ANIMA Holding S.p.A.

Report on operations and Consolidated Financial Statements as at 31 December 2019

ANIMA

This Consolidated Financial Statements has been translated into the English language solely for the convenience of international readers.

ANIMA HOLDING S.p.A.
Milan – Corso Garibaldi, 99
Tax ID and VAT registration no. 05942660969
REA Milan no. 1861215
Share capital €7,291,809.72 fully paid up

CORPORATE OFFICERS

BOARD OF DIRECTORS

CHAIRMAN
Livio Raimondi (independent)

CHIEF EXECUTIVE OFFICER
Marco Carreri

DIRECTORS
Antonello Di Mascio
Maria Patrizia Grieco (independent)
Guido Guzzetti (independent)
Karen Sylvie Nahum (independent)
Francesca Pasinelli (independent)
Francesco Valsecchi (independent)
Gianfranco Venuti

GENERAL MANAGER
Alessandro Melzi d'Eril

FINANCIAL REPORTING OFFICER
Enrico Maria Bosi

BOARD OF AUDITORS

CHAIRMAN
Mariella Tagliabue

STANDING AUDITORS
Tiziana Di Vincenzo
Antonio Taverna

AUDIT FIRM
Deloitte & Touche S.p.A.

Consolidated report on operations

Shareholders,
We submit for your approval the consolidated financial statements of the Anima Group (the "Group"), the leading independent asset management operator in Italy.
The year ended with a net profit of about €145.8 million.
The Anima Group is active in the formation, development, promotion and management of financial products under the Anima and Gestielle brands, as well as the provision of individual portfolio management services to retail and institutional customers. At 31 December 2019 the Anima Group had more than €185.7 billion in assets under management.

The Group's Parent Company is Anima Holding S.p.A. ("Anima Holding", "Parent Company", "Issuer" or "Company"), which has been attributed the management and strategic coordination role for the Group and is listed on the electronic stock market (*Mercato Telematico Azionario*) organized and operated by Borsa Italiana S.p.A..

The scope of consolidation at 31 December 2019 includes the following fully consolidated companies, in addition to the Parent Company, Anima Holding:

- Anima SGR S.p.A. ("Anima SGR") – 100% direct control
- Anima Asset Management Ltd ("Anima AM Ltd") – 100% indirect control

In compliance with the provisions of Legislative Decree 38 of 28 February 2005, the Anima Group has prepared its consolidated financial statements in accordance with the IAS/IFRS and on the basis of "Instructions for the preparation of the financial statements of IFRS financial intermediaries other than banks" ("Instructions") issued by the Bank of Italy on 30 November 2018 in the exercise of its powers under Article 43 of Legislative Decree 136/2015.
The recognition and measurement policies adopted in preparing the consolidated financial statements at 31 December 2019 are the same as those used in preparing the consolidated financial statements for 2018, as well as the accounting standards endorsed by the European Union that have taken effect as from 1 January 2019, and in particular "IFRS 16 - Leases".
As from 1 January 2019, the new IFRS 16 has replaced IAS 17 "Leases" and related interpretations (IFRIC and SIC) and governs the requirements for accounting for leases.
The new standard requires identifying whether a contract is (or contains) a lease, based on the concept of control over the use of an identified asset for a period of time. It follows that rental, free loan contracts or similar agreements, previously not qualifying as leases, also fall within the scope of application of the new standard.
The application of the new standard has led to significant changes in the way leases are accounted for in the financial statements of the lessee/user. The new approach provides for the recognition of the right to use an asset in the balance sheet as a right-of-use asset and the recognition of a lease liability for lease payments still to be paid to the lessor.
In impact of first-time application of IFRS 16 is discussed in the "Notes to the consolidated financial statements – Part A Accounting policies – A1 General information – Section 1 - Declaration of conformity with the international accounting standards - Initial application of IFRS 16" in the consolidated financial statements at 31 December 2019, which readers are invited to consult for further information.

GENERAL OPERATIONAL ENVIRONMENT

Macroeconomic conditions

In 2019, the macroeconomic environment was characterized by a slowdown in growth and declining inflation, in both the United States and Europe.
The international outlook for the short and medium term was burdened by numerous factors, including: geo-political tensions and protectionist measures, a decline in investment and production worldwide, a slowdown in the automotive industry and, more generally, weakness in manufacturing. All these developments eroded confidence and increased the vulnerability of the markets.
In response to concerns about the deterioration in economic conditions, the central banks (first and foremost the Federal Reserve and the European Central Bank) took expansionary action with a significant monetary easing.
In the United States, economic indicators provided mixed signals, but generally indicate a slowdown in the economy and domestic growth, given the decline in investment and the persistence of short-term risks. By contrast, consumption and the labor market remain strong. Earlier signs of a deceleration had prompted the Federal Reserve to revise its GDP forecasts downwards, while inflation, after displaying periods of weakness, was low but not far from the central bank's target.
The Fed had already taken a decidedly expansionary and accommodative stance at the start of 2019, declaring that it did not expect to make rate increases in 2019. After monitoring developments in trade and inflation, the Fed took steps to support the US economic expansion by lowering its target for the federal funds rate by a quarter of a point to a range of 2%-2.25% at the FOMC meeting on 31 July and, after injecting abundant liquidity into the short-term funding market, made two further rate cuts, each of 0.25%, at the FOMC meetings on 18 September and at the end of October, ultimately bring the rate target to 1.50%-1.75%. Following the rate cut at the end of October, the current expansionary stance was considered appropriate, with a moderately positive outlook for the economy.
In Europe, the ongoing slowdown, which is mainly attributable to a progressive decline in foreign demand and the weakness of international trade and the manufacturing sector, has caused investment to slow and industrial production to contract. The IMF forecasts showed downward revisions in growth projections for the euro area, which were then confirmed by the autumn forecasts of the European Commission. Year-on-year GDP growth was put at 1.2%, while the unemployment rate came to 7.5%.
Downside risks, evidence of persistent weakness of the European economy and modest inflation expectations that diverged significantly from the long-term target prompted the European Central Bank to intervene, reversing its process of normalizing monetary policy with the postponement of any rate increase beyond the first half of 2020 at the soonest and the implementation of expansionary measures. The measures taken provided for the reinvestment of principal payments from maturing securities, the extension of short-term operations and the renewal of refinancing operations for banks, and the resumption of quantitative easing measures as from November for at least one year.
The interest rate on the deposit facility was reduced by 0.10% at the ECB's meeting of 12 September 2019, bringing it to -0.50%. Even after the change in the leadership of the ECB from Draghi to Lagarde, who took charge at the beginning of November, the central bank confirmed the continuation of its expansionary and accommodative line of action.
The forecasts of essentially zero growth for Italy (the GDP growth already achieved in 2019 was 0.3%) are consistent with the ongoing weakness, which has been reflected in the decline in output in industry. The European Commission kept Italy in its group of Member States with significant macroeconomic imbalances. Although the activation of an excessive deficit procedure by the European Commission was averted and the government crisis in the summer was resolved, the challenges of finding sustainable solutions to correct the trajectory of the fiscal situation and to gradually reduce the debt/GDP ratio remained.
In the United Kingdom, following the failure of the compromise agreement and the resignation of Prime Minister May, the intransigence of the Government of the Conservative Premier Johnson clashed with opposition in Parliament. Westminster had called for a postponement of Britain's exit from the European Union if no deal was reached for a further three months (to 31 January 2020). The

last-minute agreement between the EU and the British government and the new elections held on 12 December first reduced and then avoided the risk of a Brexit without agreement. The withdrawal of the United Kingdom was ratified towards the end of January 2020.
Economic activity in Japan remains sluggish and growth forecasts have been revised down. Despite the resilience of domestic consumption, business investment is expected to gradually slow down in response to the weakness of foreign demand. Unemployment is at 2.4%, a 20-year low. The outlook remains uncertain due to the fall in exports, in particular those to China.
The IMF's growth forecasts for the emerging economies (+3.9% in 2019, +4.6% in 2020) are decidedly higher than its outlook for the developed countries. The focus remains mainly concentrated on the apparently benevolent developments in trade relations between China and the United States, and on the involvement of the main players in the East.
In the financial markets, the significant global monetary easing fueled a broad appreciation of the various investment asset classes. The global share index posted strong growth in local currency terms (close to +25%), while volatility was generally limited. Government securities (both the global index in local currency and the euro-area index), corporate bonds and emerging market issues also showed gains that rose as risk increased, reflecting the year-on-year decline in interest rates and the compression of spreads. The euro/dollar exchange rate also fell.
The forecasts for global economic developments and growth remain affected by the evolution of trade relations and by the ambiguous evidence offered by the flow of macroeconomic data. However, positive signals have arrived with the easing of geo-political tensions could support the recovery of economic activity and trigger an improvement in economic conditions. The future direction of the markets will continue to be influenced by developments in global economic growth, trade policies, relations between the main global players (United States, China and Europe in particular) and periodic revisions of corporate earnings.
As we know, beginning in January 2020, first abroad and subsequently at the national level, the scenario been disrupted by the spread of the coronavirus (COVID-2019) epidemiological emergency and the consequent restrictive measures put in place to contain the epidemic by the public authorities of the countries concerned. These circumstances, extraordinary in their nature and scope, are having direct and indirect repercussions on economic activity and have created an environment of general uncertainty, the evolution of which and the related effects are cannot be foreseen.

Asset management

In 2019, the Italian asset management industry posted very strong performance: according to provisional data released by the Assogestioni Research Department, asset managers registered net funding for the year of about €73.5 billion, compared with €9.8 billion totaled in 2018. The size of this gain in net funding was significantly influenced by the inclusion of some €53 billion in assets an extraordinary award of management contracts within of the Poste Italiane group.
Assogestioni's provisional figures for the end of 2019 show total assets under management in the Italian market of around €2,288 billion, an increase of approximately €271.3 billion compared with the end of 2018 (€2,016.7 billion).
A considerable contribution to the growth of AUM was made by the positive effect of market performance, with a gain of about 10.0% (in 2018 the market posted a loss of about 3.9%).
Assets invested in collective asset management products amounted to about €1,125.9 billion (€1,013 billion at the end of 2018), while those invested in portfolio management products came to around €1,162 billion (€1,003.6 billion at the end of 2018).

CORPORATE GOVERNANCE AND REMUNERATION POLICIES

Corporate Governance

The organization of Anima Holding is based on a traditional model and complies with applicable regulations for listed issuers.

For a more detailed description of the governance system, please see the "Report on Corporate Governance and Ownership Structure" available on the Company's website in the Governance section, which was prepared on the basis of the provisions of Article 123-bis of the Consolidated Law on Financial Intermediation, under which issuers are required to provide investors each year with a range of information specified in detail in the legislation on ownership structure, the adoption of a code of conduct in corporate governance as well as on the structure and operation of corporate bodies and the governance practices adopted.

Shareholders

As at the date of the approval of the draft financial statements by the Board of Directors, shareholders with major interests in Anima Holding, as determined on the basis of the notifications made pursuant to Article 120 of Legislative Decree 58/98 and other information available to the Company, are as follows: Banco BPM S.p.A. ("Banco BPM") with 14.27%, Poste Italiane S.p.A. ("Poste Italiane" or "Poste") with 10.04%, River and Mercantile Asset Management LLP with 5.05% and Norges Bank with 3.03%. In addition, the Company holds 5.28% of its share capital as treasury shares.

Shareholders' agreements

On 9 November 2017, Banco BPM and Anima Holding had signed, inter alia: (i) a share purchase agreement concerning the sale of 100% of the capital of Aletti Gestielle SGR S.p.A. ("Gestielle SGR") to Anima Holding; and (ii) a framework partnership agreement for the distribution, by the Banco BPM Group, of units in collective investment undertakings (CIUs), asset management products, and units in pension funds of the Anima Group ("Final Agreements"). The Final Agreements contain a number of shareholders' agreements relating to Anima Holding involving a voting agreement and a pact that limits the transfer of financial instruments, relevant pursuant to Art. 122, paragraph 1 and paragraph 5, letter b) of the Consolidated Law.
Recall that Anima Holding and Banco BPM undertook to evaluate, in a constructive spirit and in good faith, amendments to the current Bylaws of the Parent Company to foster greater proportionality and representation of the main shareholders on the Board, while respecting minority rights and, where permitted, a closer alignment of the number of independent directors to be appointed to the Board of Directors with the provisions of the Corporate Governance Code for listed companies. This agreement was to expire at the end of 2018 but was extended to 30 April 2019 and, in any case, to the date of the Shareholders' Meeting called to approve the financial statements at 31 December 2018 of the Company.
Furthermore, subject (i) to the adoption by Anima Holding of language in the Bylaws incorporating the amendments agreed between the parties and (ii) no subsequent amendment of the clauses agreed between the parties in the Bylaws, Banco BPM had undertaken until 30 June 2020 not to transfer and/or sell to third parties (and to ensure that there would be no transfer and/or sale to third parties), other than companies of the Banco BPM Group, directly or indirectly and in any capacity, a number of shares equal to the lesser of (a) 30,782,988 (corresponding to a 9.99% interest in Anima Holding at 20 July 2017) and (b) the number of shares held by the Banco BPM Group on the date Anima Holding adopts the language of the Bylaws incorporating the amendments envisaged to the Bylaws.
The agreed changes to the Bylaws were approved by the Extraordinary Shareholders' Meeting of the Company on 29 March 2019 and registered in the Milan Monza Brianza and Lodi Company Register on 17 April 2019. Consequently, the lock-up commitment of Banco BPM described above involves 30,782,988 shares, corresponding to an interest of about 8.1% of the share capital of Anima Holding.

Organizational structure of Anima Holding

The organizational model of the Parent Company provides for the following corporate bodies:

- Shareholders' Meeting;
- Board of Directors
- Chairman;
- Chief Executive Officer;
- General Manager;

- Board of Auditors;
- Controls and Risks Committee;
- Appointments and Remuneration Committee;
- Related Parties Committee.
- Financial Reporting Officer pursuant to Article 154-bis of the Consolidated Law;
- Supervisory Body pursuant to Legislative Decree 231/2001.

Changes of the corporate officers of Anima Holding

On 13 May 2019, Vladimiro Ceci resigned from his position as member of the Company's Board of Directors due to conflicts with other positions within the Poste Italiane Group. We would like to thank Mr. Ceci for all the work he accomplished for the Group during his time in office.
On 27 May 2019, the Board of Directors of the Company co-opted Antonello Di Mascio, head of Affluent Accounts for Banco Posta, to join the Board of Directors.

Remuneration policies

The Company has adopted a remuneration policy in accordance with Art. 123-ter of Legislative Decree 58 of 24 February 1998 (the Consolidated Law on Financial Intermediation or "Consolidated Law") and with the Corporate Governance Code for listed companies issued by Borsa Italiana S.p.A. ("Corporate Governance Code"), which is described in the Remuneration Report available at www.animaholding.it in the Corporate Governance section, which readers are invited to consult.
With regard to Anima SGR, in the asset management industry, since 2011 with the approval of the Alternative Investment Fund Managers Directive (AIFMD), European law introduced harmonized rules governing remuneration and incentive policies and practices for AIF managers. This regulation was developed further in 2014 with the provisions of the UCITS V Directive (Directive 2014/91/EU) applicable to the management companies of undertakings for collective investment in transferable securities (UCITS).
These European rules on remuneration were transposed at the national level with amendments to the joint Regulation of the Bank of Italy and Consob of 29 October 2007, with the current rules set out in the "Regulation implementing Articles 4-undecies and 6, paragraph 1, letter b) and 2-bis, of the Consolidated Law on Financial Intermediation", governing remuneration and incentive policies and practices for the asset management sector, ensuring a homogeneous framework of rules for UCITS and AIF managers.
In order to ensure compliance with this legislation, the subsidiary Anima SGR has adopted a "Remuneration and Incentive Policy", a summary of which is available at www.animasgr.it.

SIGNIFICANT EVENTS FOR THE ANIMA GROUP

The following significant events occurred in 2019.

Share buy-back program

On 21 December 2018, the Shareholder's Meeting of the Company approved a program to purchase treasury shares pursuant to Articles 2357 and 2357-*ter* of the Italian Civil Code and of Article 132 of the Consolidated Law in order to: (i) make use of treasury shares to support existing and future incentive plans for corporate officers, employees, or other Group associates that involve the use or grant of shares or financial instruments that are convertible into shares; and (ii) establish a securities portfolio to be used, in line with the strategic guidelines of the Company, to support any extraordinary transactions.
The resolution authorized the purchase, in one or more transactions in a freely determinable amount, with a resolution of the Board of Directors, a maximum number of the Company's ordinary shares with

no par value equal to no more than 10% of the share capital, taking account of any treasury shares that may already be held by the Company or held by subsidiaries.
The share buy-back program was initiated by the Company in two phases, the first (see the press release of 8 January 2019) in the period between 9 January 2019 and 23 April 2019 resulted in the purchase on the Mercato Telematico Azionario ("MTA") of 11,401,107 treasury shares, equal to 3% of share capital, for €41,192,258 (excluding costs and/or income associated with the transaction) at an average price of €3.613. Subsequently, on 18 November 2019 (see the press release of 15 November 2019), the share buy-back program was resumed for a further maximum quantity of 11,401,106 ordinary shares of the Company, equal to 3% of share capital in the maximum amount of €50 million, to be completed by 30 April 2020. The purchase of shares, which was still in progress at the date of approval of the consolidated financial statements by the Board of Directors, is being carried out through an authorized intermediary in compliance with the conditions for trading provided for under Article 3 of Delegated Regulation (EU) 2016/1052. Based on the information provided by the authorized intermediary and following the purchases notified, in the period between 18 November and 31 December 2019 the Company purchased 3,994,802 treasury shares.
Therefore, at 31 December 2019 the number of treasury shares purchased by the Company totaled 15,395,909, equal to about 4.05% of the share capital.
Subsequently and up to the date of approval of these consolidated financial statements by the Board of Directors (20 February 2020), the Company purchased an additional 4,676,530 shares, bringing the total number of shares held to 20,072,439, equal to 5.28% of share capital.
The Company published information about the share buy-back program on a weekly basis, providing the number, average price and value of treasury shares purchased on the MTA during the specified period.

Structure of medium/long-term debt
In October 2019, the Company restructured its existing medium/long-term bank debt, equal to a total of €596.1 million at 30 June 2019 (of which €481.1 million falling due in November 2022 and €115 million in March 2024). The loan was obtained by Anima Holding on 9 November 2017 and was subsequently modified on 5 March 2018 (the "Outstanding Loan").
More specifically, on 23 October 2019, the Company issued a non-convertible senior unsecured bond (the "Bond") with a nominal value of €300 million with a maturity of 7 years. The Bond was issued at a price of 99.459%, with a fixed annual interest rate of 1.75% (see the press release of 17 October 2019). The bond raised a net €298.4 million for Anima Holding. The Bond was restricted to qualified investors in Italy and abroad, excluding the United States and other selected countries. The Bond was listed on the multilateral trading system, as defined pursuant to Directive 2014/65/EU (multilateral trading facility, or MTF), denominated "Global Exchange Market", operated by Euronext Dublin. The Bond was rated BBB by Fitch Ratings Ltd.
The placement of the Bond was handled by Morgan Stanley & Co. International Plc, Banca Akros S.p.A. - Banco BPM Group, Mediobanca - Banca di Credito Finanziario S.p.A. and MPS Capital Services Banca per le Imprese S.p.A..
In addition, on 10 October 2019, the Company obtained a medium/long-term credit line in the maximum amount of €300 million (see the press release of 17 October 2019), granted by a pool of banks (Banca Monte dei Paschi di Siena S.p.A., Banco BPM S.p.A., Mediobanca - Banca di Credito Finanziario S.p.A., Credito Valtellinese S.p.A. and Banca Popolare di Puglia e Basilicata ScpA). This credit line was drawn on 24 October 2019 in the amount of €297 million (the "New Loan").
The New Loan falls due 5 years from the signing date and bears an annual interest rate equal to 6-month Euribor plus a spread of 1.5% (150 bps). Among other things, the new loan agreement provides for the subscription, within 90 days of disbursement, of interest rate swaps ("IRSs") to hedge the risk of changes in Euribor (the benchmark rate for the New Loan) on at least half of the amount disbursed. It should be noted that the IRS derivatives were signed on 17 January 2020, taking effect on 21 January 2020 and expiring on 10 October 2024, with a notional value of €148.5 million.
Both the amounts raised with the issue of the Bond and the amount disbursed with the New Loan were used on 23 and 24 October to extinguish the Outstanding Loan.

In addition, also on 24 October 2019, the Company terminated the IRS contracts hedging the Outstanding Loan.

Business Plan
On 20 December 2019, the Company's Board of Directors approved the 2020-2024 Group Business Plan ("Business Plan"), which, by leveraging a series of competitive advantages accumulated over time by the Anima Group, envisages the growth of assets under management and improved performance indicators over time, thank is part to following strategic initiatives:

- commercial development, including through the use of strategic partnerships;
- the expansion of the Group's product range and a review of the products already offered, in particular following the extraordinary operations conducted over the years by the Company;
- further strengthening of product management and distribution skills, also in consideration of the forecast expansion of the technological contribution;
- the implementation of Environmental, Social, Governance ("ESG") criteria within the investment process and the product range;
- entry into the alternative "illiquid" product market.

LTIP
On 26 June 2019, the grant of the residual units of the 2018-2020 Long-Term Incentive Plan (the "Plan", or "LTIP") approved by the Ordinary Shareholders' Meeting of Anima Holding on 21 June 2018 was completed. The Plan is directed at employees of the Company and its subsidiaries who perform key functions and roles within the Group (the "Beneficiaries") was completed.
On 20 December 2019, the Company's Board of Directors approved, in the light of the economic projections in the Business Plan, a revision of the estimate of the units that can be exercised under the LTIP. The revision of the probability of meeting the operating conditions altered the cumulative cost of the Plan and, consequently, the recognition in Group profit or loss a positive change from previous estimates, as well as lower costs pertaining to the current year compared with initial estimates.
Please see the notes to the consolidated financial statements, "Part A - Accounting policies – A.2 Main items of the consolidated financial statements – Share-based payments – LTIP" of the consolidated financial statements at 31 December 2019 for further details.

Group companies
Effective 1 January 2019, the subsidiary Anima SGR was appointed Management Company of the Irish SICAV Anima Funds Plc ("Anima SICAV"); until 31 December 2018, Anima SICAV had delegated the management of its sub-funds to Anima AM Ltd.
In addition, on 28 June 2019, the subsidiary Anima SGR exercised the option to adjust the tax values of assets to their higher carrying amount ("Discharge of tax liability") in relation to the goodwill recognized at the time of the allocation of the purchase price in the demerger of the business unit (the "Demerged Business") from BancoPosta Fondi SGR S.p.A. ("BancoPosta") in November 2018. The option was exercised by paying a tax in lieu of 16% of the increase in values from the adjustment (about €7.1 million) and entailed the recognition of deferred tax assets in an amount equal to the expected benefit from the future tax deductibility of goodwill (in the amount of about €13.1 million).

TRANSACTIONS WITH RELATED PARTIES

Procedure for Related-Party Transactions
The Company, in compliance with applicable regulations, has adopted a Procedure for Related-Party Transactions (the "Procedure").
The Procedure, in implementation of the Consob regulation on related parties (Resolution no. 17221 of 12 March 2010 as amended), ensures the transparency and the substantive and procedural fairness of transactions with related parties carried out directly or through subsidiaries. More specifically, it governs the following aspects:

- the role and duties of the Related Parties Committee;
- the identification of related parties;

- the identification of related-party transactions;
- the process of assessing, approving and reporting to corporate bodies of transactions with related parties;
- market disclosure of transactions with related parties.

The Procedure is available on the website of Anima Holding at www.animaholding.it, Investor Relations – Corporate Governance section.

Transactions of greater importance

On 10 October 2019, the Parent Company obtained a medium/long-term credit line in the maximum amount of €300 million from a pool of banks (Banca Monte dei Paschi di Siena S.p.A., Banco BPM S.p.A., Mediobanca - Banca di Credito Finanziario S.p.A., Credito Valtellinese S.p.A. and Banca Popolare di Puglia e Basilicata ScpA), which qualified as a related party transaction of greater importance, since, at the date the credit line was agreed, Banco BPM - one of the lending banks - held 14.27 % of the share capital of Anima Holding and consequently, in accordance with applicable law and regulations, the transaction was approved by the Parent Company's Board of Directors, subject to obtaining a favorable opinion from the Related Parties Committee.
Pursuant to Article 5 and in accordance with the schedule set out in Annex 4 of the Regulation adopted by Consob with Resolution no. 17221 of 12 March 2010, as amended, as well as Article 13 of the Procedure for Related Party Transactions approved on 13 March 2014 (as amended on 8 March 2017) by the Board of Directors of Anima Holding, the Parent Company has prepared the Information Document which was published on 17 October 2019 on the Anima Holding website at www.animaholding.it.

Transactions of lesser importance

On 23 October 2019, the Parent Company issued the Bond, which qualifies as a transaction of lesser importance since, together with Morgan Stanley & Co. International Plc, MPS Capital Services Banca per le Imprese S.p.A. and Mediobanca, the consortium of placement agents included, even if not as the lead, Banca Akros S.p.A., a subsidiary of Banco BPM, which, at the date of the transaction, held 14.27% of the share capital of Anima Holding. Pursuant to applicable law and regulations, the transaction was approved by the Parent Company's Board of Directors, subject to obtaining a favorable opinion from the Related Parties Committee.
Note that the Related Parties Committee opted to issue a single opinion for the transaction involving the New Loan and that related to the Bond, in view of the interdependence of those transactions, considering them as a transaction of greater importance. In this regard, please see Information Document published on 17 October 2019 referred to above.

Other significant transactions

With regard to paragraph 8 of Article 5 of the Consob regulation concerning the periodic reporting of transactions with related parties, during the period no other transactions of "greater importance" or "lesser importance" were carried out with related parties.
No atypical or unusual transactions were carried out.

Ordinary or recurring transactions

During 2019, the Group carried out transactions, settled on terms and conditions in line with market standards, with the parties identified by the procedures for related party transactions.
Transactions with related parties mainly regarded commercial activities supporting the distribution of the products managed by the Group, the management engagements received, current account deposits for the management of liquidity, bank loans, IRS derivatives connected with the Outstanding Loan, postal services received, as well as the remuneration paid to the members of the Board of Directors of the Group companies originating in Banco BPM and Poste.
For more details on the transactions with related parties carried out during the year, please see "Part D – Other information - Section 6 – Transactions with Related Parties" of the notes the consolidated financial statements at 31 December 2019.

MAIN RISKS AND UNCERTAINTIES

Main enterprise risks

The performance of the Anima Group depends on numerous factors, in particular the performance of the financial products we manage, the ability to offer products that meet the varied investment needs of customers and the capacity to maintain and develop our own customer base and that of the distribution networks through which the Anima Group operates, including through the constant and careful delivery of advisory and assistance services directly to customers and to the units of the distribution networks.

The failure to maintain the quality of our operational management, i.e. the inability to apply that management successfully to new initiatives, could have an adverse impact on the Anima Group's ability to maintain, consolidate and expand its customer base and that of the distribution networks that it uses.

The Group does not have its own distribution network and uses third-party distribution networks for the distribution of its asset management products. This means that these distribution networks also place products promoted by competitors. Furthermore, if third-party placers should transfer a significant part of their distribution network or there are changes in the shareholding and/or governance structures of these placement agents, these events could have an adverse impact on net funding and consequently on the Group's revenues.

The income generated by fund management operations is primarily represented by management and performance fees (where contractually provided for), which account for the majority of the Group's revenue.

Management and performance fees are connected with the market value of assets under management and the results of product management. More specifically, management fees are calculated periodically as a percentage of the assets of an individual product. Any decline in that value, whether due to adverse developments in the financial markets or to net redemptions of funds, could cause those fees to decrease. In addition, long-term agreements with some partners (such as Banco BPM and Poste) contain targets for KPIs that could cause a reduction in assets under management if those targets are not met.

Performance fees, on the other hand, are charged to the fund and paid to the management company when the return of the fund in a given period exceeds the performance of a benchmark index, a predetermined value or a target return. For some funds, performance fees are due if the value of fund units increases above its highest previous level. Accordingly, earning performance fees, and the amount of those fees, is a naturally volatile event, sharply affected by the returns earned by funds and other managed products, which is in turn impacted not only by the quality of the funds' managers but also by developments in markets and, more generally, the national and international economy[NF(-M1].

A negative impact on the Group's economic results may derive from the occurrence of events originating from causes of operational nature (human errors, fraud, organizational processes, technology and adverse external events).

The impact of these risks, although sized to the specific activities carried out by the Group, can be mitigated by the adoption of specific control measures.

Our image and reputation are a major strength of the Group. A negative perception of the Group's image on the market by customers, counterparties, shareholders, investors or supervisory authorities, engendered for example by the loss of key personnel, by a decline in the performance of our products in absolute terms or compared with benchmarks or with our competitors, by the violation on the part of portfolio managers of sector regulations, by the opening of legal, tax or arbitration proceedings against the Group companies, regardless of whether those claims are justified, or by the application of penalties by the supervisory authorities could significantly harm the image and reputation that the Group enjoys in the industry. More generally, it could undermine the confidence shown in the Group by its customers and third-party distribution networks, with a potential negative impact on the Group's growth prospects and on its revenue and operating performance.

In addition, asset management is governed by a substantial and evolving body of regulations. The regulatory authorities in each country that oversees the Group's operations include, for Italy, Consob, the Bank of Italy, the Financial Intelligence Unit and Covip for Italy and the equivalent authorities in the other countries in which the Group operates. Such an extensive and far-reaching regulatory environment makes organizational controls and control systems to manage compliance risk particularly important.

Group organization

In accordance with applicable legislation and the content of the Group Regulation, Anima Holding, as Parent Company, exercises management and coordination over the Anima Group companies and provides governance and policy-setting for the Group concerning:

- general planning and strategic policies;
- analysis of the competitive environment and identification of internal and external areas for growth to improve the Group's market position;
- extraordinary operations and transactions of greater importance from a strategic, performance, capital and financial standpoint;
- assessment of the Group's organizational, administrative and accounting structure, with focus on the internal control and risk management system;
- corporate governance policies;
- Anima Group compensation and incentive policies;
- financial management;
- legal affairs and corporate services;
- commercial and strategic planning.

The subsidiaries are exclusively responsible for providing asset management and investment services and carrying out other activities relating to the product offering and customer service for the Group.
Under the Group's organizational structure, operational activities are almost fully concentrated within the subsidiaries.

Internal control system

The Parent Company and Anima SGR have in place Internal Control and Risk Management Systems ("ICRMS").
The respective ICRMSs comply, in so far as it is within the scope of their responsibilities, with applicable legislation and the recommendations of the Corporate Governance Code. The ICRMSs are designed to continually protect against the usual risks associated with the Group's business and to ensure proper financial disclosure and adequate oversight of all the Group's activities, guaranteeing the reliability of accounting and management data, ensuring compliance with laws and regulations, and safeguarding business integrity, in part to prevent fraud and harm to the Group companies and the financial markets.
The ICRMSs adopted are proportional to the nature and seriousness of the risks (risk-based approach), and to the size and operational features of each company.
There ICRMSs are structured along three levels of control:

- **first level of control (or line controls),** which represents risk management in its purest form and is designed to ensure that transactions are carried out correctly in the context of business processes. Controls are performed by the heads of the operational management functions. These controls are performed by the heads of the business functions, who implement and maintain the operational controls incorporated in the processes within their sphere of responsibility and contribute to improving them. These controls are hierarchical, systematic and sample-based, or incorporated into the IT procedures of the Company. The business functions report to senior management regarding any anomalies or inefficiencies found within their own processes;
- **second level of control,** which is designed ensure the accurate implementation of the risk management process, compliance with operating limits and regulatory compliance, including corporate governance rules. More specifically, for Anima Holding these controls are carried

out by the Compliance function with regard to risks of non-compliance (with anti-money laundering, market abuse and conflict of interest legislation) and the Internal Audit function, which is responsible for overseeing all other areas, in particular the administrative and accounting procedures established in accordance with Law 262/05.
For Anima SGR, the controls are performed by the Risk Management function and the Compliance & AML function. For outsources services, the Outsourcer Monitoring unit (within the Operations - Outsourcer Control Department) monitors ongoing compliance with the KPIs established in the associated contracts and the key control indicators (KCIs) identified in close cooperation with the process owners. Second-level controls include the activities of Internal Audit concerning the keeping of the accounts and the information system;
- **third level of control**, which is intended to identify breaches of procedures and rules and to assess the completeness, functionality and adequacy of the ICS in relation to the nature and seriousness of the risk and business needs as a whole. These controls are performed by the Internal Audit function.

The position within the organizational structure and reporting hierarchy of the second- and third-level control structures guarantee their independence from the operational management functions.
In order to ensure that the system functions correctly, the Group has adopted internal rules, measuring methods and control mechanisms formally described in specific company procedures.

The following corporate bodies and functions are responsible for ensuring the functioning and assessing the adequacy of the ICRMS:

Anima Holding	Anima SGR
• Board of Directors; • Board of Auditors; • Director responsible for the ICRMS; • Control and Risks Committee; • Head of the Internal Audit function; • Head of the Compliance function; • Officer responsible for the preparation of the financial reports pursuant to Article 154-bis of the Consolidated Law; • Supervisory Body pursuant to Legislative Decree 231/2001.	• Board of Directors; • CEO/General Manager; • Board of Auditors; • Business functions (line controls); • Second-level control functions (such as Compliance, Anti-Money Laundering, Risk Management, Outsourcer Monitoring) and third-level functions (such as Internal Audit); • Compliance Planning and Controls Committee; • Committee of Independent Directors for Managing Conflicts of Interest; • Remuneration Committee for managing remuneration policy; • Supervisory Body pursuant to Legislative Decree 231/2001.

The ICRMSs adopted by the various Group companies in their operations share the goals of identifying, measuring and managing the main business risks.
In general the scope of the risks identified and protected against include: (i) risks that pertain to normal business processes ("enterprise risks"), (ii) those regarding the investment processes followed for collectively or individually managed assets ("managed-portfolios risk") and (iii) risks associated with financial disclosures (Article 123-bis, paragraph 2, letter b) of the Consolidated Law).
An enterprise risk is the risk of there being a negative impact on the performance and capital and financial position of each Group company (which, taken to the extreme, poses a threat to business continuity). In accordance with this definition and taking account of the Groups operations, the following types of enterprise risk have been identified:
- **Operational risk**: the risk of harm to the performance and capital and financial position of the Group resulting from the occurrence of an event of an operational nature (management of

human resources, processes, technology and external events). These include risks arising from the handling of complaints and legal risks.
A list of detected risks, each associated with the functions that participate in the processes that generate such risks, is drawn up and updated at least once a year to take account of significant internal and external changes.
Operational risk events that occur in the course of Anima SGR's daily operations are identified and recorded. Information recorded includes the amount of the operating loss for the period and any recoveries of previous operating losses. A risk assessment is performed each year to pinpoint situations requiring mitigation. The assessment takes account of the judgment of the heads of the processes from which the risks arise, the analysis of the control functions and, for operational risks only, operating losses incurred.
The Group has also adopted a Disaster Recovery and Business Continuity Plan for IT services, designed to ensure service continuity and the conservation, security and integrity of corporate data.
In addition, Anima SGR - which centralizes information technology ("IT") activities for the Group - has a long-term consulting contract with a cyber security expert who is a professor in the field at the Università Cattolica del Sacro Cuore of Milan. This consulting arrangement provides constant monitoring of the security level of IT systems (against possible attacks from outside or inside the company), as well as proactively identifying new attack vectors, thanks to the research conducted in the consultant's academic position.
The cyber security activity performed by the consultant verifies the impenetrability of all the logical and physical devices that make up the Group's IT architecture: the website, data network, fixed and mobile telephony, network servers and clients, antivirus systems and firewalls etc. The results of this activity are formalized in periodic reports sent to the Group's IT representatives: any identified weakness is analyzed and addressed with specific measures. To date, the attacks that the Group's systems have suffered (viruses, trojans, access attempts, brute force attacks etc.) have all been intercepted and repulsed.

- **Reputational risk**: the risk of harm to the performance and capital and financial position of the Group arising from damage to the Group's reputation with respect to third parties.
  Operational and reputational risks are identified by analyzing business processes, which includes discussions with the heads of the processes.
- **Strategic risk**: the risk of harm to the performance and capital and financial position of the Group as a result of the erroneous definition of business strategies or their incorrect implementation. Strategic risk is dependent upon the compatibility between the Group's strategic objectives, the external environment, the planned strategies for achieving the strategic objectives, the resources dedicated for this purpose and the quality of the implementation of the strategies defined.
  The mapping of strategic risks is conducted in concomitance with the preparation of the Business Plan and is updated annually on the occasion of the preparation of the budget for the year. It may also be reviewed in response to significant changes in the internal and/or external environment (such as, for example, developments in the market, the regulatory framework, the business model, the product range and corporate governance). A list of detected risks, each associated with the functions that participate in the processes that generate such risks, is drawn up and updated at least once a year to take account of significant internal and external changes. The analysis and assessment of the mapped risks is intended to define actions and projects to strengthen or consolidate the company's competitive position and mitigate the risk of losses or of a decline in its economic value in relation to the main risk factors identified. Monitoring strategic risk mitigation actions is an essential component of the management control that enables top management and the Board of Directors of Anima Holding to ascertain the extent to which objectives and projects have been achieved or implemented and to decide any corrective actions.
- **Financial risk**: the risk of harm to the performance and capital and financial position of the Group as a result of losses to financial instruments and other assets in which the Group's portfolio is invested.

The financial risks of the Group's proprietary portfolio (essentially price risk, interest rate risk, credit risk, exchange risk, counterparty risk and liquidity risk) are managed by setting and monitoring operational limits on the risk that the portfolio of each company can assume. These limits are expressed in terms of the type of permitted investment and ceilings on volatility.

- **Risks associated with guarantees provided for pension funds**: the risk of harm to the performance and capital and financial position of the Group as a result of losses associated with reimbursements made to participants in the pension funds managed by Anima SGR, for which it made guarantees to either reimburse the capital invested or pay a minimum return.
  The risks associated with the commitments assumed to reimburse the capital invested in pension funds managed are estimated in accordance with the fund policy, which follows applicable legislation. These risks are managed by changing the features of the pension funds established or the agreements delegating management of the funds to Anima SGR.

The Risk Management unit is responsible for overseeing the enterprise risk management process of Anima SGR with regard to operational, reputational and financial risks and those risks associated with guarantees provided for pension funds. The Vice General Manager is instead responsible for the strategic risk management process.
The Company has developed a risk assessment model based on the Enterprise Risk Management (ERM) methodology formulated by the Committee of Sponsoring Organizations of the Treadway Commission (COSO Report) and best practices in the field of risk management. It is intended to support senior management in identifying the main corporate risks, in analyzing the methods with which they are managed, as well as in evaluating the proposed mitigation actions and the extent of the residual risk.
The Board of Directors of the Parent Company, with the support of the Control and Risk Committee, ascertains the nature and level of risk compatible with the corporate objectives, taking account of parameters connected with operating performance, equity and the net financial position of the Company .
As to financial reporting, the ICRMS consists of a series of administrative and accounting procedures, supported by specific software, and tools for assessing their suitability and functioning ("financial risk reporting" model).
The implementation and maintenance of the model is divided into four main phases:

a) identification and assessment of financial reporting risks;
b) identification of the controls for the risks identified at the level of the relevant process;
c) assessment of the adequacy and effective application of the administrative and accounting procedures and the relative controls;
d) monitoring of the implementation of any corrective actions if weaknesses or anomalies in the functioning of specific components of the ICRMS are found.

For more information on financial and operational risks, please see "Part D – Other information - Section 3 – Information on risks and risk management policies" of the notes to these consolidated financial statements, as well as the Report on Corporate Governance and Ownership Structure referred to in Article 123-bis of the Consolidated Law. The latter is approved by the Board of Directors of the Parent Company as a separate document, published in conjunction with the documentation submitted for the approval of the Shareholders' Meeting, at www.animaholding.it in the Investor Relations section, in accordance with the procedures provided for under applicable regulations.

Finally, Legislative Decree 231 of 8 June 2001, ("Legislative Decree 231/2001") introduced the rules on "Corporate liability for administrative offences resulting from a crime". More specifically, the system of rules applies to legal persons, companies and associations, even those lacking legal personality. No administrative liability arises, however, if the company adopts and effectively implements, prior to the commission of a crime, compliance models to protect against such crime. These models can be adopted on the basis of codes of conduct or guidelines prepared by industry associations (including Assogestioni, which represents Italian asset managers) and communicated to the Ministry of Justice.

The Boards of Directors of Anima Holding and Anima SGR adopted their respective “Compliance Models as per Legislative Decree 231/2001” (the “Models”). The Models are divided into: (i) a “general” part that describes the company’s system of rules and organization, construed as the rules, processes and procedures for the performance of operating activities, (ii) a “special” part, which details the types of offenses relevant under Legislative Decree 231/2001, as well as the result of the company’s assessment of the exposure to the risk of commission of offenses expressed in terms of “likelihood of occurrence” and “associated risk”, and (iii) “Annexes” which contain the main sources of the ethical and behavioral principles underpinning the construction and operation of the model, representing an integral part of that model. They consist of the Code of Ethics, the Code of Conduct and the Disciplinary Code.
The task of monitoring the operation of and compliance with the Models and ensuring that they are updated has been assigned to specific independent Supervisory Bodies under the provisions of Legislative Decree 231/2001 established by the Boards of Directors of the respective companies.

OTHER INFORMATION

Purchase of treasury shares

At 31 December 2019, the Company held 15,395,909 treasury shares with no par value, equal to about 4.05% of share capital.
Note that:

- the first tranche of the buy-back program was implemented between 9 January 2019 and 23 April 2019 pursuant to Articles 2357 and 2357-ter of the Civil Code and Article 132 of the Consolidated Law, on the basis of the resolution approved by the Company's Shareholders' Meeting of 21 December 2018.
  The Company purchased 11,401,107 treasury shares on the Mercato Telematico Azionario during that period, equal to 3% of share capital, for €41,192,258 (excluding costs and/or income associated with the transaction) at an average price of €3.613 per share;
- on 18 November 2019, the share buy-back program was resumed, on the basis of the shareholders' resolution referred to above, for a further maximum quantity of 11,401,106 ordinary shares of the Company, equal to 3% of share capital in the maximum amount of €50 million, to be completed by 30 April 2020.
  In the period between 18 November and 31 December 2019 the Company purchased 3,994,802 treasury shares for €18,566,139 excluding costs and/or income associated with the transaction) at an average price of €4.6476 per share.

For more information, please see the section "Significant events for the Anima Group – Share buy-back program" in this Report on Operations.
At 31 December 2019, the subsidiaries included in the scope of consolidation did not hold any treasury shares or shares of the Parent Company in their portfolios.

Research and development

In 2018, Anima SGR continued its research and development activities. The R&D work is intended to 2019 [NF(-M2]develop new products and services that can be easily inserted in the company product range, with the introduction of new technologies to improve internal development processes, the analysis of the financial solutions/techniques involved, and the subsequent delivery of new products and services. Anima SGR directed its efforts at innovative projects, such as (i) the development of new IT solutions for the evolution and rationalization of internal processes and systems used in operations with its customers, in the products created by the company, and with the distributors of those products, as well for the administration of the Company and (ii) the analysis, design, simulation and definition of new financial products and their subsequent ongoing development. These R&D activities will continue in 2020.
In addition, the tax credit arising in 2018 provided for under Article 1, paragraph 35, of Law 190 of 23 December 2014 concerning R&D conducted by Anima SGR was definitively quantified in the amount of about €0.3 million.

Environmental, Social, Governance ("ESG")

The Anima Group, in its role as the largest independent Italian asset manager, accompanies retail investors (households and other small investors) and institutional investors (insurance companies, pension funds) in selecting the best investment solutions. As such, the Group plays an important role in the Italian financial market, for the economic development and well-being of Italian families and companies, their shareholders and the people who work or collaborate with the Group.
This responsibility requires the definition and compliance with sound principles to ensure the smooth functioning, reliability and reputation of the Group, in the interest of the company's success and the creation of value for shareholders.
The Group's operational approach is inspired by the principles of integrity and transparency, the quality of the services offered and the professionalism of our employees, in order to generate long-term sustainable value for all stakeholders.

The Company received an EE- sustainability rating from the independent sustainability rating agency Standard Ethics. This rating is considered full “investment grade” by investors who direct their investment decisions towards sustainable companies.
The Standard Ethics rating is a sustainability and governance assessment that is intended to represent the level of companies compliance with the principles of sustainability and corporate social responsibility indicated by the European Union, the Organization for Economic Cooperation and Development (OECD) and the United Nations. Standard Ethics Ltd is an independent rating agency that has been issuing sustainability ratings since 2004.
In addition, Anima SGR has a duty to operate in the interest of customers, with investments that are designed to generate sustainable and long-term value. By virtue of this fiduciary role, we believe that the environmental, social and corporate governance (ESG) issues connected with the issuers of the securities may influence the performance of the portfolios under management over time, at the level of each company, sector, region and asset class. The consideration of these aspects in the investment decisions of Anima SGR allows us to align the interests of investors with the broader objectives of the company. In September 2018, Anima SGR became a signatory of the United Nations Principles for Responsible Investment (“PRI”), an initiative aimed at disseminating and integrating ESG criteria into investment practices. These principles were launched by the United Nations in 2006 with the aim of promoting the spread of sustainable and responsible investment among institutional investors. As a signatory of the PRI, Anima SGR undertakes to:

1. incorporate ESG issues into investment analysis and decision-making processes;
2. be active owners and incorporate ESG issues into our ownership policies and practices;
3. seek appropriate disclosure on ESG issues by the entities in which we invest;
4. promote acceptance and implementation of the Principles within the investment industry;
5. promote acceptance and implementation of the Principles within the investment industry;
6. report on our activities and progress towards implementing the Principles.

With this in mind, Anima SGR has developed a Policy on Responsible Investment that which defines the company’s approach to the issue. To date, for the most representative funds of Anima SGR, a report (updated monthly) of the ESG profile of the portfolio is available at website www.animasgr.it and in our commercial documentation. This reporting will be extended to all the products of Anima SGR.

National consolidated taxation mechanism and Group VAT settlement and payment system
The Parent Company participates, as the consolidating entity, in the group taxation mechanism envisaged under Articles 117 et seq. of Italy’s Uniform Income Tax Code (national consolidated taxation) with Anima SGR, governing relationships arising from the consolidated taxation mechanism.
In addition, the Parent Company, together with the subsidiary Anima SGR, elected to exercise the option to participate in the Group monthly VAT settlement and payment system for 2020, as provided for under Article 73, paragraph 3, of the Decree of the President of the Republic 633 of 1972, as implemented with the Ministerial Decree of 13 December 1979, as amended with the Ministerial Decree of 13 February 2017.

Personnel

For more information on the size of the workforce, please see to Part C, Section 9 of the notes to the consolidated financial statements for 2019.
Professional training is considered an important investment to enrich the skills of employees and indirectly also of the entire Group; also in 2019, in compliance with the training plan, various training courses were organized aimed at developing managerial and behavioral skills of the resources. In particular the courses concerned both compulsory training topics (for example, anti-money laundering, market abuse, 231 compliance, cyber security, etc.), as well as management training (for example, communication skills and abilities, coaching) and technical fields (foreign languages, specialized courses and IT courses), as well as courses for all employees concerning integration and dissemination of Group values.

Tax issues

As regards tax issues and disputes, as of the approval date of the consolidated financial statements at 31 December 2019, the disputes concerning assessments for direct taxes (IRES) for 2006 to 2008, issued following audits carried out in 2010 at the subsidiary Anima SGR by the Revenue Agency – Regional Department of Lombardy had not yet been resolved.

Anima SGR and the Parent Company have launched, including through their advisors, consultations and analysis of the issues raised by the tax inspectors, filing appeals, pleadings or applications for settlement where appropriate.

In any event, as the claims of the Revenue Agency against Anima SGR regard the years 2006 to 2008 (and thus prior to the acquisition by Anima Holding of the entire share capital of Anima SGR), the indemnification procedures provided for by the combined provisions of Articles 9 and 10 of the Sale Agreement entered into on 31 March 2009 and the '"Strategic Alliance" agreements of 29 December 2010, would permit the exercise any recoupment rights against the sellers of the equity investments in Anima SGR (from the former Prima SGR) to Anima Holding.

In particular, with regard to 2007, for which the appeal filed with the Court of Cassation by Anima SGR is still pending (after divergent rulings at two lower levels of adjudication), during the first half of the 2019 the notice of payment due issued on the basis of the ruling of the Regional Tax Commission of Lombardy was paid provisionally by Anima SGR in the total amount of about €5.5 million. This amount, being related to an instrument that involved a provisional executive albeit not definitive payment, is recognized under the asset item "120 - Other assets - Tax receivables" in the consolidated financial statements at 31 December 2019. Furthermore , in execution of the contractual agreements referred to above, the seller Banca Monte dei Paschi di Siena paid the same amount to Anima SGR, which is recognized under liability item "80 - Other liabilities" in the consolidated financial statements at 31 December 2019.

In view of the foregoing, it was not considered necessary to recognize provisions in the consolidated financial statements at 31 December 2019 against the latent risk because, for the periods 2006 and 2007 regardless of any possible assessment of the outcome of the disputes, contractual agreements with the partners are in force that provide for the indemnification of the Group in respect of costs and charges that may arise.

With regard to the 2008 tax year (for which an appeal filed by Anima SGR is still pending before the Court of Cassation after divergent rulings at two lower levels of adjudication), as the claims of the Revenue Agency against Anima SGR regard a period prior to the acquisition by Anima Holding of the entire share capital of Anima SGR, the indemnification procedures provided for by the combined provisions of Articles 6.1.1 and 6.1.2 of the Guarantee Agreement of the "Strategic Alliance" of 29 December 2010, are applicable in exercising any recoupment against the sellers of the equity investment in Anima SGR (from the former Prima SGR) to Anima Holding.

Following a notice from the seller Banca Monte dei Paschi di Siena (in the second half of January 2019) regarding the interpretation of the full effectiveness of the guarantees contained in these agreements, during the first half of 2019 Anima SGR and the Parent Company initiated, with the support of their legal and tax advisors, an extensive analysis of the situation. On the basis of this assessment, the Group feels that it may take action for partial recoupment of costs and charges if loses the case for 2008.

In any event, based in part on the opinions issued by the aforementioned consultants, the claims advanced by the Revenue Agency for 2008 are considered unfounded, with a possible risk of losing the case. Consequently no provision was recognized in the consolidated financial statements at 31 December 2019, consistent with the provisions of IAS 37 and with the analysis in the consolidated financial statements at 31 December 2018.

It should be noted that, for 2008, the possible charge for the Group in the event of an unexpected unfavorable ruling by the Court Cassation and net of the contractual guarantees received can be quantified at less than €2 million.

With regard to the 2008 dispute, during the first half of 2019 the notice of payment due issued on the basis of the ruling of the Regional Tax Commission of Lombardy was paid provisionally in the total amount of about €4.5 million. This amount, being related to an instrument that involved a provisional executive albeit not definitive payment, is recognized under the asset item "120 - Other assets - Tax receivables" in the consolidated financial statements at 31 December 2019.

Regulatory issues

In January 2018, Directive 2014/65/EU, the second directive on markets in financial instruments (MiFID II), which aims to reinforce the rules of MiFID I in order to harmonize legislation at the EU level for investment firms, focusing on consumer protection, came into force. The regulatory framework is completed by Regulation (EU) No. 600/2014 on markets in financial instruments (MiFIR), and by the Delegated Regulations, and was transposed into Italian law with Legislative Decree 129/2017.
The subsidiary Anima SGR, as an entity subject to MiFID regulations, performed the planned activities during the year, including work to prepared the disclosures on ex-post costs associated with portfolio management products and investment funds.

GROUP OPERATIONS AND RESULTS FOR 2019

Information on operations

Assets under management ("AUM") by the Anima Group at 31 December 2019 amounted to approximately €185.7 billion, an increase of about €12.6 billion compared with the end of 2018.
This [NF(-M3]increase was due to the positive performance of the financial markets, especially in the first quarter of the year, which led to an increase in AUM of about €15.6 billion, which was partly offset by negative net funding for the period of about €3.0 billion.
The following table reports AUM and funding by distribution channel at 31 December 2019, with comparative figures for the same period of the previous year.

	End-of-period AUM				Net funding YTD	
Millions of euros	Dec-18	Dec-19	% change AuM	Absolute change	Dec-18	Dec-19
Total Anima Group	**173,110**	**185,681**	**7%**	**12,571**	**976**	**(3,017)**
Retail	**53,682**	**54,973**	**2%**	**1,291**	**332**	**(2,380)**
Strategic Partner	46,547	48,147	3%	1,600	937	(1,448)
Bank networks	4,691	4,315	-8%	(376)	(425)	(484)
Financial advisor networks	2,235	2,286	2%	51	(169)	(445)
Other	209	225	8%	16	(11)	(3)
Institutional	**119,428**	**130,708**	**9%**	**11,280**	**644**	**(637)**

Reclassified consolidated income statement at 31 December 2019

The reclassified consolidated income statement provides a scalar presentation of the formation of consolidated net profit for the period with the reporting of aggregates commonly used to provide an overview of performance.
In addition, the statement also reports the adjustments to statutory consolidated net profit as calculated for reporting purposes in order to neutralize the main impact on the latter of non-recurring or non-monetary costs and revenues and costs and revenues not pertaining to the core activities of the Group (net of the associated tax effects).
These aggregates are considered Alternative Performance Measures under the provisions of the Consob communication of 3 December 2015, which incorporates the guidelines of the European Securities and Markets Authority (ESMA) of 5 October 2015.
It should also be noted that the accounting effects of application of IFRS 16 (in force since 1 January 2019) have been reclassified in the reclassified consolidated income statement, consistent with the management figures used by the Group, in order to ensure that the figures for 2019 are comparable with those reported in previous years.

(Thousands of euros)	31/12/2019	31/12/2018	Δ% 2019 VS 2018
Net management fees	284,004	280,747	1%
Performance fees	48,176	20,318	137%
Other revenues	26,133	22,841	14%
Total revenues	**358,313**	**323,906**	**11%**
Personnel expenses	(43,353)	(41,581)	4%
Other administrative expenses	(37,286)	(41,829)	-11%
Total operating expenses	**(80,639)**	**(83,410)**	**-3%**
Adjusted EBITDA	**277,674**	**240,496**	**15%**
Non-recurring costs	(5,011)	(11,217)	-55%
Other costs and revenues	3,621	417	768%
Net adjustments of property, plant and equipment and intangible assets	(53,939)	(47,465)	14%
EBIT	**222,345**	**182,231**	**22%**
Net financial expense	(17,448)	(8,644)	102%
Profit before taxes	**204,897**	**173,587**	**18%**
Income taxes	(59,068)	(51,530)	15%
Consolidated net profit	**145,829**	**122,057**	**19%**
Net tax adjustments	**39,268**	**41,175**	**-5%**
Normalized net profit	**185,097**	**163,232**	**13%**

The Group defines adjusted earnings before interest and taxes, depreciation and amortization (adjusted EBITDA) as the difference between total revenues and total operating expenses as reported in the reclassified consolidated income statement.

At 31 December 2019, Group adjusted EBITDA amounted to €277.7 million, an increase of about €37.2 million compared with 2018 (about €240.5 million).
The main factors impacting developments in adjusted EBITDA were:

- an increase of about 1% in net management fees, which reached €284.0 million from €280.7 million the previous year;
- an increase in performance fees of about €27.9 million (€48.2 million in 2019 compared with €20.3 million in 2018);
- an increase in other revenues (€26.1 million in 2019 compared with €22.8 million in 2018); the item includes, among other things, fixed fees and advisory fees;
- an increase in personnel expenses of about €1.8 million, rising from €41.6 million in 2018 to €43.4 million in 2019. The rise mainly reflected an increase in the variable remuneration component connected with the performance fees recognized in Group revenues during the year;
- a reduction in administrative expenses of about €4.5 million, mainly due to the rationalization of our operating premises, the review of certain outsourcing contracts and lower costs for advisory services.

The Group defines earnings before interest and taxes (EBIT) as consolidated net profit before income taxes and net financial expense, as shown in the reclassified income statement.

The Group defines extraordinary costs as non-recurring and/or non-monetary costs. “Extraordinary costs” for 2019 included, among other things, charges connected with the LTIP plan. Note that on 20 December 2019, the Company’s Board of Directors approved the revision of the estimate of the Units that can be exercised under the LTIP. The revision of the probability of satisfying the vesting conditions changed the value of the cumulative cost of the Plan compared with initially estimates. Please see the section “Part A – Accounting policies – A.2 “The main items of the consolidated financial statements – Share-based payments - LTIP” of the notes to the consolidated financial statements at 31 December 2019 for more details.

The increase in non-recurring costs pertaining to 2019 was mainly attributable to charges for strategic advisory services and related to the extraordinary business combinations and acquisitions carried out.
“Net adjustments of property, plant and equipment and intangible assets” mainly include the amortization charge for the year on the Group’s intangible assets with a finite useful. Please see the section “Part B – Information on the consolidated financial statements – Section 9 – Intangible assets” of the notes to the consolidated financial statements for more information on intangible assets.

The increase in “Net financial expense”, which came to about €17.5 million at 31 December 2019 compared with about €8.6 million the previous year, is mainly related to the restructuring of outstanding medium/long-term bank debt.
The extinction of the Outstanding Loan resulted in, among other things, the reversal to profit or loss for the year (i) of the residual transaction costs capitalized on the Outstanding Loan in the amount of about €4.1 million and (ii) the costs deriving from the termination of IRS positions connected with the Outstanding of about €2.5 million.
For further details, please see the section “Significant events for the Anima Group - Structure of medium/long-term debt” of this report on operations.

The item “Income taxes” also includes, among other things, the amounts deriving from the discharge of tax liabilities carried out by Anima SGR during the year. For further details, please see the section “Significant events for the Anima Group - Group companies” of this consolidated report on operations.

The normalized consolidated net profit for the Group at 31 December 2019 amounted to €185.1 million, an increase of about 13% compared with €163.2 million the previous year.

The following table reconciles consolidated net profit with adjusted EBITDA.

(Thousands of euros)	31/12/2019	31/12/2018	Change	
			Absolute	%
Consolidated net profit	**145,829**	**122,057**	**23,772**	**19%**
Income taxes	59,068	51,530	7,538	15%
Profit before taxes	**204,897**	**173,587**	**31,310**	**18%**
Net financial expense	17,448	8,644	8,804	102%
Net adjustments of property, plant and equipment and intangible assets	53,939	47,465	6,474	14%
Other costs and revenues	(3,621)	(417)	(3,204)	768%
Non-recurring costs	5,011	11,217	(6,206)	-55%
Adjusted EBITDA	**277,674**	**240,496**	**37,178**	**15%**

The following table reconciles consolidated net profit with normalized consolidated net profit:

Consolidated net profit	***145,829***	***122,057***
Amortization of intangibles	51,084	44,787
Amortization of capitalized costs on loans	5,585	1,159
Other income and expense	(46)	(802)
Change in provisions	34	(16)
Other financial expense	2,489	0
Non-recurring costs	2,281	7,881
LTIP costs	2,730	3,336
Profit/loss from disposal of PTF securities AFS	0	2,324
One-off fees/rebates	(6,015)	0
Changes in prior-year taxes	0	(784)
Tax effects of adjustments	**(18,874)**	**(16,710)**
Total net adjustments	***39,268***	***41,175***
Normalized consolidated net profit	**185,097**	**163,232**

Of particular note among the components that characterize the adjustments to consolidated net profit in order to produce normalized consolidated net profit at 31 December 2019 are the increase in amortization related to the intangible assets with finite useful life as described above and the reduction in extraordinary costs incurred in the previous year, which were mainly attributable to advisory services related to the extraordinary operations carried out. The costs in respect of the Long-Term Incentive Plan are reported as adjustments increasing net profit as calculated for statutory purposes as they are without any monetary effect. "Extraordinary taxes and duties" reports the net balance of the tax discharge operation discussed earlier. The tax effects are calculated for each adjustment in accordance with applicable tax rates. The items "Amortization of capitalized costs on loans" and "Other financial expense" were impacted by the restructuring of outstanding medium/long-term debt.

<u>Net financial debt at 31 December 2019</u>

Net financial debt reported below is defined as total financial debt net of cash and cash equivalents, including financial debt and receivables and excluding trade receivables and payables. The net financial position also includes receivables in respect of collective investment undertakings under management for accrued performance fees collected in the early days of the month following the close of the period. The NFP presented below is also considered an Alternative Performance Measure under the Consob and ESMA guidelines referred to above.

Millions of euros	**31/12/2019**	**31/12/2018**	**31/12/2017**
Term Loan	297.0	645.3	450.0
Bridge Loan	0.0	0.0	250.0
Bond	298.4	0.0	0.0
Accrued financial expense	1.0	0.0	0.2
Liability to Banco BPM for deferred price	0.0	0.0	113.7
Total financial debt	**596.4**	**645.3**	**813.9**
Cash and other liquidity	(263.7)	(243.4)	(359.6)
Securities	(89.6)	(88.6)	(150.7)
Receivables for performance fees	(19.7)	(1.6)	(27.7)
Cash and cash equivalents	**(373.1)**	**(333.7)**	**(537.9)**
Net financial debt	**223.3**	**311.6**	**276.0**

As discussed in the section "Significant events for the Anima Group – Structure of medium/long-term debt" of this report on operation, in October 2019, the Company restructured its existing medium/long-term bank debt.
In particular, on 23 October 2019, the Company issued the Bond, which raised a net €298.4 million for Anima Holding.
In addition, on 24 October 2019, the Company drew down the credit line established with the New Loan in the amount of €297 million.
Both the amounts raised with the issue of the Bond and the amount disbursed with the New Loan were used on 23 and 24 October to extinguish the Outstanding Loan.
In addition, also on 24 October 2019, the Company terminated the IRS contracts hedging the Outstanding Loan.
The increase in overall liquidity compared with the end of the previous year is mainly attributable to the liquidity generated by the core business of the Group and the balance of the income components that did have any financial impact net of the liquidity absorbed during the year. More specifically, the main events that led to the use of the Group's cash during the year were (i) the purchases of treasury shares during the period by the Company in the amount of about €59.8 million; (ii) the payment of the tax in lieu for the tax discharge option in the amount of approximately €7.1 million; (iii) the payment of the dividend from the 2018 earnings of Anima Holding in the amount of about €60.8 million; (iv) repayments of the principal of the Outstanding Loan in the amount of about €49.2 million; (v) payment of interest on the Outstanding Loan and the New Loan in the amount of about €7.7 million; and (vi) payment of charges connected with the Bond and the New Loan totaling about €4.4 million.

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The consolidated financial statements consist of the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated shareholders' equity, the consolidated cash flow statement and the consolidated explanatory note.
The consolidated financial statements were prepared using the schedules and instructions for the preparation and compilation of financial statements of entities other than banks issued by the Bank of Italy on 30 November 2018, pursuant to Art. 9 of Legislative Decree 38/05 and Art. 43 of Legislative Decree 136/15.

The most significant items and the most important changes that occurred during the year are discussed below.

The consolidated balance sheet shows total assets of €2,238.8 million.

Item "20. c) other financial assets mandatorily measured at fair value" amounted to about €89.6 million (€88.6 million at 31 December 2018) and includes the shares of CIUs held by the Group, mainly in funds set up and/or managed by the subsidiary Anima SGR.

Item "40. Financial assets measured at amortized cost" amounted to about €383.8 million (€315.7 million at 31 December 2018) and mainly includes:

- "1. Receivables for asset management services", which includes i) receivables in respect of management and performance fees that the Group was mainly owed by funds it has established, ii) receivables for commissions and fees for portfolio management services, and iii) receivables for commissions and fees for asset management services provided to institutional and retail customers and pension funds. The item had a balance of €119.8 million (€72 million at 31 December 2018). The increase compared with the previous year mainly reflects the increase in performance fees received by the Group and the increase in tax withholdings and

taxes in lieu on the gains posted by products under management at the end of December 2019 compared with the end of the previous year;
- "2. Receivables for other services", which includes i) receivables from the advisory business of the subsidiary Anima SGR with institutional customers and ii) receivables from commercial activities and the sub-distribution of products;
- "3. Other receivables" mainly regard balance on bank current accounts in the amount of €263.7 million (€243.4 million at 31 December 2018).

The item "Property, plant and equipmen" has a balance of €15.4 million (€3.3 million at 31 December 2018). It includes, among other things, the rights of use acquired through lease and rental contracts falling within the scope of the new IFRS 16, which has been applied since 1 January 2019. For more information on the first-time impacts of IFRS 16 are discussed in the section "Part A - Accounting Policies - A1 General information - Initial application of IFRS 16" in the notes to the consolidated financial statements.

Item "90. Intangible assets" amounted to about €1,696.1 million (€1,746.9 million at 31 December 2018), of which €1,105.5 million in respect of intangible assets with a finite useful life (unchanged on the previous year).
Please see the notes to the 2019 consolidated financial statements "Part B - Information on the balance sheet - Assets - Section 9 Intangible assets - Item 90" for more details.

The items "Tax assets - a) current" and "Tax liabilities – a) current" report the net balance of the tax positions of the individual Group companies in respect of their respective tax authorities.
The Parent Company participates, as the consolidating entity, in the group taxation mechanism envisaged under Articles 117 et seq. of Italy's Uniform Income Tax Code (national consolidated taxation) with Anima SGR. For this reason, the net balance between payments on account and the year's tax liability for ordinary IRES (corporate income tax) of the Group is presented in the balance sheet under "Tax assets – a) current" and/or "Tax liabilities – a) current".
Please see the notes to the 2019 consolidated financial statements "Part B - Information on the balance sheet - Assets - Section 10 Tax assets and tax liabilities - Item 100 of assets and Item 60 of liabilities" for more details on the composition of the items and change during the year.

Finally, item "120. Other assets" show a balance of €35.6 million (€28.1 million at 31 December 2018) and essentially includes: (i) tax receivables of around €20.7 million and (ii) sundry other receivables in the amount of about €14.9 million

Liabilities are detailed below.

The item "10. Financial liabilities measured at amortized cost - a) Debt" amounted to €444.5 million (€778 million at 31 December 2018), while the item "10. Financial liabilities measured at amortized cost – b) Securities issued" amounted to €297.5 million (no value the previous year). "Financial liabilities measured at amortized cost - a) Debt" break down as follows:
- "Due to sales networks" in the amount of about €134 million, attributable to the various fees and commissions to be paid to distributors of the products created/managed by the Group;
- "Due for management activities" in the amount of about €3.5 million, mainly reflecting amounts due for the distribution of shares of Anima SICAV;
- "Other amounts due – 4.2 lease liabilities" came to €12.1 million, representing the residual liability at 31 December 2019 in respect of the right-of-use assets recognized under "Property, plant and equipment in application of IFRS 16.
- "Other amounts due – 4.3 other" totaled €294.8 million, representing the New Loan granted to the Company during the year with a nominal value of €297 million and recognized at amortized cost. As previously indicated, in October 2019 the Company restructured its debt by extinguishing the Outstanding Loan (whose residual nominal value at the end of the previous

year was about €645.3 million and was carried in the financial statements at amortized cost in the amount of about €640 million).

- For further details on the terms and conditions of the loan, please see "Part D - Other information - Section 3 - Information on risks and risk management policies - 3.1 Financial risks" of the notes to the consolidated financial statements.

"Financial liabilities measured at amortized cost – b) Securities issued" include the Bond issued by the Company with a nominal value of €300 million, which is carried at amortized cost in the amount of €297.5 million. For more details, please see the section "Composition of financial liabilities measured at amortized cost: Securities issued" in the notes to the consolidated financial statements.

Item "80. Other liabilities" amounted to €73.2 million (€39.8 million at 31 December 2018) and is mainly attributable to (i) amounts due to suppliers; (ii) amounts due to social security institutions and employees, including, among other elements, the variable component of remuneration for the year; (iii) liabilities in respect of tax consolidation agreements from previous years and agreements signed by the Parent Company with former shareholders in December 2010; (iv) liabilities for withholding tax and other taxes to be paid to tax authorities in respect of asset management products; and (v) sundry payables.

Item "100. Provisions for risks and charges" shows a balance of around €1.7 million (€1.4 million at 31 December 2018). Please see the notes to the consolidated financial statements "Part B - Information on the balance sheet – Liabilities - Section 10 Provisions for risks and charges - Item 100" for more details.

Examining the consolidated income statement for the year ended 31 December 2019, we report:

Item "10. Fee and commission income" amounted to €1,013.7 million (€1,061.7 million at 31 December 2018) and breaks down as follows:

- fees and commissions from investment funds of €881.5 million;
- fees and commissions from individual portfolio management products of €44.2 million;
- fees and commissions from open-end pension funds of €10.4 million;
- fees and commissions from delegated asset management products of €76.9 million;
- other fees and commissions of around €0.7 million.

Fee and commission expense amounted to €656.3 million (€738.7 million at 31 December 2018) and breaks down as follows:

- fees and commissions for investment funds of €623.3 million;
- fees and commissions for individual portfolio management products of €11.7 million;
- fees and commissions for open-end pension funds of €5.4 million;
- fees and commissions for delegated asset management products of €15.5 million;
- other fees and commissions of €0.4 million.

Item "60. Interest and similar expense" amounted to €15 million (€9 million at 31 December 2018); this item mainly includes: (i) interest expense on the New Loan of approximately €0.7 million; (ii) interest expense on the Outstanding Loan of about €7 million; (iii) capitalized transaction costs on the outstanding Loan reversed to profit or loss for the year of €5.3 million; (iv) interest expense on lease liabilities recognized in application of IFRS 16 of approximately €0.1 million; (v) interest expense on the Bond determined using the amortized cost method (based on the effective interest rate) of about €1 million; and (vi) interest expense on IRS derivatives hedging the Outstanding Loan accrued up to the date of their termination on 24 October 2019 of approximately €0.8 million.

Item "70. Net gain (loss) on trading activities" showed a net loss of about €2.5 million, reflecting the reversal to profit or loss the value of the reserve from the measurement of cash flow hedges upon the termination of the IRS contracts hedging the Outstanding Loan.

Item “100. Net gains (losses) on other financial assets and liabilities measured at fair value through profit or loss - b) other financial assets mandatorily measured at fair value” showed a net gain of €1.1 million (a net loss of €2.3 million at 31 December 2018). It reports the positive/negative changes (gains/losses) deriving from the measurement at fair value of financial instruments reported under asset item “20. - c) other financial assets mandatorily measured at fair value”, in addition to the gains and losses realized during the year on the sale of financial instruments held in the portfolio.

Item “140. Administrative expenses” amounted to €82.7 million (€94.6 million at 31 December 2018). This item consists of: (i) personnel expenses in the amount of €46.7 million and (ii) other administrative expenses of €36 million. Please see the notes to the consolidated financial statements at 31 December 2019 “Part C - Information on the income statement - Section 9 - Administrative expenses - Item 140” for more details.

Item “160. Net adjustments of property, plant and equipment” amounted to about €3.5 million (€0.7 million at 31 December 2018) and includes (i) depreciation on property, plant and equipment used in operations owned by the Group of about €0.7 million and (ii) depreciation of right-of-use assets acquired through leases and rentals within the scope of IFRS 16, which has been applied since 1 January 2019 of about €2.8 million.

Item “170. Net adjustments of intangible assets” amounted to about €53.1 million (€46.6 million at 31 December 2018) and includes amortization for the period for intangible assets with a finite life of around €51.1 million and amortization charges for software of about €1.9 million.

Item “250. Income tax expense from continuing operations” shows a charge of about €59.1 million (€51.5 million at 31 December 2018). The item includes current IRES pertaining to the Group in the amount of €58.5 million, IRAP of €18.5 million and the taxes relating to the Irish subsidiary Anima AM Ltd of €0.5 million, as well as the tax in lieu of about €7.1 million paid by the subsidiary Anima SGR as a result of its participation in the operation to discharge tax liabilities, all net of the change in deferred tax assets/liabilities for the year.

* * *

OUTLOOK

The Group has achieved a significant diversification of its customer base and therefore its sources of revenue, with the overall benefit of reducing the risk profile of all the assets managed by the Group.
In pursuit of further growth and development of the Group, particular emphasis will be placed on enhancing the strategic partner and institutional investor channels, especially with regard to supplemental pensions and insurance customers. In terms of products, the Group continued to work to develop and implement new investment solutions in order to attract liquidity on the market towards investments in investment funds and individual asset management contracts.
During 2020, we plan to strengthen the service capacity of the placement networks even further and to rationalize operating approaches, leveraging the various management philosophies taken on board following the extraordinary operations carried out last year.
On 13 February 2020, Anima Holding established Aliseam SGR S.p.A., a company intended, subject to obtaining the necessary authorizations from the supervisory authorities, to manage Alternative Investment Funds (“AIFs”). The creation of Aliseam SGR is part of a strategic initiative represented by the entry of the Anima Group into the alternative “illiquid” products segment, in particular so-called “private capital” funds that the Group intends to develop and offer primarily to institutional customers.
Developments in the performance, financial position and operations of the Group will continue to be impacted by the performance of financial markets.

for the Board of Directors

Chief Executive Officer

CONSOLIDATED FINANCIAL STATEMENTS OF ANIMA HOLDING AT 31 DECEMBER 2019

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

Thousands of euros

	Assets	31/12/2019	31/12/2018
10.	Cash and cash equivalents	7	6
20.	Financial assets measured at fair value through profit or loss	89,645	88,629
	c) other financial assets mandatorily measured at fair value	89,645	88,629
40.	Financial assets measured at amortized cost	383,787	315,709
80.	Property, plant and equipment	15,363	3,285
90.	Intangible assets	1,696,087	1,746,890
	of which:		
	- goodwill	1,105,463	1,105,463
100.	Tax assets	18,371	29,033
	a) current	2,502	25,710
	b) deferred	15,869	3,323
120.	Other assets	35,565	28,080
	TOTAL ASSETS	**2,238,825**	**2,211,632**

	Liabilities and shareholders' equity	31/12/2019	31/12/2018
10.	Financial liabilities measured at amortized cost	741,930	777,998
	a) Debt	444,454	777,998
	b) Securities issued	297,476	-
40.	Hedging derivatives	-	1,572
60.	Tax liabilities	159,524	157,262
	a) current	18,235	3,387
	b) deferred	141,289	153,875
80.	Other liabilities	73,201	39,824
90.	Deferred remuneration benefits	2,546	2,484
100.	Provisions for risks and charges:	1,723	1,436
	a) committments and guarantees issued	97	106
	c) other provisions	1,626	1,330
110.	Share capital	7,292	7,292
120.	Treasury shares (-)	(59,639)	-
140.	Share premium reserve	787,652	787,652
150.	Reserves	379,495	315,767
160.	Valuation reserves	(728)	(1,712)
170.	Net profit (loss) for the period	145,829	122,057
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,238,825**	**2,211,632**

CONSOLIDATED INCOME STATEMENT

Thousands of euros

		31/12/2019	31/12/2018
10.	Fee and commission income	1,013,655	1,061,668
20.	Fee and commission expense	(656,295)	(738,747)
30.	**NET FEE AND COMMISSION INCOME (EXPENSE)**	**357,360**	**322,921**
50.	Interest and similar income	99	337
	of which: interest income calculated using effective interest rate method		
60.	Interest and similar expense	(15,059)	(8,982)
70.	Net gain (loss) on trading activities	(2,489)	-
100.	Net gain (loss) on financial assets and liabilities measured at fair value through profit or loss	1,145	(2,259)
	b) other financial assets mandatorily valued at fair value	1,145	(2,259)
110.	**GROSS INCOME**	**341,056**	**312,017**
130.	**NET PROFIT FROM FINANCIAL ACTIVITIES**	**341,056**	**312,017**
140.	Administrative expenses:	(82,723)	(94,598)
	a) personnel expenses	(46,683)	(47,949)
	b) other administrative expenses	(36,040)	(46,649)
150.	Net provisions for risks and charges	(34)	16
160.	Net adjustments of property, plant and equipment	(3,460)	(714)
170.	Net adjustments of intangible assets	(53,112)	(46,618)
180.	Other operating (expenses)/income	3,170	3,484
190.	**OPERATING PROFIT (LOSS)**	**(136,159)**	**(138,430)**
240.	**PROFIT (LOSS) BEFORE TAX ON CONTINUING OPERATIONS**	**204,897**	**173,587**
250.	Income tax expense from continuing operations	(59,068)	(51,530)
260.	**PROFIT (LOSS) AFTER TAX ON CONTINUING OPERATIONS**	**145,829**	**122,057**
280.	**NET PROFIT (LOSS) FOR THE PERIOD**	**145,829**	**122,057**
290.	Profit (loss) attributable to non-controlling interests		
300.	Profit (loss) attributable to shareholders of the Parent Company	145,829	122,057

Basic earnings per share - euros	0.394	0.330
Diluted earnings per share - euros	0.389	0.325

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

Thousands of euros

		31/12/2019	31/12/2018
10.	**Net profit (loss) for the period**	**145,829**	**122,057**
	Other comprehensive income after tax without recycling to profit or loss		
70.	Defined benefit plans	(123)	46
	Other comprehensive income after tax with recycling to profit or loss		
120.	Cash flow hedges	1,107	(1,107)
170.	**Total other comprehensive income after tax**	**984**	**(1,061)**
180.	**COMPREHENSIVE INCOME (ITEMS 10+170)**	**146,813**	**120,996**
190.	Consolidated comprehensive income attributable to non-controlling interests		
200.	**Consolidated comprehensive income attributable to shareholders of the Parent company**	**146,813**	**120,996**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

Thousands of euros

2019	at 31.12.18	Change in opening balance	at 01.01.19	Allocation of net profit of previous year: Reserves	Allocation of net profit of previous year: Dividends and other allocations	Change for the year: Change in reserves	Change for the year – Equity transactions: Issue of new shares*	Equity transactions: Purchase of treasury shares	Equity transactions: Extraordinary dividends	Equity transactions: Change in equity instruments	Equity transactions: Other changes	Comprehensive income at 31.12.2019	Shareholders' equity attributable to the shareholders of the Parent Company at 31.12.2019	Non-controlling interests at 31.12.2019
Share capital	7.292		7.292										7.292	
Share premium reserve	787.652		787.652										787.652	
Reserves:	315.767		315.767	61.232			(234)				2.730		379.495	
a) earnings	281.723		281.723	65.877									347.600	
b) other	34.044		34.044	(4.645)			(234)				2.730		31.895	
Valuation reserves	(1.712)		(1.712)									984	(728)	
Equity instruments													-	
Treasury shares								(59.639)					(59.639)	
Net profit (loss) for the year	122.057		122.057	(61.232)	(60.825)							145.829	145.829	
Shareholders' equity attributable to shareholders of the Parent Company	**1.231.056**		**1.231.056**	**-**	**(60.825)**	**-**	**(234)**	**(59.639)**	**-**	**-**	**2.730**	**146.813**	**1.259.901**	
Non-controlling interests														

2018	at 31.12.17	Change in opening balance	at 01.01.18	Allocation of net profit of previous year: Reserves	Allocation of net profit of previous year: Dividends and other allocations	Change for the year: Change in reserves	Change for the year – Equity transactions: Issue of new shares*	Equity transactions: Purchase of treasury shares	Equity transactions: Extraordinary dividends	Equity transactions: Change in equity instruments	Equity transactions: Other changes	Comprehensive income at 31.12.2018	Shareholders' equity attributable to the shareholders of the Parent Company at 31.12.2018	Non-controlling interests at 31.12.2018
Share capital	5.926		5.926				1.366						7.292	
Share premium reserve	489.200		489.200				298.452						787.652	
Reserves:	264.716	(99)	264.617	52.747			(4.933)				3.336		315.767	
a) earnings	234.295		234.295	47.428									281.723	
b) other	30.421	(99)	30.322	5.319			(4.933)				3.336		34.044	
Valuation reserves	(750)	99	(651)									(1.061)	(1.712)	
Equity instruments													-	
Treasury shares													-	
Net profit (loss) for the year	111.293		111.293	(52.747)	(58.546)							122.057	122.057	
Shareholders' equity attributable to shareholders of the Parent Company	**870.385**		**870.385**	**-**	**(58.546)**	**-**	**294.885**	**-**	**-**	**-**	**3.336**	**120.996**	**1.231.056**	
Non-controlling interests														

[NF(-M4)]

* "Issue of new shares" include the values of inflows from the capital increase carried out by the Company on 20 April 2018.

CONSOLIDATED STATEMENT OF CASH FLOWS

Thousands of euros

A. OPERATING ACTIVITIES	31/12/2019	31/12/2018
1. Operations	**219,449**	**136,476**
- Net profit (loss) for the period (+/-)	145,829	122,057
- Gains (losses) on hedging activities (+/-)	1,107	(1,107)
- Net adjustments of property, plant and equipment and intangible assets (+/-)	56,572	47,332
- Net provisions for risks and charges and other costs/revenues (+/-)	287	(2,047)
- Taxes and duties to be settled (+/-)	12,924	(33,095)
- Other adjustments (+/-)	2,730	3,336
2. Net cash flows from/used in financial assets	**(56,297)**	**113,595**
- other assets mandatorily measured at fair value	(1,016)	62,055
- financial assets measured at amortized cost	(47,808)	46,565
- other assets	(7,473)	4,975
3. Net cash flows from/used in financial liabilities	**(18,581)**	**(197,191)**
- financial liabilities measured at amortized cost	(50,442)	(158,128)
- financial laibilities at fair value	(1,572)	1,572
- other liabilities	33,433	(40,635)
Net cash flows from/used in operating activities	144,571	52,880
B. INVESTING ACTIVITIES		
1. Cash flows from	**140**	**712**
- Sales of equity investments		712
- Sales of property, plant and equipment	140	
2. Cash flows used in	**(3,743)**	**(406,041)**
- Purchases of property, plant and equipment	(1,434)	(453)
- Purchases of intangible assets	(2,309)	(291,850)
- Purchases of subsidiaries and business units		(113,738)
Net cash flows from/used in investing activities	(3,603)	(405,329)
C. FINANCING ACTIVITIES		
- Issue/purchase of Treasury shares	(59,639)	
- Issues/purchases of equity instruments	(234)	294,886
- Distribution of dividends and other	(60,825)	(58,546)
Net cash flows from/used in financing activities	(120,698)	236,340
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	**20,270**	**(116,109)**

RECONCILIATION

	31/12/2019	31/12/2018
Cash and cash equivalents at beginning of period	243,441	359,550
Net increase/decrease in cash and cash equivalents	20,270	(116,109)
Cash and cash equivalents: exchange rate difference		
Cash and cash equivalents at end of period	263,711	243,441

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PART A- ACCOUNTING POLICIES

A.1 –GENERAL INFORMATION

Section 1 – Declaration of conformity with the International Accounting Standards
In accordance with the provisions of Legislative Decree 38 of 28 February 2005, the consolidated financial statements of Anima Holding at 31 December 2019 have been prepared in accordance with the International Accounting Standards and International Financial Reporting Standards (IASs/IFRSs) issued by the International Accounting Standards Board (IASB), and the related International Financial Reporting Interpretations Committee (IFRIC) interpretations, endorsed by the European Commission in accordance with the procedures referred to in Regulation (EC) no. 1606 of July 19, 2002. No departures have been adopted in the application of the IASs/IFRSs.
The IASs/IFRSs were also applied in accordance with the “Framework for the Preparation and Presentation of Financial Statements”, with particular regard to the principles of substance over form, accruals accounting and the concepts of the relevance and materiality of the information.
The consolidated financial statements were prepared in accordance with the IASs/IFRSs endorsed and in force as at 31 December 2019.

The following table reports new international accounting standards and amendments to existing accounting standards endorsed by the European Union and in force as from 1 January 2019.

International accounting standards endorsed as of 31 December 2019 and in force as from 2019

Endorsement regulation	Title	Date of entry into force
2017/1986	IFRS 16 *Leasing*	01/01/2019
2018/498	Amendments to IFRS 9 *Financial instruments*	01/01/2019
2018/1595	IFRIC 23 *Uncertainty over income tax treatments*	01/01/2019
2019/237	Amendments to IAS 28 *Investments in associates and joint ventures*	01/01/2019
2019/402	Amendments to IAS19 *Employee benefits*	01/01/2019
2019/412	*Annual improvements to IFRS standards* IFRS 2015-2017 *cycle*, which modified IFRS 3 *Business combinations*, IFRS 11 *Joint Arrangements*, IAS 12 *Income taxes and IAS 23 Borrowing costs*	01/01/2019

As already highlighted starting from the interim financial report at March 31, 2019, the accounting standard “IFRS 16 - Leases” is of particular importance among the accounting standards endorsed by the European Union applicable from 1 January 2019.
The new IFRS 16 sets out the requirements for accounting for leases and as from 1 January 2019 replaces IAS 17 “Leases” and the associated interpretations IFRIC 4 “Determining whether an arrangement contains a lease”, SIC 15 “Operating leases – Incentives” and SIC 27 “Evaluating the substance of transactions in the legal form of a lease”.
The new standard introduces significant changes in how leases are to be accounted for in the financial statements of lessees/users, while there are no significant changes in the rules for lessors.
For an illustration of the impacts of the first-time application of IFRS 16 and the accounting policies adopted by the Group in relation to the new standard, please see the section “Initial application of IFRS 16” in the notes to the consolidated financial statements below.

The other standards and interpretations taking effect as from 1 January 2019 indicated above did not have a substantive impact on performance or financial position.

International accounting standards endorsed as of 31 December 2019 entering force after 2019

Endorsement regulation	**Title**	**Date of entry into force**
Amendments	Amendments to the "Conceptual Framework for Financial Reporting"	29/03/2018

International accounting standards not yet endorsed as of 31 December 2019

Type	**Standard/ Interpretation**	**Date of publication**
New standard	IFRS 17 *Insurance contracts*	18/05/2017
Amendments	Amendments to IFRS 3 *Business combinations*	22/10/2018
Amendments	Amendments to IAS 1 *Presentation of financial statements* and IAS 8 *Accounting policies, changes in accounting estimates and errors*	31/10/2018
Amendments	Amendments to IFRS 9 and IAS 39 concerning hedge accounting	22/09/2019

The introduction and amendments of the standards indicated above do not have an impact on these consolidated financial statements as they will not apply until they have been endorsed by the European Commission with the issue of specific regulations.

Initial application of IFRS 16

Prior to 1 January 2019, under IAS 17, lessees were required to make a distinction between a finance lease, which is recognized in the balance sheet, and an operating lease, for which the overall liability deriving from the contractual obligation is not recognized but the lease payments are charged to profit and loss on an accrual basis.

IFRS 16, which will take effect as from 1 January 2019, contains a new definition of lease and introduces a criterion of control (right of use) over an asset to distinguish lease contracts from service contracts, identifying the following as discriminants: the identification of the asset, the right of replacement of the asset, the right to obtain substantially all of the economic benefits of use of the asset and the right to direct the use of the asset underlying the lease.

The standard, which establishes a single model for the recognition and measurement of leases for lessees. Under the new standard, a lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Specifically, the lessee shall recognize a right-of-use asset and a lease liability, representing the payment obligations under the lease.

At initial recognition, the asset is measured on the basis of the cash flows associated with the lease contract. Following initial recognition, that asset is measured on the basis of the rules governing property, plant and equipment or intangible assets provided for under IAS 38, IAS 16 or IAS 40 and, therefore, at cost less depreciation or amortization and any impairment losses, at the revalued amount or at fair value as applicable.

The minimum disclosures required for lessees include, among others:

- a breakdown of leased assets in to their various classes;
- an analysis of lease liabilities by maturity;
- information potentially useful for understanding the entity’s leasing activities (for example, termination and extension options).

By contrast, no substantive changes, other than certain additional disclosures, were introduced in the rules governing the accounting for leases in the financial statements of lessors, where the distinction between operating and finance leases has been retained.

In addition, under the provisions of IFRS 16 and the clarifications issued by the IFRIC (“Cloud Computing Arrangements” of September 2018), software is excluded from the scope of IFRS 16. It is therefore accounted for in accordance with IAS 38.

Initial application of IFRS 16 for the Group’s consolidated financial statements had the following impact:

- the balance sheet shows an increase in recognized assets (the rights of use over the leased assets) and an increase in liabilities (the liability for the lease payments provided for in the lease agreement);
- the income statement shows an increase in depreciation/amortization (on the new right-of-use assets), an increase in financial expense (interest on the lease liability) and a reduction in operating expenses (lease payments).

An analysis of the contracts falling within the scope of application of this standard focused in particular on the following cases: (i) buildings, (ii) cars and (iii) hardware. Real estate leases represent the most significant implementation impact area since these contracts represent around 95% of the calculated value of rights of use. On the other hand, although significant in terms of number, cars account for a negligible proportion of the value of right-of-use assets. Finally, the impact of the hardware sector are marginal.

<u>First-time adoption</u>
The Group has elected to apply the “modified retrospective” approach for first-time adoption (paragraph C7 of IFRS 16), which permits recognition of the cumulative effect of initially applying the standard at the date of initial application and to not restate comparative figures in the initial IFRS 16 financial statements. Therefore, the figures for 2018 for the valuation of right-of-use assets and the corresponding lease liabilities are not comparable with the previous reference period.
During the transition, the new standard was applied contracts previously identified as leases under IAS 17. More specifically, the following have been recognized:
- the lease liability calculated as the present value of the lease payments that are not paid at the transition date, discounted at the Group’s incremental borrowing rate at the transition date;
- the right-of-use asset, measured at the amount equal to the lease liability at the transition date, adjusted for any deferred or accrued income in respect of the lease recognized at the closing date of the financial statements at 31 December 2018.

The future lease payments to be discounted are determined on the basis of the provisions of the lease and calculated net of VAT.
The Group decided to elect the exemption allowed under IFRS 16, paragraph 5(a):
- for short-term leases for all categories of asset (with a term of 12 months or less);
- for leases for which the underlying asset is of low value (i.e. for new underlying assets with a unit value of less than €5,000).

For those contracts, the introduction of IFRS 16 did not involve the recognition of a lease liability and the associated right-of-use asset but rather the recognition of the lease payments as an expense through profit or loss on a straight-line basis over the term of the lease
In addition, with regard to the rules governing the transition, the Group adopted the following practical expedients available in the case of adoption of the modified retrospective method for the transition:
- exclusion of initial direct costs from the measurement of the right-to-use asset at 1 January 2019;
- classification of leases expiring within 12 months of the transition date as short-term leases. Lease payments on those contracts will be recognized in profit or loss on a straight-line basis.

More specifically, with regard to the lease term for new contracts, the Group has decided:
- for property leases, to consider only the first renewal as reasonably certain, unless there are contractual clauses that forbid this or fact or circumstances that suggest that additional renewals should be considered or that the lease is terminated;
- for leases of automobiles or hardware, even where a renewal option is present, to not consider renewal as reasonably certain.

For contracts outstanding at the date of first-time adoption, a renewal period was added if the contract was in the initial contract period (i.e. the first renewal option had not yet been exercised) or if the contract was in a renewal period following the first but the deadline for notifying the cancellation had expired.
In the transition phase, for all types of leases, we considered with reasonably certainty that the option for early termination would be exercised.
With respect to the minimum payments due for leases pursuant to IAS 17, the liabilities recognized in these consolidated financial statements (first-time application of IFRS 16) primarily include the increase in liabilities in respect of lease terms in which the Group, as a lessee, is reasonable certain that it will no exercise the termination option and the discounting effect of applying an average rate of 1.325%.

Reconciliation of operating lease commitments under IAS 17 at 31 December 2018 and lease liabilities under IFRS 16 at 1 January 2019

Reconciliation of lease liabilities	**01/01/2019**
Commitments for IAS 17 operating leases not discounted at 31 December 2018	15,218
Application of practical expedients for non-recognition provided for in IFRS 16	
- *short-term leases*	*(100)*
- *low-value leases*	*(207)*
Liabilities for operating leases to be recognized in balance sheet at 1 January 2019 not discounted	14,911
Discounting effect - liabilities for operating leases	(537)
Total IFRS 16 lease liabilities at 1 January 2019	**14,374**

Rights of use acquired under lease arrangements	**01/01/2019**
a) land	-
b) buildings	13,717
c) movables	-
d) electronic plant	314
e) other	343
Total rights of use	**14,374**
Deferred income in respect of leases recognized in balance sheet at 31 December 2018	(117)
Total property, plant and equipment recognized	**14,257**

Assets, liabilities and equity at 1 January 2019

Using the modified retrospective approach, the application of IFRS 16 resulted in an increase in assets following the recognition of right-of-use assets at the Group level of €14.3 million and of lease liabilities (payable to the lessor) of the same amount. Accordingly, there has been no impact on shareholders' equity as, following the decision to adopt the modified retrospective approach (option provided for under paragraph C8 b) ii), on first-time application the values of the assets and liabilities are the same.

	Assets	31/12/2018	Effects of transition to IFRS 16	01/01/2019 IFRS 16
10.	Cash and cash equivalents	6		6
20.	Financial assets measured at fair value through profit or loss	88,629		88,629
	c) other financial assets mandatorily measured at fair value	*88,629*		*88,629*
40.	Financial assets measured at amortized cost	315,709		315,709
80.	Property, plant and equipment	3,285	14,257	17,542
90.	Intangible assets	1,746,890		1,746,890
	of which:			-
	- goodwill	*1,105,463*		*1,105,463*
100.	Tax assets	29,033		29,033
	a) current	*25,710*		*25,710*
	b) deferred	*3,323*		*3,323*
120.	Other assets	28,080		28,080
	TOTAL ASSETS	**2,211,632**	**14,257**	**2,225,889**

	Liabilities and shareholders' equity	31/12/2018	Effects of transition to IFRS 16	01/01/2019 IFRS 16
10.	Financial liabilities measured at amortized cost	777,998	14,374	792,372
	a) Debt	*777,998*	*14,374*	*792,372*
20.	Financial liabilities held for trading			-
40.	Hedging derivatives	1,572		1,572
60.	Tax liabilities	157,262		157,262
	a) current	*3,387*		*3,387*
	b) deferred	*153,875*		*153,875*
80.	Other liabilities	39,824	(117)	39,707
90.	Deferred remuneration benefits	2,484		2,484
100.	Provisions for risks and charges:	1,436		1,436
	a) committments and guarantees issued	*106*		*106*
	c) other provisions	*1,330*		*1,330*
110.	Share capital	7,292		7,292
140.	Share premium reserve	787,652		787,652
150.	Reserves	315,767		315,767
160.	Valuation reserves	(1,712)		(1,712)
170.	Net profit (loss) for the year	122,057		122,057
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,211,632**	**14,257**	**2,225,889**

Section 2 – General preparation principles

The consolidated financial statements are composed of the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and the explanatory notes to the financial statements. They have been prepared in accordance with the new instructions for the preparation of the financial statements of IFRS financial intermediaries other than banks issued by the Bank of Italy, in the exercise of the powers established with the provisions of Article 9 of Legislative Decree 38/2005 and Article 43 of Legislative Decree 136/2015, with its measure of 30 November 2018. The instructions establish binding formats for the financial statements and required procedures for completing them, as well as for the content of the notes to the financial statements.
The financial statements have been prepared on a going-concern basis, considered appropriate in the light of performance and the outlook for the Company in accordance with the principle of accrual accounting, complying with the principle of the materiality and significance of information and the prevalence of substance over form. There were no significant events or circumstances that might raise doubts about the ability of the company to operate as a going concern.
The tables also show the corresponding comparative figures at 31 December 2018.
In order to improve the presentation of the figures so as to facilitate comprehension and in accordance with the provisions of the Bank of Italy in its instructions for preparing financial statements, certain balance sheet items (sub-items of “Item 10 - Financial liabilities measured at amortized cost”) and income statement items economic (sub-items of “Items 10 and 20 – Fee and commission income and expense”) for 2019 have been reclassified. More specifically, fee and commission income and expense and payables for fees and commissions to be transferred to placement agents for the Anima Funds Plc SICAV (for which the subsidiary Anima SGR was appointed management company as from 1 January 2019) have been reported under the sub-items for “management of third-party portfolios”, whereas the previous year they were reported under “management of own portfolios”. For these sub-items, therefore, the amounts reported for the previous year have also been reclassified, without causing any change in the final balances for the period.
In accordance with Article 5, paragraph 2, of Legislative Decree 38 of 28 February 2005, the euro has been adopted as the currency of account in the preparation of the financial statements.
Unless otherwise specified, the amounts in the financial statements are expressed in thousands of euros.
Items with zero balances for the two years under review are excluded from the balance sheet, income statement or statement of comprehensive income. Similarly, the explanatory notes to the financial statements do not include sections and/or tables concerning items for which no amounts are reported.
Assets and liabilities and costs and revenues were offset only if required or permitted by a standard or its interpretation.
As provided for under IAS 7, paragraphs 45 and 46, the reconciliation of the statement of cash flows considers cash and current account items at the start and end of the period as the “cash equivalent” aggregate.

Section 3 – Events subsequent to the reporting date

As of 20 February 2020, the date the Board of Directors approved the consolidated financial statements, no significant event had occurred that would require an adjustment or would modify the values of the assets and liabilities or require disclosure in the explanatory notes.
Please note that:

- on 17 January 2020 the Company, as required by the loan agreement signed on 24 October 2019 (the “New Loan”), entered into interest rate swaps (“IRSs”) to hedge the risk of changes in the Euribor benchmark rate of the New Loan. The IRS contracts are effective from 21 January 2020 and expire on 10 October 2024, and have a notional value of €148.5 million;

- on 4 February 2020, the management body of the Irish indirect subsidiary Anima Asset Management ("Anima AM Ltd") approved the draft financial statements at 31 December 2019, with a net profit of about €3.7 million;
- on 7 February 2020, the Board of Directors of the direct subsidiary Anima SGR S.p.A. (Anima SGR) approved its draft financial statements at 31 December 2019, showing a net profit of about €193.5 million;
- asset management funding (excluding Class I products) by the Group in January 2020 showed net funding of about €52 million, Total assets under management at the end of January 2020 amounted to about €189 billion, an improvement of about €3 billion compared with the end of 2019;
- on 12 February 2020, the Company and Anima SGR signed an amendment agreement proposed by Banco BPM and Banca Aletti regarding solely an extension of the notification time limit of the price adjustment mechanism described in the Information Document relating to transactions of greater importance with related parties of 14 February 2018. The parties are discussing ways to strengthen the existing partnership. The terms and conditions of the previous contracts referred to in the Information Documents concerning transactions with related parties of 10 August 2017 (Memorandum of Understanding with Banco BPM - "MoU"), 16 November 2017 (definitive agreements in execution of the MoU) and 14 February 2018 (contracts for the delegated management of the assets deriving from insurance activities with Banco BPM) are valid and fully applicable. The aforementioned Information Documents are available (in Italian) on the Company website at www.animaholding.it, in the section "Investor Relations - Corporate Governance – Documenti societari";
- on 13 February 2020, Anima Holding established Aliseam SGR S.p.A., a company intended, subject to obtaining the necessary authorizations from the supervisory authorities, to manage Alternative Investment Funds ("AIFs"). The creation of Aliseam SGR is part of a strategic initiative represented by the entry of the Anima Group into the alternative "illiquid" products segment, in particular so-called "private capital" funds that the Group intends to develop and offer primarily to institutional customers;
- on 20 February 2020, the Board of Directors of the Parent Company approved the measurement technique [NF(-M5]adopted to estimate the recoverable amount [NF(-M6]of the "Anima Cash Generating Unit" at 31 December 2019, supported by a fairness opinion from PricewaterhouseCoopers Advisory S.p.A.;
- in the period 1 January - 20 February 2020, the Company purchased a further 4,676,530 treasury shares for about €21 million. Accordingly at 20 February 2020 the Company held 20,072,439 treasury shares, equal to 5.28% of share capital.

Section 4 – Other information

As regards the disclosures required under IAS 10 concerning the publication of financial information, these financial statements were approved by the Board of Directors of the Parent Company on 20 February 2020.

Use of estimates and assumptions in financial reporting

The preparation of financial reports requires the use of estimates and assumptions that can have a significant impact on the values reported in the consolidated balance sheet and the consolidated income statement, as well as on disclosures concerning the contingent assets and liabilities reported in the consolidated financial statements. The preparation of these estimates involves the use of available information and the adoption of subjective assessments, based in part on experience, in order to formulate reasonable assumptions for the recognition of operating events. By their very nature, estimates and assumptions used may vary from year to year and, therefore, the amounts recognized in the financial statements may vary significantly in subsequent years, due to changes in the subjective assessments used.

The main circumstances for which management makes greatest use of subjective assessments are:

- o the identification and quantification of any losses due to impairment of goodwill and other intangible assets recognized in the consolidated financial statements;
- o the quantification of provisions for risks and charges, with specific reference to estimated liabilities in respect of personnel and legal and tax disputes;
- o the estimates and assumptions concerning the recoverability of deferred tax assets;
- o the estimates and assumptions concerning the determination of the actuarial value of the deferred compensation benefits (*trattamento fine rapporto*, or TFR);
- o the estimates and assumptions concerning the number of units connected with long-term incentive plans and the determination of their fair value;
- o the estimates and assumptions concerning the recoverability of prepayments relating to the one-off commissions paid to distributors;
- o the estimates concerning the determination of the commitments connected with guarantees given by the subsidiary Anima SGR for pension fund segments which provide for the repayment of capital.

Section 5 - Scope and methods of consolidation

1 Investments in subsidiaries

The following table reports fully-consolidated equity investments in the consolidated financial statements at 31 December 2019:

	Headquarters	Registered office	Type of relationship (a)	Investment		% availability of votes (b)
				Investor	% holding	
Anima SGR S.p.A.	Milan – Italy	Milan – Italy	1	Anima Holding S.p.A.	100%	
Anima Asset Management Ltd	Dublin - Ireland	Dublin - Ireland	1	Anima SGR S.p.A.	100%	

a) Type of relationship: 1=majority of voting rights in ordinary shareholders' meeting.
b) Where this differs from percentage interest, the percentage of votes in the ordinary shareholders' meeting is given, distinguishing between actual and potential votes.

The scope of consolidation did not change compared with 31 December 2018.

2 Significant considerations and assumptions used to determine the scope of consolidation

Subsidiaries are those entities for which Anima Holding is exposed to the variable returns, or holds rights to those returns, from its involvement with the investee and, at the same time, has the ability to exercise its power over the investee to affect the amount of those returns.

Control exists only if the investor simultaneously:

- has the power to direct the relevant activities of the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect the amount of the investor's returns.

More specifically, the Group considers the following factors in assessing the existence of control:

- the purpose and design of the investee – in order to determine the objectives of the entity, its relevant activities (i.e. those which are those that significantly affect the investee's returns) and how those activities are governed;
- power – in order to determine whether the Group has contractual rights that give it the ability to direct the relevant activities;
- the exposure to variable returns from an investee – in order to determine whether the return to the Group can potentially vary in relation the results achieved by the investee.

Once the existence of control has been determined, the Group takes account of the following factors to determine whether it is acting as a principal or as an agent:

- the scope of its decision-making authority over the relevant activities of the investee;

- the rights held by other parties;
- the remuneration to which it is entitled;
- the Group's exposure to variability of returns from any interest that it holds in the investee.

IFRS 10 defines relevant activities as only those activities that significantly affect the investee's returns.

In general, when the relevant activities are directed through voting rights, the following factors provide evidence of control:

a) the holding, directly or indirectly, of more than half of the voting rights of an entity, unless, in exceptional circumstances, it can clearly be demonstrated that the holding does not grant control;
b) the holding of half, or fewer, of the voting rights that can be exercised in the shareholders' meeting and the practical ability to direct the relevant activities unilaterally through:
    - control of more than half of the voting rights by virtue of an agreement with other investors;
    - the power to determine the financial and operating policies of the entity under the provisions of the bylaws or a contract;
    - the power to appoint or remove a majority of the members of the board of directors or equivalent governing body;
    - the power to exercise a majority of voting rights in meetings of the Board of Directors or equivalent governing body.

In order to exercise these powers, it is necessary that the rights held by the Group over the investee are substantive. To be substantive, rights need to be exercisable when decisions about the direction of the relevant activities need to be made.

3 Investments in subsidiaries with significant non-controlling interests
The Group does not have investments in subsidiaries with significant non-controlling interests.

4. Significant restrictions
The Group is of the view that it is not subject to restrictions imposed by its bylaws, shareholders' agreements or regulations that would prevent or limit its ability to access assets or settle liabilities.

5. Other information
The consolidated financial statements have been prepared using accounting policies that are consistent with those used in preparing the separate financial statements at 31 December 2019 approved by the respective boards of directors of the fully consolidated companies. All the consolidated companies have adopted the euro as their functional currency. None of the financial statements of the subsidiaries used in preparing the consolidated financial statements have a different reporting date from that of the consolidated financial statements.
Subsidiaries may also include so-called "structured entities", in which voting rights are not the dominant factor in determining the existence of control, including special purpose entities and investment funds.
The investment funds managed by Group companies are considered to be controlled entities when the Group is significantly exposed to their variable returns and when third-party investors do not have removal rights over the management company.
As at 31 December 2019 there are no investment funds that can be considered subsidiaries.

Consolidation methods

Line-by-line consolidation
Line-by-line consolidation consists in the "line-by-line" incorporation of the aggregates of the balance sheet and income statement of the subsidiaries in the consolidated accounts. The value of equity investments is eliminated against the value of the equity of the subsidiaries, allocating to non-controlling interests their share in equity and profit or loss.

Any positive differences produced by this operation are recognized – after any allocation to elements of the assets and liabilities of the subsidiary – under intangible assets as goodwill or as other intangible assets. Negative differences are recognized in profit of loss.
Amounts in respect of assets, liabilities, revenue and expense between consolidated companies are eliminated in full.
Acquisitions of entities are accounted for using the "acquisition method" provided for in IFRS 3, as amended by Regulation (EU) 495/2009, under which the identifiable assets acquired and the identifiable liabilities (and contingent liabilities) assumed must be recognized at their respective fair values as of the acquisition date. In addition, for each business combination, any non-controlling interests in the acquiree may be recognized at fair value or at their proportionate share in the net identifiable assets of the acquiree. Any excess consideration transferred – represented by the fair value of the assets transferred, liabilities incurred, equity instruments issued and any fair value of non-controlling interests compared with the fair value of the assets and liabilities acquired – shall be recognized as goodwill; if the consideration is lower, the difference is recognized in profit or loss.
The acquisition method is applied as from the acquisition date, i.e. the moment in which effective control of the acquiree is obtained. Accordingly, the profit or loss of a subsidiary is included in the consolidated accounts as from the date of its acquisition. Similarly, the profit or loss of a subsidiary transferred is included in the consolidated accounts up to the date on which control is lost.
The difference between the consideration transferred and the carrying amount at the transfer date is recognized in profit or loss.

Equity method accounting

Associates and joint operations (under joint control) are accounted for using the equity method.
The equity method provides for the initial recognition of an equity investment at cost, subsequently adjusted on the basis of the share held in the equity of the investee.
The difference between the carrying amount of the investment and the share of equity of the investee pertaining to the Group is reflected in the carrying amount of the investee.
The measurement of the proportionate share held in the investee shall not consider any potential voting rights.
The proportionate share in the profit or loss of the investee is recognized in a specific item of the consolidated income statement.
If there is evidence that the value of an investment may be impaired, the recoverable amount of the investment is estimated, taking account of the present value of the future cash flows that the investee could generate, including the proceeds from the ultimate disposal of the investment. If the recoverable amount is less than the carrying amount, the difference shall be recognized through profit or loss.
Joint operations and investments in associates were accounted for using the annual or interim financial reports approved most recently by the investees. If the investees do not adopt IAS/IFRS, it is necessary to verify whether the application of IAS/IFRS would have a significant impact on the Group's consolidated financial statements.

A.2 – THE MAIN ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

Financial assets measured at fair value through profit or loss

Classification

This category includes financial assets held in order to collect cash flows principally through the sale of the assets and whose contractual cash flows are not solely payments of principal and interest on the principal amount outstanding (equity securities, debt securities and units of collective investment undertakings (CIUs)).

More specifically, the category includes the following sub-categories:

- financial assets held for trading: these include financial assets acquired mainly for the purpose of short-term sale and derivatives not designated as effective hedging instruments (debt securities, equity securities, loans, units of CIUs and derivatives);
- financial assets designated at fair value: financial assets which at the time of initial recognition are designated as at fair value on a voluntary basis in order to eliminate or significantly reduce a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets on different bases (debt securities and loans);
- other financial assets mandatorily measured at fair value: financial assets not held for trading (debt securities, equity securities, loans, units of CIUs).

The item also includes shareholdings not qualifying as a subsidiary, associate or joint arrangement.

When, and only when, an entity changes its business model for managing financial assets shall it reclassify assets to other categories envisaged by IFRS 9. Reclassification takes place prospectively starting from the reclassification date.

Recognition, measurement and derecognition

Initial recognition

At the time of initial recognition, the asset is measured at fair value, which normally coincides with the transaction price, plus or minus transaction costs or income directly attributable to the acquisition or issue of the asset.

Subsequent measurement and recognition of revenues and costs

After initial recognition, these financial assets are measured at fair value and the effects of applying this measurement approach are recognized through profit or loss.

The fair value of financial instruments quoted on an active market is determined on the basis of market quotations (bid-offer prices or average prices) and the most recent unit value calculated and published for units of CIUs.

Derecognition

The assets are derecognized when the contractual rights to the cash flows expire, or a disposal transfers substantially all the risks and rewards of ownership.

Financial assets measured at amortized cost

Classification

This category includes financial assets held under a business model whose objective is to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category includes the receivables in respect of fees and commissions for the management of assets and any costs paid on behalf of the portfolios under management, as well as liquidity deposited in bank current accounts.

Recognition, measurement and derecognition

Initial recognition

At the date of initial recognition, financial assets measured at amortized cost are recognized at their fair value, which usually corresponds to the amount disbursed or the price paid, plus any directly attributable transaction costs/income, if material and determinable. Loans are recognized at the date of disbursement.

Subsequent measurement and recognition of revenues and costs

After initial recognition, these financial assets are measured on the basis of the amortized cost, equal to the amount at which the financial asset or financial liability is measured at initial recognition plus or minus principal repayments, loss allowances/writebacks and the difference between the amount disbursed and the repayable amount at maturity, calculated using the effective interest rate method. The amortized cost method is not used for loans whose short duration (less than 12 months) makes the effects of discounting negligible. The effective interest rate is the rate that exactly discounts estimated future cash flows (principal and interest) to the initial carrying amount of the financial asset.

Impairment

In accordance with the simplified approach established in IFRS 9, at each reporting date the loss allowance for trade receivables is determined on the basis of the expected losses over the lifetime of the receivable.

Derecognition

The assets are derecognized when the contractual rights to the cash flows expire, or a disposal transfers substantially all the risks and rewards of ownership.

Equity investments

Recognition and measurement

The item reports investments in joint arrangements or associates.

Joint arrangements

A joint arrangement is a contractual arrangement gives two or more parties joint control of the arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Under IFRS 11 (Joint arrangements), joint arrangements must be classified as joint operations or joint ventures depending upon the rights and obligations of Group in the arrangement.

A joint operation is a joint arrangement whereby the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement. These investments are consolidated on a proportional basis on the basis of the share of involvement in the arrangement.

A joint venture is a joint arrangement whereby the parties have rights to the net assets of the arrangement. These investments are accounted for using the equity method.

The carrying amount of joint ventures is tested in accordance with IAS 36 as a single asset, comparing it with the recoverable amount (defined as the greater of value in use and fair value less costs to sell).

Associates

An associate is an entity over which the investor has significant influence but does not control exclusively or jointly. The investor is presumed to have a significant influence when:

- it holds, directly or indirectly, at least 20% of the capital of another entity; or
- it has the ability, including through shareholder agreements, to exercise a significant influence through:

- representation on the governing body of the investee;
- participation in policy-making processes, including participation in decisions about dividends or other distributions;
- material transactions between the entity and its investee;
- interchange of managerial personnel; or
  provision of essential technical information.

Only entities over which governance is exercised through voting rights may be classified as associates. Investments in associates are accounted for using the equity method. The carrying amount of associates is tested in accordance with IAS 36 as a single asset, comparing it with the recoverable amount (defined as the greater of value in use and fair value less costs to sell).

Property, plant and equipment

Classification

Property, plant and equipment includes land, buildings used in operations, works of art, furnishings, fittings and equipment of any kind that are expected to be used for more than one period. Assets held for use in the production or supply of goods and services are classified as "assets used in operations" in accordance with IAS 16.

Property, plant and equipment also includes leasehold improvements where they represent incremental expenditure for identifiable and separable assets. In that case, the assets are classified under the specific sub-items (e.g. plant) depending on the nature of the assets themselves.

Where the improvements and incremental expenditure regard property, plant and equipment that is identifiable but not separable, they shall be reported under item 120. "other assets".

Recognition

Property, plant and equipment is initially recognized at cost, which includes the purchase price and all incidental costs directly attributable to the transaction and placing the asset in service.

Extraordinary maintenance costs that increase the future economic benefits of such assets are allocated as an increase in the value of the assets, while ordinary maintenance expenses are recognized in profit or loss.

Measurement

Property, plant and equipment is measured at cost less depreciation and impairment.

Such assets are depreciated systematically over their useful life on a straight-line basis. Depreciation begins when the assets become available for use.

The following assets are not depreciated:

- land, whether purchased separately or incorporated in the value of buildings, as it has an indefinite life;
- works of art, as the useful life of a work of art cannot be estimated and its value normally increases with time;

If there is evidence of possible impairment of an asset, the asset's carrying amount is compared against its recoverable amount[NF(-M7]. Any writedowns are recognized in the income statement.

If the reasons for the impairment should cease to obtain, a writeback, which shall not exceed the value that the asset would have had, net of depreciation, in the absence of the prior writedowns, is recognized.

Derecognition

Property, plant and equipment is derecognized when disposed of or when the asset is permanently withdrawn from use and no future economic benefits are expected from its use or disposal.

Leases

(Lessee)

Classification

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, and therefore if throughout the period of use the customer has both of the following:

a) the right to obtain substantially all of the economic benefits from use of the identified asset; e

b) the right to direct the use of the identified asset.

Whether a contract is, or contains, a lease is reassessed only if the terms and conditions of the contract are changed.

The Group does not apply these rules to:

- leases of intangible assets;
- short-term leases (term of 12 months or less);
- leases involving low-value assets (assets with a unit value of €5,000 or less);

Recognition, measurement and derecognition

One it has been determined that a contract contains a lease, at the *commencement date*, a lessee shall recognize a right-of-use asset and a lease liability.

The right-of-use asset shall initially be recognized at cost, which comprises:

a) the amount of the initial measurement of the lease liability;
b) any lease payments made at or before the commencement date, less any *lease incentives* received;
c) any initial direct costs incurred by the lessee; and
d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The lease liability is measured at the commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the Parent Company's incremental borrowing rate.

In the case of transactions in which the asset underlying a lease is in turn leased by the Group to a third party, the lease with the principal lessee remains in force, the asset is recognized as a financial receivable in an amount equal to the payments due for the sub-lease discounted at the discount rate used the main lease.

Each lease component within the contract is accounted for as a lease separately from non-lease components of the contract.

The lease term is equal to the non-cancellable period of a lease, together with both:

a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The lease term is revised if there is a change in the non-cancellable period of a lease.

After the commencement date, the right-of-use asset is measured by applying a cost model.

Right-of-use assets are depreciated as from the commencement date of the lease until the end of the lease term.

After the commencement date, the lease liability is measured by:

a) increasing the carrying amount to reflect interest on the lease liability;
b) reducing the carrying amount to reflect the lease payments made; and
c) remeasuring the carrying amount to reflect any reassessment or lease modifications , or to reflect revised lease payments.

Interest on the lease liability and variable lease payments not included in the measurement of the lease liability are recognized in profit or loss in the year in which the event or circumstances giving rise to the payments occur.

Right-of-use assets are reported separately in the balance sheet from other assets, lease liabilities are reported separately from other liabilities and interest on the lease liability is reported as financial expense separately from depreciation charges on right-of-use assets.

Intangible assets

Classification

Intangible assets are recognized with they are identifiable and arise from contractual or other legal rights. They include goodwill, which represents the positive difference between the purchase cost and the fair value of the assets acquired and liabilities assumed in business combinations.

Recognition and measurement

Intangible assets are recognized at cost, adjusted for any incidental expenses, only if it is probable that the future economic benefits attributable to the asset will be realized and if the cost of the asset can be measured reliably. Otherwise, the cost of the intangible asset is expensed in the period in which it is incurred.

For assets with a finite useful life, the cost is amortized on a straight-line basis or in decreasing amounts determined on the basis of the inflow of economic benefits expected from the asset. Assets with an

indefinite useful life do not undergo systematic amortization, but rather are tested periodically to assess the appropriateness of their carrying amount.
If there is any indication that an asset may have incurred an impairment loss, the asset's recoverable amount is estimated. The amount of the loss, recognized through profit or loss, is equal to the difference between the carrying amount of the asset and the recoverable amount .
In particular, intangible assets include:

- technology-based intangible assets, such as application software, which are amortized on the basis of their expected technological obsolescence and in any case over a period no longer than 5 years.
- intangible assets represented (i) by the valuation, on the occasion of business combinations, of customer relationships or management engagements supported by signed contracts; (ii) by an acquired contractual relationship. These assets, which have a finite life, are originally measured at fair value by discounting - adopting a rate representing the time value of money and the specific risks associated with the asset - the flows representing the net fee and commission margin over a period representing the contractual or estimated residual duration of the relationships in existence at the time of the business combination. They are amortized over the period in which economic benefits are expected to flow to the company;
- Intangible assets include goodwill. Goodwill may be recognized as part of business combinations, when the positive difference between the purchase cost of the assets and the fair value of the assets and other balance-sheet components acquired represents future income-generating capacity (goodwill). If this difference is negative (i.e. badwill) or if the goodwill cannot be justified by future income-generating capacity, the difference is recognized directly in profit or loss. On an annual basis (or whenever there is evidence of impairment), goodwill is tested to verify the appropriateness of the carrying amount. To this end, the cash-generating unit to which the goodwill is attributed is identified. The amount of any reduction in value is determined on the basis of the difference between the carrying amount of the goodwill and its recoverable amount , if lower. This recoverable amount is equal to the greater of the fair value of the cash-generating unit, net of any costs to sell, and its value in use. The resulting value adjustments are recognized through profit or loss.

Derecognition
An intangible asset is derecognized upon disposal or when no future economic benefits are expected to be generated.

Other assets

The other assets essentially include items not attributable to other balance sheet items, including receivables arising from the supply of non-financial goods and services, tax items other than those recognized under their own specific item (for example, those connected with withholding agent activities), accrued income and prepaid expenses.
In particular, prepaid expenses include the one-off commissions paid to distributors, with subsequent recognition in profit or loss of the portion pertaining to each year. At the end of each year, they are tested to verify the recoverability of the assets' carrying amount value.
Other assets also include improvements and incremental expenditures on leased property, which are capitalized in view of the fact that over the term of the lease the lessee has control of the asset and may derive future economic benefits from it. These costs are classified under other assets in compliance with the instructions of the Bank of Italy and are depreciated over the shorter of the period in which the improvements and expenditure can be used and the residual term of the lease.

Financial liabilities measured at amortized cost

Classification
"Financial liabilities measured at amortized cost" include financial liabilities deriving from relations with the sales networks, long-term loans granted to the Parent Company and bonds issued by the Parent Company.

They also include liabilities recognized by the Group as the lessee in lease transactions.
Recognition
The liabilities are initially recognized at their fair value, which is normally equal to the amount received or the issue price.
Measurement
After initial recognition, financial liabilities are measured at amortized cost using the effective interest rate method.
An exception is made for short-term liabilities (less than 12 months), for which the time value of money is negligible, which continue to be recognized at fair value.
Derecognition
Financial liabilities are derecognized when they have expired or been extinguished. Previous issues of bonds that have been repurchased are also derecognized.

Current and deferred taxation

Income taxes, which are calculated in compliance with national tax laws, are accounted for as a cost on an accruals basis, consistent with the methods for recognition of the costs and revenues that generated those taxes. They therefore represent the balance of current and deferred taxation in respect of taxable income for the year.
Current tax assets and liabilities report the net balance of the Group companies' tax positions in respect of Italian and foreign tax authorities.
More specifically, these items report the net balance between current tax liabilities, calculated on the basis of an estimate of the tax liability due for the year, determined on the basis of applicable tax law, and current tax assets represented by payments on account and other tax receivables for tax withholdings.
The Parent Company and the subsidiary Anima SGR have opted to participate in a Group taxation mechanism pursuant to Article 117 et seq. of the Uniform Income Tax Code (the so-called "National Consolidated Taxation Mechanism"). Transactions between the participating companies are governed by a specific consolidated taxation agreement.
Deferred taxation is determined on the basis of the tax effects of temporary differences between the carrying amount of assets and liabilities and their value for tax purposes, which give rise to taxable or deductible amounts in future periods. For this purpose, "taxable temporary differences" are those that in future periods will give rise to taxable amounts and "deductible temporary differences" are those that in future periods will give rise to deductible amounts.
A deferred tax liability is not recognized where it arises from the initial recognition of goodwill or the initial recognition of an assets or a liabilities in transactions that are not a business combination and at the time of the transaction affect neither accounting profit or taxable profit (tax loss).
Deferred taxation is calculated by applying the tax rates established by law that are expected to apply in the period in which the associated temporary differences become taxable or deductible. Deferred taxation is recognized when it is likely that taxes will be paid in the periods in which the temporary differences reverse or when it is reasonably certain that taxable income will be available when the temporary differences can be deducted.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized.
The measurement of deferred tax assets and liabilities reflects the tax consequences of the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.
If the deferred tax assets and liabilities relate to items in profit or loss, they are recognized through income taxes.
If the deferred tax assets and liabilities relate to items in equity outside of profit or loss (such as adjustments on first-time application of IAS/IFRS and the measurement of financial assets recognized at fair value through other comprehensive income or cash flow hedge derivatives), they are recognized in equity, impacting any specific reserves (e.g. valuation reserves).

Hedging

The Group uses financial derivatives (generally interest rate swaps) to hedge the exposure to the variability of cash flows attributable to a specific risk associated with the financial liabilities recognized.

A hedging relationship qualifies for hedge accounting only if all of the following conditions are met:

- the hedging relationship consists only of eligible hedging instruments and eligible hedged items under IFRS 9;
- at the inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge;
- the hedging relationship meets all of the following hedge effectiveness requirements:
  - I. there is an economic relationship between the hedged item and the hedging instrument;
  - II. the effect of credit risk does not dominate the value changes that result from that economic relationship;
  - III. the hedge ratio is determined.

Cash flow hedges are recognized as follows:

1. the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge at initial recognition is recognized in other comprehensive income in the cash flow hedge reserve;
2. any remaining gain or loss on the hedging instrument is hedge ineffectiveness that shall be recognized in profit or loss for the period;
3. the amount that has been accumulated in the cash flow hedge reserve is reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment (see IAS 1) in the same period or periods during which the hedged expected future cash flows affect profit or loss.

When the amount accumulated in the reserve is negative and is not expected to be recovered, even in part, in future periods, the non-recoverable amount is immediately reclassified to profit or loss.

When hedge accounting for a cash flow hedge is discontinued, the amount accumulated in the cash flow hedge reserve is accounted for as follows:

a) if the hedged future cash flows are still expected to occur, that amount shall remain in the cash flow hedge reserve until the future cash flows occur. When the future cash flows occur, they are reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss;

b) if the hedged future cash flows are no longer expected to occur, that amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees. Employee benefits can be broken down into:

- short-term employee benefits are employee benefits (other than termination benefits or equity payments) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service and are recognized in full in profit or loss at the time they accrue (this includes, for example, wages, salaries and bonuses);
- post-employment benefits are employee benefits that are payable after the completion of employment. These include the trattamento di fine rapporto (deferred remuneration benefits under Italian law) and pension funds, which in turn break down into defined contribution and defined benefit plans or company pension plans;

- termination benefits are employee benefits provided in exchange for the termination of an employee's employment following an entity's decision to terminate an employee's employment before the normal retirement date;
- other long-term employee benefits are all employee benefits other than the foregoing that are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. The measurement and recognition of other long-term benefits is carried out using the same measurement method as that for post-employment benefits but without recognizing actuarial gains/losses in other comprehensive income.

<u>Deferred compensation benefits</u>

Deferred compensation benefits (the Italian *trattamento di fine rapporto* mechanism) is defined as a "post-employment benefit" classified as:

- a "defined contribution plan" for the portion of benefits accrued as from 1 January 2007 (date of entry into force of the supplementary pension reform introduced with Legislative Decree 252 of 5 December 2005) both in the case employees opt for a supplementary pension scheme or they choose to pay into the Treasury fund held by INPS. The amount recognized under personnel expenses is determined on the basis of contributions due without the application of actuarial calculation methods;
- a "defined benefit plan" recognized on the basis of its actuarial value determined using the "projected unit credit" method for the portion of the benefits accrued up to 31 December 2006. These amounts are recognized on the basis of their actuarial value determined using the projected unit credit method, without applying the pro-rated service cost, since the current service cost of the benefits is almost entirely accrued and its revaluation for the years to come it is not believed to give rise to significant employee benefits.

  The discount rate used is determined with reference to the market yield of investment grade corporate bonds taking account of the average residual maturity of the liability, weighted based on the percentage of the amount paid and advanced, for each maturity, with respect to the total to be paid and advanced up to the final extinction of the entire obligation.

  Service cost for the plan is accounted for as personnel expense, while actuarial gains and losses are recorded in other comprehensive income.

Provisions for risks and charges

Provisions for commitments and guarantees issued

This sub-item of the provisions for risks and charges includes the guarantees issued by the subsidiary Anima SGR to the subscribers of the "Garanzia 1+" and "Incremento e Guaranzia 5+ sub-funds of the open-end Arti & Mestieri pension fund and the "Linea Garantita" segment of the ICBPI Group closed pension fund to pay a minimum amount, equal to the amount paid by the subscriber, regardless of the performance of the segments.

Other provisions for risks and charges

Other provisions for risks and charges include amounts recognized for legal obligations connected with labor disputes or tax litigation arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits, assuming that the amount can be estimated reliably.

Consequently, a provision is recognized if, and only if:

– an entity has a present obligation (legal or constructive) as a result of a past event;
– it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
– a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. It reflects the risks and uncertainties that inevitably surround many events and circumstances. Where the time value of money is material, the provisions are discounted using current market rates. The provision and increases due to time value of money are recognized through profit or loss.

The provision is reversed If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Recognition of revenues and costs

Operating revenue

Revenue is recognized through the following steps:
1. identification of the contract (or contracts) with the customer;
2. identification of performance obligations;
3. determination of the transaction price: the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer;
4. allocation of the transaction price to performance obligations;
5. recognition of revenue at the time of the satisfaction of the performance obligation; specifically, revenue can be recognized:
    - at a point in time, when the performance obligation is satisfied with the transfer of the promised good or service to the customer; or
    - over time, when the performance obligation is satisfied with the progressive transfer of the promised good or service to the customer.

The Group's operating companies perform the typical activities of asset management companies and the revenue deriving from product management activities are mainly represented by management fees, performance fees and placement fees.
The management and performance fees are linked to the market value of the assets under management (AUM) of the products and the performance of management activities.
Management fees are calculated periodically as a percentage of the average assets of the individual product.
Performance fees are charged for certain products and paid to management companies only when certain performance targets are achieved. In general, there are three different criteria for charging a performance fee in accordance with the investment policy of the individual funds: (i) when the performance of the product exceeds that of a certain benchmark index or a pre-established value or a return target (fee against benchmark); (ii) when the value of a fund's units exceeds the highest value recorded previously ("absolute high watermark fee") and (iii) when the value of a fund's units exceeds that of a benchmark index (or return target) and the difference with respect to the selected benchmark value exceeds the highest value recorded previously ("relative high watermark fee").
Finally, placement fees are determined, where applicable, on basis of the total capital raised during the placement period.
Fees and commissions are recognized, under the terms of contractual agreements, in the period in which the services are rendered. More specifically, representing the remuneration for specific performance obligations, which are satisfied in respect of the funds/portfolio at a specific moment, they are recognized in profit or loss "at a point in time".
Revenue from variable fees (performance fees) is recognized in profit or loss if it can be estimated reliably and only if it is highly probable that the fees will not subsequently be reversed, in whole or in significant part, from profit or loss.
If there is significant uncertainty about the quantification of the fees, they are only recognized at the time this uncertainty is resolved. In particular, fees determined using the "benchmark" method are recognized in the profit or loss of the management company only at the end of the reference year, when they can be considered to have definitively accrued to the company.

Operating costs

Operating costs are decreases in the economic benefits pertaining to a year that arise in the form of cash outflows or reductions in the value of assets or the incurrence of liabilities that result in decreases in shareholders' equity, other than those relating to distributions to those participating in the capital. Costs also include losses. Costs and losses arise in the course of ordinary business.
The costs are accounted for on an accruals basis when incurred.
A cost is considered incurred when:

- its existence has become certain;
- its amount can be determined objectively;
- the substance of the transaction indicates that the entity has incurred that cost based on an accruals basis.

The purchase cost of goods and consumables is recognized at the date of the transfer of risks and rewards of ownership, which may coincide with the delivery date or, if earlier, at the time of the transfer of ownership.
The costs for indirect taxes arise at the time of the transaction subject to taxation.
The costs for direct taxes arise at the time the associated basis is determined, that is at the close of the accounts. A reliable estimate of direct taxes is also made at the time of the preparation of interim financial statements.
Costs are measured at the fair value of the amount paid or to be paid
The costs of services, as remuneration of the factors of production, accrue in the year in which the same factors of production were used to generate the revenues from the sale of products and services.
With regard to the recognition of costs incurred for services, reference is generally made to the timing of the provision of the service by third parties.

Other information

Treasury shares
Treasury shares held are deducted from shareholders' equity.
No profit or loss deriving from the purchase, sale, issue or cancellation of treasury shares is recognized in profit or loss.
The differences between the purchase and sale prices deriving from these transactions is recognized in an equity reserve.

Impairment testing
Intangible assets with a finite useful life undergo impairment testing if there is evidence that the carrying amount of the asset can no longer be recovered. The recoverable amount is determined as the higher of the fair value of the asset net of costs to sell or its value in use if this can be determined.
Intangible assets with an indefinite useful life undergo impairment testing at each reporting date in order to verify whether there is objective evidence that the asset may have incurred an impairment loss. In particular, intangible assets with an indefinite useful life include goodwill recognized following business combinations in application of IFRS 3.
As goodwill does not have independent cash flows, the appropriateness of the carrying amount recognized under assets is assessed with reference to the cash generating unit (CGU) to which the amounts are attributed on the occasion of the business combinations.
The amount of any impairment loss is determined on the basis of the difference between the carrying amount of the CGU and its recoverable amount , which is the greater of the fair value (net of any costs to sell) and the value in use .
The value of use of the CGU is determined by estimating the present value of the future cash flows that are expected to be generated by the CGU, using the discounted cash flow method. The cash flows are determined using the last available business plan or, if not available, with the formulation of an internal forecast by management or with other available external evidence. Normally the analytical forecast period covers a maximum of five years.
Any impairment incurred by the CGU is allocated to the individual non-monetary assets of which it is composed in the following order:

a) first, to the goodwill allocated to the CGU;
b) second, to other non-monetary assets in proportion to their carrying amounts.

If the reasons for the impairment loss should no longer obtain following an event occurring after the impairment was recognized, the impairment loss is reversed through the income statement. In no case are writedowns of goodwill reversed.

Share-based payments - LTIP

On 21 June 2018, the Shareholders' Meeting of the Company approved the 2018-2020 Long Term Incentive Plan (the "Plan" or "LTIP"), based on the financial instruments issued by Anima Holding, to be granted free of charge to employees of the Company and the subsidiaries who perform key functions and roles within the Group (the "Beneficiaries"). During the session addressing extraordinary business, the same Shareholders' Meeting authorized the Board of Directors of the Company, pursuant to Article 2443 of the Italian Civil Code, to carry out a bonus capital increase for Anima Holding S.p.A. in one or more instalments by the final time limit of 21 June 2023, through the issue of a maximum of 8,780,353 ordinary shares with no par value (the "Shares"), up to a maximum of 2.31% of share capital (percentage at the date of approval of the Plan), to be granted, pursuant to Article 2349 of the Civil Code, to employees and/or categories of employees of the Company and/or its subsidiaries, implementing the Plan by drawing on a corresponding amount of profit and/or profit reserves reported in the approved financial statements, up to a maximum amount of €168,470.

The Plan is intended to: (i) involve management personnel whose activities are considered of key importance to achieving the objectives of the Anima Group, (ii) strengthen the loyalty of management to the Group, encouraging such personnel to remain with Anima, (iii) share and align the medium/long-term interests of Group management with those of the Parent Company and the shareholders (the Plan makes a significant portion of the variable remuneration of the Beneficiaries contingent on achieving corporate performance objectives) and (iv) facilitate the attraction and retention of talent.

The Plan is one of the range of tools used to supplement the remuneration packages of the key managers of the Anima Group, with remuneration deferred over an appropriate period of time and variable components linked to achievement of performance objectives (Vesting Conditions), with a view to creating medium/long-term value for shareholders.

The Plan provides for the grant to the Beneficiaries of a maximum of 8,780,353 exercisable rights (the "Units") entirely or in part on the basis of achievement of the Vesting Conditions. Each unit that vests will entitle the holder to receive a bonus share.

The period of deferral during which Anima Holding – on the basis of the performance achieved in the reference years and the assessment of the need to apply an ex post adjustment mechanism, such as a malus clause – will determine at its discretion whether the Units have vested for each individual Beneficiary in their entirety or, conversely, that the vested Units shall be reduced or cancelled is defined as the "Vesting Period".

The Plan is structured over a period of three full financial years, beginning with 2018 (with three 3-year observation periods for the Vesting Conditions : 2018-2020, 2019-2021, 2020-2022).

The full number of Units due to each Beneficiary is determined and granted in a single amount and will be awarded in three separate tranches as follows:

a) 34% of the Units in the first 3-year period 2018-2020 - "2018-2020 Units";
b) 33% of the Units in the second 3-year period 2019-2021 - "2019-2021 Units";
c) 33% of the Units in the third 3-year period 2020-2022 - "2020-2022 Units".

Exercise of the Units is subject to satisfaction of the following conditions:

a) the full or partial satisfaction of the Vesting Conditions detailed below:

	Performance parameters	Percentage of Units vesting with achievement of performance objectives
Non-market conditions	Level of net funding (**LNF**): Anima Group performance compared against competitors in terms of the increase in net funding, i.e. the ratio between i) net cumulative funding in each three-year period of the Plan and ii) the asset under management (AUM) of the Anima Group at 31 December, as reported in the consolidated financial statements of the Group for the year prior to the start of each three-year period.	25%

	EPS: achievement by the Anima Group of a specified level of cumulative normalized consolidated earnings per share (Adjusted EPS) for each three-year period of the Plan.	50%
Market conditions	**TRS:** comparative performance with respect to a specified group of Italian and foreign listed companies operating in the same sector as Anima Holding in terms of total return to shareholders for each three-year period of the Plan.	25%

b) the Vesting Period has passed;
c) at the Vesting Date of the Units by Beneficiary, that Beneficiary shall be in service ("service condition".

The 2018-2020 Units, the 2019-2021 Units and the 2020-2022 Units may be exercised, respectively, in the period between (i) the date of the Ordinary Shareholders' Meeting called to approve the separate financial statements of the Company at, as the case may be, 31 December 2020, 31 December 2021 or 31 December 2022 and (ii) the thirtieth day following that date, during which the Units may be exercised by the Beneficiary (exercise period), subject to verification of satisfaction of the Vesting Conditions and the service condition.
At the end of the Vesting Period, bonus shares shall be awarded to the Beneficiaries. The shares are subject to a lock-up period of 6 months from the date of each effective award. The Plan rules also provide for ex-post corrective measures (clawback and malus clauses).
If a public tender offer or a public exchange offer involving the Company's shares before the date of award of the shares is announced, the Plan will be terminated in advance with respect to the original termination date (31 December 2022) and the related obligations will be modified or proportionally reduced to take into account the shorter duration of the Plan.

Pursuant to IFRS 2, the Plan is to be considered a share-based payment for services rendered by the Beneficiary over the term of the Plan. The Plan is to be considered equity-settled (paid in shares).
Therefore, the company receives services from employees in exchange for equity instruments. Since it is objectively impossible to estimate the fair value of the services received, the fair value of the Plan is estimated by referring to the fair value, at the respective grant dates, of the equity instruments of the Company granted.
Consequently, at each Grant Date, the Units granted represent specific plans in relation to the respective fair value identified, with appropriate distinct quantification.
This fair value at initial recognition is not modified subsequently: any subsequent changes are determined solely by developments in the non-market EPS and LRN conditions.
At each grant date, the fair value of the Plan is calculated taking account only of the effects of any market conditions (market condition - "TRS"). The other conditions provide for the Beneficiaries to complete a specified period of service (service condition) or to achieve specified performance targets (performance condition) correlated with the EPS and LNF non-market conditions and are considered solely for the purpose of allocating the cost over the Vesting Period of the Plan and the final cost of the Plan.
The Company engaged an independent external advisor to estimate the fair value of the plan, using methods and assumptions consistent with applicable regulations in conformity with IFRS 2 "Share-based payment".

The cost of the EPS, LNF and TRS conditions
The cost of each of these Plan conditions is determined by multiplying the fair value by the number of Units that are expected to vest for each condition by the end of the Vesting Period. The estimate depends on assumptions concerning the number of Beneficiaries that will meet the service condition and the probability of achieving the performance conditions: the initial assessment at each grant date was 100%.
The cost of each of the conditions is allocated proportionately over the Vesting Period. The cost is recognized by the entity with which the Beneficiary has the employment relationship or provides service. At each reporting date, that entity recognizes the expense under "Personnel expenses" and in equity under "Other equity instruments".

The estimate of the number of Units that are expected to vest at the end of the Vesting Period is reviewed at each reporting date until the end of the Vesting Period, when the definitive number of vested Units accrued by the Beneficiaries is determined (the fair value is never recalculated over the term of the Plan).
In the event of a revision of the initial number of Units, the change is implemented by determining the estimated cumulative cost at the reporting date and recognizing an expense through profit or loss, net of the previously recognized cumulative cost. Under the provisions of IFRS 2, the failure to achieve the TRS market condition does not result in the remeasurement of the cost of the Plan.
At the end of the Vesting Period, the following situations might obtain:

- the Vesting Conditions (service and performance conditions) have not been satisfied, either in whole or in part. In this case the cost of the unvested Units is recognized by reversing the "other equity instruments" reserve through "personnel expenses" for the failure to satisfy the condition;
- the Vesting Conditions (service and performance conditions) are satisfied, either in whole or in part: IFRS 2 does not set out accounting criteria for this case. Accordingly, the Company has selected an accounting treatment involving reclassification of the "other equity instruments" reserve to "other reserves" upon final vesting of the cost of the Plan.

At the date of the approval of the Plan by the Shareholders' meeting of the Company, 41.75% of the total number of Units ("Grant Date 21/06/2018") had been granted, as follows:

- ✓ 15% of the total number of Units to the General Manager of Anima SGR and the Chief Executive Officer of Anima Holding and Anima SGR;
- ✓ 7.5% of the total number of Units to the General Manager of Anima Holding and the Deputy General Manager Finance & Operations of Anima SGR (as from 1 December 2018, Co-General Manager of Anima SGR);
- ✓ 6.5% of the total number of Units to the Head of Marketing & Distribution (now Business Development) of Anima Holding and the Deputy General Manager Distribution & Marketing (now Commercial) of Anima SGR;
- ✓ 6.5% of the total number of Units to the Head of Investments & Products (now Markets and Investments) of Anima Holding and the Deputy General Manager Investments & Products (now Investments) of Anima SGR;
- ✓ 2.75% of the total number of Units to the General Manager of Gestielle SGR (until the date of the merger into Anima SGR), then appointed, as from 1 December 2018, Deputy General Manager Operations of Anima SGR;
- ✓ 3.5% of the total number of Units to the General Manager of Anima Asset Management Ltd, who as from 1 October 2018 became Group CFO and HR Director with the Parent Company and, as from 1 September 2019, became Finance Director of Anima SGR.

On 20 July 2018, an additional 34.5% of the total Units were granted to ten Beneficiaries selected by the Chief Executive Officer of Anima Holding (under the authorization from the Shareholders' Meeting) from among the main managers of the Company and the subsidiaries on the basis of their strategic importance and individual performance ("Grant Date 20/07/2018").

On 20 November 2018, an additional 19.35% of the total Units were granted to 33 Beneficiaries selected by the Chief Executive Officer of Anima Holding from among other main managers of the Company and the subsidiaries on the basis of their strategic importance and individual performance ("Grant Date 20/11/2018").

On 26 June 2019, the remaining 4.4% of the total Units of the Plan were granted to sixteen Beneficiaries identified by the Chief Executive Officer of Anima Holding, of whom thirteen were already recipients of the previous grant on 20 November 2018.
With specific reference to this latter grant during the year, the term of the Plan ("Vesting Period") for the purposes of recognition in the financial statements:

- 22 months for the 2018-2020 Units, from 1 July 2019 to 30 April 2021 (presumed date of approval by the Shareholders' Meeting of Anima Holding of the financial statements for the year ending 31 December 2020);
- 34 months for the 2019-2021 Units, from 1 July 2019 to 30 April 2022 (presumed date of approval by the Shareholders' Meeting of Anima Holding of the financial statements for the year ending 31 December 2021);
- 46 months for the 2020-2022 Units, from 1 July 2019 to 30 April 2023 (presumed date of approval by the Shareholders' Meeting of Anima Holding of the financial statements for the year ending 31 December 2022).

The fair value of the units assigned at the Grant Date 26/6/2019 for each vesting condition is given below:

- the fair value of each 2018-2020 Unit for the EPS and LNF conditions (non-market conditions) of the plan was €2.74, while the fair value of each 2018-2020 Unit for the TRS condition (market condition) of the Plan was €0.24;
- the fair value of each 2019-2021 Unit for the EPS and LNF conditions (non-market conditions) of the plan was €2.66, while the fair value of each 2019-2021 Unit for the TRS condition (market condition) of the Plan was €0.44;
- the fair value of each 2020-2022 Unit for the EPS and LNF conditions (non-market conditions) of the plan was €2.58, while the fair value of each 2020-2022 Unit for the TRS condition (market condition) of the Plan was €1.49.

As mentioned above, the accounting standard establishes that the estimate of the number of Units that are expected to vest at the end of the vesting period shall be reviewed at each reporting date.
In light of the economic projections provided for in the 2020-2024 Business Plan and with the help of an independent external advisor, on 20 December 2019 the Board of Directors of the Company approved the revision of the estimate of the Units that can be exercised in relation to the non-market condition EPS.
This revision of the probability of meeting the operating conditions changed the cumulative cost of the Plan and, consequently, the recognition in the Group income statement of an increase in the previous estimate, as well as lower costs pertaining to the current year than initially estimated.
The Group has therefore recognized €4.3 million in profit or loss in these consolidated financial statements, partially offset by the positive adjustment of the previous estimate in the amount of €1.6 million.

Finally, the following table reports the estimates, deriving from the estimate made at 31 December 2019 and that made the previous year, of the cumulative cost of the Group Plan.

Vesting Period	**31.12.2019**	**31.12.2018**
Units 2018 - 2020	4,786,326	10,316,924
Units 2019 - 2021	5,368,238	10,098,701
Units 2020 -2022	5,683,758	9,894,756
Total	**15,838,322**	**30,310,381**

[B8]

The terms and conditions of the Plan, and the characteristics of the Units granted, are described in the disclosure document prepared pursuant to Article 84-bis, paragraph 1, of the Issuers Regulation and in accordance with Scheme 7 of Attachment 3A published on the website of Anima Holding at www.animaholding.it.

Business combinations

The transfer of control of an entity (or of an integrated set of activities and assets conducted and managed together) is a business combination.

To this end, control is transferred when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.
IFRS 3 requires that an acquirer be identified for all business combinations. The acquirer is the entity that obtains control over another entity or group of assets. If it is not possible to identify the controlling entity using the above definition of control, for example in the event of an exchange of participating interests, the acquirer shall be identified using other factors, such as: the entity whose fair value is significantly greater, the entity that transfers cash consideration or the entity that issues new shares.
The acquisition, and accordingly the first consolidation of the acquiree, shall be recognized on the date on which the acquirer effectively obtains control over the entity or assets acquired. When the combination occurs in a single stage, the date of the transfer of consideration is normally the acquisition date. However, it is always necessary to determine if there are agreements between the parties that could give rise to the transfer of control prior to the transfer date.
The consideration transferred in a business combination is determined as the sum of the fair value, at the date of transfer of the consideration, of the assets acquired, the liabilities incurred or assumed and the equity instruments issued by the acquirer in exchange for control.
In transactions that provide for the payment of cash consideration (or when payment is made using financial instruments equivalent to cash), the price is the agreed consideration, discounted in the case of payment in instalments over a period greater than short term. If payment is made using an instrument other than cash, i.e. with the issue of equity instruments, the price is equal to the fair value of the means of payment less costs directly attributable to the issue of equity.
The consideration transferred in a business combination at the acquisition date includes adjustments subject to future events, if provided for in the transfer agreement and are likely to occur, can be determined reliably and achieved in the twelve months following the date of acquisition of control. The consideration does not include payments to the seller as compensation for a reduction in the value of the assets given, as this is already considered in the fair value of the equity instruments issued or as a reduction in the premium or increase in the discount on the initial issue of debt instruments.
Acquisition-related costs are costs that the acquirer incurs to effect a business combination. For example, these may include fees paid for auditing, valuation or legal advice, costs for appraisals and accounting, costs for the preparation of information documents required by regulations, finders' fees for the identification of potential acquisition targets if it is contractually specified that payment is subject to the successful completion of the combination, and the costs of registering and issued debt securities or shares. The acquirer shall account for acquisition-related costs as expenses in the period in which those costs are incurred and the services received, with the exception of costs of issuing debt or equity securities, which shall be recognized in accordance with IAS 32 and IAS 39.
Business combinations are accounted for using the "acquisition method", under which the identifiable assets acquired (including any intangible assets previously not recognized by the acquiree) and the identifiable liabilities assumed (including contingent liabilities) shall be recognized at their fair values as at the acquisition date.
In addition, any non-controlling interests in the acquiree (for each business combination) may be recognized at fair value (with a consequent increase in the consideration transferred) or as the non-controlling interest's proportionate share in the acquiree's identifiable net assets.
If control is achieved in stages, the acquirer shall remeasure the previously held interest in the acquiree at its acquisition-date fair value and recognize any resulting gain or loss in profit or loss.
The excess of the aggregate of the consideration transferred (represented by the fair value of the assets acquired, the liabilities incurred or assumed and the equity instruments issued by the acquirer), the value of any non-controlling interests (determined as indicated above) and the fair value of any interest in the acquiree previously held by the acquirer over the fair value of the assets and liabilities acquired shall be recognized as goodwill. Conversely if the fair value of the assets and liabilities acquired is greater than the aggregate of the consideration transferred, the value of non-controlling interests and the fair value of previously held interests, the difference shall be recognized in profit or loss.
A business combination may be recognized provisionally by the end of the period in which the combination occurs, with definitive recognition to occur within twelve months of the acquisition date.

Additional interests acquired in entities over which control has already been obtained are considered equity transactions, in accordance with IFRS 10, i.e. transactions with owners in their capacity as owners. Accordingly, differences between the acquisition costs and the carrying amount of the non-controlling interests acquired are allocated to parent company equity. Similarly, sales of non-controlling interests that do not result in the loss of control are equity transactions recognized as a change in Group equity.
For present purposes, business combinations do not include transactions intended (i) to obtain control of one or more entities that do not constitute a business; (ii) to obtain transitory control; (iii) for reorganization purposes, i.e. between two or more entities or business that already belong to a group with no change in control regardless of the extent of non-controlling interests before and after the combination (business combinations of entities under common control). These transactions are considered to be without economic substance. Accordingly, in the absence of specific provisions in the IAS/IFRS and in compliance with the principles of IAS 8 (which specify that in the absence of a standard that specifically applies to a transaction, management shall use its judgment in applying an accounting policy that provides information that is relevant, reliable, prudent and reflects the economic substance of a transaction), the values in the financial statements of the acquiree are preserved in the financial statements of the acquirer.
Mergers are a form of business combination, representing the most complete form of such combinations, as they involve the legal and economic unification of the entities involved.
Mergers, whether they “true mergers” with the formation of a new entity or “acquisitions”, in which one entity is absorbed into another existing entity, are treated in accordance with the criteria indicated above. Specifically:

- if the transaction involves the transfer of control of an entity, it is treated as a business combination within the scope of IFRS 3;
- if the transaction does not involve the transfer of control, it is accounted for with the preservation of the values reported in the financial statements of the merged entity.

A.3 – DISCLOSURES ON TRANSFERS BETWEEN PORTFOLIOS OF FINANCIAL ASSETS

With regard to the disclosures required under IFRS 7, paragraph 12 B, we report that during the year the Group did not transfer any financial assets between categories as defined by IFRS9.

A.4 – FAIR VALUE DISCLOSURES

QUALITATIVE DISCLOSURES

This section provides the fair value disclosures required by IFRS 13, paragraphs 91 and 92.
The fair value hierarchy, introduced by the IASB with an amendment of IFRS 7 "Financial Instruments: Disclosures" in March 2009, must be applied to all financial instruments recognized at fair value in the balance sheet.
Paragraph 24 of IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.
In the case of financial instruments quoted on active markets, fair value is determined on the basis of prices obtained from the financial markets, while the fair value of other financial instruments is determined on the basis of quoted prices for similar instruments or internal valuation techniques.
IFRS 13 establishes a fair value hierarchy based on the degree of observability of the inputs used in the valuation techniques adopted.
The following section sets out the manner in which financial instruments are classified within the three levels of the fair value hierarchy.

Level 1
Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
A financial instrument is considered quoted on an active market when:

a) quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, authorized entity or regulatory agency;
b) those prices represent actual and regularly occurring market transactions on an arm's length basis.

If the quoted prices meet these requirements, they represent the best estimate of fair value and must be used to measure the financial instrument.
The definition indicates that the concept of active market regards that for the individual financial instrument being measured and not the market on which it is quoted. Accordingly, the fact that a financial instrument is listed on a regulated market is not in itself a sufficient condition for that instrument to be considered quoted on an active market.
Level 2 and 3
Financial instruments that are not listed on an active market must be classified in levels 2 or 3.
Whether an instrument is classified as level 2 or level 3 depends on the observability of the significant inputs used to measure the fair value. A financial instrument must be classified in its entirety in a single level. When an instrument is measured using inputs from different levels it must be categorized in the same fair value level of the lowest level input that is significant to the entire measurement.
A financial instrument is classified as level 2 if all the significant inputs are observable on the market, either directly or indirectly. An input is observable when it reflects the same assumptions used by market participants based on market data provided by independent sources.
Level 2 inputs include:

- - quoted prices for similar assets or liabilities in active markets;
- - quoted prices for identical or similar assets or liabilities in markets that are not active, namely markets in which:
    - there are few recent transactions;
    - price quotations are not developed using current information or vary substantially either over time or among market makers and little information is publicly available;

and there are also:

- observable market inputs (e.g. interest rates or yield curves observable at commonly quoted intervals, volatility, etc.);
- inputs based primarily on observable market data whose relationship is corroborated by various parameters, including correlation.

A financial instrument is classified as level 3 if the valuation techniques adopted also use inputs that are not observable on the market and they make a significant contribution to the estimation of the fair value.
All financial instruments not quoted on an active market are classified as level 3 when even if observable data is available, it is necessary to make substantial adjustments to the data using unobservable inputs, and the estimation is based on internal assumptions concerning future cash flows and risk adjustments of the discount rate.

A.4.1 Levels 2 and 3: the valuation techniques and inputs used

At 31 December 2019 the balance sheet items measured on recurring basis at fair value were composed entirely of financial assets measured at fair value through profit or loss, namely Italian government securities and units of CIUs, which are measured exclusively with level 1 inputs (reference values published daily).
In addition, in 2019 the Group did not hold financial instruments measured using Level 3 inputs.

QUANTITATIVE DISCLOSURES

A.4.5 Fair value hierarchy

A.4.5.1 Financial assets and liabilities measured at fair value on a recurring basis: composition by level of fair value hierarchy

In the following table, financial assets and liabilities that are measured at fair value are broken down into the levels of the fair value hierarchy discussed above.

Financial assets/liabilities measured at fair value	Total 31.12.2019				Total 31.12.2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
1. Financial assets measured at fair value through profit or loss	89,645			89,645	88,629			88,629
a) financial assets held for trading								
b) financial assets designated at fair value								
b) financial assets mandatorily measured at fair value	89,645			89,645	88,629			88,629
2. Financial assets measured at fair value through other comprehensive income								
3. Hedging derivatives								
4. Property, plant and equipment								
5. Intangible assets								
Total	**89,645**	**-**	**-**	**89,645**	**88,629**	**-**	**-**	**88,629**
1. Financial liabilities held for trading								
2. Financial liabilities designated at fair value								
3. Hedging derivatives						(1,572)		(1,572)
Total	**-**	**-**	**-**	**-**	**-**	**(1,572)**	**-**	**(1,572)**

There were no transfers of assets/liabilities from level 1 to level 2 of the fair value hierarchy during the reference period (IFRS 13 paragraph 93 letter c).
In view of the type of financial asset/liability held, the impact of the Credit Value Adjustment (CVA)/Debit Value Adjustment (DVA) is not material.

A.4.5.4 Financial assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: composition by level of fair value hierarchy.

In the following table, financial assets and liabilities that are not measured at fair value or that are measured at fair value on a non-recurring basis are broken down into the levels of the fair value hierarchy discussed above.

Financial assets/liabilities not measured at fair value or measured at fair value on non-recurring basis	31.12.2019				31.12.2018			
	Carrying amount	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3
1. Financial assets measured at amortised cost	383,787		383,787		315,709		315,709	
2. Investment property								
3. Non-current assets and disposal groups								
Total	**383,787**		**383,787**		**315,709**		**315,709**	
1. Financial liabilities measured at amortized cost	(741,930)	(297,476)	(444,454)		(777,998)		(777,998)	
2. Liabilities associated with assets held for sale								
Total	**(741,930)**	**(297,476)**	**(444,454)**		**(777,998)**		**(777,998)**	

A.5 – DISCLOSURE OF “DAY ONE PROFIT/LOSS”

Paragraph 28 of IFRS 7 does not apply.

OTHER INFORMATION

Reconciliation of shareholders’ equity and performance of the Parent Company with the consolidated financial statements

		Capitale e riserve	Utile (perdita)
Parent Company financial statements at 31 December 2019		**1,083,744**	**148,768**
Line-by-line consolidation of subsidiaries (comprehensive income 2019 Group)		(109)	197,198
Elimination of ancillary charges incurred for business combinations in previous years		(20,256)	
Adjustment of amortization of Anima SGR intangible assets net of deferred taxation		(83,616)	(8,192)
Adjustment of amortization of Anima SGR intangible assets net of deferred taxation (Gestielle SGR)		(17,858)	(17,858)
Elimination of writedown of Anima SGR intangibles (2011-2012) net of deferred taxes		1,661	
Adjustment of subordinated loan net of deferred taxes		(609)	
Interest expense for contingent consideration identified in Aperta PPA		(657)	
Recognition of price adjustment Anima Sgr PPA (IFRS3 R)		55,494	
Reversal writedown of Anima SA in Anima SGR financial statements		2,954	
Reversal gain on disposal of investment in Lussemburgo Gestioni SA between Anima Holding and Anima Sgr		(146)	
Consolidation reserve		93,470	
of which:			
Profits and reserves from prior years of subsidiaries in scope of consolidation	(79,830)		
Restoration of consolidation difference former AAA IF	(787)		
Reversal of 2019 dividends from subsidiaries	174,087		(174,087)
Consolidated shareholders' equity and net profit at 31 December 2019		**1,114,072**	**145,829**

Disclosures on operating segments (IFRS 8)

The activities of the Anima Group, which are conducted by Anima SGR and its subsidiaries specialized in the promotion and management of financial products, are carried out in a single operating segment.[1] The nature of the products and services, the structure of management and operational processes and the type of customers served do not differ to an extent that they would give rise to different risks and rewards. In fact, they are quite similar and correlated in many respects.

Accordingly, the Group’s operating companies, while operating with full independence under the management and coordination of Anima Holding, have been allocated to a single CGU, all of which is dedicated to asset management activities and capable of generating income flows, with no separate segment reporting.

Consequently, the accounting information has not been presented separately by operating segment, in line with the internal reporting system used by management, which is based on the accounting data of those companies used for the preparation of the consolidated financial statements in compliance with the IAS/IFRS.

Similarly, no disclosures are provided concerning customers and non-current assets broken down by geographical area or information on the degree of reliance on major customers as that information is not felt to be material by management.

As the Group essentially has a single segment as regards disclosures concerning revenues from customers broken down by product/service, readers should refer to the detailed information on commission and fee income in the information on the income statement in these explanatory notes.

[1] Under IFRS 8, an operating segment is a component of an entity: a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity); b) whose operating results are regularly reviewed by the entity’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and c) for which discrete financial information is available.

Earnings per share

Basic earnings per share were calculated by dividing consolidated net profit for the period by the weighted average number of ordinary shares in circulation.

	31/12/2019	31/12/2018	
Weighted average number of shares (number)	370,199,289	370,199,289	(*)
Net profit (euros)	145,829,000	122,057,000	
Basic earnings per share (euros)	0.39392026	0.32970620	
Diluted weighted average number of shares (number)	375,178,976	375,178,976	(*)
Net profit (euros)	145,829,000	122,057,000	
Diluted earnings per share (euros)	0.38869182	0.32533006	

(*) The figure for 2018 has been restated to take account of equity transactions in 2019 (as provided for by IAS 33).

The weighted average of basic earnings per share takes account of the daily purchases of treasury shares made by the Company during the reference period: at 1 January 2019 there were 380,036,892 ordinary shares and during the reference period the Company made purchases of treasury shares totaling 15,395,909 ordinary shares; consequently at 31 December 2019 there were 364,640[B9],983 ordinary shares in ciruculation.

The diluted weighted average number of shares takes account of the dilutive effect of the LTIP (approved on 21 June 2018 by the Ordinary Shareholders' Meeting of the Company) and the Units granted and weighted in the light of the revision of the probability of achieving the vesting conditions approved by the Board of Directors of the Company on 20 December 2019.

PART B- INFORMATION ON THE CONSOLIDATED BALANCE SHEET

ASSETS

Section 1 – Cash and cash equivalents - item 10

	31.12.2019	31.12.2018
Cash on hand	7	6
Duty stamps		
Total	**7**	**6**

The item reports cash on hand. Amounts available on bank accounts are reported under item 40 “Financial assets measured at amortized cost”.

Section 2 – Financial assets measured at fair value through profit or loss - item 20

2.5 Other financial assets mandatorily measured at fair value: composition by type

		Total 31.12.2019			Total 31.12.2018		
		Level	Level 2	Level 3	Level 1	Level 2	Level 3
1.	Debt securities						
	1.1 structured						
	1.2 other						
2.	Equity securities						
3.	Units in collective investment undertakings	89,645			88,629		
4.	Loans						
	4.1 Repurchase agreements						
	4.2 other						
Total		**89,645**	**-**	**-**	**88,629**	**-**	**-**

Units in collective investment undertakings mainly regard units of funds established or operated by the subsidiary Anima SGR.
The change in the item during the year is mainly due to the variation in the positive fair value of the Group’s CIU portfolio, equal to about €0.9 million, increased by the net balance of subscriptions and redemptions in the amount of around €0.2 million.

2.6 Other financial assets mandatorily measured at fair value: composition by debtor/issuer

		Total 31.12.2019	Total 31.12.2018
1.	**Equity securities**		
	of which: banks		
	of which: other financial companies		
	of which: other non-financial companies		
2.	**Debt securities**		
	a) Governments		
	b) Banks		
	c) Other financial institutions		
	of which: insurance companies		
	d) Non-financial companies		
3.	**Units in collective investment undertakings**	89,645	88,629
4.	**Loans**		
	a) Governments		
	b) Banks		
	c) Other financial institutions		
	of which: insurance companies		
	d) Non-financial companies		
	e) Households		
	Total	**89,645**	**88,629**

Section 4 – Financial assets measured at amortized cost – Voce 40

4.1 Financial assets measured at amortized cost: composition by type

		Total 31.12.2019						Total 31.12.2018					
		Carrying amount			Fair value			Carrying amount			Fair value		
		First and second stage	Third stage	of which: impaired acquired or originated	Level 1	Level 2	Level 3	First and second stage	Third stage	of which: impaired acquired or originated	Level 1	Level 2	Level 3
1.	Receivables for asset management services:	119,775			-	119,775	-	71,989			-	71,989	-
	1.1 management of collective investment undertakings	81,907				81,907		57,907				57,907	
	1.2 individual portfolio management	23,964				23,964		9,954				9,954	
	1.3 pension fund management	13,904				13,904		4,129				4,129	
2.	Receivables for other services:	197			-	197	-	284			-	284	-
	2.1 advisory services	174				174		185				185	
	2.2 providing outsourced business services					-						-	
	2.3 other	23				23		99				99	
3.	Other loans and receivables:	263,815			-	263,815	-	243,435			-	243,435	-
	3.1 repurchase agreements	-			-	-	-	-			-	-	-
	of which Government securities					-						-	
	of which other debt securities					-						-	
	of which equity securities and units in CIUs					-						-	
	3.2 current accounts and deposit accounts	263,705				263,705		243,435				243,435	
	3.3 other	111				111						-	
4.	Debt securities					-						-	
	Total	**383,787**			-	**383,787**	-	**315,709**			-	**315,709**	-

The item "1. Receivables for asset management services" includes i) receivables in respect of management and performance fees that the Group was mainly owed by funds it has established; ii) receivables for commissions and fees for portfolio management services; and iii) receivables for commissions and fees for asset management services provided to institutional and retail customers and pension funds.

The item increased by about €47.8 million compared with 31 December 2018, mainly in reflection of an increase in receivables for (i) performance fees of the Group in December 2019, which rose by about €18.1 million compared with December 2018; (ii) management fees for CIUs and SICAVs, which rose by about €3.2 million compared with the end of 2018; (iii) management fees for individual products and withholding tax on those products, which rose by about €1.5 million and €12.5 million respectively; and (iv) an increase in the tax in lieu on pension funds in the amount of about €9.6 million.
The receivables were collected almost entirely in the month following the reporting date for these financial statements.
"2. Receivables for other services" mainly include receivables for advisory services performed by the subsidiary Anima SGR for institutional customers.
"3. Other receivables – 3.2 Current accounts and deposit accounts[B10]" include the cash available on the current accounts held with leading banks.
Please see the consolidated statement of cash flows for details on the events giving rise to the generation and use of cash during the year.
In the item "3. Other receivables - 3.3 Other" includes financial receivables recognized for subleases of assets consisting of rights of use acquired through lease and rental contracts that fall within the scope of IFRS 16, which has been applied from 1 January 2019.
The first-time impact of IFRS 16 is discussed in the notes to the consolidated financial statements in "Part A - Accounting policies - A1 General information - Initial application of IFRS 16", while the additional disclosures required by that standard are provided in the notes to the consolidated financial statements in "Part D - Other information - Section 7 - Lease disclosures".

4.2 Financial assets measured at amortized cost: composition by debtor/issuer

		Banks		Financial companies		Clients	
			of which belonging to the Group		of which belonging to the Group		of which belonging to the Group
1.	Receivables for asset management services	53		10,119		109,603	
1.1	management of collective investment undertakings			10,119		71,788	
1.2	individual portfolio management	53				23,911	
1.3	pension fund management					13,904	
2.	Receivables for other services			23		174	
2.1	advisory servicies					174	
2.2	providing outsourced business services						
2.3	other			23			
3.	Other loans and receivables	263,705				111	
3.1	repurchase agreements						
	.of which on gov't securities						
	.of which on other debt securities						
	.of which on equity securities and interests						
3.2	current accounts and deposit accounts	263,705					
3.3	other					111	
Total 31.12.2019		**263,758**	**-**	**10,142**	**-**	**109,887**	**-**
Total 31.12.2018		**243,486**		**4,427**		**67,796**	**-**

Section 8 – Property, plant and equipment – item 80

8.1 Property, plant and equipment used in operations: composition of assets carried at cost

		Total 31.12.2019	Total 31.12.2018
1.	**Owned**	**3,572**	**3,285**
	a) land	755	755
	b) building	979	1,065
	c) movables	308	338
	d) electronic plants	1,529	1,127
2.	**Right-of-use assets**	**11,791**	
	b) building	11,049	
	d) electronic plants	272	
	e) other	471	
	Total	**15,363**	**3,285**

The item "1. Owned" assets include property, plant and equipment used in operations owned by the Group. More specifically, "land" and "buildings" regard the building located in Novara (owned by Anima SGR), for which the cost of the land has been separated from that of the building, as the cost value of the land is not amortized. The sub-item "electronic plant" is composed primarily of electrical and electromechanical plant and IT hardware.
"2. Right-of-use assets" includes the rights of use acquired under leases and rentals falling within the scope of IFRS 16, which has been in force since 1 January 2019.
The impact of first-time application of IFRS 16 is discussed in the notes to the consolidated financial statements in "Part A - Accounting policies - A1 General information - Initial application of IFRS 16", while the additional disclosures required by that standard are provided in the notes to the consolidated financial statements in "Part D - Other information - Section 7 - Lease disclosures".

8.5 Property, plant and equipment used in operations: change for the period

			Land	Building	Movables	Electronic plant	Other	Total 31.12.2019
A.		**Gross opening balance**	**755**	**2,844**	**2,223**	**5,061**	**783**	**11,666**
	A.1	Total net value adjustments		1,780	1,884	3,934	783	8,381
	A.2	**Net opening balance**	**755**	**1,065**	**338**	**1,127**	**0**	**3,285**
		IFRS 16 FTA effects		13,600		314	343	14,257
		Net opening balance at 1 January 2019	**755**	**14,665**	**338**	**1,441**	**343**	**17,542**
B.		**Increases**	-	-	**21**	**1,095**	**318**	**1,434**
	B.1.	Purchases			21	1,095	318	1,434
C.		**Decreases**	**0**	**(2,636)**	**(51)**	**(735)**	**(190)**	**(3,613)**
	C.1	Sales			3	18		21
	C.2	Depreciation		2,517	49	717	190	3,473
	C.7	Other changes		119				119
	D	**Net closing balance**	**755**	**12,028**	**308**	**1,801**	**471**	**15,363**
	D.1	Total net value adjustments		4,291	1,339	3,802	985	10,417
	D.2	**Gross closing balance**	**755**	**16,319**	**1,647**	**5,603**	**1,456**	25,780
	E	**Assets at cost**	**755**	**12,028**	**308**	**1,801**	**471**	**15,363**

Section 9 – Intangible assets - item 90

9.1 Intangible assets: composition by type of asset

		Total 31.12.2019		Total 31.12.2018	
		Assets valued at cost	Assets valued at fair value	Assets valued at cost	Assets valued at fair value
1.	**Goodwill**	**1,105,463**		**1,105,463**	
2.	**Other intangible assets**	**590,624**		**641,427**	
	2.1 internally-generated intangible assets				
	2.2 other	590,624		641,427	
	of which software and other	5,147		4,717	
	of which intangibles	585,477		636,710	
	Total	**1,696,087**	-	**1,746,890**	-

The table below provides a breakdown of the intangible assets recognized in the Group's consolidated financial statements:

	31.12.2019	31.12.2018
Goodwill identified in PPA (former Gestielle Sgr)	421,951	421,951
Goodwill identified in PPA (former Prima Sgr)	304,736	304,736
Goodwill identified in PPA Anima Sgr	316,738	316,738
Goodwill identified in PPA Compendio Scisso BPF	44,327	44,327
Goodwill identified in PPA former Aperta SGR and former Lussemburgo Gestioni SA	17,711	17,711
	1,105,463	**1,105,464**
OTHER INTANGIBLE ASSETS		
Intangible assets		
Intangible assets identified in PPA (former Prima Sgr)	66,542	66,542
- Amortization and impairment for previous periods	(65,627)	(61,646)
- Amortization and impairment for current period	(915)	(3,981)
Residual value of intangible assets identified in PPA (former Prima Sgr)	**(0)**	**915**
Intangible assets identified in PPA (Anima Sgr)	112,121	112,121
- *of which intangible assets recognized by Anima Sgr*	*17,745*	*17,745*
- Amortization and impairment for previous periods	(77,072)	(67,540)
- Amortization and impairment for current period	(9,532)	(9,532)
Residual value of intangible assets identified in PPA (Anima Sgr)	**25,516**	**35,049**
Intangible assets identified in PPA (former Aperta Sgr and Lussemburgo Gestioni SA)	12,361	12,361
- *of which intangible assets recognized by former Aperta Sgr (now Anima Sgr)*	*9,680*	*9,680*
- Amortization and impairment for previous periods	(7,418)	(6,180)
- Amortization and impairment for current period	(1,236)	(1,236)
Residual value of intangible assets identified in PPA (former Aperta Sgr and Lus. Gestioni SA)	**3,706**	**4,945**
Intangible assets identified in PPA (former Gestielle Sgr)	380,341	380,341
- Amortization and impairment for previous periods	(25,355)	
- Amortization and impairment for current period	(25,356)	(25,355)
Valore Residuo intangibili PPA ex Gestielle Sgr	**329,630**	**354,986**
Intangible assets identified in PPA (Compendio Scisso BPF)	106,875	106,875
- Amortization and impairment for previous periods	(1,190)	
- Amortization and impairment for current period	(7,120)	(1,190)
Residual value of intangible assets identified in PPA (Compendio Scisso BPF)	**98,565**	**105,685**
Total consolidated intangibles identified in PPA	**457,418**	**501,581**
Intangible assets in respect of management contracts	138,473	138,622
- Amortization and impairment for previous periods	(3,493)	
- Amortization and impairment for current period	(6,922)	(3,493)
Residual value of intangible assets in respect of management contracts	**128,058**	**135,129**
Total Intangible assets	**585,477**	**636,710**
Other consolidated intangible assets	**5,147**	**4,717**
TOTAL OTHER INTANGIBLE ASSETS	**590,624**	**641,427**
TOTAL CONSOLIDATED INTANGIBLE ASSETS	**1,696,087**	**1,746,890**

Intangible assets with an indefinite life, represented by goodwill, total €1,105.5 million.

Intangible assets with a finite life are composed of:

- contracts, valued in the PPA for Anima SGR in 2011, in which the portfolio of contracts with customers acquired and trademarks was acquired for a residual value of about €25.5 million. More specifically, given the characteristics of the acquisition and long-standing practices in the asset management industry, we identified the "AUM" as an intangible asset, the value of which is equal to the net fee and commission income over the entire term of the contractual relationship acquired, breaking down the net profitability associated with the different types of assets managed. The volumes taken as the starting point for valuing the intangible asset referred to the AUM managed by the company at the acquisition date (29 December 2010). The estimated useful life of this intangible was set at ten years. In addition, we identified the intangible asset "trademark", the value of which was estimated based on the marketing costs incurred by the company in the 7 years prior to the acquisition and revalued at a rate of 2%.

The estimated useful life of this intangible was determined on the basis of the duration of the company as set under the bylaws;

- contracts, valued in the PPA for the former Aperta SGR and the former Lussemburgo Gestioni SA during 2013, in which customer relationships were attributed a residual value of €3.7 million. More specifically, given the characteristics of the acquisition and long-standing practices in the asset management industry, we identified "Portfolios managed (AUM)" as an intangible asset, the value of which is equal to net fee and commission income over the entire term of the contractual relationship acquired, breaking down the net profitability associated with the different types of assets managed. The following asset management products were identified: portfolio management products (GP) and open-end retail collective investment undertakings formed under Luxembourg law (International CIUs). The volumes taken as the starting point for valuing the intangible asset referred to the AUM managed by the company at the acquisition date (27 December 2012).
- contracts, valued in the PPA for the former Aletti Gestielle S.p.A. ("Gestielle SGR"), in which customer relationships were attributed a residual value of €329.6 million. More specifically, given the characteristics of the acquisition and long-standing practices in the asset management industry, we identified "Customer Relationships" as an intangible asset, the value of which is equal to the net fee and commission income over the entire term of the contractual relationship acquired, breaking down the net profitability associated with the different types of funds managed. The volumes taken as the starting point for valuing the intangible asset referred to the AUM of the funds managed by Gestielle SGR at the acquisition date (28 December 2017); The estimated useful life of this intangible was set at fifteen years, amortized on a straight-line basis
- contracts for the management of insurance assets acquired by Anima SGR from Banca Aletti on 29 June 2018 for a residual value of €128.1 million. More specifically, given the characteristics of the acquisition, the value of the intangible (equal to the price paid to Banca Aletti), was determined on the basis of the assets under management transferred to Anima SGR, equal to about €9.4 billion. The estimated useful life of this intangible was set at twenty years, amortized on a straight-line basis.
- contracts, valued in the purchase price allocation process for the partial demerger of the BancoPosta Fondi SGR business line (the "Demerged Business"), for a residual value of €98.6 million. An intangible asset denominated "Operating Agreement" was identified, whose value was determined on the basis of the expected cash flows from the assets under management over the term of the Operating Agreement of 6 March 2018 between Poste Italiane, BancoPosta Fondi SGR, Poste Vita, Anima Holding and Anima SGR. Consistent with the guidelines established by IFRS 3, the AUM used in the valuation only regarded customer relationships established before the acquisition date. The ability to generate new relationships has not been valued in any way. The estimated useful life of this intangible was set at fifteen years, amortized on a straight-line basis.

For the acquisitions involving the former Gestielle SGR, the Management Contracts and the Demerged Business, the agreements, in line with market practice for similar transactions, provide for specific protection and guarantee mechanisms (for example, price adjustment mechanisms, earn-in/earn-out mechanisms, maintenance of specified levels of market share by the counterparties for the products managed by the Group, mechanisms for verifying the performance of products managed by the Group and remedies in the event of their underperformance). For more details, see Chapter XXII of the Prospectus published on 23 March 2018 concerning the capital increase, which is available on the Company's website.

Reconciliation of the carrying amount of the equity investment in the separate financial statements of Anima Holding at 31 December 2019 and the value of the intangible assets reported in the consolidation statements at 31 December 2019

Equity investments recognized by Anima Holding (separate financial statements)		**1.786.604**
Adjustment for LTIP of the investment recognized on Anima Holding		**(33.906)**
Adjustment for grant payment for acquisition of management contracts from Banca Aletti		**(90.000)**
Shareholders' equity of Anima SGR at acquisition date		**(172.084)**
Anima SGR	(161.509)	
Anima SGR (rif. Gestielle SGR)	(10.175)	
Anima SGR (rif. BPF)	(400)	
Consolidation differences of subsidiaries of Anima SGR		**9.186**
Lussemburgo Gestioni SA	5.836	
Anima Management Company SA	5.218	
Anima Asset Management Ltd e ex AAA IF	(1.868)	
Goodwill in the equity investments at acquisition date		**25.686**
Anima SGR	25.686	
Adjustments to intangible assets recognized in PPA (net of deferred taxes)		**(453.849)**
Anima SGR (PPA previous years)	(91.164)	
Anima SGR (recognized in the separate financial statements of subsidiaries)	(17.745)	
Anima SGR (rif. Aperta SGR and Luss. Gestioni)	7.886	
Anima SGR (recognized in the separate financial statements of subsidiary and rif. Aperta SGR and Luss. Gestioni)	(9.680)	
Anima SGR (rif. Gestielle SGR)	(267.874)	
Anima SGR (rif. BPF)	(75.272)	
Liabilities for contingent consideration identified in PPA of former Aperta		**(657)**
Contingent consideration identified in PPA	1.843	
Contingent consideration recognized in the separate financial statements of Anima Holding at 31.12.2014	(2.500)	
Writedown in IS of incidental expenses related to acquisition of equity investment (IFRS 3)		**(20.256)**
Anima SGR	(9.517)	
former Aperta SGR	(671)	
Lussemburgo Gestioni SA	(185)	
Aletti SGR	(6.438)	
BPF	(3.445)	
Other adjustments under IAS/IFRS		**(609)**
Recognition in consolidated IS of price adjustment (IFRS 3R) for previous periods		**55.494**
Adjustment of gain on disposal of intercompany interest previous periods		**(146)**
Total goodwill reported in consolidated financial statements at 31/12/2019		**1.105.463**
Reconciliation of intangible assets in the consolidated financial statements at 31/12/2019		
Fair value of intangible assets identified in PPA gross of amortization and deferred taxes		678.240
Fair value of other intangible assets with a finite life		138.473
Amortization of intangible assets 2009-2018		(231.236)
Totale intangible assets in consolidated financial statements at 31/12/2019		**585.477**
Other consolidated intangible assets		**5.147**
Total intangible assets in the consolidated financial statements at 31/12/2019		**1.696.087**

[AV11]

Impairment testing

Under IAS 36, goodwill is tested for impairment on an annual basis to determine whether it is recoverable.
Impairment is present whenever the carrying amount of an individual asset or a cash generating unit ("CGU") - i.e. the smallest "revenue center" to which it is possible to allocate specific cash flows - is greater than its recoverable amount.
For this purpose, goodwill must be allocated to individual assets or CGUs in such a way that they benefit from the synergies arising from the combination, regardless of whether other assets and liabilities acquired are assigned to those assets or CGUs.
In the consolidated financial statements of Anima Holding, intangible assets with an indefinite life, represented by goodwill, amounted to a total of €1,105.5 million. Following the various acquisitions and mergers in recent years, goodwill is treated as a single undifferentiated item, because:

- Anima Holding Group's management operates the companies as if they were a single CGU, capable of generating income and cash flows;
- there is no separate segment reporting for the assets acquired;
- Anima Holding does not possess any assets or liabilities that are unrelated to its business (so-called "surplus assets").

The CGU to which the goodwill has been allocated also includes intangible assets identified during PPA with finite useful lives, with a total residual value (net of amortization and deferred taxation) of about €450.2 million. The impairment testing is conducted to determine how well the carrying amount of the single CGU identified ("Anima CGU"), equal to €1,555.7 million, has held its value.
For the purposes of the impairment testing procedure, already analyzed by the Parent Company's Controls and Risks Committee on 17 February 2020 and approved by the Board of Directors on 20 February 2020, the Group used the value in use method to determine whether goodwill is recoverable.
<u>Method: Value in use</u>
Value in use is determined by estimating the present value of future cash flows that the Anima CGU is expected to generate. The value of an asset is determined by discounting future cash flows including the terminal value calculated as a perpetuity based on an economically sustainable normalized flow that is consistent with the long-term growth rate.
The discounting of the cash flows is used to determine the enterprise value of the CGU.
The discounted cash flow method was applied to the cash flows of the Anima CGU to estimate the value in use.
<u>Cash flows</u>
Under IAS 36, cash flow projections should be based on the most recent financial budgets/ business plans approved by management and on an estimate of cash flows beyond the period covered by the budgets/business plans by extrapolating the projections based on the budgets/forecasts.
On 20 December 2019, the Company's Board of Directors approved the 2020-2024 Group Business Plan ("Business Plan"), which, by leveraging a series of competitive advantages accumulated over time by the Anima Group, envisages the growth of assets under management and improved performance indicators over time, thank is part to following strategic initiatives:

- commercial development, including through the use of strategic partnerships;
- the expansion of the Group's product range and a review of the products already offered, in particular following the extraordinary operations conducted over the years by the Company;
- further strengthening of product management and distribution skills, also in consideration of the forecast expansion of the technological contribution;
- the implementation of Environmental, Social, Governance ("ESG") criteria within the investment process and the product range;

Starting from the assumptions underlying the Business Plan, the Company then developed the economic and financial projections for estimating the value in use of the Anima CGU.

<u>Discount rate</u>

To determine the value in use, cash flows must be discounted at a rate that reflects both the time value of money and the risks specific to the business conducted. The discount rate used is equal to 8.10% (9.31% in the previous year), calculated in line with best valuation practices, and corresponds to the cost of equity, equal to the rate of return on equity demanded by investors/shareholders for investments with similar risk profiles. This rate was estimated using the Capital Asset Pricing Model (CAPM) on the basis of the following formula:
Ke = Rf + Beta * (Rm-Rf)
where
Rf = risk-free interest rate, considered equal to the average monthly observations in 2019 of the 12-month average annual gross yield on 10-year Italian treasury bonds, equal to 1.95%;
Rm - Rf = market risk premium, set at 5.20%, in line with valuation practices;
Beta = a correlation factor between the effective return on a share and the overall return of the reference market (a measure of the volatility of a stock compared with the market), set equal to 1.18 as estimated considering the levered beta of Anima Holding with a 5-year observation period and a weekly observation frequency. The previous year the beta was 1.12 and had been estimated as the median of a sample of comparable asset managers operating in the asset management sector in Europe and North America for a 5-year time horizon.
A perpetual growth rate of 1.5% was used to calculate the terminal value (unchanged from previous year), in line with long-term inflation forecasts provided by reliable external sources (International Monetary Fund, Prometeia, ECB).
The discounted flows are considered net of tax using a tax rate equal to current tax rates applicable as of the date of these consolidated financial statements.

<u>Sensitivity analysis</u>
In order to better gauge the sensitivity of the results of the impairment tests to changes in the underlying assumptions, sensitivity analysis was performed. For the purposes of calculating value in use, an analysis was conducted of sensitivity in respect of the overall discount rate (Ke) and the growth rate used to calculate the terminal value. The ranges of change analyzed were as follows:

- Ke between 7.1% and 9.1%;
- growth rate in perpetuity of between 0.5% and 2.5%;

<u>"Stress scenario"</u>
In addition to the above, another scenario analysis was conducted using "stressed" market assumptions.
The purpose of this analysis is to identify, using a composite approach, the risks of a deterioration in profitability due to: i) a reduction in net funding flows as a result of the termination of existing distribution agreements; ii) market shocks; and iii) an increase in costs.
The scenario envisages a linear reduction in prospective EBITDA compared with the projections: reduction in EBITDA of 5%, 10% and 20%.
A "worst case scenario" was also prepared, which reflects a joint deterioration in the profitability of various parameters: i) a reduction and subsequent stagnation of flow from AUM; ii) a reduction in net fees and commissions; (iii) the reduction to zero of performance fees; and (iv) a consequent incremental reduction in prospective EBITDA compared with the forecasts in the Business Plan.

Results of impairment testing
The impairment testing did not find any impairment of goodwill or intangible assets with a finite useful life in either the baseline scenario or in the especially adverse stress scenario.
For the purposes of the sensitivity analysis of the baseline scenario:

- using the change in the overall discount rate (Ke) to 9.1%, recoverable amount falls by 13.30%;
- using the change in the growth rate in perpetuity to 0.5%, recoverable amount falls by 10.32%;
- in the most extreme case in the sensitivity analysis of the two components considered jointly, recoverable amount falls by 20.94%;

In all the scenarios presented above, recoverable amount[NF(-M12] is higher than the carrying amount of Anima CGU.

An analysis was also conducted to identify the "threshold" discount rate and growth rate that equalizes the value in use of the Anima CGU with its carrying amount. That value was found to be 13.82%, while in the most extreme stress scenario (prospective EBITDA down 20%), the threshold discount rate falls to 11.40%. Finally, in the worst case scenario, the threshold discount rate falls to 9.0%
As part of the impairment testing process, Anima Holding asked the external advisor PricewaterhouseCoopers Advisory S.p.A. to prepare a fairness opinion on the determination made by the Parent Company of the recoverable amount of the Anima CGU. The main comments of PricewaterhouseCoopers Advisory S.p.A. on the analysis performed by Anima Holding were:

- the impairment testing was consistent with the application of international accounting standards (in particular IAS 36);
- the methodology adopted is technically appropriate and consistent with the purposes of the assessment, practice and theory;
- the valuation parameters are reasonable and consistent compared with best valuation practice and theory;
- the methodological procedure applied is mathematically correct;
- the results obtained are consistent with the evaluation methodology selected, with the valuation parameters and with the mathematical calculations.

Accordingly, PricewaterhouseCoopers Advisory S.p.A. believes that the valuation methods adopted by Anima Holding's management are appropriate and that they were properly applied in determining the recoverable amount of the Anima CGU.

Furthermore, with specific reference to intangible assets with a finite useful life (which are recognized in the residual value of about €585.5 million), as part of the assessment of the presence of evidence of impairment ("trigger events"), in accordance with IAS 36, the Group identified the presence of a trigger event in relation to the Operating Agreement. Accordingly, an impairment test was conducted for this specific intangible asset, using the same methods and assumptions described above for the Anima CGU and applied to the flows expected over the residual useful life of the asset. The recoverable amount of the Operating Agreement was estimated to be greater than the carrying amount at 31 December 2019 and, therefore, it was not necessary to write down the value of the asset in these consolidated financial statements.
No indicators of impairment were found for the remaining intangible assets with a finite useful life.

Finally, as of the date of approval of these consolidated financial statements, there is no external evidence of impairment to be considered.

9.2 Intangible assets – Change for the period

		31.12.2019
A.	**Opening balance**	**1,746,890**
B.	**Increases**	**2,458**
	B.1 Purchases	2,458
C.	**Decreases**	**53,261**
	C.2 Amortization	53,112
	C.5 Other decreases	149
D.	**Closing balance**	**1,696,087**

"Purchases" main regard software acquired during the year by Anima SGR.
Item "C.5 Other decreases" regard a price adjustment received in respect of management contracts, as provided for in the purchase agreements.

Section 10 – Tax assets and tax liabilities - items 100 of assets and 60 of liabilities

Tax assets/liabilities report the net balance of the tax positions of the individual Group companies with regard to their respective tax authorities.
The Company and the subsidiary Anima SGR have opted to participate in a Group taxation mechanism pursuant to Article 117 et seq. of the Uniform Income Tax Code (the so-called "National Consolidated Taxation Mechanism"). For that reason, in the balance sheet the net balance of payments on account and the Group's ordinary corporate income tax (IRES) for the period is reported in "Current tax assets" or "Current tax liabilities".

10.1 Current and deferred tax assets: composition

	31.12.2019	31.12.2018
IRAP (regional business tax)	2,502	4,063
IRES (corporate income tax)		21,647
Total	**2,502**	**25,710**

For IRAP purposes, the balance reported above, equal to about €2.5 million, reflects the receivable for payments on account in 2019 by Anima Holding in the amount of about €6 million, net of taxes on taxable income for the year totaling about €3.5 million.

The following table reports the events that gave rise to timing differences and the associated deferred tax assets.

	31.12.2019	31.12.2018
Provisions for risks and charges	267	353
Discharge of tax liability in respect of goodwill	15,222	2,114
Amortization former Aperta SGR eliminated in FTA	132	132
Impairment of intangible assets	64	112
Hedging derivatives		465
Actuarial losses - termination benefits	93	64
Other	91	83
Total	**15,869**	**3,323**

The increase in the item "Discharge of tax liability in respect of goodwill" regards the deferred tax assets recognized by the subsidiary Anima SGR following exercise of the option to adjust values reported for tax purposes to the higher carrying amounts ("Discharge of tax liability" – pursuant to Article 15, paragraph 10, of Decree Law 185 of 29 November 2008) for the goodwill recognized as part of the purchase price allocation in respect of the definitive allocation of the price connected with the Demerged Business. The option was exercised with the payment on 28 June 2019 of a tax in lieu of 16% on the increase in value from the alignment (about €7.1 million) and generated deferred tax assets equal to the expected tax benefit of the future deductibility of the goodwill (about €13.1 million).

10.2 Current and deferred tax liabilities: composition

	31.12.2019	31.12.2018
IRAP (regional business tax)	3,322	3,272
IRES (corporate income tax)	14,873	
Other (foreign taxes)	40	116
Total	**18,235**	**3,387**

For IRAP purposes, the balance reported above, equal to about €3.3 million, reflects the liability for the tax for 2019 of Anima SGR in the amount of about €15 million, net of payments on account in 2019 totaling about €11.7 million.
For IRES purposes, the balance reported above, equal to about €14.9 million, reflects the liability taxes on Group taxable income for the year totaling about €58.5 million, net of payments on account in 2019 totaling about €43.6 million.

The following table reports the events that gave rise to timing differences and the associated deferred tax liabilities.

	31.12.2019	31.12.2018
Goodwill	5,966	5,510
Intangible assets identified during PPA	135,249	148,291
Other	74	74
Total	**141,289**	**153,875**

10.3 Changes in deferred tax assets (recognized in income statement)

		31.12.2019	31.12.2018
1.	**Opening balance**	**2,794**	**3,463**
2.	**Increases**	**13,302**	**257**
	2.1 Deferred tax assets recognized during	13,302	257
	a) in respect of previous periods		
	b) due to changes in accounting policie		
	c) writebacks		
	d) other increases	13,302	257
3.	**Decreases**	**320**	**926**
	3.1 Deferred tax assets derecognized duri	320	789
	a) reversals	320	777
	b) writedowns for supervening non-rec		
	c) due to changes in accounting policie		
	d) other		12
	3.3 Other decreases		137
4.	**Closing balance**	**15,776**	**2,794**

10.3.1 Changes in deferred tax assets as referred to in Law 214/2011 (recognized in income statement)

		31.12.2019	31.12.2018
1.	**Opening balance**	**2,246**	**2,246**
2.	**Increases**		
3.	**Decreases**	-	-
	3.1 Reversals		
	3.2 Transformation in tax credit		
	3.3 Other decreases		
4.	**Closing balance**	**2,246**	**2,246**

10.4 Changes in deferred tax liabilities (recognized in income statement)

		31.12.2019	31.12.2018
1.	**Opening balance**	**153,859**	**133,988**
2.	**Increases**	**456**	**32,059**
	2.1 Deferred tax liabilities recognized during the pe	456	456
	a) in respect of previous periods		
	b) due to changes in accounting policies		
	c) other	456	456
	2.3 Other increases		31,603
3.	**Decreases**	**13,042**	**12,188**
	3.1 Deferred tax liabilities derecognized during the	13,042	12,188
	a) reversals	13,042	12,188
	b) due to changes in accounting policies		
	c) other		
4.	**Closing balance**	**141,273**	**153,859**

10.5 Changes in deferred tax assets (recognized in shareholders' equity)

	31.12.2019	31.12.2018
1. Opening balance	**529**	**187**
2. Increases	**43**	**466**
2.1 Deferred tax assets recognized during the period	43	466
a) in respect of previous period		
b) due to changes in accounting policies		
c) other	43	466
3. Decreases	**479**	**124**
3.1 Deferred tax assets derecognized during the period	479	124
a) reversals	468	124
b) writedowns for supervening non-recoverability		
c) due to changes in accounting policies		
d) other	11	
4. Closing balance	**93**	**529**

Item "3.1 Deferred tax assets derecognized during the period – a) reversals" reflects the reversal of the tax effect on the fair value of expected cash flows from IRSs following the termination of those contracts on 24 October 2019.

10.6 Changes in deferred tax liabilities (recognized in shareholders' equity)

		31.12.2019	31.12.2018
1.	**Opening balance**	**16**	**72**
2.	**Increases**	-	-
3.	**Decreases**		**56**
	3.1 Deferred tax liabilities derecognized during the period		56
	a) reversals		56
	b) due to changes in accounting policies		
	c) other		
4.	**Closing balance**	**16**	**16**

Section 12 – Other assets – item 120

12.1 Other assets: composition

		31.12.2019	31.12.2018
1.	**Tax receivables**	**20,691**	**13,932**
	Application for reimbursement of IRES for IRAP deduction	973	973
	VAT credits	210	703
	Virtual stamp duty	9,108	11,829
	Other receivables	10,400	427
2	**Sundry receivables**	**14,874**	**14,148**
	Accrued income and prepaid expenses	4,380	3,100
	Prepaid one-off placement fees	4,018	2,711
	Due in respect of reimb. of IRES for IRAP ded.	1,569	1,975
	Due from former shareholders in respect of indemnities	3,304	4,304
	Other receivables	973	1,382
	Leasehold improvements	630	676
Total		**35,565**	**28,080**

"Other assets" includes (i) tax receivables in the amount of about €20.7 million; (ii) accrued income and prepaid expenses totaling about €4.4 million; (iii) prepaid one-off placement fees totaling about €4 million; (iv) receivables in respect of applications for reimbursement of corporate income taxes (IRES) in connection with the non-deduction of IRAP in respect of personnel expenses (pursuant to Article 2, paragraph 1-quater, of Decree Law 201/2011, for the 2004–2011 tax periods (submitted with the former consolidating shareholders Banca Monte dei Paschi di Siena and Banco BPM), in the amount of about €1.6 million; (v) receivables due from former shareholders in respect of indemnities under the agreements entered into by the Company in December 2010 in the amount of about €3.3 million; (vi) other assets totaling about €1 million; and (vii) assets in respect of leasehold improvements in the amount of €0.6 million.
The increase in "Other receivables" in the period is mainly attributable to the provisional payment by Anima SGR of about €10 million in respect of the payment requests received following the rulings of the Regional Tax Commission of Lombardy connected with IRES tax disputes for 2007 and 2008. For more information, please see the section "Tax issues" in the consolidated report on operations accompanying these consolidated financial statements.

LIABILITIES

Section 1 – Financial liabilities measured at amortized cost – item 10

1.1 Financial liabilities measured at amortized cost: composition by type

		31.12.2019	31.12.2018
1.	Due to sales networks:	133,969	131,738
	1.1 for placement of collective investment undertakings	129,463	126,372
	1.2 for placement of individual portfolio management products	2,885	3,861
	1.3 for placement of pension fund products	1,621	1,505
2.	Due for management activities:	3,515	5,486
	2.1 for management of own portfolios		
	2.2 for management of third-party portfolio	3,488	4,622
	2.3 other	27	864
3.	Due for other services:	43	715
	3.1 advisory services		
	3.2 outsourced business services		
	3.3 other	43	715
4.	Other amounts due	306,927	640,059
	4.1 repurchase agreements		
	4.2 lease liabilities	12,112	
	4.3 other	294,815	640,059
Total		**444,454**	**777,998**
	Fair value - level 1		
	Fair value - level 2	**444,454**	**777,998**
	Fair value - level 3		
Total fair value		**444,454**	**777,998**

The item "1. Due to sales networks" is almost entirely accounted for by commissions to be paid to the distributors of products created and managed by the Group. Those commissions will be almost entirely paid in the first quarter of 2020. The increase compared with 31 December 2018 is mainly due to an increase in front-end and maintenance fees to be paid to product distributors of about €7 million, net of a decrease in placement fees of about €5.2 million.
The item "2. Due for management activities" is mainly accounted for by amounts due fees and commission to be paid to distributors of SICAVs promoted and/or managed by the Group, notably the Anima Funds Plc SICAV in Ireland.
The item "4. Other amounts due – 4.2 lease liabilities" represents the residual liability at 31 December 2019 connected with right-of-use assets recognized in application of IFRS 16. For more information, please see "Part D - Other information - Section 7 - Lease disclosures" of these notes to the consolidated financial statements.
The item "4. Other amounts due – 4.3 other" consists of medium/long-term loans granted to the Parent Company during the year. In October 2019, the Company restructured its debt by extinguishing the bank loan obtained on 9 November 2017 and subsequently modified on 5 March 2018 (the "Outstanding Loan"). In particular, at 31 December 2018, the residual nominal value of the Outstanding Loan amounted to about €645.3 million, recognized in the financial statements at the amortized cost in the amount of about €640 million. In addition, on 28 June 2019, as provided for in the loan agreement, principal payments on the Outstanding Loan were made in the total amount of

€49.2 million, reducing the exposure to a total of €596.1 million (with €481.1 million falling due in November 2022 and €115 million falling due in March 2024).
In addition, on 10 October 2019, the Company obtained a medium/long-term credit line in the maximum amount of €300 million (see the press release of 17 October 2019), granted by a pool of banks (Banca Monte dei Paschi di Siena S.p.A., Banco BPM S.p.A., Mediobanca - Banca di Credito Finanziario S.p.A., Credito Valtellinese S.p.A. and Banca Popolare di Puglia e Basilicata ScpA). This credit line was drawn on 24 October 2019 in the amount of €297 million (the "New Loan").
In addition, on 23 October 2019, the Company issued a non-convertible senior unsecured bond (the "Bond") with a nominal value of €300 million. For more information, please see the following section "Composition of financial liabilities measured at amortized cost: Securities issued" of these notes to the consolidated financial statements.
Both the amount raised with the issue of the Bond and the amount disbursed with the New Loan were used on 23 and 24 October to extinguish the Outstanding Loan The extinction of the Outstanding Loan resulted in the reversal to profit or loss for the year of the residual transaction costs capitalized on the Outstanding Loan in the amount of about €4.1 million.
The New Loan falls due 5 years from the signing date and bears an annual interest rate equal to 6-month Euribor plus a spread of 1.5% (150 bps). Among other things, the new loan agreement provides for the subscription, within 90 days of disbursement, of interest rate swaps ("IRSs") to hedge the risk of changes in Euribor (the benchmark rate for the New Loan) on at least half of the amount disbursed. It should be noted that the IRS derivatives were signed on 17 January 2020, taking effect on 21 January 2020 and expiring on 10 October 2024, with a notional value of €148.5 million.
The nominal value at 31 December 2019 of the New Loan amounted to €297 million and the loan is carried at amortized cost, in the amount of about €294.8 million. The difference between its nominal value at the amortized cost is attributable to capitalized transaction costs of about €2.2 million connected with obtaining the loan.
For more details on the terms and conditions of the loan, please see "Part D – Other information– Section 3 – Risks and risk management policies - 3.1 Financial risks" of these notes to the consolidated financial statements.

1.2 Composition of "Financial liabilities measured at amortized cost: Securities issued"

		31.12.2019				31.12.2018			
		CA	Fair value			CA	Fair value		
			L 1	L 2	L 3		L 1	L 2	L 3
1.	Securities	297,476	296,772						
	- bonds	297,476	296,772						
	- other								
	Total	**297,476**	**296,772**						

Key
- CA = carrying amount; L1= Level 1; L2= Level 2; L3= Level 3.

The item "Securities – bonds" is represented by bonds issued by the Parent Company on 23 October 2019.
The non-convertible senior unsecured bond was issued with a nominal value of €300 million with a maturity of 7 years. The Bond was issued at a price of 99.459%, with a fixed annual interest rate of 1.75% (see the press release of 17 October 2019). The bond raised a net €298.38 million for Anima Holding.
The Bond was restricted to qualified investors in Italy and abroad, excluding the United States and other selected countries. The Bond was listed on the multilateral trading system, as defined pursuant

to Directive 2014/65/EU (multilateral trading facility, or MTF), denominated "Global Exchange Market", operated by Euronext Dublin.
The Bond was rated BBB by Fitch Ratings Ltd.
The placement of the Bond was handled by Morgan Stanley & Co. International Plc, Banca Akros S.p.A. - Banco BPM Group, Mediobanca - Banca di Credito Finanziario S.p.A. and MPS Capital Services Banca per le Imprese S.p.A..
At 31 December 2019, the Bond is carried at amortized cost in the amount of €297.5 million. That amount is represented by (i) the amount raised by the issue of about €298.38 million, (ii) increased by interest expense accrued during the year, as calculated using the amortized cost method (on the basis of the effective interest rate) of about €1.04 million and (ii) decreased by transaction costs connected with the bond issue, which were capitalized and reported at their residual value of about €1.9 million.
For more details on the terms and conditions of the Bond, please see "Part D – Other information– Section 3 – Risks and risk management policies - 3.1 Financial risks" of these notes to the consolidated financial statements.

1.5 Financial liabilities measured at amortized cost - Debt: composition by counterparty

		Banks		Financial institutions		Customers	
			of which belonging to the Group		of which belonging to the Group		of which belonging to the Group
1.	Due to sales netowrks:	129,047		448		4,475	
	1.1 for placement of collective investment undertakings	124,673		337		4,454	
	1.2 for placement of individual portfolio management products	2,885					
	1.3 for placement of pension fund products	1,489		111		21	
2.	Due for management activities:	1,553		120		1,842	
	2.1 for management of onw portfolios						
	2.2 for management of third-party portfolios	1,553		93		1,842	
	2.3 other			27			
3.	Due for other services:	43					
	3.1 advisory services						
	3.2 outsourced business services						
	3.3 other	43		-		-	
4.	Other amounts due:	294,815				12,112	
	4.1 repurchase agreements						
	4.2 lease liabilities					12,112	
	4.3 other	294,815					
Total 31.12.2019		**425,458**	**-**	**568**	**-**	**18,429**	**-**
Total 31.12.2018		**770,752**	**-**	**528**	**-**	**6,718**	**-**

Section 4 – Hedging derivatives – item 40

4.1 Hedging derivatives: composition by type of hedge and fair value hierarchy level

	31.12.2019				31.12.2018			
	Fair Value			NV	Fair Value			NV
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
A. Financial derivatives								
1. Fair value								
2. Cash flows		-				1,572		275,000
3. Investments in foreign operations				-				
Total A	-	-	-	-	-	1,572	-	275,000
B. Credit derivatives								
1. Fair value				-				
2. Cash flows				-				
Total B	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**1,572**	**-**	**275,000**

Key: NV = notional value

At 31 December 2019, the item does not show any balance following the closure, on 24 October 2019, of the interest rate swap hedging the Outstanding Loan. The termination of these IRSs led to the interruption, at the termination date, of hedge accounting and the reversal to profit or loss of their fair value of about €2.5 million (the value previously accumulated in a specific valuation reserve).

Section 8 – Other liabilities - item 80

8.1 Composition of Item 90 "Other liabilities"

	31.12.2019	31.12.2018
Due to suppliers for invoices to be paid and received	8,718	9,800
Due to employees and social security institutions	16,045	16,035
Withholding tax to be paid (on CIU, pension fund and portfolio m	31,595	3,644
Due to tax authorities (IRPEF, VAT, other)	1,297	1,429
Due for virtual stamp duty	4,043	4,671
Due to former shareholders for prior-year items	8,835	3,383
Accrued expense and deferred income	205	333
Sundry payables	2,463	529
Total	**73,201**	**39,824**

"Other liabilities" include: (i) amounts due to suppliers; (ii) amounts due to employees and social security institutions including, among other things, the variable component of remuneration; (iii) liabilities for withholding tax and other taxes to be paid to tax authorities in respect of asset management products (this rose significantly over the previous year and is correlated with receivables in respect of products under management for tax withholdings recognized under item 40 of assets "Financial assets measured at amortized cost"); (iv) the liabilities in respect of tax consolidation agreements from previous years and agreements signed by the Company with former shareholders in December 2010; and (v) sundry payables.
The increase in the item "Due to former shareholders for prior-year items" in the period is mainly due to the payment by Banca Monte dei Paschi di Siena in execution of agreements with the Company connected with the provisional payment by Anima SGR with regard to the IRES tax dispute for 2007. For more information, please see the section "Tax issues" in the consolidated report on operations accompanying these consolidated financial statements.
The increase in "Sundry payables" main reflects the value of the Company's treasury shares acquired at the end of 2019, for settlement on 2 January 2020 in the amount of about €1.2 million.

Section 9 – Deferred remuneration benefits - item 90

9.1 Deferred remuneration benefits: change for the period

		31.12.2019	31.12.2018
A.	**Opening balance**	**2,484**	**1,704**
B.	**Increases**	**218**	**40**
	B.1. Provision for the period	55	40
	B.2. Other increases	163	
C.	**Decreases**	**156**	**103**
	C.1. Benefit payments	156	32
	C.2. Other decreases		71
D.	**Closing balance**	**2,546**	**2,484**

9.2 Other information

The following table reports the main assumptions used in the actuarial measurement of the liability:

Underlying assumptions	31/12/2019	31/12/2018
Turnover rate	2%	2%
Rate of advances	1%	1%
Mortality tables (by gender)	ISTAT 2018	ISTAT 2017
Inflation rate	1.75%	1.75%
Discount rate	0.70%	1.50%
Value of obligation	2,546	2,484

Finally, the following tables report the sensitivity analysis and the additional disclosures required under IAS 19:

Sensitivity analysis	% change in base rate	Value of obligation	Change in value of obligation
Inflation rate	0.25%	2,587	41
Inflation rate	-0.25%	2,506	-40
Discount rate	0.25%	2,482	-64
Discount rate	-0.25%	2,612	66
Turnover rate	1%	2,518	-28
Turnover rate	-1%	2,577	31
Expected disbursements in future years based upon underlying actuarial assumptions			
31 December 2020		112	
31 December 2021		74	
31 December 2022		76	
31 December 2023		151	
31 December 2024		128	
1 January 2025 -31 December 2029		690	

In order to determine the inflation rate, reference was made to the medium-term rate of the European Central Bank (with a specific adjustment for Italy), while for the discount rate, the reference parameter was the AA corporate bond yield curve at 31 December 2019.

Section 10 – Provisions for risks and charges – item 100

10.1 “Provisions for risks and charges”: composition

	31.12.2019	31.12.2018
1. Provisions for committments and guarantees issued	97	106
2. Post-employment benefits		
3. Other provisions	1,626	1,330
3.1 Litigation and tax disputes	1,057	397
3.2 Personnel costs	360	685
3.3 Other	209	248
Total	**1,723**	**1,436**

For the “Garanzia 1+” and “Incremento e Garanzia 5+” segments of the Arti&Mestieri open-end pension fund and the “Linea Garantita” of the ICBPI Group closed pension fund, the subsidiary Anima SGR guarantees subscribers a minimum amount, equal to the amount paid by the subscriber regardless of the performance of the segments.
At 31 December 2019 the difference between the nominal value of the principal subscribed and guaranteed and the value of the units of those segments at the reference date was about €0.34 million. Anima SGR has specified the criteria and procedures adopted to determine the commitment in a specific policy “Criteria and procedures for the determination of the commitments undertaken for the management of pension funds accompanied by a capital repayment guarantee”.
In order to balance and manage the risk, that policy establishes that the Risk Management unit shall estimate the commitments assumed in respect of the capital repayment guarantee Anima SGR has issued, using an IT tool based on a Monte Carlo simulation method.
At 31 December 2019, the estimated commitment of the Group was about €0.1 million, which is reported under item “1 – Provisions for commitments and guarantees issued”.
The sub-item “3.1 Litigation and tax disputes”, which amounts to about €1.1 million, contains provisions for sundry litigation, including the costs of the related legal/tax advice.
Sub-item “3.2 Personnel costs”, which amounts to about €0.4 million, reports provisions for (i) extraordinary settlement agreements being defined with employees for which there is no certainty about the amounts to be paid and (ii) residual amounts to be paid to employees under the bonus system.
No provisions have been recognized for suits in which the Group is a joint and severally liable party but for which, on the basis of previous rulings in the same type of litigation or in the opinion of external consultants, no charges are expected to be incurred.
See the section “Part II - Other information – Tax issues” of the report on operations accompanying these consolidated financial statements for a discussion of the potential risks associated with tax litigation.

10.2 "Provision for post-employment benefits" and "Other provisions for risks and charges": change for the period

	Post-employment benefits	Other provisions	31.12.2019
A. Opening balance		**1,330**	**1,330**
B. Increases		**1,118**	**1,118**
B.1 Provision for the period		493	493
B.2 Changes due to the passage of time			
B.3 Changes due tot changes in accounting policies		3	3
B.4 Other increases		622	622
C. Decreases		**(822)**	**(822)**
C.1 Use during the period		(476)	(476)
C.2 Changes due to changes in the discount rate			
C.3 Other decreases		(346)	(346)
D. Closing balance		**1,626**	**1,626**

The amount reported under item "B.1 – Provision for the period - Other provisions column" mainly reflects (i) the amount of approximately €0.4 million related to personnel disputes for whom there is no certainty regarding the amounts to be paid and (ii) the amount of about €0.1 million set aside to deal with possible disputes of various types.
The item "B.4 - Other increase - Other provisions column" regards to an amount received by the subsidiary Anima SGR following a favorable initial appeal ruling on a dispute initiated in 2012, for which an appeal to the Court of Cassation is still pending.
Item "C. Decreases – C.1 Use during the period – Other provisions column" reports the use of provisions accrued in previous periods, mainly in respect of costs for employees whose amount was uncertain, while item "C. Decreases – C3 Other decreases – Other provisions column" regards the reversal through profit or loss of excess provisions following the settlement of the obligations that had prompted the original provision.

Section 11 – Shareholders' equity – items 110, 120, 130, 140, 150 and 160

11.1 Composition of item 120 "Share capital"

	31.12.2019	31.12.2018
1. Share capital	**7,292**	**7,292**
1.1 Ordinary	7,292	7,292
1.2 Other		

At 31 December 2019, share capital was equal to €7,291,809.72, represented by 380,036,892 ordinary shares with no par value. The shares of the Company have been listed since 16 April 2014 on the electronic stock exchange (Mercato Telematico Azionario) organized and operated by Borsa Italiana S.p.A..

11.2 Composition of "Treasury shares"

	31.12.2019	31.12.2018
1. Treasury shares	**(59,639)**	-
1.1 Ordinary	(59,639)	
1.2 Other		

On 21 December 2018, the Shareholder's Meeting of the Parent Company approved a program to purchase treasury shares pursuant to Articles 2357 and 2357-*ter* of the Italian Civil Code and of Article 132 of the Consolidated Law in order to: (i) make use of treasury shares to support existing and future incentive plans for corporate officers, employees, or other Group associates that involve the use or grant of shares or financial instruments that are convertible into shares; and (ii) establish a securities portfolio to be used, in line with the strategic guidelines of the Company, to support any extraordinary transactions.
The resolution authorized the purchase, in one or more transactions in a freely determinable amount, with a resolution of the Board of Directors, a maximum number of the Anima Holding's ordinary shares with no par value equal to no more than 10% of the share capital, taking account of any treasury shares that may already be held by the Company or held by subsidiaries.
The share buy-back program was initiated by the Parent Company in two phases, the first (see the press release of 8 January 2019) in the period between 9 January 2019 and 23 April 2019 resulted in the purchase on the Mercato Telematico Azionario ("MTA") of 11,401,107 treasury shares, equal to 3% of share capital, for a net €41,171,544 (including costs and/or income associated with the transaction).
Subsequently, on 18 November 2019 (see the press release of 15 November 2019), the share buy-back program was resumed for a further maximum quantity of 11,401,106 ordinary shares of Anima Holding, equal to 3% of share capital in the maximum amount of €50 million, to be completed by 30 April 2020. The purchase of shares, which was still in progress at the date of approval of these consolidated financial statements by the Board of Directors, is being carried out through an authorized intermediary in compliance with the conditions for trading provided for under Article 3 of Delegated Regulation (EU) 2016/1052. Based on the information provided by the authorized intermediary and following the purchases notified, in the period between 18 November and 31 December 2019 the Parent Company purchased 3,994,802 treasury shares, for a price – including costs and/or income associated with the transaction – of €18,467,641.
For more details, please see the section "Significant events for the Anima Group" in the report on operations accompanying these consolidated financial statements.
At 31 December 2019 the number of treasury shares purchased by the Company during the year on the market totaled 15,395,909, for a total of about €59.6 million, equal to about 4.05% of the share capital.

During the year under review, the following transactions in treasury shares were carried out:

	Number ordinary shares
Shares at start of period	**380,036,892**
Treasury shares (-)	0
Shares in circulation: opening balance	**380,036,892**
Increases	0
Decreases	
Purchase of treasury shares	*(15,395,909)*
Shares in circulation: closing balance	**364,640,983**
Treasury shares (+)	15,395,909
Shares at 31 December 2019	**380,036,892**

11.4 Composition of "Share premium reserve"

	31.12.2019	31.12.2018
Share premium reserve	787,652	787,652

PART C - INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

Section 1 – Fees and commissions – items 10 and 20

1.1 "Fees and commissions"

SERVICES	31.12.2019			31.12.2018		
	Fee and commission income	Fee and commission expense	Net fees and commissions	Fee and commission income	Fee and commission expense	Net fees and commissions
A. ASSET MANAGEMENT						
1. Management of own portfolios						
1.1 Investment funds						
- Management fees	576,170	(397,121)	179,049	595,130	(403,698)	191,432
- Performance fees	43,571	(565)	43,005	16,105	(752)	15,353
- Front-end load/back-end load	93,705	(93,097)	608	138,575	(138,198)	377
- Switching fees						0
- Other fees and commissions	168,047	(132,536)	35,510	195,722	(161,008)	34,714
Total fees and commissions from investment funds	**881,492**	**(623,319)**	**258,173**	**945,532**	**(703,656)**	**241,876**
1.2 Individual portfolio management						
- Management fees	44,085	(11,657)	32,428	30,743	(14,703)	16,040
- Performance fees	18	-	18	1		1
- Front-end load/back-end load	1	(1)	0	10	(10)	0
- Other fees and commissions	79	0	79	100		100
Total fees and commissions from individual portfolio management	**44,183**	**(11,658)**	**32,525**	**30,854**	**(14,713)**	**16,141**
1.3 Open-end pension funds						
- Management fees	9,767	(5,087)	4,680	9,278	(4,825)	4,453
- Performance fees						0
- Front-end load/back-end load						0
- Other fees and commissions	643	(264)	379	631	(309)	322
Total fees and commissions from open-end pension funds	**10,410**	**(5,351)**	**5,059**	**9,909**	**(5,134)**	**4,775**
2. Management of third-party portfolios						
- Management fees	66,629	(14,163)	52,466	69,263	(14,510)	54,753
- Performance fees	5,152	0	5,152	4,963		4,963
- Other fees and commissions	5,125	(1,386)	3,740	186		186
Total fees and commissions from management of third-party portfolios	**76,906**	**(15,549)**	**61,356**	**74,412**	**(14,510)**	**59,902**
TOTAL FEES AND COMMISSIONS FROM ASSET MANAGEMENT (A)	**1,012,991**	**(655,877)**	**357,114**	**1,060,707**	**(738,013)**	**322,694**
B. OTHER SERVICES						
- Advisory services	399	(156)	243	486	(260)	226
- Other services	266	(262)	4	475	(474)	1
TOTAL FEES AND COMMISSIONS FOR OTHER SERVICES (B)	**665**	**(418)**	**246**	**961**	**(734)**	**227**
TOTAL FEES AND COMMISSIONS (A+B)	**1,013,655**	**(656,295)**	**357,360**	**1,061,668**	**(738,747)**	**322,921**

At 31 December 2019, total net fees and commissions showed an increase of approximately €34.4 million compared with the previous year. This growth is mainly attributable to net fees and commissions generated by management of own portfolios and individual portfolio management.

Compared with the previous year, management of own portfolios registered an increase of about €16.3 million mainly due to the effect of (i) an increase of €27.6 million in performance fees and (ii) a decrease of €12.4 million in management fees.

Individual portfolio management posted an increase of €16.4 million, mainly attributable to revenues produced by the assets under management acquired with the extraordinary operations of 2018 relating to management contracts and the Demerged Business.

The income generated by fund management operations is primarily represented by management and performance fees (where provided for contractually), which account for the majority of the Group's revenue.

Management and performance fees are connected with the market value of assets under management and the results of product management.

More specifically, management fees are calculated periodically as a percentage of the assets of an individual product. Performance fees, on the other hand, are charged on certain products and paid to the management company when the return of the fund in a given period exceeds the performance of a benchmark index, a predetermined value or a target return. For some funds, performance fees are due if the value of fund units increases above its highest previous level. Accordingly, performance fees, and the amount of those fees, are highly affected by the returns achieved by funds and other managed

products, which are in turn impacted not only by the quality of the funds' managers but also by developments in markets and, more generally, the national and international economy.
Fee and commission income on investment funds is collected on a monthly basis, that on individual portfolio management products and on products managed on a delegated basis is collected on a monthly or quarterly basis.

1.2 "Fee and commission expense": break down by type and counterparty

	Banks		Financial institutions		Other		Total 31.12.2019	
		of which belonging to Group		of which belonging to Group		of which belonging to Group		of which belonging to Group
A. ASSET MANAGEMENT								
1. Management of own portfolios	**(605,516)**	-	**(1,729)**	-	**(33,083)**	-	**(640,328)**	-
1.1 Placement fees	**(93,060)**	-	**(38)**	-	-	-	**(93,098)**	-
- Collective investment undertakings	(93,059)		(38)				(93,097)	
- Individual portfolio management	(1)						(1)	
- Pension funds								
1.2 Account maintenance fees	**(379,656)**	-	**(1,691)**	-	**(32,518)**	-	**(413,865)**	-
- Collective investment undertakings	(363,333)		(1,270)		(32,518)		(397,121)	
- Individual portfolio management	(11,657)						(11,657)	
- Pension funds	(4,666)		(421)				(5,087)	
1.3 Performance fees	-	-	-	-	**(565)**	-	**(565)**	-
- Collective investment undertakings					(565)		(565)	
- Individual portfolio management								
- Pension funds								
1.4 Other fees and commissions	**(132,800)**	-	-	-	-	-	**(132,800)**	-
- Collective investment undertakings	(132,536)						(132,536)	
- Individual portfolio management								
- Pension funds	(264)						(264)	
2. Management of third-party portfolios	**(7,763)**	-	**(172)**	-	**(7,614)**	-	**(15,549)**	-
- Collective investment undertakings	(7,763)		(172)		(7,589)		(15,524)	
- Individual portfolio management								
- Pension funds					(25)		(25)	
TOTAL FEES AND COMMISSIONS FROM ASSET MANAGEMENT (A)	**(613,279)**	-	**(1,901)**	-	**(40,697)**	-	**(655,877)**	-
B. OTHER SERVICES								
Advisory services					(156)		(156)	
Other services	(262)						(262)	
TOTAL FEES AND COMMISSIONS FOR OTHER SERVI(	**(262)**	-	-	-	**(156)**	-	**(418)**	-
TOTAL FEES AND COMMISSIONS (A+B)	**(613,541)**	-	**(1,901)**	-	**(40,853)**	-	**(656,295)**	-

Section 3 – Interest – items 50 and 60

3.1 Composition of "Interest and similar income"

		Debt securities	Repurchase agreements	Deposit and current account	Other	Total 31.12.2019	Total 31.12.2018
1.	Financial assets at fair value through profit or loss:						104
	1.1 Assets held for trading						
	1.2 Financial assets designated at fair value						
	1.3 Other financial assets mandatorily measured at fair value						104
2.	Financial assets measured at fair value through other comprehensive income						
3.	Financial assets measured at amortized cost:			51		51	183
	3.1 Loans and receivables with banks			51		51	183
	3.2 Loans and receivables with financial institutions						
	3.3 Loans and receivables with customers						
4.	Hedging derivatives						
5.	Other assets				48	48	50
6.	Financial liabilities						
	Total	**-**	**-**	**102**	**48**	**99**	**337**
	of which: interest income on impaired financial assets						

Interest income was generated by (i) cash balances of the Group deposited on current accounts with leading banks and (ii) the reimbursement of tax receivables for IRES claims in respect of IRAP for the years 2007-2009.

3.2 Composition of "Interest and similar expense"

		Loans	Repurchase agreement	Securities	Other	Total 31.12.2019	Total 31.12.2018
1.	Financial liabilities measured at amortized cost	(14,237)				(14,237)	(8,453)
	1.1 Debt	(13,139)				(13,139)	(8,453)
	1.2 Securities issued	(1,098)					
2.	Financial liabilities held for trading						
3.	Financial liabilities measured at fair value						
4.	Other liabilities						
5.	Hedging derivatives	(822)				(822)	(529)
6.	Financial assets						
		(15,059)	**-**	**-**	**-**	**(15,059)**	**(8,982)**
	of which: interest expense related to lease liabilities	(171)				(171)	

Item "1.1 Debt" includes:

- (i) interest expense on the Outstanding Loan of about €8.2 million, determined using the amortized cost method (based on the effective interest rate) and accrued up to the date the loan was repaid;
- (ii) the capitalized transaction costs on the Outstanding Loan that remained at the repayment date of the loan, which were reversed to profit or loss at its extinction in the amount of €4.1 million;
- (iii) interest expense on the New Loan of about €0.7 million, determined using the amortized cost method (based on the effective interest rate);
- (iv) interest expense accrued during the year on lease liabilities recognized in application of IFRS 16 in the amount of about €0.2 million. For more on the disclosures required by IFRS

16, please see "Part D - Other information - Section 7 - Lease disclosures" of the notes to the consolidated financial statements.

Item "1.2 Securities issued" reports the interest expense accrued during the year on the Bond and determined using the amortized cost method (based on the effective interest rate) in the amount of about €1.1 million.

Item "5. Hedging derivatives" reports the interest component of the IRS derivatives hedging the Outstanding Loan accruing up to the date of termination of the positions on 24 October 2019.

Section 4 – Net gain (loss) on trading activities – item 70

4.1 Net gain (loss) on trading activities: composition

	Gains (A)	Gains on trading (B)	Losses (C)	Losses on trading (D)	Net gain (loss) (A+B)- (C+D)
1. Financial assets					
1.1 Debt securities					
1.2 Equity securities					
1.3 Units in CIUs					
1.4 Other					
2. Financial liabilities					
2.1 Debt securities					
2.2 Other					
3. Financial assets and liabililities: exchange differences					
4. Derivatives				**(2,489)**	**(2,489)**
4.1 Financial derivatives				(2,489)	(2,489)
4.2 Credit derivatives					
Total				**(2,489)**	**(2,489)**

The balance of this item is represented by the reversal to profit or loss of the value of the "Reserve from the measurement of cash flow hedging transactions" on the termination, on 24 October 2019, of the IRS contracts hedging the Outstanding Loan.

Section 7 – Net gain (loss) on other financial assets and liabilities measured at fair value through profit or loss – item 100

7.2 Composition of "Net gain (loss) on other financial assets and liabilities measured at fair value through profit or loss: other financial assets mandatorily measured at fair value"

			Gains (A)	Gains on trading (B)	Losses (C)	Losses on trading (D)	Net gain (loss) (A+B)- (C+D)
1.	Financial assets						
	1.1	Debt securities					
		of which governement securities					
	1.2	Equity securities					
	1.3	Units in collective investment undertakings	968	251	(72)	(1)	1,145
		of which own UCIs	*968*	*251*	*(72)*	*(1)*	1,145
	1.4	Other					
2.	Financial liabilities						
3.	Financial assets and liabilities: exchange differences						
4.	Derivatives						
		Total	968	251	(72)	(1)	1,145

The table reports the increase/decreases (gain/loss) from the fair value measurement of financial assets mandatorily measured at fair value, as well as gains and losses realized on the sale of financial instruments.

Section 9 – Administrative expenses – item 140

9.1 Personnel expenses: composition

		Total 31.12.2019	Total 31.12.2018
1.	**Employees**	**(44,705)**	**(45,514)**
	a) wages and salaries	(28,776)	(26,864)
	b) social security contributions	(7,272)	(6,848)
	c) termination benefits		
	d) pensions	(665)	(594)
	e) allocation to employee termination benefit provision	(64)	(54)
	f) allocation to provision for retirement and similar liabilities:		
	- defined contribution		
	- defined benefit		
	g) payments to supplementary pension funds:	(1,772)	(1,615)
	- defined contribution	(1,772)	(1,615)
	- defined benefit		
	h) other	(6,157)	(9,539)
2.	**Other personnel**	**(62)**	**(99)**
3.	**Board of Directors and members of Board of Auditors**	**(1,915)**	**(2,092)**
4.	**Personnel in retirement**	-	-
5.	**Recovery of expenses for employees seconded to other companies**		
6.	**Reimbursement of expenses for third-party employees seconded to the Company**		**(244)**
	Total	**(46,683)**	**(47,949)**

The sub-item "a) wages and salaries" increased mainly due to the increase in the variable remuneration of employees (also related to the performance fees generated by the products managed by the Group). The reduction in item "h) other" is mainly attributable to a decrease of about €2.8 million in non-recurring costs for consensual termination agreements with staff reached in the previous year. The item also includes the costs of the LTIP in the amount of about €2.7 million (about €3.3 million in 2018. See "Part A – Accounting policies – A.2 The main items of the consolidated financial statements – Share-based payments - LTIP" in these notes to the financial statements for more on the accounting policies adopted in presenting the Plan in the financial statements.

9.2 Average number of employees by category

	average no. 31.12.2019	average no. 31.12.2018
Employees		
a) management	41	39
b) other employees	269	276
Total	**310**	**315**

9.3 "Other administrative expenses": composition

	Total 31.12.2019	Total 31.12.2018
advisory services	(2,096)	(6,403)
facility leasing and property management expenses	(1,637)	(4,982)
outsourcing	(9,206)	(13,203)
marketing and communication expenses	(6,253)	(6,092)
Infoproviders	(7,380)	(6,868)
telephone and information systems	(5,438)	(4,836)
other operating expenses	(4,030)	(4,265)
Total	**(36,040)**	**(46,649)**

The decrease in "Other administrative expenses" mainly reflects (i) a decline in costs for advisory service (costs were incurred in 2018 owing to extraordinary transactions), (ii) a decrease in costs for leasing of buildings, due both to the impact of the application of IFRS 16 Leases (about €2.4 million reported under items "160 Net adjustments of property, plant and equipment") and the termination of the lease for the property located in Milan - Via Tortona (about €0.9 million, pertaining to the former Gestielle SGR), (iii) a decrease in outsourcing costs following the revision of a number of contracts in the amount of about €4 million net of (iv) an increase of about €0.5 million in costs for info providers and one of about €0.6 million for information systems. .

Section 10 – Net provisions for risks and charges – item 150

10.1 Composition of item 150 "Net provisions for risks and charges"

	Total 31.12.2019	Total 31.12.2018
Increases due to allocations	172	
Other changes (actuarial effect)	4	(1)
Reversals for elimination or reductions	(142)	17
Total	**34**	**17**

Section 11 – Net adjustments of property, plant and equipment – item 160

11.1 Composition of "Net adjustments of property, plant and equipment"

	Depreciation	Impairment	Writebacks	Net adjustments 31.12.2019
1. Operating assets	(3,460)			(3,460)
- owned	(677)			(677)
- right-of-use assets	(2,783)			
2. Investment property				
- owned				
- right-of-use assets				
Total	**(3,460)**	**-**	**-**	**(3,460)**

Item "1. Owned" includes depreciation charges for the period on property, plant and equipment used in operations owned by the Group companies.
Item "2. Right-of-use assets" includes depreciation charges for the period on rights of use acquired through lease and rental contracts falling within the scope of IFRS 16, which has been applied as from 1 January 2019. For the additional disclosures required by that accounting standard, please see "Part D - Other information - Section 7 - Lease disclosures" in the notes to the consolidated financial statements.

Section 12 – Net adjustments of intangible assets – item 170

12.1 Composition of "Net adjustments of intangible assets"

	Amortization	Impairment	Writeback	Net adjustments 31.12.2019
1. Goodwill				-
2. Other tha goodwill	**(53,112)**	**-**	**-**	**(53,112)**
2.1 owned	(53,112)			**(53,112)**
- generated internally				-
- other	(53,112)			**(53,112)**
2.2 right-of-use assets				-
Totale	**(53,112)**	**-**	**-**	**(53,112)**

The table above reports amortization for the period, including (i) about €51.1 million in amortization for the period in respect of intangibles with a finite useful life and (ii) about €1.9 million in amortization charges for other intangible assets (software).

Section 13 – Other operating income/expenses - item 180

13.1 Composition of "Other operating income/expenses"

Income	Total 31.12.2019	Total 31.12.2018
Sundry income related to products managed	14	19
Rentals	0	38
Price adjustements	2,164	1,737
Tax credits for research and development	335	443
Other	1,085	1,639
Total	**3,598**	**3,876**

Expense	Totale 31.12.2019	Total 31.12.2018
Expense related to products managed	(28)	(36)
Losses on disposal	(20)	(1)
Other	(231)	(221)
Charges for leasehold improvements	(149)	(134)
Total	**(428)**	**(392)**

Net total	**3,170**	**3,484**

Item "Price adjustment" includes income of about €2.2 million associated with the price adjustments on the sale by Anima SGR to BNP Paribas of the "back office collective securities investment products and NAV calculation" business area in May 2012. The item "Other" mainly includes the income for training activities performed by Anima SGR for a number of sales networks in the amount of about €0.8 million. Finally, the item "Tax credits for research and development" includes income of about €0.3 million in respect of the definitive quantification of the tax credit arising in 2018 provided for under Article 1, paragraph 35, of Law 190 of 23 December 2014 concerning research and development activity performed by the subsidiary Anima SGR.

Section 18 – Income tax expense from continuing operations - item 250

18.1 Composition of "Income tax expense from continuing operations"

	Total 31.12.2019	Total 31.12.2018
1. Current taxes	(84,634)	(63,555)
2. Changes in current taxes from previous periods		
3. Reduction of current taxes for the period		
4. Change in deferred tax assets	12,977	(533)
of which from previous period		
5. Change in deferred tax liabilities	12,586	11,732
of which from previous period		
Income taxes for the period	**(59,068)**	**(51,530)**

"Current taxes", equal to about €84.6 million, include the Group corporate income tax (IRES) liability in the amount of €58.5 million, the regional business tax (IRAP) in the amount of about €18.5 million and the taxes of Anima AM Ltd totaling about €0.5 million. The item also includes the tax in lieu of

about €7.1 million paid by the subsidiary Anima SGR following election of the special tax scheme for the adjustment of the tax value of assets to their carrying amount ("Discharge of tax liability" – pursuant to Article 15, paragraph 10, of Decree Law 185 of 29 November 2008) for the goodwill recognized as part of the purchase price allocation for the acquisition of the Demerged Business. The election involved the recognition of deferred tax assets equal to the expected tax benefit of the future deductibility of the goodwill (about €13.1 million).
The effective income tax rate, with a tax liability of €59.1 million for the period, came to about 28.8% (about 29.7% in the previous year).

18.2 Reconciliation of theoretical tax liability and actual tax liability recognized

Figures at 31 December 2019

	IRES		IRAP	
	Taxable income	Tax	Taxable income	Tax
Income before tax	204,897			
Income before tax relevant for IRES purposes	200,666			
Theoretical IRES liability		48,160		
Theoretical IRES rate		24.00%		
Difference between value and cost of production			367,278	
Theoretical IRAP liability				20,457
Theoretical IRAP rate				5.57%
Taxable differences - separate financial statements	10,415	2,500	10,161	566
Deductible differences - separate financial statements	(178,336)	(42,800)	(45,474)	(2,533)
Deductible/taxable differences - consolidated financial statements	211,074	50,658	0	
IRES taxable income	243,819			
Current IRES on income for the year		58,518		
IRAP taxable income			331,965	
Current IRAP on income for the year				18,490
Taxes for foreign companies		535		0
Onere fiscale rilevato		**59,053**		**18,489**

Figures at 31 December 2018

	IRES		IRAP	
	Taxable income	Tax	Taxable income	Tax
Income before tax	173,587			
Income before tax relevant for IRES purposes	152,613			
Theoretical IRES liability		36,627		
Theoretical IRES rate		24.00%		
Difference between value and cost of production			364,278	
Theoretical IRAP liability				20,290
Theoretical IRAP rate				5.57%
Taxable differences - separate financial statements	117,667	28,240	6,307	351
Deductible differences - separate financial statements	(285,949)	(68,628)	(46,042)	(2,565)
Deductible/taxable differences - consolidated financial statements	210,270	50,465	0	
IRES taxable income	194,600			
Current IRES on income for the year		46,704		
Current IRES on income for the year not pertaining to the Gruop		-4,576		
IRAP taxable income			324,543	
Current IRAP on income for the year				18,076
Taxes for foreign companies		3,354		0
Tax liability recognized		**45,482**		**18,075**

PART D- OTHER INFORMATION ON THE CONSOLIDATED BALANCE SHEET

Section 1 – Specific comments on activities performed

The Company is primarily engaged in the coordination and operational management of its equity investments, while the other Group companies engage in the normal business of asset management companies.
In addition, the Group companies use a number of custodian banks for the various categories of funds it offers, including BNP Paribas for Italian investment funds, DepoBank for the Arti & Mestieri pension fund and State Street Bank for Irish funds and SICAVs.
Gestielle Investment SICAV (a SICAV incorporated under Luxembourg law), Anima Funds Plc (a SICAV under Irish law) and Monte SICAV (a SICAV under Luxembourg law) for which Anima SGR acts as the Management Company, have respectively appointed Banque Havilland, BNP Paribas and State Street as custodian banks.

1.1 Information on commitments, guarantees and leasehold interests

The definitive agreements for the acquisitions carried out in 2017 and 2018 with the Banco BPM Group and Poste Group provided for specific protection and guarantee mechanisms (for example, price adjustment mechanisms, earn-in/earn-out clauses, requirements to maintain certain market shares by the counterparties for the products managed by the Group, mechanisms to verify the performance of products managed by the Group and remedies in the event of their under-performance). For more details, see Chapter XXII of the Prospectus published on 23 March 2018 concerning the capital increase, which is available on the Company's website.

1.1.2 Commitments in respect of pension funds with capital repayment guarantees

For the "Garanzia 1+" and "Incremento e Guaranzia 5+ sub-funds of the open-end Arti & Mestieri pension fund and the "Linea Garantita" segment of the ICBPI Group closed pension fund, Anima SGR guarantees subscribers a minimum amount, equal to the amount paid by the subscriber regardless of the performance of the segments.
For more details, please see "Part B – Information on the Balance sheet – Section 10 – Provision for risks and charges – item 100" of the note to these financial statements.

1.1.4 Own securities deposited with third parties

	31.12.2019	31.12.2018
Number of units of own CIUs (investment funds)	4,676,121	6,376,132
Number of units of third-party CIUs (investment funds and SICAVs)	7,449,136	7,449,136

1.2 Disclosures on assets under management

1.2.1 Net asset value of collective investment undertakings (breakdown by individual CIU)

Collective investment undertakings	31/12/19	31/12/18
1. Own portfolios		
Investment funds:		
Anima America	332,051,880	248,945,656
Anima Valore Globale	1,087,619,049	609,376,579
Anima Obbligazionario Euro BT (Ex Anima Salvadanaio)	159,160,270	188,419,293
Anima Risparmio	1,297,639,834	1,195,627,354
Anima Sforzesco	5,039,784,017	5,093,000,563
Anima Pianeta	565,655,711	242,590,057
Anima Visconteo	3,657,026,434	3,398,299,833
Anima Obbligazionario corporate	491,851,075	520,610,599
Anima Italia	179,471,763	157,876,085
Anima Pacifico	230,885,255	187,884,203
Anima Iniziativa Europa	199,362,231	154,492,297
Anima Obbligazionario Emergente	255,813,785	214,115,574
Anima Capitale Piu' Obbligazionario	44,121,004	50,169,042
Anima Capitale Piu' 15	84,073,722	96,499,211
Anima Capitale Piu' 30	107,193,918	115,503,095
Anima Capitale Piu' 70	89,891,184	79,990,215
Anima Alto Potenziale Globale	761,316,032	828,419,716
Anima Obbligazionario High Yield	616,198,877	577,792,757
Anima Fondo Trading	632,516,063	525,760,622
Anima Obbligazionario Euro	291,749,419	331,418,079
Anima Liquidita' Euro	1,004,228,600	1,344,942,414
Anima Emergenti	331,311,136	258,508,488
Anima Europa	459,880,975	430,897,440
Anima Riserva Globale	39,965,418	35,418,847
Anima Riserva Emergente	183,474,205	149,141,681
Anima Tricolore	311,196,844	444,823,658
Anima Traguardo 2019 Flex (*)	-	21,681,885
Anima Traguardo 2019 Flex II (*)	-	34,036,644
Anima Riserva Dollaro	105,071,596	104,858,739
Anima Traguardo Dinamico (*)	-	51,216,359
Anima Traguardo 2019 Globale (*)	-	68,592,468
Anima Traguardo 2019 Multi-Asset (*)	-	83,126,257
Anima Traguardo Cedola Europa (*)	-	74,489,267
Anima Evoluzione 2019 I (*)	-	45,538,299
Anima Traguardo 2019 Globale II (*)	-	213,269,625
Anima Traguardo Cedola America	45,024,220	87,455,371
Anima Evoluzione 2019 II (*)	-	42,247,866
Anima Selection	119,821,411	95,820,922
Anima Russell Multi-Asset	179,468,683	281,244,841
Anima Traguardo 2021 Globale	96,818,312	151,982,624
Anima Cedola Alto Potenziale 2021	29,861,907	39,081,546
Anima Traguardo Crescita Italia	44,293,480	87,629,572
Anima Evoluzione 2019 III (*)	-	75,233,154
Anima Cedola Alto Potenziale 2021 II	42,241,592	54,040,037
Anima Cedola Alto Potenziale 2021 III	64,282,511	69,030,305
Anima Evoluzione 2019 IV	31,967,919	88,719,816
Anima Progetto Europa 2021 Cedola	40,094,252	92,532,369
Anima Cedola Alto Potenziale 2022 I	67,734,219	80,704,004
Anima Geo Italia	219,146,632	203,274,794
Anima Selezione Globale	810,009,126	784,229,554
Anima Fix Obbligaz. Euro BT (Ex Anima Fix Euro Conservativo)	709,407,760	336,752,164
Anima Geo America	828,403,710	692,168,134
Anima Geo Asia	429,362,264	397,265,376
Anima Selezione Europa	1,019,711,319	915,961,549
Anima Geo Paesi Emergenti	432,274,730	265,778,888
Anima Fix Emergenti	426,276,270	212,650,344
Anima Forza Moderato	204,066,734	180,254,190
Anima Forza Equilibrato	174,466,803	147,556,710
Anima Forza Dinamico	84,345,361	59,027,617
Anima Fix High Yield	365,863,421	368,858,487

	31/12/19	31/12/18
Anima Alto Potenziale Italia	247,308,716	270,885,410
Anima Forza Prudente	188,147,919	222,888,935
Anima Geo Europa PMI	244,016,485	214,743,823
Anima Alto Potenziale Europa	765,773,069	659,625,587
Anima Fix Imprese	658,930,922	527,499,381
Anima Fix Euro BT (*)	-	349,376,681
Anima Fix Euro MLT	379,973,609	374,816,551
Anima Fix Obbligazionario Globale	997,171,871	960,015,645
Anima Rendimento Assoluto Obbligazionario	398,073,965	589,037,446
Anima Global Macro Diversified	227,317,127	246,773,446
Anima Progetto Dinamico 2022	323,789,416	342,663,602
Anima Obiettivo Cedola 2022	182,801,031	207,522,778
Anima Progetto Globale 2022 Cedola	85,354,666	200,766,989
Anima Selezione Dinamica 2020	209,253,828	301,555,106
Anima Progetto Dinamico 2022 II	69,743,756	200,956,103
Anima Evoluzione 2020 III	81,179,681	137,599,061
Anima Progetto Dinamico 2022 III	40,449,343	86,179,462
Anima Selezione Dinamica 2020 III	120,241,015	167,479,443
Anima Evoluzione 2020 IV	68,378,138	112,129,112
Anima Selezione Dinamica 2020 II	170,619,546	231,305,247
Anima Target Cedola 2022	25,250,018	34,630,512
Anima Evoluzione 2020 II	103,657,815	172,946,815
Anima Evoluzione 2020 I	149,705,255	234,791,178
Anima Progetto Dinamico 2022 Multi-Asset	81,581,071	155,150,094
Anima Selezione Dinamica 2021	50,665,060	61,203,277
Anima Selezione Dinamica 2020 IV	108,519,553	131,981,614
Anima Prontodeposito (*)	-	24,884,569
Anima Reddito Flessibile	24,067,644	29,828,738
Anima BlueBay Reddito Emergenti	169,462,332	177,956,725
Anima Progetto Flessibile 2020	82,195,745	183,575,832
Anima Progetto Flessibile 2021	20,816,862	51,871,481
Anima Sviluppo Globale 2022	16,393,982	33,249,638
Anima Sviluppo Europa 2022	14,903,202	40,231,091
Anima Reddito 2022	247,701,249	255,738,231
Anima Reddito 2021	297,296,402	326,635,380
Anima Reddito 2021 II	324,104,014	349,002,497
Anima Reddito 2021 S	369,141,888	402,095,330
Anima Reddito 2021 III	279,921,730	297,027,532
Anima Reddito 2021 IV S	114,791,419	121,417,881
Anima Evoluzione 2021	62,693,799	96,222,506
Anima Evoluzione 2021 III	48,724,753	53,465,268
Anima Portfolio America	74,454,413	88,561,203
Anima Evoluzione 2021 II	81,244,321	90,316,805
Anima Sforzesco Plus	965,164,417	935,434,186
Anima Visconteo Plus	688,069,380	635,645,677
Anima High Yield Breve Termine	181,225,942	120,334,360
Anima Inflazione (**)	-	23,886,145
Anima Infrastrutture	92,042,199	102,562,580
Anima Selection Macro (*)	-	3,179,882
Anima Iniziativa Italia	390,997,829	303,971,161
Anima Step Europa (**)	-	9,272,864
Anima Portfolio Globale	115,904,931	124,776,276
Anima Sviluppo Globale 2023	24,607,227	60,738,861
Anima Sviluppo Multi-Asset 2023	32,832,100	34,441,649
Anima Sviluppo Multi-Asset 2023 II	19,107,784	19,585,429
Anima Reddito Bilanciato 2023	56,259,350	55,144,928
Anima Reddito Più 2022	556,419,723	572,480,663
Anima Reddito Più 2022 III	487,432,281	497,305,523
Anima Reddito Più 2022 II	463,290,268	477,692,995
Anima Reddito Più 2022 IV	186,168,358	190,686,907

	31/12/19	31/12/18
Anima Soluzione Cedola 2023	192,749,346	185,170,887
Anima Reddito Più 2023	464,226,154	469,176,705
Anima Evoluzione Bilanciato 2022	77,325,223	82,493,854
Anima Vespucci	994,528,261	616,832,251
Anima Crescita Italia	1,081,668,232	960,975,945
Anima Magellano	1,198,297,737	631,741,014
Anima Global Macro Neutral	166,317,600	202,872,263
Anima Obbligazionario Euro Core	14,657,235	11,955,207
Anima Obbligazionario Flessibile	143,981,841	14,008,361
Anima Monetario	9,137,309	8,978,000
Anima Smart Beta Europa	10,687,855	8,984,101
Anima Metodo&Selezione 2024	51,810,632	26,356,695
Anima Reddito Consumer 2023	56,883,969	55,414,632
Anima Reddito Health Care 2023	72,264,352	71,727,373
Anima Reddito Energy 2023	50,121,471	50,168,393
Anima Traguardo 2023	416,783,508	422,259,919
Anima Traguardo 2023 Flex	801,152,505	790,092,121
Anima Patrimonio Globale 2024	411,503,411	8,050,948
Anima Programma Cedola 2023	660,715,798	632,920,778
Anima Programma Cedola 2023 II	877,745,303	849,429,618
Anima Valore 2026	132,129,008	-
Anima Commodities	16,648,001	-
Anima Systematic Global Allocation	12,723,495	-
Anima Obbligazionario Tattico	19,075,066	-
Anima EsaGono Azionario Globale	9,677,414	-
Anima EsaGono Bilanciato	14,536,286	-
Anima EsaGono Obbligazionario Corporate	15,052,203	-
Anima Metodo Attivo 2024 II	282,763,158	-
Anima Metodo Attivo 2024	321,397,472	-
Anima Legg Mason Multi Credit	34,124,512	-
Anima PicPac Valore Globale 2022	104,111,696	-
Anima PicPac Magellano 2022	105,635,121	-
Anima PicPac Valore Globale 2023	9,146,403	-
Anima PicPac Magellano 2023	8,892,462	-
Anima Smart Beta Globale	9,295,230	-
Anima Obiettivo Globale 2024	334,710,862	-
Anima Megatrend	46,537,208	-
Anima Azionario Globale ex EMU	11,568,540	-
Anima Azionario Paesi Sviluppati LTE	24,438,145	-
Anima Obiettivo Globale Plus 2025	65,921,044	-
Anima Obiettivo Globale 2024 II	147,537,234	-
Anima Primopasso 2022 II	50,718,183	-
Anima Primopasso 2022	85,017,058	-
Anima Primopasso Pac 2023	44,085,077	-
Anima Traguardo 2024 Flex	661,505,162	-
Anima Patrimonio Globale & I-Tech 2024	237,144,138	-
Anima Patrimonio Globale & Robotica 2024	205,624,894	-
Anima Investimento Robotica&Intelligenza Artificiale 2024	615,802,610	-
Anima Patrimonio Globale Lusso&Moda 2024	323,104,858	-
Anima Investimento ENG 2025	372,283,457	-
Anima Patrimonio Globale & Clean Energy 2024	328,733,288	-
Anima Target Visconteo 2024	58,357,934	-
Gestielle Best Selection Cedola AR	39,344,487	57,218,075
Gestielle Best Selection Equity 20	165,859,027	141,907,719
Gestielle Best Selection Equity 50	25,832,896	32,469,307
Gestielle Obiettivo Emerging Markets	96,989,977	103,984,766
Gestielle Obiettivo India	33,052,550	43,927,091
Gestielle Obiettivo Italia	37,992,864	102,353,806
Gestielle Obiettivo Europa	217,270,362	289,583,834
Gestielle Obiettivo Risparmio	568,339,849	607,753,911

	31/12/19	31/12/18
Gestielle Obiettivo Stabilità	135,542,454	206,343,143
Gestielle Obiettivo America	36,603,739	98,617,688
Gestielle Obiettivo Cina	37,436,182	42,926,274
Gestielle Obiettivo Internazionale	386,621,583	297,339,246
Gestielle Obbligazionario Corporate	354,397,888	378,409,806
Gestielle Obbligazionario Internazionale	49,636,621	49,113,591
Volterra Absolute Return	15,358,529	17,247,404
Volterra Dinamico	7,675,233	8,532,617
Gestielle Profilo Cedola	72,944,958	110,037,544
Gestielle Profilo Cedola II	1,097,295,378	1,116,839,781
Gestielle Profilo Cedola III	566,223,669	574,597,886
Gestielle Emerging Markets Bond	197,859,535	127,491,007
Gestielle Pro Italia	116,709,512	110,616,922
Gestielle Mt Euro	66,554,123	78,741,346
Gestielle BT Cedola	81,989,643	106,743,046
Gestielle Dual Brand Equity 30	23,876,151	46,492,901
Gestielle Cedola Multi Target II (*)	-	109,208,619
Gestielle Cedola Multi Target III	151,998,347	249,560,130
Gestielle Cedola Multi Target IV	53,624,922	85,555,528
Gestielle Cedola Multi Target V	1,532,291,143	1,494,265,063
Gestielle Cedola Multiasset (*)	-	250,998,964
Gestielle Cedola Multiasset II (*)	-	214,658,410
Gestielle Cedola Multiasset III	1,383,554,887	1,422,002,338
Gestielle Cedola Multifactor	321,283,269	319,304,630
Gestielle Cedola Multimanager Quality	58,518,718	58,883,893
Gestielle Cedola Multimanager Smart Beta	130,377,029	244,010,788
Gestielle Cedola Fissa III	316,719,823	511,659,982
Gestielle Absolute Return	498,751,724	608,035,438
Gestielle Absolute Return Defensive	149,047,379	135,048,032
Gestielle Cedola EM Bond Opportunity	551,234,447	901,375,379
Gestielle Cedola Corporate	742,863,247	1,065,041,933
Gestielle Cedola Corporate Plus	142,609,634	199,885,052
Gestielle Cedola Corporate Professionale	41,431,044	40,108,726
Gestielle Cedola Dual Brand (*)	-	153,113,734
Gestielle Cedola Best Selection	452,789,882	570,131,091
Gestielle Cedola Emerging Markets Opportunity	59,254,551	80,987,636
Gestielle Cedola Target High Dividend	122,501,889	214,929,226
Gestielle Cedola Forex Opportunity U$D	114,712,206	222,862,942
Gestielle Cedola Italy Opportunity	82,429,436	136,923,304
Gestielle Hedge Low Volatility	9,311,925	13,926,554
Phedge Low Volatility Side Pocket	1,042,036	1,060,114
Total own portfolios	**61,297,401,061**	**58,123,012,508**
2. Third-party portfolios		
Collective investment undertakings:		
- *Open-end CIUs*		
Etica Obbligazionario Breve Termine	315,293,815	311,331,568
Etica Obbligazionario Misto	1,489,690,535	1,178,355,805
Etica Bilanciato	1,362,411,961	1,022,621,306
Etica Azionario	378,178,838	316,620,743
Etica Rendita Bilanciata	803,176,160	620,130,584
Etica Impatto Clima	243,069,513	54,033,261.00
BancoPosta Evoluzione 3D	132,215,318	133,733,633
BancoPosta Evoluzione 3D I 2016	62,814,548	63,343,037
BancoPosta Evoluzione 3D Luglio 2021	42,331,619	42,365,824
BancoPosta Evoluzione 3D Ottobre 2021	35,089,020	35,043,616
BancoPosta Mix 3	1,076,094,212	913,534,434
BancoPosta Cedola Dinamica Nov 2022	226,473,550	225,562,633
BancoPosta Cedola Dinamica Feb 2023	76,027,206	75,434,105
BancoPosta Mix 1	1,172,024,498	1,229,319,377
BancoPosta Mix 2	1,154,754,007	1,054,224,576
BancoPosta Azionario Internazionale	528,991,208	408,768,456
BancoPosta Cedola Dinamica Maggio 2023	83,072,923	81,711,259
BancoPosta CedolaChiara Marzo 2023	38,583,998	38,507,967

	31/12/19	31/12/18
BancoPosta CedolaChiara Maggio 2022	270,357,529	267,072,840
BancoPosta Progetto Giugno 2023	97,375,434	94,723,314
BancoPosta CedolaChiara Settembre 2022	52,612,027	52,108,467
BancoPosta Sviluppo Mix Settembre 2021	70,507,959	68,435,926
BancoPosta CedolaChiara Dicembre 2022	30,676,124	30,152,233
BancoPosta Sviluppo Mix Dicembre 2021	26,657,893	25,661,149
BancoPosta Sviluppo Mix Marzo 2022	29,432,304	28,526,105
BancoPosta CedolaChiara Giugno 2023	131,888,861	129,766,078
BancoPosta Sviluppo Mix Giugno 2022	43,510,213	42,162,395
BancoPosta CedolaChiara Settembre 2023	90,151,849	88,833,067
BancoPosta Sviluppo Mix Dicembre 2022	42,800,376	41,896,252
BancoPosta Sviluppo Mix 2023 I	33,930,225	15,864,620
BancoPosta CedolaChiara 2024 I	28,839,681	21,377,096
BancoPosta Focus Digital 2025	85,831,286	-
BancoPosta Sviluppo Re-Mix 2025	14,014,403	-
BancoPosta Focus Benessere 2024	238,642,699	-
BancoPosta Sviluppo Mix 2023 II	55,522,673	-
BancoPosta Sviluppo Re-Mix 2024	40,635,901	-
BancoPosta Focus Benessere 2024 II	76,046,707	-
BancoPosta Sviluppo Re-Mix 2024 II	28,890,615	-
BG Selection Sicav Anima Club	42,677,532	66,577,459
BG Selection Sicav Italy Equities	87,141,720	119,949,202
Lux Im - Anima High Yield Short Term Opportunities	84,890,787	129,496,289
Anima Star Bond	258,058,721	358,974,913
Anima Star High Potential Europe	658,159,723	632,876,849
Anima Life Bond	244,464,950	241,451,814
Anima Emerging Markets Equity	44,595,107	45,890,566
Anima Global Equity	45,835,890	38,843,574
Anima Europe Equity	355,552,205	480,064,530
Anima Asia Pacific Equity	59,122,735	51,117,562
Anima U.S. Equity	263,134,558	199,499,750
Anima Global Currencies	7,030,797	7,875,491
Anima Short Term Corporate Bond	408,329,675	322,316,295
Anima Euro Equity	98,141,141	114,631,797
Anima Star High Potential Global	48,468,344	74,352,846
Anima Star High Potential Italy	33,331,385	48,204,168
Anima Hybrid Bond	87,021,000	32,284,548
Anima Credit Opportunities	311,789,999	153,035,505
Anima Euro Government Bond	244,625,927	275,995,518
Anima Flexible Income	35,774,689	44,862,884
Anima Italian Equity	21,292,081	18,960,915
Anima Bond 2022 Opportunities	48,015,451	45,960,583
Anima Global Macro	140,191,987	83,750,603
Anima Variable Rate Bond	26,718,365	36,133,655
Anima Brightview 2023-I	30,396,298	31,786,855
Anima Brightview 2023-II	155,157,427	155,641,595
Anima Brightview 2023-III	52,518,030	54,253,052
Anima Brightview 2023-IV	60,612,701	59,683,381
Anima Brightview 2024-I	74,544,849	70,566,639
Anima Brightview 2024-II	93,665,931	89,928,534
Anima Brightview 2024-III	112,909,574	111,464,356
Anima Brightview 2024-IV	117,985,529	129,745,647
Anima Brightview 2024-V	165,497,195	260,660
Anima Brightview 2027-I	136,572,367	-
Anima Brightview 2025-I	261,238,121	-
Anima Brightview II	63,966,426	-
Anima Brightview III	61,315,761	-
Anima Brightview IV	249,762	-
Anima Italian Bond	34,231,843	39,749,260
Anima Liquidity	412,437,604	476,686,102

	31/12/19	31/12/18
Anima Medium Term Bond	398,876,820	486,089,114
Anima Short Term Bond	147,368,568	166,065,847
Anima Bond Dollar	171,872,559	126,808,465
Anima Defensive	80,221,041	46,105,555
MPS Private Solution Absolute	41,336,996	63,469,500
MPS Private Solution Flexible Bond	2,640,183	3,112,606
MPS Private Solution Flexible	109,808,544	113,663,264
MPS Private Solution Global	26,068,411	33,869,366
MPS Private Solution Multi Asset	39,312,057	42,689,475
MPS Private Solution Responsible	2,331,707	-
Anima Orizzonte Europa 2022	35,395,778	35,436,535
Anima Orizzonte Europa 2023	38,360,619	37,510,653
Anima Orizzonte Sostenibile 2023	235,096,997	219,261,787
Anima Orizzonte Benessere 2023	304,789,201	289,759,299
Anima Orizzonte Energia 2023	120,169,610	140,917,415
Anima Orizzonte Consumi 2023	27,667,028	30,433,710
Creval Private Selection Fund Conservative	17,534,212	5,182,272
Creval Private Selection Fund Equity	658,193	81,534
Creval Private Selection Fund Income	5,378,270	370,404
Anima Smart Dividends Europe	15,855,836	14,502,652
Anima Smart Volatility Europe	14,925,632	20,321,798
Anima Smart Volatility Global	118,185,161	47,978,116
Anima Smart Volatility Italy	16,921,319	26,412,614
Anima Smart Volatility USA	45,546,597	10,161,501
Anima Smart Volatility Emerging Markets	13,992,632	-
Anima Tesoreria Imprese (**)	-	29,708,779
Anima Global Bond	170,135,568	76,299,244
Anima International Bond	17,690,200	20,493,631
Anima High Yield Bond	12,811,428	10,850,436
Anima Infrastructure	108,675,482	84,441,885
Anima Flexible Bond	71,831,142	10,056,603
Anima Solution 2022 I	39,051,261	45,391,428
Anima Solution 2022 II	22,172,822	40,819,318
Anima Solution 2022 III	29,374,435	30,111,861
Anima Solution 2023 I	44,000,509	43,584,984
Anima Solution EM	35,850,167	34,184,130
Anima Zephyr Global	46,243,487	45,521,650
Anima Zephyr Real Assets	27,410,408	27,963,294
Anima Zephyr Global Allocation	60,454,379	-
Anima Active Selection	22,979,125	23,725,968
Rainbow Active Fund	72,032,253	96,982,787
Rainbow Fund X	6,612,588	10,660,764
Rainbow Fund XI	4,764,583	7,642,896
Rainbow Fund XII	10,734,792	16,453,757
Rainbow Fund XIII	5,483,404	8,367,340
Rainbow Fund XIV	13,539,360	18,446,941
Rainbow Fund XV	12,977,105	22,822,291
Rainbow Fund XVI	9,843,084	15,968,257
Rainbow Fund XVII	12,896,298	27,298,315
Rainbow Fund XVIII	6,552,580	11,513,921
Rainbow Fund XIX	26,408,926	49,910,852
Rainbow Fund XX	6,924,016	10,484,448
Rainbow Fund XXI	15,301,382	34,188,644
Rainbow Fund XXII	6,053,816	11,890,137
Rainbow Fund XXIII	8,569,928	16,435,351
Rainbow Fund XXIV	8,731,689	18,141,887
Rainbow Fund XXVI	135,549,474	158,807,943
Rainbow Fund XXVIII	87,223,808	94,298,671
Rainbow Fund XXIX	91,240,987	99,187,000
Rainbow Fund XXXI	197,611,358	197,375,493

	31/12/19	31/12/18
Rainbow Fund VIII (**)	-	8,217,393
Rainbow Fund IX (**)	-	8,421,052
Rainbow Fund Solution 2021 I	57,061,359	59,101,918
Rainbow Fund XXXIII	58,852,800	159,274,438
Monte Sicav Flex Global	175,467,640	168,115,810
Gis Cedola Europlus	14,227,823	27,378,787
Gis Cedola Link Inflation	617,314,124	625,747,058
Gis Cedola Plus	6,448,927	12,448,583
Gis Cedola Risk Control	57,011,119	87,772,237
Gis Cedola Risk Control Health Care	115,427,911	182,853,196
Gis Cedola Risk Control Health Care II	115,064,053	191,447,472
Gis Cedola Risk Control Megatrend	133,918,568	194,326,435
Gis Quant 1	22,322,412	30,270,127
Gis Cedola Risk Control Digital Revolution	342,281,478	314,872,900
Gis Cedola Risk Control Energie Rinnovabili	333,799,815	284,591,512
Gis Cedola Risk Control Global Science for Life	47,095,782	42,481,025
Gis Cedola Risk Control Longevity	103,553,410	-
Total third-party portfolios	**21,874,174,911**	**19,361,649,454**
3. Portfolios delegated to third parties		
Collective investment undertakings:		
- *Open-end CIUs*		
- *Closed-end CIUs*		
Total portfolios delegated to third parties	-	-

(*) Merged
(**) Liquidated

1.2.2 *Value of portfolio management products*

	31.12.19		31.12.18	
		of which invested in SGR funds		of which invested in SGR funds
1. Own portfolios	97,326,976	2,945,006	91,487,954	2,694,232
2. Third-party portfolios				
3. Portfolios delegated to third parties				

1.2.3 *Net value of pension funds*

	31/12/19	31/12/18
1. Own funds		
1.1 Open-ended pension funds:		
Arti & Mestieri	849,204	738,883
Total own funds	**849,204**	**738,883**
2. Third-party portfolios		
2.1 Pension funds:		
- open-end		
- closed-end	603,753	531,706
- other pension funds	3,707,008	2,853,385
Total third-party portfolios	**4,310,761**	**3,385,091**
3. Portfolios delegated to third parties		
3.1 Pension funds:		
Total portfolios delegated to third parties	-	-

1.2.4 Commitments for outstanding subscriptions

CIUs and pension funds (breakdown for each CIU/pension funds)	31/12/19	31/12/18
Investment funds		
Anima America	148.8	39.3
Anima Valore Globale	502.0	223.4
Anima Obbligazionario Euro BT (former Anima Salvadanaio)	8.6	16.6
Anima Risparmio	39.9	124.4
Anima Sforzesco	668.8	456.7
Anima Sforzesco Plus	279.1	196.8
Anima Pianeta	106.5	3.7
Anima Visconteo	457.7	373.2
Anima Visconteo Plus	95.8	103.5
Anima Obbligazionario Corporate	8.5	9.2
Anima Capitale Piu' 70	20.5	11.4
Anima Italia	40.4	22.2
Anima Pacifico	26.5	8.4
Anima Iniziativa Europa	24.9	13.1
Anima Capitale Piu' 30	1.2	0.4
Anima Obbligazionario Emergente	20.2	258.8
Anima Capitale Piu' 15	1.7	0.3
Anima Alto Potenziale Globale	39.4	32.8
Anima Obbligazionario High Yield	1,741.7	22.9
Anima Fondo Trading	13.4	29.8
Anima Capitale Piu' Obbligazionario	-	0.1
Anima Riserva Emergente	31.2	12.7
Anima Riserva Globale	17.3	5.1
Anima Obbligazionario Euro	2.1	185.7
Anima Liquidita' Euro	67.3	30.9
Anima Emergenti	85.3	35.0
Anima Tricolore	59.7	23.3
Anima Europa	39.2	26.5
Anima Russel Multi-Asset	0.8	6.2
Anima Selection	0.5	0.2
Anima Riserva Dollaro	14.2	8.1
Anima Geo Italia	130.0	41.3
Anima Selezione Globale	254.5	107.8
Anima Fix Obbligaz. Euro BT (former Anima Fix Euro Conservativo)	97.6	77.8
Anima Geo America	106.3	57.2
Anima Geo Asia	40.5	25.1
Anima Selezione Europa	306.9	122.9
Anima Geo Paesi Emergenti	84.3	40.9
Anima Fix Emergenti	39.2	11.6
Anima Forza Moderato	68.8	13.5
Anima Forza Equilibrato	57.3	11.5
Anima Forza Dinamico	48.0	9.4
Anima Fix High Yield	74.5	26.6
Anima Alto Potenziale Italia	9.2	5.2
Anima Forza Prudente	41.0	13.6
Anima Geo Europa PMI	98.7	39.5
Anima Alto Potenziale Europa	32.6	17.6
Anima Fix Imprese	23.2	9.4
Anima Fix Euro BT (merged into Anima Fix Euro Conservativo)	-	119.3
Anima Fix Euro MLT	30.3	7.8
Anima Fix Obbligazionario Globale	16.2	3.9
Anima Rendimento Assoluto Obbligazionario	5.3	3.3
Anima Bluebay Reddito Emergenti	12.6	3.1
Anima Iniziativa Italia	68.5	104.4
Anima Reddito Flessibile	0.1	0.0

	31/12/19	31/12/18
Anima Global Macro Diversified	3.5	1.3
Anima Crescita Italia	96.4	30.1
Anima High Yield BT	3.3	0.4
Anima Metodo&Selezione 2024	-	70.0
Anima Magellano	532.4	107.6
Anima Vespucci	308.8	157.6
Anima Investimento ENG 2025	1,544.7	-
Anima Legg Mason Multi Credit	12.1	-
Anima Obiettivo Globale Plus 2025	692.2	-
Anima PicPac Magellano 2023	16.0	-
Anima Primopasso Pac 2023	703.3	-
Anima Obbligazionario Euro Core	0.4	-
Gestielle Obiettivo Risparmio	86.6	67.8
Gestielle Obiettivo Emerging Markets	19.3	0.1
Gestielle Mt Euro	41.4	0.1
Gestielle Obiettivo Internazionale	40.2	0.3
Gestielle Emerging Markets Bond	101.1	29.7
Gestielle Absolute Return	89.3	-
Gestielle Absolute Return Defensive	1.3	-
Gestielle Best Selection Cedola AR	1.3	-
Gestielle Best Selection Equity 20	27.2	-
Gestielle Best Selection Equity 50	8.7	-
Gestielle BT Cedola	37.5	-
Gestielle Obbligazionario Corporate	97.5	-
Gestielle Obbligazionario Internazionale	17.0	-
Gestielle Obiettivo America	12.9	-
Gestielle Obiettivo Cina	31.1	-
Gestielle Obiettivo Europa	18.9	-
Gestielle Obiettivo India	5.9	-
Gestielle Obiettivo Italia	12.6	-
Gestielle Obiettivo Stabilità	0.3	-
Gestielle Pro Italia	8.9	-
Anima Asia Pacific Equity	3.9	0.6
Anima Bond Dollar	0.1	0.4
Anima Defensive	3.0	-
Anima Emerging Markets Equity	12.0	5.7
Anima Euro Equity	2.2	-
Anima Euro Government Bond	49.4	0.6
Anima Europe Equity	4.3	30.2
Anima Global Bond	153.8	2.4
Anima Global Equity	19.3	0.9
Anima Italian Bond	2.0	0.1
Anima Italian Equity	4.4	0.2
Anima Liquidity	14.6	51.9
Anima Medium Term Bond	20.1	3.6
Anima Short Term Bond	227.3	217.2
Anima Short Term Corporate Bond	7.3	-
Anima Smart Volatility Europe	9.0	
Anima Star Bond	1.6	47.0
Anima Star High Potential Europe	226.5	780.1
Anima Star High Potential Italy	6.9	92.6
Anima U.S. Equity	20.1	254.0
Anima Variable Rate Bond	2.3	12.7
Anima Star High Potential Global	-	42.9
Creval Private Selection Fund Conservative	-	49.7
Creval Private Selection Fund Income	-	49.6
Total investment funds	**11,571.0**	**5,260.8**

1.2.5 Advisory services: number of existing advisory service contracts

At the end of the period, there were three contracts for advisory services concerning investments in financial instruments, all entered into on market terms.

Section 3 – Information on risks and risk management policies

Premise

The policies governing the assumption of risks are defined by the Board of Directors, with strategic and management supervision functions, and by the Management Control Committee, with control functions. The Board of Directors also performs its activities through specific internal committees, including the Risk Committee (the "Committee"). The Committee is an advisory and informative body, composed of three Independent directors, with expertise and experience in accounting and financial matters and/or risk management, and is currently chaired by the Chairman of the Board of Directors. The meetings of the Committee are normally attended by the CEO (and the officer in charge of the internal control and risk management system), the Chairman of the Board of Auditors (the other members of the Board of Auditors are also normally invited to attend), the heads of Internal Audit and Compliance and, depending on the agenda, the General Manager, the Group CFO & HR Director and the Financial Reporting Officer.

The Committee was set up in order to ensure the monitoring and management of risks and the safeguarding of corporate value at Group level, including the internal control system, in implementation of the strategic guidelines and management policies defined by the corporate bodies.

3.1 Financial risks

This disclosure is provided for under Article 2428 of the Italian Civil Code and under IAS 32 and IFRS 7.

Financial risks include:

- liquidity risk, which is associated with the difficulty of selling an asset rapidly and at a market price, or of promptly accessing the financial resources necessary for the company at a sustainable cost;
- credit risk, i.e. the risk of incurring losses due to the default or insolvency of the counterparty;
- market risk linked to fluctuations in the value of assets/liabilities following changes in market conditions (price, rate, exchange and commodity risk).

The Group is exposed to all three of the risks mentioned above. More specifically, that exposure is essentially associated with the management of the liquidity of Group companies, both in relation to the repayment of the loan obtained by the Company and in relation to the surplus of financial resources with respect to the expected liquidity needs generated by ordinary operations, i.e. the portfolio owned by the Group.

Liquidity management: borrowing

At 31 December 2019, the Parent Company had the following debt structure:

	Nominal value	Debt exposure at 31 December 2019
Bank loan	297,000,000	297,000,000
Bond	300,000,000	299,424,664
Total borrowing	**597,000,000**	**596,424,664**

*The balance includes (i) the €298.38 million received by the Company, (ii) the issue discount accruing for the year of €0.04 million and (iii) interest expense accrued at 31 December 2019 pertaining to the year in the amount of €1.01 million.

The maturity profile of nominal debt is as follows:

Falling due	Bank loan	Bond	Total
less than 6 months			-
less than 1 year			-
between 1 and 3 years			-
between 3 and 5 years	297,000,000		**297,000,000**
more than 5 years		300,000,000	**300,000,000**
Total	**297,000,000**	**300,000,000**	**597,000,000**

The bank loan refers to the transaction on 10 October 2019 in which the Company obtained a medium/long-term credit line in the maximum amount of €300 million (see the press release of 17 October 2019). This credit line was drawn on 24 October 2019 in the amount of €297 million (the "New Loan"). The New Loan falls due 5 years from the date it was granted and bears an annual interest rate equal to 6-month Euribor plus a spread of 1.5% (150 bps), with interest paid semi-annually on 31 December and 30 June.
The New Loan requires compliance with financial covenants. More specifically, the contract calls for: (i) the ratio of the consolidated net financial position to consolidated EBITDA, as established in that loan agreement, to be equal to or less than 2.5. In the event of failure to comply with the covenants, the lending banks are protected by guarantee mechanisms (for example, equity cures, restrictions on the distribution of profits, early repayment of the loan).
As of the date of approval of these consolidated financial statements, the Parent Company was in compliance with all of the covenants, including that calculated at 31 December 2019.
Furthermore, at 31 December of each financial year, starting from the year ending at 31 December 2021, the Company has undertaken to allocate part of any available financial surpluses - as contractually defined - to mandatory early repayment of the New Loan ("cash sweep").
Finally, note that the Company, at any time and without penalty, has the right to proceed with the cancellation (total or partial) of the New Loan.

On 23 October 2019, the non-convertible senior unsecured Bond was issued with a nominal value of €300 million with a maturity of 7 years. The Bond was issued at a price of 99.459%, with a fixed annual interest rate of 1.75% (see the press release of 17 October 2019). The bond raised a net €298.38 million for Anima Holding.
The Bond was restricted to qualified investors in Italy and abroad, excluding the United States and other selected countries. The Bond was listed on the multilateral trading system, as defined pursuant to Directive 2014/65/EU (multilateral trading facility, or MTF), denominated "Global Exchange Market", operated by Euronext Dublin. The Bond was rated BBB by Fitch Ratings Ltd.

The following table summarizes the main features of the instrument:

Isser	ISIN	Listing market	Rating	Currency	Nominal value	IAS reporting value	Coupon	Maturing
Anima Holding S.p.A.	XS2069040389	MTF	BBB	Euro	300,000,000	297,476,178	Annual fixed-rate 1.75%	23/10/2026

With regard to other clauses concerning corporate debt, please see the "Report on corporate governance and ownership structure" - available on the Company's website (Governance section) – which has been prepared on the basis of the provisions of Article 123-bis of the Consolidated Law on Financial Intermediation, pursuant to which each year issuers must provide investors with a series of disclosures, specified in detail in the law.

With regard to market risk, the Company also has an exposure to interest rate risk on the variable-rate new Loan it obtained.

Among other things, the New Loan provides for the subscription, within 90 days of disbursement, of interest rate swaps to hedge the risk of changes in Euribor (the benchmark rate for the New Loan) on at least half of the amount disbursed. It should be noted that the IRS derivatives were signed on 17 January 2020, taking effect on 21 January 2020 and expiring on 10 October 2024, with a notional value of €148.5 million.

Liquidity management: excess financial resources

With regard to company liquidity, the Group invests excess cash in UCITS – either managed directly or managed under contract with other Group companies – and in bank deposits. The financial risks of the portfolio owned by the Group are managed through the definition of operating limits designed to mitigate the risk that the portfolio can assume. These limits are expressed both in terms of the types of investments allowed, the allowable amounts and a limit on the maximum risk (expressed by volatility) that can be assumed.

Each year, the Board of Directors of each Group company determines the characteristics and operating limits regarding investments in UCITS (direct management or granting a management contract) and in bank deposits.

Control activities are performed, including inter-group services as well, by the Risk Management department of the subsidiary Anima SGR.

The investment in UCITS is represented by products established and/or managed by the Group, selected on the basis of the return objectives and risk limits established by the respective Boards of Directors. This type of investment is characterized by a high level of liquidity and a low level of direct credit risk, as the assets of the UCITS are segregated.

The financial risks deriving from this type of investment are essentially attributable to the market risk of the investments made, which is in any case compatible with the prudent profile that characterizes the investment strategy for the Group's liquidity.

The risks deriving from the investment in UCITS are monitored by verifying, on a daily basis, compliance with the limits set by the respective Boards of Directors. In particular, the risk limits established in terms of volatility are monitored with the risk model used by the subsidiary Anima SGR.

In view of the above, together with the diversified nature of the investments in UCITS, the Group does not feel that an analysis of the sensitivity of these investments to the market risks to which they are exposed would be representative.

Investment in bank deposits is by its nature characterized by a high level of liquidity and the absence of market risk. The financial risks deriving from this type of investment are substantially attributable to credit risk and are regularly monitored and mitigated using various techniques, including the use of limits aimed at splitting the risk.

3.2 Operational risks

The Parent Company primarily coordinates and provides operational management for the subsidiaries. Its exposure to operational risk is thus limited to administrative processes, some of which are handled for Anima SGR.

The subsidiary Anima SGR monitors the operational risks to which it is exposed using a formalized process denominated "Business Risk Management". These activities are performed by the Risk Management department.

The process is organized into the phases of (i) risk mapping, (ii) analysis of risk events (operational events only), (iii) risk assessment, (iv) risk management and (v) monitoring of mitigation actions.

The methodology for identifying risks and preparation of the associated disclosures are based on the risk reporting process: this provides management with an immediate overview of the risks to which the company is most exposed and, at the same time, the processes in which those risks are concentrated. The risk situation is presented using a matrix of the characteristic process of the company and the risks (risk categories) associated with them, whose value reflects the weight and the number of risk gaps connected with them. These risk gaps are identified and measured during the checks performed by the internal control units or other control bodies.

The weight of each risk gap (scoring) is assigned on the basis of an estimate of levels of materiality, meaning the amount of the potential loss, and the probability that the underlying event will occur. The

report is completed with analytical tables of the existing risk gaps and the associated corrective actions.
As regard outsourced services, in compliance with the rules governing outsourcing provided for in the Joint Bank of Italy - Consob Regulation of 19 January 2015, Anima SGR outsources a number of important services to contractors governed by specific contracts. These primarily include a number of administrative and accounting-related back-office activities and IT services connected with asset management products, including the Arti&Mestieri pension fund.
In order to monitor the maintenance of high standards of efficiency in outsourced processes, specific Service Level Agreements ("SLAs") have been reached with the outsourcers. These contracts specify the quality arrangements made by the supplier and the qualitative and quantitative service levels for the service that the outsourcer must deliver through the achievement of specific key performance indicators (KPI). Outsourced IT services are governed by specific clauses concerning the disaster recovery and business continuity plans implemented by the outsourcers in order to ensure service continuity and the retention, security and integrity of data.
These agreements also have specific clauses that enable Anima SGR to take action against the suppliers in the event of losses caused by breach of those agreements.
In the event of changes in (i) the regulatory framework, (ii) information systems or (iii) the internal organization of outsourcers, the agreements provide for contract revisions in order to keep them updated and appropriate to the new situation.
The failure of outsourcers to provide the minimum service levels could in any event harm company operations and give rise to reputational losses.
For these risks, Anima SGR has implemented the measures required under the applicable regulations to verify compliance with the SLAs with outsourcers. More specifically, monitoring of service quality and outsourcer's performance of the commitments made has been assigned to the Outsourcer Monitoring unit established within the Operations department of Anima SGR.
For more information on financial and operational risks, see the section of the report on operations entitled "Risks and uncertainties" accompanying these consolidated financial statements.

3.3 DERIVATIVES AND HEDGING POLICIES

DERIVATIVES
The Group has no positions in trading derivatives

HEDGING POLICIES

At 31 December 2019 there were no hedging derivatives. Recall that on 24 October 2019, the Company terminated the IRSs hedging the Outstanding Loan.

Quantitative disclosures

3.3.8 Impact of hedges on shareholders' equity: reconciliation of components of shareholders' equity

Cash flow hedges	Gross amount	Income taxes	Total
Opening balance	**(1,572)**	**465**	**(1,107)**
a) change in fair value	(1,739)	514	**(1,225)**
b) recycling to profit or loss	3,311	(979)	**2,332**
c) other changes			
Closing balance	**0**	**0**	**0**

Section 4 – Information on capital

4.1 *Company capital*

4.1.1 Qualitative disclosures.

The share capital of the Company, fully subscribed and paid-up in the amount of €7,291,809.72 is represented by 380,036,892 shares with no par value.

The shares of the Company have been listed since 16 April 2014 on the *Mercato Telematico Azionario* organized and operated by Borsa Italiana S.p.A..

At the date of the approval of these consolidated financial statements by the Board of Directors, shareholders with significant interests in Anima Holding, on the basis of the reports submitted pursuant to Article 120 of Legislative Decree 58/98 and other information available to the Company, were Banco BPM S.p.A. with 14.27%, Poste Italiane S.p.A. ("Poste Italiane" or "Poste") with 10.04%, River and Mercantile Asset Management LLP with 5.05% and Norges Bank with 3.03%. In addition, the Company holds 5.28% of its share capital as treasury shares with no voting rights.

Anima Holding has not issued profit participation certificates, convertible bonds, other securities or similar instruments.

4.1.1 Quantitative disclosures.

4.1.2.1 Company capital: composition

		31.12.2019	31.12.2018
1.	Share capital	7,292	7,292
2.	Share premium reserve	787,652	787,652
3.	Reserves	379,494	315,767
	- earnings	347,600	281,723
	a) legal	1,458	1,185
	b) established in bylaws		
	c) treasury shares		
	d) other	346,142	280,538
	- other	31,895	34,044
4.	(Treasury shares)	(59,639)	
5.	Valuation reserves	(728)	(1,712)
	- Cash flow hedges		(1,107)
	- Actuarial gains (losses) on defined benefit plans	(728)	(605)
6.	Equity instruments		
7.	Net profit (loss) for the period	145,829	122,057
Total		**1,259,901**	**1,231,056**

At 31 December 2019 the number of treasury shares purchased by the Company during the year on the market totaled 15,395,909, for a total of about €59.6 million, equal to about 4.05% of the share capital.

Finally, on March 29, 2019 the Shareholders' Meeting of the Company authorized the distribution of a dividend (from 2018 profit) of €0.165 per share, gross of withholding taxes (with exclusion of treasury shares held by the Company), which was paid on May 22, 2019 in the total amount of about €60.8 million.

Section 5 – Detailed breakdown of comprehensive income

		31.12.2019	31.12.2018
10.	**NET PROFIT (LOSS) FOR THE PERIOD**	**145,829**	**122,057**
	OTHER COMPREHENSIVE INCOME - NO RECYCLING TO PROFIT OR LOSS		
40.	**Defined benefit plans**	**(123)**	**46**
90.	**Cash flow hedges**	**1,107**	**(1,107)**
	a) change in fair value	(1,225)	(1,479)
	b) reversal to income statement	2,332	372
	c) other changes		
130.	**TOTAL OTHER COMPREHENSIVE INCOME**	**984**	**(1,061)**
140.	**COMPREHENSIVE INCOME (items 10+130)**	**146,813**	**120,996**

Section 6 – Transactions with related parties

6.1 Information on the remuneration of key management personnel.

The following table reports the amount of remuneration for 2019 accrued by the members of the governing and control bodies and by key management personnel.

	Board of Auditors	Board of Directors - Committees	Key management personnel	Total at 31.12.2019
Short-term benefits (1)	317	1,355	3,844	**5,517**
Post-employment benefits (2)			294	**294**
Other long-term benefits				
Termination benefits				
Share-based payments (3)			994	**994**
Total	**317**	**1,355**	**5,132**	**6,804**

(1) Includes fixed and variable remuneration, social security contributions charges to the company and benefits in kind.
(2) Includes the company contribution to the pension fund and the accrual to the termination benefit as provided for by law and company rules.
(3) The value reported regards the variable portion of long-term remuneration from key management personnel's participation in the LTIP, which is quantified as described in "Part A – Accounting policies – A.2 The main items of the consolidated financial statements – Other information – Share-based payments - LTIP" in the consolidated financial statements at 31 December 2019.

6.2 Information on transactions with related parties

In implementation of the regulation on related parties, the Parent Company approved a "Procedure for related-party transactions" (available on the Anima Holding website www.animaholding.it in the section Investor Relations – Corporate Governance).

During the year the Group carried out transactions, settled on terms and conditions in line with market standards, with the parties identified by the procedures approved by the Parent Company, which are designed to ensure the transparency and the substantive and procedural fairness of transactions with related parties.

Transactions of greater importance

On 10 October 2019, the Parent Company obtained a medium/long-term credit line in the maximum amount of €300 million from a pool of banks (Banca Monte dei Paschi di Siena S.p.A., Banco BPM S.p.A., Mediobanca - Banca di Credito Finanziario S.p.A., Credito Valtellinese S.p.A. and Banca Popolare di Puglia e Basilicata ScpA), which qualified as a related party transaction of greater importance, since, at the date the line was agreed, Banco BPM - one of the lending banks - held 14.27 % of the share capital of the Company Anima Holding and consequently, in accordance with applicable law and regulations, the transaction was approved by the Parent Company's Board of Directors, subject to obtaining a favorable opinion from the Related Parties Committee.
Pursuant to Article 5 and in accordance with the schedule set out in Annex 4 of the Regulation adopted by Consob with Resolution no. 17221 of 12 March 2010, as amended, as well as Article 13 of the Procedure for Related Party Transactions approved on 13 March 2014 (as amended on 8 March 2017) by the Board of Directors of Anima Holding, the Company has prepared the Information Document which was published on 17 October 2019 on the Anima Holding website at www.animaholding.it.

Transactions of lesser importance
On 23 October 2019, the Parent Company issued the Bond, which qualifies as a transaction of lesser importance since, together with Morgan Stanley & Co. International Plc, MPS Capital Services Banca per le Imprese S.p.A. and Mediobanca, the consortium of placement agents included, even if not as the lead, Banca Akros S.p.A., a subsidiary of Banco BPM, which, at the date of the transaction, held 14.27% of the share capital of the Company and therefore its involvement as the arranger of the transaction meant that the Company identified it as a transaction of lesser importance. Pursuant to applicable law and regulations, the transaction was approved by the Company's Board of Directors, subject to obtaining a favorable opinion from the Related Parties Committee.
Note that the Related Parties Committee opted to issue a single opinion for the transaction involving the New Loan and that related to the Bond, in view of the interdependence of those transactions, considering them as a transaction of greater importance. In this regard, please see Information Document published on 17 October 2019 referred to above.

Other significant transactions
With regard to paragraph 8 of Article 5 of the Consob regulation concerning the periodic reporting of transactions with related parties, during the period no other transactions of "greater importance" or "lesser importance" were carried out with related parties.
No atypical or unusual transactions were carried out.

Ordinary or recurring transactions

BALANCE SHEET	Banco BPM Group	Poste Italiane Group	Total related parties
ASSETS			
40 Financial assets measured at amortized cost	114,373	6,308	**120,681**
a) for asset management	0	6,308	**6,308**
b) for other services	122		
c) other loans and receivables	114,251	0	**114,251**
- deposit and current accounts	*114,251*	*0*	**114,251**
120 Other assets	565	202	**767**
Total assets	**114,938**	**6,510**	**121,448**
LIABILITIES			
10 Financial liabilities measured at amortized cost	(167,627)		**(167,627)**
- for product distribution	*(68,637)*		**(68,637)**
- for loans	*(98,990)*		**(98,990)**
40 Hedging derivatives	0		**0**
80 Other liabilities	(12)	(20)	**(33)**
Total liabilities	**(167,639)**	**(20)**	**(167,659)**
INCOME STATEMENT			
10 Fee and commission income	0	24,056	**24,056**
20 Fee and commission expense	(340,892)	0	**(340,892)**
50 Interest income on deposit and current account	20	0	**20**
60 Interest expense on deposit and current account	(2,043)	0	**(2,043)**
140a Personnel expenses	(80)	(67)	**(147)**
140b Other administrative expenses	(17)	(1,989)	**(2,006)**
180 Other operating income and expenses	0	750	**750**
TOTAL INCOME STATEMENT	**(343,011)**	**22,750**	**(320,262)**

Transactions with related parties mainly regard commercial activities supporting the distribution of the products managed by the Group, current account deposits for the management of the Group's liquidity, bank loans and the IRS derivative contract connected with the Outstanding Loan, as well as remuneration paid to the members of the Boards of Directors of the company originating with Banco BPM and Poste.
In addition, in application of the new IFRS 16, about €0.1 million was recognized under "Financial assets measured at amortized cost" in respect of the lease for an apartment, which was sublet during the year to a key Group executive.

Section 7 –Lease disclosures

Starting as from 1 January 2019, the international accounting standard IFRS 16 entered force, governing the accounting for leases.
For a discussion of the impact of the first-time application of IFRS 16, please see the section "Part A Accounting policies - A1 General information - Initial application of IFRS 16" in these notes to the consolidated financial statements.

Qualitative disclosures

The leases held by the Group and falling within the scope of IFRS 16 concern the following cases: property, hardware and cars. Real estate leases are the most significant, representing about 95% of the value of the right-of-use assets recognized. The impact of car and hardware leases is marginal.

There are no outgoing cash flows to which the Group companies, as a lessee, are potentially exposed that have not already been quantified in the liabilities recognized in application of IFRS 16.

With regard to the term of the leases, note that the Group:

- only considers the first renewal as reasonably certain for real estate leases, unless there are contractual clauses that prohibit the renewal, or facts or circumstances that would prompt consideration of additional renewals or termination of the lease;
- does not consider the exercise of any renewal options for car leases to be reasonably certain.

During the year under review, no sale and leaseback transactions were carried out involving assets owned by the Group.
For short-term leases or leases for which the underlying asset is of low value, the Group has applied the exemptions provided for in paragraph 5 of IFRS 16: accordingly, for these contracts, the lease payments are recognized under administrative expenses on a straight-line basis over the term of the respective leases.
Furthermore, the incremental borrowing rate of the Parent Company (represented by the average borrowing rate) at the commencement date of each new lease within the scope of IFRS 16 is used to discount the lease payments.

Quantitative disclosures

Property, plant and equipment – right-of-use assets acquired with leases and lease liabilities: composition

	Assets	31/12/2019
40.	Financial assets measured at amortized cost	111
	Financial receivables for property sublet	*111*
80.	Property, plant and equipment	11,792
	buildings	*11,049*
	electronic plant	*272*
	other assets - cars	*471*
	Total assets	**11,903**

	Liabilities	31/12/2019
10.	Financial liabilities measured at amortized cost	(12,112)
	a) debt	(12,112)
	lease liabilities on buildings	*(11,370)*
	lease liabilities on electronic plant	*(269)*
	lease liabilities on other assets - cars	*(473)*
	Total liabilities	**(12,112)**

Income components of under IFRS 16 leases

	Income statement	2019
60.	Interest and similar expense	(171)
	of which in respect of lease liabilities on buildings	*(162)*
	of which in respect of lease liabilities on electronic plant	*(4)*
	of which in respect of lease liabilities on other assets - cars	*(5)*
140.	Administrative expenses	(883)
	a) personnel expenses	(140)
	costs for short-term car rentals	*(140)*
	b) other administrative expenses	(743)
	costs for rental of electronic plant	*(208)*
	short-term property leases	*(535)*
160.	Net adjustments of property, plant and equipment	(2,783)
	Depreciation of right-of-use assets on buildings acquired with leases	*(2,419)*
	Depreciation of right-of-use assets on electronic plant acquired with leases	*(174)*
	Depreciation of right-of-use assets on other assets (cars) acquired with leases	*(190)*

Property, plant and equipment – right-of-use assets acquired with leases: change for the period

		Land	Buildings	Movables	Electronic plant	Other	Total
A.	**Gross opening balance**						-
A.1	Total net value adjustments						-
A.2	**Net opening balance**						-
	IFRS FTA effects		13,600		314	343	14,257
	Net opening balance at 1 January 2019		13,600	-	314	343	14,257
B.	**Increases:**	-	-	-	**132**	**318**	**450**
B.1	Purchases			-	132	318	450
C.	**Decreases:**	-	**2,538**	**0**	**174**	**190**	**2,902**
C.2	Depreciation	-	2,419		174	190	2,783
C.7	Other changes		119				119
D.	**Net closing balance**	-	**11,049**	-	**272**	**471**	**11,792**
D.1	Total net value adjustments		2,425	-	174	190	2,789
D.2	**Gross closing balance**	-	**13,474**	-	**446**	**661**	**14,581**
E.	Assets at cost	-	11,049		272	471	11,792

Maturity profile of financial assets and liabilities measured at amortized cost and connected with the acquisition of right-of-use assets with leases

Financial assets/liabilities measured at amortized cost	Less than 6 months	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Total
Assets						
Financial receivables for property sublet	*20*	*20*	*71*	*0*	*-*	*111*
Total	**20**	**20**	**71**	**0**	**-**	**111**
Liabilities						
Lease liabilities on buildings	*(1,197)*	*(1,198)*	*(4,930)*	*(2,902)*	*(1,141)*	***(11,370)***
Lease liabilities on electronic plant	*(56)*	*(39)*	*(140)*	*(34)*	*0*	***(269)***
Lease liabilities on other assets - cars	*(120)*	*(110)*	*(231)*	*(13)*	*0*	***(473)***
Total	**(1,373)**	**(1,347)**	**(5,301)**	**(2,950)**	**(1,141)**	**(12,112)**

Rates used to discount receipts and payments on leases

	1.325%	1.458%	Total
Financial receivables for property sublet	*111*		*111*
Total receivables	**111**	**0**	**111**
Lease liabilities on buildings	*(11,370)*		*(11,370)*
Lease liabilities on electronic plant	*(269)*		*(269)*
Lease liabilities on other assets - cars	*(395)*	*(78)*	*(473)*
Total payables	**(12,034)**	**(78)**	**(12,112)**

Section 8 – Other disclosures

Disclosure of fees paid for audit and non-audit services pursuant to Art. 149 duodecies of Consob Regulation no. 11971/99 as amended

	Deloitte & Touche
Audit services	115
Certification services	134
Fees for audit of pension fund accounts	17
Fees for audit of CIU accounts	1,419
Total fees	**1,685**

The amounts are reported net of out-of-pocket expenses and VAT.

Milan, 20 February 2020

for the Board of Directors

[signed] The Chief Executive Officer

Certification of the consolidated financial statements pursuant to Article 154-bis, paragraph 5, of Legislative Decree 58/98 and Article 81-ter of Consob Regulation no. 11971/99 as amended

The undersigned Marco Carreri and Enrico Bosi, in their respective capacities as Chief Executive Officer and officer responsible for the preparation of the financial reports of Anima Holding, hereby certify, taking account of the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree 58 of 24 February 1998:

- the appropriateness with respect to the characteristics of the Company and the effective adoption of the administrative and accounting procedures for the preparation of the consolidated financial statements in 2019.

The assessment of the appropriateness of the administrative and accounting procedures used in the preparation of the consolidated financial statements at 31 December 2019 was carried out on the basis of a process developed by Anima Holding consistent with the guidelines set out in the Internal Controls - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, which represents a generally accepted international framework.

In this regard, we also certify that:

1. the consolidated financial statements at 31 December 2019:

   - have been prepared in compliance with the international accounting standards (IAS/IFRS) and the associated interpretations of the International Financial Reporting Interpretations Committee (IFRIC) endorsed by the European Commission pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of July 19, 2002 as well as the relevant provisions of the Italian Civil Code, Legislative Decree 38 of 28 February 2005 and the applicable measures, rules and other instructions of supervisory authorities;
   - correspond to the information in the books and other accounting records;
   - provide a true and fair representation of the performance and financial position of the issuer and the companies included in the scope of consolidation.

2. the report on operations contains a reliable analysis of operations and performance, as well as the situation of the issuer and the companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which the Group is exposed.

Milano, 20 February 2020

[signed] The Chief Executive Officer

Marco Carreri

[signed] Officer responsible for the preparation of the financial reports

Enrico Bosi

ANIMA

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INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010 AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
Anima Holding S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Anima Holding S.p.A. and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2019, and the consolidated income statement, the statement of consolidated comprehensive income, the statement of changes in consolidated equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and art. 43 of Italian Legislative Decree no. 136/15.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Anima Holding S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Impairment test of goodwill	
Description of the Key Audit Matter	The goodwill recorded in the consolidated financial statements amounts to Euro 1.105 million. This goodwill recognized in relation to business combinations carried out during previous years has been allocated to the Group's sole CGU (Anima CGU) and, as required by IAS 36 "Impairment of assets", has been subjected to impairment test by comparing the recoverable amount - determined according to the value in use method - and the carrying amount. The notes to the consolidated financial statements "Part B - Section 9 of Assets" show that the Directors of the Company have been assisted in the impairment test by an advisory firm with specific experience in corporate valuations (External Advisor) that issued a *fairness opinion* on the determination of the recoverable amount of Anima CGU. The main assumptions adopted by the Directors of Anima Holding S.p.A. refer to: • the forecast of expected cash-flows for the explicit period based on 2020-2024 Business Plan, approved by the Board of Directors of the Company on December 20, 2019; • the cash-flows to be included in the terminal value, the discount rate, the long-term growth rate, the key variables for the preparation of sensitivity and multi-scenario analysis. The notes to the consolidated financial statements "Part B - Section 9 of Assets" show that, as a result of the impairment test carried out, no losses in value have been identified. Taking into consideration the complexity and subjectivity of the estimate of the expected cash-flows and key variables with respect to the valuation model, the magnitude of the amount of goodwill recorded in the consolidated financial statements, the related impairment test has been identified as a key audit matter in the context of the audit of the consolidated financial statements of the Group as at December 31, 2019.
Audit procedures to address the Key Audit Matter identified	Our audit procedures, also carried out with the support of specialists belonging to our network, have included, among others, the following: • examination of the process used by the Company to determine the value in use of the CGU Anima, analyzing the methods and assumptions adopted by the Directors to carry out the impairment test. In this context we held meetings and discussions with Management; • understanding and observation of relevant controls put in place by the Company with respect to the impairment test process;

- analysis of the External Advisor's fairness opinion;

- verification of the reasonableness of main assumptions adopted to forecast cash-flows;

- evaluation of the reasonableness of the discounting rate, of the long-term growth rate and of other key variables adopted in the valuation model;

- verification of mathematical accuracy of the model used to determine the value in use.

Furthermore, we examined the completeness and compliance of the disclosures provided by the Company to the provisions of IAS 36.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and art. 43 of Italian Legislative Decree no. 136/15, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 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 accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Anima Holding S.p.A. has appointed us on April 27, 2017 as auditors of the Company for the years from December 31, 2017 to December 31, 2025.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

Deloitte.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14 paragraph 2 (e) of Legislative Decree 39/10 and art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Anima Holding S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and the ownership structure of the Group as at December 31, 2019, including their consistency with the related consolidated financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and some specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98, with the consolidated financial statements of the Group as at December 31, 2019 and on their compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned report on operations and some specific information contained in the report on corporate governance and the ownership structure are consistent with the consolidated financial statements of the Group as at December 31, 2019 and are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the Group and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Paolo Gibello Ribatto
Partner

Milan, Italy
March 5, 2020

This report has been translated into the English language solely for the convenience of international readers.