



**CREDEMVITA**

**FINANCIAL STATEMENTS**

**2022 HALF-YEAR**

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### 2022 HALF- YEAR FINANCIAL STATEMENTS

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Company: **CREDEMVITA**

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Subscribed share capital €	<u>121.600.044</u>	Paid up €	<u>121.600.044</u>
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Registered office in

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HALF-YEARLY REPORT  
AS AT 2022

(Figures in €/thousand)

**INCOME**

	As at 30 June of the present year	As at 30 June of the previous year	As at 31 December of the previous year
<b>I. NON-LIFE TECHNICAL ACCOUNT</b>			
<b>1. Premiums, net of reinsurance transfers</b>	1	57	113
<b>2. (+) Share of profit from investments transferred from the non-technical account (item III. 6)</b>	2	58	114
<b>3. Other technical income, net of reinsurance transfers</b>	3	59	115
<b>4. Charges for claims, net of recoveries and reinsurance transfers</b>	4	60	116
<b>5. Change in other technical reserves, net of reinsurance transfers</b>	5	61	117
<b>6. Reversals and participation in profits, net of reinsurance transfers</b>	6	62	118
<b>7. Management costs:</b>			
a) Acquisition expenses net of commissions and profit sharing received by reinsurers	7	63	119
b) Administration costs	8	64	120
Total	9	65	121
<b>8. Other technical charges, net of reinsurance transfers</b>	10	66	122
<b>9. Changes in equalisation reserves</b>	11	67	123
<b>10. Profit of the non-life technical account</b>	12	68	124
<b>II. LIFE TECHNICAL ACCOUNT</b>			
<b>1. Premiums for the year, net of reinsurance transfers</b>	13 611.338	69 641.214	125 1.329.567
<b>2. Income from investments</b>			
a) Income from investments	14 49.217	70 40.801	126 83.222
b) Write-backs on investments	15 4.201	71 4.344	127 7.132
c) Profit on investment disposals	16 15.364	72 24.377	128 51.214
Total	17 68.782	73 69.522	129 141.568
<b>3. Unrealised income and capital gains relating to investments benefiting policyholders who bear the risk and investments from pension fund management</b>	18 32.625	74 193.514	130 325.132
<b>4. Other technical income, net of reinsurance transfers</b>	19 9.199	75 29.346	131 16.052
<b>5. Charges for claims, net of reinsurance transfers</b>	20 401.213	76 368.943	132 679.874
<b>6. Change in mathematical reserves and other technical reserves, net of reinsurance transfers</b>			
a) Mathematical reserves, premium reserve for supplementary insurance and other technical reserves	21 145.746	77 56.560	133 172.606
b) Technical reserves where the investment risk is borne by policyholders and from pension fund management	22 -461.105	78 388.957	134 708.615
Total	23 -315.359	79 445.517	135 881.221
<b>7. Reversals and participation in profits, net of reinsurance transfers</b>	24	80	136
<b>8. Management costs</b>			
a) Acquisition expenses net of commissions and profit sharing received by reinsurers	25 6.261	81 3.302	137 5.714
b) Administration costs	26 5.528	82 5.181	138 10.744
Total	27 11.789	83 8.483	139 16.458

## STATEMENT

	As at 30 June of the present year	As at 30 June of the previous year	As at 31 December of the previous year
<b>9. Financial and borrowing costs</b>			
a) Investment management costs and interest expense	28 9.315 <sup>84</sup>	9.282 <sup>140</sup>	19.606
b) Value adjustments on investments	29 246.119 <sup>85</sup>	16.602 <sup>141</sup>	31.784
c) Losses on investment disposals	30 5.114 <sup>86</sup>	3.935 <sup>142</sup>	5.959
Total	31 260.548 <sup>87</sup>	29.819 <sup>143</sup>	57.349
<b>10. Unrealised financial and borrowing costs and capital losses relating to investments benefiting policyholders who bear the risk and to investments from pension fund management</b>	32 543.567 <sup>88</sup>	31.903 <sup>144</sup>	68.966
<b>11. Other technical charges, net of reinsurance transfers</b>	33 27.575 <sup>89</sup>	26.925 <sup>145</sup>	55.204
<b>12. (-) Share of profit from investments transferred to the non-technical account (item III.4)</b>	34	3.604 <sup>90</sup>	7.738 <sup>146</sup>
<b>13. Profit of the life technical account</b>	35 -207.389 <sup>91</sup>	18.402 <sup>147</sup>	45.509
<b>III. NON-TECHNICAL ACCOUNT</b>			
<b>1. Profit of the non-life technical account (item I. 10)</b>	36		
<b>2. Profit of the life technical account (item II. 13)</b>	37 -207.389 <sup>93</sup>	18.402 <sup>149</sup>	45.509
<b>3. Income from investments of the non-life segment</b>			
a) Income from investments	38		
b) Write-backs on investments	39		
c) Profit on investment disposals	40		
Total	41		
<b>4. (+) Share of profit from investments transferred from the technical account of life segments (item II. 12)</b>	42	3.604 <sup>98</sup>	7.738 <sup>154</sup>
<b>5. Financial and borrowing costs of the non-life segments</b>			
a) Investment management costs and interest expense	43		
b) Value adjustments on investments	44		
c) Losses on investment disposals	45		
Total	46		
<b>6. (-) Share of profit from investments transferred to the technical account of non-life segments (item I.2)</b>	47		
<b>7. Other income</b>	48 788 <sup>104</sup>	636 <sup>160</sup>	1.317
<b>8. Other charges</b>	49 3.369 <sup>105</sup>	3.201 <sup>161</sup>	6.698
<b>9. Profit/loss from ordinary operations</b>	50 -209.970 <sup>106</sup>	19.441 <sup>162</sup>	47.866
<b>10. Extraordinary income</b>	51 6 <sup>107</sup>	7 <sup>163</sup>	84
<b>11. Extraordinary charges</b>	52 379 <sup>108</sup>	291 <sup>164</sup>	557
<b>12. Profit/loss from extraordinary operations</b>	53 -373 <sup>109</sup>	-284 <sup>165</sup>	-473
<b>13. Profit/loss before tax</b>	54 -210.343 <sup>110</sup>	19.157 <sup>166</sup>	47.393
<b>14. Tax on profit for the period</b>	55 -50.232 <sup>111</sup>	5.917 <sup>167</sup>	14.510
<b>15. Net profit (loss) for the period</b>	56 -160.111 <sup>112</sup>	13.240 <sup>168</sup>	32.883

# **CREDEMVITA S.p.A.**

Single member company

Subject to management and coordination (pursuant to art. 2497 bis of the Italian Civil Code)

by Credito Emiliano S.p.A.

Registered office in Reggio Emilia, Via Sani 1

Share capital € 121,600,160

Taxpayer's Code 01437550351

Register of Companies

at the Reggio Emilia Chamber of Commerce and taxpayer's code 01437550351

Economic and Administrative Index No. 185343 at the Reggio Emilia Chamber of Commerce

## **COMMENTS ON THE HALF- YEARLY REPORT AS AT 30 JUNE 2022**

## COMMENTS ON THE HALF-YEARLY REPORT AS AT 30 JUNE 2022

These comments have been drawn up in accordance with the matters envisaged by IVASS Provision No. 53 dated 6 December 2016, amending and supplementing Regulation No. 22 dated 4 April 2008.

The values referred to in this commentary, and those shown in the accounting statements, are expressed in thousands of euro.

### INFORMATION ON OPERATIONS

#### a. COMPANY SITUATION AND OVERALL BUSINESS PERFORMANCE

##### a.1. Changes in legislation in this sector

The most significant regulatory provisions and measures issued by IVASS during the year are listed below.

**IVASS - IVASS Regulation No. 50 of 3 May 2022.** The Regulation contains provisions relating to the communication to IVASS of data and information on non-life premiums earned by companies through individual brokers and through management activities.

**IVASS - IVASS Provision No. 121 del 7 June 2022.** Amendments to ISVAP Regulation No. 7/2007 concerning, especially, IFRS 17 (Insurance contracts)

**IVASS - Provision No. 120 of 24 May 2022.** Provision amending Provision No. 66 of 18 December 2017 on criteria for determining the indemnities due to liquidation officers and members of the surveillance committees of companies in liquidation.

For full disclosure purposes, in addition to the Regulations and Provisions illustrated, the following should also be noted:

**IVASS - Letter to the Market of 6 June 2022.** Survey on the use of Machine Learning algorithms by insurance companies.

**IVASS - Letter to the Market of 4 March 2022.** Supervisory reporting - timing and operating methods for communicating information.

**IVASS - Letter to the market of 28 February 2022.** Periodic statement on company complaints pursuant to Art. 9 ISVAP Regulation No. 24/2008 - Activation of new company complaints survey.

The most significant provisions issued by other Supervisory Authorities (in the case in question COVIP) are also listed.

**COVIP - Resolution dated 9 March 2022** - Determination of the extent, terms and methods for the payment of the contribution due to COVIP by the supplementary pension schemes in 2022, pursuant to Article 1, paragraph 65 of Italian Law No. 266 dated 23 December 2005.

## **a.2. Evolution of Information Systems:**

In the first half of the year, the main developments relating to the information systems of company governance concerned,

in regard to the strategic governance of IT and security:

- the revision of certain documents relating to security (Rules on the use of IT devices, Group Information Technology Policy and relative Company Regulation, Methodology for the analysis of IT risk);
- the conclusion of the 2022 report on the forward-looking IT Risk Analysis and relative presentation during the January CCR meeting and the February Board of Directors meeting and initiation of the 2023 forward-looking IT Risk Analysis;
- monitoring of key outsourcer service levels;
- the planning of 2022 vulnerability testing at the initiative of the company on its outsourcers;
- planning for the elimination of various obsolete factors regarding the Company's architecture and servers;
- oversight of IT incidents (in particular relating to the serious incident that took place in May, reported during the June Board of Directors meeting);
- the response to IVASS, which requested the strategic plans on information and communication technology (ICT), including company cyber security, and ICT policies;
- the acceptance of the Questionnaire requested by IVASS on Information and Communication Technology Security and Governance, also taking into account the Guidelines issued by EIOPA;
- the acceptance of the Information gathering survey requested by IVASS regarding the use of Machine Learning algorithms in the Company's systems.

For the projects:

- the closure of the project (EVODAT) that defined the new Data Management organisational and architectural model for the Company and defined the Information Governance plan for the next three-year period (2022-2024);
- the completion of the first Business Glossary survey by Data Owners for the mapping of the Company's IT Assets;
- the definition of the map of Data Management applications and the appointment of the relative Data Managers for the technical oversight of Information Governance;
- the activation of the Group's Data Platform ("EDP") and the relative roles and rules of use for the Company;
- the activation of Data Worksites on projects under way, for the survey of information requirements and the relative use according to the model established by the Company's Information Governance;
- the migration of the accounting environment (SAP) to the final cloud structure;
- the transition to production of the application for the management of General Accounting and Statutory Financial Reporting (SAP4Hana);
- the continuation of developments to activate and provide input to the module for the production of the new financial statements (FPSL) according to the new IFRS 17/9 accounting standards and the relative preparation of data for the company's DWH;
- the continuation of the implementation of the architecture to support the upgrading of the Finance platform in line with adjustments to the organisational structure and strategic governance objectives (live position-keeping processes, ex-ante monitoring of investment limits and proxies);
- the conclusion of developments for data masking in environments under development and its cancellation in production environments according to GDPR provisions.

For systems release and process optimisation developments:



- the conclusion of the adjustment of the platform used to provide the data for the Solvency II Quarterly reporting and the automation of the Solvency II data feeds to the actuarial system;
- the initiation of the migration of obsolete SW (such as the so-called “Zucchetti Departmentals”);
- the updated release of various systems including the tool for segment III investments, the reinsurance system, the securities accounting system and the budget management system;
- the preparation of a new specific environment for the management and control of Technical Accounting data;
- the evolution and automation of daily information flows of sales statistics for the Parent Company;
- the analysis of an advanced solution for logging data on a cloud platform (Google Cloud Platform) for more secure and efficient management.

For personal equipment:

- Full phase-out of physical telephones, replaced by the Cisco Jabber application. More specifically, with regard to developments of the Information Systems serving the Business, the following are of note:

- Design and development of new unique reporting documents (“DUR”) for adaptation to IVASS Regulation No. 41 of 2 AUGUST 2018.

The regulatory adaptations regarded the following product families:

- Protection products (individual and collective);
- Investment and insurance savings products (IBIP).

The application intervention also called for the implementation of the DUR for the family of multi-segment products placed for the first time starting in 2021. Among the main interventions established by regulations, it is appropriate to mention the introduction of a section dedicated to costs incurred by the customer during the reference year.

- Multi-segment Products: implementation of the most recent after-sales functions that may be activated twelve months after the policy has been activated (e.g., switch between segments, partial surrender segment I, etc.).
- Publication of the new Reserved Area relating to the PIP CREDEMVITA FUTURA and FONDO PENSIONE APERTO CREDEMPREVIDENZA pension products. The new Reserved Area envisages both a strengthening of credentials in the access and LOGIN phase and the presence of user operating functions.
- Placement of the new “CREDEMVITA PROTEZIONE AZIENDE KEY MAN (60105)” protection product dedicated to legal entities to protect the company’s “key men”. The product includes two forms of rates (single premium with decreasing capital, annual premium with constant insured capital), the possibility to suspend insurance coverage at any time and more competitive pricing aligned with the market benchmark.

### a.3. Sales performance

As at 30 June, Credemvita has issued a total of 10,104 new policies (of which one CPI contract) with 14,772 new subscriptions underlying CPI contracts; in the same period of the previous year, new contracts amounted to 8,990 (of which one CPI contracts) with 10,735 new subscriptions.

The details of the new contracts are provided below

Segment	New contracts 30/06/2022	New contracts 30/06/2021
Segment I	8,241	6,627
Segment III	1,055	1,546
Segment V	0	0
Segment VI	808	817
<b>Total</b>	<b>10,104</b>	<b>8,990</b>

The insurance portfolio recorded an increase of 5.1%, rising from 130,915 contracts (of which 21 CPI contracts with 86,572 underlying subscriptions) as at 30 June 2021 to 137,631 contracts (including 20 CPI contracts with 90,798 underlying subscriptions) as at 30 June 2021.

Premiums collected by the Company, before reinsurance, amounted to € 615,443 thousand, down 4.5% compared to € 644,129 thousand premiums collected in the same period of the previous year.

The first half of the year is characterised by declining commercial results compared to the same period of the previous year due to the negative market performance, which did not favour unit linked products (-32.6%), which were not offset by the good performance of products subject to Revaluation (+41.1%).

Gross collections were linked for € 311,625 thousand to segment I and V policies subject to revaluation, an increase compared to the previous year, characterised by gross collections of € 220,889 thousand; € 264,427 thousand refers to Linked products, exclusively related to Unit type policies, down against the previous year, characterised by gross collections of € 392,535 thousand. Policies for coverage in the event of death and credit protection policies recorded premiums of € 17,587 thousand, up significantly by +47% compared to the prior year; the Pension Fund recorded premiums collected of € 21,804 thousand, an increase of +16% against the first half of the previous year.

The income statement recorded a net loss for the period of € 160,111 thousand (€ +13,240 thousand as at 30 June 2021), disclosing a significant decrease.

This increase is mainly due to the following operating events:

- The considerably negative net gain/loss resulting from the valuation of securities;
- The revenues deriving from the Segment III Unit linked policies, Separate and Owned Portfolios, TCM-CPI-CQP and Pension Fund portfolios substantially aligned with the previous year;
- An increased cost base compared to that of the first half of 2021;

The table below illustrates the main balance sheet and income statement items compared to figures as at 31 December and 30 June of the previous year.

**Main balance sheet items (in €/thousand)**

	30/06/22	31/12/21	30/06/21	Var.06/22 12/21
<b>Assets</b>				
Intangible assets	12,295	12,544	10,356	-249
Investments in Group companies and other investees	0	0	0	0
Other financial investments	4,342,640	4,324,921	4,266,252	17,719
Investments benefitting policyholders	3,948,674	4,410,163	4,090,115	-461,489
Technical reserves attributable to reinsurers	19,117	17,489	17,429	1,628
Receivables, other asset items and accruals and deferrals	362,345	438,292	351,034	-75,947
<b>Total assets</b>	<b>8,685,071</b>	<b>9,203,409</b>	<b>8,735,186</b>	<b>-518,338</b>
<b>Liabilities</b>				
Shareholders' equity	170,435	330,547	310,904	-160,112
Subordinated liabilities	105,987	105,900	105,812	87
Technical reserves	4,426,263	4,255,284	4,169,528	170,979
Technical reserves where the investment risk is borne by policyholders	3,948,294	4,409,399	4,089,741	-461,105
Provisions for risks and charges	105	105	133	0
Payables, accruals and deferrals and other liabilities	33,987	102,174	59,069	-68,187
<b>Total liabilities and shareholders' equity</b>	<b>8,685,071</b>	<b>9,203,409</b>	<b>8,735,187</b>	<b>-518,338</b>

### Main income statement items (in € /thousand)

	30/06/22	31/12/21	30/06/21	Var.06/22 12/21
Premiums for the period, net of reinsurance transfers	611,338	1,329,567	641,214	-29,876
Income from investments	68,782	141,567	69,522	-740
Income relating to investments benefiting policyholders	32,625	325,132	193,514	-160,889
Technical income net of reinsurance	9,199	16,052	29,346	-20,147
Charges for claims, net of reinsurance	-401,213	-679,873	-368,943	-32,270
Change in reserves	315,359	-881,221	-445,517	760,876
Reversals and profit-sharing, net of reinsurance transfers	0	0	0	0
Management costs	-11,691	-16,457	-8,483	-3,208
Financial and borrowing costs	-260,548	-57,350	-29,819	-230,729
Costs relating to investments benefiting policyholders	-543,567	-68,966	-31,903	-511,664
Other technical charges, net of reinsurance	-27,673	-55,204	-26,925	-748
(-) Share of profit from investments transferred to the non-technical account	0	-7,738	-3,604	3,604
<b>Result of the technical account</b>	<b>-207,389</b>	<b>45,509</b>	<b>18,402</b>	<b>-225,791</b>
(+) Share of profit from investments transferred from the technical account	0	7,738	3,604	-3,604
Other income and charges	-2,585	-5,381	-2,564	-21
<b>Profit/loss from ordinary operations</b>	<b>-209,974</b>	<b>47,866</b>	<b>19,442</b>	<b>-229,416</b>
Extraordinary income and charges	-369	-474	-284	-84
<b>Profit before tax</b>	<b>-210,343</b>	<b>47,392</b>	<b>19,158</b>	<b>-229,500</b>
Income taxes for the year	50,232	-14,510	-5,917	56,149
<b>Net profit (loss) for the year</b>	<b>-160,111</b>	<b>32,882</b>	<b>13,241</b>	<b>-173,351</b>

### b. Evolution of the insurance portfolio

Production recorded a slight decrease compared to the same half of the previous year, concentrated primarily on segment III products, which account for 53.5% of total premiums; segment III generated premiums for 43.0% of the total; segment VI generated premiums for 3.5% of the total.

The Company's portfolio, with premiums collected during the period amounting to € 615,443 thousand, showed a slight downward trend overall with respect to 30 June 2021, as illustrated in the table below.

Gross premiums on Unit-Linked policies declined in absolute terms by € 128,108 thousand (-33%), while gross premiums on Guaranteed-rate policies rose significantly by € 90,736 thousand (+41%).

The premiums of products with temporary cover in case of death and credit protection policies showed a 47% increase; the Open-end Pension Fund rose by +16%.

**Summary of gross premiums in the first half of the year (in €/thousand)**

Products	30/06/22	30/06/21	% Change
Unit-Linked related to external funds	230,927	342,624	-32.6
Guaranteed-rate policies	311,625	220,889	+41.1
Unit-Linked related to internal funds	33,500	49,911	-32.9
Death cover	17,-587	11,925	+47.5
Pension Funds	21,804	18,780	+16.1
<b>Total</b>	<b>615,443</b>	<b>644,129</b>	<b>-4.5</b>

**c. Trend of claims in the main segments in which the company operates**

The breakdown of the amounts paid and the change in the reserve for amounts to be paid is illustrated in the table below (in €/thousand):

	30/06/22	30/06/21	Change
<i>Claims:</i>			
Segment I	65,657	69,070	-3,413
Segment III	71,832	33,838	37,994
<b>Total claims</b>	<b>137,489</b>	<b>102,908</b>	<b>34,581</b>
<i>Maturity:</i>			0
Segment I	6,957	10,604	-3,647
Segment III	4,996	4,706	290
Segment V	0	0	0
Segment VI	4,042	3,588	454
<b>Total maturity</b>	<b>15,995</b>	<b>18,898</b>	<b>-2,903</b>
<i>Surrenders:</i>			0
Segment I	97,933	86,784	11,149
Segment III	111,283	112,856	-1,573
Segment V	9,115	9,272	-157
Segment VI	8,063	7,800	263
<b>Total surrenders</b>	<b>226,394</b>	<b>216,712</b>	<b>9,682</b>
<b>Annuity (Segment I)</b>	<b>94</b>	<b>75</b>	<b>19</b>
<b>Settlement expenses</b>	<b>73</b>	<b>86</b>	<b>-13</b>
<b>Change in reserve for amounts to be paid</b>	<b>23,728</b>	<b>33,323</b>	<b>-9,595</b>
<b>Claims attributable to reinsurers</b>	<b>-2,437</b>	<b>-2,822</b>	<b>385</b>
<b>Change in reserve for amounts to be paid by reinsurers</b>	<b>-123</b>	<b>-237</b>	<b>114</b>
<b>Total Charges for claims</b>	<b>401,213</b>	<b>368,943</b>	<b>32,270</b>

As shown in the table below, the charges for claims net of reinsurance were up in Segment III, while those for Segment I-V and Segment VI remained basically the same.

If we look at the ratio of claims to premiums, in comparison to the same period of the previous year the figure has deteriorated overall, due primarily to the performance of Segment III.

	30/06/22	30/06/21	Change
Segment I	176,558	175,420	1,137
Segment III	203,055	172,942	30,113
Segment V	9,116	9,272	-156
Segment VI	12,483	11,309	1,174
<b>Total Charges for claims</b>	<b>401,212</b>	<b>368,943</b>	<b>32,268</b>
<b>Ratio of claims to premiums:</b>			
Segment I	55.10%	78.89%	
Segment III	76.79%	44.06%	
Segment V	194.65%	123.09%	
Segment VI	57.25%	60.22%	
<b>Ratio of claims to premiums</b>	<b>65.63%</b>	<b>57.54%</b>	

**d. Performance of insurance business carried out under the freedom to provide services and through secondary offices in EU countries or members of the European Economic Area and in third countries**

The company does not have any business abroad.

**e. Fundamental aspects of the reinsurance policy with specific regard to changes in the most significant types of reinsurance adopted**

As of today, the company has only implemented techniques to mitigate the risk of death by purchasing reinsurance coverage, whose purpose is to help guarantee the technical balance, reduce the volatility of the economic results and contain the risk assumed by the company.

The aim of using the reinsurance service is to make the amount of capital at risk held by the company for every policy holder so that exceptional events relating to or claims by policy holders with significant insured amounts do not generate impacts as such to put the company's solvency at risk.

At the valuation date, the company has two "risk premium" reinsurance treaties in place with the company Münchener Ruck Italia S.p.A., and a reinsurance treaty with commercial premiums in place with the Reinsurance Company RGA.

Reinsurance treaties are renegotiated annually to make it possible to continuously structure the reinsurance coverage based on the company's changed risk coverage needs.

**f. Research and development and the main new insurance products introduced into the market**

- During the first half of the year, the Company finalised the development activities launched in 2021 on the temporary death cover for "Credemvita Protezione Aziende Key Man" companies, which began being placed in February. With a view to flexibility and ensuring an offer as best suited as possible to customer needs, the product allows a choice between two different forms of cover (constant or decreasing capital) and envisages reimbursement of any premium not used in the event of early settlement of the contract.
- Protection development activities concentrated on private loan CPI products. In particular, a study was launched on the revision of the "Avvera Protezione Mutuo Credemvita" and "Protezione Mutuo Credemvita" rates. Together with the comparison with the sales networks, the activity adopted benchmark analysis of product and price characteristics against the main bancassurance competitors. The release of the new rates will be proposed in the second half of the year.
- The Company also relied on an analysis of the strategic positioning of the offer with respect to the main bancassurance competitors, with a view to understanding the points of strength and areas for improvement of the product catalogue, to incorporate market trends and innovation tips useful for future developments.

#### g. Fundamental aspects of the investment policy and returns achieved

As regards class “C”, the investment policy continued to favour Government bonds (74% of the portfolio against 76% as at 31/12/21), in particular Italian Government bonds represent the main component of the total portfolio. The corporate bond component (9.2% of the portfolio compared to 8.4% at 31/12/21) and the mutual fund and SICAV component (16.7% of the portfolio compared to 15.6% at 31/12/21) remained stable. Essentially all of the corporate bonds in separate management portfolios have been issued by “investment grade” issuers and are highly liquidable. As regards class “D”, the investment policy was consistent with the characteristics of Unit-Linked internal and external funds and with the regulation of the open-end pension fund “Credempresidenza”.

The following table summarises the distribution of the investments belonging to class “C” of the Balance Sheet (amounts in €/thousand), compared to 31 December of the previous year:

Investment type	30/06/2022	%	31/12/2021	%	% Change
Government bonds	3,215,636	74.0%	3,284,828	76.0%	-2.1%
Bonds	399,197	9.2%	365,199	8.4%	9.3%
Mutual funds and SICAVs	727,155	16.7%	673,712	15.6%	7.9%
Premiums from options to be exercised	652	0.0%	1,183	0.0%	-44.9%
<b>Total</b>	<b>4,342,640</b>	<b>100.0%</b>	<b>4,324,922</b>	<b>100.0%</b>	<b>0.4%</b>

The difference between accounting values and spot market values as at 30 June is as follows (in €/thousand):

Investment type	Book value	Present value	Difference
Government bonds	3,215,636	2,998,806	-216,830
Bonds	399,197	391,494	-7,703
Mutual funds and SICAVs	727,155	741,689	14,534
Derivatives	652	717	65
<b>Total</b>	<b>4,342,640</b>	<b>4,132,706</b>	<b>-209,934</b>

The distribution of investments relating to Unit-Linked policies as at 30 June is shown below (amounts in €/thousand):

Investment type	30/06/2022	%	31/12/2021	%	% Change
Government bonds and bonds	68,155	1.9%	34,501	0.9%	97.0%
Mutual funds and SICAVs	3,437,679	96.5%	3,920,048	98.2%	-12.3%
Derivatives	0	0.0%	0	0.0%	
Liquidity and other assets	56,207	1.6%	35,334	0.9%	59.1%
<b>Total</b>	<b>3,562,042</b>	<b>100.0%</b>	<b>3,989,883</b>	<b>100.0%</b>	<b>-10.7%</b>

These investments are recognised at market prices as at 30 June.

With reference to the 4 sub-funds of the internal “Futura” PIP funds, the book value of the financial instrument categories compared with the previous year is reported below.

Investment type	30/06/2022	%	31/12/2021	%	% Change
Government bonds and bonds	3,310	27.6%	2,754	22.8%	20.2%
Mutual investment funds	7,469	62.4%	8344	69.1%	-10.5%
Liquidity and other assets/liabilities	1,198	10.0%	970	8.0%	23.7%
<b>Total</b>	<b>11,977</b>	<b>100.0%</b>	<b>12,068</b>	<b>100.0%</b>	<b>-0.7%</b>

These investments are recognised at market prices as at 30 June.

The distribution of investments relating to the open-end pension fund "Credemprevidenza" is shown below (amounts in €/thousand):

Investment type	30/06/2022	%	31/12/2021	%	% Change
Government bonds and bonds	194,194	194,194	203,579	49.9%	-4.6%
Shares	131,567	131,567	161,584	39.6%	-18.6%
Mutual investment funds	32,688	32,688	34,123	8.4%	-4.2%
Liquidity and other assets/liabilities	16,207	16,207	8,828	2.2%	83.6%
<b>Total</b>	<b>374,656</b>	<b>374,656</b>	<b>408,114</b>	<b>100.0%</b>	<b>-8.2%</b>

These investments are recognised at market prices as at 30 June.

#### **h. Effects on the representation of the economic result if, under exceptional circumstances, different standards are adopted with respect to those used at the time of drafting the last set of financial statements.**

The company has not adopted different standards with respect to those used at the time of drafting the last set of financial statements.

#### **i. Illustration of the main equity and economic relations with Group companies and other investees. Indication of the number and par value of the own shares and those of the parent company held by the company**

The subscribed and paid up share capital amounts to € 121,600,044, divided into 23,565,900 shares with a nominal value of € 5.16 each. At present, the share capital is held in its entirety by Credito Emiliano S.p.A., which is therefore the direct parent company.

Various transactions have been entered into with Credem Group companies on an arm's length basis: commercial agreements for the distribution of insurance products; current account agreements; agreements for the retrocession of management commission on UCITs; securities deposit and portfolio management agreements; planning and capital management activities; real estate leasing; payroll and salary services; various consulting and corporate secretary services; postal services; process analysis and internal audit consulting services; personnel secondment; compliance and risk management service; IT services and agreements regarding the use of the digital platforms of the Credem Group and support services in "Fund Selection" activities relating to multi-segment policies.

The company does not control other companies and it has no equity investments in other companies.

The company does not hold own shares either directly or through third parties or trust companies. During the period, it has not purchased or sold own shares either directly or through third parties or trust companies.

The following revenues generated by dealings with Group companies and investees pertain to the first half of the year: interest income on current accounts for € 1 thousand, recovery of expenses for seconded personnel for € 348 thousand; revenues from Credemassicurazioni S.p.A. were also accrued in the period for various services provided (administrative and accounting, organisational and



governance, network support and marketing, general services and logistics control) for € 182 thousand.

The following costs relating to dealings with Group companies and investees referred to the first half-year period: maintenance fees and commissions for € 30,296 thousand, management and delegation charges of € 141 thousand, interest expense on current account credit balances for € 456 thousand, bank charges of € 39 thousand, in addition to IT support and technological outsourcing services, rent payables and condominium expenses, mailing services, expenses for seconded personnel, other services including Credem services relating to anti-money laundering, compliance and risk management controls, € 275 thousand for support services provided by Euromobiliare Advisory Sim S.p.A. (controlled by Credito Emiliano) for the use of group digital platforms and for selection and advisory activities relating to dedicated internal funds and concerning multi-segment policies.

For an illustration of the main equity relations with Group companies and other investees, please refer to point 1 of Part C - Notes to the Balance Sheet in this report.

**j. Significant events after the end the of interim period that might significantly affect the balance sheet and financial situation or the economic result**

The company constantly monitors the situation and any conditions involving a deterioration in the financial markets where these impact its solvency and will take any other strengthening actions needed to guarantee an adequate level of capitalisation, also under significant stress conditions.

**k. General comments on business performance from the end of the half-year period and expected results for the current year**

In continuity with recent years, from the moment the health emergency emerged and with the start of the war in Ukraine, the Company continues to closely monitor the evolution of the situation and the consequent exceptional and extraordinary volatility of the markets, carefully observing the main operational, commercial, economic, financial and solvency indicators. Therefore, also for 2022, the rolling forecasting process that continuously reperforms the forecast expected for year-end continues to be used.

The data obtained and relating to the latest quarterly forecast available at the date of the transmission of this report (which take account of the final balances as at 30 June 2022) suggest that the year will close with premiums collected of around € 1,157,000 thousand (€ 1,334,341 thousand as at 31 December 2021) as defined as part of the forecast process approved by the Board of Directors.

On the economic front, a decreased profit is forecast as at 31 December 2022, compared to the one recorded at the end of the previous year, due mainly to the negative gain/loss balance, which deteriorated significantly compared to the negative figure registered at the end of the previous year.

Lastly, the overall structure of the securities portfolio is expected to vary in line with the premiums collected and claims paid, while its asset allocation is not expected to change significantly.

**l. Amount of gross premiums written and of reinsurance premiums paid.**

The breakdown of gross premiums written by segment, with an indication of the reinsurance premiums paid and the amount of the gross premiums related to direct business, is summarised in the table below (amounts in €/thousand):



**Gross premiums written for direct business**

Segment	Gross premiums written	Gross premiums for direct business	Reinsurance premiums paid
Segment I	324,529	324,529	-4,105
Segment III	264,428	264,428	
Segment V	4,683	4,683	
Segment VI	21,804	21,804	
<b>Total</b>	<b>615,444</b>	<b>615,444</b>	<b>-4,105</b>

**Reinsurance premiums paid**

Segment	30/06/22	30/06/21	Change
Segment I	4,105	2,915	1,190
<b>Total</b>	<b>4,105</b>	<b>2,915</b>	<b>1,190</b>

The company does not have any indirect business.

**m. Change in the premium reserve in non-life segments**

The company only operates in the life insurance sector.

**n. Claims paid and change in the claims reserve in non-life segments**

The company only operates in the life insurance sector.

**o. Income and costs relating to investments**

The table below shows the income and the costs relating to investments (in €/thousand) compared with the figures for the same period of the previous year:

**Class C**

Item	30/06/22	30/06/21	Change
<i>Income from investments:</i>			
Income from investments	49,217	40,801	8,416
Write-backs on investments	4,201	4,344	-143
Profit on investment disposals	15,364	24,377	-9,013
<b>Total income from investments</b>	<b>68,782</b>	<b>69,522</b>	<b>-740</b>
<i>Financial and borrowing costs:</i>			
Investment management costs and interest expense	-9,315	-9,282	-33
Value adjustments on investments	-246,119	-16,602	-229,517
Losses on investment disposals	-5,114	-3,935	-1,179
<b>Total financial and borrowing costs</b>	<b>-260,548</b>	<b>-29,819</b>	<b>-230,729</b>

**Class D (Unit-Linked and Index-Linked)**

Item	30/06/22	30/06/21	Change
<i>Income from investments:</i>			
Income from investments	1,152	840	312
Gains on valuations	5,748	148,488	-142,740
Profit on investment disposals	3,207	14,089	-10,882
Income from allocation of shares	1,034	935	99
<b>Total income from investments</b>	<b>11,141</b>	<b>164,352</b>	<b>-153,211</b>
<i>Financial and borrowing costs:</i>			
Investment management costs and interest expense	4,048	4,632	-585
Losses on valuations	415,341	6,743	408,599
Losses on investment disposals	58,463	6,744	51,719
Commission on units	0	0	0
<b>Total financial and borrowing costs</b>	<b>477,852</b>	<b>18,119</b>	<b>459,733</b>

**Class D (PIP)**

Item	30/06/22	30/06/20	Change
<i>Income from investments:</i>			
Income from investments	65	44	21
Gains on valuations	0	613	-613
Profit on investment disposals	0	0	0
<b>Total income from investments</b>	<b>65</b>	<b>657</b>	<b>-592</b>
<i>Financial and borrowing costs:</i>			
Investment management costs and interest expense	106	86	20
Losses on valuations	1,540	70	1,477
Losses on investment disposals	3	1	2
<b>Total financial and borrowing costs</b>	<b>1,649</b>	<b>157</b>	<b>1,499</b>

**Class D (Pension Fund)**

Item	30/06/22	30/06/21	Change
<i>Income from investments:</i>			
Income from investments	13,793	4,339	9,454
Gains on valuations	114	2,950	-2,836
Profit on investment disposals	7,512	21,215	-13,703
<b>Total income from investments</b>	<b>21,419</b>	<b>28,504</b>	<b>-7,085</b>
<i>Financial and borrowing costs:</i>			
Investment management costs and interest expense	2,296	6,164	-3,868
Losses on valuations	60,038	6,694	53,344
Losses on investment disposals	1,732	769	963
<b>Total financial and borrowing costs</b>	<b>64,066</b>	<b>13,627</b>	<b>50,439</b>

**p. Extraordinary income and charges**

The table below shows extraordinary income and charges (in € /thousand) compared with the figures for the same period of the previous year:

	30/06/22	30/06/21	Change
<i>Extraordinary income</i>			
Contingent assets	6	7	-1
Profits on disposal of bonds and other long-term fixed-income securities	0	0	0
Income from disposal of durable goods	0	0	0
Other extraordinary income	0	0	0
<i>Total extraordinary income</i>	<b>6</b>	<b>7</b>	<b>-1</b>
<i>Extraordinary charges</i>			<b>0</b>
Contingent liabilities	-15	-11	-4
Losses on disposal of bonds and other long-term fixed-income securities	-321	-279	-42
Losses from disposal of durable goods	0	0	0
Other	-43	-1	-42
<i>Total extraordinary charges</i>	<b>-379</b>	<b>-291</b>	<b>-88</b>

**q. Illustration of the influence on the economic situation of transactions for significant amounts, regarding the transfer of securities from one segment (long-term or shorter-term) to the other, namely the early disposal of securities classified as long-term, of an exceptional and extraordinary nature**

No early disposals or transfers of securities to durable securities were carried out during the period.

The following corporate securities classified as long-term were redeemed early.

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**r. Illustration of the results recorded in the half year for transactions in derivative financial instruments, with reference to the various product categories and with an indication of the transactions completed and those still underway.**

The results achieved during the year for derivative financial instruments transactions are broken down by Class.

Class C	Income from sale	Loss on sale	Losses/Recoveries in financial statements	Latent gains/losses
<b>CLOSED TRANSACTIONS:</b>				
Futures on currency	72	-166		
Options on futures	57	-1,362		
Options on indexes	1,395	-888		
<b>Total</b>	<b>1,524</b>	<b>-2,416</b>		
<b>OPERATIONS CURRENTLY UNDER WAY:</b>				
Futures on currency			-120	184
Options on futures			-613	
<b>Total</b>			<b>-733</b>	<b>184</b>

Class D	Income from sale	Loss on sale	Losses/Recoveries in financial statements	Latent gains/losses
<b>CLOSED TRANSACTIONS:</b>				
Options on indexes	13	-361		
<b>Total</b>	<b>13</b>	<b>-361</b>		

All transactions in derivative financial instruments were carried out for efficient management purposes.

#### Other income statement items

The item “Other technical income” consists of the following:

“Other technical income”	30/06/22	30/06/21	Change
Retrocessions on commission for subscriptions of Mutual funds and SICAVs	923	816	107
Other Unit-Linked policy management commissions relating to external funds	1,858	21,659	-19,801
Other Unit-Linked policy management commissions relating to internal funds	4,136	3,874	262
Other Pension fund management commissions relating to internal funds	2,266	2,163	103
Overperformance commissions relating to Unit-Linked policies	0	824	-824
Income for withdrawal rights	3	0	3
Other technical income	13	10	3
<b>Total</b>	<b>9,199</b>	<b>29,346</b>	<b>-20,147</b>

The “Retrocessions on commission for subscriptions of Mutual funds and SICAVs”, relating to Unit-Linked policies related to external funds, were recognised to policy holders, in accordance with the law and contractual conditions.

The item “Other technical charges” consists of the following:

“Other technical charges”	30/06/22	30/06/21	Change
Bank charges for portfolio management	142	133	9
Cancellation of backdated premiums from previous years	206	178	28
Retrocessions on commission paid to policyholders	997	862	135
Maintenance commissions	25,973	25,494	479
Other charges	258	250	8
Interest on payables due to reinsurance companies	0	8	-8
<b>Total</b>	<b>27,576</b>	<b>26,925</b>	<b>651</b>

As shown in the table above, technical charges remained essentially flat YoY, the growth in bank charges is in contrast with the decrease in retrocessions on commission paid to policyholders and maintenance commissions: this decrease is related to the negative trend in Segment III premiums collected.

#### s. Information relating to exemption from the obligation to prepare consolidated financial statements pursuant to Articles 96 and 97 of the Decree and Article 21 of ISVAP Regulation No. 7 dated 13 July 2007

As the circumstance set forth in Articles 19 and 20 (title III) of ISVAP Regulation No. 7 of 13 July 2007, which refer to Articles 95 and 96 of Legislative Decree No. 209 of 7 September 2005, does not exist, Credemvita S.p.A. is not required to prepare annual consolidated financial statements or a consolidated half-yearly report.

The company has no equity investments and it does not directly or indirectly control other companies.

**t. Indication of any advances on dividends paid or resolved upon**

No advances on dividends have been resolved upon.

**Relations with shareholders**

The company is controlled by a sole shareholder, Credito Emiliano SpA. Therefore, the company is subject to management and coordination pursuant to art. 2497 of the Italian Civil Code by Credito Emiliano SpA.

As indicated previously, as at 30 June, the fully paid-up Share Capital amounted to € 121,600,044.

Reggio Emilia, 02 August 2022

The General Manager

Ms Rossella Manfredi