account the fact that the fair value of the items in question is not available, and also the fact that the amount is not significant, it is considered that this value gives a reasonable representation of the amount that would result from the revaluation model provided for in IAS 16, which in turn is an option that is consistent with the Solvency II framework.

Under the Italian statutory rules, OIC 16 provides that for tangible assets other than buildings held for investments and fixed assets with unlimited utility such as land and works of art, the initial cost is adjusted by depreciation throughout the useful life of the asset, in a systematic way, provided that there is evidence that the net value can be recovered through use. As these situations are not valued according to criteria compatible with Solvency II, no value is recognised under these rules.

The overall value at Group level is the following:

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Property, plant & equipment held for own use	31,462	33,390	-1,928

The difference is due to a different methodology in calculating the value. IFRS 16 was adopted for the Solvency Report. This standard introduces significant changes to the recognition of leasing in the financial statements based on the right of use model. The Group opted for first time adoption with a modified retrospective approach, which enables it to recognise the cumulated affect of adopting the standard at the date of first time adoption of the standard, and to not restate comparative data of the financial statements on the first time adoption of IFRS 16.

Holdings in related undertakings, including equity investments

The Consolidated Financial Statements include a minority shareholding of 4 million euro, referred to the holding of Intesa Sanpaolo Vita in Intesa Sanpaolo Smart Care S.r.l. and in Eurizon Capital Real Asset S.p.A.. The latter Company reflects a corporate transaction which took place in 2019. The reference value in the Insurance Group Solvency Report therefore includes the value of equity of the Subsidiary Intesa Sanpaolo Smart Care S.r.l. and Eurizon Capital Real Asset S.p.A. held 49%.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Holdings in related undertakings, including partecipations	3,998	2,697	1,301

Investments (Capital instruments, bonds, UCITS, derivatives)

The table below contains the value of the Insurance Group's investments:

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Equity	**1,758,439**	**1,758,412**	27
Equity - Listed	1,714,982	1,715,080	-98
Equity - Unlisted	43,457	43,332	125
Bonds	**77,261,946**	**77,256,370**	**5,576**
Government bonds	62,489,202	62,486,568	2,634
Corporate bonds	13,649,898	13,648,304	1,595
Structured note	1,118,909	1,117,562	1,347
Collateralised securites	3,936	3,936	-
Collective investments undertakings	**12,862,799**	**12,862,799**	**-**
Derivatives	**518,210**	**518,237**	**-27**
Investments	**92,401,394**	**92,398,516**	**2,879**

The total investments represent 48,9% of total assets in the financial statements. The main part of the investments is allocated to government bonds, 67.6%. 14.8% is invested in corporate bonds, and 13.9% in collective investment undertakings. The remaining 15,8% is divided between equities (just over 1%) and collective investments.

In the solvency report all the securities of the Insurance Group are valued at fair value.

The fair value measurement, provided for by IAS 39, as described in the Fair Value Policy of the Intesa Group, applies to investments as the financial instruments have to be measured at fair value even when they are recognised at cost in the Financial Statements prepared in accordance with IAS/IFRS.

In operational terms, the existence of official prices on an active market is the best evidence of their value. Those prices thus represent the prices used on a priority basis for the valuation of financial assets and liabilities. In the absence of an active market (which is limited to a marginal portion of the investment portfolio), the fair value was determined by using valuation techniques intended to establish, ultimately, the price that the product would have had on the valuation date in an unrestricted trade motivated by normal commercial considerations. These techniques included:

- the reference to market values indirectly linked to the instrument to be valued, deduced from products with a similar risk profile ("Comparable Approach");
- valuations made by using, entirely or partially, input not taken from market-observable parameters, for which recourse is made to estimates and assumptions made by the valuer ("Mark-to-Model").

For the individual companies, according to the rules of Financial Statements prepared according to Italian accounting standards, the financial assets entered under working capital are valued at the lower of the cost of acquisition and the realisable value, which is deduced from the market trends, while investments entered under fixed assets are valued at cost net of any long-term value impairments. With reference to derivatives, the fair value is indicated for each category of instrument together with the information about their size and nature.

Assets held for index-linked and unit-linked policies

The asset item classified as "Assets held for index linked or unit-linked insurance policies" includes all the financial assets defined as "Class D" in the balance sheet of the Consolidated Financial Statements.

These financial assets correspond to assets for which the investment risk is borne by the policyholder.

This item is made up of investments used to cover the commitments pertaining to LoB III policies, whose benefits are directly linked to the value of the assets in internal unit and index linked funds or to the value of units of UCITS, and to the financial investments linked to pension policies (open pension funds of Intesa Sanpaolo Vita and Fideuram Vita).

These investments are recognised, in the Financial Statements prepared in accordance with the national accounting standards, IFRS and Solvency II, at the current value, equal to the market value.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Assets held for index-linked and unit-linked contracts	87,225,830	87,225,830	-

Compared to 2019 the component of unit-linked policy assets has increased by 3,6%, from 84,196 million euro to 87,226 million euro. The weighting of this item in the total assets is 46,2%.

With regard to the valuation methods for individual companies, see the notes given with regard to Group level.

Amounts recoverable from reinsurance

This item contains all the recoverables regarding the Outward Reinsurance used by the Insurance Group as a technique to mitigate the underwriting risks.

In the same way as occurs for the technical provisions for direct business, the shares paid by the reinsurers are reprocessed, compared to the Financial Statements using Solvency II criteria, which take into account the expected cash flows connected to recoveries relating to direct business obligations, discounted according to the risk-free rate curve.

The valuation of the reinsurance impact is described in the section below, on technical provisions.

The group data is given below:

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Non-Life excluding Health	13,040	21,304	-8,264
Healt similar to Non-Life	48,726	70,975	-22,249
Life excluding Health and Index- linked and unit-linked	-578	442	-1,020
Reinsurance recoverables	**61,188**	**92,722**	**-31,534**

Loans and Receivables

This item includes:

- "Mortgages and loans" relating to loans on Life policies for products that contain this clause in the insurance policy. No valuation differences emerged between the consolidated financial statements and the solvency reports;
- "Insurance receivables from intermediaries" relating to receivables from direct insurance transactions with intermediaries, particularly the retail network of Intesa Sanpaolo or the financial advisers of Banca Fideuram, for Fideuram Vita. These last receivables are valued at nominal value without considering adjustments due to losses for uncollectable amounts. By their nature, these receivables are due and payable in the short term;

- "Reinsurance receivables" payable in the short term by the reinsurers. Also for these receivables, the market value is in line with the related value as stated in the Consolidated Financial Statements;
- "Receivables (commercial, non-insurance)" relating to non-insurance receivables such as interest, tax credits and other types of accounts receivable. The only difference between the value of the individual accounts prepared according to Italian accounting standards and the Solvency Report is 312 thousand euro.

The data for the Insurance Group is given below:

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Loans and mortages	828	828	-
Insurance and intermediaries receivables	318,231	318,231	-
Reinsurance receivables	4,246	4,246	-
Receivables (trade, not insurance)	2,957,726	2,957,414	312

Other items

This item includes all the assets of residual importance compared to the above.

In detail they include "Cash and cash equivalents" and other assets not belonging to the items mentioned in the above sections.

The valuation of the other Financial Statement assets is based on the presumed realisation value. This approach is in line with the valuations made in the Solvency Report.

The data for the insurance group is as follows:

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Cash and cash equivalents	1,935,585	1,935,585	-
Any other assets, not elsewhere shown	717,380	613,928	103,452

For the individual companies there are no material differences between the figures in the Separate Financial Statements prepared in accordance with Italian accounting standards and data in the Solvency Report. The valuation method is therefore the same.

Intesa Sanpaolo Vita S.p.A.

Intangible assets

Intangible assets are recorded in the statutory accounts of Intesa Sanpaolo Vita, zeroed in accordance with the rules on the Solvency Report.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Intangible assets	-	20,026	-20,026

Deferred tax assets

The Company's Solvency Report includes:

- deferred tax assets (DTA) totalling 3,003 million euro, compared to 229 million euro DTA entered in the statutory financial statements (Italian accounting standards); the solvency value represents 2.8% of the total assets in the financial statements;
- total deferred tax liabilities (DTL) of 3,099 million euro, at the DTL entered in the Separate Financial Statements prepared in accordance with Italian accounting standards, which does not show any DTL; the solvency value represents 3.0% of the total liabilities in the financial statements.

Below is a breakdown of assets and liabilities for deferred taxes recorded for the company:

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Deferred tax assets	3,002,424	229,508	2,772,916
Deferred tax liabilities	3,098,758	-	3,098,758

Deferred taxes mainly relate to temporary differences that refer to the adjustments between the statutory value and the Solvency II value of the investments and the technical provisions.

These temporary differences are reversed with the approximation of the maturity or sale of the financial instruments or the liquidation of the corresponding portfolio policies.

On the reporting date there were no tax loss carry forwards or unused tax credits for which the corresponding deferred tax assets had not been recognised.

Real estate, plant and equipment held for own use

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Property, plant & equipment held for own use	6,067	158	5,909

The difference is due to a different methodology in calculating the value. IFRS 16 was adopted for the Solvency Report. This standard introduces significant changes to the recognition of leasing in the financial statements based on the right of use model. Intesa Sanpaolo Vita opted for first time adoption with a modified retrospective approach, which enables it to recognise the cumulated affect of adopting the standard at the date of first time adoption of the standard, and to not restate comparative data of the financial statements on the first time adoption of IFRS 16.

Holdings in related undertakings, including equity investments

For Intesa Sanpaolo Vita the shares held in subsidiaries, including equity investments, are the following:

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Holdings in related undertakings, including partecipations	2,484,641	545,401	1,939,240

The Solvency Report of the company includes in that item the value of "assets in excess of liabilities" on the solvency report of the subsidiaries, thus expressing the market consistent method as provided for in Delegated Regulation No. 35/2015.

The Separate Financial Statements prepared in accordance with the Local statutory provisions includes equity investments valued at cost, adjusted to reflect lasting impairments of value.

Investments (Capital instruments, bonds, UCITS, derivatives)

Below is a summary of the main items in the asset investments for Intesa Sanpaolo Vita:

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Equity	**1,674,179**	**1,302,624**	**371,555**
Equity - Listed	1,630,875	1,261,092	369,782
Equity - Unlisted	43,304	41,532	1,772
Bonds	**67,315,077**	**59,493,767**	**7,821,309**
Government bonds	54,344,619	47,444,488	6,900,131
Corporate bonds	12,082,551	11,253,928	828,623
Structured note	885,274	792,862	92,412
Collateralised securites	2,633	2,490	143
Collective investments undertakings	**11,543,608**	**10,992,814**	**550,794**
Derivatives	**518,091**	**52,999**	**465,092**
Investments	**81,050,955**	**71,842,205**	**9,208,750**

The total investments represent 77.0% of total assets in the financial statements. The main part of the investments in this category is allocated to government bonds, 65.1%, while 15.5% is invested in bonds. The remaining 16.4% is divided between equities (approximately 2%) and collective investment undertakings.

The difference between the amount of the asset and liability items relating to financial investments recognised in the Separate Financial Statements prepared in accordance with Italian accounting standards, of 71,842 million euro, and the amount determined for solvency purposes, of 81,051 million euro, relates to the recognition of the unrealised gains resulting from the fair value measurement of all financial instruments determined in accordance with IFRS 13, compared to the statutory measurement of the minimum between the cost and market for working capital and cost for long-term assets.

Assets held for index-linked and unit-linked policies

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Assets held for index-linked and unit-linked contracts	18,836,185	18,836,185	-

Compared to 2019 the component of unit linked policy assets fell by 54 million euro, from 18,890 million euro to 18,836 million euro. The weighting of this item in the total assets is 17.4%. The value of assets is measured for both fair value methods.

Amounts recoverable from reinsurance

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Health similar to Non-Life	-	13	-13
Life excluding Health and Index- linked and unit - linked	-	434	-434
Reinsurance recoverables	**-**	**447**	**-447**

Despite the need for a separate calculation of the amounts recoverable from reinsurance compared to the calculation of the BEL, the company considers that the reinsurance is not significant in reference to the principle of proportionality. It uses, as permitted by the Delegated Acts[5], a simplified valuation method that takes into consideration the valuation difference between the BEL before reinsurance and the BEL net of reinsurance, including in the last valuation the effect of the risk of default by the reinsurer[6], which leads to an adjustment based on the valuation of the probability of default by the counterparty and the average loss in that scenario (*Counterparty Default Adjustment*).

In the light of the above and as a result of the valuation of non-materiality of the "Amounts recoverable from reinsurance" the Best Estimate provisions are recognised on the Solvency Report at the value net of reinsurance. Therefore this item is not recognised in the assets on the Solvency Report.

As a result of this, the comparison of the data reveals a negative difference of 447 thousand euro.

Loans and Receivables

The valuation does not take into account the differences between the value recognised on the annual financial statements and the value for solvency purposes.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Loans and mortages	183	183	-
Insurance and intermediaries receivables	1,783	1,783	-
Reinsurance receivables	4	4	-
Receivables (trade, not insurance)	1,539,900	1,539,900	-

Other items

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Cash and cash equivalents	1,219,632	1,219,632	-
Any other assets, not elsewhere shown	394,085	394,085	-

Intesa Sanpaolo Assicura S.p.A.

Intangible assets

The intangible assets recorded in the statutory accounts are zeroed in accordance with the rules on the Solvency Report.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Intangible assets	-	11,816	-11,816

Deferred tax assets

The Company's Solvency Report includes:

[5] Article 57 of the Delegated Acts
[6] Article 42 of the Delegated Acts

- deferred tax assets (DTA) totalling 30.3 million euro, compared to 20.6 million euro DTA entered in the Separate Financial Statements according to Italian accounting standards; the solvency value represents 1.7% of the total assets on the financial statements;
- total deferred tax liabilities (DTL) of 102.7 million euro, compared to the Separate Financial Statements prepared in accordance with Italian accounting standards, which does not show DTL; the solvency value represents 10% of the total liabilities in the financial statements.

Below is a breakdown of assets and liabilities for deferred taxes recorded for the company:

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Deferred tax assets	30,259	20,566	9,693
Deferred tax liabilities	102,690	-	102,690

Deferred taxes mainly relate to temporary differences that refer to the adjustments between the statutory value and the Solvency II value of the investments and the technical provisions. These temporary differences are reversed with the approximation of the maturity or sale of the financial instruments or the liquidation of the corresponding TP.

On the reporting date there were no tax loss carry forwards or unused tax credits for which the corresponding deferred tax assets had not been recognised.

Holdings in related undertakings, including equity investments

Intesa Sanpaolo Assicura has no equity investments.

Real estate, plant and equipment held for own use

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Property, plant & equipment held for own use	3,479	337	3,142

The difference is due to a different methodology in calculating the value. IFRS 16 was adopted for the Solvency Report.

Investments (Capital instruments, bonds, UCITS, derivatives)

Below is a summary of the main items in the various capital instruments for Intesa Sanpaolo Assicura:

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Equity	**412**	**412**	**-**
Equity - Listed	412	412	-
Equity - Unlisted	-	0	-
Bonds	**1,050,444**	**1,038,108**	**12,336**
Government bonds	1,050,444	1,038,108	12,336
Corporate bonds	-	-	0
Structured note	-	-	0
Collateralised securites	-	-	-
Collective investments undertakings	**439,237**	**435,291**	**3,946**
Derivatives	-	-	-
Investments	**1,490,094**	**1,473,812**	**16,282**

The total investments represent 83.5% of total assets in the financial statements. The main part of the investments in this category is allocated to government stocks, 58.9%. 24.6% refers to collective investments while the remaining 0.1% part refers to equities and subordinated loans.

The difference between the amount of the asset and liability items relating to financial investments recognised in the Separate Financial Statements prepared in accordance with Italian accounting standards, of 1,474 million euro, and the amount determined for solvency purposes, of 1,490 million euro, relates to the recognition of the unrealised gains resulting from the fair value measurement of all financial instruments determined in accordance with IFRS 13.

Amounts recoverable from reinsurance

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Health similar to Non-Life	13,040	21,304	-8,264
Life excluding Health and Index- linked and unit - linked	11,293	19,894	-8,601
Reinsurance recoverables	**24,333**	**41,198**	**-16,866**

The Solvency Report values the percentages payable by the reinsurers on the basis of the quantification and subsequent discounting of cash flows connected to recoveries relating to direct business obligations discounted on the basis of the risk free rate curve.

This different valuation compared to the Separate Financial Statements prepared in accordance with Italian accounting standards results in a difference of -16,866 thousand euro between the Separate Financial Statements and the Solvency Report.

Loans and Receivables

The valuation does not take into account the differences between the value recognised on the annual financial statements and the value for solvency purposes.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Loans and mortages	115	115	-
Insurance and intermediaries receivables	145,689	145,689	-
Reinsurance receivables	3,781	3,781	-
Receivables (trade, not insurance)	3,923	3,923	-

Other items

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Cash and cash equivalents	20,353	20,353	-
Any other assets, not elsewhere shown	61,860	61,860	-

Fideuram Vita S.p.A.

Intangible assets

The intangible assets recorded in the statutory accounts are zeroed in accordance with the rules on the Solvency Report.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Intangible assets	-	85,692	-85,692

Deferred tax assets

The Company's Solvency Report includes:

- deferred tax assets (DTA) totalling 165.9 million euro, compared to 18.7 million euro DTA entered in the separate financial statements according to Italian accounting standards; the solvency value represents 0.4% of the total assets on the financial statements;
- deferred tax assets (DTL) totalling 240.6 million euro, compared to 1.3 million euro DTL entered in the separate financial statements according to Italian accounting standards; the solvency value represents 0.6% of the total assets on the financial statements.

Below is a breakdown of assets and liabilities for deferred taxes recorded for the company:

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Deferred tax assets	165,949	18,738	147,211
Deferred tax liabilities	240,588	1,335	239,253

Also for Fideuram Vita, the deferred taxes mainly relate to temporary differences that refer to the adjustments between the statutory value and the Solvency II value of the investments and the technical provisions.

These temporary differences are reversed with the approximation of the maturity or sale of the financial instruments or the liquidation of the corresponding portfolio policies.

On the reporting date there were no tax loss carry forwards or unused tax credits for which the corresponding deferred tax assets had not been recognised.

Real estate, plant and equipment held for own use

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Property, plant & equipment held for own use	10,196	1	10,196

The Company, adopting IFRS 16 which came into force on 1 January 2019, has recognised the right of use of assets of rental, hire or free loan agreements in the financial statements.

Holdings in related undertakings, including equity investments

For Fideuram Vita, no holdings in related undertakings, including equity investments, were recognised at 31 December 2020.

Investments (Capital instruments, bonds, UCITS, derivatives)

Below is a summary of the main items in the various capital instruments for Fideuram Vita:

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Equity	**83,448**	**67,807**	**15,641**
Equity - Listed	83,323	67,807	15,516
Equity - Unlisted	125	-	125
Bonds	**6,188,258**	**5,452,092**	**736,166**
Government bonds	4,890,342	4,213,677	676,665
Corporate bonds	1,096,589	1,045,349	51,240
Structured note	200,025	191,771	8,254
Collateralised securites	1,303	1,295	8
Collective investments undertakings	**730,119**	**716,228**	**13,892**
Derivatives	**119**	**13**	**107**
Investments	**7,001,945**	**6,236,139**	**765,806**

The total investments in this category represent 18,3% of total assets. The main part of the investments of this type is allocated to government bonds (69.8%) while 15.7% are invested in corporate bonds. The remaining component refers to collective investments, 10.4%. Marginal contribution of equities.

Also for this company, the difference between the values in the balance sheet of the Separate Financial Statements prepared in accordance with Italian accounting standards and those of the Solvency Report is due to the same reason as that indicated for Intesa Sanpaolo Vita.

Assets held for index-linked and unit-linked policies

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Assets held for index-linked and unit-linked contracts	30,016,046	30,016,046	-

Compared to 2019 the component of unit-linked policy assets went up by 7%, from 28,051 to 30,016 million euro, mainly due to the effect of the recovery in financial markets. The weighting of this item in the total assets is 78,4%.

Amounts recoverable from reinsurance

The run-off of the reinsurance agreements with Fideuram Vita do not generate recoverable amounts.

Loans and Receivables

The valuation does not take into account the differences between the value recognised on the annual financial statements and the value for solvency purposes.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Loans and mortages	531	531	-
Insurance and intermediaries receivables	2,268	2,268	-
Reinsurance receivables	400	400	-
Receivables (trade, not insurance)	570,822	570,822	-

Other items

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Cash and cash equivalents	279,021	279,021	-
Any other assets, not elsewhere shown	205,325	205,577	-253

Intesa Sanpaolo Life D.A.C.

Deferred Acquisition Cost

The difference of purchase fees to depreciate is indicated below.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Deferred acquisition costs	-	340,582	- 340,582

Deferred tax assets

The company's Solvency Report shows deferred tax assets of 0 million euro, which coincides with the amount on the annual accounts prepared in accordance with IAS. Deferred tax liabilities (DTL) totalled approximately 95 million euro, compared to 1.1 million euro of DTL entered in the Separate Financial Statements prepared for IAS purposes; the solvency value represents 0.27% of the total liabilities on the financial statements. Below is a breakdown of assets and liabilities for deferred taxes recorded for the company:

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Deferred tax assets	1	1	-
Deferred tax liabilities	94,565	1,085	93,480

The main difference in the adjustment of the DT relates to the portion of technical provisions for the liability items and the deferred costs of acquisition for the asset side. On this last item, the adjustment effect will be cancelled out over the years, in relation to the gradual unwinding of the deferred acquisition costs.

Real estate, plant and equipment held for own use

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Property, plant & equipment held for own use	1,321	1,321	-

Holdings in related undertakings, including equity investments

There are no equity investments for Intesa Sanpaolo Life.

Investments (Capital instruments, bonds, UCITS, derivatives)

Below is a summary of the main items in the various capital instruments for Intesa Sanpaolo Life:

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Equity	**354**	**354**	**-**
Equity - Listed	354	354	-
Equity - Unlisted	-	-	-
Bonds	**168,142**	**168,142**	**-**
Government bonds	140,064	140,064	-
Corporate bonds	28,078	28,078	-
Structured note	-	-	-
Collateralised securites	-	-	-
Collective investments undertakings	**112,076**	**112,076**	**-**
Derivatives	-	-	**-**
Investments	**280,572**	**280,572**	**-**

These assets are valued at fair value by using the prices obtained from the financial markets, for instruments listed on active markets, or using internal valuation techniques for other instruments. If the market prices are not available, the prices available from brokers or dealers can also be used. When there is no listing on an active market or the market does not operate regularly, the fair value of financial instruments is mainly determined through valuation techniques whose purpose is to determine the price of a hypothetical market transaction. The total investments in this category represent just 0.1% of total assets. Investments in government stocks represent 49.9% while 40% is invested in collective investments. The remaining 10% relates to bonds.

In this case there are no differences as the valuation principles used according to Irish law are IAS/IFRS and therefore they are aligned with the fair value principles used for Solvency II.

Assets held for index-linked and unit-linked policies

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Assets held for index-linked and unit-linked contracts	38,103,697	38,103,697	-

Compared to 2019 the component of unit-linked policy assets has increased by 3.3%, from 37,255 to 38,104 million euro. The weighting of this item in the total assets is 96%.

Amounts recoverable from reinsurance

The run-off of the reinsurance arrangements with Intesa Sanpaolo Life do not generate recoverable amounts

Loans and Receivables

There are no differences between the value recognised on the annual financial statements and the value for solvency purposes.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Loans and mortages	-	-	-
Insurance and intermediaries receivables	-	-	-
Reinsurance receivables	-	-	-
Receivables (trade, not insurance)	776,349	776,349	-

Other items

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Cash and cash equivalents	157,376	157,376	-
Any other assets, not elsewhere shown	43,948	43,948	-

Intesa Sanpaolo RBM Salute S.p.A

Deferred Acquisition Cost

Deferred acquisition costs in the Solvency Financial Statements are valued at zero in line with the provisions of Delegated Regulation no. 35/2015.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Deferred acquisition costs	-	1	- 1

Intangible assets

There are no intangible assets for Intesa Sanpaolo RBM Salute. The intangible assets recorded in the statutory accounts are zeroed in accordance with the rules on the Solvency Report.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Intangible assets	-	72	-72

Deferred tax assets

The Company's Solvency Report includes:

- deferred tax assets (DTA) totalling 5 million euro, equal to the DTA entered in the separate financial statements according to Italian accounting standards; the solvency value represents 0.8% of the total assets on the financial statements;
- total deferred tax liabilities (DTL) of 8 million euro, compared to the Separate Financial Statements prepared in accordance with Italian accounting standards, which does not show any; the solvency value represents 2.2% of the total liabilities in the financial statements.

Below is a breakdown of assets and liabilities for deferred taxes recorded for the company:

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Deferred tax assets	4,990	4,990	-
Deferred tax liabilities	8,419	-	8,419

Deferred taxes mainly relate to temporary differences that refer to the adjustments between the statutory value and the Solvency II value of the investments and the technical provisions. These temporary differences are reversed with the approximation of the maturity or sale of the financial instruments or the liquidation of the corresponding TP.

On the reporting date there were no tax loss carry forwards or unused tax credits for which the corresponding deferred tax assets had not been recognised.

Real estate, plant and equipment held for own use

The property held by the Company measured at fair value according to the survey of an independent expert generated the difference between the solvency value and value represented according to Italian accounting standards.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Property, plant & equipment held for own use	4,868	4,114	754

Holdings in related undertakings, including equity investments

Intesa Sanpaolo RBM Salute has no equity investments.

Investments (Capital instruments, bonds, UCITS, derivatives)

Below is a summary of the main items in the various capital instruments for Intesa Sanpaolo RBM Salute:

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Equity	**-**	**-**	**-**
Equity - Listed	-	-	-
Equity - Unlisted	-	-	-
Bonds	**68,002**	**67,664**	**338**
Government bonds	68,002	67,664	338
Corporate bonds	-	-	-
Structured note	-	-	-
Collateralised securites	-	-	-
Collective investments undertakings	-	-	-
Derivatives	-	-	-
Investments	**68,002**	**67,664**	**338**

The total investments represent 11% of total assets in the financial statements, allocated entirely government bonds.

Also for this company, the difference between the values in the balance sheet of the Separate Financial Statements prepared in accordance with Italian accounting standards and those of the Solvency Report is due to the same reason as that indicated for Intesa Sanpaolo Vita.

Amounts recoverable from reinsurance

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Health similar to Non-Life	37,433	51,068	-13,635
Reinsurance recoverables	**37,433**	**51,068**	**-13,635**

The Solvency Report values the percentages payable by the reinsurers on the basis of the quantification and subsequent discounting of cash flows connected to recoveries relating to direct business obligations discounted on the basis of the risk free rate curve.

This different valuation compared to the Separate Financial Statements prepared in accordance with Italian accounting standards results in a difference of -13,635 thousand euro between the Separate Financial Statements and the Solvency Report.

Loans and Receivables

The evaluation carried out does not involve differences between the value recorded in the financial statements and the value for solvency purposes.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Loans and mortages	-	-	-
Insurance and intermediaries receivables	167,492	167,492	-
Reinsurance receivables	-	-	-
Receivables (trade, not insurance)	47,088	47,088	-

Other items

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Cash and cash equivalents	257,642	257,642	-
Any other assets, not elsewhere shown	11,791	11,791	-

BancAssurance Popolari S.p.A.

Intangible assets

There are no intangible assets for the Company recorded in the Solvency Report, as the intangible assets recorded in the statutory accounts are zeroed in accordance with the rules on the Solvency Report.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Deferred acquisition costs	-	968	- 968

Deferred tax assets

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Deferred tax assets	6,683	6,683	-
Deferred tax liabilities	8,131	-	-8,131

The Company's Solvency Report includes:

- deferred tax assets (DTA) totalling 6,683 thousand, in line with the value recognised in the Separate Financial Statements according to Italian accounting standards and related mainly to deferred tax assets from the non-deductible change in mathematical reserves;
- total deferred tax liabilities (DTL) of 8,131 thousand euro, compared to zero in the Separate Financial Statements prepared in accordance with Italian accounting standards, which does not show any; the solvency value represents 100% of the total liabilities in the financial statements and refers to taxes calculated on differences generated in the measurement of Solvency value balances compared to the statutory value. Specifically, deferred tax liabilities refer to temporary differences in the value adjustment of investments (-110,796 thousand euro) and technical provisions (102,346 thousand euro) investments (7 thousand euro), and the adjustment in post-employment benefits (14 thousand euro), and intangible assets (for 298 thousand euro).

The Company checks the recoverability of deferred tax assets.

Real estate, plant and equipment held for own use

The item in question includes land and buildings for long-term use and the physical resources (furniture, office machinery) that the Company uses in the long term. It also includes restructuring, improvements and additions to plants used to extend the life of property and increase its profitability.

In the solvency report, land and buildings are recognised at fair value, determined according to an estimate prepared by an independent expert, based on the intrinsic and extrinsic properties of the asset and considering its profitability.

During the year, the Company adjusted the carrying amount of the property to the fair value resulting from the estimate, in the separate financial statements.

No differences were recognised in the measurement between the solvency report and the separate financial statements.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Property, plant & equipment held for own use	5,531	5,531	-

Holdings in related undertakings, including equity investments

For BancAssurance Popolari, the shares held in subsidiaries, including equity investments, are the following:

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Holdings in related undertakings, including partecipations	714	1,337	-622

The item includes two investments. The first concerns the subsidiary Intesa Sanpaolo Insurance Agency, in which the Company holds 100% of the capital, recognised in the Solvency Report with the equity method, for an amount equal to 678 thousand euro; during the year the Intesa Sanpaolo Group decided to refocus the business, consequently it was considered appropriate to consolidate the Company's capital in order to make it more adequate for future company activities, still being defined with the Parent Company Intesa Sanpaolo; therefore during the Shareholders' Meeting of the Agency, the Company subscribed to a capital increase of 300 thousand euro.

The second investment refers to U.B.I.S.S., an IT services company and subsidiary of UBI BANCA, recognised with the cost criterion for a value equal to 36 thousand euro.

Investments (Capital instruments, bonds, UCITS, derivatives)

Below is a summary of the main items in the various capital instruments for BancAssurance Popolari:

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Equity	**45**	**68**	**-22**
Equity - Listed	18	18	-
Equity - Unlisted	27	50	-22
Bonds	**2,472,023**	**2,113,282**	**358,741**
Government bonds	1,995,731	1,680,103	315,628
Corporate bonds	442,681	400,037	42,644
Structured note	33,611	33,141	469
Collateralised securites	-	-	-
Collective investments undertakings	**37,758**	**36,982**	**777**
Derivatives	**-**	**-**	**-**
Investments	**2,509,827**	**2,150,331**	**359,495**

The total investments in this category represent 90.3% of total assets. The reference portfolio increased over the previous year due to net positive premiums on products that may be revalued and multi-line products (for a total of approximately 77.6 million euro) while according to the market valuation, the change amounted to 210 million euro due to the increase in unrealised capital gains related to the narrowing of the spread on the Italian government component. In fact, the main part of the investments is allocated to government bonds (79.5%) while 17.6% are invested in corporate bonds. The remaining component refers to collective investments, equal to 1.5% of the portfolio, and structured bonds for 1.3%. Marginal contribution of equities.

The difference between the values in the balance sheet of the Separate Financial Statements prepared in accordance with Italian accounting standards and those of the Solvency Report are

attributable to the recognition by the latter of latent capital gains according to the measurement at fair value of financial instruments.

Assets held for index-linked and unit-linked policies

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Assets held for index-linked and unit-libked contracts	269,902	269,902	-

Compared to 2019 the component of unit-linked policy assets increased by 37.6%, from 196 to 270 million euro, due to net premiums for the year of around 64 million euro, and the remainder arising from the positive trend of financial markets on underlying instruments. The weighting of this item in the total assets is 9,7%.

Amounts recoverable from reinsurance

The Solvency Report values the percentages payable by the reinsurers on the basis of the quantification and subsequent discounting of cash flows connected to recoveries relating to direct business obligations discounted on the basis of the risk free rate curve.

This different valuation compared to the Separate Financial Statements prepared in accordance with Italian accounting standards results in a difference of -586 thousand euro between the Separate Financial Statements and the Solvency Report.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Health similar to Non-Life	-	-	-
Life excluding Health and Index- linked and unit - linked	-578	8	-586
Reinsurance recoverables	**-578**	**8**	**-586**

Loans and Receivables

The valuation does not take into account the differences between the value recognised on the annual financial statements and the value for solvency purposes.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Loans and mortages	-	-	-
Insurance and intermediaries receivables	999	999	-
Reinsurance receivables	61	61	-
Receivables (trade, not insurance)	40,195	40,195	-

Other items

The item cash and cash equivalents includes deposits in current bank and postal accounts, cheques and cash on hand.

The item All other assets includes all assets not included in the previous categories.

The measurement for Solvency II purposes of both items does not differ compared to the amount recognised in the local GAAP financial statements.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Cash and cash equivalents	1,561	1,561	-
Any other assets, not elsewhere shown	370	370	-

D.2 TECHNICAL PROVISIONS

D.2.1 Valuation of technical provisions by Solvency II Business Line

Intesa Sanpaolo Vita Insurance Group

The technical provisions as of 31 December 2020 were calculated in accordance with the Solvency II framework and the national enacting laws.

In particular, the value of the technical provisions of the individual companies of the Insurance Group corresponds to the amount that the company would pay to transfer its insurance and reinsurance obligations to another insurer or reinsurer. The value of the Group's technical provisions is calculated using the arithmetical sum of the technical provisions of individual companies.

In terms of methodology, the value of the technical provisions is equal to the sum of the following components:

- the discounted sum of the cash flows that the Company expects to pay net of those it expects to receive during the next years (usually, the next 30 years). This amount is called "Best Estimate";
- the risk margin, which is an additional component calculated to cover potential inaccuracy in the estimate of the component referred to above.

For the Insurance Group, the following table shows the amount of the technical provisions at 31 December 2020 for the substantial areas of activity, divided between the Best Estimate and Risk Margin. The value of amounts recoverable from the reinsurer after counterparty default adjustment is also indicated.

(euro millions)

Solvency Line of Business	BEL Net of Reinsurance	Reinsurance Recoverable	BEL Gross of Reinsurance	Risk Margin	Technical Provisions Gross of Reinsurance
Non Life	**755.5**	**61.8**	**817.2**	**65.4**	**882.7**
Non- Life (excluding Health)	422.7	13.0	435.7	28.1	463.8
Health (similar to Non-Life)	332.8	48.7	381.5	37.3	418.8
Life (excluding Health,Index- linked and unit-linked)	**85,061.1**	**-0.6**	**85,060.5**	**1,278.5**	**86,339.0**
Health (similar to Life)	-	-	-	-	-
Life (excluding Health,Index- linked and unit-linked)	85,061.1	-0.6	85,060.5	1,278.5	86,339.0
Index linked and unit linked	**84,668.6**	-	**84,668.6**	**412.7**	**85,081.4**
Total amount	**170,485.2**	**61.2**	**170,546.4**	**1,756.7**	**172,303.1**

The amount of the technical provisions, of 172.303,1 million euro, is mainly composed of the provisions for the Life business which represent 99% of the total. They can be divided among

technical provisions relating to conventional policies, at 86.339,0 million euro, and technical provisions for Linked policies, of 85.081,4 million euro. The Linked policies category also includes Pension Funds and the Linked components of multi-line products.

Below is the value of the technical provisions with a distinction between the Best Estimate and risk margin (amounts in million euro) of the Group divided by area of business.

Intesa Sanpaolo Vita S.p.A.

(euro millions)

Solvency Line of Business	BEL Net of Reinsurance	Reinsurance Recoverable	BEL Gross of Reinsurance	Risk Margin	Technical Provisions Gross of Reinsurance
Non- Life (excluding Health)	-	-	-	-	-
Health (similar to Non-Life)	1.4	-	1.4	-	1.4
Health (similar to Life)	-	-	-	-	-
Life (excluding Health,Index- linked and unit-	75,941.2	-	75,941.2	1,176.3	77,117.5
Index linked and unit linked	17,916.2	-	17,916.2	164.3	18,080.5
Total amount	**93,858.8**	**-**	**93,858.8**	**1,340.6**	**95,199.5**

With regard to the valuation methods, see the notes given with regard to Group level.

Intesa Sanpaolo Assicura S.p.A.

(euro millions)

Solvency Line of Business	BEL Net of Reinsurance	Reinsurance Recovarable	BEL Gross of Reinsurance	Risk Margin	Technical Provisions Gross of Reinsurance
Non- Life (excluding Health)	422.7	13.0	435.7	28.1	463.8
Health (similar to Non-Life)	274.1	11.3	285.4	30.0	315.4
Total amount	**696.9**	**24.3**	**721.2**	**58.1**	**779.3**

With regard to the valuation methods, see the notes given with regard to Group level.

Fideuram Vita S.p.A.

(euro millions)

Solvency Line of Business	BEL Net of Reinsurance	Reinsurance Recoverable	BEL Gross of Reinsurance	Risk Margin	Technical Provisions Gross of Reinsurance
Life (excluding Health,Index- linked and unit-	6,745.9	-	6,745.9	75.3	6,821.3
Index linked and unit linked	29,336.3	-	29,336.3	75.2	29,411.5
Total amount	**36,082.2**	**-**	**36,082.2**	**150.5**	**36,232.8**

With regard to the valuation methods, see the notes given with regard to Group level.

Intesa Sanpaolo Life D.A.C.

(euro millions)

Solvency Line of Business	BEL Net of Reinsurance	Reinsurance Recoverable	BEL Gross of Reinsurance	Risk Margin	Technical Provisions Gross of Reinsurance
Index linked and unit linked	37,154.2	-	37,154.2	166.5	37,320.8

With regard to the valuation methods, see the notes given with regard to Group level.

Intesa Sanpaolo RBM Salute S.p.A

(euro millions)

Solvency Line of Business	BEL Net of Reinsurance	Reinsurance Recoverable	BEL Gross of Reinsurance	Risk Margin	Technical Provisions Gross of Reinsurance
Health (similar to Non-Life)	57.2	37.4	94.6	7.3	101.9
Total amount	**57.2**	**37.4**	**94.6**	**7.3**	**101.9**

With regard to the valuation methods, see the notes given with regard to Group level.

BancAssurance Popolari S.p.A.

(euro millions)

Solvency Line of Business	BEL Net of Reinsurance	Reinsurance Recoverable	BEL Gross of Reinsurance	Risk Margin	Technical Provisions Gross of Reinsurance
Life (excluding Health,Index- linked and unit-linked)	2,374.0	-0.6	2,373.4	26.9	2,400.3
Index linked and unit linked	261.9	-	261.9	6.7	268.6
Total amount	**2,635.9**	**-0.6**	**2,635.3**	**33.6**	**2,668.9**

With regard to the valuation methods, see the notes given with regard to Group level.

D.2.2 Calculation methods and assumptions

Intesa Sanpaolo Vita Insurance Group

Best Estimate

The methods used to calculate the Best Estimate as applied by the Insurance Group are described in the sections below, relating to the individual companies.

Risk Margin

The risk margin is one of two components, together with the Best Estimate, of the technical provisions. It corresponds to the amount that guarantees that the value of the technical provisions is equivalent to the amount that the insurance and reinsurance companies would need in order to accept and honour their obligations.

The risk margin was calculated using the "cost of capital" approach, which consists of determining the current value of the cost paid by the company as a result of the capitalisation of own funds to cover the "non-hedgeable" risks throughout the duration of the contracts. The cost-of-capital rate is 6% as specified in Article 39 of the Delegated Act.

The risk margin was valued in accordance with the Solvency II Directive, without using the volatility adjustment for the purposes of the calculation.

At 31 December 2020, the risk margin of the Insurance Group was 1,750.1 million euro.

Operating assumptions

One of the inputs needed for the calculation of technical provisions is the operational assumptions which include the non-economic factors that influence the calculation of the Best Estimate.

The operational hypotheses were valued in accordance with the contractual limits, where present, in the various portfolios; they mainly have an impact on:

- the insured's exercise of contractual options that modify the policy terms and the resulting cash flows (for example the option to convert into an annuity);
- the frequency and amount of the insured events (for example the operational factor relating to surrenders and mortality);
- technical scenarios relating to the non-life business (such as the definition of the loss ratio).

The Life companies have also expressly defined an inflation scenario for the calculation of the Best Estimate, in reference to key market data.

Financial assumptions

For the valuation at 31 December 2020, the Group companies used the risk-free rate curve published by EIOPA. Intesa Sanpaolo Vita, Fideuram Vita and BancAssurance Popolari used a volatility adjustment of 7 bps, coinciding with the EIOPA adjustment at 31 December 2020. For more information see section "D.2.5 Transitional measures and long-term guarantee measures".

Principal methodological changes during the reporting period

With regard to the previous valuation at 31 December 2019, the following is reported with reference to Intesa Sanpaolo Vita:

- PPI/CPI portfolio (Pure risk): refinement of the calculation of the premium not used, to return in the event of substitution;
- Traditional portfolios: refinement of the calculation to safeguard fees for the separate management at monthly rates of the Base Sicura;
- off-model adjustment due to the effect of management fees related to Partial Surrender operations: this adjustment was necessary to take into account, in calculating the BEL, an underestimated projection of operating fees in deviations from the surrender assumptions used for SII valuations;
- in particular, to determine the surrender assumptions, total and partial surrenders are calculated, based on the frequencies observed in the portfolio. This assumption is used in the projection model, for insured sums and the number of surrendered items and therefore for residual policies (basis for calculating operating fees), which are therefore underestimated for the portion referable only to partial surrenders.

As regards Fideuram Vita, the following methodological change was adopted:

- as partial surrenders are considered jointly with total surrenders and are not modelled separately, the Company, to avoid underestimating the impact of operating expenses, used an off-model adjustment in order to adequately value partial surrenders.

For the valuation at 31 December 2020, certain operational assumptions were modified based on the updating of the historic events considered relevant for the purposes of calculating the BEL and due to some methodological refinements.

Updates to changes to commission agreements for the guaranteed segment of the open-end pension fund were also considered.

For Intesa Sanpaolo Assicura, the following is noted:

- Forward looking loss ratio: in defining the forward looking Loss Ratio to calculate the BEL premiums, the relevant premiums used at the denominator did not include reimbursements and premium reversals related to previous years;
- Early settlement rates: the early settlement rate applied to future premiums to define the Premiums BEL, was calculated comparing premium reversals related to previous years with premiums issued rather than on the incoming premium reserve;
- Rates of transfer to reinsurance proportional for the calculation of the Premiums BEL: in estimating the rates of transfer to reinsurance proportional for the calculation of the Premiums BEL, the rates of transfer for proportional reinsurance differing between the premiums cash flow component and claims cash flow were used and defined;
- Actuarial statistical methodologies to define the Claims BEL: besides the LoB 4 (Motor vehicle liability insurance), actuarial statistical methodologies (Chain Ladder Paid, Chain Ladder Incurred, Bornhuetter-Ferguson Paid, Bornhuetter-Ferguson Incurred e Initial Expected Loss Ratio) were also used for LoB 2 (Income protection insurance), in order to estimate the cash flows of the Undiscounted Best Estimate Liability for Claims.

For Intesa Sanpaolo Life D.A.C., the following is noted:

- The adoption of a stochastic, Monte Carlo type projection, with risk neutral approach, for the following products:
  - Doppio Centro (product code UR301)
  - Prospettiva Sostenibile (product code EP104)
  - Valore Pro (product code VP901)
- The inclusion of recurrent premiums in the estimate of future profits (PVFP) of the Doppio Centro product (product code UR301), in line with contract conditions for this product.

Comparison between IAS/IFRS Consolidated Financial Statement provisions and Solvency II provisions

Comparison between the technical provisions in the IAS/IFRS consolidated financial statements and Solvency II provisions referred to the Intesa Sanpaolo Vita Group.

(euro millions)

Solvency Line of Business	Solvency II value	Statutory accounts value	Difference	Risk Margin
Non- Life	**882.7**	**1,205.9**	**-323.2**	**65.4**
Non- Life (excluding Health)	463.8	600.8	-137.0	28.1
Health (similar to Non-Life)	418.8	605.1	-186.3	37.3
Life (excluding Index- linked and unit- linked)	**86,339.0**	**84,719.7**	**1,619.3**	**1,278.5**
Health (similar to Life)	-	-	-	-
Life (excluding Health,Index- linked and unit-linked)	86,339.0	84,719.7	1,619.3	1,278.5
Index linked and unit linked	85,081.4	87,229.1	-2,147.7	412.7
Other Provisions	-	8.0	-8.0	-
Total amount	**172,303.1**	**173,162.7**	**-859.6**	**1,756.6**

Expected profits included in future premiums

The value of the EPIFP was estimated as the difference between the Best Estimate calculated by zeroing the recurring premiums and additional future premium payments, where applicable, and the stochastic Best Estimate, calculated in the Best Estimate scenarios. As provided for in Article 260 section 3 of the Delegated Acts, the valuation is carried out for each homogeneous risk group, according to the following formula:

$$\text{EPIFP} = \sum_{i} \max\{0; \Delta\text{BEL}_i\}$$

For the Life business, the following table shows the value of the EPIFP for Intesa Sanpaolo Vita Group companies. For Intesa Sanpaolo Life, the business is mainly characterised by single premium policies: the residual part relating to recurring premiums is not considered for the purposes of calculating the EPIFP as it goes beyond the scope of the contractual limits and is not modelled in the best estimate calculation.

For the non-life business, the expected profits for future premiums have been valued, in the context of the valuation of the premiums best estimate, by considering the future premiums and instalments due, which the Company will collect from the policies in force on the valuation date. These profits have been estimated by considering the 1's complement of the Combined Ratio estimated for future years and considering the discounting effect.

(euro millions)

Company	EPIFP
Intesa Sanpaolo Vita	334.2
Fideuram Vita	169.7
Intesa Sanpaolo Assicura	59.1
Intesa Sanpaolo RBM Salute	44.8
BancAssurance Popolari	18.6
Totale	**626.4**

Future management actions

The calculation of best estimate and, more generally, of expected future cash flows requires specific assumptions regarding Future Management Actions.

These are any action by the insurer which is currently planned or could reasonably be implemented in the future deriving from a contract, statutory, commercial or other option.

Scenarios pertaining to future management actions are formalised by the company taking these actions, in a document approved annually by the management board (FMA Plan) and form the basis of the calculation of the best estimate.

The main measures relate to the management of with-profits portfolios and relate to:

- realisation strategies that are the result of a predefined sequence of checks in terms of cash flow mismatches, asset allocation, potential yield objectives and sale priorities for assets in the portfolio;
- reinvestment policies;
- potential management of the level of over-coverage of assets compared to related liabilities.

Dynamic policyholder behaviour

Below are details of the methods used by the Parent Company Intesa Sanpaolo Vita to govern the estimate of the possible dynamic behaviours of policyholders in relation to the exercise of the option to surrender on the with-profits portfolios of the Company.

At each time step in the projection the Parent Company includes a change in the percentage of surrenders if the difference between the measurement of the payout revaluation and the appropriate rate of return, accepted as the market benchmark, is significant. If this happens, the change translates into an increase or reduction in the basic surrender frequency (best estimate) depending on whether the above-mentioned difference is negative or positive.

Following this analysis, the company Fideuram Vita found that the correlation between the trends in the surrenders of its portfolio compared to the market trends, was not at a level that would affect the basic scenario (Best Estimate).

The company BancAssurance Popolari adopted a methodology in line with the Parent Company.

For the other Group companies the dynamic behaviour of insured is not significant.

Intesa Sanpaolo Vita S.p.A.

Best Estimate

The calculation of the best estimate as defined in section "D.2.1 Valuation of technical provisions by Solvency II business line" may be done using a deterministic or stochastic approach depending on the characteristics of the liabilities portfolio.

The stochastic approach refers to the fact that the cash flows are defined as the average flow is calculated according to an adequate number of different market scenarios, which give the most probable representation of future commitments in a risk-neutral market scenario, while incorporating the expected volatility. This approach is particularly used where there are financial guarantees and contractual options that depend on the financial situation in question.

The deterministic approach is based on valuations made according to the risk-neutral market scenario considered to be most probable.

More specifically, it should be noted that: - for policies or business lines where the cash flows do not directly depend on market volatility, the best estimate is calculated according to the

deterministic approach; Some examples may concern the Protection LoB, Saving products without profit participation and without guarantees, and unit-linked products without guarantees.

- for products or LoB where the cash flows contain financial guarantees and contractual options (which do not move symmetrically with market movements), the best estimate should be calculated using a stochastic approach; - examples include conventional policies with guarantees or profit sharing mechanisms.

The projections include all the potential inflows and outflows necessary to value the company's commitments for their entire duration, in line with the contractual limits pertaining to the contracts to which those amounts refer.

A non-exhaustive list of cashflows considered in the calculation of the Best Estimate includes:

- payments of life benefits and, in case of death, payments in case of surrender, payments of annuities;
- The costs of administration, management of investments and claims payouts;
- Future premiums and other cash flows deriving from those premiums;
- commission paid to the retail networks;
- the costs paid to investment firms in relation to asset management or the protection schemes underlying certain types of contract.

Operating assumptions

The main operating assumptions considered by Intesa Sanpaolo Vita in calculating the Best Estimate relates to the propensity to surrender (which also includes cases of partial surrenders), additional payments, cases of premium payments being interrupted for annual premium policies and single recurring premiums, the case of mortality, cost, automatic deferment of maturity, conversion into annuity and subrogation on "Personal Protection Insurance", or "PPI").

Difference between provisions of the Separate Financial Statements and Solvency II provisions

The company's Actuarial function has conducted an analysis to reconcile these two amounts. The starting point is the Solvency II technical provisions at 31 December 2020 and the endpoint is the statutory technical provisions at 31 December 2020.

This approach gives a reconciliation aimed at identifying and isolating the main factors that caused the difference. Overall there were no critical issues with the portfolio analysis, and the technical provisions on the financial statements and the best estimate in the Solvency II report were consistent. The residual variation from the reconciliation was limited.

Intesa Sanpaolo Assicura S.p.A.

Best Estimate

The Best Estimate calculation methodology includes:

- the Premium Provision Best Estimate calculation;

- the Claims Provision Best Estimate calculation.

The Premium Provision Best Estimate before the reinsurance calculation is obtained by adding the present value of the difference between future incoming and outgoing cash-flows with respect to future years.

Future cash outflows consist of:

- expected claims, with reference to both the unearned premium reserve and future premiums;
- expected operating costs, with reference to both the unearned premium reserve and future premiums;
- expected premium refunds, with reference to the unearned premium reserve.

Incoming future cash flows consist of future premiums and instalments due, adjusted for any anticipated terminations.

The Claims Provision Best Estimate gross of reinsurance is made on the basis of an analysis of historical data for settled and reserved claims (gross of any recovery by reinsurers, net of indirect costs and of any recoveries from policyholders and third parties), aggregated by LoB. This data is needed to estimate the ultimate cost of claims through the method that best fits each homogeneous risk group.

The Claim Provision Best Estimate before reinsurance is calculated as the sum, over future years, of the discounted cash flows described above.

The Premium Reserve Best Estimate and Claim Provision Best Estimate net of reinsurance is the difference between the Premium Reserve Best Estimate before reinsurance and the Best Estimate of recoveries from reinsurers, inclusive of the adjustment for counterparty default risk.

Operating assumptions

The main operational scenarios considered for the purposes of calculating the Best Estimate by the Company Intesa Sanpaolo Assicura, include the "Loss Ratio" prospect, the "Expense Ratio", of the early surrender rates (either with the reimbursement of the unused premium or without) and the rates of unwinding claims.

Difference between provisions of the Separate Financial Statements and Solvency II provisions

Premiums provision

The differences between the local premiums provision and the best estimate of the premiums provision at 31 December 2020, essentially relate to the different methodological approach followed to determine the liabilities, for which the Solvency II valuation also takes into consideration the current value of future profits.

Claims provision

Moving from the Separate Financial Statements prepared for local purposes to the Solvency II accounts, the main differences relate to the discounting, the effect of estimated recoveries and the decisions taken with regard to the application of the statistical actuarial methodologies.

Fideuram S.p.A.

Best Estimate

For Fideuram Vita, see above, in relation to Intesa Sanpaolo Vita.

Operating assumptions

The main operational scenarios considered in the calculation of the best estimate by the company Fideuram Vita relate to the propensity to surrender (also including partial surrenders), additional payments, cases of mortality/longevity, cost, conversion into annuities, penalties in the event of surrender at the end of deferment and the pensionable age for the open pension fund.

Difference between provisions of the Separate Financial Statements and Solvency II provisions

For Fideuram Vita, see above, in relation to the company Intesa Sanpaolo Vita.

Intesa Sanpaolo Life D.A.C.

Best Estimate

For Intesa Sanpaolo Life, see above, in relation to Intesa Sanpaolo Vita.

Operating assumptions

The main operational scenarios considered in the calculation of the best estimate by the company Intesa Sanpaolo Life relate to the propensity to surrender (total or partial), and the cases of mortality and cost.

Difference between provisions of the Separate Financial Statements and Solvency II provisions

With regard to the cohesion between the provisions on the Separate Financial Statements and the best estimate net of the risk margin, the difference between these two items can be fully explained by the current value of the future profits. The portfolio of Intesa Sanpaolo Life mainly consists of unit-linked policies whose technical provisions are calculated on the individual accounts as the countervalue of the units on the valuation date. The Solvency II valuation however is based on the projected flows and therefore takes into consideration future profits as well.

Intesa Sanpaolo RBM Salute S.p.A

Best Estimate

The Best Estimate calculation methodology includes:

- the Premium Provision Best Estimate calculation;

- the Claims Provision Best Estimate calculation.

The Premium Provision Best Estimate before the reinsurance calculation is obtained by adding the present value of the difference between future incoming and outgoing cash-flows with respect to future years.

Future cash outflows consist of:

- expected claims, with reference to both the unearned premium reserve and future premiums;
- expected operating costs, with reference to both the unearned premium reserve and future premiums;
- expected premium refunds, with reference to the unearned premium reserve.

Incoming future cash flows consist of future premiums and instalments due, adjusted for any anticipated terminations.

The Claims Provision Best Estimate gross of reinsurance is made on the basis of an analysis of historical data for settled and reserved claims (gross of any recovery by reinsurers, net of indirect costs and of any recoveries from policyholders and third parties), aggregated by LoB. This data is needed to estimate the ultimate cost of claims through the method that best fits each homogeneous risk group.

The Claim Provision Best Estimate before reinsurance is calculated as the sum, over future years, of the discounted cash flows described above.

The Premium Reserve Best Estimate and Claim Provision Best Estimate net of reinsurance is the difference between the Premium Reserve Best Estimate before reinsurance and the Best Estimate of recoveries from reinsurers, inclusive of the adjustment for counterparty default risk.

Operating assumptions

The main operational scenarios considered for the purposes of calculating the best estimate by the Company Intesa Sanpaolo RBM Salute, include the "Loss Ratio" prospect, the "Expense Ratio", of the early surrender rates (either with the reimbursement of the unused premium or without) and the rates of unwinding claims.

Difference between provisions of the Separate Financial Statements and Solvency II provisions

Premiums provision

The differences between the local premiums provision and the best estimate of the premiums provision at 31 December 2020, essentially relate to the different methodological approach followed to determine the liabilities, for which the Solvency II valuation also takes into consideration the current value of future profits.

Claims provision

Moving from the Separate Financial statements prepared for Local purposes to the Solvency II accounts, the main differences relate to the discounting, the effect of estimated recoveries and the decisions taken with regard to the application of the statistical actuarial methodologies.

BancAssurance Popolari S.p.A.

Best Estimate

For BancAssurance Popolari, see above, in relation to the company Intesa Sanpaolo Vita, with the exception of the assumption of the automatic deferment of maturity, which is a case that does not apply to the company.

Operating assumptions

The main operating assumptions considered by BancAssurance Popolari concern risk appetite, additional payments, cases of premium payments being interrupted for annual premium policies and single recurring premiums, the case of mortality, cost and repayment of the premium in the case of early repayment of the loan for loan-related rates.

Difference between provisions of the Separate Financial Statements and Solvency II provisions

For BancAssurance Popolari, see above, in relation to the company Intesa Sanpaolo Vita.

D.2.3 Simplifications used in calculating technical provisions

Intesa Sanpaolo Vita Insurance Group

As regards the company Intesa Sanpaolo Vita:

- the value of the BEL indicated includes an off-model adjustment to take account of an underestimate of operating costs related to the absence of modelling partial surrenders. In fact, the surrender frequencies, operating for amounts, incorporate the effects of outflows due to total and partial surrenders. These frequencies interact within the actuarial model not only regarding insured sums but also the number of items, underestimating, in this way, the number of items managed to which the management cost assumption is applied.
- given the non-materiality of the Non-Life portfolio, Technical Provisions were valued as a whole and considered as equal to statutory reserves net of the reserve component for reinsurers, without therefore considering the risk margin component;
- with reference to the coinsurance portfolio with the company Poste Vita, in a capacity as principal insurer, the BEL were obtained by reproportioning the revaluable portfolio BEL, based on the ratio of values of the Local GAAP mathematical provision;
- the reinsurance was not considered for the purposes of calculating the Technical Provisions, as it was immaterial; therefore the BEL and consequently the Technical Provisions net of reinsurance were equal to the BEL and Technical Provisions valued gross of reinsurance.

As regards the company Fideuram Vita:

- given the negligible weight of reinsurance, amounts recoverable from relative arrangements were determined by using a simplified methodology;
- the Fideuram Pension Fund was modelled entirely on a deterministic approach, also including the guaranteed component, considering that the related amount is of limited materiality.

Unit-linked products with a capital guarantee on maturity were also processed according to a deterministic approach, as the difference of the BEL between a stochastic approach and deterministic approach was found to be negligible, and consequently, there was no asymmetry in market movements.

Lastly, policies with a reversible and certain return were considered in the projections as annuities, despite considering the correct benefits.

As regards BancAssurance Popolari:

- the calculation of the BEL for the two separate managements, in the case of stochastic and also deterministic simulations, is carried out, grouping the portfolio into clusters; the compression level varies as the precision required for the processing varies. To verify the quality of the clusters, the deterministic BEL calculated on these clusters are compared to those calculated policy by policy. The deviation between the results is equal to -0.09%.

For the purpose of calculating the Risk Margin, given the potential complexity inherent in this calculation, the Directive allows companies to use simplified methods. As stated in Article 60 of Regulation no. 18, the valuation may be made by using simplifications and approximations of the individual risks or certain risks used to calculate the future SCR, within the various modules or submodules.

For the valuation of 31 December 2020 all the Group companies (apart from Intesa Sanpaolo Life) calculated the risk margin according to the level II simplification as indicated in Annex 4 of Regulation no. 18 and the EIOPA guidelines on the calculation of technical provisions based on the assumption that the Solvency Capital Requirement for each future year would be proportionate to the Best Estimate. Intesa Sanpaolo Life has relied on the Level 1 simplification which estimates the individual risks or subrisks within all or some of the modules and submodules to be used in calculating the future solvency capital requirements.

D.2.4 Level of uncertainty associated with the value of technical provisions

Intesa Sanpaolo Vita Insurance Group

The technical provisions are calculated on the basis of the projection of the current portfolio volumes on the valuation date, which is done on the basis of appropriate financial-economic and technical-operational scenarios that may be accurate but may differ from the real situation in the future and therefore generate a degree of uncertainty in the calculation.

It is standard practice to carry out sensitivity tests to verify the uncertainty associated to the calculation of provisions by measuring the impact of these changes whenever there are changes in the individual scenarios, on the final results in order to understand how sensitive the valuation is, to any deviations that could occur in each scenario. With reference to the assumptions formulated within Solvency II, the BEL may be affected by changes in external factors such as volatility of rates, or macroeconomic factors, and internal factors such as surrenders, mortality and costs.

At methodological level, a minimum sensitivity set has been identified to explain the main factors of uncertainty at Group level, found in the BEL calculation. Each Company is able to carry out additional sensitivity tests depending on the specific nature of individual portfolios and, if

considered appropriate, they also analyse the results of the stress tests used in the Standard Formula to calculate the solvency capital requirement.

Below is the set of sensitivity tests for the Group. For the company Intesa Sanpaolo Assicura, at Group level only the sensitivity tests relating to the increase or decrease in the interest rate curve are valid. The operational sensitivity tests indicated below are relevant to the Life segment as this business line is the most important one at Group level.

For the valuations relating to Intesa Sanpaolo Vita, this analysis was not done on the non-life component of the portfolio as it is not material.

Economic sensitivities:

- an increase in the interest rate curve of 100 bps;
- a decrease of 100 bps in the interest rate curve (with no floor on the negative rates);
- a decrease in the value of the shares of 10%;
- zeroing of the volatility adjustment.

Operational sensitivities:

- a 10% increase in the surrender rates;
- a 10% decrease in the surrender rates;
- a 10% increase in the amount of costs and an increase of 1% in the rate of inflation (as per the Standard Formula);
- an increase of 15% in the mortality rates (as per the Standard Formula);
- annulment of the additional payments scenario.

The sensitivities indicated that the group's best estimate was more sensitive to a change in the interest rates than to the other market factors; with regard to the operational sensitivities the impacts were less significant: in general, the operational factors have no significant impact, because at sensitivity level, compensatory effects are also permitted.

Finally, where appropriate each company also carried out additional sensitivity tests, to reflect the specific nature of their own portfolios.

D.2.5 Transitional measures and long-term guarantee measures

Intesa Sanpaolo Vita Insurance Group

For the valuation at 31 December 2020, Intesa Sanpaolo Vita, Fideuram Vita and BancAssurance Popolari used a volatility adjustment of 7 bps, coinciding with the EIOPA adjustment at 31 December 2020.

Intesa Sanpaolo Vita S.p.A.

The volatility adjustment is applied to the maturity structure of the interest rates with reference to the pure-risk portfolios and the separate management portfolios including the Line III component relating to multi-line pension products (PIP).

The table below shows the impact in terms of BEL, Risk Margin, Technical Provisions, Eligible Own Funds, SCR, MCR and Solvency Ratio, calculated without taking account of the volatility adjustment:

(euro millions)

	BEL	Risk Margin	Technical Provisions	Eligible Own Funds*	Solvency Capital Requirement	Minimum Capital Requirement	Solvency Ratio
No Volatility Adjustment	94,088.8	1,340.6	95,429.4	7,249.6	3,681.6	1,656.7	196.9%

** Eligible to meet the Solvency Capital Requirement*

If the volatility adjustment is zeroed, the Solvency Ratio would fall by 18 percentage points to 196.9%, which is still far above the 100% threshold.

The numbers in the table refer to the company's entire portfolio however impact is mainly attributable to the segregated funds, as the adjustment for volatility is not applied to the pension fund portfolio or to the unit-linked policies portfolios.

Intesa Sanpaolo Assicura S.p.A.

The company does not apply long-term guarantee measures.

Fideuram Vita S.p.A.

The volatility adjustment is applied to the interest rates maturity structure but only for the valuation of with-profits policies.

The table below shows the impact in terms of Best Estimate, Risk Margin, Technical Provisions, Eligible Own Funds, Minimum Capital Requirement and Solvency Ratio, calculated without taking account of the volatility adjustment:

(euro millions)

	BEL	Risk Margin	Technical Provisions	Eligible Own Funds*	Solvency Capital Requirement	Minimum Capital Requirement	Solvency Ratio
No Volatility Adjustment	36,102.1	150.5	36,252.6	1,201.0	449.5	202.3	267.2%

** Eligible to meet the Solvency Capital Requirement*

If the volatility adjustment is zeroed, the Solvency Ratio would fall by 9 percentage points to 267.2%, which is still far above the 100% threshold.

Intesa Sanpaolo Life D.A.C.

The company does not apply long-term guarantee measures.

Intesa Sanpaolo RBM Salute S.p.A

The company does not apply long-term guarantee measures.

BancAssurance Popolari S.p.A.

The table below shows the impact in terms of BEL, Risk Margin, Technical Provisions, Eligible Own Funds, SCR, MCR and Solvency Ratio, calculated without taking account of the volatility adjustment:

(euro millions)

	BEL	Risk Margin	Technical Provisions	Eligible Own Funds*	Solvency Capital Requirement	Minimum Capital Requirement	Solvency Ratio
No Volatility Adjustment	2,642.9	33.8	2,676.7	137.9	80.9	36.4	170.5%

** Eligible to meet the Solvency Capital Requirement*

If the volatility adjustment is zeroed, the Solvency Ratio would fall by 21 percentage points to 170.5%, which is still far above the 100% threshold. The volatility adjustment is applied to the interest rates maturity structure only the volatility of the entire portfolio.

D.2.6 Amounts recoverable from reinsurance and SPV contracts

Intesa Sanpaolo Vita Insurance Group

The provisions assigned to reinsurance are commented on in the sections below, about the individual companies.

Intesa Sanpaolo Vita S.p.A.

For Intesa Sanpaolo Vita, the provision transferred to reinsurance has been left out of the calculation of the technical provisions as it is not material; therefore the Best Estimate net of reinsurance has been included, and it is equal to the Best Estimate inclusive of reinsurance.

Intesa Sanpaolo Assicura S.p.A.

In calculating the Best Estimate, the recoverable amount from reinsurance are determined as follows:

- in calculating the Best Estimate of the premiums provision, the amounts recoverable from the reinsurer are the difference between the claims generated from the provision for portions of premiums, future premiums and the reimbursements transferred to reinsurance, and the premiums transferred to the reinsurer to which should be added the commission received from the reinsurer;
- in calculating the best estimate of the claims provision the amounts recoverable from the reinsurer are the sum of the claims transferred for the non-proportional arrangements and the claims transferred for the quota share arrangements.

Fideuram Vita S.p.A.

Fideuram Vita, in complying with the principle of materiality and proportionality evaluated amounts recoverable from reinsurance arrangements (RR), defining a simplified methodology; based on this approach, the amount of the RR was not material.

Intesa Sanpaolo Life D.A.C.

For Intesa Sanpaolo Life, see above, in relation to Intesa Sanpaolo Vita.

Intesa Sanpaolo RBM Salute S.p.A

In calculating the Best Estimate, the recoverable amounts from reinsurance are determined as follows:

- in calculating the Best Estimate of the premiums provision, the amounts recoverable from the reinsurer are the difference between:
    - the claims generated from the provision for portions of premiums, future premiums and the reimbursements transferred to reinsurance;
    - the premiums transferred to the reinsurer;

      in addition to:
    - fees received from the reinsurer;
- in calculating the Best Estimate of claims, the amounts recoverable from the reinsurer are the difference between:
    - claims transferred for non-proportional arrangements;
    - claims transferred for the share quota arrangement;

BancAssurance Popolari S.p.A

BancAssurance Popolari determines amounts recoverable from reinsurance based on the same methodologies and assumptions adopted to calculate the best estimate liabilities, with reference to transferred flows.

D.3 OTHER LIABILITIES

The purpose of this section is to specify additional liabilities on the solvency report which together with the best estimate of technical provisions, contribute to the total liabilities item.

Provisions other than technical provisions

This item refers to the provisions for risks and charges, and the provision for taxes.

There are no differences between the valuations referring to the consolidated IFRS accounts and the Solvency II value, as the valuation models are fully aligned. Any differences should be recognised exclusively where:

- a company has a current obligation deriving from past events;
- it is probable that funds will need to be used to liquidate the obligation;
- it is possible to make a reliable estimate of the amount of the obligation.

The data for the Insurance Group is given below:

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Provisions other than technical provisions	30,444	30,552	-108

Use of the Solvency valuation methods has not generated any differences in value for the individual companies compared to the valuation according to the principles of the individual accounts prepared according to Italian accounting standards.

Pension obligations

This item includes the liabilities for post-employment benefits, length of service bonuses and medical care benefits paid to directors and their families after the termination of a contract of employment.

In the context of Solvency II, considering the complexity deriving from the use of valuation rules based on actuarial scenarios in order to estimate the discounted value of the benefits accruing to the employee for services rendered, IAS 19 is applied but without the corridor approach, to prevent companies from obtaining results that differ depending on the rules chosen for the recognition of actuarial gains and losses. The International accounting standard was applied to the post-employment benefits, length of service bonuses and medical care for directors.

The data for the Insurance Group is given below:

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Pension benefit obligations	11,963	12,303	-340

Deferred tax liabilities

In relation to the numerical and methodological findings concerning deferred tax liabilities, refer to the contents of section D.1 (Deferred tax assets) for each company.

Deposits from reinsurers

The valuation, which recognises the nominal value, does not result in any differences between the value recognised in the annual financial statements and the value for solvency purposes. It relates only to the company Intesa Sanpaolo Assicura.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Deposit from reinsurers	403	403	-

Financial liabilities

This category consists of:

- Derivatives
- Payables to banks.

Financial derivatives are only used in order to reduce the investment risk and to achieve an efficient management of the securities portfolio, with the exclusion of purely speculative aims. Hedging derivatives contracts are valued in line with the hedged assets and liabilities.

According to the Solvency II regulations, derivatives have to be valued at market value according to the valuation methods contained in section D.1 of this Report. With regard to the item "Payables to credit institutions", the Solvency II framework prescribes that they are valued in line with IFRS/IAS, on condition that these standards include valuation methods that are consistent with the valuation approach contained in Article 75 of European Directive 138/2009. The valuation takes place without any adjustment to take account of the change in the company's credit rating after the initial recognition.

As can be seen from the table below, for these items the application of the Solvency valuation methods does not create any differences compared to the valuation done according to the IFRS.

The data for the Insurance Group is given below:

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Derivatives	54,058	54,058	-
Debts owed to credit insitutions	12,007	12,007	-

Other liabilities

This category consists of the following items:

- Amounts payable to insurers and intermediaries;
- Reinsurance payables;
- Payables (trade, non-insurance);
- All the other liabilities not indicated elsewhere.

The valuation criteria used for the items in question on the consolidated accounts prepared according to IAS are consistent with the Solvency II framework for the group and for the individual companies.

The item "Insurance payables and payables to intermediaries" consists of payables to in policyholders, insurance brokers, from relations with the sales network represented by the banks that retail the insurance policies, and to insurance companies, referring to the amounts due on the coinsurance accounts. The difference relating to this item, of 301 million euro is due to the cancellation of the "Deferred Income Liabilities" of Intesa Sanpaolo Life. As this is an intangible liability it is valued at zero in the solvency report.

The "Reinsurance liabilities" are composed of the balance of technical accounts of transfers to the reinsurers.

The item "Trade payables, non-insurance" includes amounts payable to employees, suppliers, public bodies and other counterparties which do not relate to the insurance business.

The item "Other liabilities not reported elsewhere" includes all liabilities not included in other balance sheet items. The difference of 31 million euro for this item is essentially due to the fact that on the consolidated financial statements the item includes the value of the provision for deferred profits (DIR). In accordance with ISVAP Regulation No. 7/2007, this was classified under Other liabilities, compared to the solvency report, where it is recognised at zero as it is an intangible liability.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Insurance & intermediaries payables	1,785,041	2,086,042	-301,001
Reinsurance payables	77,141	77,141	0
Payables (trade, not insurance)	755,213	1,003,767	-248,554
Any other liabilities, not elsewhere shown	951,021	982,451	-31,430

Subordinated liabilities

This category consists of the subordinated liabilities issued by Intesa Sanpaolo Vita and by Fideuram Vita, the amount of which is partially recognised under own funds.

When valuing the subordinated liabilities the individual and group companies use methods of determining the value of which those liabilities can be transferred or settled between informed, consenting parties in an operation carried out at normal market conditions without considering any adjustments that will take into account changes in the credit rating of the company after initial recognition.

With regard to the valuation for the purposes of the consolidated financial accounts, the subordinated liabilities are entered at the amortised cost.

Due to the different valuation approach in the two systems, the Insurance Group has recorded a difference of 86,682 thousand euro.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Subordinated liabilities	2,216,862	2,130,180	86,682

Intesa Sanpaolo Vita S.p.A.

Provisions other than technical provisions

In the statutory context, provisions for risks and charges are intended to cover year-end losses or liabilities whose nature is known, certain or probable, and whose amount or date is indeterminate.

Provisions for risks and charges may not be used to correct the values of the asset items. When valuing these items, the company takes into consideration the general principles of financial reporting with particular regard to the principles of matching and conservatism.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Provisions other than technical provisions	17,578	17,578	-

Pension obligations

According to the statutory rules on financial reporting, the length of service bonuses contained in the item "Severance pay" are determined in accordance with Article 2120 of the Civil Code and the current national and supplementary contracts in force on the reporting date applicable to each case, and considering all forms of ongoing remuneration.

The Solvency valuation from the application of IAS 19, has generated a revaluation of liabilities of 4,017 thousand euro.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Pension benefit obligations	6,194	2,177	4,017

Financial liabilities

Regarding the derivatives, the revaluation according to fair value results in a difference of approximately 8.352 thousand euro compared to the statutory figure.

No differences in the valuation of payables to banks were recorded.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Derivatives	54,058	62,410	-8,352
Debts owed to credit insitutions	12,007	12,007	-

Other liabilities

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Insurance & intermediaries payables	1,289,669	1,289,669	-
Reinsurance payables	104	104	-
Payables (trade, not insurance)	639,142	633,590	5,551
Any other liabilities, not elsewhere shown	436,693	436,693	-

Subordinated liabilities

The subordinated liabilities of 2,061 million euro according to the solvency valuation refer to a series of subordinated loans issued by the Company in various batches from 1999 onwards, through to the final batch which was issued in December 2020, with a nominal value of 600 million and a duration of 10 years. In the classification of own funds this loan is classified as Tier 2.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Subordinated liabilities	2,060,636	1,994,698	65,937

Below is a summary of the company's main subordinated loans:

- Non-convertible subordinated bond with indeterminate maturity, to be called in on expiry of the 10th year, issued on 17/12/2014 with a nominal value of 750 million euro (ISIN: XS1156024116);
- Non-convertible subordinated bond of a 10-year duration issued on 21/7/2017 for 600 million euro, agreed with Intesa Sanpaolo.
- A non-convertible subordinated bond of 10-year duration issued on 17/12/2020 for 600 million euro.

Intesa Sanpaolo Assicura S.p.A.

Provisions other than technical provisions

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Provisions other than technical provisions	2,134	2,134	-

Pension obligations

The Solvency valuation from the application of IAS 19, has generated a revaluation of liabilities of 768 thousand euro.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Pension benefit obligations	1,307	540	768

Financial liabilities

The company has not recorded any liability in relation to this item in its Financial Statements.

Subordinated liabilities

The company has not issued subordinated liabilities.

Other liabilities

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Insurance & intermediaries payables	25,716	25,716	-
Reinsurance payables	23,739	23,739	-
Payables (trade, not insurance)	63,984	60,958	3,026
Any other liabilities, not elsewhere shown	50,396	50,396	-

Fideuram Vita S.p.A.

Provisions other than technical provisions

The changes are due to the reversal of the residual value of a provision for risks entered in the financial statements prepared according to the National accounting standards, as the conditions of IAS 37 did not exist.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Provisions other than technical provisions	5,706	6,203	-497

Pension obligations

The Solvency valuation from the application of IAS 19, has generated a revaluation of liabilities of 2,209 thousand euro.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Pension benefit obligations	3,958	1,750	2,209

Financial liabilities

The company has not recorded any liability in relation to this item in its Financial Statements.

Other liabilities

For Fideuram Vita the only difference relates to the fair value adjustment of a debt pertaining to a bonus scheme for risk-takers, with a marginal value.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Insurance & intermediaries payables	292,652	292,652	-
Reinsurance payables	-	1	-
Payables (trade, not insurance)	27,940	17,624	10,316
Any other liabilities, not elsewhere shown	233,093	233,113	-19

Subordinated liabilities

The subordinated liabilities of 156 million relate to subordinated loan granted on 18 December 2017 by Intesa Sanpaolo, expiring on 18 December 2027, with a fixed annual nominal rate of 2.8%. The loan provides for the company, after authorisation from the supervisory body, to make an early repayment of all or part of it, starting from the end of the fifth year, or after each interest payment date. Based on the subordination conditions alone, the loan refers to the provisions of Article 44 and 45 of Legislative Decree 209/2005. Therefore, if the Company is liquidated, that loan would have a lower ranking compared to the claims of all the other creditors and would only be reimbursed after all the other debts in existence on the liquidation date have been paid, but with a preference ahead of the Company's shareholders. The subordinated loan was considered appropriate for the purposes of inclusion in the own funds to cover the solvency requirement (Article 45A of the Code, and the minimum capital requirement, Article 47A of the Code).

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Subordinated liabilities	156,227	145,133	11,093

Intesa Sanpaolo Life D.A.C.

Provisions other than technical provisions

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Provisions other than technical provisions	2,671	2,671	-

Pension obligations

The company has not recorded any liability in relation to this item in its Financial Statements.

Financial liabilities

The company has not recorded any liability in relation to this item in its Financial Statements.

Other liabilities

The difference relating to the item "Amounts payable to insurers and intermediaries", of 301 million euro is due to the cancellation of the "Deferred Income Liabilities". As this is an intangible liability it is valued at zero in the solvency report.

In relation to the item "Other liabilities not reported elsewhere", the difference of 0,6 million euro is due to the valuation on the solvency report of the discounting of the future cost of taxes on claims.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Insurance & intermediaries payables	153,380	454,381	-301,001
Reinsurance payables	6	6	-
Payables (trade, not insurance)	16,612	16,612	-
Any other liabilities, not elsewhere shown	221,669	221,084	585

Subordinated liabilities

There are no subordinated liabilities for Intesa Sanpaolo Life.

Intesa Sanpaolo RBM Salute S.p.A

Provisions other than technical provisions

The company has not recorded any liability in relation to this item in its Financial Statements.

Pension obligations

This item includes the liabilities for post-employment benefits.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Pension benefit obligations	231	231	-

Financial liabilities

The company has not recorded any liability in relation to this item in its Financial Statements.

Other liabilities

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Insurance & intermediaries payables	15,125	15,125	-
Reinsurance payables	53,144	53,144	-
Payables (trade, not insurance)	22,377	22,377	-
Any other liabilities, not elsewhere shown	8,991	8,991	-

Subordinated liabilities

The company has not issued subordinated liabilities.

BancAssurance Popolari S.p.A.

Provisions other than technical provisions

This item refers to the provisions for risks and charges. In the statutory context, these provisions are intended to cover year-end losses or liabilities whose nature is known, certain or probable, and whose amount or date is indeterminate. When valuing these items, the Company takes into consideration the general principles of financial reporting.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Provisions other than technical provisions	307	307	-

Pension obligations

The item in question excludes obligations related to personnel pension schemes, in particular post-employment benefits. As regards the solvency report, this item is recognised in accordance with IAS 19 that establishes the need to carry out assessments considering the time when the benefits are presumably provided. In particular IAS 19 requires post-employment benefits to correspond to the current value expected of the future benefit. The Solvency valuation from the application of IAS 19, has generated a revaluation of liabilities of 46 thousand euro.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Pension benefit obligations	273	227	46

Financial liabilities

There are no financial liabilities.

Other liabilities

The measurement for local GAAP purposes and for Solvency II purposes, of liabilities not specified previously, presented no differences.

(euro thousands)

	Solvency II value	Statutory accounts value	Impact on Reconciliation reserve
Insurance & intermediaries payables	8,499	8,499	-
Reinsurance payables	147	147	-
Payables (trade, not insurance)	5,519	5,519	-
Any other liabilities, not elsewhere shown	178	178	-

Subordinated liabilities

There are no Subordinated Liabilities.

D.4 ALTERNATIVE VALUATION METHODS

Intesa Sanpaolo Vita Insurance Group

The Intesa Sanpaolo Group regulates and formalises the measurement of the fair value of the financial instruments through the "Group Fair Value Policy" which is prepared by the Financial and Market Risks Division and which applies to the parent company and all the subsidiaries in the consolidation perimeter.

The Insurance Group companies have outsourced the pricing of the bonds to the parent company Intesa Sanpaolo, which carries out its valuations in accordance with the Fair Value Policy.

The existence of official prices on an active market is the best evidence of their value. these quotes therefore represent the prices to use on a priority basis to measure the financial assets and liabilities in the trading portfolio. If there is no active market, fair value is calculated by using measurement techniques that establish, as an final analyses, what price the product would have at the measurement date, in open trading driven by normal commercial considerations. These techniques include:

- the reference to market values indirectly linked to the instrument to be valued, deduced from products with a similar risk profile;
- valuations made by using, entirely or partially, input not taken from market-observable parameters, for which recourse is made to estimates and assumptions made by the valuer.

The choice between the above-mentioned methods is not optional since they have to be applied on a hierarchical basis: if a price expressed on an active market is available, no other measurement approaches can be used.

The use of a valuation technique is intended to estimate the price at which an asset would be sold or a liability would be transferred between market operators on the valuation date under current market conditions. Three widely-used valuation techniques are the market valuation method, the cost method and the income method. Valuation techniques that reflect one or more of these methods are used to obtain the fair value. Although multiple valuation techniques are used to value the fair value, the results have to be assessed by considering the reasonableness of the range of values. A fair value valuation is the most representative value in the range, in those specific circumstances.

If the price of the operation is the fair value at the time of initial recognition, and if a valuation technique based on non-observable input is used to value the fair value subsequently, the input must be calibrated so that at the time of initial recognition, the result of the valuation technique equates to the price of the operation. Calibration ensures that the valuation technique reflects the current market conditions and helps the entity to determine whether the valuation technique needs to be rectified (for example, there may be a characteristic of the asset or liability that is not considered in the valuation technique). After initial recognition, when the fair value is valued using one or more techniques based on non-observable input, the entity needs to ensure that the valuation techniques reflect observable market data (for example the price of a similar asset or liability) on the valuation date.

Without a price from an active market, or if the market is not functioning regularly, i.e. if the market does not have a sufficient number of continuous transactions, bid-ask spread and volatility that is not low enough, the determination of the fair value of the financial instruments is mainly achieved by using valuation techniques designed to establish the price at which, in an ordinary transaction, the asset would be sold or the liability would be transferred among market operators, on the valuation date, under current market conditions. These techniques include:

- The use of market values indirectly linked to the valued instrument, derived from policies with a similar risk profile (Level 2);
- Valuations based even partially on input not derived from market-observable parameters for which estimates and assumptions from the valuer are used (Level 3).

For Level 2 input, the valuation is not based on prices of the valued instrument, but on prices or spreads taken from the official prices of instruments that are essentially similar in terms of risk factors, using a given calculation method (pricing model). The use of this approach requires a search for transactions on active markets, relating to instruments which in terms of risk factors are comparable with the valued instrument. The Level 2 calculation methods reproduce the prices of financial instruments listed on active markets (calibration of the model) without including discretionary parameters - i.e. parameters whose value cannot be deduced from the prices of financial instruments on active markets or cannot be set at levels that replicate prices on active markets - which have a decisive influence on the final valuation.

They are valued using models based on Level 2 input:

- Bonds with no official prices on an active market whose fair value is determined by using an appropriate credit spread, identified on the basis of liquid financial instruments with a similar profile;
- Derivatives, if they are valued using appropriate pricing models derived from market-observable input parameters such as rate, currency and volatility curves;

- ABS for which there are no significant prices and whose fair value is determined by using valuation techniques that take into account parameters that can be deduced from the market;
- Equities valued by recourse to direct transactions, or significant transactions on the stock during a period of time considered sufficiently brief compared to the time of valuation, and under constant market conditions, for which "relative" multiplier-based valuation models are used.

To determine the fair value of certain types of financial instrument, valuation models that require the use of parameters not observable on the market need to be used, thus requiring estimates and assumptions by the valuer (Level 3). The financial instrument is valued by using a calculation methodology based on specific assumptions regarding:

- The trend in future cash flows which may be influenced by future events, to which probability can be attributed on the basis of past experience or behavioural assumptions;
- the level of certain parameters in input not available from active markets, for which the information acquired from market-observed prices and spreads is generally preferred. If this information is not available, historic data for the underlying risk factor will be used, or alternatively specialised research such as reports by rating agencies or leading market players).

The following items are valued with a mark-to-model approach:

- debt securities and complex derivatives within the perimeter of structured credit instruments and tranche-linked derivatives;
- hedge funds not considered in Level 1;
- ownership interests and other capital securities valued using models based on discounted cash flows.

In relation to bonds, the pricing of non-contributed securities (those with no official prices on an active market which are classified at fair value level 2 or 3) whose fair value is determined by using an appropriate credit spread, identified on the basis of liquid financial instruments with a similar profile. This measurement is drawn from the following sources:

- contributed liquid securities from the same issuer;
- credit default swaps on the same reference entity;
- contributed liquid securities from an issuer with the same rating belonging to the same sector.

In any case, attention is paid to the different seniority of the security to be priced in relation to the issuer's debt structure.

For Italian public issuers, a rating/duration grid is drawn up, based on the spread levels of the government issues. Differentials are then applied, between the various rating/duration classes compared to public issues (regional, provincial and municipal authorities, and government bodies).

Similarly, for financial liabilities valued at fair value, in order to determine and measure the credit spread of the Intesa Sanpaolo Group, reference is made to bonds issued by the Parent Company with regular coupons, maturity beyond 1 year and listed on an active market in accordance with IAS/IFRS. The market prices are used to obtain the implied credit rating which is then perfected using interpolation models. These generate credit spread curves that are differentiated according to the type of coupon, maturity and subordination level.

In the case of bonds not listed on active markets, in order to take into account the higher premium required from the market in respect of a similar bond, an additional component is added to the fair credit spread, estimated on the basis of the market bid/ask spread.

If there is an embedded option, there is a further adjustment to the spread by adding a component intended to include the structure's hedging costs and the illiquidity of the underlying assets. This component is determined on the basis of the type of option and the maturity.

Intesa Sanpaolo Vita S.p.A.

See above, in relation to the Insurance Group.

Intesa Sanpaolo Assicura S.p.A.

See above, in relation to the Insurance Group.

Fideuram Vita S.p.A.

See above, in relation to the Insurance Group.

Intesa Sanpaolo Life D.A.C.

See above, in relation to the Insurance Group.

Intesa Sanpaolo RBM Salute S.p.A

See above, in relation to the Insurance Group.

BancAssurance Popolari S.p.A.

See above, in relation to the Insurance Group.

D.5 OTHER INFORMATION

Intesa Sanpaolo Vita Insurance Group

The Group considers that it has covered all the information relevant for the purposes of this document, in sections D.1 to D.4.

E. CAPITAL MANAGEMENT

With reference to the QRT S.23.01 annexed to this Report, a list is given of the items in the own funds, and the solvency value and minimum solvency value required by regulations, with an emphasis on the main characteristics of each item.

E.1 OWN FUNDS

This section focuses on a representation of the insurance group's solvency position, and that of individual Companies. The solvency position is represented by the ratio between the own funds and SCR of the Group or companies.

Specifically, in relation to own funds, issues relating to the various components of the solvency position are explored and analysed. In particular:

- Items within the capital availability and related tiering;
- The reconciliation between own funds and shareholders' equity in the financial statements;
- An analysis of the changes in own funds.

The issue of Solvency Capital Requirement and Minimum Capital Requirement is also dealt with, investigating issues relating to the various types of risk that make up this amount, and the main features of the standard formula used by the group companies.

Intesa Sanpaolo Vita Insurance Group

E.1.1 Structure, amount and quality of own funds

The own funds, in the context of the Solvency II framework, are important asset items that can be used to absorb the losses resulting from the occurrence of risks facing the Insurance Group. They are equal to the sum of the basic own funds and the ancillary own funds as defined in Articles 88 and 89 of the Directive.

The capital requirement is valued by taking into consideration the risk tolerance threshold identified with a forward-looking valuation of risks and solvency (RAF- Risk appetite framework) and by following the ORSA (Own Risk and Solvency Assessment) principles, as well as a strategic planning of the Insurance Group defined for each Company.

The capital management policy, in compliance with the regulatory restraints and compatibly with maintaining the solvency of the Insurance Group, aims at supporting the growth of the Group and the companies and meeting the shareholders' yield expectations, while maintaining a balanced composition of the own funds.

Through the capital management process, it is possible:

- to monitor the capital position, periodically ensuring compliance with the RAF limits and consistency with the business strategy suggesting changes to the own risk profile;
- to provide the bases for the activities relating to strategic planning through the assessment of capital adequacy;

- to determine the amount of dividends to shareholders;
- to guide the capital-raising activities and select the most adequate instrument;
- to ensure the availability of capital in qualitative terms, the relevant tier and ability to cover losses;
- to optimise the risk/yield balance of the business, maintaining the regulatory capital levels in compliance with regulatory provisions and the Risk Appetite of the Company, and the target capital levels in line with management limits;
- to contribute to determining the commercial strategies considering a new capital absorption and value creation strategy;
- to assess the impacts of new products in terms of current and forward-looking capital.

At individual Company and Insurance Group level, the Eligible Own Funds are determined following the regulatory provisions of Solvency II through a process consisting of several phases:

- determining the Excess of Assets Over Liabilities in a consistent market context;
- including any subordinated loans;
- tiering and quantitative limits for the eligibility of Funds.

As regards the potential limitations in the Own Funds' use, the appropriate assessments are carried out on the basis of the nature of the fund, the capital components and the legal and regulatory operational context.

At 31 December 2020, the total basic own funds amounted to 8,849 million euro.

The main components of the own funds are:

- Share capital of 739 million euro;
- Share premium reserve of 1,328 million euro;
- Reconciliation reserve of 4,700 million euro;
- Subordinated loans of 2,217 million euro;
- Minority interest related to the company RBM Salute for 135 million euro.

Certain securities known as "Encumbrances" are excluded from the calculation of own funds, equal to 131,493 million euro, in accordance with the provisions of Article 71(1)(o) of the Delegated Regulation.

The solvency indicators relating to the value of the group SCR and the group MSR for 2020 were 224% and 364%, respectively.

With regard to the quality of the own funds, indicated by the tiering of each item, 75% of the eligible own funds are classified in the highest most reliable level (Tiering 1 unrestricted) while 9% is classified in the medium level (Tiering 1 restricted), which relates to a particular category of subordinated loans with no maturity. The remaining 16% is classified in Tier 2 as the result of another portion of subordinated loans with maturity. The share capital, share premium reserve and the reconciliation reserves are fully available to absorb potential losses (Tiering 1 restricted).

In relation to the subordinated loans we can conclude that the following items were recognised in the Solvency Reports of the individual Companies at 31 December 2020:

- 10 loans with indeterminate maturity granted by the Parent Company Intesa Sanpaolo and Cassa di Risparmio di Firenze to the value of 19,615 thousand euro;

- 1 subordinated bond on the Luxembourg market, the nominal value of which is 750,000 thousand euro, while the Solvency II value is 787,994 thousand euro;
- 2 loans with fixed maturity, the first granted by the Parent Company Intesa Sanpaolo to the value of 665,773 thousand euro; the second issued in December 2020 for a nominal amount of 600 million euro, and whose value is equal to 597,254 million euro;
- 1 bond relating to the Company Fideuram Vita issued by Intesa Sanpaolo on 18 December 2017 maturing in 2021 for a nominal value of 145 million euro with an option for full or partial reimbursement from 18 December 2022 after authorisation by the regulator, while the solvency value is equal to 156,227 thousand euro.

Basic own funds

Below there are the components of the basic own funds that make up the own funds of the Insurance Group:

- The ordinary share capital and share premium reserves;
- Surplus of assets over liabilities;
- The subordinated liabilities valued in accordance with the Solvency II framework to the extent that they meet all the requirements for eligibility.
- The minority interest referred to the company RBM Salute.

(euro thousands)

Basic Own Funds	2020	Tiering 2020				2019	Tiering 2019			
		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
Ordinary share capital (gross of own shares)	738,950	738,950	-	-	-	677,869	677,869	-	-	-
Share premium related to ordinary share capital	1,328,097	1,328,097	-	-	-	1,328,097	1,328,097	-	-	-
Reconciliation reserve	4,700,145	4,700,145	-	-	-	4,092,172	4,092,172	-	-	-
Subordinated liabilities	2,216,862	-	807,609	1,409,254	-	1,599,989	-	804,263	795,726	-
Non-available minority interests at group level	-135,320	-135320	-	-	-	-	-	-	-	-
Total amount	**8,848,734**	**6,631,872**	**807,609**	**1,409,254**	**-**	**7,698,128**	**6,098,139**	**804,263**	**795,726**	**-**

Compared to 2019, an increase was registered in Own Funds equal to 1,151 thousand euro, of which 14.9% attributable to the increase in the reconciliation reserve, 9% to the increase in share capital for 61 million euro and the remaining portion to the increase in subordinated liabilities for 616.9 million euro (of which 600 referred to the issue of a new subordinated loan), and the unavailable minority portion referred to RBM Salute at a group level.

74.9% of the own funds are classified as Tier 1 unrestricted.

Below is the amount of own funds eligible to cover the SCR and MCR, classified by levels.

(euro thousands)

Eligible Own Funds	2020	Tiering 2020				2019	Tiering 2019			
		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
Ordinary share capital (gross of own shares)	738,950	738,950	-	-	-	677,869	677,869	-	-	-
Share premium related to ordinary share capital	1,328,097	1,328,097	-	-	-	1,328,097	1,328,097	-	-	-
Reconciliation reserve	4,700,145	4,700,145	-	-	-	4,092,172	4,092,172	-	-	-
Subordinated liabilities	1,240,323	-	807,609	432,715	-	1,157,106	-	804,263	352,843	-
Non-available minority interests at group level	-135,320	- 135,320	-	-	-	-	-	-	-	-
Total amount	**7,872,196**	**6,631,873**	**807,609**	**432,715**	**-**	**7,255,245**	**6,098,139**	**804,263**	**352,843**	**-**

There is a reduction of 8.5% in the total eligible own funds compared to 2019, while 84.2% of the funds are classified as Tier 1 unrestricted.

The item relating to subordinated liabilities eligible for the Minimum Capital Requirement is lower than that present in the subordinated liabilities available, due to the fact that in the calculation the amounts classified as Tier 2 are taken for a maximum of 20% of the Minimum Capital Requirement as required by Solvency regulations. The amount goes from 1,157 million euro in 2019 to 1,240 million euros in 2020.

E.1.2 Differences between the own capital stated in the company's financial statements and the excess assets compared to liabilities calculated for solvency purposes

The reconciliation between the Shareholders' Equity of each Company and own funds used to cover the SCR value, prepared according to the provisions of ISVAP Regulation no. 22/2008 (as amended) and the surplus of assets over liabilities calculated according to Article 75 and section 2 of chapter IV of the Directive, as well as the total own funds as defined in section 3 of chapter IV of the Directive are reported below. Refer to Chapter D for details of each item in the reconciliation reserve.

E.1.3 Transitional provisions

Within the Group, Intesa Sanpaolo Vita and Fideuram Vita, adopting the "grandfathering" principle (as indicated in the Delegated Regulation of 2015, no. 35), divided subordinated loans between Tier 1–restricted (the loans described above in a. and b.), and Tier 2.

E.1.4 Ancillary own funds

No Group Company has requested authorisation for the use of ancillary own funds.

Intesa Sanpaolo Vita S.p.A.

E.1.1 Structure, amount and quality of own funds

Basic own funds

The Company Intesa Sanpaolo Vita holds 43.4% of the share capital of the items in the own funds of the Insurance Group, 100% of the share premium reserve. The Company also holds 93% of subordinated liabilities in relation to the Insurance Group.

Below is an illustration of the Company's own funds:

(euro thousands)

Basic Own Funds	2020	Tiering 2020				2019	Tiering 2019			
		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
Ordinary share capital (gross of own shares)	320,423	320,423	-	-	-	320,423	320,423	-	-	-
Share premium related to ordinary share capital	1,328,097	1,328,097	-	-	-	1,328,097	1,328,097	-	-	-
Reconciliation reserve	3,700,586	3,700,586	-	-	-	3,569,176	3,569,176	-	-	-
Subordinated liabilities	2,060,636	-	807,609	1,253,027	-	1,447,370	-	804,263	643,106	-
Total amount	**7,409,741**	**5,349,106**	**807,609**	**1,253,027**	**-**	**6,665,066**	**5,217,696**	**804,263**	**643,106**	**-**

According to Own Funds Regulations, the ordinary shares of the Company have the following characteristics:

- They are issued directly by the company with a resolution of its shareholders or by the management board (as permitted by national regulations);
- They give the bearer the right to draw on the residual assets after the company has been liquidated, in proportion to the securities held, without fixed amounts or caps.

Based on these considerations, they are considered to be Tier 1 Unrestricted together with the issue premium.

The reconciliation reserve was also fully considered in Tier 1 Unrestricted in accordance with the provisions of Delegated Regulation No. 35/2015.

The subordinated loans were classified in accordance with the contents of section E.1.3.

The Company has not included in its own funds any element that requires prior approval by the national regulator.

The reconciliation reserve consists of the net equity reserves not included in the items relating to share capital and share premium reserves and includes also the sum of the valuation differences emerging from the valuation principles adopted for the statutory financial statements and those applied for the purposes of the solvency report. The result corresponds to the total surplus assets compared to liabilities net of the asset items already contained in the financial statements valued using the national accounting standards, less the value of shares, dividends in distribution and the basic own funds with the exclusion of the subordinated liabilities.

In essence the reconciliation reserve represents the difference between the NAV (net asset value = value of assets – value of liabilities) of the Solvency Report, based on the market value of assets and liabilities (market values for assets and best estimate for liabilities) and the NAV of the statutory accounts, which is characterised by the "at cost" valuation of the various items (more specifically, the lower of the "cost" and "market" with regard to the assets).

The reconciliation reserve is the most volatile component of the available own funds, as its value depends directly on the dynamics on the financial markets and the impact that those dynamics have on the Company's assets portfolio which are not offset by similar effects on the liabilities side both because of the different discount curve used and also because of the guarantees and options available to policyholders, which lead to an imbalance in behaviour, with regard to the former.

The Company's Asset Allocation strategy is therefore important. This is the degree of diversification of portfolios among the various classes of the investable universe, and the market risks to which each portfolio is subject, based on the various guarantees of return on capital offered to the policyholders and their behaviour in terms of exercising their options (early surrender and/or additional payments).

In consideration of this, the sensitivity of the reconciliation reserve tends to be lower than the exposure values indicated above (section C) for each of the market risks considered.

The reconciliation reserve calculated according to the Solvency II principles amounts to 3,700,586 thousand euro and comprises:

- Annual profits including distributed dividends, equal to 242,408 thousand euro, and profits carried forward of 253,409 thousand euro;
- Legal reserves: 64,085 thousand euro;
- Other Statutory reserves: 1,167,196 thousand euro;
- Other reserves: 10,253 thousand euro;

- Differences in valuation between the principles of the statutory accounts and those of Solvency II: 2,205,643 thousand euro.

With regard to the subordinated loans, below are details of the main loans in the solvency report of Intesa Sanpaolo Vita:

- a non-convertible subordinated bond with indeterminate maturity, to be called in on expiry of the 10th year, issued on 17/12/2014 with a nominal value of 750 million euro: a solvency value at 31/12/2020 equal to 787 million euro;
- a non-convertible subordinated bond of 10-year duration issued on 21/7/2017 for 600 million euro: a solvency value at 31/12/2020 equal to 655 million euro;
- A subordinated loan issued in December 2020 for a nominal amount of 600 million, and whose value is equal to 597 million euro;

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Below is the amount of own funds eligible to cover the SCR and MCR, classified by levels.

(euro thousands)

Eligible Own Funds	2020	Tiering 2020				2019	Tiering 2019			
		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
Ordinary share capital (gross of own shares)	320,423	320,423	-	-	-	320,423	320,423	-	-	-
Share premium related to ordinary share capital	1,328,097	1,328,097	-	-	-	1,328,097	1,328,097	-	-	-
Reconciliation reserve	3,700,586	3,700,586	-	-	-	3,569,176	3,569,176	-	-	-
Subordinated liabilities	1,117,696	-	807,609	310,087	-	1,051,024	-	804,263	246,761	-
Total amount	**6,466,802**	**5,349,106**	**807,609**	**310,087**	**-**	**6,268,721**	**5,217,696**	**804,263**	**246,761**	**-**

The item relating to subordinated liabilities eligible for the Minimum Capital Requirement is lower than that present in the subordinated liabilities available, due to the fact that in the calculation the amounts classified as Tier 2 are taken for a maximum of 20% of the Minimum Capital Requirement as required by Solvency regulations. The amount goes from 1,051 million euro in 2019 to 1,118 million euros in 2020.

E.1.2 Differences between the own capital stated on the company's financial statements and the excess assets compared to liabilities calculated for solvency purposes

From a comparison with 2019 it can be seen there is an increase of 11.2% on the total own funds. Encumbrances increased, equal to 129 million euro, and the dividend coupon for the parent company was 242,408 thousand euro. The own founds are further consolidated by the 10.8% increase in the reconciliation reserve.

(euro thousands)

	2020	2019	Change	%
Equity- Statutory	**3,143,463**	**3,397,341**	**-253,878**	**-7.5%**
Adjustment on assets	**13,906,342**	**10,069,672**	**3,836,670**	**38.1%**
Goodwill and other intangible assets	- 20,026	-13,868	-6,159	44.4%
Properties and plants	5,909	-	5909	-
Holdings in financial and credit insitutions	-	-	-	-
Holdings in other entities	1,939,240	1,708,805	230,435	13.5%
Financial instruments	9,208,750	6,428,321	2,780,429	43.3%
Deferred tax assets	2,772,916	1,946,541	826,375	42.5%
Reinsurance receivables	-447	-127	-320	>100%
Adjustment on technical provisions	**-8,162,328**	**-5,429,529**	**-2,732,798**	**50.3%**
Life technical provisions	-8,918,006	-6,258,562	-2,659,445	42.5%
Life technical provisions - Index linked and unit- linked	755,666	829,019	-73,352	-8.8%
Other technical provisions	13	14	-1	-3.9%
Adjustment on other liabilities	**-3,165,910**	**-2,313,860**	**-852,050**	**36.8%**
Deferred tax liabilities	-3,098,757	-2,257,375	-841,382	37.3%
Financial liabilities	8,352	453	7,899	>100%
Pension benefit obligations	-4,017	-3,880	-136	3.5%
Other adjustments	-71,488	-53,057	-18,431	34.7%
Reconciliation reserve	**2,578,104**	**2,326,284**	**251,822**	**10.8%**
Subordinated liabilities includes in Basic Own Funds	**2,060,636**	**1,447,370**	**613,266**	**42.4%**
Dividend	**-242,408**	**-504,471**	**262,063**	**-51.9%**
Encumbrances	**-130,053**	**-1,457**	**-128,596**	**>100%**
Total Own Funds	**7,409,741**	**6,665,066**	**744,675**	**11.2%**

E.1.3 Transitional provisions

Subordinated liabilities

According to Delegated Regulation no. 35/2015 the subordinated loans entered in the Financial Statements of Intesa Sanpaolo Vita at 31 December 2020 considered for Solvency II purposes are as follows:

- 10 loans with indeterminate maturity granted by the Parent Company Intesa Sanpaolo and Cassa di Risparmio di Firenze to the value of 19,615 thousand euro (Individual accounts prepared according to Italian accounting standards and Solvency II);
- 1 subordinated bond on the Luxembourg market, the nominal value of which is 750,000 thousand euro, while the Solvency II value is 787,994 thousand euro.
- 1 loan with fixed maturity granted by the Parent Company Intesa Sanpaolo to the value of 600,000 thousand euro for a total of 655,773 thousand euro (Separate Financial Statements prepared according to Italian accounting standards and Solvency II).
- n.1 fixed-term loan granted by the parent company Intesa Sanpaolo and sold to Mediobanca, the nominal book value of which amounts to 600,000 thousand euro for a total value of 655,773 thousand euro (Separate Financial Statements prepared according to Italian accounting standards and Solvency II);
- A subordinated loan issued in December 2020 for a nominal amount of 600 million, and whose value is equal to 597,254 thousand euro;

Intesa Sanpaolo Vita and Fideuram Vita, adopting the "grandfathering" principle (as indicated in the Delegated Regulation of 2015, no. 35), divided subordinated loans between Tier 1–restricted (the loans described above in a. and b.), and Tier 2.

Intesa Sanpaolo Assicura S.p.A.

E.1.1 Structure, amount and quality of own funds

Basic own funds

The basic own funds of Intesa Sanpaolo Assicura include:

- the paid-up ordinary shares;
- the reconciliation reserve.

The essential conditions of the main elements of the company's own funds can be summarised as follows:

- Share capital: at 31 December 2020, the value was equal to 27,912 thousand euro, divided into 27,912,258 ordinary shares each with a nominal value of 1 euro;
- reconciliation reserve: this item is calculated by taking into account the surplus assets over liabilities (of 705,923 thousand euro) net of the share capital.

All the components of own funds are considered in Tier 1.

The Company has not included in its own funds any element that requires prior approval by the national regulator.

(euro thousands)

Basic Own Funds	2020	Tiering 2020				2019	Tiering 2019			
		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
Ordinary share capital (gross of own shares)	27,912	27,912	-	-	-	27,912	27,912	-	-	-
Share premium related to ordinary share capital	-	-	-	-	-	-	-	-	-	-
Reconciliation reserve	705,923	705,923	-	-	-	543,147	543,147	-	-	-
Subordinated liabilities	-	-	-	-	-	-	-	-	-	-
Total amount	**733,835**	**733,835**	**-**	**-**	**-**	**571,060**	**571,060**	**-**	**-**	**-**

The reconciliation reserve calculated according to the Solvency II principles amounts to 705,923 thousand euro and comprises:

- Annual profits net of the foreseeable dividends, equal to 121,182 thousand euro, and profits carried forward of 63,478 thousand euro;
- Legal reserves: 6,849 thousand euro;
- Other Statutory reserves: 280,713 thousand euro;
- Other reserves: 26,392 thousand euro;
- Differences in valuation between the principles of the statutory accounts and those of Solvency II: 207,309 thousand euro.

Below is the amount of own funds eligible to cover the SCR and MCR, classified by levels. The funds eligible to cover the minimum requirement are all classified as Tier 1 Unrestricted and correspond to the amounts available to cover the solvency requirement.

(euro thousands)

Eligible Own Funds	2020	Tiering 2020				2019	Tiering 2019			
		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
Ordinary share capital (gross of own shares)	27,912	27,912	-	-	-	27,912	27,912	-	-	-
Share premium related to ordinary share capital	-	-	-	-	-	-	-	-	-	-
Reconciliation reserve	705,923	705,923	-	-	-	543,147	543,147	-	-	-
Subordinated liabilities	-	-	-	-	-	-	-	-	-	-
Total amount	**733,835**	**733,835**	**-**	**-**	**-**	**571,060**	**571,060**	**-**	**-**	**-**

There is an increase of 28,5% of the total eligible own funds compared to 2019.

E.1.2 Differences between the own capital stated on the company's financial statements and the excess assets compared to liabilities calculated for solvency purposes

From a comparison with 2019 it can be seen there is an increase of 28.5% in total own funds and a considerable increase in Encumbrances of 11.6%. The own funds are further strengthened by the increase of 24.6% in the reconciliation reserve.

(euro thousands)

	2020	2019	Change	%
Equity- Statutory	**526,527**	**404,757**	**121,770**	**30%**
Adjustment on assets	**436**	**-10,231**	**10,667**	**<100%**
Goodwill and other intangible assets	-8,674	-11,154	2,481	-22%
Financial instruments	16,282	3,954	12,329	>100%
Deferred tax assets	9,693	6,467	3,225	50%
Other adjustments	-16,866	-9,498	-7,368	78%
Adjustment on technical provisions	**313,769**	**258,307**	**55,462**	**21%**
Non- Life technical provisions	156,408	144,872	11,536	8%
Riserve tecnice riassicurazione	147,378	106,676	40,703	38.2%
Other technical provisions	9,983	6,759	3,224	48%
Adjustment on other liabilities	**-106,484**	**-81,404**	**-25,081**	**31%**
Deferred tax liabilities	-102,690	-80,830	-21,860	27%
Pension benefit obligations	-768	-579	-189	33%
Other adjustments	-3,026	6	-3,032	<100%
Reconciliation reserve	**207,721**	**166,672**	**41,048**	**25%**
Encumbrances	**-412**	**-370**	**-43**	**12%**
Total Own Funds	**733,835**	**571,060**	**162,775**	**29%**

Fideuram Vita S.p.A.

E.1.1 Structure, amount and quality of own funds

Basic own funds

Also for Fideuram Vita, the components of basic own funds are made up of the surplus of assets over liabilities, valued subordinated liabilities and treasury shares.

The basic own funds of Fideuram Vita include:

- the paid-up ordinary shares;
- the reconciliation reserves;
- the subordinated liabilities paid and valued according to the Solvency II framework.

As part of a capital reinforcement plan the Company may resort to a subordinated loan of 145 million euro expiring in 2027, in compliance with IVASS Regulation no. 25/2016 which implements

the provisions of Delegated Regulation 35/2015 and the Private Insurance Code (CAP), in order to control risks in line with the risk-based approach of European Directive 138 of 2009.

The Company has tiered the various levels of own funds in accordance with Article 44-i CAP.

The Company has not included in its own funds any element that requires prior approval by the national regulator.

The essential conditions of the main elements of the company's own funds can be summarised as follows:

- Share capital: at 31 December 2020, the value was 357,447 thousand euro, attributable entirely to the Life business;
- reconciliation reserve: this item is equal to 701,071 thousand euro and was calculated by taking into account the excess of assets over liabilities (equal to 1,059,546 thousand euro) net of share capital (equal to 357,447 thousand euro) and encumbrances (equal to 1,028 thousand euro);
- subordinated loans: the total is 156,227 thousand euro, classified entirely in Tier 2.

Below is the amount of own funds eligible to cover the SCR and MCR, classified by levels.

(euro thousands)

Basic Own Funds	2020	Tiering 2020				2019	Tiering 2019			
		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
Ordinary share capital (gross of own shares)	357,447	357,447	-	-		357,447	357,447	-	-	-
Reconciliation reserve	701,071	701,071	-	-		502,743	502,743	-	-	-
Subordinated liabilities	156,227	-	-	156,227		152,620	-	-	152,620	-
Total amount	**1,214,744**	**1,058,518**	**-**	**156,227**	**-**	**1,012,810**	**860,190**	**-**	**152,620**	**-**

The reconciliation reserve at 31 December 2020 totalled 701,071 thousand euro and is formed of the following elements:

- Profits reserve of 58,098 thousand euro;
- Statutory reserves of 27,770 thousand euro;
- Other reserves of 411,789 thousand euro;
- Differences in valuation between the principles used for the statutory accounts and those for the Solvency Report, equal to 204,442 thousand euro;
- Encumbrance, equal to 1,028 thousand euro.

Below is the amount of own funds eligible to cover the SCR and MCR, classified by levels.

(euro thousands)

Eligible Own Funds	2020	Tiering 2020				2019	Tiering 2019			
		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
Ordinary share capital (gross of own shares)	357,447	357,447	-	-	-	357,447	357,447	-	-	-
Reconciliation reserve	701,071	701,071	-	-	-	502,744	502,744	-	-	-
Subordinated liabilities	39,641	-	-	39,641	-	41,948	-	-	41,948	-
Total amount	**1,098,159**	**1,058,518**	**-**	**39,641**	**-**	**902,139**	**860,191**	**-**	**41,948**	**-**

The item relating to subordinated liabilities eligible for the Minimum Capital Requirement is lower than that present in the subordinated liabilities available, due to the fact that in the calculation the amounts classified as Tier 2 are taken for a maximum of 20% of the Minimum Capital Requirement as required by Solvency regulations.

E.1.2 Differences between the own capital stated on the company's financial statements and the excess assets compared to liabilities calculated for solvency purposes

From a comparison with 2019 it can be seen there is an increase of 19,9% on the total own funds.

(euro thousands)

	2020	2019	Change	%
Equity- Statutory	**855,104**	**796,384**	**58,720**	**7.4%**
Adjustment on assets	**837,269**	**544,985**	**292,283**	**53.6%**
Goodwill and other intangible assets	-85,692	-84,787	-906	1.1%
Properties and plants	10,196	11,058	-862	-7.8%
Holdings in financial and credit insitutions	0	11	-11	<100%
Financial instruments	765,806	493,293	272,513	55.2%
Deferred tax assets	147,211	125,668	21,544	17.1%
Other assets	-253	-258	5	-2.0%
Adjustment on technical provisions	**-370,471**	**-304,091**	**-66,381**	**21.8%**
Life technical provisions	-983,236	-770,453	-212,784	27.6%
Life technical provisions - Index linked and unit- linked	612,765	466,362	146,403	31.4%
Adjustment on other liabilities	**-262,355**	**-176,047**	**-86,308**	**49.0%**
Deferred tax liabilities	-239,253	-155,522	-83,731	53.8%
Financial liabilities	-11,093	-7,486	-3,607	48.2%
Pension benefit obligations	-2,209	-2,415	206	-8.5%
Other adjustments	-9,800	-10,624	824	-7.8%
Reconciliation reserve	**204,442**	**64,848**	**139,595**	**>100%**
Subordinated liabilities includes in Basic Own Funds	**156,227**	**152,620**	**3,607**	**2.4%**
Total Basic Own Funds	**1,215,773**	**1,013,851**	**201,922**	**19.9%**
Encumbrances	**-1,028**	**-1,041**	**13**	**-1.2%**
Total Own Funds	**1,214,745**	**1,012,810**	**201,935**	**19.9%**

Intesa Sanpaolo Life D.A.C.

E.1.1 Structure, amount and quality of own funds

Basic own funds

The components of the basic own funds of Intesa Sanpaolo Life are made up of the surplus of assets over liabilities and by equity reserves. The Company has not issued subordinated liabilities.

The basic own funds of Intesa Sanpaolo Life are all classified as Tier 1, are all eligible for the required solvency capital ratio and include:

- the paid-up ordinary shares;
- the reconciliation reserves;
- the capital contribution.

(euro thousands)

Basic Own Funds	2020	Tiering 2020				2019	Tiering 2019			
		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
Ordinary share capital (gross of own shares)	625	625	-	-	-	625	625	-	-	-
Share premium related to ordinary share capital	10	10	-	-	-	10	10	-	-	-
Reconciliation reserve	1,448,515	1,448,515	-	-	-	1,239,418	1,239,418	-	-	-
Capital contribution	104,444	104,444	-	-	-	104,444	104,444	-	-	-
Total amount	**1,553,594**	**1,553,594**	**-**	**-**	**-**	**1,344,497**	**1,344,497**	**-**	**-**	**-**

The essential conditions of the main elements of the company's own funds can be summarised as follows:

- Share capital: at 31 December 2020, the value was 625 thousand euro;
- the share premium reserve, with a value of approximately 10 thousand euro;
- the capital reserve of 104,444 thousand euro;
- reconciliation reserve: this item is calculated by taking into account the Excess of Assets over Liabilities (equal to 1,448,515 thousand euro) net of share capital (equal to 625 thousand euro), net of the capital contribution (of 104,444 thousand euro).

The reconciliation reserve is made up as follows:

(euro thousands)

Reconciliation reserve	2020	2019
Reconciliation at the beginning of the year	1,239,418	1,103,559
IFRS Net Income	150,090	130,885
Adjustment AFS Reserve	2,019	7,393
Depreciation due tax assets relation to the claims	1,428	10,089
Adjustment on balance sheet	-8,137	-18,310
Adjustment on the risk margin	63,881	55,489
Dividend	-	-50,000
Other	-184	314
Reconciliation year to date	**1,448,515**	**1,239,418**

Below is the amount of own funds eligible to cover the SCR and MCR, classified by levels. The funds eligible to cover the minimum requirement are all classified as Tier 1 Unrestricted and correspond to the amounts available to cover the solvency requirement.

(euro thousands)

Eligible Own Funds	2020	Tiering 2020				2019	Tiering 2019			
		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
Ordinary share capital (gross of own shares)	625	625	-	-	-	625	625	-	-	-
Share premium related to ordinary share capital	10	10	-	-	-	10	10	-	-	-
Reconciliation reserve	1,448,515	1,448,515	-	-	-	1,239,418	1,239,418	-	-	-
Capital contribution	104,444	104,444	-	-	-	104,444	104,444	-	-	-
Total amount	**1,553,594**	**1,553,594**	**-**	**-**	**-**	**1,344,497**	**1,344,497**	**-**	**-**	**-**

There is an increase of 15,5% of the total eligible own funds compared to 2019. The Company Intesa Sanpaolo Life has all of its funds classified as Tier 1 unrestricted.

E.1.2 Differences between the own capital stated on the company's financial statements and the excess assets compared to liabilities calculated for solvency purposes

From a comparison with 2019 it can be seen there is an increase of 15.6% on the total own funds. The own funds are further strengthened by the increase of 9.3% in the reconciliation reserve.

(euro thousands)

	2020	2019	Change	%
Equity- Statutory	**899,237**	**745,885**	**153,352**	**20.6%**
Adjustment on assets	**-340,582**	**-385,307**	**44,725**	**-11.6%**
Goodwill and other intangible assets	-340,582	-385,307	44,725	-11.6%
Properties and plants	-	-	-	-
Holdings in financial and credit insitutions	-	-	-	-
Financial instruments	-	-	-	-
Deferred tax assets	-	-	-	-
Other assets	-	-	-	-
Adjustment on technical provisions	**788,002**	**730,208**	**57,794**	**7.9%**
Life technical provisions	-	-	-	-
Life technical provisions - Index linked and unit- linked	781,058	716,239	64,818	9.0%
Other technical provisions	6,944	13,969	-7,025	-50.3%
Adjustment on other liabilities	**206,937**	**253,711**	**-46,774**	**-18.4%**
Deferred tax liabilities	-93,480	-85,516	-7,964	9.3%
Financial liabilities	-	-	-	-
Pension benefit obligations	-	-	-	-
Insurance and intermediaries payables	301,001	348,000	-46,999	-13.5%
Other adjustments	-585	-8,773	8,189	-93.3%
Reconciliation reserve	**654,357**	**598,612**	**55,744**	**9.3%**
Subordinated liabilities includes in Basic Own Funds	**-**	**-**	**-**	**-**
Total Own Funds	**1,553,594**	**1,344,498**	**209,096**	**15.6%**

Intesa Sanpaolo RBM Salute S.p.A

E.1.1 Structure, amount and quality of own funds

Basic own funds

The criteria that the Company has observed to identify aspects of own basic funds, with reference to ordinary level 1 shares and the reconciliation reserve are defined below.

In particular, the Company, in compliance with regulations, considered share capital as own level 1 funds which may be referred to, to absorb losses with a view to the business being a going concern.

In the asset management plan, the Company has not used subordinated loans, at present.

The Company has not included in its own funds any element that requires prior approval by the national regulator.

The essential conditions of the main elements of the company's own funds can be summarised as follows:

- Share capital: at 31 December 2020, the value was equal to 160.0 million euro, divided into 160,000,000 ordinary shares each with a nominal value of 1 euro;
- reconciliation reserve: this item is calculated by taking into account the surplus assets over liabilities (of 227.0 million euro) net of the share capital.

(euro thousands)

Basic Own Funds	2020	Tiering 2020				2019	Tiering 2019			
		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
Ordinary share capital (gross of own shares)	160,000	160,000	-	-	-	160,000	160,000	-	-	-
Share premium related to ordinary share capital	-	-	-	-	-	-	-	-	-	-
Reconciliation reserve	227,301	227,301	-	-	-	162,796	161,321			1475
Subordinated liabilities	-	-	-	-	-	-	-	-	-	-
Total amount	**387,301**	**387,301**	**-**	**-**	**-**	**322,796**	**321,321**	**-**	**-**	**1475**

Compared to 2019, the reconciliation reserve equal to 65 million euro increased (+40%), including the statutory result for the year of 61.9 million euro, due mainly to:

- the increase in the value of assets equal to 138.1 million euro;
- the increase in cash and cash equivalents for 220.2 million euro;
- the decrease in DTA for 3.8 million euro;
- the decrease in the net value between receivables and payables to insured and intermediaries for 90.6 million euro;
- the decrease in liabilities related to Technical Provisions for 23.9 million euro;
- an increase in DTL for an amount equal to 1.1 million euro.
- the decrease in the net value of assets and liabilities equal to 2.3 million euro;

Below is the amount of own funds eligible to cover the SCR and MCR, classified by levels. The funds eligible to cover the minimum requirement are all classified as Tier 1 Unrestricted and correspond to the amounts available to cover the solvency requirement.

(euro thousands)

Eligible Own Funds	2020	Tiering 2020				2019	Tiering 2019			
		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
Ordinary share capital (gross of own shares)	160,000	160,000	-	-	-	160,000	160,000	-	-	-
Share premium related to ordinary share capital	-	-	-	-	-	-	-	-	-	-
Reconciliation reserve	227,301	227,301	-	-	-	161,321	161,321	-	-	-
Subordinated liabilities	-	-	-	-	-	-	-	-	-	-
Total amount	**387,301**	**387,301**	**-**	**-**	**-**	**321,321**	**321,321**	**-**	**-**	**-**

E.1.2 Differences between the own capital stated in the company's financial statements and the excess assets compared to liabilities calculated for solvency purposes

From a comparison with 2019 it can be seen there is an increase of 19.9% on the total own funds. The own funds are further strengthened by the increase of 14,1% in the reconciliation reserve.

(euro thousands)

	2020	2019	Change	%
Equity- Statutory	**367,892**	**306,027**	**61,865**	**20%**
Adjustment on assets	**1,021**	**1,816**	**-795**	**-44%**
Goodwill and other intangible assets	-72	-97	25	-26%
Financial instruments	339	290	49	>100%
Deferred tax assets	-	-	-	n.a
Other adjustments	754	1,623	-869	-54%
Adjustment on technical provisions	**26,537**	**22,251**	**4,286**	**19%**
Non- Life technical provisions	-	-	-	n.a
Riserve tecnice riassicurazione	26,537	22,251	4,286	19.3%
Other technical provisions	-	-	-	n.a
Adjustment on other liabilities	**-8,419**	**-7,298**	**-1,121**	**15%**
Deferred tax liabilities	-8,419	-7,298	-1,121	15%
Pension benefit obligations	-	-	-	n.a
Other adjustments	-	-	-	n.a
Reconciliation reserve	**19,139**	**16,769**	**2,370**	**14%**
Total Own Funds	**387,031**	**322,796**	**64,235**	**20%**

BancAssurance Popolari S.p.A.

E.1.1 Structure, amount and quality of own funds

Basic own funds

The components of the basic own funds of Bancassurance Popolari are made up of the surplus of assets over liabilities and by equity reserves. At 31 December 2020, the Company had not issued subordinated loans.

The basic own funds of BAP are all classified as Tier 1, and are all eligible for the required solvency capital ratio and include:

- the paid-up ordinary shares;
- the reconciliation reserve.

(euro thousands)

Basic Own Funds	2020	Tiering 2020				2019	Tiering 2019			
		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
Ordinary share capital (gross of own shares)	61,081	61,081	-	-	-	61,081	61,081	-	-	-
Share premium related to ordinary share capital	-	-	-	-	-	-	-	-	-	-
Reconciliation reserve	82,089	82,089	-	-	-	81,854	81,854	-	-	-
Subordinated liabilities	-	-	-	-	-	3,205	-	-	-	3,205
Total amount	**143,170**	**143,170**	**-**	**-**	**-**	**146,140**	**142,935**	**-**	**-**	**3,205**

The changes over 2019 refer to the maturity of the subordinated loan issued by the Company and the reconciliation reserve.

The latter is calculated according to the Solvency II principles and amounts to 82,089 thousand euro. This category consists of:

- Annual profits equal to 4,074 thousand euro, and profits carried forward of 33,465 thousand euro;
- Legal reserves, equal to 1,898 thousand euro;
- Other reserves equal to 25,000 thousand euro;
- Differences in valuation between the principles of the statutory accounts and those of the Solvency II Financial Statements, equal to 17,652 thousand euro.

Below is the amount of own funds eligible to cover the SCR and MCR, classified by levels. The funds eligible to cover the minimum requirement are all classified as Tier 1 Unrestricted and correspond to the amounts available to cover the solvency requirement.

(euro thousands)

Eligible Own Funds	2020	Tiering 2020				2019	Tiering 2019			
		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3		Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
Ordinary share capital (gross of own shares)	61,081	61,081	-	-	-	61,081	61,081	-	-	-
Share premium related to ordinary share capital	-	-	-	-	-	-	-	-	-	-
Reconciliation reserve	82,089	82,089	-	-	-	81,854	81,854	-	-	-
Subordinated liabilities	-	-	-	-	-	-		-	-	-
Total amount	**143,170**	**143,170**	**-**	**-**	**-**	**142,935**	**142,935**	**-**	**-**	**-**

E.1.2 Differences between the own capital stated in the company's financial statements and the excess assets compared to liabilities calculated for solvency purposes

A comparison with 2019 shows an increase of 0.2% in total own funds and a decrease of 17.9% in the reconciliation reserve, mainly due to an increase in technical provisions as a result of an improvement in assets and worsening in the value of investments.

(euro thousands)

	2020	2019	Change	%
Equity- Statutory	**125,517**	**121,444**	**4,073**	**3.4%**
Adjustment on assets	**357,318**	**229,469**	**127,849**	**55.7%**
Goodwill and other intangible assets	-968	-844	-124	14.7%
Properties and plants	-	91	-91	<100%
Holdings in financial and credit insitutions	-622	-	-622	100.0%
Financial instruments	359,495	230,678	128,817	55.8%
Deferred tax assets	-	-	-	n.a
Other assets	-586	-456	-130	28.6%
Adjustment on technical provisions	**-331,428**	**-198,233**	**-133,195**	**67.2%**
Life technical provisions	-332,532	-200,554	-131,978	65.8%
Life technical provisions - Index linked and unit- linked	1,103	2,321	-1,218	-52.5%
Adjustment on other liabilities	**-8,238**	**-9,744**	**1,506**	**-15.5%**
Deferred tax liabilities	-8,192	-9,587	1,395	-14.6%
Financial liabilities	-	-119	119	<100%
Pension benefit obligations	-46	-38	-8	21.8%
Other adjustments	-	-	-	n.a
Reconciliation reserve	**17,652**	**21,492**	**- 3,840**	**-17.9%**
Subordinated liabilities includes in Basic Own Funds	**-**	**3,205**	**- 3,205**	**<100%**
Total Own Funds	**143,170**	**142,936**	**234**	**0.2%**

E.2 SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

With reference to the contents of the QRT S.25.01 annexed to this report, the SCR should be mentioned, highlighting the individual risks it comprises.

Intesa Sanpaolo Vita Insurance Group

The companies belonging to the Intesa Sanpaolo Vita Insurance Group, under Article 1(r)-bis of the Private Insurance Code, adopt the standard formula for the calculation of the Solvency Capital Requirement (Article 45-quinquies to 45-undecies).

The solvency capital requirement of Insurance Group at 31 December 2020 was 3,957 million euro.

The table below gives the SCR distributed according to the modules and submodules of risk, calculated with the Standard Formula.

(euro thousands)

Module	2020	2019	Change	
Solvency Capital Requirement	**3,957,255**	**3,232,399**	**724,856**	**22%**
Add On	**30,692**	**-**	**30,692**	**na**
Deferred Tax Adjustment	-392,843	-490,142	97,299	-20%
Solvency Capital Requirement before Adjustr	4,319,406	3,722,541	596,864	16%
Operational Risk	508,601	477,022	**31,579**	**7%**
Basic Solvency Capital Requirement	**3,810,805**	**3,245,520**	**565,285**	**17%**
Diversification	**-1,449,274**	**-1,129,620**	-319,654	28%
Market Risk	**2,328,385**	**2,329,827**	**-1,442**	**0%**
Interest Rate Risk	60,273	180,204	-119,931	-67%
Equity Risk	963,908	935,735	28,173	3%
Property Risk	61,266	56,262	5,004	9%
Spread Risk	1,091,374	1,100,612	-9,238	-1%
Concentration Risk	89,855	109,919	-20,064	-18%
Currency Risk	767,613	678,179	89,433	13%
Diversification	-705,904	-731,084	25,181	-3%
Underwriting Risk (Life)	2,183,582	1,524,239	**659,343**	**43%**
Mortality Risk	**135,937**	**132,739**	3,198	2%
Longevity Risk	270,599	208,177	62,422	30%
Disability Risk	**-**	**-**	**-**	na
Expenses Risk	271,815	236,855	34,960	15%
Revision Risk	**-**	**-**	**-**	na
Lapse Risk	1,920,497	1,291,960	628,537	49%
Cat Risk	76,884	77,147	-263	0%
Diversification	-492,150	-422,639	-69,511	16%
Underwriting Risk (Non-Life)	**174,361**	**176,716**	**-2,356**	**-1%**
Premium & reserve Risk	159,453	153,743	5,709	4%
Lapse Risk	41,721	54,332	-12,612	-23%
Cat Risk	29,599	39,775	-10,177	-26%
Diversification	-56,411	-71,134	14,723	-21%
Underwriting Risk (Health)	**254,599**	**165,857**	**88,742**	**54%**
Cat Risk	17,251	2,210	15,041	>100%
Mass Accident Risk	1,164	1,144	*20*	2%
Concentration Risk	415	410	5	1%
Pandemic Risk	17,207	1,846	15,361	>100%
Diversification	-1,535	-1,190	-345	29%
Non- SLT Risk	249,738	165,291	84,447	51%
Reserve Risk	242,452	158,643	83,809	53%
Lapse Risk	59,885	46,406	13,479	29%
Diversification	-52,599	-39,758	-12,841	32%
Diversification	-12,390	-1,644	-10,746	>100%
Default Risk	**319,152**	**178,500**	**140,653**	**79%**

The MCR is calculated on the basis of the provisions of Chapter VII of the Delegated Acts, and amounts to 2,164 million euro.

On the valuation date, no simplifications had been used to calculate the SCR.

The value of the own funds eligible to cover the SCR at Group level is equal to 8,849 million euro. With reference to Article 230, the Group solvency value has been stated. It is calculated as the difference between the eligible own funds and the SCR at Group level, amounting to 4,892 million euro.

Intesa Sanpaolo Vita S.p.A.

The SCR of the Company on 31 December 2020 was 3,445 million euro. In calculating the SCR, the Company uses the Volatility Adjustment.

(euro thousands)

Module	2020	2019	Change	
Solvency Capital Requirement	**3,445,416**	**2,741,792**	**703,624**	**26%**
Deferred Tax Adjustment	-207,442	-412,068	204,626	-50%
Solvency Capital Requirement before Adjustment	3,652,858	3,153,860	498,998	16%
Operational Risk	**352,697**	**341,959**	**10,738**	**3%**
Basic Solvency Capital Requirement	**3,300,161**	**2,811,902**	**488,260**	**17%**
Diversification	-971,597	-764,796	-206,801	27%
Market Risk	**2,146,246**	**2,108,278**	**37,968**	**2%**
Interest Rate Risk	56,369	156,237	-99,868	-64%
Equity Risk	1,122,209	971,468	150,742	16%
Property Risk	58,664	56,262	2,402	4%
Spread Risk	863,797	955,327	-91,530	-10%
Concentration Risk	84,676	106,859	-22,183	-21%
Currency Risk	544,442	464,084	80,358	17%
Diversification	-583,911	-601,958	18,047	-3%
Underwriting Risk (Life)	**1,949,747**	**1,348,688**	**601,059**	**45%**
Mortality Risk	103,674	105,186	-1,511	-1%
Longevity Risk	200,551	144,922	55,628	38%
Disability Risk	-	-	-	na
Expenses Risk	125,484	106,586	18,898	18%
Revision Risk	-	-	-	na
Lapse Risk	1,800,987	1,222,575	578,412	47%
Cat Risk	70,006	71,321	-1,316	-2%
Diversification	-350,955	-301,902	-49,053	16%
Default Risk	**175,766**	**119,732**	**56,033**	**47%**

The MCR is calculated on the basis of the provisions of Chapter VII of the Delegated Acts, and amounts to 1,550 million euro.

On the valuation date, no simplifications had been used to calculate the SCR.

Intesa Sanpaolo Assicura S.p.A.

The SCR of the company at 31 December 2020 was 237 million euro. In calculating the SCR the company does not use the volatility adjustment.

The table below gives the SCR distributed according to the modules and submodules of risk, calculated with the Standard Formula.

(euro thousands)

Module	2020	2019	Change	
Solvency Capital Requirement	**236,678**	**230,021**	**6,657**	**3%**
Deferred Tax Adjustment	-74,740	-72,638	-2,102	3%
Solvency Capital Requirement before Adjustment	311,419	302,659	8,760	3%
Operational Risk	**21,636**	**20,135**	**1,500**	**7%**
Basic Solvency Capital Requirement	**289,783**	**282,524**	**7,259**	**3%**
Diversification	-142,955	-142,531	-424	0%
Market Risk	**41,389**	**55,206**	**-13,816**	**-25%**
Interest Rate Risk	9,989	1,070	8,920	>100%
Equity Risk	6,039	44,713	-38,674	-86%
Property Risk	-	-	-	na
Spread Risk	27,769	5,155	22,614	>100%
Concentration Risk	804	-	-	na
Currency Risk	15,000	15,261	-261	-2%
Diversification	-18,212	-10,993	-7,219	66%
Underwriting Risk (Non-Life)	**174,361**	**176,716**	**-2,356**	**-1%**
Premium & reserve Risk	159,453	153,743	5,709	4%
Lapse Risk	41,721	54,332	-12,612	-23%
Cat Risk	29,599	39,775	-10,177	-26%
Diversification	-56,411	-71,134	14,723	-21%
Underwriting Risk (Health)	**184,563**	**165,857**	**18,706**	**11%**
Cat Risk	1,863	2,210	-347	-16%
Mass Accident Risk	1,119	1,144	-25	-2%
Concentration Risk	415	410	5	1%
Pandemic Risk	1,431	1,846	-415	-22%
Diversification	-1,102	-1,190	89	-7%
Non- SLT Risk	184,088	165,291	18,798	11%
Reserve Risk	177,871	158,643	19,229	12%
Lapse Risk	47,438	46,406	1,032	2%
Diversification	-41,221	-39,758	-1,463	4%
Diversification	-1,388	-1,644	255	-16%
Default Risk	**32,425**	**27,276**	**5,149**	**19%**

The MCR is calculated on the basis of the provisions of Chapter VII of the Delegated Acts, and amounts to 107 million euro.

On the valuation date, no simplifications had been used to calculate the SCR.

Fideuram Vita S.p.A.

At 31 December 2020, the SCR of Fideuram Vita amounted to 440 million euro. The requirement is calculated using the Standard Formula, on the basis of the provisions of Chapters V and VI of the Delegated Acts. In calculating the SCR the company uses the Volatility Adjustment.

The table below gives the SCR distributed according to the modules and submodules of risk, calculated with the Standard Formula.

(euro thousands)

Module	2020	2019	Change	
Solvency Capital Requirement	**440,455**	**466,093**	**-25,638**	**-6%**
Deferred Tax Adjustment	-88,936	-40,833	-48,103	>100%
Solvency Capital Requirement before Adjustment	529,391	506,926	22,465	4%
Operational Risk	**35,816**	**52,841**	**-17,025**	**-32%**
Basic Solvency Capital Requirement	**493,576**	**454,084**	**39,492**	**9%**
Diversification	-146,204	-128,789	-17,415	14%
Market Risk	**303,295**	**283,519**	**19,776**	**7%**
Interest Rate Risk	1,865	21,379	-19,514	-91%
Equity Risk	153,870	133,033	20,837	16%
Property Risk	473	-	473	na
Spread Risk	123,686	112,958	10,728	9%
Concentration Risk	-	-	-	na
Currency Risk	99,356	94,826	4,530	5%
Diversification	-75,956	-78,677	2,721	-3%
Underwriting Risk	**309,282**	**284,746**	**24,536**	**9%**
Mortality Risk	11,295	11,382	-87	-1%
Longevity Risk	67,430	63,255	4,175	7%
Disability Risk	-	-	-	na
Expenses Risk	70,796	75,138	-4,342	-6%
Revision Risk	-	-	-	na
Lapse Risk	240,626	213,676	26,950	13%
Cat Risk	3,125	2,548	577	23%
Diversification	-83,990	-81,253	-2,737	3%
Default Risk	**27,203**	**14,609**	**12,594**	**86%**

No simplifications have been used to calculate the SCR.

At 31 December 2020, the MCR amounted to 198 million euro.

Intesa Sanpaolo Life D.A.C.

At 31 December 2020, the SCR of Intesa Sanpaolo Life amounted to 531 million euro. The requirement is calculated using the Standard Formula, on the basis of the provisions of Chapters V and VI of the Delegated Acts.

The table below gives the SCR distributed according to the modules and submodules of risk, calculated with the Standard Formula.

(euro thousands)

Module	2020	2019	Change	
Solvency Capital Requirement	**531,201**	**482,569**	**48,632**	**10%**
Deferred Tax Adjustment	-75,886	-68,938	-6,947	10%
Solvency Capital Requirement before Adjustment	607,087	551,507	55,579	10%
Operational Risk	**84,813**	**80,179**	**4,634**	**6%**
Basic Solvency Capital Requirement	**522,274**	**471,328**	**50,946**	**11%**
Diversification	-149,455	-129,249	-20,207	16%
Market Risk	**258,765**	**240,400**	**18,365**	**8%**
Interest Rate Risk	13,095	15,325	-2,230	-15%
Equity Risk	174,786	167,939	6,847	4%
Property Risk	-	-	-	na
Spread Risk	39,729	27,172	12,557	46%
Concentration Risk	4,375	3,060	1,315	43%
Currency Risk	108,815	104,009	4,806	5%
Diversification	-82,035	-77,105	-4,930	6%
Underwriting Risk	**381,207**	**343,358**	**37,849**	**11%**
Mortality Risk	20,148	16,172	3,977	25%
Longevity Risk	-	-	-	na
Disability Risk	-	-	-	na
Expenses Risk	64,066	55,132	8,934	16%
Revision Risk	-	-	-	na
Lapse Risk	342,794	310,475	32,319	10%
Cat Risk	3,201	3,277	-76	-2%
Diversification	-49,002	-41,697	-7,305	18%
Default Risk	**31,757**	**16,819**	**14,938**	**89%**

No simplifications have been used to calculate the SCR.

At 31 December 2020, the MCR amounted to 239 million euro.

Intesa Sanpaolo RBM Salute S.p.A.

The SCR of the company at 31 December 2020 was 143 million euro. In calculating the SCR the company does not use the volatility adjustment.

The table below gives the SCR distributed according to the modules and submodules of risk, calculated with the Standard Formula.

(euro thousands)

Module	2020	2019	Change	
Solvency Capital Requirement	**143,283**	**184,707**	**- 41,424**	**-22%**
Add On	**32,059**	**21,489**	**10,569**	**49%**
Deferred Tax Adjustment	- 35,123	- 51,543	16,419	-32%
Solvency Capital Requirement before Adjustment	146,348	214,760	- 68,413	-32%
Operational Risk	**14,819**	**17,872**	**- 3,053**	**-17%**
Basic Solvency Capital Requirement	**131,529**	**196,889**	**- 65,360**	**-33%**
Diversification	- 33,445	- 49,024	15,579	-32%
Market Risk	**685**	**920**	**- 235**	**-26%**
Interest Rate Risk	-	-	-	na
Equity Risk	-	-	-	na
Property Risk	685	920	- 235	-26%
Spread Risk	-	-	-	na
Concentration Risk	-	25	- 25	-100%
Currency Risk	-	-	-	na
Diversification	-	- 24	24	-100%
Underwriting Risk (Non-Life)	**-**	**-**	**-**	**na**
Premium & reserve Risk	-	-	-	na
Lapse Risk	-	-	-	na
Cat Risk	-	-	-	na
Diversification	-	-	-	na
Underwriting Risk (Health)	**97,930**	**94,948**	**2,982**	**3%**
Cat Risk	15,772	8,905	6,868	77%
Mass Accident Risk	45	1,068	- 1,022	-96%
Concentration Risk	-	-	-	na
Pandemic Risk	15,772	8,840	6,932	78%
Diversification	- 45	- 1,003	958	-95%
Non- SLT Risk	92,789	92,329	460	0%
Reserve Risk	91,950	91,483	467	1%
Lapse Risk	12,447	12,471	- 24	0%
Diversification	- 11,609	- 11,625	16	0%
Diversification	- 10,631	- 6,286	- 4,345	69%
Default Risk	**66,359**	**150,044**	**- 83,686**	**-56%**

The MCR is calculated on the basis of the provisions of Chapter VII of the Delegated Acts, and amounts to 36 million euro.

On the valuation date, no simplifications had been used to calculate the SCR.

BancAssurance Popolari S.p.A.

The SCR of the company at 31 December 2020 was 75 million euro. The requirement is calculated using the Standard Formula, on the basis of the provisions of Chapters V and VI of the Delegated Acts. In calculating the SCR the company uses the Volatility Adjustment.

The table below gives the SCR distributed according to the modules and submodules of risk, calculated with the Standard Formula.

(euro thousands)

Module	2020	2019	Change	
Solvency Capital Requirement	**74,590**	**50,382**	**24,208**	**48%**
Deferred Tax Adjustment	**- 2,058**	**- 5,835**	**3,778**	**-65%**
Solvency Capital Requirement before Adjustment	76,648	56,218	20,430	36%
Operational Risk	**11,182**	**9,903**	**1,279**	**13%**
Basic Solvency Capital Requirement	**65,466**	**46,315**	**19,151**	**41%**
Diversification	- 17,268	- 10,620	- 6,648	63%
Market Risk	**45,036**	**37,757**	**7,279**	**19%**
Interest Rate Risk	1,141	1,526	- 385	-25%
Equity Risk	9,033	6,898	2,135	31%
Property Risk	1,444	1,701	- 257	-15%
Spread Risk	36,394	31,278	5,116	16%
Concentration Risk	-	-	-	na
Currency Risk	-	-	-	na
Diversification	- 2,976	- 3,647	670	-18%
Underwriting Risk	**37,476**	**18,811**	**18,665**	**99%**
Mortality Risk	820	2,044	- 1,225	-60%
Longevity Risk	2,618	1,058	1,560	>100%
Disability Risk	-	-	-	na
Expenses Risk	11,470	9,113	2,357	26%
Revision Risk	-	-	-	na
Lapse Risk	29,328	11,384	17,944	>100%
Cat Risk	552	1,062	- 510	-48%
Diversification	- 7,312	- 5,851	- 1,461	25%
Default Risk	**222**	**367**	**- 145**	**-39%**

No simplifications have been used to calculate the SCR.

At 31 December 2020, the MCR amounted to 34 million euro.

Information of LAC DT

Companies of the Intesa Sanpaolo Vita Group, with the exception of Intesa Sanpaolo Life DAC, arrange a recoverability plan that allows, when are present sufficient future profits, to calculate the adjustment to the SCR ("LAC DT") based on the deferred taxes notional assets produced by a loss equal to the SCR.

Companies calculated the potential LAC DT ("nDTA") adjustment referred to in Article 207 of the Delegated acts, allocating each item of the MVBS, the loss deriving from each risk sub-module of the BSCR and from Operational Risk, taking into account proportional mode of the diversification effect. The potential LAC DT adjustment was calculated by evaluating only the temporary differences that originate prepaid IRES taxes and excluding the IRAP tax losses in future years as governed by national tax legislation.

The reference nominal tax rate used in the calculation is equal to 24%, considering the permanent valuation differences on specific income components that are partially or totally non-deductible (for example, the PEX regime).

To identify the admissibility of the nDTAs, Companies get future annual post-stress taxable income relating to the new business in order to recover the tax credits generated by a loss determined pursuant to Article 207 of the delegated acts. In order to guarantee the prohibition of double counting in compliance with article 16 of IVASS regulation number 35 of 7 February 2017 concerning LAC DT, the future income relating to the new business is determined with a marginal approach, that is, by difference between the profits of the portfolio including the new business and those of the existing portfolio. Furthermore, in accordance with letter c) of paragraph 2

quarters inserted in article 207 through the amendments introduced by the Commission Delegated Regulation (EU) 2019/981, the future incomes related to the new business have been established assuming that the rates of return of the companies' investments are equal to the implied forward rate yields derived from the relevant risk-free interest rate term structure.

Companies obtain the possible impacts of financial and technical stress on the profit deriving from new business, in proportion to the change in the Excess of Assets over Liability deriving from the allocation of the loss deriving from each risk sub-module of the Market and Life Underwriting risk on the MVBS. The stress factor thus applied is gradually reduced in the projection years following the first, to take into account the outflow of contracts and securities that generated the loss and entry of new contracts and securities acquired in future periods in which it is expected, recovery of losses and normalization of the market.

There are other considerations in relation to the future recoverability of the financial markets. The occurrence of market stress led to the occurrence of losses impacting on the future profits produced by the companies' business. The future evolution of the markets makes it possible to foresee a recovery of the value of the investments of the companies with recovery of the financial losses observed (for example recovery over time of the value of equity investments or reduction of bond spreads). These profits are not already considered in the MVBS, they are directly attributable to the new business. The recovery times for these losses are defined by the companies.

Companies taken as a reference the hypotheses of new business, volume of premiums present in the ORSA projections, however setting a longer projection time, replicating for each missing year to complete the overall recovery plan assumed of 7 years, the same assumptions of the last year available from the ORSA plan. In accordance with letter d) of paragraph 2 fourth inserted in article 207 through the amendments introduced by the Delegated Regulation (EU) 2019/981 of the Commission, the Company applying the current growing deviation Coefficients to the Profits deriving from the new company placement outside the horizon of the ORSA plan, places equal to those provided for in article 13 paragraph 4 of IVASS Regulation 35/2017:

- 20 per cent for the probable future taxable income of the 4th year of projection;
- 40 per cent for the probable future taxable income of the 5th year of projection;
- 60 per cent for the probable future taxable income of the 6th year of projection;
- 80 per cent for the probable future taxable income of the 7th year of projection.

E.3 USE OF THE SHARE PRICE RISK SUBMODULE BASED ON THE DURATION IN THE SCR CALCULATION

All the Group companies don't use this method.

E.4 DIFFERENCES BETWEEN THE STANDARD FORMULA AND THE INTERNAL MODEL

All the Insurance Group companies use standard formula.

E.5 FAILURE TO MEET THE MCR AND SCR

None of the Group companies consider that there is a reasonably predictable risk of not meeting the MCR or SCR.

E.6 OTHER INFORMATION

The Insurance Group has not valued any part of its portfolio as Ring Fenced Funds, pending the publication of the level II regulations.

We consider that we have provided all the information relevant for the purposes of this document.

GLOSSARY AND ACRONYMS

Certain sections of this document contain acronyms. In some cases, English terminology has been used to minimise any doubts as to interpretation, in the use of international definitions or methods. To facilitate the understanding of certain concepts, the Italian translations have been given below.

English term	Acronym	Italian term
As a whole		Elemento unico
Best Estimate	BE/BEL	Best Estimate
Cash Flow		Flussi di cassa
Certainty equivalent	CE	Certo equivalente
Combined Ratio		Indicator relating the cost of claims, commission and general expenses to net premiums collected
Contract boundaries		Contractual limits
Cost of Capital	CoC	Costo del Capitale
Credit protection insurance	CPI	Credit insurance cover
Deferred Tax Assets	DTA	Deferred Tax Assets
Deferred Tax Liabilities	DTL	Deferred Tax Liabilities
Dread disease		Insurance cover for serious illnesses
Excess of loss	XL	Type of reinsurance arrangement for excess of loss
Certainty Equivalent		Certainty equivalent approach
Dynamic Policyholder Behaviour		Dynamic policyholder behaviour
Standard formula		Formula used to calculate the Group SCR
Excess of Assets Over Liabilities		Eccesso delle attività sulle passività
Expected Profits Included in Future Premiums	EPIFP	Method to calculate Expected Profits Included in Future Premiums
Expert Judgement		Giudizio esperto
Expense Ratio		Indicator that refers general expenses to net premiums collected
Future Discretionary Benefits	FDB	Future discretionary benefits
Homogeneous Risk Groups	HRG	Gruppi di rischio omogenei
Lines of Business	LoB	Linee di Business
Long Term Guarantees Measures	LGT	Misure di garanzie a lungo termine
Loss Ratio		Indicator that refers the cost relative to claims to net collected premiums
Management Actions	FMG	Future Management Actions
Market Consistent		Market valuation
Market Value Balance Sheet	MVBS	Financial Statements prepared according to Solvency II
Minimum Capital Requirement	MCR	Minimum capital requirement

Non-Similar To Life Technique	Non-SLT	Health products with characteristics similar to the Non-Life business
Reference Curve		Curva di riferimento
Ring Fenced Funds	RFF	Separate funds
Risk Appetite Framework	RAF	Risk Appetite
Risk Free Curve		Curva priva di rischio
Risk Margin	RM	Risk Margin
Risk Neutral		Neutrali rispetto al rischio
Run Off		Existing portfolio
Non Hedgeable Risks		Rischi non immunizzabili
Similar To Life Technique	SLT	Health products with characteristics similar to the Life business
Solvency Capital Requirement	SCR	Requisito Patrimoniale di Solvibilità
Solvency Ratio	SR	Margine di Solvibilità
Statutory Reserve		Riserva civilistica
Technical Provisions	TP	Riserve tecniche
Unbundling		Scomposizione del contratto
Underwriting Risks		Rischi di sottoscrizione
Volatility Adjustment	VA	Aggiustamento di volatilità

In order to guarantee consistency in the representation of data, the Solvency regulations have defined the insurance business lines as follows:

Solvency II Lines of Business		
A.	Non-Life insurance obligations	
1	Medical expense insurance	Medical expense insurance obligations where the underlying business is not pursued on a similar technical basis to that of life insurance, other than obligations included in the line of business 3.
2	Income protection insurance	Income protection insurance obligations where the underlying business is not pursued on a similar technical basis to that of life insurance, other than obligations included in the line of business 3.
3	Workers' compensation insurance	Health insurance obligations which relate to accidents at work, industrial injury and occupational diseases and where the underlying business is not pursued on a similar technical basis to that of life insurance.
4	Motor vehicle liability insurance	Insurance obligations which cover all liabilities arising out of the use of motor vehicles operating on land (including carrier's liability).
5	Other motor insurance	Insurance obligations which cover all damage to or loss of land vehicles (including railway rolling stock).

6	Marine, aviation and transport insurance Marine, aviation and transport insurance	Insurance obligations which cover all damage or loss to sea, lake, river and canal vessels, aircraft, and damage to or loss of goods in transit or baggage irrespective of the form of transport. Insurance obligations which cover liabilities arising out of the use of aircraft, ships, vessels or boats on the sea, lakes, rivers or canals (including carrier's liability).
7	Fire and other damage to property insurance	Insurance obligations which cover all damage to or loss of property other than those included in the lines of business 5 and 6 due to fire, explosion, natural forces including storm, hail or frost, nuclear energy, land subsidence and any event such as theft.
8	General liability insurance	Insurance obligations which cover all liabilities other than those in the lines of business 4 and 6.
9	Credit and suretyship insurance	Insurance obligations which cover insolvency, export credit, instalment credit, mortgages, agricultural credit and direct and indirect suretyship.
10	Legal expenses insurance	Insurance obligations which cover legal expenses and cost of litigation.
11	Assistance	Insurance obligations which cover assistance for persons who get into difficulties while travelling, while away from home or while away from their habitual residence.
12	Miscellaneous financial loss	Insurance obligations which cover employment risk, insufficiency of income, bad weather, loss of benefit, continuing general expenses, unforeseen trading expenses, loss of market value, loss of rent or revenue, indirect trading losses other than those mentioned above, other financial loss (non-trading) as well as any other risk of Non-Life insurance not covered by the lines of business 1 to 11.
B.	Proportional non-life reinsurance obligations	
13-24	Proportional reinsurance obligations that relate to policies in the areas of activity from 1 to 12, respectively.	
C.	Non-proportional non-life reinsurance obligations	
25	Non-proportional Health reinsurance	Non-proportional reinsurance obligations relating to insurance obligations included in lines of business 1 to 3.
26	Non-proportional casualty reinsurance	Non-proportional reinsurance obligations relating to insurance obligations included in lines of business 4 and 8.
27	Non-proportional marine, aviation and transport reinsurance	Non-proportional reinsurance obligations relating to insurance obligations included in line of business 6.
28	Non-proportional property reinsurance	Non-proportional reinsurance obligations relating to insurance obligations included in lines of business 5, 7 and 9 to 12.

D.	Life insurance obligations

29	Health insurance	Health insurance obligations where the underlying business is pursued on a similar technical basis to that of life insurance, other than those included in line of business 33.
30	Insurance with profit participation	Insurance obligations with profit participation other than obligations included in line of business 33 and 34.
31	Index-linked and unit-linked insurance	Insurance obligations with Index-linked and unit-linked benefits other than those included in lines of business 33 and 34.
32	Other life insurance	Other life insurance obligations other than obligations included in lines of business 29 to 31, 33 and 34.
33	Annuities stemming from Non-Life insurance contracts and relating to Health insurance obligations	
34	Annuities stemming from Non-Life insurance contracts and relating to insurance obligations other than Health insurance obligations Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	
E.	Life reinsurance obligations	
35	Health reinsurance	Reinsurance obligations which relate to the obligations included in lines of business 29 and 33.
36	Life reinsurance	Reinsurance obligations which relate to the obligations included in lines of business 30 to 32 and 34

QRT INTESA SANPAOLO VITA GROUP

QRT Gruppo Intesa Sanpaolo Vita: S.02.01.02

Annex I
S.02.01.02
Balance sheet

(in migliaia di euro)

Assets		Solvency II value
		C0010
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	-
Deferred tax assets	R0040	3.210.307
Pension benefit surplus	R0050	-
Property, plant & equipment held for own use	R0060	31.462
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	92.405.393
Property (other than for own use)	R0080	-
Holdings in related undertakings, including participations	R0090	3.998
Equities	R0100	1.758.439
Equities - listed	R0110	1.714.982
Equities - unlisted	R0120	43.457
Bonds	R0130	77.261.946
Government Bonds	R0140	62.489.202
Corporate Bonds	R0150	13.649.898
Structured notes	R0160	1.118.909
Collateralised securities	R0170	3.936
Collective Investments Undertakings	R0180	12.862.799
Derivatives	R0190	518.210
Deposits other than cash equivalents	R0200	-
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	87.225.830
Loans and mortgages	R0230	828
Loans on policies	R0240	713
Loans and mortgages to individuals	R0250	-
Other loans and mortgages	R0260	115
Reinsurance recoverables from:	R0270	61.188
Non-life and health similar to non-life	R0280	61.766
Non-life excluding health	R0290	13.040
Health similar to non-life	R0300	48.726
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-578
Health similar to life	R0320	-
Life excluding health and index-linked and unit-linked	R0330	-578
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	-
Insurance and intermediaries receivables	R0360	318.231
Reinsurance receivables	R0370	4.246
Receivables (trade, not insurance)	R0380	2.957.726
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	-
Cash and cash equivalents	R0410	1.935.585
Any other assets, not elsewhere shown	R0420	717.380
Total assets	R0500	**188.868.175**

(in migliaia di euro)

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	882.653
Technical provisions – non-life (excluding health)	R0520	463.837
Technical provisions calculated as a whole	R0530	-
Best Estimate	R0540	435.747
Risk margin	R0550	28.091
Technical provisions - health (similar to non-life)	R0560	418.816
Technical provisions calculated as a whole	R0570	1.442
Best Estimate	R0580	380.050
Risk margin	R0590	37.323
Technical provisions - life (excluding index-linked and unit-linked)	R0600	86.339.196
Technical provisions - health (similar to life)	R0610	-
Technical provisions calculated as a whole	R0620	-
Best Estimate	R0630	-
Risk margin	R0640	-
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	86.339.196
Technical provisions calculated as a whole	R0660	-
Best Estimate	R0670	85.060.521
Risk margin	R0680	1.278.674
Technical provisions – index-linked and unit-linked	R0690	85.081.415
Technical provisions calculated as a whole	R0700	-
Best Estimate	R0710	84.668.630
Risk margin	R0720	412.786
Other technical provisions	R0730	-
Contingent liabilities	R0740	-
Provisions other than technical provisions	R0750	30.444
Pension benefit obligations	R0760	11.963
Deposits from reinsurers	R0770	403
Deferred tax liabilities	R0780	3.529.663
Derivatives	R0790	54.058
Debts owed to credit institutions	R0800	12.007
Financial liabilities other than debts owed to credit institutions	R0810	-
Insurance & intermediaries payables	R0820	1.785.041
Reinsurance payables	R0830	77.141
Payables (trade, not insurance)	R0840	755.213
Subordinated liabilities	R0850	2.216.862
Subordinated liabilities not in Basic Own Funds	R0860	-
Subordinated liabilities in Basic Own Funds	R0870	2.216.862
Any other liabilities, not elsewhere shown	R0880	951.021
Total liabilities	R0900	**181.727.081**
Excess of assets over liabilities	R1000	**7.141.095**

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

(in migliaia di euro)

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	R0110	519.539	278.953	-	76.339	13.911	129	157.994	67.761	4	12.423	13.630	55.731					1.196.414
Gross - Proportional reinsurance accepted	R0120																	
Gross - Non-proportional reinsurance accepted	R0130																	
Reinsurers' share	R0140	143.580	16.665	-	2.471	807	1	10.013	2.449	-19	11.133	3.499	1.657					192.256
Net	R0200	375.958	262.288	-	73.868	13.104	128	147.981	65.312	22	1.290	10.131	54.074					1.004.158
Premiums earned																		
Gross - Direct Business	R0210	513.732	257.365	-	79.531	14.574	280	125.816	62.635	1.137	11.613	13.306	47.989					1.127.978
Gross - Proportional reinsurance accepted	R0220																	
Gross - Non-proportional reinsurance accepted	R0230																	
Reinsurers' share	R0240	143.284	12.272	-	2.125	807	112	7.468	1.650	227	11.304	3.352	1.987					184.589
Net	R0300	370.448	245.092	-	77.406	13.767	168	118.348	60.985	910	309	9.954	46.002					943.389
Claims incurred																		
Gross - Direct Business	R0310	353.418	79.966	-	52.056	6.661	-14	22.690	8.300	2.052	-1.280	1.630	225					525.703
Gross - Proportional reinsurance accepted	R0320																	
Gross - Non-proportional reinsurance accepted	R0330																	
Reinsurers' share	R0340	118.545	10.599	-	2.464	792	-	400	181	296	-1.155	1.329	141					133.592
Net	R0400	234.873	69.366	-	49.592	5.868	-14	22.290	8.120	1.756	-125	301	84					392.111
Changes in other technical provisions																		
Gross - Direct Business	R0410	-13.594	-2.513	-	-	-25	-	-335	-	-	-	-	-					-16.467
Gross - Proportional reinsurance accepted	R0420																	-
Gross - Non- proportional reinsurance accepted	R0430																	-
Reinsurers'share	R0440	-	-	-	-	-	-	-	-	-	-	-	-					-
Net	R0500	-13.594	-2.513	-	-	-25	-	-335	-	-	-	-	-					-16.467
Expenses incurred	R0550	27.440	94.430	-	23.887	3.825	51	53.164	20.439	95	-2.250	5.135	19.907					246.122
Other expenses	R1200																	5.210
Total expenses	R1300																	251.331

(in migliaia di euro)

Line of Business for: life insurance obligations						Life reinsurance obligations		Total
Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life-reinsurance	
C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
-	7.185.513	9.568.979	286.835	-	-	-	-	17.041.327
-	176	48	1.396	-	-	-	-	1.619
-	7.185.337	9.568.931	285.440	-	-	-	-	17.039.707
-	6.914.468	9.487.168	281.365	-	-	-	-	16.683.002
-	176	48	1.009	-	-	-	-	1.233
-	6.914.292	9.487.120	280.357	-	-	-	-	16.681.769
-	6.452.678	6.743.568	38.258	-	-	-	-	13.234.504
-	107	26	509	-	-	-	-	642
-	6.452.571	6.743.542	37.749	-	-	-	-	13.233.862
-	-1.728.587	-4.974.982	-58.745	-	-	-	-	-6.762.314
-	-	-	1	-	-	-	-	9
-	-1.728.587	-4.974.982	-58.754	-	-	-	-	-6.762.323
-	202.087	619.130	83.092	-	-	-	-	904.309
								909.930
								9.335.898

QRT Gruppo Intesa Sanpaolo Vita: S.22.01.22

Annex I
S.22.01.22
Impact of long term guarantees and transitional measures

(in migliaia di euro)

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	172.303.265	-	-	185.291	-
Basic own funds	R0020	8.848.735	-	-	-178.666	-
Eligible own funds to meet Solvency Capital Requirement	R0050	8.848.735	-	-	-178.666	-
Solvency Capital Requirement	R0090	3.957.255	-	-	241.088	-

QRT Gruppo Intesa Sanpaolo Vita: S.23.01.22

Annex I
S.23.01.22
Own funds

(in migliaia di euro)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	738.950	738.950			
Non-available called but not paid in ordinary share capital at group level	R0020					
Share premium account related to ordinary share capital	R0030	1.328.097	1.328.097			
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Non-available subordinated mutual member accounts at group level	R0060					
Surplus funds	R0070					
Non-available surplus funds at group level	R0080					
Preference shares	R0090					
Non-available preference shares at group level	R0100					
Share premium account related to preference shares	R0110					
Non-available share premium account related to preference shares at group level	R0120					
Reconciliation reserve	R0130	4.700.145	4.700.145			
Subordinated liabilities	R0140	2.216.862		807.609	1.409.254	
Non-available subordinated liabilities at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160					
The amount equal to the value of net deferred tax assets not available at the group level	R0170					
Other items approved by supervisory authority as basic own funds not specified above	R0180					
Non available own funds related to other own funds items approved by supervisory authority	R0190					
Minority interests (if not reported as part of a specific own fund item)	R0200					
Non-available minority interests at group level	R0210	135.320	135.320			
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230					
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240					
Deductions for participations where there is non-availability of information (Article 229)	R0250					
Deduction for participations included by using D&A when a combination of methods is used	R0260					
Total of non-available own fund items	R0270	135.320,44	135.320,44	-	-	-
Total deductions	R0280	135.320,44	135.320,44	-	-	-
Total basic own funds after deductions	R0290	8.848.735	6.631.873	807.609	1.409.254	-
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Non available ancillary own funds at group level	R0380					
Other ancillary own funds	R0390	-				
Total ancillary own funds	R0400	-			-	-
Own funds of other financial sectors						
Reconciliation reserve	R0410					
Institutions for occupational retirement provision	R0420					
Non regulated entities carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440					
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450					
Own funds aggregated when using the D&A and a combination of method net of IGT	R0460					
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	8.848.735	6.631.873	807.609	1.409.254	-
Total available own funds to meet the minimum consolidated group SCR	R0530	8.848.735	6.631.873	807.609	1.409.254	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	8.848.735	6.631.873	807.609	1.409.254	-
Total-eligible own funds to meet the minimum consolidated group SCR	R0570	7.872.196	6.631.873	807.609	432.715	
Minimum consolidated Group SCR	R0610	2.163.574				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	364%				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	8.848.735	6.631.873	807.609	1.409.254	
Group SCR	R0680	3.957.255				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	224%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	7.141.095
Own shares (included as assets on the balance sheet)	R0710	131.493
Forseeable dividends, distributions and charges	R0720	242.408
Other basic own fund items	R0730	2.067.048
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
Other non available own funds	R0750	-
Reconciliation reserve before deduction for participations in other financial sector	R0760	4.700.145
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	577.394
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	103.849
Total EPIFP	R0790	681.243

QRT Gruppo Intesa Sanpaolo Vita: S.25.01.22

Annex I
S.25.01.22
Solvency Capital Requirement - for groups on Standard Formula

(in migliaia di euro)

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0080	C0090
Market risk	R0010	4.215.672		
Counterparty default risk	R0020	319.152		
Life underwriting risk	R0030	2.529.668		
Health underwriting risk	R0040	254.599		
Non-life underwriting risk	R0050	174.361		
Diversification	R0060	-1.827.838		
Intangible asset risk	R0070	-		
Basic Solvency Capital Requirement	R0100	5.665.615		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	508.601
Loss-absorbing capacity of technical provisions	R0140	-1.854.810
Loss-absorbing capacity of deferred taxes	R0150	-392.843
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	3.926.563
Capital add-on already set	R0210	30.692
Solvency capital requirement	R0220	3.957.255
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Minimum consolidated group solvency capital requirement	R0470	2.163.574
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non - regulated entities carrying out financial activities	R0530	
Capital requirement for non-controlled participation requirements	R0540	
Capital requirement for residual undertakings	R0550	

Overall SCR

SCR for undertakings included via D and A	R0560	
Solvency capital requirement	R0570	3.957.255

QRT Gruppo Intesa Sanpaolo Vita: S.32.01.22

Annex I
S.32.01.22
Undertakings in the scope of the group

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/ non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
IT	LEI/5493000YZPPFRVZ7PF37	LEI	Fideuram Vita	1	Societa Per Azioni	2	IVASS
IT	LEI/81560058D9F02B0FCD27	LEI	Intesa Sanpaolo Assicura	2	Societa Per Azioni	2	IVASS
IE	LEI/635400H9NIJ5SQ65LG47	LEI	Intesa Sanpaolo Life	1	Societa Per Azioni	2	CBI
IT	LEI/549300UM31PJ24TTSR94	LEI	Intesa Sanpaolo Vita	4	Societa Per Azioni	2	IVASS
IT	LEI/815600F2CB73D0455054	LEI	Intesa Sanpaolo RBM	2	Societa Per Azioni	2	IVASS
IT	LEI/815600235BB1B7D28078	LEI	Bancassurance Popolari	1	Societa Per Azioni	2	IVASS

Ranking criteria (in the group currency)								
Total Balance Sheet (for (re)insurance undertakings)	Total Balance Sheet (for other regulated undertakings)	Total Balance Sheet (non-regulated undertakings)	Written premiums net of reinsurance ceded under IFRS or local GAAP for (re)insurance undertakings	Turn over defined as the gross revenue under IFRS or local GAAP for other types of undertakings or insurance holding companies	Underwriting performance	Investment performance	Total performance	Accounting standard
C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170
38.252.502.575	-	-	3.708.842.952	-	58.097.583	620.507.280	58.100.000	2
1.783.886.001	-	-	650.613.950	-	242.337.262	12.913.000	121.182.031	2
39.363.264.399	-	-	3.800.088.409	-	202.215.792	275.512.356	150.100.000	1
108.535.857.778	-	-	9.173.403.644	-	114.786.437	773.161.814	248.789.921	2
599.306.678	-	-	352.977.607	-	103.438.360	424.000	61.864.872	2
2.835.265.353	-	-	357.938.449	-	- 5.908.283	31.173.708	4.073.577	2

QRT INTESA SANPAOLO VITA S.P.A.

QRT Intesa Sanpaolo Vita: S.02.01.02

Annex I
S.02.01.02
Balance sheet

(in migliaia di euro)

Assets		Solvency II value
		C0010
Goodwill	R0010	-
Deferred acquisition costs	R0020	-
Intangible assets	R0030	-
Deferred tax assets	R0040	3.002.424
Pension benefit surplus	R0050	-
Property, plant & equipment held for own use	R0060	6.067
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	83.535.596
Property (other than for own use)	R0080	-
Holdings in related undertakings, including participations	R0090	2.484.641
Equities	R0100	1.674.179
Equities - listed	R0110	1.630.875
Equities - unlisted	R0120	43.304
Bonds	R0130	67.315.077
Government Bonds	R0140	54.344.619
Corporate Bonds	R0150	12.082.551
Structured notes	R0160	885.274
Collateralised securities	R0170	2.633
Collective Investments Undertakings	R0180	11.543.608
Derivatives	R0190	518.091
Deposits other than cash equivalents	R0200	-
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	18.836.185
Loans and mortgages	R0230	183
Loans on policies	R0240	183
Loans and mortgages to individuals	R0250	-
Other loans and mortgages	R0260	-
Reinsurance recoverables from:	R0270	-
Non-life and health similar to non-life	R0280	-
Non-life excluding health	R0290	-
Health similar to non-life	R0300	-
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-
Health similar to life	R0320	-
Life excluding health and index-linked and unit-linked	R0330	-
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	-
Insurance and intermediaries receivables	R0360	1.783
Reinsurance receivables	R0370	4
Receivables (trade, not insurance)	R0380	1.539.900
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	-
Cash and cash equivalents	R0410	1.219.632
Any other assets, not elsewhere shown	R0420	394.085
Total assets	R0500	**108.535.858**

(in migliaia di euro)

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	**R0510**	1.442
Technical provisions – non-life (excluding health)	**R0520**	-
Technical provisions calculated as a whole	**R0530**	-
Best Estimate	**R0540**	-
Risk margin	**R0550**	-
Technical provisions - health (similar to non-life)	**R0560**	1.442
Technical provisions calculated as a whole	**R0570**	1.442
Best Estimate	**R0580**	-
Risk margin	**R0590**	-
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	77.117.492
Technical provisions - health (similar to life)	**R0610**	-
Technical provisions calculated as a whole	**R0620**	-
Best Estimate	**R0630**	-
Risk margin	**R0640**	-
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	77.117.492
Technical provisions calculated as a whole	**R0660**	-
Best Estimate	**R0670**	75.941.197
Risk margin	**R0680**	1.176.295
Technical provisions – index-linked and unit-linked	**R0690**	18.080.519
Technical provisions calculated as a whole	**R0700**	-
Best Estimate	**R0710**	17.916.180
Risk margin	**R0720**	164.339
Other technical provisions	**R0730**	-
Contingent liabilities	**R0740**	-
Provisions other than technical provisions	**R0750**	17.578
Pension benefit obligations	**R0760**	6.194
Deposits from reinsurers	**R0770**	-
Deferred tax liabilities	**R0780**	3.098.758
Derivatives	**R0790**	54.058
Debts owed to credit institutions	**R0800**	12.007
Financial liabilities other than debts owed to credit institutions	**R0810**	-
Insurance & intermediaries payables	**R0820**	1.289.669
Reinsurance payables	**R0830**	104
Payables (trade, not insurance)	**R0840**	639.142
Subordinated liabilities	**R0850**	2.060.636
Subordinated liabilities not in Basic Own Funds	**R0860**	-
Subordinated liabilities in Basic Own Funds	**R0870**	2.060.636
Any other liabilities, not elsewhere shown	**R0880**	436.693
Total liabilities	**R0900**	**102.814.291**
Excess of assets over liabilities	**R1000**	**5.721.567**

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

(in migliaia di euro)

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Total
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0200
Premiums written														
Gross - Direct Business	R0110	4	594	-	-	-	-	-	-	-	-	-	-	598
Gross - Proportional reinsurance accepted	R0120		-		-	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0130													
Reinsurers' share	R0140	-	32	-	-	-	-	-	-	-	-	-	-	32
Net	R0200	4	562	-	-	-	-	-	-	-	-	-	-	567
Premiums earned														
Gross - Direct Business	R0210	4	615											618
Gross - Proportional reinsurance accepted	R0220													
Gross - Non-proportional reinsurance accepted	R0230													
Reinsurers' share	R0240	-	34	-	-	-	-	-	-	-	-	-	-	34
Net	R0300	4	581	-	-	-	-	-	-	-	-	-	-	585
Claims incurred														
Gross - Direct Business	R0310	-	-349	-	-	-	-	-	-	-	-	-	-	-349
Gross - Proportional reinsurance accepted	R0320	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0330													-
Reinsurers' share	R0340	-	0	-	-									-
Net	R0400	-	-349	-	-									-349
Changes in other technical provisions		-	-	-	-									-
Gross - Direct Business	R0410	-	7											7
Gross - Proportional reinsurance accepted	R0420													-
Gross - Non- proportional reinsurance accepted	R0430													-
Reinsurers'share	R0440	-	-	-	-	-	-	-	-	-	-	-	-	-
Net	R0500	-	7	-	-	-	-	-	-	-	-	-	-	7
Expenses incurred	R0550	1	226	-	-	-	-	-	-	-	-	-	-	226
Other expenses	R1200													
Total expenses	R1300													226

(in migliaia di euro)

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	-	6.774.112	2.490.514	204.693	-	-	-	-	9.469.319
Reinsurers' share	R1420	-	-	-	529	-	-	-	-	529
Net	R1500	-	6.774.112	2.490.514	204.165	-	-	-	-	9.468.791
Premiums earned		-	-	-	-	-	-	-	-	-
Gross	R1510	-	6.774.112	2.490.514	204.693	-	-	-	-	9.469.319
Reinsurers' share	R1520	-	-	-	529	-	-	-	-	529
Net	R1600	-	6.774.112	2.490.514	204.165	-	-	-	-	9.468.791
Claims incurred		-	-	-	-	-	-	-	-	-
Gross	R1610	-	7.465.804	2.741.020	35.837	-	-	-	-	10.242.661
Reinsurers' share	R1620	-	-	-	518	-	-	-	-	518
Net	R1700	-	7.465.804	2.741.020	35.319	-	-	-	-	10.242.143
Changes in other technical provisions		-	-	-	-	-	-	-	-	-
Gross	R1710	-	-265.829	54.653	-566	-	-	-	-	-211.742
Reinsurers' share	R1720	-	-	-	0	-	-	-	-	0
Net	R1800	-	-265.829	54.653	-566	-	-	-	-	-211.742
Expenses incurred	R1900	-	180.723	83.890	59.867	-	-	-	-	324.480
Other expenses	R2500									3.857
Total expenses	R2600									328.337

Annex I
S.12.01.02
Life and Health SLT Technical Provisions

(in migliaia di euro)

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150
Technical provisions calculated as a whole	**R0010**										
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**	-	-			-			-	-	-
Technical provisions calculated as a sum of BE and RM											
Best Estimate											
Gross Best Estimate	**R0030**	75.479.768		16.936.020	980.159		-	461.430	-	-	93.857.377
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**	-		-	-		-	-	-	-	-
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**	75.479.768		16.936.020	980.159		-	461.430	-	-	93.857.377
Risk Margin	**R0100**	1.124.861	164.339			51.434			-	-	1.340.634
Amount of the transitional on Technical Provisions											
Technical Provisions calculated as a whole	**R0110**	-	-			-			-	-	-
Best estimate	**R0120**	-							-	-	-
Risk margin	**R0130**	-	-			-			-	-	-
Technical provisions - total	**R0200**	76.604.629	18.080.519			512.863			-	-	95.198.011

Annex I
S.17.01.02
Non-life Technical Provisions

(in migliaia di euro)

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	**R0010**	1	1.441	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.442
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	**R0050**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	**R0060**			-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Best Estimate of Premium Provisions	**R0150**			-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Claims provisions																		
Gross	**R0160**			-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Best Estimate of Claims Provisions	**R0250**			-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Best estimate - gross	**R0260**			-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Best estimate - net	**R0270**			-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Risk margin	**R0280**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	**R0290**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Best estimate	**R0300**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Risk margin	**R0310**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical provisions - total																		
Technical provisions - total	**R0320**	1	1.441	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.442
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	1	1.441	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.442
Premium provisions - Total number of homogeneous risk groups	**R0350**																	
Claims provisions - Total number of homogeneous risk groups	**R0360**																	
Cash-flows of the Best estimate of Premium Provisions (Gross)																		
Cash out-flows																		
Future benefits and claims	**R0370**	-	-															-
Future expenses and other cash-out flows	**R0380**	-	48															48
Cash in-flows																		
Future premiums	**R0390**	-	76															76
Other cash-in flows (incl. Recoverable from salvages and subrogations)	**R0400**																	
Cash-flows of the Best estimate of Claims Provisions (Gross)																		
Cash out-flows																		
Future benefits and claims	**R0410**	-	1.243															1.243
Future expenses and other cash-out flows	**R0420**	-	79															79

QRT Intesa Sanpaolo Vita: S.19.01.21

Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0020	1

Gross Claims Paid (non-cumulative)
(absolute amount)

(in migliaia di euro)

		Development year										
Year		0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											
N-10	R0150											
N-9	R0160		55									
N-8	R0170	55	251	55	79				55			
N-7	R0180	55	110									
N-6	R0190	103	55									
N-5	R0200	203										
N-4	R0210		258	55								
N-3	R0220											
N-2	R0230	103	158									
N-1	R0240											
N	R0250											

(in migliaia di euro)

		In Current year
		C0170
	R0100	
	R0150	
	R0160	
	R0170	
	R0180	
	R0190	
	R0200	
	R0210	
	R0220	
	R0230	
	R0240	
	R0250	
Total	R0260	

(in migliaia di euro)

Sum of years (cumulative)
C0180
55
495
165
158
203
313
262
1.755

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

(in migliaia di euro)

		Development year										
Year		0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											
N-9	R0160											
N-8	R0170									57		
N-7	R0180								115			
N-6	R0190							-				
N-5	R0200						222					
N-4	R0210					-						
N-3	R0220				337							
N-2	R0230			165								
N-1	R0240		222									
N	R0250	222										

(in migliaia di euro)

		Year end (discounted data)
		C0360
	R0100	
	R0160	
	R0170	
	R0180	
	R0190	
	R0200	
	R0210	
	R0220	
	R0230	
	R0240	
	R0250	1.322
Total	R0260	1.322

QRT Intesa Sanpaolo Vita: S.22.01.21

Annex I
S.22.01.21
Impact of long term guarantees and transitional measures

(in migliaia di euro)

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	95.199.453	-	-	231.460	-
Basic own funds	R0020	7.409.741	-	-	-160.124	-
Eligible own funds to meet Solvency Capital Requirement	R0050	5.721.567	-	-	-160.124	-
Solvency Capital Requirement	R0090	3.445.416	-	-	236.218	-
Eligible own funds to meet Minimum Capital Requirement	R0100	6.466.802	-	-	-138.865	-
Minimum Capital Requirement	R0110	1.550.437	-	-	106.298	-

QRT Intesa Sanpaolo Vita: S.23.01.01

Annex I
S.23.01.01
Own funds

(in migliaia di euro)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	320.423	320.423			
Share premium account related to ordinary share capital	R0030	1.328.097	1.328.097			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	3.700.586	3.700.586			
Subordinated liabilities	R0140	2.060.636		807.609	1.253.027	
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	7.409.741	5.349.106	807.609	1.253.027	-
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					

(in migliaia di euro)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total ancillary own funds	R0400				-	-
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	7.409.741	5.349.106	807.609	1.253.027	-
Total available own funds to meet the MCR	R0510	7.409.741	5.349.106	807.609	1.253.027	
Total eligible own funds to meet the SCR	R0540	7.409.741	5.349.106	807.609	1.253.027	-
Total eligible own funds to meet the MCR	R0550	6.466.802	5.349.106	807.609	310.087	
SCR	R0580	3.445.416				
MCR	R0600	1.550.437				
Ratio of Eligible own funds to SCR	R0620	215%				
Ratio of Eligible own funds to MCR	R0640	417%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	5.721.567
Own shares (held directly and indirectly)	R0710	130.053
Foreseeable dividends, distributions and charges	R0720	242.408
Other basic own fund items	R0730	1.648.520
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	3.700.586
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	334.204
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	334.204

QRT Intesa Sanpaolo Vita: S.25.01.21

Annex I

S.25.01.21
Solvency Capital Requirement - for undertakings on Standard Formula

(in migliaia di euro)

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	2.146.246		
Counterparty default risk	R0020	175.766		
Life underwriting risk	R0030	1.949.747		
Health underwriting risk	R0040			
Non-life underwriting risk	R0050			
Diversification	R0060	-971.597		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	3.300.161		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	352.697
Loss-absorbing capacity of technical provisions	R0140	-1.732.472
Loss-absorbing capacity of deferred taxes	R0150	-207.442
Capital requirement for business operated in accordance with Art. 4	R0160	
Solvency capital requirement excluding capital add-on	R0200	3.445.416
Capital add-on already set	R0210	
Solvency capital requirement	R0220	3.445.416

Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirement for	R0410	
Total amount of Notional Solvency Capital Requirements for ring	R0420	
Total amount of Notional Solvency Capital Requirement for matching	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

QRT Intesa Sanpaolo Vita: S.28.02.01

Annex I
S.28.02.01
Minimum Capital Requirement - Both life and non-life insurance activity

(in migliaia di euro)

		Non-life activities	Life activities
		$MCR_{(NL,NL)}$ Result	$MCR_{(NL,L)}$ Result
		C0010	C0020
Linear formula component for non-life insurance and reinsurance obligations	R0010	237	-

(in migliaia di euro)

		Non-life activities		Life activities	
		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0030	C0040	C0050	C0060
Medical expense insurance and proportional reinsurance	R0020	1	4	-	-
Income protection insurance and proportional reinsurance	R0030	1.441	562	-	-
Workers' compensation insurance and proportional reinsurance	R0040				
Motor vehicle liability insurance and proportional reinsurance	R0050				
Other motor insurance and proportional reinsurance	R0060				
Marine, aviation and transport insurance and proportional reinsurance	R0070				
Fire and other damage to property insurance and proportional reinsurance	R0080				
General liability insurance and proportional reinsurance	R0090				
Credit and suretyship insurance and proportional reinsurance	R0100				
Legal expenses insurance and proportional reinsurance	R0110				
Assistance and proportional reinsurance	R0120				
Miscellaneous financial loss insurance and proportional reinsurance	R0130				
Non-proportional health reinsurance	R0140				
Non-proportional casualty reinsurance	R0150				
Non-proportional marine, aviation and transport reinsurance	R0160				
Non-proportional property reinsurance	R0170				

(in migliaia di euro)

		Non-life activities	Life activities
		$MCR_{(L,NL)}$ Result	$MCR_{(L,L)}$ Result
		C0070	C0080
Linear formula component for life insurance and reinsurance obligations	R0200	-	2.692.566

(in migliaia di euro)

		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP	Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/ SPV) best estimate and	Net (of reinsurance/SPV) total capital at risk
		C0090	C0100	C0110	C0120
Obligations with profit participation - guaranteed benefits	R0210			72.459.138	
Obligations with profit participation - future discretionary benefits	R0220			3.020.630	
Index-linked and unit-linked insurance obligations	R0230			17.916.180	
Other life (re)insurance and health (re)insurance obligations	R0240			461.430	
Total capital at risk for all life (re)insurance obligations	R0250				47.924.947

Overall MCR calculation

		C0130
Linear MCR	R0300	2.692.803
SCR	R0310	3.445.416
MCR cap	R0320	1.550.437
MCR floor	R0330	861.354
Combined MCR	R0340	1.550.437
Absolute floor of the MCR	R0350	3.700
		C0130
Minimum Capital Requirement	R0400	1.550.437

Notional non-life and life MCR calculation		Non-life activities	Life activities
		C0140	C0150
Notional linear MCR	R0500	237	2.692.566
Notional SCR excluding add-on (annual or latest calculation)	R0510	303	3.445.113
Notional MCR cap	R0520	136	1.550.301
Notional MCR floor	R0530	76	861.278
Notional Combined MCR	R0540	136	1.550.301
Absolute floor of the notional MCR	R0550	2.500	3.700
Notional MCR	R0560	2.500	1.550.301

QRT INTESA SANPAOLO ASSICURA S.P.A.

QRT Intesa Sanpaolo Assicura: S.02.01.02

Annex I
S.02.01.02
Balance sheet

(in migliaia di euro)

Assets		Solvency II value
		C0010
Goodwill	R0010	-
Deferred acquisition costs	R0020	-
Intangible assets	R0030	-
Deferred tax assets	R0040	30.259
Pension benefit surplus	R0050	-
Property, plant & equipment held for own use	R0060	3.479
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	1.490.094
Property (other than for own use)	R0080	-
Holdings in related undertakings, including participations	R0090	-
Equities	R0100	412
Equities - listed	R0110	412
Equities - unlisted	R0120	-
Bonds	R0130	1.050.444
Government Bonds	R0140	1.050.444
Corporate Bonds	R0150	-
Structured notes	R0160	-
Collateralised securities	R0170	-
Collective Investments Undertakings	R0180	439.237
Derivatives	R0190	-
Deposits other than cash equivalents	R0200	-
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	-
Loans and mortgages	R0230	115
Loans on policies	R0240	-
Loans and mortgages to individuals	R0250	-
Other loans and mortgages	R0260	115
Reinsurance recoverables from:	R0270	24.333
Non-life and health similar to non-life	R0280	24.333
Non-life excluding health	R0290	13.040
Health similar to non-life	R0300	11.293
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-
Health similar to life	R0320	-
Life excluding health and index-linked and unit-linked	R0330	-
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	-
Insurance and intermediaries receivables	R0360	145.689
Reinsurance receivables	R0370	3.781
Receivables (trade, not insurance)	R0380	3.923
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	-
Cash and cash equivalents	R0410	20.353
Any other assets, not elsewhere shown	R0420	61.860
Total assets	R0500	**1.783.886**

(in migliaia di euro)

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	779.269
Technical provisions – non-life (excluding health)	R0520	463.837
Technical provisions calculated as a whole	R0530	-
Best Estimate	R0540	435.747
Risk margin	R0550	28.091
Technical provisions - health (similar to non-life)	R0560	315.431
Technical provisions calculated as a whole	R0570	-
Best Estimate	R0580	285.439
Risk margin	R0590	29.992
Technical provisions - life (excluding index-linked and unit-linked)	R0600	-
Technical provisions - health (similar to life)	R0610	-
Technical provisions calculated as a whole	R0620	-
Best Estimate	R0630	-
Risk margin	R0640	-
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	-
Technical provisions calculated as a whole	R0660	-
Best Estimate	R0670	-
Risk margin	R0680	-
Technical provisions – index-linked and unit-linked	R0690	-
Technical provisions calculated as a whole	R0700	-
Best Estimate	R0710	-
Risk margin	R0720	-
Other technical provisions	R0730	-
Contingent liabilities	R0740	-
Provisions other than technical provisions	R0750	2.134
Pension benefit obligations	R0760	1.307
Deposits from reinsurers	R0770	403
Deferred tax liabilities	R0780	102.690
Derivatives	R0790	-
Debts owed to credit institutions	R0800	-
Financial liabilities other than debts owed to credit institutions	R0810	-
Insurance & intermediaries payables	R0820	25.716
Reinsurance payables	R0830	23.739
Payables (trade, not insurance)	R0840	63.984
Subordinated liabilities	R0850	-
Subordinated liabilities not in Basic Own Funds	R0860	-
Subordinated liabilities in Basic Own Funds	R0870	-
Any other liabilities, not elsewhere shown	R0880	50.396
Total liabilities	**R0900**	**1.049.639**
Excess of assets over liabilities	**R1000**	**734.247**

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

(in migliaia di euro)

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	**R0110**	24.243	278.359	-	76.339	13.911	129	157.994	67.761	4	12.423	13.630	55.731					700.524
Gross - Proportional reinsurance accepted	**R0120**	-	-	-	-	-	-	-	-	-	-	-	-					-
Gross - Non-proportional reinsurance accepted	**R0130**																	-
Reinsurers' share	**R0140**	1.266	16.633	-	2.471	807	1	10.013	2.449	-19	11.133	3.499	1.657					49.910
Net	**R0200**	22.977	261.726	-	73.868	13.104	128	147.981	65.312	22	1.290	10.131	54.074					650.614
Premiums earned																		
Gross - Direct Business	**R0210**	19.765	256.750	-	79.531	14.574	280	125.816	62.635	1.137	11.613	13.306	47.989					633.396
Gross - Proportional reinsurance accepted	**R0220**	-	-	-	-	-	-	-	-	-	-	-	-					-
Gross - Non-proportional reinsurance accepted	**R0230**																	-
Reinsurers' share	**R0240**	970	12.239	-	2.125	807	112	7.468	1.650	227	11.304	3.352	1.987					42.241
Net	**R0300**	18.795	244.511	-	77.406	13.767	168	118.348	60.985	910	309	9.954	46.002					591.155
Claims incurred																		
Gross - Direct Business	**R0310**	7.515	80.314	-	52.056	6.661	-14	22.690	8.300	2.052	-1.280	1.630	225					180.149
Gross - Proportional reinsurance accepted	**R0320**																	
Gross - Non-proportional reinsurance accepted	**R0330**																	
Reinsurers' share	**R0340**	760	10.599	-	2.464	792	-	400	181	296	-1.155	1.329	141					15.807
Net	**R0400**	6.755	69.715	-	49.592	5.868	-14	22.290	8.120	1.756	-125	301	84					164.342
Changes in other technical provisions																		
Gross - Direct Business	**R0410**	-344	-2.520	-	-	-	-	-335	-	0	-	-	-					-3.224
Gross - Proportional reinsurance accepted	**R0420**																	
Gross - Non- proportional reinsurance accepted	**R0430**																	
Reinsurers'share	**R0440**																	
Net	**R0500**	-344	-2.520	-	-	-	-	-335	-	0	-	-	-					-3.224
Expenses incurred	**R0550**	5.750	94.204	-	23.887	3.825	51	53.164	20.439	95	-2.250	5.135	19.907					224.206
Other expenses	**R1200**																	5.210
Total expenses	**R1300**																	229.416

Annex I
S.17.01.02
Non-life Technical Provisions

(in migliaia di euro)

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	**R0010**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	**R0050**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	**R0060**	-8.663	175.865		29.850	4.020	55	133.822	4.449	804	1.043	1.180	102.162					444.586
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	446	788		180	0	0	3	837	328	906	864	666					5.018
Net Best Estimate of Premium Provisions	**R0150**	-9.109	175.076		29.670	4.020	55	133.819	3.612	476	137	316	101.496					439.568
Claims provisions																		
Gross	**R0160**	6.233	112.004		81.979	1.828	46	33.131	26.495	2.802	2.159	983	8.939					276.600
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	459	9.600		2.894	400	0	1.034	644	1.146	1.876	757	506					19.315
Net Best Estimate of Claims Provisions	**R0250**	5.775	102.404		79.085	1.429	46	32.098	25.851	1.656	283	227	8.433					257.285
Total Best estimate - gross	**R0260**	-2.430	287.869		111.829	5.848	100	166.953	30.944	3.606	3.202	2.164	111.101					721.186
Total Best estimate - net	**R0270**	-3.334	277.481		108.755	5.448	100	165.917	29.463	2.132	420	543	109.929					696.853
Risk margin	**R0280**	4.071	25.921		3.498	309	9	8.053	2.268	133	46	106	13.668					58.083
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	**R0290**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Best estimate	**R0300**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Risk margin	**R0310**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical provisions - total																		
Technical provisions - total	**R0320**	1.642	313.790		115.327	6.157	109	175.007	33.212	3.739	3.248	2.270	124.769					779.269
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	905	10.388		3.073	399	0	1.036	1.481	1.474	2.782	1.621	1.172					24.333
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	737	303.402		112.253	5.758	109	173.970	31.730	2.265	466	649	123.597					754.936

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Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0020	1

Gross Claims Paid (non-cumulative)
(absolute amount) *(in migliaia di euro)* *(in migliaia di euro)*

Year		Development year 0	1	2	3	4	5	6	7	8	9	10 & +	11	12	13	14	15 & +			*(in migliaia di euro)* In Current year	*(in migliaia di euro)* Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160			C0170	C0180
Prior	R0100																-		R0100	-	-
N-14	R0110	-	-	-	-	325	50	37	28	88	144	74	38	-	32	-			R0110	-	816
N-13	R0120	-	-	-	1.141	358	153	431	283	0	73	123	4	(3)	(2)				R0120	(2)	2.561
N-12	R0130	-	-	3.099	747	430	202	125	157	35	52	-	(7)	6					R0130	6	4.846
N-11	R0140	-	15.759	3.016	1.191	465	388	151	45	29	33	63	12						R0140	12	21.153
N-10	R0150	18.440	15.997	5.499	1.438	1.236	286	239	190	79	367	50							R0150	50	43.820
N-9	R0160	16.873	24.995	6.357	4.008	2.075	1.585	566	533	313	158								R0160	158	57.463
N-8	R0170	20.673	26.238	11.892	4.290	2.318	938	662	650	366									R0170	366	68.026
N-7	R0180	28.148	32.541	15.772	2.988	1.561	939	2.111	341										R0180	341	84.401
N-6	R0190	32.571	33.580	6.434	1.969	997	527	687											R0190	687	76.766
N-5	R0200	35.778	30.036	9.078	1.761	1.274	465												R0200	465	78.391
N-4	R0210	37.900	29.417	11.811	4.544	1.008													R0210	1.008	84.681
N-3	R0220	38.538	29.446	10.409	2.997														R0220	2.997	81.390
N-2	R0230	42.975	42.516	13.637															R0230	13.637	99.128
N-1	R0240	56.441	61.383																R0240	61.383	117.824
N	R0250	57.401																	R0250	57.401	57.401
																		Total	R0260	138.508	878.750

Gross undiscounted Best Estimate Claims Provisions
(absolute amount) *(in migliaia di euro)* *(in migliaia di euro)*

Year		Development year 0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +			Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0310	C0320	C0330	C0340	C0350			C0360
Prior	R0100																-		R0100	-
N-14	R0110	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			R0110	-
N-13	R0120	-	-	-	-	-	-	-	-	-	107	46	30	9	6				R0120	-
N-12	R0130	-	-	-	-	-	-	-	-	2.173	1.490	1.267	543	411					R0130	-
N-11	R0140	-	-	-	-	-	-	-	654	512	308	129	92						R0140	-
N-10	R0150	-	-	-	-	-	-	1.780	1.370	988	433	274							R0150	-
N-9	R0160	-	-	-	-	-	6.607	4.435	2.187	999	802								R0160	-
N-8	R0170	-	-	-	-	11.681	7.691	4.149	2.456	1.861									R0170	-
N-7	R0180	-	-	-	14.288	11.189	6.684	3.129	2.410										R0180	-
N-6	R0190	-	-	15.768	11.351	7.916	3.897	2.995											R0190	-
N-5	R0200	-	22.532	10.752	7.518	4.071	3.367												R0200	-
N-4	R0210	76.073	31.176	14.926	9.443	6.145													R0210	-
N-3	R0220	77.772	29.662	17.386	12.015														R0220	-
N-2	R0230	85.939	40.639	22.468															R0230	-
N-1	R0240	142.343	49.467																R0240	-
N	R0250	148.572																	R0250	-
																		Total	R0260	-

QRT Intesa Sanpaolo Assicura: S.23.01.01

Annex I
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Own funds

(in migliaia di euro)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	27.912	27.912			
Share premium account related to ordinary share capital	R0030	-	-			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	-	-			
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	705.923	705.923			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	733.835	733.835	-	-	-
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					

(in migliaia di euro)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	733.835	733.835	-	-	-
Total available own funds to meet the MCR	R0510	733.835	733.835	-	-	
Total eligible own funds to meet the SCR	R0540	733.835	733.835	-	-	-
Total eligible own funds to meet the MCR	R0550	733.835	733.835	-	-	
SCR	R0580	236.678				
MCR	R0600	106.505				
Ratio of Eligible own funds to SCR	R0620	310%				
Ratio of Eligible own funds to MCR	R0640	689%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	734.247
Own shares (held directly and indirectly)	R0710	412
Foreseeable dividends, distributions and charges	R0720	-
Other basic own fund items	R0730	27.912
Adjustment for restricted own fund items in respect of matching adjustment	R0740	-
Reconciliation reserve	R0760	705.923
Expected profits		-
Expected profits included in future premiums (EPIFP) - Life business	R0770	-
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	59.071
Total Expected profits included in future premiums (EPIFP)	R0790	59.071

QRT Intesa Sanpaolo Assicura: S.25.01.21

Annex I

S.25.01.21
Solvency Capital Requirement - for undertakings on Standard Formula

(in migliaia di euro)

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	41.389		
Counterparty default risk	R0020	32.425		
Life underwriting risk	R0030	0		
Health underwriting risk	R0040	184.563		
Non-life underwriting risk	R0050	174.361		
Diversification	R0060	-142.955		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	289.783		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	21.636
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	-74.740
Capital requirement for business operated in accordance with Art. 4	R0160	0
Solvency capital requirement excluding capital add-on	R0200	236.678
Capital add-on already set	R0210	0
Solvency capital requirement	R0220	236.678
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirement for	R0410	
Total amount of Notional Solvency Capital Requirements for ring	R0420	
Total amount of Notional Solvency Capital Requirement for matching	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

QRT Intesa Sanpaolo Assicura: S.28.01.01

Annex I
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

(in migliaia di euro)

		C0010
MCRNL Result	R0010	144.088

(in migliaia di euro)

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	0	22.977
Income protection insurance and proportional reinsurance	R0030	277.481	261.726
Workers' compensation insurance and proportional reinsurance	R0040	-	-
Motor vehicle liability insurance and proportional reinsurance	R0050	108.755	73.868
Other motor insurance and proportional reinsurance	R0060	5.448	13.104
Marine, aviation and transport insurance and proportional reinsurance	R0070	100	128
Fire and other damage to property insurance and proportional reinsurance	R0080	165.917	147.981
General liability insurance and proportional reinsurance	R0090	29.463	65.312
Credit and suretyship insurance and proportional reinsurance	R0100	2.132	22
Legal expenses insurance and proportional reinsurance	R0110	420	1.290
Assistance and proportional reinsurance	R0120	543	10.131
Miscellaneous financial loss insurance and proportional reinsurance	R0130	109.929	54.074
Non-proportional health reinsurance	R0140	-	-
Non-proportional casualty reinsurance	R0150	-	-
Non-proportional marine, aviation and transport reinsurance	R0160	-	-
Non-proportional property reinsurance	R0170	-	-

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	R0200	

(in migliaia di euro)

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240		
Total capital at risk for all life (re)insurance obligations	R0250		

Overall MCR calculation

(in migliaia di euro)

		C0070
Linear MCR	R0300	144.088
SCR	R0310	236.678
MCR cap	R0320	106.505
MCR floor	R0330	59.170
Combined MCR	R0340	106.505
Absolute floor of the MCR	R0350	2.500
		C0070
Minimum Capital Requirement	R0400	106.505

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QRT Fideuram Vita: S.02.01.02

Annex I
S.02.01.02
Balance sheet

(in migliaia di euro)

Assets		Solvency II value
		C0010
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	-
Deferred tax assets	R0040	165.949
Pension benefit surplus	R0050	-
Property, plant & equipment held for own use	R0060	10.196
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	7.001.945
Property (other than for own use)	R0080	-
Holdings in related undertakings, including participations	R0090	0
Equities	R0100	83.448
Equities - listed	R0110	83.323
Equities - unlisted	R0120	125
Bonds	R0130	6.188.258
Government Bonds	R0140	4.890.342
Corporate Bonds	R0150	1.096.589
Structured notes	R0160	200.025
Collateralised securities	R0170	1.303
Collective Investments Undertakings	R0180	730.119
Derivatives	R0190	119
Deposits other than cash equivalents	R0200	-
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	30.016.046
Loans and mortgages	R0230	531
Loans on policies	R0240	531
Loans and mortgages to individuals	R0250	-
Other loans and mortgages	R0260	-
Reinsurance recoverables from:	R0270	-
Non-life and health similar to non-life	R0280	-
Non-life excluding health	R0290	-
Health similar to non-life	R0300	-
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-
Health similar to life	R0320	-
Life excluding health and index-linked and unit-linked	R0330	-
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	-
Insurance and intermediaries receivables	R0360	2.268
Reinsurance receivables	R0370	400
Receivables (trade, not insurance)	R0380	570.822
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	-
Cash and cash equivalents	R0410	279.021
Any other assets, not elsewhere shown	R0420	205.325
Total assets	R0500	**38.252.503**

(in migliaia di euro)

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	**R0510**	-
Technical provisions – non-life (excluding health)	**R0520**	-
Technical provisions calculated as a whole	**R0530**	-
Best Estimate	**R0540**	-
Risk margin	**R0550**	-
Technical provisions - health (similar to non-life)	**R0560**	-
Technical provisions calculated as a whole	**R0570**	-
Best Estimate	**R0580**	-
Risk margin	**R0590**	-
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	6.821.282
Technical provisions - health (similar to life)	**R0610**	-
Technical provisions calculated as a whole	**R0620**	-
Best Estimate	**R0630**	-
Risk margin	**R0640**	-
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	6.821.282
Technical provisions calculated as a whole	**R0660**	-
Best Estimate	**R0670**	6.745.934
Risk margin	**R0680**	75.349
Technical provisions – index-linked and unit-linked	**R0690**	29.411.510
Technical provisions calculated as a whole	**R0700**	-
Best Estimate	**R0710**	29.336.315
Risk margin	**R0720**	75.195
Other technical provisions	**R0730**	-
Contingent liabilities	**R0740**	-
Provisions other than technical provisions	**R0750**	5.706
Pension benefit obligations	**R0760**	3.958
Deposits from reinsurers	**R0770**	-
Deferred tax liabilities	**R0780**	240.588
Derivatives	**R0790**	-
Debts owed to credit institutions	**R0800**	-
Financial liabilities other than debts owed to credit institutions	**R0810**	-
Insurance & intermediaries payables	**R0820**	292.652
Reinsurance payables	**R0830**	0
Payables (trade, not insurance)	**R0840**	27.940
Subordinated liabilities	**R0850**	156.227
Subordinated liabilities not in Basic Own Funds	**R0860**	-
Subordinated liabilities in Basic Own Funds	**R0870**	156.227
Any other liabilities, not elsewhere shown	**R0880**	233.093
Total liabilities	**R0900**	**37.192.957**
Excess of assets over liabilities	**R1000**	**1.059.546**

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

(in migliaia di euro)

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life-reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	-	433.476	3.271.116	4.908	-	-	-	-	3.709.500
Reinsurers' share	R1420	-	176	-	481	-	-	-	-	657
Net	R1500	-	433.300	3.271.116	4.427	-	-	-	-	3.708.843
Premiums earned		-								
Gross	R1510	-	433.476	3.271.116	4.908	-	-	-	-	3.709.500
Reinsurers' share	R1520	-	176	-	481	-	-	-	-	657
Net	R1600	-	433.300	3.271.116	4.427	-	-	-	-	3.708.843
Claims incurred										
Gross	R1610	-	384.851	2.133.056	1.649	-	-	-	-	2.519.556
Reinsurers' share	R1620	-	107	-	293	-	-	-	-	400
Net	R1700	-	384.744	2.133.056	1.356	-	-	-	-	2.519.156
Changes in other technical provisions										
Gross	R1710	-	(139.811)	(1.910.416)	63	-	-	-	-	(2.050.164)
Reinsurers' share	R1720	-	-	-	-	-	-	-	-	-
Net	R1800	-	(139.811)	(1.910.416)	63	-	-	-	-	(2.050.164)
Expenses incurred	R1900	-	8.987	30.119	297	-	-	-	-	39.403
Other expenses	R2500									2.701
Total expenses	R2600									42.103

Annex I
S.12.01.02
Life and Health SLT Technical Provisions

(in migliaia di euro)

		Index-linked and unit-linked insurance			Other life insurance					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150
Technical provisions calculated as a whole	**R0010**										
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**	-	-			-			-	-	-
Technical provisions calculated as a sum of BE and RM											
Best Estimate											
Gross Best Estimate	**R0030**	6.748.985		28.836.971	499.345		-	-3.052	-	-	36.082.249
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**	-		-	-		-	-	-	-	-
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**	6.748.985		28.836.971	499.345		-	-3.052	-	-	36.082.249
Risk Margin	**R0100**	74.254	75.195			1.095			-	-	150.543
Amount of the transitional on Technical Provisions											
Technical Provisions calculated as a whole	**R0110**	-	-			-			-	-	-
Best estimate	**R0120**	-							-	-	-
Risk margin	**R0130**	-	-			-			-	-	-
Technical provisions - total	**R0200**	6.823.239	29.411.510			-1.957			-	-	36.232.792

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Annex I
S.22.01.21
Impact of long term guarantees and transitional measures

(in migliaia di euro)

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	36.232.792	-	-	19.846	-
Basic own funds	R0020	1.214.744	-	-	-13.729	-
Eligible own funds to meet Solvency Capital Requirement	R0050	1.214.744	-	-	-13.729	-
Solvency Capital Requirement	R0090	440.455	-	-	9.025	-
Eligible own funds to meet Minimum Capital Requirement	R0100	1.098.159	-	-	-22.125	-
Minimum Capital Requirement	R0110	198.205	-	-	4.061	-

QRT Fideuram Vita: S.23.01.01

Annex I
S.23.01.01
Own funds

(in migliaia di euro)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	357.447	357.447			
Share premium account related to ordinary share capital	R0030					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	701.071	701.071			
Subordinated liabilities	R0140	156.227			156.227	
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	1.214.744	1.058.518		156.227	-
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	1.214.744	1.058.518		156.227	-
Total available own funds to meet the MCR	R0510	1.214.744	1.058.518		156.227	
Total eligible own funds to meet the SCR	R0540	1.214.744	1.058.518		156.227	-
Total eligible own funds to meet the MCR	R0550	1.098.159	1.058.518		39.641	
SCR	R0580	440.455				
MCR	R0600	198.205				
Ratio of Eligible own funds to SCR	R0620	276%				
Ratio of Eligible own funds to MCR	R0640	554%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	1.059.546
Own shares (held directly and indirectly)	R0710	1.028
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	357.447
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	701.071
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	169.711
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	-
Total Expected profits included in future premiums (EPIFP)	R0790	169.711

QRT Fideuram Vita: S.25.01.21

Annex I

S.25.01.21
Solvency Capital Requirement - for undertakings on Standard Formula

(in migliaia di euro)

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	303.295		
Counterparty default risk	R0020	27.203		
Life underwriting risk	R0030	309.282		
Health underwriting risk	R0040			
Non-life underwriting risk	R0050			
Diversification	R0060	-146.204		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	493.576		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	35.816
Loss-absorbing capacity of technical provisions	R0140	-67.858
Loss-absorbing capacity of deferred taxes	R0150	-88.936
Capital requirement for business operated in accordance with Art. 4	R0160	
Solvency capital requirement excluding capital add-on	R0200	440.455
Capital add-on already set	R0210	-
Solvency capital requirement	R0220	440.455
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirement for	R0410	
Total amount of Notional Solvency Capital Requirements for ring	R0420	
Total amount of Notional Solvency Capital Requirement for matching	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

QRT Fideuram Vita: S.28.01.01

Annex I
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for life insurance and reinsurance obligations

(in migliaia di euro)

		C0040
MCR_L Result	R0200	446.779

(in migliaia di euro)

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	6.749.614	
Obligations with profit participation - future discretionary benefits	R0220	164.320	
Index-linked and unit-linked insurance obligations	R0230	29.336.315	
Other life (re)insurance and health (re)insurance obligations	R0240	-	
Total capital at risk for all life (re)insurance obligations	R0250		333.594

Overall MCR calculation

(in migliaia di euro)

		C0070
Linear MCR	R0300	446.779
SCR	R0310	440.455
MCR cap	R0320	198.205
MCR floor	R0330	110.114
Combined MCR	R0340	198.205
Absolute floor of the MCR	R0350	3.700
		C0070
Minimum Capital Requirement	R0400	198.205

QRT INTESA SANPAOLO LIFE D.A.C.

QRT Intesa Sanpaolo Life: S.02.01.02

Annex I
S.02.01.02
Balance sheet

(in migliaia di euro)

Assets		Solvency II value
		C0010
Goodwill	R0010	-
Deferred acquisition costs	R0020	-
Intangible assets	R0030	-
Deferred tax assets	R0040	1
Pension benefit surplus	R0050	-
Property, plant & equipment held for own use	R0060	1.321
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	280.572
Property (other than for own use)	R0080	-
Holdings in related undertakings, including participations	R0090	-
Equities	R0100	354
Equities - listed	R0110	354
Equities - unlisted	R0120	-
Bonds	R0130	168.142
Government Bonds	R0140	140.064
Corporate Bonds	R0150	28.078
Structured notes	R0160	-
Collateralised securities	R0170	-
Collective Investments Undertakings	R0180	112.076
Derivatives	R0190	-
Deposits other than cash equivalents	R0200	-
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	38.103.697
Loans and mortgages	R0230	-
Loans on policies	R0240	-
Loans and mortgages to individuals	R0250	-
Other loans and mortgages	R0260	-
Reinsurance recoverables from:	R0270	-
Non-life and health similar to non-life	R0280	-
Non-life excluding health	R0290	-
Health similar to non-life	R0300	-
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-
Health similar to life	R0320	-
Life excluding health and index-linked and unit-linked	R0330	-
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	-
Insurance and intermediaries receivables	R0360	-
Reinsurance receivables	R0370	-
Receivables (trade, not insurance)	R0380	776.349
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	-
Cash and cash equivalents	R0410	157.376
Any other assets, not elsewhere shown	R0420	43.948
Total assets	**R0500**	**39.363.264**

(in migliaia di euro)

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	-
Technical provisions – non-life (excluding health)	R0520	-
Technical provisions calculated as a whole	R0530	-
Best Estimate	R0540	-
Risk margin	R0550	-
Technical provisions - health (similar to non-life)	R0560	-
Technical provisions calculated as a whole	R0570	-
Best Estimate	R0580	-
Risk margin	R0590	-
Technical provisions - life (excluding index-linked and unit-linked)	R0600	-
Technical provisions - health (similar to life)	R0610	-
Technical provisions calculated as a whole	R0620	-
Best Estimate	R0630	-
Risk margin	R0640	-
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	-
Technical provisions calculated as a whole	R0660	-
Best Estimate	R0670	-
Risk margin	R0680	-
Technical provisions – index-linked and unit-linked	R0690	37.320.768
Technical provisions calculated as a whole	R0700	-
Best Estimate	R0710	37.154.247
Risk margin	R0720	166.521
Other technical provisions	R0730	-
Contingent liabilities	R0740	-
Provisions other than technical provisions	R0750	2.671
Pension benefit obligations	R0760	-
Deposits from reinsurers	R0770	-
Deferred tax liabilities	R0780	94.565
Derivatives	R0790	-
Debts owed to credit institutions	R0800	-
Financial liabilities other than debts owed to credit institutions	R0810	-
Insurance & intermediaries payables	R0820	153.380
Reinsurance payables	R0830	6
Payables (trade, not insurance)	R0840	16.612
Subordinated liabilities	R0850	-
Subordinated liabilities not in Basic Own Funds	R0860	-
Subordinated liabilities in Basic Own Funds	R0870	-
Any other liabilities, not elsewhere shown	R0880	221.669
Total liabilities	**R0900**	**37.809.670**
Excess of assets over liabilities	**R1000**	**1.553.594**

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

(in migliaia di euro)

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	-	-	3.800.136	-	-	-	-	-	3.800.136
Reinsurers' share	R1420	-	-	48	-	-	-	-	-	48
Net	R1500	-	-	3.800.088	-	-	-	-	-	3.800.088
Premiums earned										
Gross	R1510	-	-	3.800.136	-	-	-	-	-	3.800.136
Reinsurers' share	R1520	-	-	48	-	-	-	-	-	48
Net	R1600	-	-	3.800.088	-	-	-	-	-	3.800.088
Claims incurred										
Gross	R1610	-	-	3.276.330	-	-	-	-	-	3.276.330
Reinsurers' share	R1620	-	-	26	-	-	-	-	-	26
Net	R1700	-	-	3.276.304	-	-	-	-	-	3.276.304
Changes in other technical provisions										
Gross	R1710	-	-	-849.511	-	-	-	-	-	-849.511
Reinsurers' share	R1720	-	-	-	-	-	-	-	-	-
Net	R1800	-	-	-849.511	-	-	-	-	-	-849.511
Expenses incurred	R1900	-	-	500.552	-	-	-	-	-	500.552
Other expenses	R2500									
Total expenses	R2600									500.552

QRT Intesa Sanpaolo Life: S.05.02.01

Annex I
S.05.02.01
Premiums, claims and expenses by country

(in migliaia di euro)

		Home country	Top 5 countries (by amount of gross premiums written) - life obligations		Total Top 5 and home country
					C0210
	R1400		IT	ES	
					C0280
Premiums written					
Gross	R1410		3.773.930	26.206	3.800.136
Reinsurers' share	R1420		48		48
Net	R1500		3.773.882	26.206	3.800.088
Premiums earned					
Gross	R1510		3.773.930	26.206	3.800.136
Reinsurers' share	R1520		48		48
Net	R1600		3.773.882	26.206	3.800.088
Claims incurred					
Gross	R1610		3.272.396	3.934	3.276.330
Reinsurers' share	R1620		26		26
Net	R1700		3.272.371	3.934	3.276.304
Changes in other technical provisions					
Gross	R1710		(825.379)	(24.132)	(849.511)
Reinsurers' share	R1720				
Net	R1800		(825.379)	(24.132)	(849.511)
Expenses incurred	R1900		498.635	1.917	500.552
Other expenses	R2500				
Total expenses	R2600				500.552

Annex I
S.12.01.02
Life and Health SLT Technical Provisions

(in migliaia di euro)

		Index-linked and unit-linked insurance			Other life insurance			
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Total (Life other than health insurance, incl. Unit-Linked)
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0150
Technical provisions calculated as a whole	**R0010**								
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**	-	-			-			-
Technical provisions calculated as a sum of BE and RM									
Best Estimate									
Gross Best Estimate	**R0030**	-		37.154.247	-		-		37.154.247
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**	-		-	-		-	-	-
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**	-		37.154.247	-		-		37.154.247
Risk Margin	**R0100**	-	166.521			-			166.521
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	**R0110**	-	-			-			-
Best estimate	**R0120**	-							-
Risk margin	**R0130**	-	-			-			-
Technical provisions - total	**R0200**	-	37.320.768			-			37.320.768

QRT Intesa Sanpaolo Life: S.23.01.01

Annex I
S.23.01.01
Own funds

(in migliaia di euro)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	625	625			
Share premium account related to ordinary share capital	R0030	10	10			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	1.448.515	1.448.515			
Subordinated liabilities	R0140	-		-	-	
An amount equal to the value of net deferred tax assets	R0160	-				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	104.444	104.444			
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	1.553.594	1.553.594	-	-	-
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					

(in migliaia di euro)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	1.553.594	1.553.594	-	-	-
Total available own funds to meet the MCR	R0510	1.553.594	1.553.594	-	-	
Total eligible own funds to meet the SCR	R0540	1.553.594	1.553.594	-	-	-
Total eligible own funds to meet the MCR	R0550	1.553.594	1.553.594	-	-	
SCR	R0580	531.201	0			
MCR	R0600	239.040	0			
Ratio of Eligible own funds to SCR	R0620	292%				
Ratio of Eligible own funds to MCR	R0640	650%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	1.553.594
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	-
Other basic own fund items	R0730	105.079
Adjustment for restricted own fund items in respect of matching adjustment portfolios and	R0740	-
Reconciliation reserve	R0760	1.448.515
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	54.846
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	-
Total Expected profits included in future premiums (EPIFP)	R0790	54.846

QRT Intesa Sanpaolo Life: S.25.01.21

Annex I

S.25.01.21
Solvency Capital Requirement - for undertakings on Standard Formula

(in migliaia di euro)

		Gross solvency capital	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	258.765		
Counterparty default risk	R0020	31.757		
Life underwriting risk	R0030	381.207		
Health underwriting risk	R0040			
Non-life underwriting risk	R0050			
Diversification	R0060	-149.455		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	522.274		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	84.813
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	-75.886
Capital requirement for business operated in accordance with Art. 4	R0160	
Solvency capital requirement excluding capital add-on	R0200	531.201
Capital add-on already set	R0210	
Solvency capital requirement	R0220	531.201

Other information on SCR

Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirement for	R0410	
Total amount of Notional Solvency Capital Requirements for ring	R0420	
Total amount of Notional Solvency Capital Requirement for matching	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

QRT Intesa Sanpaolo Life: S.28.01.01

Annex I
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for life insurance and reinsurance obligations *(in migliaia di euro)*

		C0040
MCR_L Result	R0200	261.505

(in migliaia di euro)

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	-	
Obligations with profit participation - future discretionary benefits	R0220	-	
Index-linked and unit-linked insurance obligations	R0230	37.154.247	
Other life (re)insurance and health (re)insurance obligations	R0240	-	
Total capital at risk for all life (re)insurance obligations	R0250		2.036.332

Overall MCR calculation *(in migliaia di euro)*

		C0070
Linear MCR	R0300	261.505
SCR	R0310	531.201
MCR cap	R0320	239.040
MCR floor	R0330	132.800
Combined MCR	R0340	239.040
Absolute floor of the MCR	R0350	3.700
		C0070
Minimum Capital Requirement	R0400	239.040

QRT INTESA SANPAOLO RBM SALUTE S.P.A

QRT Intesa Sanpaolo RBM SALUTE: S.02.01.02

Annex I
S.02.01.02
Balance sheet

(in migliaia di euro)

Assets		Solvency II value
		C0010
Goodwill	R0010	-
Deferred acquisition costs	R0020	-
Intangible assets	R0030	-
Deferred tax assets	R0040	4.990
Pension benefit surplus	R0050	-
Property, plant & equipment held for own use	R0060	4.868
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	68.002
Property (other than for own use)	R0080	-
Holdings in related undertakings, including participations	R0090	-
Equities	R0100	-
Equities - listed	R0110	-
Equities - unlisted	R0120	-
Bonds	R0130	68.002
Government Bonds	R0140	68.002
Corporate Bonds	R0150	-
Structured notes	R0160	-
Collateralised securities	R0170	-
Collective Investments Undertakings	R0180	-
Derivatives	R0190	-
Deposits other than cash equivalents	R0200	-
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	-
Loans and mortgages	R0230	-
Loans on policies	R0240	-
Loans and mortgages to individuals	R0250	-
Other loans and mortgages	R0260	-
Reinsurance recoverables from:	R0270	37.433
Non-life and health similar to non-life	R0280	37.433
Non-life excluding health	R0290	-
Health similar to non-life	R0300	37.433
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-
Health similar to life	R0320	-
Life excluding health and index-linked and unit-linked	R0330	-
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	-
Insurance and intermediaries receivables	R0360	167.492
Reinsurance receivables	R0370	-
Receivables (trade, not insurance)	R0380	47.088
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	-
Cash and cash equivalents	R0410	257.642
Any other assets, not elsewhere shown	R0420	11.791
Total assets	R0500	**599.307**

(in migliaia di euro)

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	**R0510**	101.943
Technical provisions – non-life (excluding health)	**R0520**	-
Technical provisions calculated as a whole	**R0530**	-
Best Estimate	**R0540**	-
Risk margin	**R0550**	-
Technical provisions - health (similar to non-life)	**R0560**	101.943
Technical provisions calculated as a whole	**R0570**	-
Best Estimate	**R0580**	94.611
Risk margin	**R0590**	7.331
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	-
Technical provisions - health (similar to life)	**R0610**	-
Technical provisions calculated as a whole	**R0620**	-
Best Estimate	**R0630**	-
Risk margin	**R0640**	-
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	-
Technical provisions calculated as a whole	**R0660**	-
Best Estimate	**R0670**	-
Risk margin	**R0680**	-
Technical provisions – index-linked and unit-linked	**R0690**	-
Technical provisions calculated as a whole	**R0700**	-
Best Estimate	**R0710**	-
Risk margin	**R0720**	-
Other technical provisions	**R0730**	-
Contingent liabilities	**R0740**	-
Provisions other than technical provisions	**R0750**	2.046
Pension benefit obligations	**R0760**	231
Deposits from reinsurers	**R0770**	-
Deferred tax liabilities	**R0780**	8.419
Derivatives	**R0790**	-
Debts owed to credit institutions	**R0800**	-
Financial liabilities other than debts owed to credit institutions	**R0810**	-
Insurance & intermediaries payables	**R0820**	15.125
Reinsurance payables	**R0830**	53.144
Payables (trade, not insurance)	**R0840**	22.377
Subordinated liabilities	**R0850**	-
Subordinated liabilities not in Basic Own Funds	**R0860**	-
Subordinated liabilities in Basic Own Funds	**R0870**	-
Any other liabilities, not elsewhere shown	**R0880**	8.991
Total liabilities	**R0900**	**212.276**
Excess of assets over liabilities	**R1000**	**387.031**

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

(in migliaia di euro)

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	R0110	495.292																495.292
Gross - Proportional reinsurance accepti	R0120	-																
Gross - Non-proportional reinsurance ac	R0130	-																-
Reinsurers' share	R0140	142.314																142.314
Net	R0200	352.978																352.978
Premiums earned																		
Gross - Direct Business	R0210	493.963																493.963
Gross - Proportional reinsurance accepti	R0220	-																-
Gross - Non-proportional reinsurance ac	R0230	-																-
Reinsurers' share	R0240	142.314																142.314
Net	R0300	351.649																351.649
Claims incurred																		
Gross - Direct Business	R0310	345.903																345.903
Gross - Proportional reinsurance accepti	R0320	-																-
Gross - Non-proportional reinsurance ac	R0330	-																-
Reinsurers' share	R0340	117.785																117.785
Net	R0400	228.118																228.118
Changes in other technical provisions																		
Gross - Direct Business	R0410	-13.250																-13.250
Gross - Proportional reinsurance accepti	R0420	-																-
Gross - Non- proportional reinsurance ac	R0430	-																-
Reinsurers'share	R0440	-																-
Net	R0500	-13.250																-13.250
Expenses incurred	R0550																	
Other expenses	R1200																	
Total expenses	R1300																	21.689

Annex I
S.17.01.02
Non-life Technical Provisions

(in migliaia di euro)

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	**R0010**																	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	**R0050**																	
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	**R0060**	-38.081																-38.081
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	-13.973																-13.973
Net Best Estimate of Premium Provisions	**R0150**	-24.107																-24.107
Claims provisions																		
Gross	**R0160**	132.692																132.692
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	51.407																51.407
Net Best Estimate of Claims Provisions	**R0250**	81.285																81.285
Total Best estimate - gross	**R0260**	94.611																94.611
Total Best estimate - net	**R0270**	57.178																57.178
Risk margin	**R0280**	7.331																7.331
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	**R0290**																	
Best estimate	**R0300**																	
Risk margin	**R0310**																	
Technical provisions - total																		
Technical provisions - total	**R0320**																	
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**																	
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**																	

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Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0020	1

Gross Claims Paid (non-cumulative)
(absolute amount) *(in migliaia di euro)* *(in migliaia di euro)*

Year		Development year 0	1	2	3	4	5	6	7	8	9	10 & +	11	12	13	14	15 & +			In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160			C0170	C0180
Prior	R0100																-		R0100	-	-
N-14	R0110	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			R0110	-	-
N-13	R0120	-	-	-	-	-	-	-	-	-	-	-	-	-	-				R0120	-	-
N-12	R0130	7.006	4.444	179	18	4	106	-	-	-	-	-	-	-					R0130	-	11.758
N-11	R0140	12.687	10.621	271	58	5	10	0	2	0	-	-	-						R0140	-	23.655
N-10	R0150	18.917	14.661	758	99	50	5	1	0	-	-	-							R0150	-	34.490
N-9	R0160	28.073	27.122	1.885	283	59	18	8	0	50	-								R0160	-	57.499
N-8	R0170	88.536	12.962	2.111	302	131	46	1	33	7									R0170	7	104.130
N-7	R0180	126.341	29.284	1.997	830	(214)	(2)	74	42										R0180	42	158.352
N-6	R0190	173.017	36.309	4.067	884	223	63	68											R0190	68	214.631
N-5	R0200	210.851	47.099	7.231	639	48	104												R0200	104	265.973
N-4	R0210	189.147	94.823	5.112	309	279													R0210	279	289.669
N-3	R0220	189.814	129.873	4.199	589														R0220	589	324.475
N-2	R0230	269.084	123.609	4.190															R0230	4.190	396.882
N-1	R0240	371.574	80.153																R0240	80.153	451.728
N	R0250	235.504																	R0250	235.504	235.504
																		Total	R0260	**320.936**	**2.568.745**

Gross undiscounted Best Estimate Claims Provisions
(absolute amount) *(in migliaia di euro)* *(in migliaia di euro)*

Year		Development year 0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +			Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0310	C0320	C0330	C0340	C0350			C0360
Prior	R0100																-		R0100	-
N-14	R0110	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			R0110	-
N-13	R0120	-	-	-	-	-	-	-	-	-	-	-	-	-	-				R0120	-
N-12	R0130	-	-	-	-	-	-	-	-	-	-	-	-	-					R0130	-
N-11	R0140	10.154	1.409	30	3	7	2	-	-	-	-	-	-						R0140	-
N-10	R0150	18.653	1.672	26	8	7	-	-	0	0	-	-							R0150	-
N-9	R0160	26.215	233	114	32	0	79	32	81	35	-								R0160	-
N-8	R0170	11.588	1.225	107	2	43	10	104	82	36									R0170	-
N-7	R0180	22.912	1.231	8	76	1	2	20	4										R0180	-
N-6	R0190	36.974	505	71	35	9	77	14											R0190	-
N-5	R0200	42.165	829	175	134	69	48												R0200	-
N-4	R0210	83.961	1.931	234	374	268													R0210	-
N-3	R0220	142.800	4.965	647	359														R0220	-
N-2	R0230	143.699	6.090	980															R0230	-
N-1	R0240	92.194	5.604																R0240	-
N	R0250	124.505																	R0250	-
																		Total	R0260	-

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Annex I
S.23.01.01
Own funds

(in migliaia di euro)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	160.000	160.000			
Share premium account related to ordinary share capital	R0030	-	-			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	-	-			
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	227.031	227.031			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	387.031	387.031	-	-	-
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					

(in migliaia di euro)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	387.031	387.031	-	-	-
Total available own funds to meet the MCR	R0510	387.031	387.031	-	-	
Total eligible own funds to meet the SCR	R0540	387.031	387.031	-	-	-
Total eligible own funds to meet the MCR	R0550	387.031	387.031	-	-	
SCR	R0580	143.283				
MCR	R0600	35.821				
Ratio of Eligible own funds to SCR	R0620	270%				
Ratio of Eligible own funds to MCR	R0640	1080%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	387.031
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	-
Other basic own fund items	R0730	160.000
Adjustment for restricted own fund items in respect of matching adjustment	R0740	-
Reconciliation reserve	R0760	227.031
Expected profits		-
Expected profits included in future premiums (EPIFP) - Life business	R0770	-
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	44.778
Total Expected profits included in future premiums (EPIFP)	R0790	44.778

QRT Intesa Sanpaolo RBM SALUTE: S.25.01.21

Annex I

S.25.01.21
Solvency Capital Requirement - for undertakings on Standard Formula

(in migliaia di euro)

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	685		
Counterparty default risk	R0020	66.359		
Life underwriting risk	R0030	-		
Health underwriting risk	R0040	97.930		
Non-life underwriting risk	R0050	-		
Diversification	R0060	-33.445		
Intangible asset risk	R0070	-		
Basic Solvency Capital Requirement	R0100	131.529		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	14.819
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	-35.123
Capital requirement for business operated in accordance with Art. 4	R0160	-
Solvency capital requirement excluding capital add-on	R0200	111.224
Capital add-on already set	R0210	32.059
Solvency capital requirement	R0220	143.283
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirement for	R0410	
Total amount of Notional Solvency Capital Requirements for ring	R0420	
Total amount of Notional Solvency Capital Requirement for matching	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

QRT Intesa Sanpaolo RBM SALUTE: S.28.01.01

Annex I
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

(in migliaia di euro)

		C0010
MCRNL Result	R0010	19.277

(in migliaia di euro)

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	57.178	352.978
Income protection insurance and proportional reinsurance	R0030	-	-
Workers' compensation insurance and proportional reinsurance	R0040	-	-
Motor vehicle liability insurance and proportional reinsurance	R0050	-	-
Other motor insurance and proportional reinsurance	R0060	-	-
Marine, aviation and transport insurance and proportional reinsurance	R0070	-	-
Fire and other damage to property insurance and proportional reinsurance	R0080	-	-
General liability insurance and proportional reinsurance	R0090	-	-
Credit and suretyship insurance and proportional reinsurance	R0100	-	-
Legal expenses insurance and proportional reinsurance	R0110	-	-
Assistance and proportional reinsurance	R0120	-	-
Miscellaneous financial loss insurance and proportional reinsurance	R0130	-	-
Non-proportional health reinsurance	R0140	-	-
Non-proportional casualty reinsurance	R0150	-	-
Non-proportional marine, aviation and transport reinsurance	R0160	-	-
Non-proportional property reinsurance	R0170	-	-

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	R0200	

(in migliaia di euro)

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240		
Total capital at risk for all life (re)insurance obligations	R0250		

Overall MCR calculation

(in migliaia di euro)

		C0070
Linear MCR	R0300	19.277
SCR	R0310	143.283
MCR cap	R0320	64.477
MCR floor	R0330	35.821
Combined MCR	R0340	35.821
Absolute floor of the MCR	R0350	2.500
		C0070
Minimum Capital Requirement	R0400	35.821

QRT BANCASSURANCE POPOLARI S.P.A

QRT BANCASSURANCE POPOLARI: S.02.01.02

Annex I
S.02.01.02
Balance sheet

(in migliaia di euro)

Assets		Solvency II value
		C0010
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	-
Deferred tax assets	R0040	6.683
Pension benefit surplus	R0050	-
Property, plant & equipment held for own use	R0060	5.531
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	2.510.541
Property (other than for own use)	R0080	-
Holdings in related undertakings, including participations	R0090	714
Equities	R0100	45
Equities - listed	R0110	18
Equities - unlisted	R0120	27
Bonds	R0130	2.472.023
Government Bonds	R0140	1.995.731
Corporate Bonds	R0150	442.681
Structured notes	R0160	33.611
Collateralised securities	R0170	-
Collective Investments Undertakings	R0180	37.758
Derivatives	R0190	-
Deposits other than cash equivalents	R0200	-
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	269.902
Loans and mortgages	R0230	-
Loans on policies	R0240	-
Loans and mortgages to individuals	R0250	-
Other loans and mortgages	R0260	-
Reinsurance recoverables from:	R0270	-578
Non-life and health similar to non-life	R0280	-
Non-life excluding health	R0290	-
Health similar to non-life	R0300	-
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-578
Health similar to life	R0320	-
Life excluding health and index-linked and unit-linked	R0330	-578
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	-
Insurance and intermediaries receivables	R0360	999
Reinsurance receivables	R0370	61
Receivables (trade, not insurance)	R0380	40.195
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	-
Cash and cash equivalents	R0410	1.561
Any other assets, not elsewhere shown	R0420	370
Total assets	R0500	**2.835.265**

(in migliaia di euro)

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	-
Technical provisions – non-life (excluding health)	R0520	-
Technical provisions calculated as a whole	R0530	-
Best Estimate	R0540	-
Risk margin	R0550	-
Technical provisions - health (similar to non-life)	R0560	-
Technical provisions calculated as a whole	R0570	-
Best Estimate	R0580	-
Risk margin	R0590	-
Technical provisions - life (excluding index-linked and unit-linked)	R0600	2.400.422
Technical provisions - health (similar to life)	R0610	-
Technical provisions calculated as a whole	R0620	-
Best Estimate	R0630	-
Risk margin	R0640	-
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	2.400.422
Technical provisions calculated as a whole	R0660	-
Best Estimate	R0670	2.373.391
Risk margin	R0680	27.031
Technical provisions – index-linked and unit-linked	R0690	268.619
Technical provisions calculated as a whole	R0700	-
Best Estimate	R0710	261.888
Risk margin	R0720	6.731
Other technical provisions	R0730	-
Contingent liabilities	R0740	-
Provisions other than technical provisions	R0750	307
Pension benefit obligations	R0760	273
Deposits from reinsurers	R0770	-
Deferred tax liabilities	R0780	8.131
Derivatives	R0790	-
Debts owed to credit institutions	R0800	-
Financial liabilities other than debts owed to credit institutions	R0810	-
Insurance & intermediaries payables	R0820	8.499
Reinsurance payables	R0830	147
Payables (trade, not insurance)	R0840	5.519
Subordinated liabilities	R0850	-
Subordinated liabilities not in Basic Own Funds	R0860	-
Subordinated liabilities in Basic Own Funds	R0870	-
Any other liabilities, not elsewhere shown	R0880	178
Total liabilities	**R0900**	**2.692.096**
Excess of assets over liabilities	**R1000**	**143.170**

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

(in migliaia di euro)

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life-reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	-	271.045	81.811	5.470	-	-	-	-	358.325
Reinsurers' share	R1420	-	-	-	387	-	-	-	-	387
Net	R1500	-	271.045	81.811	5.083	-	-	-	-	357.938
Premiums earned		-								
Gross	R1510	-	-	-	-	-	-	-	-	-
Reinsurers' share	R1520	-	-	-	-	-	-	-	-	-
Net	R1600	-	-	-	-	-	-	-	-	-
Claims incurred										
Gross	R1610	-	203.911	17.065	97	-	-	-	-	221.073
Reinsurers' share	R1620	-	-	-	10	-	-	-	-	10
Net	R1700	-	203.911	17.065	87	-	-	-	-	221.063
Changes in other technical provisions										
Gross	R1710	-	90.448	73.624	1.392	-	-	-	-	165.465
Reinsurers' share	R1720	-	-	-	8	-	-	-	-	8
Net	R1800	-	90.448	73.624	1.384	-	-	-	-	165.456
Expenses incurred	R1900	-	26.891	4.179	156	-	-	-	-	31.225
Other expenses	R2500									528
Total expenses	R2600									31.754

Annex I
S.12.01.02
Life and Health SLT Technical Provisions

(in migliaia di euro)

		Insurance with profit participation	Index-linked and unit-linked insurance		Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150
Technical provisions calculated as a whole	**R0010**										
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**	-	-			-			-	-	-
Technical provisions calculated as a sum of BE and RM											
Best Estimate											
Gross Best Estimate	**R0030**	2.369.472		-	261.888		-	3.919	-	-	2.635.279
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**	-		-			-	-578	-	-	-578
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**	2.369.472		-	261.888		-	4.497	-	-	2.635.857
Risk Margin	**R0100**	25.242	6.731			1.789			-	-	33.762
Amount of the transitional on Technical Provisions											
Technical Provisions calculated as a whole	**R0110**	-	-			-			-	-	-
Best estimate	**R0120**	-							-	-	-
Risk margin	**R0130**	-	-			-			-	-	-
Technical provisions - total	**R0200**	2.394.714	268.619			5.708			-	-	2.669.040

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Annex I
S.22.01.21
Impact of long term guarantees and transitional measures

(in migliaia di euro)

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	2.669.040	-	-	7.610	-
Basic own funds	R0020	143.170	-	-	-5.266	-
Eligible own funds to meet Solvency Capital Requirement	R0050	143.170	-	-	-5.266	-
Solvency Capital Requirement	R0090	74.590	-	-	6.275	-
Eligible own funds to meet Minimum Capital Requirement	R0100	143.170	-	-	-6.165	-
Minimum Capital Requirement	R0110	33.566	-	-	2.824	-

QRT BANCASSURANCE POPOLARI: S.23.01.01

Annex I
S.23.01.01
Own funds

(in migliaia di euro)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	61.081	61.081			
Share premium account related to ordinary share capital	R0030					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	82.089	82.089			
Subordinated liabilities	R0140	-			-	
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	143.170	143.170		-	-
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	143.170	143.170			
Total available own funds to meet the MCR	R0510	143.170	143.170			
Total eligible own funds to meet the SCR	R0540	143.170	143.170			
Total eligible own funds to meet the MCR	R0550	143.170	143.170			
SCR	R0580	74.590				
MCR	R0600	33.566				
Ratio of Eligible own funds to SCR	R0620	192%				
Ratio of Eligible own funds to MCR	R0640	427%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	143.170
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	61.081
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	82.089
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	18.633
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	-
Total Expected profits included in future premiums (EPIFP)	R0790	18.633

QRT BANCASSURANCE POPOLARI: S.25.01.21

Annex I

S.25.01.21
Solvency Capital Requirement - for undertakings on Standard Formula

(in migliaia di euro)

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	45.036		
Counterparty default risk	R0020	222		
Life underwriting risk	R0030	37.476		
Health underwriting risk	R0040			
Non-life underwriting risk	R0050			
Diversification	R0060	-17.268		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	65.466		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	11.182
Loss-absorbing capacity of technical provisions	R0140	-33.769
Loss-absorbing capacity of deferred taxes	R0150	-2.058
Capital requirement for business operated in accordance with Art. 4	R0160	
Solvency capital requirement excluding capital add-on	R0200	74.590
Capital add-on already set	R0210	-
Solvency capital requirement	R0220	74.590
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirement for	R0410	
Total amount of Notional Solvency Capital Requirements for ring	R0420	
Total amount of Notional Solvency Capital Requirement for matching	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

QRT BANCASSURANCE POPOLARI: S.28.01.01

Annex I
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for life insurance and reinsurance obligations

(in migliaia di euro)

		C0040
MCR$_L$ Result	R0200	74.417

(in migliaia di euro)

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	2.194.216	
Obligations with profit participation - future discretionary benefits	R0220	175.256	
Index-linked and unit-linked insurance obligations	R0230	261.909	
Other life (re)insurance and health (re)insurance obligations	R0240	4.497	
Total capital at risk for all life (re)insurance obligations	R0250		595.628

Overall MCR calculation

(in migliaia di euro)

		C0070
Linear MCR	R0300	74.417
SCR	R0310	74.590
MCR cap	R0320	33.566
MCR floor	R0330	18.648
Combined MCR	R0340	33.566
Absolute floor of the MCR	R0350	3.700
		C0070
Minimum Capital Requirement	R0400	33.566

INDEPENDENT AUDITORS REPORT

The following pages contain the Reports of the auditing firm KPMG S.p.A., which was engaged by Intesa Sanpaolo Vita S.p.A.. The reports include the findings of the audits of the Intesa Sanpaolo Vita Insurance Group and the Italian Group companies for Section D "Information on valuation for solvency purposes" and sub-section E.1 "Own Funds" and E.2 "Solvency capital requirement and minimum capital requirement", according to the provisions of Article 47-septies(7) of the Italian Private Insurance Code, and in accordance with IVASS Regulation no. 42/2018.

The Insurance Parent Company
INTESA SANPAOLO VITA S.p.A.
Registered office: Corso Inghilterra, 3 – 10138 Turin
Administration offices: Viale Stelvio, 55/57 – 20159 Milan
Turin Companies Register No. 02505650370 – Share capital 320,422,508.00 euro fully paid up
Listed on the Register of Insurance and Reinsurance Companies at no. 1.00066
Parent Company of the Intesa Sanpaolo Vita Insurance Group, listed on the Register of Insurance Groups at no. 28
Company subject to management and coordination by Intesa Sanpaolo S.p.A.

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(Translation from the Italian original which remains the definitive version)

Independent auditors' report pursuant to article 47-septies.7 of Legislative decree no. 209 of 7 September 2005 and article 5.1.a)/b) of IVASS regulation no. 42 of 2 August 2018

To the board of directors of
Intesa Sanpaolo Vita S.p.A.

Opinion

We have audited the following parts of the 2020 Solvency and financial condition report (the "SFCR") of the Intesa Sanpaolo Vita Insurance Group (the "Group"), prepared in accordance with article 47-septies of Legislative decree no. 209 of 7 September 2005 and availing of the option provided for by article 216-novies of Legislative decree no. 209/2005 and article 36.1 of IVASS (the Italian Insurance Supervisory Authority) regulation no. 33/2016:

— the "S.02.01.02 Balance sheet" and "S.23.01.22 Own funds" templates for Intesa Sanpaolo Vita Insurance Group (the "MVBS and OF Templates").

— the "D. Valuation for solvency purposes" and "E.1. Own funds" sections relating to Intesa Sanpaolo Vita Insurance Group (the "related Disclosures").

Our procedures did not cover:

— the technical provision components relating to the risk margin (items R0550, R0590, R0640, R0680 and R0720) of the "S.02.01.02 Balance sheet" template.

— the solvency capital requirement (item R0680) and minimum capital requirement (item R0610) of the "S.23.01.22 Own funds" template,

which are, therefore, excluded from our opinion.

The templates and disclosures, with the exclusions set out above, make up the "MVBS and OF Templates and related Disclosures".

In our opinion, the MVBS and OF Templates and related Disclosures relating to the Intesa Sanpaolo Vita Insurance Group included in the Group SFCR, as at 31 December 2020, have been prepared, in all material respects, in accordance with the applicable European Union provisions and the Italian sector legislation.

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Milano MI ITALIA

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the MVBS and OF Templates and related Disclosures*" section of our report. We are independent of the Intesa Sanpaolo Vita S.p.A. (the "Parent" or the "Company") in accordance with the ethics and independence rules and standards of the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") issued by the International Ethics Standards Board for Accountants applicable to audits of MVBS and OF Templates and related Disclosures. We believe that the audit evidence we have obtained is enough and appropriate to provide a basis for our opinion.

Emphasis of matter - Basis of preparation, purposes and restriction on use

We draw attention to section "D. Valuation for solvency purposes" which describes the basis of preparation. The MVBS and OF Templates and related Disclosures have been prepared in accordance with the applicable European Union provisions and the Italian sector legislation for the solvency supervisory reporting purposes, which is a regulatory framework with specific purposes. As such, they cannot be used for any other purposes. We did not qualify our opinion in this respect.

Other matters

The Company prepared its consolidated financial statements as at and for the year ended 31 December 2020 in accordance with the Italian regulations implementing article 96 of Legislative decree no. 209 of 7 September 2005 and ISVAP (the Italian Private Insurance Supervisory Body) regulation no. 7 of 13 July 2007 governing their preparation based on the International Financial Reporting Standards endorsed by the European Union. We audited those consolidated financial statements and issued our audit report thereon on 1 March 2021.

The Company prepared the "S.25.01.22 Solvency Capital Requirements - for groups on Standard Formula" template and the related disclosures presented in the "E.2 Solvency capital requirement and minimum capital requirement" section of the accompanying SFCR in accordance with the applicable European Union provisions and the Italian sector legislation. We reviewed them in conformity with article 4.1.c) of IVASS regulation no. 42 of 2 August 2018. As a result of our review, we issued the review report carrying today's date and attached to the SFCR.

Other information presented in the SFCR

The directors are responsible for the preparation of the other information presented in the SFCR in accordance with the Italian regulations governing its preparation.

The other information presented in the SFCR comprises:

- the "S.05.01.02 Premiums, claims and expenses by line of business", "S.22.01.22 Impact of long term guarantees and transitional measures", "S.25.01.22 Solvency Capital Requirements - for groups on Standard Formula" and "S.32.01.22 Undertakings in the scope of the group" templates.
- the "A. Activities and results", "B. Governance system", "C. Risk profile", "E.2. Solvency capital requirement and minimum capital requirement", "E.3. Use of the

equity risk submodule based on the duration in the SCR calculation", "E.4. Differences between the standard formula and the internal model", "E.5. Failure to meet the MCR and SCR" and "E.6. Other information" sections.

Our opinion on the MVBS and OF Templates and related Disclosures does not extend to the other information.

In connection with our audit of the MVBS and OF Templates and related Disclosures, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the MVBS and OF Templates and related Disclosures, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Intesa Sanpaolo Vita S.p.A. for the MVBS and OF Templates and related Disclosures

The directors are responsible for the preparation of the MVBS and OF Templates and related Disclosures in accordance with the Italian regulations governing their preparation and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of MVBS and OF Templates and related Disclosures that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the MVBS and OF Templates and related Disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' responsibilities for the audit of the MVBS and OF Templates and related Disclosures

The objectives of our audit are to obtain reasonable assurance about whether the MVBS and OF Templates and related Disclosures are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these MVBS and OF Templates and related Disclosures.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

— identify and assess the risks of material misstatement of the MVBS and OF Templates and related Disclosures, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that

is enough 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.

- obtain an understanding of internal control relevant to the audit of the MVBS and OF Templates and related Disclosures 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 group's internal control.
- evaluate the appropriateness of the basis of preparation used and the reasonableness of accounting estimates made by the directors and related disclosures.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures 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 auditors' report. However, future events or conditions may cause the parent to cease to continue as a going concern.

We communicate with those charged with governance 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.

Milan, 20 May 2021

KPMG S.p.A.

(signed on the original)

Andrea Azzali
Director of Audit

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(Translation from the Italian original which remains the definitive version)

Independent auditors' report pursuant to article 47-septies.7 of Legislative decree no. 209 of 7 September 2005 and article 5.1.c) of IVASS regulation no. 42 of 2 August 2018

To the board of directors of
Intesa Sanpaolo Vita S.p.A.

Introduction

We have reviewed the accompanying "S.25.01.22 Solvency Capital Requirements - for groups on Standard Formula" template (the "SCR and MCR Template") for the Intesa Sanpaolo Vita Group (the "Group") and the related disclosures presented in the "E.2 Solvency capital requirement and minimum capital requirement" section (the "related Disclosures") of the accompanying Group Solvency and financial condition report (the "SFCR"), as at 31 December 2020, prepared in accordance with article 47-septies of Legislative decree no. 209 of 7 September 2005 and availing of the option provided for by article 216-novies of Legislative decree no. 209/2005 and article 36.1 of IVASS (the Italian Insurance Supervisory Authority) regulation no. 33/2016.

The directors prepared the SCR and MCR Template and related Disclosures in accordance with the applicable European Union provisions and the Italian sector legislation.

Directors' responsibilities

The directors are responsible for the preparation of the SCR and MCR Template and related Disclosures in accordance with the applicable European Union provisions and the Italian sector legislation and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of SCR and MCR Template and related Disclosures that are free from material misstatement, whether due to fraud or error.

Auditors' responsibilities

Our responsibility is to express a conclusion on the SCR and MCR Template and related Disclosures. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (revised), Engagements to Review Historical Financial Statements. ISRE 2400 (revised) requires us to conclude whether anything has come to our attention that causes us to believe that the SCR and MCR

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Template and related Disclosures, taken as a whole, are not prepared in all material respects in accordance with the applicable European Union provisions and the Italian sector legislation. This standard also requires us to comply with relevant ethical requirements.

A review of SCR and MCR Template and related Disclosures in accordance with ISRE 2400 (revised) is a limited assurance engagement. The auditors perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

Moreover, as provided for by article 14 of IVASS regulation no. 42 of 2 August 2018, with reference to the disclosures about non-regulated entities included in the Group's scope, we solely checked that the relevant figures had been calculated pursuant to Legislative decree no. 209 of 7 September 2005, the related implementing measures and applicable European Union provisions.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (ISA). Accordingly, we do not express an audit opinion on this SCR and MCR Template and related Disclosures.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying SCR and MCR Template and related Disclosures relating to the Intesa Sanpaolo Vita Insurance Group included in the Group SFCR, as at 31 December 2020, have not been prepared, in all material respects, in accordance with the applicable European Union provisions and the Italian sector legislation.

Basis of preparation, purposes and restriction on use

Without modifying our conclusion, we draw attention to the "E.2 Solvency capital requirement and minimum capital requirement" section of the SFCR which describes the basis of preparation of the SCR and MCR Template. This Template and related Disclosures have been prepared in accordance with the applicable European Union provisions and the Italian sector legislation for the solvency supervisory reporting purposes. As such, they cannot be used for any other purposes.

Milan, 20 May 2021

KPMG S.p.A.

(signed on the original)

Andrea Azzali
Director of Audit

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Independent auditors' report pursuant to article 47-septies.7 of Legislative decree no. 209 of 7 September 2005 and article 4.1.a)/b) of IVASS regulation no. 42 of 2 August 2018

To the board of directors of
Intesa Sanpaolo Vita S.p.A.

Opinion

We have audited the following parts of the 2020 Solvency and financial condition report (the "SFCR") of the Intesa Sanpaolo Vita Insurance Group (the "Group"), prepared in accordance with article 47-septies of Legislative decree no. 209 of 7 September 2005 and availing of the option provided for by article 216-novies of Legislative decree no. 209/2005 and article 36.1 of IVASS (the Italian Insurance Supervisory Authority) regulation no. 33/2016:

— the "S.02.01.02 Balance sheet" and "S.23.01.01 Own funds" templates for Intesa Sanpaolo Vita S.p.A. (the "Company"), (the "MVBS and OF Templates").

— the "D. Valuation for solvency purposes" and "E.1. Own funds" sections relating to Intesa Sanpaolo Vita S.p.A. (the "related Disclosures").

Our procedures did not cover:

— the technical provision components relating to the risk margin (items R0550, R0590, R0640, R0680 and R0720) of the "S.02.01.02 Balance sheet" template.

— the solvency capital requirement (item R0580) and minimum capital requirement (item R0600) of the "S.23.01.01 Own funds" template,

which are, therefore, excluded from our opinion.

The templates and disclosures, with the exclusions set out above, make up the "MVBS and OF Templates and related Disclosures".

In our opinion, the MVBS and OF Templates and related Disclosures relating to Intesa Sanpaolo Vita S.p.A. included in the Group SFCR, as at 31 December 2020, have been prepared, in all material respects, in accordance with the applicable European Union provisions and the Italian sector legislation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the MVBS and OF Templates and related Disclosures*" section of our report. We are independent of the Intesa Sanpaolo Vita S.p.A. (the "Company") in accordance with the ethics and independence rules and standards of the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") issued by the International Ethics Standards Board for Accountants applicable to audits of MVBS and OF Templates and related Disclosures. We believe that the audit evidence we have obtained is enough and appropriate to provide a basis for our opinion.

Emphasis of matter - Basis of preparation, purposes and restriction on use

We draw attention to section "D. Valuation for solvency purposes" which describes the basis of preparation. The MVBS and OF Templates and related Disclosures have been prepared in accordance with the applicable European Union provisions and the Italian sector legislation for the solvency supervisory reporting purposes, which is a regulatory framework with specific purposes. As such, they cannot be used for any other purposes. We did not qualify our opinion in this respect.

Other matters

The Company prepared its separate financial statements as at and for the year ended 31 December 2020 in accordance with the Italian regulations governing their preparation. We audited those separate financial statements and issued our audit report thereon on 1 March 2021.

The Company prepared the "S.25.01.21 Solvency Capital Requirements - for undertakings on Standard Formulas" and "S.28.02.01 Minimum Capital Requirement - Both life and non-life insurance activity" templates and the related disclosures presented in the "E.2 Solvency capital requirement and minimum capital requirement" section of the accompanying SFCR in accordance with the applicable European Union provisions and the Italian sector legislation. We reviewed them in conformity with article 4.1.c) of IVASS regulation no. 42 of 2 August 2018. As a result of our review, we issued the review report carrying today's date and attached to the SFCR.

Other information presented in the SFCR

The directors are responsible for the preparation of the other information presented in the SFCR in accordance with the Italian regulations governing its preparation.

The other information presented in the SFCR comprises:

- the "S.05.01.02 Premiums, claims and expenses by line of business", "S.12.01.02 Life and Health SLT Technical Provisions", "S.17.01.02 Non-life Technical Provisions", "S.19.01.21 Non-life Insurance Claims Information", "S.22.01.21 Impact of long-term guarantees and transitional measures", "S.25.01.21 Solvency Capital Requirements - for undertakings on Standard Formulas" and "S.28.02.01 Minimum Capital Requirement - Both life and non-life insurance activity" templates.

— the "A. Activities and results", "B. Governance system", "C. Risk profile", "E.2. Solvency capital requirement and minimum capital requirement", "E.3. Use of the equity risk submodule based on the duration in the SCR calculation", "E.4. Differences between the standard formula and the internal model", "E.5. Failure to meet the MCR and SCR" and "E.6. Other information" sections.

Our opinion on the MVBS and OF Templates and related Disclosures does not extend to the other information.

In connection with our audit of the MVBS and OF Templates and related Disclosures, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the MVBS and OF Templates and related Disclosures, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Intesa Sanpaolo Vita S.p.A. for the MVBS and OF Templates and related Disclosures

The directors are responsible for the preparation of the MVBS and OF Templates and related Disclosures in accordance with the Italian regulations governing their preparation and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of MVBS and OF Templates and related Disclosures that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the MVBS and OF Templates and related Disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the Company or ceasing operations exist or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the Company's financial reporting process.

Auditors' responsibilities for the audit of the MVBS and OF Templates and related Disclosures

The objectives of our audit are to obtain reasonable assurance about whether the MVBS and OF Templates and related Disclosures are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these MVBS and OF Templates and related Disclosures.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the MVBS and OF Templates and related Disclosures, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is enough 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.
- obtain an understanding of internal control relevant to the audit of the MVBS and OF Templates and related Disclosures in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of the basis of preparation used and the reasonableness of accounting estimates made by the directors and related disclosures.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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 auditors' report to the related disclosures 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance 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.

Milan, 20 May 2021

KPMG S.p.A.

(signed on the original)

Andrea Azzali
Director of Audit

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(Translation from the Italian original which remains the definitive version)

Independent auditors' report pursuant to article 47-septies.7 of Legislative decree no. 209 of 7 September 2005 and article 4.1.c) of IVASS regulation no. 42 of 2 August 2018

To the board of directors of
Intesa Sanpaolo Vita S.p.A.

Introduction

We have reviewed the accompanying "S.25.01.21 Solvency Capital Requirements - for undertakings on Standard Formula" and "S.28.02.01 Minimum Capital Requirement - Both life and non-life insurance activity" templates (the "SCR and MCR Templates") for Intesa Sanpaolo Vita S.p.A. (the "Company") and the related disclosures presented in the "E.2 Solvency capital requirement and minimum capital requirement" section (the "related Disclosures") of the accompanying Solvency and financial condition report (the "SFCR"), as at 31 December 2020, of the Intesa Sanpaolo Vita Insurance Group (the "Group"), prepared in accordance with article 47-septies of Legislative decree no. 209 of 7 September 2005 and availing of the option provided for by article 216-novies of Legislative decree no. 209/2005 and article 36.1 of IVASS (the Italian Insurance Supervisory Authority) regulation no. 33/2016.

The directors prepared the SCR and MCR Templates and related Disclosures in accordance with the applicable European Union provisions and the Italian sector legislation.

Directors' responsibilities

The directors are responsible for the preparation of the SCR and MCR Templates and related Disclosures in accordance with the applicable European Union provisions and the Italian sector legislation and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of SCR and MCR Templates and related Disclosures that are free from material misstatement, whether due to fraud or error.

Auditors' responsibilities

Our responsibility is to express a conclusion on the SCR and MCR Templates and related Disclosures. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (revised), Engagements to Review

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Historical Financial Statements. ISRE 2400 (revised) requires us to conclude whether anything has come to our attention that causes us to believe that the SCR and MCR Templates and related Disclosures, taken as a whole, are not prepared in all material respects in accordance with the applicable European Union provisions and the Italian sector legislation. This standard also requires us to comply with relevant ethical requirements.

A review of SCR and MCR Templates and related Disclosures in accordance with ISRE 2400 (revised) is a limited assurance engagement. The auditors perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (ISA). Accordingly, we do not express an audit opinion on these SCR and MCR Templates and related Disclosures.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying SCR and MCR Templates and related Disclosures relating to Intesa Sanpaolo Vita S.p.A. included in the SFCR of the Intesa Sanpaolo Vita Insurance Group, as at 31 December 2020, have not been prepared, in all material respects, in accordance with the applicable European Union provisions and the Italian sector legislation.

Basis of preparation, purposes and restriction on use

Without modifying our conclusion, we draw attention to the "E.2 Solvency capital requirement and minimum capital requirement" section of the SFCR which describes the basis of preparation of the SCR and MCR Templates. These Templates and related Disclosures have been prepared in accordance with the applicable European Union provisions and the Italian sector legislation for the solvency supervisory reporting purposes. As such, they cannot be used for any other purposes.

Milan, 20 May 2021

KPMG S.p.A.

(signed on the original)

Andrea Azzali
Director of Audit

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Independent auditors' report pursuant to article 47-septies.7 of Legislative decree no. 209 of 7 September 2005 and article 4.1.a)/b) of IVASS regulation no. 42 of 2 August 2018

To the board of directors of
Intesa Sanpaolo Assicura S.p.A.

Opinion

We have audited the following parts of the 2020 Solvency and financial condition report (the "SFCR") of the Intesa Sanpaolo Vita Insurance Group (the "Group"), prepared in accordance with article 47-septies of Legislative decree no. 209 of 7 September 2005 and availing of the option provided for by article 216-novies of Legislative decree no. 209/2005 and article 36.1 of IVASS (the Italian Insurance Supervisory Authority) regulation no. 33/2016:

— the "S.02.01.02 Balance sheet" and "S.23.01.01 Own funds" templates for Intesa Sanpaolo Assicura S.p.A. (the "Company"), (the "MVBS and OF templates");

— the "D. Valuation for solvency purposes" and "E.1. Own funds" sections relating to Intesa Sanpaolo Assicura S.p.A. (the "related disclosures").

Our procedures did not cover:

— the technical provision components relating to the risk margin (items R0550, R0590, R0640, R0680 and R0720) of the "S.02.01.02 Balance sheet" template;

— the solvency capital requirement (item R0580) and minimum capital requirement (item R0600) of the "S.23.01.01 Own funds" template,

which are, therefore, excluded from our opinion.

The templates and disclosures as a whole, with the exclusions set out above, make up the "MVBS and OF templates and related disclosures".

In our opinion, the MVBS and OF templates and related disclosures relating to Intesa Sanpaolo Assicura S.p.A. included in the Group SFCR, as at 31 December 2020, have been prepared, in all material respects, in accordance with the applicable European Union provisions and the Italian sector legislation.

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Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the MVBS and OF templates and related disclosures*" section of our report. We are independent of the Intesa Sanpaolo Assicura S.p.A. in accordance with the ethics and independence rules and standards of the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") issued by the International Ethics Standards Board for Accountants applicable to audits of MVBS and OF templates and related disclosures. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Basis of preparation, purposes and restriction on use

We draw attention to section "D. Valuation for solvency purposes" which describes the basis of preparation. The MVBS and OF templates and related disclosures have been prepared in accordance with the applicable European Union provisions and the Italian sector legislation for the solvency supervisory reporting purposes, which is a regulatory framework with specific purposes. As such, they cannot be used for any other purposes. We did not qualify our opinion in this respect.

Other matters

The Company prepared its separate financial statements as at and for the year ended 31 December 2020 in accordance with the Italian regulations governing their preparation. We audited those separate financial statements and issued our audit report thereon on 1 March 2021.

The Company prepared the "S.25.01.21 Solvency Capital Requirements - for undertakings on Standard Formula" and "S.28.01.01 Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity" templates and the related disclosures presented in the "E.2 Solvency capital requirement and minimum capital requirement" section of the accompanying SFCR in accordance with the applicable European Union provisions and the Italian sector legislation. We reviewed them in conformity with article 4.1.c) of IVASS regulation no. 42 of 2 August 2018. As a result of our review, we issued the review report carrying today's date and attached to the SFCR.

Other information presented in the SFCR

The directors are responsible for the preparation of the other information presented in the SFCR in accordance with the Italian regulations governing its preparation.

The other information presented in the SFCR comprises:

- the "S.05.01.02 Premiums, claims and expenses by line of business", "S.17.01.02 Non-life Technical Provisions", "S.19.01.21 Non-life Insurance Claims", "S.25.01.21 Solvency Capital Requirements - for undertakings on Standard Formula" and "S.28.01.01 Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity" templates;
- the "A. Activities and results", "B. Governance system", "C. Risk profile", "E.2. Solvency capital requirement and minimum capital requirement", "E.3. Use of the

equity risk submodule based on the duration in the SCR calculation", "E.4. Differences between the standard formula and the internal model", "E.5. Failure to meet the MCR and SCR" and "E.6. Other information" sections.

Our opinion on the MVBS and OF templates and related disclosures does not extend to the other information.

In connection with our audit of the MVBS and OF templates and related disclosures, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the MVBS and OF templates and related disclosures, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Intesa Sanpaolo Assicura S.p.A. for the MVBS and OF templates and related disclosures

The directors are responsible for the preparation of the MVBS and OF templates and related disclosures in accordance with the Italian regulations governing their preparation and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of MVBS and OF templates and related disclosures that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the MVBS and OF templates and related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the Company or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the Company's financial reporting process.

Auditors' responsibilities for the audit of the MVBS and OF templates and related disclosures

The objectives of our audit are to obtain reasonable assurance about whether the MVBS and OF templates and related disclosures as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these MVBS and OF templates and related disclosures.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

— identify and assess the risks of material misstatement of the MVBS and OF templates and related disclosures, whether due to fraud or error, design and

perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit of the MVBS and OF templates and related disclosures in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of the basis of preparation used and the reasonableness of accounting estimates made by the directors and related disclosures;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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 auditors' report to the related disclosures 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance 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.

Milan, 20 May 2021

KPMG S.p.A.

(signed on the original)

Andrea Azzali
Director of Audit

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Independent auditors' report pursuant to article 47-septies.7 of Legislative decree no. 209 of 7 September 2005 and article 4.1.c) of IVASS regulation no. 42 of 2 August 2018

To the board of directors of
Intesa Sanpaolo Assicura S.p.A.

Introduction

We have reviewed the accompanying "S.25.01.21 Solvency Capital Requirements - for undertakings on Standard Formula" and "S.28.01.01 Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity" templates (the "SCR and MCR templates") for Intesa Sanpaolo Assicura S.p.A. and the related disclosures presented in the "E.2 Solvency capital requirement and minimum capital requirement" section (the "related disclosures") of the accompanying Solvency and financial condition report (the "SFCR"), as at 31 December 2020, of the Intesa Sanpaolo Vita Insurance Group (the "Group"), prepared in accordance with article 47-septies of Legislative decree no. 209 of 7 September 2005 and availing of the option provided for by article 216-novies of Legislative decree no. 209/2005 and article 36.1 of IVASS (the Italian Insurance Supervisory Authority) regulation no. 33/2016.

The directors prepared the SCR and MCR templates and related disclosures in accordance with the applicable European Union provisions and the Italian sector legislation.

Directors' responsibilities

The directors are responsible for the preparation of the SCR and MCR templates and related disclosures in accordance with the applicable European Union provisions and the Italian sector legislation and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of SCR and MCR templates and related disclosures that are free from material misstatement, whether due to fraud or error.

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Auditors' responsibilities

Our responsibility is to express a conclusion on the SCR and MCR templates and related disclosures. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (revised), Engagements to Review Historical Financial Statements. ISRE 2400 (revised) requires us to conclude whether anything has come to our attention that causes us to believe that the SCR and MCR templates and related disclosures, taken as a whole, are not prepared in all material respects in accordance with the applicable European Union provisions and the Italian sector legislation. This standard also requires us to comply with relevant ethical requirements.

A review of SCR and MCR templates and related disclosures in accordance with ISRE 2400 (revised) is a limited assurance engagement. The auditors perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (ISA). Accordingly, we do not express an audit opinion on these SCR and MCR templates and related disclosures.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying SCR and MCR templates and related disclosures relating to Intesa Sanpaolo Assicura S.p.A. included in the SFCR of the Intesa Sanpaolo Vita Insurance Group, as at 31 December 2020, have not been prepared, in all material respects, in accordance with the applicable European Union provisions and the Italian sector legislation.

Basis of preparation, purposes and restriction on use

Without modifying our conclusion, we draw attention to the "E.2 Solvency capital requirement and minimum capital requirement" section of the SFCR which describes the basis of preparation of the SCR and MCR templates. These templates and related disclosures have been prepared in accordance with the applicable European Union provisions and the Italian sector legislation for the solvency supervisory reporting purposes, which is a regulatory framework with specific purposes. As such, they cannot be used for any other purposes.

Milan, 20 May 2021

KPMG S.p.A.

(signed on the original)

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Independent auditors' report pursuant to article 47-septies.7 of Legislative decree no. 209 of 7 September 2005 and article 4.1.a)/b) of IVASS regulation no. 42 of 2 August 2018

To the board of directors of
Fideuram Vita S.p.A.

Opinion

We have audited the following parts of the 2020 Solvency and financial condition report (the "SFCR") of the Intesa Sanpaolo Vita Insurance Group (the "Group"), prepared in accordance with article 47-septies of Legislative decree no. 209 of 7 September 2005 and availing of the option provided for by article 216-novies of Legislative decree no. 209/2005 and article 36.1 of IVASS (the Italian Insurance Supervisory Authority) regulation no. 33/2016:

— the "S.02.01.02 Balance sheet" and "S.23.01.01 Own funds" templates for Fideuram Vita S.p.A. (the "Company"), (the "MVBS and OF templates");

— the "D. Valuation for solvency purposes" and "E.1. Own funds" sections relating to Fideuram Vita S.p.A. (the "related disclosures").

Our procedures did not cover:

— the technical provision components relating to the risk margin (items R0550, R0590, R0640, R0680 and R0720) of the "S.02.01.02 Balance sheet" template;

— the solvency capital requirement (item R0580) and minimum capital requirement (item R0600) of the "S.23.01.01 Own funds" template,

which are, therefore, excluded from our opinion.

The templates and disclosures as a whole, with the exclusions set out above, make up the "MVBS and OF templates and related disclosures".

In our opinion, the MVBS and OF templates and related disclosures relating to Fideuram Vita S.p.A. included in the Group SFCR, as at 31 December 2020, have been prepared, in all material respects, in accordance with the applicable European Union provisions and the Italian sector legislation.

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Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the MVBS and OF templates and related disclosures*" section of our report. We are independent of the Fideuram Vita S.p.A. in accordance with the ethics and independence rules and standards of the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") issued by the International Ethics Standards Board for Accountants applicable to audits of MVBS and OF templates and related disclosures. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Basis of preparation, purposes and restriction on use

We draw attention to section "D. Valuation for solvency purposes" which describes the basis of preparation. The MVBS and OF templates and related disclosures have been prepared in accordance with the applicable European Union provisions and the Italian sector legislation for the solvency supervisory reporting purposes, which is a regulatory framework with specific purposes. As such, they cannot be used for any other purposes. We did not qualify our opinion in this respect.

Other matters

The Company prepared its separate financial statements as at and for the year ended 31 December 2020 in accordance with the Italian regulations governing their preparation. We audited those separate financial statements and issued our audit report thereon on 26 February 2021.

The Company prepared the "S.25.01.21 Solvency Capital Requirements - for undertakings on Standard Formula" and "S.28.01.01 Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity" templates and the related disclosures presented in the "E.2 Solvency capital requirement and minimum capital requirement" section of the accompanying SFCR in accordance with the applicable European Union provisions and the Italian sector legislation. We reviewed them in conformity with article 4.1.c) of IVASS regulation no. 42 of 2 August 2018. As a result of our review, we issued the review report carrying today's date and attached to the SFCR.

Other information presented in the SFCR

The directors are responsible for the preparation of the other information presented in the SFCR in accordance with the Italian regulations governing its preparation.

The other information presented in the SFCR comprises:

- the "S.05.01.02 Premiums, claims and expenses by line of business", "S.12.01.02 Life and Health SLT Technical Provisions", "S.22.01.21 Impact of long-term guarantees and transitional measures", "S.25.01.21 Solvency Capital Requirements - for undertakings on Standard Formulas" and "S.28.02.01 Minimum Capital Requirement - Both life and non-life insurance activity" templates;
- the "A. Activities and results", "B. Governance system", "C. Risk profile", "E.2. Solvency capital requirement and minimum capital requirement", "E.3. Use of the equity risk submodule based on the duration in the SCR calculation", "E.4.

Differences between the standard formula and the internal model", "E.5. Failure to meet the MCR and SCR" and "E.6. Other information" sections.

Our opinion on the MVBS and OF templates and related disclosures does not extend to the other information.

In connection with our audit of the MVBS and OF templates and related disclosures, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the MVBS and OF templates and related disclosures, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Fideuram Vita S.p.A. for the MVBS and OF templates and related disclosures

The directors are responsible for the preparation of the MVBS and OF templates and related disclosures in accordance with the Italian regulations governing their preparation and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of MVBS and OF templates and related disclosures that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the MVBS and OF templates and related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the Company or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the Company's financial reporting process.

Auditors' responsibilities for the audit of the MVBS and OF templates and related disclosures

The objectives of our audit are to obtain reasonable assurance about whether the MVBS and OF templates and related disclosures as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these MVBS and OF templates and related disclosures.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

— identify and assess the risks of material misstatement of the MVBS and OF templates and related disclosures, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

— obtain an understanding of internal control relevant to the audit of the MVBS and OF templates and related disclosures in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

— evaluate the appropriateness of the basis of preparation used and the reasonableness of accounting estimates made by the directors and related disclosures;

— conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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 auditors' report to the related disclosures 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance 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.

Milan, 20 May 2021

KPMG S.p.A.

(signed on the original)

Andrea Azzali
Director of Audit

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To the board of directors of
Fideuram Vita S.p.A.

Introduction

We have reviewed the accompanying "S.25.01.21 Solvency Capital Requirements - for undertakings on Standard Formula" and "S.28.01.01 Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity" templates (the "SCR and MCR templates") for Fideuram Vita S.p.A. and the related disclosures presented in the "E.2 Solvency capital requirement and minimum capital requirement" section (the "related disclosures") of the accompanying Solvency and financial condition report (the "SFCR"), as at 31 December 2020, of the Intesa Sanpaolo Vita Insurance Group (the "Group"), prepared in accordance with article 47-septies of Legislative decree no. 209 of 7 September 2005 and availing of the option provided for by article 216-novies of Legislative decree no. 209/2005 and article 36.1 of IVASS (the Italian Insurance Supervisory Authority) regulation no. 33/2016.

The directors prepared the SCR and MCR templates and related disclosures in accordance with the applicable European Union provisions and the Italian sector legislation.

Directors' responsibilities

The directors are responsible for the preparation of the SCR and MCR templates and related disclosures in accordance with the applicable European Union provisions and the Italian sector legislation and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of SCR and MCR templates and related disclosures that are free from material misstatement, whether due to fraud or error.

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Euro 10.415.500,00 i.v.
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Auditors' responsibilities

Our responsibility is to express a conclusion on the SCR and MCR templates and related disclosures. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (revised), Engagements to Review Historical Financial Statements. ISRE 2400 (revised) requires us to conclude whether anything has come to our attention that causes us to believe that the SCR and MCR templates and related disclosures, taken as a whole, are not prepared in all material respects in accordance with the applicable European Union provisions and the Italian sector legislation. This standard also requires us to comply with relevant ethical requirements.

A review of SCR and MCR templates and related disclosures in accordance with ISRE 2400 (revised) is a limited assurance engagement. The auditors perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (ISA). Accordingly, we do not express an audit opinion on these SCR and MCR templates and related disclosures.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying SCR and MCR templates and related disclosures relating to Fideuram Vita S.p.A. included in the SFCR of the Intesa Sanpaolo Vita Insurance Group, as at 31 December 2020, have not been prepared, in all material respects, in accordance with the applicable European Union provisions and the Italian sector legislation.

Basis of preparation, purposes and restriction on use

Without modifying our conclusion, we draw attention to the "E.2 Solvency capital requirement and minimum capital requirement" section of the SFCR which describes the basis of preparation of the SCR and MCR templates. These templates and related disclosures have been prepared in accordance with the applicable European Union provisions and the Italian sector legislation for the solvency supervisory reporting purposes, which is a regulatory framework with specific purposes. As such, they cannot be used for any other purposes.

Milan, 20 May 2021

KPMG S.p.A.

(signed on the original)

Andrea Azzali
Director of Audit

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Independent auditor's report pursuant to article 47-septies, comma 7 of Legislative Decree n. 209, dated 7 September 2005, and article 4, comma 1, letters a) and b) of IVASS Regulation n. 42, dated 2 August 2018

(Translation from the original Italian text)

To the Board of Directors of
Intesa Sanpaolo RBM Salute S.p.A.

Opinion

We have audited the following elements of the Solvency and Financial Condition Report of the Intesa Sanpaolo Vita Insurance Group (the "SFCR") as at December 31, 2020, prepared pursuant to article 47-septies of Legislative Decree n. 209, dated 7 September 2005:

- reporting templates "S.02.01.02 Balance sheet" and "S.23.01.01 Own funds" of Intesa Sanpaolo RBM Salute S.p.A. (the "reporting templates");
- sections "D. Valuation for solvency purposes" and "E.1. Own funds" of Intesa Sanpaolo RBM Salute S.p.A. (the "disclosures").

Our procedures do not extend to:

- the components of technical provisions related to Risk Margin (items R0550 andR0590) of the reporting template "S.02.01.02 Balance sheet";
- the Solvency Capital Requirement (item R0580) and to the Minimum Capital Requirement (item R0600) of the reporting template "S.23.01.01 Own funds";

consequently, they are excluded from our opinion.
The reporting templates and the disclosures, with the exclusions abovementioned, constitute "the MVBS and OF reporting templates and related disclosures" as a whole.

In our opinion, the MBVS and OF reporting templates and related disclosures of Intesa Sanpaolo RBM Salute S.p.A. as at December 31, 2020 have been prepared, in all material respects, in accordance with the applicable European Union regulations and the national sectoral regulation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the MVBS and OF reporting templates and related disclosures* section of our report.
We are independent of Intesa Sanpaolo RBM Salute S.p.A. (the "Company") in accordance with the regulations and standards on ethics and independence of the Code of Ethics for Professional Accountants (IESBA Code) issued by the International Ethics Standards Board for Accountants applicable to the audit of reporting templates and related disclosures.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

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Emphasis of Matter – Basis of preparation, purpose and restriction on use

We draw attention to section "D. Valuation for solvency purposes" which describes the basis of preparation. The MVBS and OF reporting templates and related disclosures have been prepared for solvency supervision purposes in accordance with the applicable European Union regulations and the national sectoral regulation, which results in a special purpose framework. As a result, they may not be suitable for other purposes. Our opinion is not modified in respect of this matter.

Other matters

The Company has prepared the financial statements as at December 31, 2020 in accordance with Italian regulations governing financial statements on which we issued our independent auditor's report to the shareholders of the Company dated March 1, 2021.

The Company has prepared the reporting templates "S.25.02.21 Solvency Capital Requirement – for undertakings on Standard Formula" and "S.28.01.01 Minimum Capital Requirement — Only life or only non-life insurance or reinsurance activity" and the related disclosure presented in section "E.2. Solvency Capital Requirement and Minimum Capital Requirement" included in the SFCR in accordance with the applicable European Union regulations and the national sectoral regulation, which are subject to limited review pursuant to article 4, comma 1, letter c) of IVASS Regulation n. 42, dated 2 August 2018, following which we issued on the same date a limited review report attached to the SFCR.

Other Information included in the SFCR

The Directors are responsible for the preparation of the other information included in the SFCR in accordance with the applicable laws and regulations governing the basis of preparation.

The other information included in the SFCR are:

- reporting templates "S.05.01.02 Premiums, claims and expenses by line of business", "S.05.02.01 Premiums, claims and expenses by country", "S.17.01.02 Non-life Technical Provisions", "S.19.01.21Non-life insurance claims information", "S.25.01.21 Solvency Capital Requirement — for undertakings on Standard Formula" e "S.28.01.01 Minimum Capital Requirement — Only life or only non-life insurance or reinsurance activity";
- sections "A. Activities and results", "B. Governance System", "C. Risk profile", "E.2. Solvency Capital Requirement and Minimum Capital Requirement", "E.3. Use of the equity risk submodule base on the duration in the SCR calculation", "E.4. Differences between the Standard Formula and the internal model", "E.5. Failure to meet the MCR and SCR" and "E.6. Other information".

Our opinion on the MVBS and OF reporting templates and related disclosures does not cover the other information.

In connection with our audit of the MBVS and OF reporting templates and related disclosures, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the MVBS and OF reporting templates and related disclosures or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify possible inconsistencies or material misstatement, we are required to determine if there is a material misstatement in the MVBS and OF reporting templates and related disclosures or in the other information. If, based on the work performed, we conclude that there is a material misstatement, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the MVBS and OF reporting templates and related disclosures

The Directors are responsible for the preparation and presentation of the MVBS and OF reporting templates and related disclosures in accordance with the applicable laws and regulations governing the basis of preparation**,** and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of MVBS and OF reporting templates and related disclosures that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the MVBS and OF reporting templates and related disclosures, for the appropriateness of the use of the going concern and for disclosing related matters.

The Directors use the going concern basis of accounting in the preparation of MVBS and OF reporting templates and related disclosures 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 MVBS and OF reporting templates and related disclosures

Our objectives are to obtain reasonable assurance about whether the MVBS and OF reporting templates and related disclosures 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 (ISAs) 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 the MVBS and OF reporting templates and related disclosures.

As part of an audit in accordance with International Standards on Auditing (ISAs), 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 MBVS and OF reporting templates and related disclosures, whether due to fraud or error; have 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 of the MVBS and OF reporting templates and related disclosures 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 SFCR 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.

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We have communicated with those charged with governance 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.

Trieste, 20 May 2021

EY S.p.A.
Signed by: Mauro Agnolon, Auditor

This report has been translated into the English language solely for the convenience of international readers.

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Building a better working world

Independent auditor's review report pursuant to article 47-septies, comma 7 of Legislative Decree n. 209, dated 7 September 2005, and article 4, comma 1, letter c) of IVASS Regulation n. 42, dated 2 August 2018

(Translation from the original Italian text)

To the Board of Directors of
Intesa Sanpaolo RBM Salute S.p.A.

Introduction

We have reviewed the accompanying reporting templates "S.25.01.21 Solvency Capital Requirement — for undertakings on Standard Formula" e "S.28.01.01 Minimum Capital Requirement — Only life or only non-life insurance or reinsurance activity" (the "SCR and MCR reporting templates") and the related disclosures presented in section "E.2. Solvency Capital Requirement and Minimum Capital Requirement" (the "disclosures" or the "related disclosures") of Intesa Sanpaolo RBM Salute S.p.A. (the "Company") included in the Solvency and Financial Condition Report of the Intesa Sanpaolo Vita Insurance Group (the "SFCR") as at December 31, 2020, pursuant to article 47-septies of Legislative Decree n. 209, dated 7 September 2005.

Management's Responsibility

Management is responsible for the preparation of the SCR and MCR reporting templates and related disclosures in accordance with the applicable European Union regulations and the national sectoral regulation**,** and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of SCR and MCR reporting templates and related disclosures that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on SCR and MCR reporting templates and related disclosures. We conducted our review in accordance with International Standard on Review Engagements *(ISRE) n. 2400 (Revised), Engagements to review Historical Financial Statements*. *ISRE 2400 (Revised)* requires us to conclude whether anything has come to our attention that causes us to believe that the SCR and MCR reporting templates and related disclosures are not prepared, in all material respects, in accordance with the applicable European Union regulations and the national sectoral regulation. This Standard also requires us to comply with relevant ethical requirements.
The review of SCR and MCR reporting templates and related disclosures in accordance with *ISRE 2400 (Revised)* is a limited assurance engagement. The auditor performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.
The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (ISA). Accordingly, we do not express an audit opinion on SCR and MCR reporting templates and related disclosures.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that SCR and MCR reporting templates of Intesa Sanpaolo RBM Salute S.p.A. and related disclosures included in the SFCR of the Intesa Sanpaolo Vita Insurance Group, as at December 31, 2020 are not prepared, in all material respects, in accordance with the applicable European Union regulations and the national sectoral regulation.

Basis of preparation, purpose and restriction on use

Without modifying our conclusion, we draw attention to section "E.2. Solvency Capital Requirement and Minimum Capital Requirement" included in the SFCR, which describes the basis of preparation of SCR and MCR reporting templates.
The SCR and MCR reporting templates and the related disclosures are prepared, for solvency supervision purposes, in accordance with the applicable European Union regulations and the national sectoral regulation. Consequently, they may not be suitable for other purposes.

Trieste, 20 May 2021

EY S.p.A.
Signed by: Mauro Agnolon, Auditor

This report has been translated into the English language solely for the convenience of international readers.

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(Translation from the Italian original which remains the definitive version)

Independent auditors' report pursuant to article 47-septies.7 of Legislative decree no. 209 of 7 September 2005 and article 4.1.a)/b) of IVASS regulation no. 42 of 2 August 2018

To the board of directors of
BancAssurance Popolari S.p.A.

Opinion

We have audited the following parts of the 2020 Solvency and financial condition report (the "SFCR") of the Intesa Sanpaolo Vita Insurance Group (the "Group"), prepared in accordance with article 47-septies of Legislative decree no. 209 of 7 September 2005 and availing of the option provided for by article 216-novies of Legislative decree no. 209/2005 and article 36.1 of IVASS (the Italian Insurance Supervisory Authority) regulation no. 33/2016:

— the "S.02.01.02 Balance sheet" and "S.23.01.01 Own funds" templates for BancAssurance Popolari S.p.A. (the "Company"), (the "MVBS and OF templates");

— the "D. Valuation for solvency purposes" and "E.1. Own funds" sections relating to BancAssurance Popolari S.p.A. (the "related disclosures").

Our procedures did not cover:

— the technical provision components relating to the risk margin (items R0550, R0590, R0640, R0680 and R0720) of the "S.02.01.02 Balance sheet" template;

— the solvency capital requirement (item R0580) and minimum capital requirement (item R0600) of the "S.23.01.01 Own funds" template,

which are, therefore, excluded from our opinion.

The templates and disclosures as a whole, with the exclusions set out above, make up the "MVBS and OF templates and related disclosures".

In our opinion, the MVBS and OF templates and related disclosures relating to BancAssurance Popolari S.p.A. included in the Group SFCR, as at 31 December 2020, have been prepared, in all material respects, in accordance with the applicable European Union provisions and the Italian sector legislation.

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Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the MVBS and OF templates and related disclosures*" section of our report. We are independent of the BancAssurance Popolari S.p.A. in accordance with the ethics and independence rules and standards of the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") issued by the International Ethics Standards Board for Accountants applicable to audits of MVBS and OF templates and related disclosures. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Basis of preparation, purposes and restriction on use

We draw attention to section "D. Valuation for solvency purposes" which describes the basis of preparation. The MVBS and OF templates and related disclosures have been prepared in accordance with the applicable European Union provisions and the Italian sector legislation for the solvency supervisory reporting purposes, which is a regulatory framework with specific purposes. As such, they cannot be used for any other purposes. We did not qualify our opinion in this respect.

Other matters

The Company prepared its separate financial statements as at and for the year ended 31 December 2020 in accordance with the Italian regulations governing their preparation. We audited those separate financial statements and issued our audit report thereon on 25 February 2021.

The Company prepared the "S.25.01.21 Solvency Capital Requirements - for undertakings on Standard Formula" and "S.28.01.01 Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity" templates and the related disclosures presented in the "E.2 Solvency capital requirement and minimum capital requirement" section of the accompanying SFCR in accordance with the applicable European Union provisions and the Italian sector legislation. We reviewed them in conformity with article 4.1.c) of IVASS regulation no. 42 of 2 August 2018. As a result of our review, we issued the review report carrying today's date and attached to the SFCR.

Other information presented in the SFCR

The directors are responsible for the preparation of the other information presented in the SFCR in accordance with the Italian regulations governing its preparation.

The other information presented in the SFCR comprises:

— the "S.05.01.02 Premiums, claims and expenses by line of business", "S.12.01.02 Life and Health SLT Technical Provisions", "S.22.01.21 Impact of long term guarantees and transitional measures", "S.25.01.21 Solvency Capital Requirements - for undertakings on Standard Formula" and "S.28.01.01 Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity" templates;

— the "A. Activities and results", "B. Governance system", "C. Risk profile", "E.2. Solvency capital requirement and minimum capital requirement", "E.3. Use of the equity risk submodule based on the duration in the SCR calculation", "E.4. Differences between the standard formula and the internal model", "E.5. Failure to meet the MCR and SCR" and "E.6. Other information" sections.

Our opinion on the MVBS and OF templates and related disclosures does not extend to the other information.

In connection with our audit of the MVBS and OF templates and related disclosures, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the MVBS and OF templates and related disclosures, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors and board of statutory auditors ("Comitato di controllo sulla gestione") of BancAssurance Popolari S.p.A. for the MVBS and OF templates and related disclosures

The directors are responsible for the preparation of the MVBS and OF templates and related disclosures in accordance with the Italian regulations governing their preparation and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of MVBS and OF templates and related disclosures that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the MVBS and OF templates and related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the Company or ceasing operations exist, or have no realistic alternative but to do so.

The *Comitato di controllo sulla gestione* is responsible for overseeing, within the terms established by the Italian law, the Company's financial reporting process.

Auditors' responsibilities for the audit of the MVBS and OF templates and related disclosures

The objectives of our audit are to obtain reasonable assurance about whether the MVBS and OF templates and related disclosures as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these MVBS and OF templates and related disclosures.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the MVBS and OF templates and related disclosures, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit of the MVBS and OF templates and related disclosures in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of the basis of preparation used and the reasonableness of accounting estimates made by the directors and related disclosures;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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 auditors' report to the related disclosures 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance 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.

Milan, 20 May 2021

KPMG S.p.A.

(signed on the original)

Maurizio Guzzi
Director of Audit

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Independent auditors' report pursuant to article 47-septies.7 of Legislative decree no. 209 of 7 September 2005 and article 4.1.c) of IVASS regulation no. 42 of 2 August 2018

To the board of directors of
BancAssurance Popolari S.p.A.

Introduction

We have reviewed the accompanying "S.25.01.21 Solvency Capital Requirements - for undertakings on Standard Formula" and "S.28.01.01 Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity" templates (the "SCR and MCR templates") for BancAssurance Popolari S.p.A. and the related disclosures presented in the "E.2 Solvency capital requirement and minimum capital requirement" section (the "related disclosures") of the accompanying Solvency and financial condition report (the "SFCR"), as at 31 December 2020, of the Intesa Sanpaolo Vita Insurance Group (the "Group"), prepared in accordance with article 47-septies of Legislative decree no. 209 of 7 September 2005 and availing of the option provided for by article 216-novies of Legislative decree no. 209/2005 and article 36.1 of IVASS (the Italian Insurance Supervisory Authority) regulation no. 33/2016.

The directors prepared the SCR and MCR templates and related disclosures in accordance with the applicable European Union provisions and the Italian sector legislation.

Directors' responsibilities

The directors are responsible for the preparation of the SCR and MCR templates and related disclosures in accordance with the applicable European Union provisions and the Italian sector legislation and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of SCR and MCR templates and related disclosures that are free from material misstatement, whether due to fraud or error.

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Auditors' responsibilities

Our responsibility is to express a conclusion on the SCR and MCR templates and related disclosures. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (revised), Engagements to Review Historical Financial Statements. ISRE 2400 (revised) requires us to conclude whether anything has come to our attention that causes us to believe that the SCR and MCR templates and related disclosures, taken as a whole, are not prepared in all material respects in accordance with the applicable European Union provisions and the Italian sector legislation. This standard also requires us to comply with relevant ethical requirements.

A review of SCR and MCR templates and related disclosures in accordance with ISRE 2400 (revised) is a limited assurance engagement. The auditors perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (ISA). Accordingly, we do not express an audit opinion on these SCR and MCR templates and related disclosures.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying SCR and MCR templates and related disclosures relating to BancAssurance Popolari S.p.A. included in the SFCR of the Intesa Sanpaolo Vita Insurance Group, as at 31 December 2020, have not been prepared, in all material respects, in accordance with the applicable European Union provisions and the Italian sector legislation.

Basis of preparation, purposes and restriction on use

Without modifying our conclusion, we draw attention to the "E.2 Solvency capital requirement and minimum capital requirement" section of the SFCR which describes the basis of preparation of the SCR and MCR templates. These templates and related disclosures have been prepared in accordance with the applicable European Union provisions and the Italian sector legislation for the solvency supervisory reporting purposes, which is a regulatory framework with specific purposes. As such, they cannot be used for any other purposes.

Milan, 20 May 2021

KPMG S.p.A.

(signed on the original)

Maurizio Guzzi
Director of Audit