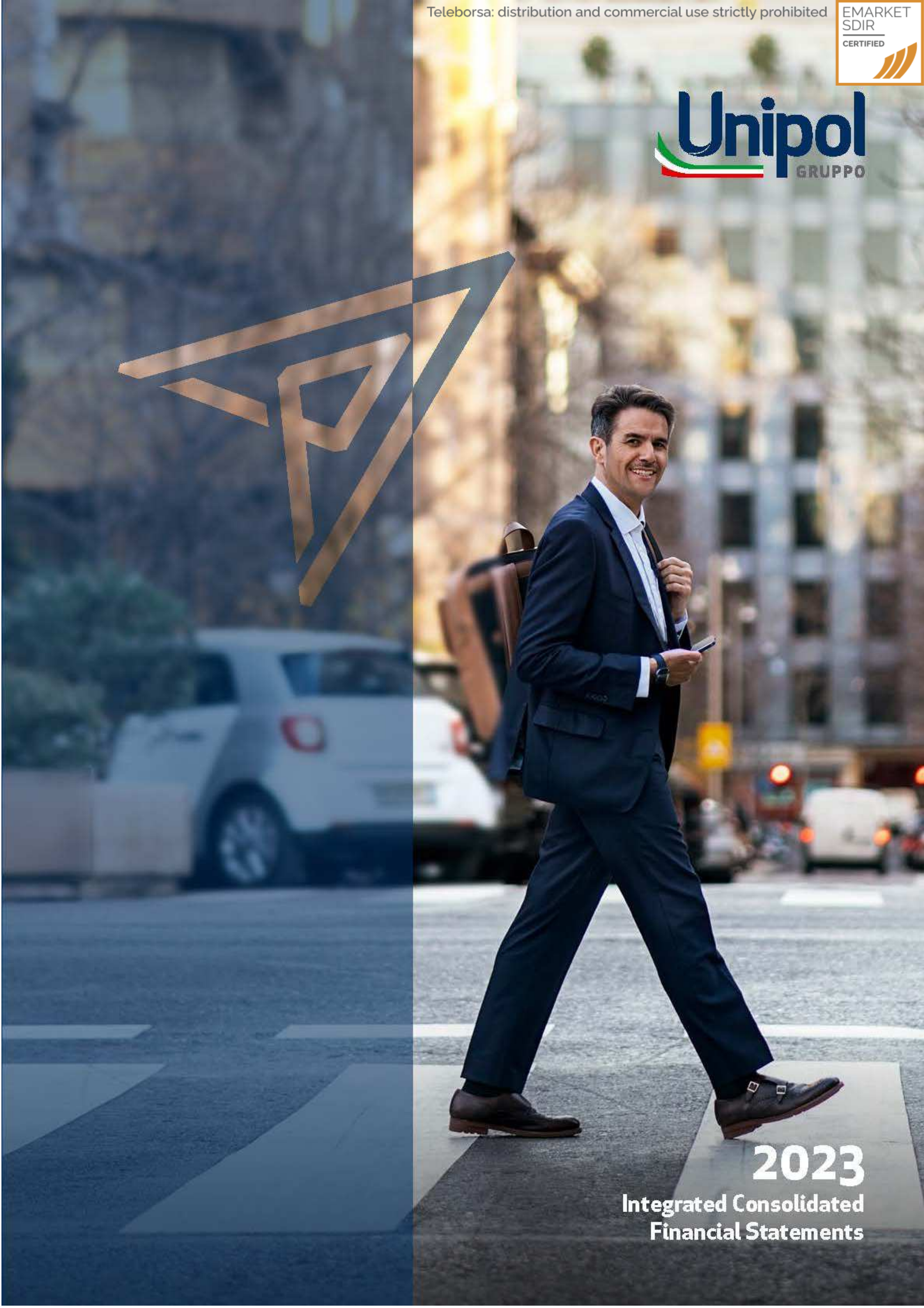


Unipol GRUPPO

2023
Integrated Consolidated Financial Statements

Graphic design by
Mercurio GP S.r.l.

UnipolGruppo

Annual Integrated Report

and Consolidated Financial Statements

2023

The official document containing the 2023 Annual Integrated Report and Consolidated Financial Statements, prepared according to the technical requirements of Regulation (EU) 815/2019 (European Single Electronic Reporting Format - ESEF), is available, in accordance with the law, on the company's website (www.unipol.it).
This document in PDF format provides the text of the 2023 Annual Integrated Report and Consolidated Financial Statements for ease of reading.

Translation from the Italian original solely for the convenience of international readers

A STEP TOWARDS THE FUTURE ON EVERY NEW WAY

The 2023 Financial Statements illustrate and summarise the second year of the "Opening New Ways" Strategic Plan, the path that Unipol has undertaken to innovatively and effectively develop its action in different ecosystems, consolidating insurance leadership and further strengthening its bancassurance business.

The Group, despite an overall scenario of enormous geopolitical and macroeconomic difficulty and in a national context characterised by several catastrophic events, has achieved its Plan objectives as a result of its positioning in terms of innovation with which it accompanies the lives of all its stakeholders.

The arrow we have chosen as the visual for our Strategic Plan and creatively expressed in these financial statements, represents our constant commitment to walk towards the future, to always live up to our own mission, because every step we take is also a step ahead for those who every day trust us with their life plans.

UNIPOL 2022-2024 STRATEGIC PLAN

Opening New Ways

Company bodies

BOARD OF DIRECTORS	**CHAIRMAN**	Carlo Cimbri	
	VICE CHAIRMAN	Ernesto Dalle Rive	
	DIRECTORS	Gianmaria Balducci	Daniele Ferrè
		Daniela Becchini	Paolo Fumagalli
		Mario Cifiello	Claudia Merlino
		Roberta Datteri	Roberto Pittalis
		Cristina De Benetti	Annamaria Trovò
		Patrizia De Luise	Carlo Zini
		Massimo Desiderio	
	SECRETARY OF THE BOARD OF DIRECTORS	Fulvia Pirini	
GENERAL MANAGER		Matteo Laterza	
BOARD OF STATUTORY AUDITORS	**CHAIRMAN**	Mario Civetta	
	STATUTORY AUDITORS	Maurizio Leonardo Lombardi	
		Rossella Porfido	
	ALTERNATE AUDITORS	Massimo Gatto	
		Luciana Ravicini	
MANAGER IN CHARGE OF FINANCIAL REPORTING		Luca Zaccherini	
INDEPENDENT AUDITORS		EY SpA	

Contents

Letter from the Chairman

Dear financial statement reader, Dear Unipol Gruppo SpA shareholders,

2023 was a very complex year. One in which we were conscious of operating in an increasingly changing and unpredictable context, but also determined to prepare ourselves as best we could to face the challenges to come.

The plan for the merger by incorporation of UnipolSai into Unipol Gruppo, which will be brought to the attention of the Shareholders' Meeting, is the last step in a long process that began more than ten years ago with the bail-out of Fondiaria Sai and continued with the strong growth of the Group, characterised by significant investments in the Mobility, Welfare and Property ecosystems and in bancassurance. These were certainly challenging years but also packed with successes, results, projects and actions that led the Group to gradually take on a new appearance, as well as an increasing national importance and a central role not only in the insurance sector but also in Italy's complex financial landscape.

The new ownership structure will allow us to simplify governance and adopt more efficient decision-making processes. In addition, it will offer cost savings, optimise the solvency position and make the Group's structure more intelligible to the market, aligning us with national and international best practices and market expectations. The new structure will not result in any change in the Group's strategy, which will continue in line with the "Opening New Ways" 2022-2024 Business Plan for both the insurance and banking segments.

2023 takes us past the midway point of the Business Plan and the results achieved are in line with the objectives we had set for ourselves. Thanks to the prudent policy we have followed for some time, the Group has maintained a high level of economic and capital solidity and has achieved the business plan targets in terms of profits and shareholder remuneration, despite adverse developments in the geopolitical and economic contexts and the negative impacts of natural disasters. In fact, 2023 was characterised by floods in Emilia-Romagna and Tuscany and by hail storms in Northern Italy, events that led to an exceptional increase in the cost of claims associated with catastrophic events.

In the MV TPL sector, inflation led to a significant increase in the cost of claims to which the market reacted by launching major tariff review plans to restore the technical balance. In this highly complex situation, the Group managed to keep its customer portfolio stable and strengthened its position in the Mobility ecosystem as an all-round mobility partner for its customers.

The 2023 results also confirm the central role of the bancassurance channel in the Group's distribution strategies, with premiums up in both Life and Non-Life businesses, while the agency network remains a fundamental and strategic asset that allows us to serve over 8 million customers and develop our commercial proposal with reference to insurance products and the Beyond Insurance segment.

We still have a long way to go in the future. The corporate reorganisation we will submit for shareholders' approval marks not only the end of a long journey but also, and above all, a new starting point for navigating towards unknown waters, in which the extraordinary nature of events is the new normal. Our vocation, which is one of prudence so as to have greater stability in results over the years, will continue to guide our work so that the Group can generate long-term value for all its stakeholders and be a safe haven in a world where risks are changing their frequency and reach.

Carlo Cimbri

Letter from the General Manager

Dear financial statement reader, Dear Unipol Gruppo SpA shareholders,

2023 was a year of transition in the global macroeconomic context, characterised by persistent inflation which, though down compared to the peak rates of 2022, remains far from central bank targets. In this framework, the gradual stabilisation of commodity prices and the adaptation of supply chains marked an important step towards normalisation of the macroeconomic scenario, even in a situation of considerable uncertainty and difficulty that has seen the outbreak of new military conflicts.

The combination of geopolitical tensions, high inflation, restrictive monetary policies and exceptionally severe weather events made 2023 one of the most complex years for the insurance sector globally. In the Non-Life business in particular, rising inflation and the increased frequency and severity of weather events had a strong impact on the cost of claims. The Life business, on the other hand, was subject to competition from financial products and instruments that were more responsive to the sudden increase in interest rates.

Despite the adverse context, the Unipol Group maintained a high level of capital strength and a consolidated solvency ratio of 215%. Internal stress tests show a strong resilience of our solvency position. All the business lines of our Ecosystems (Mobility, Welfare and Property) performed well. There was growth of Non-Life premiums of the Group companies for the MV and General TPL classes, particularly in the Health Class where we are reaping the benefits of a strategy aimed at making UniSalute the only Group carrier for the placement of health policies. In the Life business, too, despite a difficult market context characterised by a strong increase in surrenders, net income remained positive, driven by pension funds and Class I policies. Financial management also recorded significant growth in profitability thanks to diversification strategies that offered optimisation of the risk-return profile of our portfolio.

These results, achieved in a particularly challenging context, testify to the validity of our strategy and the strength of the distribution, agency and bancassurance network, which is confirmed as a distinctive asset of the Group. To further strengthen our network, in 2023 we signed a new agreement with agents focused on omnichannel and technological efficiency and we increased our investment in Banca Popolare di Sondrio, bringing it to 19.7%. Another extraordinary transaction of fundamental importance is the merger by incorporation of UnipolSai into Unipol Gruppo, which will provide us with an even more solid and effective structure to achieve the ambitious objectives we have set for ourselves.

The 2023 financial statements therefore show a strongly performing and resilient Group, capable of generating value even in an adverse market context. These results stem from a forward-looking vision and prudent management, allowing us to propose that shareholders approve a dividend of €0.38 per share, for a total of approximately €273m, recognising a dividend yield among the highest in the industry.

The future presents momentous challenges, linked to climate change, demographic decline and growing inequalities, phenomena destined to have a significant impact on the insurance sector and on the lives of us all. But it is in times of uncertainty that our mission to offer security and protection takes on an even deeper meaning.

We therefore look to the future with courage, pride and confidence, ready to face the impending challenges with determination and remain a point of reference for all our stakeholders.

Matteo Laterza

1 ANNUAL INTEGRATED REPORT

INFORMATION ON THE ANNUAL INTEGRATED REPORT

NFS

The "Annual Integrated Report", published by Unipol Gruppo since 2016 to accompany the Consolidated Financial Statements, includes and connects financial and non-financial information in a global overview, illustrating the set of factors that determine the Group's ability to create value in the short, medium and long terms and pursue sustainable success.

The Annual Integrated Report therefore contains the information that must be provided in the Management Report, as envisaged by Art. 100 of Italian Legislative Decree 209/2005 (Private Insurance Code), supplemented by ISVAP Regulation no. 7 of 13 July 2007, and satisfies the requirements of Italian Legislative Decree 254/2016 by including the Consolidated Non-Financial Statement (NFS). The NFS covers environmental and social matters as well as topics relating to personnel, respect for human rights and the fight against corruption, which are relevant taking into account the Group's activities and characteristics, reported to the extent necessary to ensure an understanding of the Group's activities, performance, results and the impact it generates. The relevance of the topics is determined through the analysis process described in the "Material topics" section.

The approaches used as reference in preparing this report, applied in an integrated manner so as to cover the many information requirements of the different stakeholders, are:

- the standards laid out in the International Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC), as updated in the January 2021 edition;
- the "Sustainability Reporting Standards" issued by the Global Reporting Initiative (GRI) in 2016, with subsequent amendments (including adoption of the GRI Universal Standards 2021), as well as the "Financial Services Sector Supplements", using the "GRI-Referenced" approach;
- the Recommendations published in June 2017 by the Task Force on Climate-related Financial Disclosures (TCFD), which Unipol adopted in 2020 for transparent disclosures on climate change-related risks and opportunities (as regards which, Unipol has published its TCFD Report since 2019).

The scope of reporting of non-financial information, as requested by Italian Legislative Decree 254/2016, coincides with that of the Consolidated Financial Statements, including fully consolidated companies for the financial reporting at 31 December 2023. All scope exceptions are appropriately described in the relative sections of the document. Such exceptions are insignificant in terms of understanding the performance, results and impact of the Group's activities.

The data needed to compile this information were gathered and processed using a dedicated IT system which makes it possible to ensure full traceability of the data collection and consolidation process. The information relating to 2023 was provided with a comparison with that disclosed in the previous year.
To comply with document summary needs, maintaining the depth and breadth of information to the benefit of stakeholders, the document is supplemented by an Appendix ("Appendix - Unipol in numbers") which contains additional data and particularly illustrates the GRI indicators reported on by the Group.
Closing the Appendix is a reference Glossary, which explains the acronyms present in the Report.

The table below supports the traceability of the non-financial information within the document; said information can subsequently be identified in the Chapters and Paragraphs of the Annual Integrated Report by using the following icon, with the goal of facilitating searches and improving use of the information. NFS

The content published in reference to the TCFD recommendations is identified by the following icon, with the goal of further improving use of the information. TCFD

Pursuant to Article 5 of the Consob Regulation dated 18 January 2018, the Unipol Group has appointed the independent auditors EY S.p.A., currently responsible for audit of the consolidated financial statements for the years 2021-2029, for the limited assurance engagement under ISAE3000 in reference to the NFS. Their report is attached to this document.

The following table also illustrates the correlations between the reported content and the Sustainable Development Goals of the UN's 2030 Agenda, which the Group is determined to contribute to achieving.

Issue indicated in Italian Legislative Decree 254/2016	Italian Legislative Decree 254/2016	Page reference in the Annual Integrated Report	SDGs[1]
Material topics	Art. 3, par. 1	Page 12: "Information on the Annual Integrated Report" Page 37-39: "Materiality assessment: approach and results"	
Organisation and management model	Art. 3, par. 1a	Pages 16-17: "Activities and sectors"; Pages 18-19: "Group highlights"; Pages 47-50: "Human Capital"; Pages 51-55: "Social and Relational Capital"; Pages 64-75: "Support in implementing the 2030 Agenda and contribution to combating the climate emergency"; Pages 83-97: "Internal Control and Risk Management System"	
Business policies, results, indicators	Art. 3, par. 1b	Pages 8-9: "Letter from the Chairman and Letter from the General Manager" Pages 31-33: "Future orientation in the use of capital" Page 42: "Financial Capital" Pages 51-55: "Social and Relational Capital" Pages 60-77: "Sustainable Development: the impacts generated by the Unipol Group" Pages 78-80: "Corporate Governance" Pages 149-164: "Appendix"	
Main risks	Art. 3, par. 1c	Pages 31-33: "Future orientation in the use of capital" Page 36: "The Unipol Group's climate strategy" Pages 83-97: "Internal Control and Risk Management System"	
Energy resources, water resources, emissions	Art. 3, par. 2a Art. 3, par. 2b	Pages 56-59: "Natural Capital" Page 97: "Sanctions" Pages 149-164: "Appendix"	
Impact on the environment, health and safety	Art. 3, par. 2c	Page 42: "Financial Capital" Pages 51-55: "Social and Relational Capital"	
Human Resource management and gender balance	Art. 3, par. 2d	Pages 47-50: "Human Capital" Pages 78-80: "Corporate Governance" Pages 99-101: "Remuneration system and incentives" Pages 149-164: "Appendix"	
Respect for human rights	Art. 3, par. 2e	Pages 14-15: "Unipol Group Vision, Mission and Values" Pages 85-91: "Monitoring of environmental, social and governance risks ("ESG risks")" Pages 134-136: "Ethics Report"	
Fight against corruption	Art. 3, par. 2f	Pages 85-91: "Monitoring of environmental, social and governance risks ("ESG risks")" Pages 92-93: "Protection of personal data and cybersecurity"; Page 96: "Anti-corruption" Page 97: "Sanctions" Pages 149-164: "Appendix"	
Reporting standard adopted	Art. 3, par. 3, 4 and 5	Page 12: "Information on the Annual Integrated Report" Pages 137-138: "Gri Content Index"	
Diversity among members of the administration bodies	Art. 10, par. 1a	Pages 78-80: "Corporate Governance" Pages 83-97: "Internal Control and Risk Management System" Pages 99-101: "Remuneration system and incentives"	

[1] For greater details of the Sustainable Development Goals, reference should be made to the Glossary and to the website http://asvis.it/ for an up-to-date overview of their relationship to the business models of companies in Italy.

THE UNIPOL GROUP

NFS

Unipol Group Vision, Mission and Values

The Group has always defined sustainability as a strategic factor for the creation of long-term value and integrates this vision along the entire insurance value chain and that of other Group businesses.

VISION

"We strive to be a great Italian group proud of its history, which knows how to be close to people and their needs, a market leader capable of offering and receiving trust and of working competently, simply and quickly, while creating value for all stakeholders."

MISSION

"We are responsible for improving the quality of life of our customers by proposing solutions for the protection, support and realisation of their projects. We pursue efficient, profitable and sustainable business management over time, based on the contribution and enhancement of our people."

The Group's Core Values, identified through a shared process, are expressed in our **Charter of Values** and outlined in the **Code of Ethics** as behavioural principles towards the various stakeholders.

OUR CORE VALUES

Accessibility | Farsightedness | Respect | Solidarity | Responsibility

The levers for implementing the commitments undertaken in the Code of Ethics are concretely expressed in the Sustainability Policy, which in 2023 was integrated with two new annexes: "Guidelines on Human Rights" and "Guidelines on Anti-Corruption".
The Sustainability Policy, inspired by the Sustainable Development Goals and the UN Global Compact principles, commits the company with respect to:

- Protection of human and labour rights
- Equal opportunities
- Environmental protection and combating climate change
- Fairness and transparency for consumers
- Financial inclusion and education
- Fair business practices, particularly as regards lobbying and tax strategy practices

The Sustainability Policy, which specifies the roles and responsibilities of the corporate bodies and structures involved in the ESG risk management process, steers the signing of international commitments that guide internal policies and practices and contribute to defining the Unipol approach to sustainability.

In particular, Unipol has adopted:

UN Global Compact (UNGC)	UN initiative that promotes corporate social responsibility by adhering to ten fundamental principles on human rights, labour, the environment and anti-corruption. The Unipol Group joined the UN Global Compact in 2018.
Net -Zero Asset Owner Alliance (NZAOA)	Alliance of international institutional investors, committed to bringing their investment portfolios to net zero greenhouse gas emissions by 2050, which the Group joined in the spring of 2022.
Principles for Sustainabile Insurance (PSI)	UNEP FI programme for the insurance sector, with the aim of addressing risks and opportunities related to environmental, social and governance issues. In March 2021, Unipol became signatory to the UNEP FI Principles for Sustainable Insurance to strengthen its contribution as risk managers and investors to economic, social and environmental sustainability, understood as sustainable development.
Principles for Responsible Investment (PRI)	Principles for the integration of ESG criteria into investments, resulting from the partnership between UNEP FI and the Global Compact. The Unipol Group signed the Principles for Responsible Investment in 2017, committing to the integration of social, environmental and governance criteria into the assessment of investments and the understanding of the implications of ESG factors in its activities as asset manager.
Task Force On Climate - Related Financial Disclosure (TCFD)	Established in December 2015 by the Financial Stability Board (FSB), in June 2017 the Task Force published eleven recommendations to promote transparent reporting by companies on the risks and opportunities related to climate change. In November 2020, Unipol became a supporter of the Task Force on Climate-related Disclosures to consolidate its commitment to reporting climate-related information.
Carbon Disclosure Project (CDP)	Independent non-profit organisation that provides companies and countries with a global system of information on climate change. Participation in the CDP promotes the dissemination of information on emissions and on the management of climate change-related risks and opportunities. Unipol publishes its environmental performance through the Climate Change programme of the CDP.

For further details on the Unipol Group's Sustainability Policy, please refer to the Sustainability governance section of the Unipol Group's website. For further details on the climate-related disclosures, please refer to the Results and Strategy section of the Unipol Group website, while for the Global Compact Communication on Progress reporting, please refer to the website of the initiative, whose platform hosts a dedicated online questionnaire.

NFS

Activities and sectors

Unipol Gruppo SpA ("Unipol") is a holding company at the top of the Unipol Group (hereinafter also "the Group"), with a preeminent position in the Italian insurance market and present in various market sectors other than insurance. Unipol is listed on the Milan Stock Exchange and in the FTSE MIB and MIB® ESG indexes. It manages and coordinates all the subsidiaries. The Group's activities are divided into the following lines of business:

Insurance

The Group offers the market the entire range of risk cover solutions: in mobility (vehicles, sportscraft and travel), for the home and condominiums, for work (products dedicated to businesses, traders, professionals and legal protection), for personal protection (particularly accident and health protection policies), and for investments and welfare. **UnipolSai Assicurazioni SpA** is the main Insurance Company, supported by specialist companies: **UniSalute**, specialising in the Healthcare segment; **Linear**, a company specialising in direct sales, online and via call centres, of MV products; **SIAT**, operating in the Transport business, with corporate customers primarily reached through brokers. Outside Italy, the Group offers insurance products in Serbia, through the subsidiary **DDOR Novi Sad** and the dedicated captive reinsurance company **Ddor Re**.

Bancassurance

The Group operates in the bancassurance channel through agreements with the BPER Banca Group and Banca Popolare di Sondrio for the distribution of **Arca Assicurazioni**, **Arca Vita** and **Arca Vita International** products, and with Banca Investis for the sale of **BIM Vita** products.

Real Estate and Other Businesses

The Group is one of the leading real estate operators in Italy in terms of assets and is also active in the following sectors:

- hotel sector through **UNA Group**, which manages 53 facilities (hotels, residences and resorts through leases, franchises and management) in some of the main cities and most renowned tourist destinations in Italy;
- healthcare sector with the **Villa Donatello and Centro Florence** nursing homes and the network of 45 **Santagostino and Dyadea health centres**, with facilities across northern and central Italy;
- agricultural sector through **Tenute del Cerro**, owner of around 4,000 hectares of land in Tuscany and Umbria, of which 300 hectares of vineyards among the most sought-after for high quality wine production;
- port facilities through **Marina di Loano**, centrally located in western Liguria and able to moor over 1,000 craft with lengths from 6 to 77 metres.

Through **UnipolSai Investimenti SGR**, the Unipol Group manages real estate investment funds.

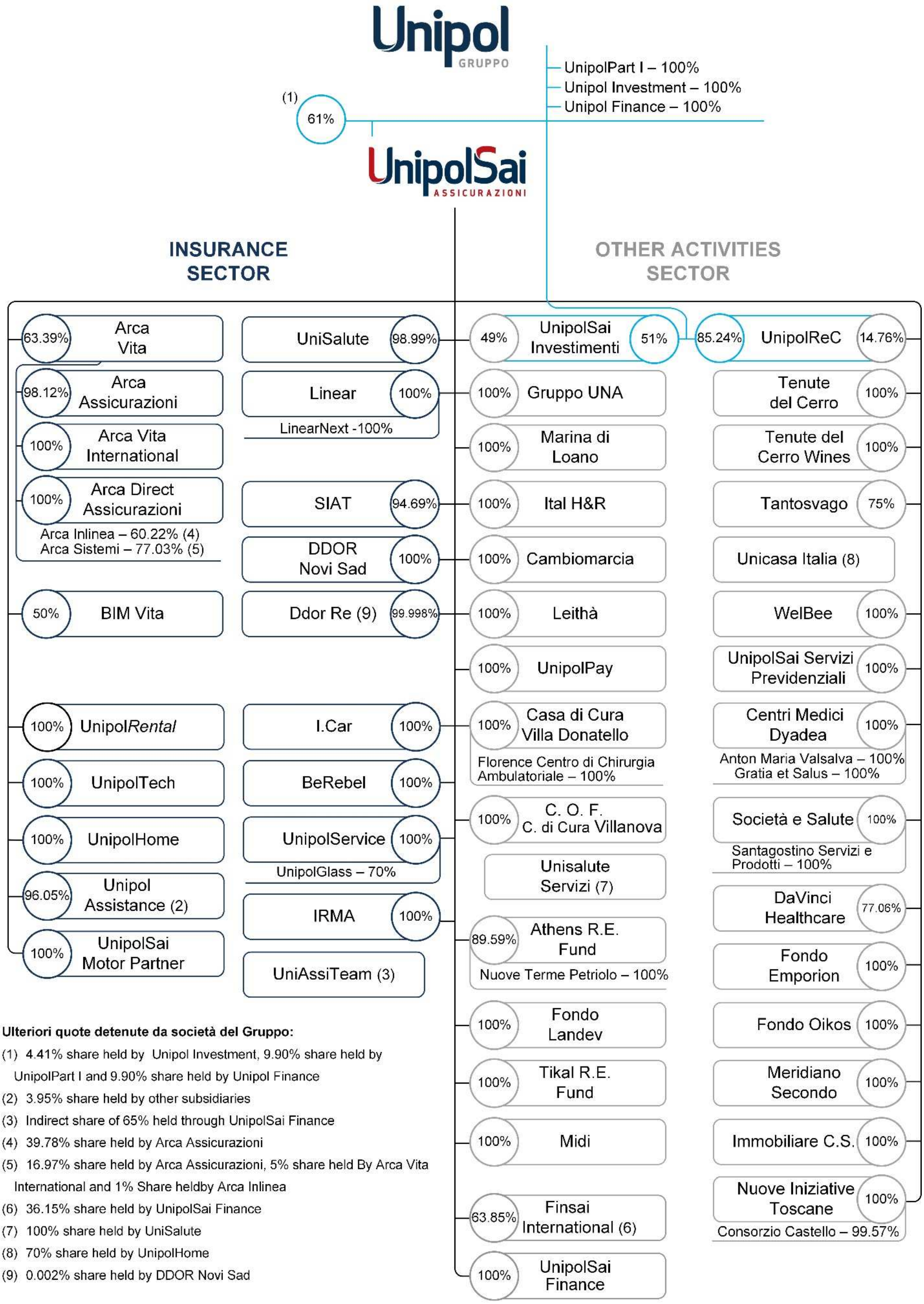
Mobility, Welfare and Property ecosystems

Unipol is a point of reference in the Mobility, Welfare and Property ecosystems, offering customers integrated skills and solutions:

- **Mobility**: the Group is a full partner for the entire mobility lifecycle, particularly with regard to management of the vehicle repair process with **UnipolService** and glass repairs through **UnipolGlass**, response to assistance requests with **Unipol Assistance**, the Long-Term Rental market with **Unipol*Rental*,** the electronic toll sector and the offer of mobile payments with **UnipolMove**, a **UnipolTech** brand that is the telematics provider of UnipolSai and other Group companies, and the supply of anti-theft systems using **I.Car** identification.
- **Welfare**: the Group is strengthening its positioning thanks to the network of proprietary and affiliated healthcare facilities, maximizing synergies with insurance services. Through **DaVinci HealthCare**, it also offers a digital health platform, additional digital health services, including telemedicine, prevention and home care services, physiotherapy and social care. Lastly, the welfare provider **Welbee** completes the offer through the flexible benefits platform (managed by the digital company **Tantosvago**) optimised for SMEs and large corporates;
- **Property**: the Group provides services relating to homes and condominiums, in particular through the development of a craftsmen network to ensure service quality and savings on insured services (**UnipolHome**) and through a network of franchise administrators for the provision of services to administrators and owners (**UniCasa**).

Leithà is the company specifically dedicated to innovation and digital transformation.
UnipolPay is an e-money institution (IMEL) authorised to provide electronic payment and e-money services in Italy;
Unipolis is the business foundation of the Unipol Group, and one of the most important tools for implementing social responsibility initiatives, within the framework of the more comprehensive sustainability strategy.

The performance of the various business areas in which the Group operates is reported in the Unipol Group Performance section.



Ulteriori quote detenute da società del Gruppo:

(1) 4.41% share held by Unipol Investment, 9.90% share held by UnipolPart I and 9.90% share held by Unipol Finance
(2) 3.95% share held by other subsidiaries
(3) Indirect share of 65% held through UnipolSai Finance
(4) 39.78% share held by Arca Assicurazioni
(5) 16.97% share held by Arca Assicurazioni, 5% share held By Arca Vita International and 1% Share heldby Arca Inlinea
(6) 36.15% share held by UnipolSai Finance
(7) 100% share held by UniSalute
(8) 70% share held by UnipolHome
(9) 0.002% share held by DDOR Novi Sad

Highlights

1 Employees

12,407

6,797

5,610

2 Operating Network

Agencies	2,236
Sub-agencies	5,213
Bancassurance	3,073

9 Competitiveness in the Market

RELIABILITY

REPUTATION

8 Solvency Ratio

215%*

+15 b.p.

vs 2022

7 Group Shareholders' Equity

7,967 €m

+16.1%

vs 2022

3 Customers and Policyholders

INDIVIDUALS
15.9 million

LEGAL ENTITIES
0.9 million

4 Performance

PREMIUMS	**€m**	**Var. vs 2022**
Non-Life direct insurance	8,651	+4.2%
Life direct insurance	6,409	+20.0%
- of which Life investment products	*2,237*	*+22.2%*
Direct insurance premiums	**15,060**	**+10.4%**

RATIOS	**2023**
Non-Life Loss Ratio - net of reins.	71.5%
Non-Life Expense Ratio - net of reins.	26.7%
Non-Life Combined Ratio - net of reins.	98.2%
Group pro-rata APE (€m)	
Life Expense Ratio - net of reins.	

	€m	**Var. vs 2022**
Investments and cash and cash equivalents	**67,309**	**+7.2%**
Technical provisions	**51,200**	**+8.2%**
•Non-Life	13,585	+6.4%
•Life	37,615	+8.9%
Financial liabilities	**15,522**	**+16.4%**

5 Consolidated profit (loss)

+1,331€m

6 Value for Shareholders

ROE	14.9%
EPS	1.54**
BVPS	11.11**

(*) Value calculated on the basis of the information available as of today. The definitive results will be reported to the Supervisory Authority with the timing required by regulations in force.
(**) Calculated on the number of shares outstanding.

Significant events in 2023 and after 31 December 2023

NFS

JAN

As provided for in the 2022-2024 Strategic Plan, at the **beginning of 2023**, after a pilot phase, the "**UniSalute 2.0**" project was definitively launched. For further information in this respect, please refer to the paragraph "Unipol Group Performance".

In **early 2023**, "**Stammi bene**" ("Stay Healthy") was launched, the first podcast of **UniSalute** that aims to expose fake news on health, conducted in collaboration with medical professionals and different health sector specialists. In the same period, UniSalute continued, through national and local press releases, as well as on its social channels, to disseminate the contents of the **Osservatorio Sanità UniSalute** (UniSalute Health Observatory), which was created in collaboration with the Nomisma research institute, dealing in particular with chronic conditions and prevention.

In **2023**, UnipolSai was back on air with the multimedia advertising campaign "**Sempre un passo avanti**" (Always One Step Ahead), aimed at highlighting the possibility for customers to "truly choose the future" through UnipolSai, a leader in MV insurance in Italy, with over 10 million customers and around 4 million connected cars. At the same time, the creative concept underlines the authority, reliability and innovative vocation of UnipolSai, thanks to the offer of insurance solutions combined with cutting-edge technological services.

UnipolSai is the strongest insurance brand in the **Brand Finance 2023** ranking, published in January 2023, with a Brand Strength Index score of 86.3 out of 100, which earned it an AAA brand rating. The award is determined by a balanced scorecard of metrics that assess marketing investments, stakeholder equity and company performance. UnipolSai is credited with being "*one of the insurance brands most appreciated by Italians for the range of its offer and its responsiveness to its customers in difficult financial times*".

On **23 January 2023**, during the official presentation of **Ducati** for the 2023 season of the MotoGP World Championship, the **partnership between UnipolSai** and the Borgo Panigale team was renewed, for the seventh consecutive year confirming the common path of two Italian excellences united in the sharing of values, passion and approach to innovation.

FEB

On **7 February 2023**, the Chief Executive Officer of UnipolSai received the **Insurer of the Year** award at the Milano Finanza 2023 Insurance Awards, the recognition reserved for excellence in the insurance sector.

MAR

At its meeting on **23 March 2023**, the Board of Directors of UnipolSai approved an industrial project in the long-term rental business with BPER Banca SpA which, inter alia, calls for the integration via merger by incorporation of SIFÀ - Società Italiana Flotte Aziendali SpA (a company belonging to the BPER Group) into **UnipolRental**, completed in the months that followed and effective from 1 July 2023.For further information in this respect, please refer to the paragraph "Unipol Group Performance".

APR

On 3 April 2023, the acquisition of Santagostino Medical Centres by UnipolSai was finalised. For further information in this respect, please refer to the paragraph "Unipol Group Performance".

MAY

On **17 May 2023**, UnipolSai launched a structured and integrated plan of **actions in favour of populations** affected by the May **floods** in the **Emilia Romagna** region, with the aim of supporting customers and agencies resident in areas affected by the flood. For further information in this respect, please refer to the paragraph "Unipol Group Performance".

JUN

On **8 June 2023**, as part of the Finals 2023 presentation event, **UnipolSai** announced renewal of its **partnership** with the **Serie A basketball league** for the 2023/2024 and 2024/2025 seasons. A renewal that leverages on the remarkable synergy generated in the first three years of the 2020-2023 collaboration with effective results, in terms of visibility, brand equity and engagement, generated by the Title Sponsorship on the various media channels and "on field" in all the championship venues.

On **22 June 2023**, a single-member limited liability company was established by Compagnia Assicuratrice Linear SpA with the company name **LinearNext Srl**, which has as its object the performance of agency mandates granted by insurance companies for insurance distribution activities in the Non-Life and Life business.

On **29 June 2023**, the Board of Directors of UnipolSai approved the Company's participation in the rescue operation scheme to protect **Eurovita** policyholders, together with Allianz, Assicurazioni Generali, Intesa Sanpaolo Vita and Poste Vita. For further information in this respect, please refer to the paragraph "Unipol Group Performance".

In **June 2023**, the network of Dyadea healthcare facilities expanded by **two new Medical Centres**: the first at the Interporto Bologna hub and the second in Monza (MB), with consequent expansion of the Unipol Group's positioning in the private healthcare sector, in line with the Beyond Insurance Enrichment Guideline of the **Opening New Ways** Strategic Plan.

In **June 2023**, **UnipolSai** obtained two important awards with the **Digital Green Index** project, testifying to the Company's commitment to promoting sustainability and innovation in the insurance sector. For further information in this respect, please refer to the paragraph "Unipol Group Performance".

Again in **June 2023**, **UnipolTech**, with **UnipolMove** and **BeRebel**, were the protagonists at the **NC Awards 2023**, winning several prizes, including first place for UnipolTech in the "Travel, Transport and Tourism - Entertainment and Leisure" and "Best Company 2023" categories and first place for BeRebel's holistic advertising campaign in the "Banking and Insurance" category. For sixteen years, the **NC Awards** have been a point of reference for the entire panorama of integrated communication in Italy, with a jury consisting of around 30 managers from companies from all sectors and top communication spenders.

JUL

SIAT and BPER signed an agreement on **27 July 2023** for the distribution of SIAT products in the Marine and Aviation sector through the BPER banking channels. The transaction is part of the Bancassurance Boosting guideline of the **Opening New Ways 2022-2024** Strategic Plan, with the aim of strengthening the bancassurance business model, and represents an important step forward for the expansion of synergies between the Unipol Group and BPER. For further information in this respect, please refer to the paragraph "Unipol Group Performance".

On **24 July 2023**, **UnipolSai** fully **repaid** the **Mediobanca Tier 1** subordinated loan with an original nominal value of €400m, through repayment of the fifth and final tranche of €80m as indicated in the contractually envisaged repayment plan.

AUG

In **August 2023**, **UnipolSai** was recognised by **Standard Ethics** as one of the best examples of social and environmental sustainability at international level. The recognition came with confirmation of the "EE+" (or "very strong") SER (Corporate Standard Ethics Rating) and the transition from "stable" to "positive" of its outlook. The Company was recognised for having undergone corporate transformations, structural streamlining, organisational and technological innovations in line with the voluntary ESG policies of the European Union, the United Nations and the OECD.

SEP

On **13 September 2023**, the **Think Awards 2023** were held, an **IBM** initiative that celebrates the best projects in the categories Environmental Sustainability, Business Sustainability and Social Sustainability for their outstanding innovativeness of technological solutions and importance of the results achieved. UnipolSai won the award in the Business Sustainability category, for having modernised the technological infrastructure and adopted innovative software solutions to support the integrated customer service platform, which plays a central role in the Unipol Group's business model.

OCT

On **2 October 2023**, Unipol finalised the purchase of 46.3 million ordinary shares of **Banca Popolare di Sondrio (BPSO)**, equal to approximately 10.2% of the share capital. Taking into account the shareholding already held by UnipolSai, equal to approximately 9.5% of the share capital, the Group's total interest in the share capital of Banca Popolare di Sondrio reached 19.7% of the share capital. The transaction will allow the Group to (i) consolidate the industrial and corporate partnership with BPSO in the Life and Non-Life bancassurance segment, strengthening its strategic approach, (ii) increase the stability of the BPSO Group's ownership structure to successfully pursue its strategic plan objectives and (iii) stimulate the development of BPSO in accordance with best market practices.

On **3 October 2023**, as part of the third edition of the **Health Insurance Summit Awards**, the event that celebrates the operators in the welfare, supplementary healthcare and health TPL sectors who have distinguished themselves in their fields, two **Unisalute** products were rewarded: "Unisalute al tuo fianco", for innovation in the offer of health protection solutions dedicated to the different phases of people's lives and "Unisalute studente", for innovation of the bancassurance offer through a health policy dedicated to young people.

On 19 October 2023, the kick-off meeting of the HaMMon project (Hazard Mapping and Vulnerability Monitoring) was held at the CUBO headquarters at Porta Europa, Bologna, organised by Leithà and financed through the innovation funds of the National Centre for Research in High Performance Computing, Big Data and Quantum Computing. HaMMon aims to develop tools for the characterisation of risk related to extreme weather events, both for insurance purposes and for environmental monitoring.

NOV

On 22 November 2023, the rating agency Moody's Investor Service confirmed the Insurance Financial Strength Rating of UnipolSai as "Baa2", i.e. one notch above the Italy rating (Baa3/Stable Outlook), improving the outlook from "Negative" to "Stable" after similar action taken on the country rating. In its decision, the Moody's Committee considered the high exposure of UnipolSai's assets and liabilities to the country.

On 30 November 2023, the contract signed on 7 July 2023 relating to the sale to Unicredit SpA by UnipolSai of the equity investment held in Incontra Assicurazioni, equal to 51% of the share capital, became effective. The transaction was envisaged as part of the Opening New Ways 2022-2024 Strategic Plan, whose projections already took into account the proposed sale. Taking into consideration the net income from the sale, amounting to €23m, and the final result prior to the sale, the contribution of Incontra to the consolidated profit (loss) for 2023 was €48m.

UnipolSai launched a structured and integrated plan of actions in favour of populations affected by the November 2023 floods in Tuscany, with the aim of supporting customers and agencies resident in areas affected by the flood. For further information in this respect, please refer to the paragraph "Unipol Group Performance".

UnipolSai is among the top insurance companies in the world and the fourth among European multi-segment companies in terms of Total Shareholder Return (TSR) in the five-year period 2018-2022, according to findings of the study "The 2023 Insurance Value Creators Report" prepared by Boston Consulting Group in November 2023. In the case of UnipolSai, the average annual return calculated in this way was 11% over the 5 years, significantly higher than the global average in the sector (4%). A particularly significant contribution to performance was the sustained ability to distribute dividends during the period analysed.

DEC

The request dated 24 February 2023 for cancellation of UnipolReC from the Register of financial intermediaries took effect from 11 December 2023. For further information in this respect, please refer to the paragraph "Unipol Group Performance".

The deed of merger by incorporation of UnipolRe DAC into UnipolSai, signed on 14 December 2023, was entered in the Register of Companies held by the Bologna Chamber of Commerce on 20 December 2023 and effective from 31 December 2023.For further information in this respect, please refer to the paragraph "Unipol Group Performance".

2024

On 16 February 2024, the Board of Directors of Unipol Gruppo approved a project for the corporate rationalisation of the Unipol Group (the "**Transaction**"), to be carried out through the merger by incorporation (the "**Merger**") of UnipolSai, as well as Unipol Finance Srl, UnipolPart I SpA and Unipol Investment SpA, companies wholly owned by Unipol Gruppo that hold investments in UnipolSai (the "**Intermediate Holding Companies**") into the holding company Unipol Gruppo.
The Merger swap ratio, determined by the administrative bodies of Unipol Gruppo and UnipolSai, is 3 Unipol Gruppo shares for every 10 UnipolSai shares.

As part of the Transaction, Unipol Gruppo also announced a voluntary public purchase offer (the "**Offer**") concerning all of the ordinary shares of UnipolSai not held directly or indirectly by Unipol Gruppo. The Offer concerns a maximum of 417,386,600 UnipolSai shares, representing 14.750% of the share capital. Unipol Gruppo will pay each participant in the Offer consideration of €2.700 (*cum dividend*, i.e. including the coupons relating to any dividends distributed by UnipolSai) for each share for which the Offer is accepted.

The Transaction will involve the streamlining of the corporate structure of the Unipol Group, while also simplifying the group's unitary management and governance decision-making processes, allowing UnipolSai shareholders that choose not to accept the Offer to:

(i) continue to be shareholders of one of the leading Italian insurance companies, listed on regulated markets, which will also act as parent of the Unipol Group, in line with the best national and international practices;
(ii) hold a share characterised by a significantly higher level of liquidity than that of the UnipolSai share;
(iii) increase its interest in the capital of the Unipol Group's bancassurance business partners (BPER and Banca Popolare di Sondrio), with benefits in terms of expected profitability and diversification in relation to both sources of revenue and risk factors.

UnipolSai and Unipol Gruppo also signed a framework agreement (the "**Framework Agreement**") intended to (i) establish the main terms and conditions of the Transaction, (ii) govern the preparatory and/or functional activities for its implementation, as well as (iii) establish the relative timing, the interim management of the Group companies and the Transaction conditions and methods of execution.

Subject to finalisation of the Merger, all UnipolSai shares will be cancelled and exchanged for Unipol Gruppo shares by Unipol Gruppo, with the exception of shares held directly and indirectly through the Intermediate Holding Companies, and treasury shares held by UnipolSai, which will be cancelled with no share swap. In order to assign the swap shares, Unipol Gruppo may approve an increase in its share capital by a maximum of €299,742,415.54, by issuing up to 125,258,009 new ordinary shares with normal dividend rights. Furthermore, if, on conclusion of the Offer, Unipol Gruppo directly and indirectly holds the entire share capital of UnipolSai, it will not be necessary to issue Unipol Gruppo shares and the Merger will take place with no share swap.

The Merger will be subject to the approval of the extraordinary shareholders' meetings of, respectively, UnipolSai, Unipol Gruppo and the Intermediate Holding Companies, and its completion will be subject, *inter alia*, without prejudice to the waiver of the parties where permitted, to obtaining the necessary regulatory authorisations and the non-occurrence of particularly significant events such as to significantly affect the assumptions underlying the Merger.

The Extraordinary Shareholders' Meeting of Unipol Gruppo convened to approve the Merger will also be called upon to express an opinion on the amendment to the By-Laws of Unipol Gruppo made necessary, among other things, by the change in the corporate purpose. The holders of ordinary Unipol Gruppo shares who did not participate in the approval of the Merger Plan and, therefore, in the amendment of the corporate purpose, will have the right of withdrawal pursuant to Art. 2437, paragraph 1, letter a) of the Italian Civil Code (the "**Right of Withdrawal**").

The effectiveness of the Right of Withdrawal is subject to the finalisation of the Merger which, in turn, is subject, *inter alia*, to the circumstance that the total outlay of Unipol Gruppo against any exercise of the Right of Withdrawal does not exceed €100m, without prejudice to the waiver of Unipol Gruppo and UnipolSai.
Any approval of the Merger resolution will not give rise to any right of withdrawal in favour of UnipolSai shareholders, as none of the conditions in Art. 2437 of the Italian Civil Code or in other legal provisions are satisfied.
Without prejudice to the above, the Merger is expected to be completed by the end of 2024.

The Merger qualifies as a "related party transaction" pursuant to the Regulation on Transactions with Related Parties adopted by CONSOB with resolution no. 17221 of 12 March 2010, as amended (the "RPT Regulation") and the procedures for carrying out transactions with related parties adopted by UnipolSai, by virtue of the relationship of control between Unipol Gruppo and UnipolSai, and - specifically - as a transaction with related parties "of major significance".
Therefore, the Framework Agreement was approved by the UnipolSai Board of Directors after obtaining the favourable opinion of the Related Party Transactions Committee regarding the interest of UnipolSai in the Transaction as well as the cost effectiveness and substantial fairness of the relative conditions.

The merger by incorporation of Centri Medici Dyadea Srl into Società e Salute SpA became effective from 1 January 2024.

In line with the commitment already undertaken by the Unipol Group, in January 2024 DDOR also joined the large community of Ogyre, with the aim of pursuing a sustainable development strategy by contributing to protection of the seas. DDOR purchased 1,000 Ogyre water bottles, an investment aimed at removing 1,000 kg of marine litter and contributing to the regeneration of the Mediterranean Sea. DDOR's commitment to its alignment with a high ESG (Environmental, Social and Governance) standard was recognised and awarded in 2022 by Confindustria Serbia and in 2023 by the Italian-Serbian Chamber of Commerce.

The new great challenge of Ducati Corse in the MotoGP World Championship will again see UnipolSai across the side panels of the Borgo Panigale team as Official Sponsor through a renewed partnership already for the 2024 and 2025 seasons. On 22 January 2024, the Ducati Lenovo Team was presented at the Palacampiglio in Madonna di Campiglio, unveiling the colours of the Desmosedici GP that will take part in the 2024 MotoGP World Championship.

On 8 February 2024, during the award ceremony of the MF Insurance Awards 2024, 4 "Compagnia di Valore" awards were won by UnipolSai for the "Best technical result": "Best Technical Result in the Assistance Class", "Best Technical Result in the Land Vehicle Hulls Class", "Best Technical Result in the Legal Expenses Class" and "Best Technical Result in the General TPL Class". UnipolSai also won the Insurance Elite award ("Best ecosystem strategy") for the new business acquisition campaign for healthcare (Centro Medico Santagostino) and mobility (long-term rental) in symbiosis with the protection offer, in addition to the MF Innovazione award for the Omnichannel Evolution of the distribution model.
Siat received the "Compagnia di Valore" award for the "Best Technical Result" for the Aircraft, Rail and Marine Vessels Class, in addition to the award for average profit growth.
UniSalute won the "Best Technical Result" award in the Health Class.
Major recognition also for BeRebel, with the "MF Innovazione Award" in the product/service category - Mobility and for Arca Vita with the "Lombard Superindex" award.

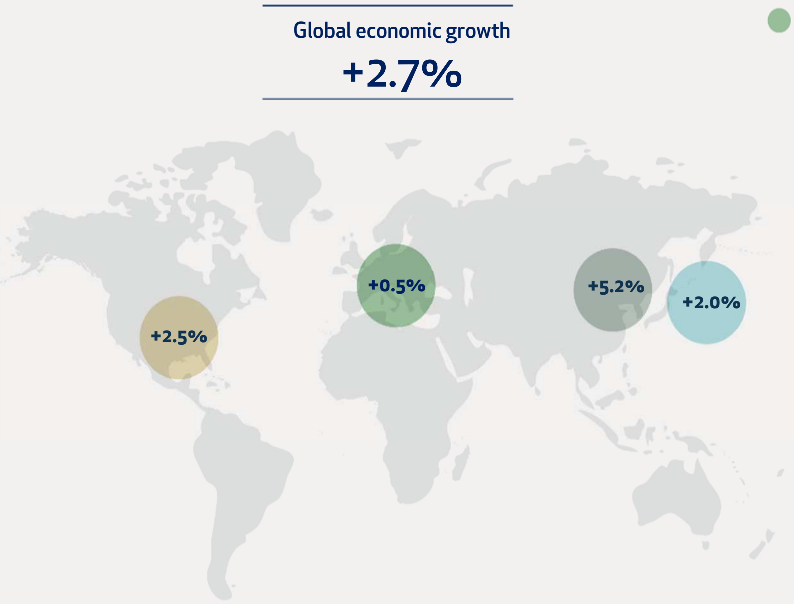
On 28 February 2024, a draft bridge agreement was signed with the Trade Unions, subject to the approval of workers in the insurance sector by means of a referendum and by the Board of Directors on 21 March 2024. The aim of this agreement was to improve company welfare benefits (supplementary pension and welfare credit, the latter valid for 2024), while also recognising an improvement in the Variable Company Bonus, in correlation with the use of holidays and mandatory training, and a one-off amount for the years 2022 and 2023.

RISKS, OPPORTUNITIES AND STRATEGY

Macroeconomic background and market performance

Macroeconomic background

In **2023**, **global GDP** growth continued, estimated at **+2.7%**, despite slowing compared to +3.1% in 2022. The slower pace of global economic growth depends, firstly, on the restrictive monetary policies implemented by the main international central banks and, secondly, on economic growth rates in China which are still below the pre-pandemic average and in turn penalised the evolution of global trade.



In the **Euro Area**, **GDP rose** by **0.5%** in 2023 (+3.4% in 2022). Growth was essentially stagnant throughout 2023 due to the effects of the ECB's restrictive monetary policy. In addition, the reduced demand for goods from China penalised economies more dependent on exports such as Germany, whose slowdown in turn negatively affected economic growth throughout the Euro Area.

Despite the slowdown in economic growth, the **unemployment rate** fell slightly and on average was **6.5%** in 2023 compared to 6.7% in 2022, while the **inflation rate** fell on average to **5.5%** compared to 8.4% in 2022, with the December figure down further to 2.9%.

- In the **United States**, **GDP increased** by **2.5%** in 2023 (+1.9% in 2022). GDP growth was mainly supported by the good performance of private consumption and public spending, which offset the reduction in private investments, in turn penalised by high interest rates. The trend in consumption was supported by the positive labour market results, with an **unemployment rate** remaining at very low values in 2023 (**3.6%** on average). Growth was also accompanied by a gradual **reduction** in the **inflation rate**, which on average stood at **4.2%** compared to 8% in 2022.
- In 2023, **Italian GDP increased** by **0.7%** (+3.9% in 2022). In particular, in the second quarter the GDP trend was negative (-0.3% compared to the first quarter) due to the decline in both final consumption and investments. The recovery in final domestic consumption led to a return to growth in the third quarter (+0.1% on the second quarter), while in the fourth quarter growth mainly benefited (+0.2% on the third quarter) from the improved net foreign component. The average annual **inflation rate** was **6%** (8.7% in 2022). The labour market remains resilient with respect to the slowdown in growth, with the annual average **unemployment rate** down to **7.6%** (+8.1% in 2022).
- In **China**, **GDP rose** by **5.2%** (+3% in 2022) thanks to the recovery in domestic demand assisted by the end of the restrictive "Zero-Covid" policies of 2022. However, growth remains below the pre-pandemic average. In this context, the average **unemployment rate** in 2023 was **5.2%**, while the average **inflation rate** was **0.2%**, with deflation on average in the last quarter. In 2023, China resumed growing more rapidly than emerging countries.
- The estimated **increase** in 2023 for the block of **Emerging Countries** as a whole is **4.2%**.
- In **Japan**, it is estimated that **GDP** will close 2023 with **growth** of **2%** (+0.9% in 2022). Despite the slowdown in the third quarter (-0.7% compared to the previous quarter), Japanese growth was supported by the improvement in foreign trade, which offset a low growth in domestic demand. The labour market continued to record a low **unemployment rate**, averaging **2.6%** per year, while the **inflation rate** rose to **3.3%** compared to 2.5% in 2022.

Financial markets

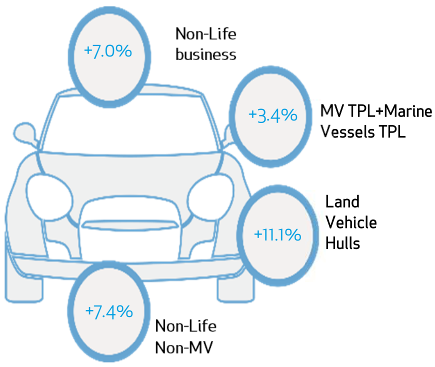
In 2023, the **Fed** raised the **Fed funds rate** by 100 basis points, also continuing the process of downsizing the portfolio of securities purchased during the various quantitative easing programmes. Similarly, the ECB also maintained a restrictive monetary policy. At the end of 2023, the **deposit rate** stood at **4%** from 2% at the end of 2022 while the **refi rate** stood at **4.5%** at the end of 2023, from 2.5% at the end of 2022. The ECB also continued its process of reducing the amount of securities purchased for monetary policy purposes. The **3-month Euribor** rate closed 2023 with an increase to **3.91%**, up by around 177 basis points compared to figures at the end of 2022, while the **10-year Swap** rate decreased during the same period by roughly 70 basis points, closing 2023 at **2.49%**. In Germany, the **10-year Bund** closed 2023 at **2.03%**, down by around 50 basis points on the values at the end of 2022, whilst in Italy the **10-year BTP** closed 2023 at **3.68%**, down 96 basis points. The **10-year spread** between Italian and German rates was therefore **166 basis points** at the end of 2023, down 46 basis points from its value at the end of 2022. The **euro/dollar exchange** rate closed 2023 at $1.10 per euro compared to $1.07 at the end of 2022.

Eurostoxx 50: **+19.2%**	s&P 500: **+24.2%**
Ftse Mib: **+28.0%**	Nikkei: **+28.2%**
DAX **+20.3%**	MSCI EM **+7.0%**

Insurance Sector

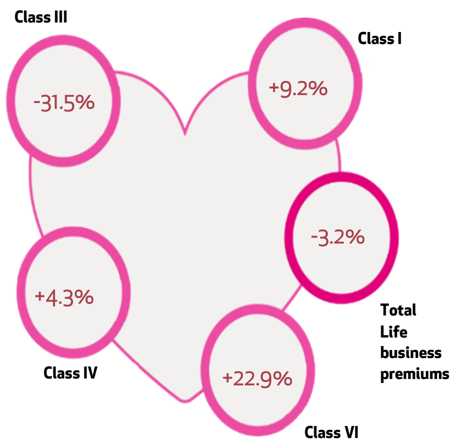
At the end of the **third quarter of 2023**, final figures show premiums in the Italian and non-EU direct business insurance market as close to **€93.9bn**, down 1% compared to the third quarter of 2022. In particular, total **Non-Life** premiums written increased by 6.6% compared to the same period of 2022 and therefore a **year-end growth** of **approximately 7%** is **expected**.

From the latest ANIA surveys for the third quarter of 2023 in the **MV** sector, the total premiums of the classes MV TPL, Marine Vessels TPL and Land Vehicle Hulls grew by 5.2% compared to the same period of the previous year, driven by the positive trend in premiums written for the **MV TPL and Marine Vessels TPL** component (**+3.4%**) and the **Land Vehicle Hulls** component (**+11.1%**). The increase in **MV TPL** premiums benefited from **tariff increases**, translating into an **increase in the average premium**, which stood at **€357** in December 2023 compared to €336 in December 2022, in line with ISTAT surveys on list values (**up by 4.3%**). With regard to the **Non-Life Non-MV** business, at the end of September 2023 premiums recorded **growth** of **7.4%** (Health +12.7%, Property +8.0% and General TPL +8.2%). With regard to distribution channels, the first nine months of 2023 showed a **reduction** in the share of the **agency channel**, confirming the trend already emerging early in the year, with premiums **up** by about **4.7%** compared to the third quarter of 2022 and a total weight of approximately **83.3%**. **Direct channel** premiums were also up (**+4.0%**), as were the **broker** and **banking** channels at **4.3%** and **3.9%**, respectively). In the **Non-MV** segment, the most significant increase in **premiums** was achieved by the **broker channel** (+13.5%), while the **agency channel** recorded an **increase** in premiums of **6.6%**.



With regard to Italian and Non-EU direct **Life business** premiums, Ania recorded total premiums in 2023 **down by 3.2%** compared to the end of 2022, first of all explained by the decline in **Class III** premiums (**-31.5%**) and only partly offset by growth for **Class I** (**+9.2%**). Increases were also recorded in **Class VI** (**+22.9%**) and **Class V** (**+24.1%**) premiums, while **Class IV** premiums decreased (**-4.3%**).

The breakdown of premiums for the distribution channels in the Life business **recorded at the end of 2023** was strongly biased towards the **banking channel**, with a share of **57.5%** of total premiums. As regards the other channels, the **Agents channel** closed with a share of approximately **15.3%**, the **Financial Advisors channel** stood at **13.6%**, while the **Direct and Brokers channel** share was **13.7%**.



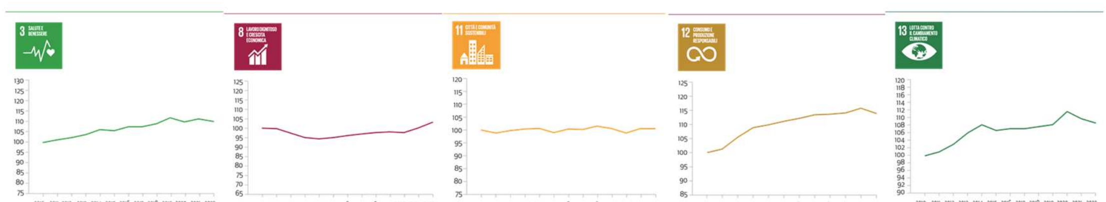
Real Estate market

In 2023, the residential real estate market continued to show solid demand. Nevertheless, according to the Real Estate Market Observatory of the Revenue Agency, in 2023 **house sales fell by a total of 9.2%** compared to 2022, due to the reshaping of state incentives for renovations and repeal of the option to sell tax credits related to works that began after 31 March 2023, in addition to the restriction of offer conditions on mortgages.
In 2023, on average for the 13 major cities, **house prices** recorded **growth of 1.5%**, although the property devaluation phase in real terms continued. Among the major cities, the strongest growth continued to be recorded in Milan (+3.4%). On the other hand, demand for leases remained high, with an average **increase in rents** of 3.3%, and spread across all cities (between +1.2% in Naples and +6.9% in Bologna). In terms of returns, in 2023 the residential market had an average cap rate of 5.26%, up from 5.16% in 2022, and a total return of 6.7%.
In 2023, sales in the **non-residential sector** also recorded a decrease, but to a lesser extent than the residential sector (**-4.2%**). In fact, in the face of a more marked [2] deterioration in the conditions of access to credit for businesses than for households, the sharp increase in public investments in the NRRP continues to support private non-residential investment.

Residential Segment Transactions

Social and environmental scenario

At the midway point on the path defined by the UN General Assembly in September 2015 for achievement of the 2030 Agenda for sustainable development, Italy appears to be “out of line” with the 17 Sustainable Development Goals (SDGs) that it committed to achieving by the end of this decade. For eight Goals there are limited improvements compared to 2010, for another three the indicators are stable, while for the remaining six Goals the situation has even fallen to below that of the year considered as baseline. To complete the picture, the Goals for which regional data are available in many cases show an increase in inequalities between the different areas. Based on the most recent data available, therefore, Italy appears not only far from achieving most of the Goals and Targets set for 2030, but also more unequal and anchored to structural problems, aspects that in recent years have shown no positive “transformative” signs.
Considering the Goals that are a priority commitment for the Group, for Goal 3 (Ensure healthy lives and promote well-being for all at all ages) there was a significant change in 2020, with a reduction in life expectancy. The two years thereafter saw a slight improvement, but not enough to return to 2019 levels. The recovery of the index is mainly slowed by the increase in smoking and sedentary lifestyle, which from 2019 onwards have reversed the positive trend observed previously. The growth in the Goal 8 indicator (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all) also came to a halt in 2020 with the pandemic, but in the two-year period 2021-2022 there was a net increase in the share of gross investments in GDP and a sharp reduction in the share of NEETs, which support improvement in the indicator. For **Goal 11 (Make cities and human settlements inclusive, safe, resilient and sustainable)**, the composite indicator was essentially stable between 2010 and 2022, while for **Goal 12 (Sustainable consumption and production)** 2021 saw a reversal of the trend after eleven years of improved performance, mainly caused by the increase in per capita consumption of materials and the decrease in their circularity. Lastly, for **Goal 13 (Take urgent action to combat climate change and its impacts)** in 2020 there was a drastic reduction in emissions, due to the partial shutdown of economic activities, offset in 2021 and in 2022 by the resumption of these activities, which brings the figure back to 2019 levels.



[2] Source: 2022 ASviS Report (Italian Alliance for Sustainable Development), “Italy and the Sustainable Development Goals”

Main regulatory developments

In 2023, the reference regulatory framework for the sectors in which the Group carries on business saw numerous innovations.

Relevant regulations for the insurance sector

Provisions of particular importance to the insurance sector are contained in Law no. 213/2023 (Budget Law), which envisages the establishment of a Life insurance Guarantee Fund (the "Fund"). The Fund represents an association between insurance companies and intermediaries with the task of intervening to protect those entitled to insurance benefits (up to €100k each) against member companies subject to compulsory liquidation. When fully operational, the Fund will have a financial endowment of at least 0.4% of the total Life business technical provisions (approximately €3bn). This level of financial endowment will have to be reached gradually, by the end of 2035. The percentage contributions to the Fund by the insurance companies will be calculated in proportion to the Life technical provisions and the contributions may take the form of irrevocable payment commitments, for an amount not exceeding 50% of the Fund's financial endowment (raised to 60% when fully operational). Establishment of the Fund represents a strong guarantee for policyholders and should limit the involvement of taxpayers to extreme cases through transfers of public resources in situations of Life insurance company insolvency. The contribution to be paid by the insurance companies will be due from 2024.

Another important change in the Budget Law consists in the introduction of the obligation for all companies, except agricultural companies, to take out an insurance policy against damage to property, plant and equipment (land and buildings, plant and machinery, industrial and commercial equipment) caused by catastrophic events, such as earthquakes, floods, landslides, inundations and overflows. A form of public-private partnership is also introduced in that SACE S.p.A. is authorised to grant coverage under market conditions of up to 50% of indemnities due from the companies in the event of catastrophic events envisaged in the contract. Against an increase in the frequency and severity of catastrophic events recorded in recent years, the new insurance obligation, which will have to be fulfilled by the end of 2024, represents a concrete initiative to increase the resilience of companies to catastrophic events and to fill the current protection gap, in particular affecting small businesses: only 15% of these companies (10-49 employees) have catastrophe insurance coverage.

At EU level, on 16 January 2023 Regulation (EU) 2022/2554 on digital operational resilience for the financial sector (DORA) entered into force, which introduces harmonised requirements for companies operating in the financial sector (including insurance companies) in terms of the management of ICT (Information and Communication Technologies) risk, ICT system resilience testing and management, classification and reporting of ICT incidents. DORA enhances the ICT risk management requirements already established by certain sector regulations and extends them to a broad range of entities, including larger insurance intermediaries, institutions for occupational retirement provision and alternative investment fund managers. One of DORA's main innovations concerns the introduction of supervisory and sanctioning powers also with respect to critical third-party providers of ICT services, obliged to comply with the provisions of DORA and have a permanent presence in the European Union. DORA will apply from 17 January 2025.

Among the new initiatives, note that on 24 May 2023 the European Commission presented a legislative package relating to retail investor protection, known as the Retail Investment Strategy (RIS), with the aim of encouraging retail investors' participation in the capital market, through new rules to mitigate conflicts of interest, combat misleading marketing communications, and increase transparency and Value for Money of the investment products offered to retail customers. The legislative package consists of a proposed Omnibus Directive containing amendments to MIFID II, IDD, Solvency II, AIFMD and the UCITS Directive, and a proposed regulation amending the PRIIPs Regulation. The main provisions contain stricter rules on inducements, including the introduction of a ban on paying/receiving inducements for sales of investment products (including IBIPs) in the absence of advisory services. It is also envisaged that, in the future, Member States and the European Commission will introduce stricter rules on inducements, including a total ban which, if actually adopted, could change the market structure of financial and insurance brokerage. Furthermore, to increase the Value for Money for customers, the RIS requires that ESMA and EIOPA publish benchmarks on the costs of investment products, preventing companies and distributors from marketing investment products that show significant deviations from these benchmarks.

With regard to secondary legislation, on 12 July 2023 IVASS published a consultation paper on Draft requirements and criteria of suitability of corporate officers and key function managers, in order to adapt the IVASS Regulation to the contents of Ministry of Economic Development Decree 88/2022. Following the consultation process, on 5 March 2024 IVASS adopted the definitive version of this measure (n. 142/2024). The main changes concern the establishment of a minimum quota of independent directors for insurance companies and ultimate Italian parent companies (listed and unlisted), set at 25% of members of the administrative body. In addition, corporate officers and key function managers will be required to complete standardised questionnaires that allow the competent body to conduct more specific and detailed suitability assessments than those compliant with previous regulations. In addition, IVASS may require assessed corporate officers to be interviewed in order to assess their actual suitability and compliance with the limits on the total number of offices. The new measure aims to strengthen the quality of the corporate governance system of insurance companies, achieving alignment with the analogous banking regulations.

It should be noted that on 25 September 2023, IVASS issued **Measure 138/2023** amending IVASS Regulation no. 52 of 30 August 2022 containing the implementation methods regarding the right to value trading securities based on the book value in the financial statements of the previous year rather than the realisable value (if lower than the purchase cost). This option, introduced by Decree Law no. 73 of 21 June 2022, was also extended to the entire 2023 financial year by MEF decree of 14 September 2023. Specifically, for the insurance sector, the allocation of an undistributable profit reserve is required in an amount corresponding to the difference between the values recorded and the market values recorded at the end of the reference period, net of the related tax charge. In particular, Measure 138/2023 modified Art. 5 of IVASS Regulation 52/2022, which governs undistributable reserve functioning procedures and also requires adequate reporting on them in the notes to the financial statements. Note that no Group company availed itself of the option envisaged in the aforementioned Regulation with reference to the 2023 financial statements.
In this respect, also note that on 12 March 2024 the Supervisory Authority issued Measure 143/2024 containing “Amendments and additions to IVASS Regulation no. 52/2022 for the implementation of provisions on the temporary suspension of capital losses for short-term securities introduced by Decree Law no. 73 of 21 June 2022”. In essence, this document reintroduces the right to determine the amount of the Undistributable Reserve to be established, also taking into account the effect on existing commitments to policyholders for the financial year and up to five subsequent years, thus deducting the portion attributable to the policyholders.

Lastly, on 6 October 2023 IVASS published a **Draft letter to the market on insurance product oversight and governance** (POG) for consultation, clarifying IVASS regulatory expectations in terms of POG and Value for Money (V4M) with particular reference, in a first phase, to the assessment of value for the customer arising from the product testing phase for insurance-based investment products (IBIPs). IVASS adopts and provides a more detailed breakdown of the EIOPA guidelines on V4M assessment, taking into account evidence acquired through inspections and investigations. IVASS expects a strengthening of the POG policies by insurance companies, an increase in the granular identification of the reference market and allocation of a greater weight to product profitability for the customer in the product evaluation and testing phase. At the date of this report, the consultation periods have concluded and publication of the final measures by IVASS is now pending.

Tax regulations

In 2023, the following regulatory measures were issued:

- Decree Law no. 198 of 29 December 2022 (Milleproroghe 2023) containing “Urgent provisions on legal deadlines”, converted with amendments to Law no. 14 of 24 February 2023. On conversion, the deadline for completing investments in property, plant, equipment and intangible assets and in property, plant and equipment 4.0 “reserved” by 31 December 2022 was extended to 30 November 2023. The deadline for notifying the Tax Authorities of the exercise of alternative options to the tax deduction (invoice discount and factoring) on the expense incurred in 2022 for certain building works carried out on individual property units or on communal parts of buildings was also extended.
- Law Decree no. 11 of 16 February 2023, converted to Law no. 38 of 11 April 2023, containing urgent measures on factoring of receivables arising from tax relief on building works, which introduces limitations to factoring and discounting of the 110% bonus, or new additional subsidised works, and joint liability for factors. This provision also affects UnipolSai as the entity acquiring receivables.
- Decree Law no. 34 of 30 March 2023 (“Bill Decree”), converted into Law no. 56 of 26 May 2023, containing “Urgent provisions to support households and businesses for the purchase of electricity and natural gas, as well as on meeting health and tax obligations”. The recognition of tax credits for electricity and natural gas was also confirmed for the second quarter of 2023, albeit with reduced rates, which may be used on their own or sold in full to other parties, including financial intermediaries and insurance companies. Extensions are also established as well as some updates, including in the criminal tax arena, to the Tax Peace regulations pursuant to Law no. 197/2022.
- Decree Law no. 48 of 4 May 2023 (Labour Decree), converted by Law no. 85 of 3 July 2023, which in particular envisages an increase in the substitute tax rate on Life business mathematical provisions for 2022 to 0.60% and for subsequent years to 0.50%. Only for

2023, it was also established that the tax exemption of fringe benefits for employees with dependent children would be increased to €3k.

- Law Decree no. 61 of 1 June 2023 (Floods Decree) converted into Law no. 100 of 31 July 2023, containing "Urgent action to deal with the emergency caused by the flood events that occurred starting from 1 May 2023", which envisages the suspension of certain deadlines, tax and non-tax, for taxpayers who at 1 May 2023 were resident or had their registered office or operational headquarters in the areas affected and specifically identified.
- Law no. 111 of 9 August 2023 containing the "Delegation to the Government for tax reform" to be implemented through the issue of legislative decrees. The provisions of most interest include:
  - the implementation of the first IRPEF reform module, which establishes a reduction of the rates by brackets from 4 to 3 for 2024 only and the repeal of the ACE starting from 2024 (Italian Legislative Decree no. 216 of 30 December 2023);
  - the new cooperative compliance system, with strengthening of the bonus effects related to adoption (Italian Legislative Decree no. 221 of 30 December 2023).
- Decree Law no. 145 of 18 October 2023 (Advances Decree), converted into Law no. 191 of 15 December 2023, containing "Urgent measures on economic and tax matters, in favour of local authorities, to protect employment and for non-postponable needs" which establishes a new method for determining the fringe benefit for loans to employees, a further extension of terms for the repayment of the unduly offset research and development tax credit and the strengthening of investments in Individual Savings Plans (PIR).
- Decree Law no. 212 of 29 December 2023 (Save Expenses Decree) containing urgent measures relating to the tax concessions referred to in Articles 119, 119-ter and 121 of Law Decree no. 34 of 19 May 2020, converted with amendments to Law no. 77 of 17 July 2020 which, in the event of failure to complete building works, introduces a safeguard clause for the 110% Bonus tax credits acquired on the basis of work progress reports.
- Law no. 213 of 30 December 2023 containing "State budget for 2024 and long-term budget for the three-year period" (Budget Law 2024). The provisions of interest, in force from 2024, include:
  - an increase in the threshold of non-taxable fringe benefits for employees;
  - a prohibition against offsetting tax credits on form F24, in the presence of overdue positions relating to revenue taxes or enforceable assessments, for total amounts exceeding €100k;
  - the introduction of withholding tax on commissions paid to insurance agents;
  - the deferral of deductible surpluses deriving from impairment on receivables of credit and financial institutions and insurance companies.

Other regulations

On 31 July 2023, the European Commission adopted Delegated Regulation (EU) 2023/2772, which introduces the first set of European sustainability standards (**European Sustainability Reporting Standard - ESRS**), in implementation of Directive (EU) 2022/2464 (CSRD), which requires large companies and listed companies to publish information on the risks and opportunities deriving from social and environmental factors, as well as the impact of their activities on people and the environment ("double materiality"). The ESRSs will constitute mandatory standards for corporate sustainability reporting, with the aim of ensuring greater availability and comparability of this information, and will apply to financial years beginning on or after 1 January 2024.

Lastly, note that on 22 December 2023 **Regulation (EU) 2023/2854 on harmonised rules on fair access to and use of data (Data Act)** was published in the Official Journal of the European Union. The Data Act governs access to and the sharing, portability and use of all data, personal and non-personal, introducing the right of users (businesses or consumers) that generate data through IoT (Internet of Things) products or related services that they own, rent or lease, to access promptly and free of charge the data generated by the use of such related products or services. Furthermore, users are afforded the right to authorise the data controller (e.g. IoT device manufacturer) to provide data access to third-party service providers: for example, the owner of a vehicle may wish to share the data generated through the use of the car with an insurance company. The objective of the Data Act is to improve data availability for companies, boost competition and create the conditions for the development of a data-driven economy, while protecting the industrial secrets and intellectual property rights of companies.

Future orientation in the use of capital

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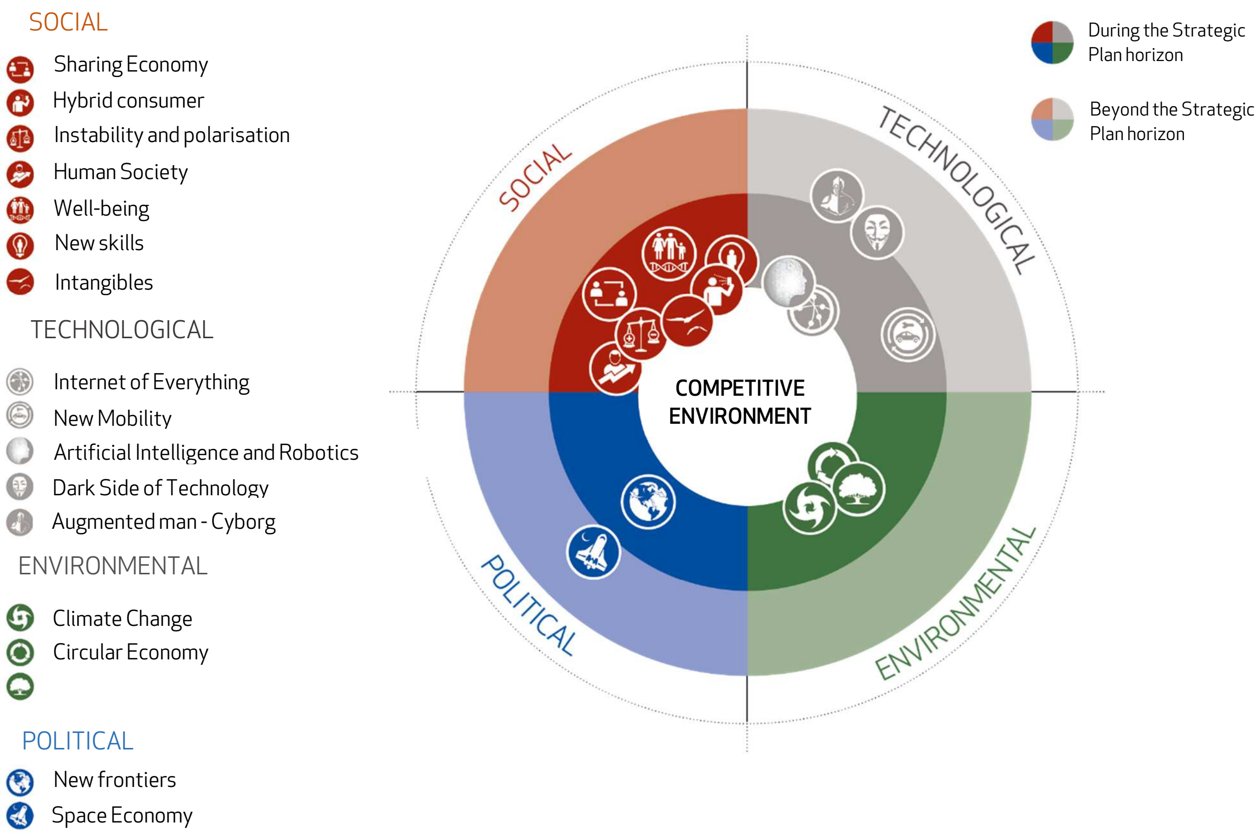
The Reputational & Emerging Risk Observatory allows Unipol to listen in a structured manner to signs of external environmental change, providing fundamental support to the Group's strategic planning.

To provide a medium/long-term, forward-looking vision, the Observatory uses a predictive model based on the Meeting Point theory, which anticipates future trends according to different time frames, from six months to five years, and methodologies based on futures studies, which explore longer time windows, from 10 to 20 years. The use of long-term scenario analyses aims to strengthen the resilience of the Group's strategy in an external context characterised by increasing levels of complexity and uncertainty.

The Group's Emerging Trend Radar maps the macro trends of changes in the external context identified by the Reputational & Emerging Risk Observatory.

As part of the Radar, every Macro trend is classified according to:

- its prevalent nature: the radar is divided into four quadrants corresponding to the four dimensions of the external environment: Social, Technological, Environmental and Political (STEP);
- its level of maturity: the innermost circle of the radar includes the Macro trends material to the insurance sector in the time horizon of the Strategic Plan and in the outermost circle the Macro trends that will become material over a longer period.



The strategic and proactive approach for the management of emerging and reputational risks considers not only the size of the risk, but also that of the opportunity. It aims to protect the Group's reputation and strategy, but at the same time contribute to the construction and strengthening of the reputational asset and strategic positioning.

Digitalisation and sustainability are confirmed as the main drivers of innovation in the insurance sector, giving rise to specific opportunities and risks. In fact, a dual transition is taking place, which must be addressed and guided with sound governance: on the one hand, the digital transition, paying particular attention to the resilience of enabling infrastructures, the transformation of cyber security, the development of new skills and ethics issues relating to the responsible use of data and technology, also with reference to the acceleration of Artificial Intelligence development; on the other hand, the transition of the economy towards a green, nature-positive, sustainable and inclusive model.

SOCIAL

	RISKS	OPPORTUNITIES	MAIN RESPONSES
HYBRID CONSUMER	• Increase in lack of customer loyalty • Competition from new players and new channels • Increased cyber risk due to increasing digitalisation	• Integrated multi-channel and multi-access strategy • Continuous relationships with customers and improved customer experience • Provision of 360° service	• Omnichannel evolution of the distribution model • Strengthening of value-added services and distinctive Customer Experience • Enhancement of bancassurance and partnerships
WELL-BEING	• Increase in chronic and mental illnesses and the morbidity rate • Inaccessibility of healthcare and welfare for the most vulnerable segments of the population • Risk linked to transparent and responsible use of data	• Complementary to the Government for welfare system management • Preventive and predictive diagnostics services • Improvement in risk profiling and encouragement of healthier lifestyles thanks to technology	• Leveraging of the UniSalute centre of excellence • Evolution of the Welfare ecosystem (new welfare offer integrated with health centres, well-aging services, digital health services including telemedicine)
INSTABILITY AND POLARISATION	• Under-insurance • Rising fraud • Competitive pressure on prices • Social tension	• Offer of low-cost cover and payment in instalments • Active commitment to financial inclusion and social cohesion	• Monthly splitting of premiums • Tools for protecting standards of living • Contribution to the development of the insurance and risk management culture
HUMAN SOCIETY	• Unsustainability of the demographic pyramid and family structure • Low appeal for new generations	• Offer personalisation • Insurance as a planning tool throughout the life cycle • Emerging segments	• Evolution of welfare offer in a Life-Cycle logic • Data & Analytics as a lever for personalisation • Sales force specialisation
SHARING ECONOMY	• Reduction in the insurance base and business transformation • Changeover in customer type (from B2C to B2B) • Unbrokeraging	• Role of insurance in favouring a climate of trust between parties • New forms of insurance for new consumption models	• Policies with a pay-per-use approach • Long-term rental and new mobility solutions
NEW SKILLS	• Lack of a timely response to emerging trends • Disappearance of the vertical division between sectors • *Skills mismatch* • Increase in social polarisation	• Evolution of organisational models • Partnerships and cooperation with other sectors and start-ups • Development of human capital	• UNICA Corporate Academy • Leithà • Development of "Beyond Insurance" • Injection of new skills and generational turnover • Digital transformation paths
INTANGIBLES	• Growth in ESG risks • Increase in reputational risk • Data ethics	• Development of products and services for intangible assets	• Reputation Management System • Inclusion of sustainability KPIs in the MBO system • Integration of sustainability into the Group's strategies

TECHNOLOGICAL

	RISKS	OPPORTUNITIES	MAIN RESPONSES
INTERNET OF EVERYTHING	• Loss of oversight over data and customer relationships • Difficulty of attracting and retaining resources specialised in Big Data management • Cyber risk and privacy risk • Digital dependency and breakdown of	• Evolution from "Payer" to "Partner and Preventer" • Optimisation of claims management and combating fraud • Personalised, predictive and dynamic pricing	• Leadership in telematics for mobility • Widespread and advanced use of Data & Analytics to consolidate technical and distribution excellence
NEW MOBILITY	• Reduction of the vehicle fleet for the evolution of mobility from auto-centric to "Mobility-as-a-Service" • Evolution of the insurance contract due to the evolution of the concept of liability • Cyber risk	• Development of new products and services oriented towards new mobility (multimodal mobility, assisted driving up to automatic driving) • Active role in the improvement of road safety	• Mobility Ecosystem: point of reference, not only in insurance, for private mobility needs (long-term rental, mobile payment services, micro-mobility, new devices, partnerships)
ARTIFICIAL INTELLIGENCE AND ROBOTICS	• Disappearance of some jobs and the birth of new ones • Need for retraining of human resources • Data ethics • Cyber risk	• Continuous personalisation of products and services • Process simplification and optimisation	• Development of data-driven algorithms and process automation • Orientation of skills towards higher value-added activities • Dissemination of GenAI skills and solutions
DARK SIDE OF TECHNOLOGY	• Cyber risk and privacy risk • Social impact in terms of the illnesses, addiction, distractions and disinformation	• Distinctive positioning as a "trustworthy" player	• Cyber risk product • Instruments to raise awareness on the risks of distracted driving • Responsible use of data
AUGMENTED MAN CYBORG	• Cyber risk and privacy risk • Complexity in the assessment of new risks	• Customer experience • Training • Strengthening of underwriting and claims management processes	• Monitoring of phenomenon destined to become significant beyond the Plan horizon

ENVIRONMENTAL

	RISKS	OPPORTUNITIES	MAIN RESPONSES
CLIMATE CHANGE	• Physical risks (acute and chronic) • Transition risks	• Contribution to the creation of a mixed public/private system • Development of products and services for adaptation to and mitigation of climate change	• Adoption of the climate strategy • LIFE DERRIS and LIFE ADA • Development and adoption of models for climate risk • Green Bonds and Thematic Investments
CIRCULAR ECONOMY	• Transition risks	• Circular rethinking of business models • Contribution to the transition through investment, underwriting and education activities	• Environmental qualification of the claims management process with a view to circularity
NATURE AND BIODIVERSITY	• Risk of biodiversity loss	• Support for the transition to a "Nature-positive" economy	• Initiatives for the protection and restoration of biodiversity

POLITICAL

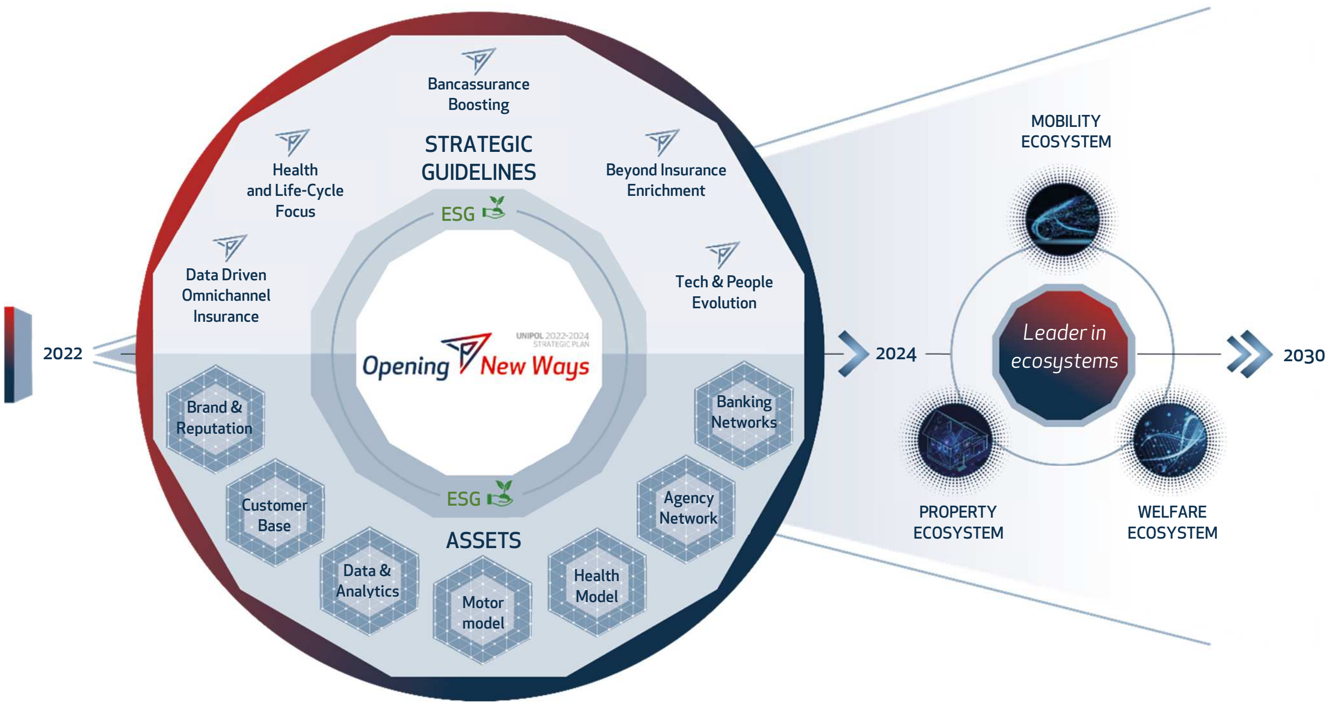
	RISKS	OPPORTUNITIES	MAIN RESPONSES
NEW FRONTIERS	• Geopolitical instability and impacts on the supply chain • Pandemic risk • Need for new skills • Cyber risk	• Growth and diversification of risks • Aggregation processes and strategic partnerships	• Investment diversification policies to monitor risks also in light of the current context and to seize opportunities
SPACE ECONOMY	• Risk of breakdown of critical infrastructures due to cosmic threats (e.g. solar storms)	• Sophistication of products with space-related technologies • Space economy products and services	• Exploration of space-based big data integration opportunities for climate and territory monitoring and service sophistication

NFS

"Opening New Ways": 2022-2024 strategies

2023 was the second year of execution of the "Opening New Ways" 2022-2024 Strategic Plan, with which Unipol Gruppo pursues the key objective of strengthening its market positioning and continuing to "open new ways" in Mobility, Welfare and Property ecosystems and in Bancassurance. This is associated with maintaining a strong focus and constant commitment to the Sustainable Development Goals of the UN 2023 Agenda and consolidation of the role that the Group can play in supporting the achievement of these objectives at community level.
The Group's strategy in 2023, despite being part of a context of rapid and impactful changes, remained firmly based on the distinctive assets identified when drawing up the Strategic Plan and envisaged further development of the **five strategic guidelines** mentioned below:

1. "Data Driven Omnichannel Insurance", to consolidate the Group's technical and distribution excellence through increasingly intensive use of Data and Analytics and develop a new platform for the insurance offering aimed at natural persons, strengthening the effectiveness of the first national agency network and completing the omnichannel evolution of the distribution model;
2. "Health and Life-Cycle Focus", with a view to strengthening leadership in Healthcare by leveraging the UniSalute centre of excellence supporting all of the Group's Distribution Networks and offering Life products from a Life-Cycle perspective and with the optimisation of capital absorption;
3. "Bancassurance Boosting", to strengthen the bancassurance business model, drawing on the Group's distinctive capabilities for the benefit of its various banking partners;
4. "Beyond Insurance Enrichment", to accelerate the evolution of the Group's offer by further extending the Mobility ecosystem and reinforcing the Welfare and Property ecosystems;
5. "Tech & People Evolution", to guide the digital evolution of the operating model through the intensive use of new technologies, data, automation and the evolution of the organisation.



For each of the three ecosystems, a summary of the initiatives envisaged in the new Strategic Plan and some of the main results achieved in the first two years of the plan, from insurance and Beyond Insurance points of view, are presented below.
The **Mobility ecosystem** is based on the objectives of developing pricing and underwriting algorithms, evolution of the settlement model for the management of injuries, performance of settlement networks, full use of the direct and affiliated network for direct repair, adoption of electronic solutions to support emissions reduction.
For Mobility, the Group will be an all-round partner, consolidating its positioning throughout the mobility life cycle, in particular through UnipolRental (long-term rental) and UnipolMove (electronic toll collection and mobile payments).
Initiatives of particular importance for 2023 include:

- adoption of tariff review measures aimed at maintaining adequate levels of development and margins, to cope with a constantly evolving context and, in operating terms, the objective of pursuing technical excellence in the Non-Life MV classes;
- dissemination of the monthly splitting of premiums, at no additional cost, for all the main policy types;
- integration through merger by incorporation of SIFA' - Società Italiana Flotte Aziendali SpA (part of the BPER Group) into UnipolRental SpA, a transaction aimed at creating a nationally important operator in the long-term rental sector and expanding the promotion potential of mobility services from UnipolSai agencies to the network of BPER Group's bank branches.

In the three-year period of the Plan, the **Welfare ecosystem** aims to strengthen the Group's leadership in the Health area through innovation of the supply and distribution models, as well as to offer Life products from a Life-Cycle perspective. Initiatives of particular importance for 2023 include:

- strengthening of UniSalute as a centre of excellence in the Health sector, with full extension of the scope of operations to the agency, banking and digital channels;
- expansion of the life-cycle offer;
- launch of campaigns to raise awareness on the culture of prevention;
- boost to the development and direct management of a network of health centres, with a view to becoming a point of reference in the private healthcare sector, with the acquisition of Santagostino Medical Centres, their integration with Dyadea and further expansion of the network through new openings.

Over the course of the Plan, the *Property ecosystem* envisages widespread and advanced use of Data and Analytics to consolidate the Group's technical and distribution excellence, the evolution of pricing and underwriting algorithms, the adoption of forms of direct repair and development of projects, products and services to support the resilience of SMEs and agricultural businesses to climate change. The main initiatives launched or continued in 2023 include:

- continued improvement of Non-Life Non-MV portfolio management efficiency;
- pursuit of synergies at Group level, mainly in settlement.

In the **distribution area**, in 2023 the Group continued its actions to consolidate and grow the agency network, the linchpin of the Strategic Plan strategy, strengthening the partnership with the signing of the 3.0 Agreement, which introduces the integrated omnichannel model, confirms the principles of sharing profit margins and business development, seeking full leveraging of the data agreement.
The bancassurance business model continued and was further strengthened in terms of industrial and corporate partnership, with the increase in the Group's equity investment in Banca Popolare di Sondrio and development of the offer in terms of ecosystems. In addition, as part of the partnership agreement with BPER and BPSO, in 2023 actions were carried out on the offer and distribution model.

Note that, with respect to the **"Tech & People Evolution" Plan guideline**, in 2023 the voluntary early retirement scheme continued for employees who meet the pension requirements by the end of 2027, marking the completion of an action considered strategic in terms of generational renewal and cost reduction.
In the period 2022-2023, tech investments were made for approximately €300m for the development of new platforms and digitalisation.
The 2022-2024 Plan and its implementation in 2023 renew the Unipol Group's priority commitment to contributing to achievement of the following SDGs: Goal 3 "Good health and well-being", Goal 8 "Decent work and economic growth", Goal 11 "Sustainable cities and communities", Goal 12 "Responsible consumption and production" and Goal 13 "Climate action".

The Unipol Group's climate strategy

TCFD NFS

In June 2023, the Board of Directors of Unipol Gruppo adopted an updated version of the **Unipol Group strategy on climate change** approved in 2022, which is an annex to the **Sustainability Policy. I**n line with the Target Setting Protocol of the Net-Zero Asset Owner Alliance, Unipol has set the intermediate sustainability targets for 2030 for its financial investment portfolio. The main commitments undertaken by the Group in its three key action areas are described below:

- **Real estate development and management activities**
  The Group is committed to **a 46.2% reduction by the end of 2030** in Scope 1 and 2 emissions linked to consumption of electricity, gas and other energy sources for all buildings over which the Group has direct control, from the operating sites and those of the diversified companies to the real estate where Gruppo UNA operates and the foreign sites, as well as the Group's vehicle fleet for employees, in line with climate science and in particular with the scenario of limiting the increase in the global average temperature to below 1.5°C.

- **Investment activities**
  - Unipol undertakes to **reduce by 50% by 2030**, compared to 30 September 2022, the carbon intensity[3] of its directly managed portfolios of listed equities and publicly traded corporate bonds. The commitment to reduce carbon intensity concerns the Scope 1 and 2 emissions of the companies in scope. In 2023, emissions calculated according to the Carbon to Value invested (C/V) metric decreased by 21.1% compared to 2022;
  - to support the achievement of the above target, the Group is committed to carrying out engagement activities with the 20 companies that generate the highest Scope 1 and 2 emissions;
  - Unipol has set itself the target of reaching €1.3bn in thematic investments for the SDGs in 2024, including those to combat climate change and protect the environment, terrestrial, marine and freshwater ecosystems (such as investments in renewable energy and environmental efficiency, sustainable mobility, water, sustainable forest management, organic agriculture and eco-innovation), starting from the €862.2m invested at the end of 2021. In 2023, thematic investments for the SDGs amounted to €1.439bn, exceeding the set target.

- **Underwriting activities**
  Unipol strives to develop a range of insurance products and services to support customers in mitigating and adapting to climate change. As part of the 2022-2024 Strategic Plan, the Group decided to set a **target connected to the incidence of products with social and environmental value, establishing a 30% target to be reached by the end of 2024**. In 2023, solutions that integrate economic growth and social and environmental value reached 27.6% of total direct premiums for Non-Life and Life products (for more details see the chapter "Sustainable Development: the impacts generated by the Unipol Group")

[3] Considered as the total emissions induced by the portfolio (in tCO_2eq) on the value of that portfolio (in €m) using the Carbon to Value invested (C/V) metric

Materiality assessment: approach and results

TCFD NFS

In 2023, Unipol updated the materiality assessment on sustainability issues, also based on the stresses deriving from developments in the sustainability reporting regulations.
Consistent with previous years, for 2023 the reporting standards adopted are GRI, with consequent methodological reference to the "**GRI 3: Material Topics 2021**" standard, which defines the process by which an organisation defines "material topics" for its own reporting, with a focus on the extent of impacts generated by the organisation on the environment and on people ("impact materiality"). The material issues that emerged from the impact materiality guided the non-financial reporting for 2023 and were treated consistently with the GRI Standards.
Already in 2022 Unipol, with the EU institutions' approval of the Corporate Sustainability Reporting Directive (CSRD), carried out a first preliminary exercise with a view to approaching the 'double relevance' analysis process, which will be in place from the 2024 reporting onwards. The "**double materiality**", as required by the "European Sustainability Reporting Standards" (particularly "**ESRS 1 - General Requirements**"), integrates the impact materiality with the view of risks and opportunities associated with sustainability issues that generate or could generate significant financial effects for the company ("financial materiality").
During 2023, EFRAG published content that, though non-binding and not definitive, is useful for understanding the Commission's expectations with respect to the double materiality assessment: primarily the "Implementation guidance for the materiality assessment", accompanied by the "Implementation guidance on value chain (VCIG)". The indications contained in these documents were taken into account in conducting the preliminary exercise mentioned above..

The process starts with updating of the sustainability issues to be considered which, in the 2023 edition, referred to the issues on which the EFRAG reporting standards are developed. With a view to an overall and transversal vision of the issues, as well as the simplification and alignment with CSRD expectations, in this phase the impacts, risks and opportunities referring to sector-agnostic terms were assessed in relation to the specific nature of the insurance business (for example: with regard to the topic of consumers and end users, and in particular the sub-topic of their social inclusion, the impacts, risks and opportunities relating to demographic changes, social evolution, polarisation of the social and economic context). The issues envisaged in the reporting standards were then supplemented with issues specific to the Group's operating sector and modus operandi, where reconciliation is not effective in understanding their materiality. As a result, the positive and negative impacts, current and potential risks and opportunities associated with each of the topics were outlined.
To this end, numerous external sources were considered, both general (for example: the reporting standards mentioned above, the contributions of international initiatives such as the UN Global Compact, IPCC, WEF, TCFD and TNFD), and financial and insurance sector-specific (such as UN PRI, UNEP-FI PSI commitments and papers, as well as the EU regulatory corpus on sustainable finance). The analysis was integrated with sources produced internally, such as the **Reputational & Emerging Risk Observatory** and the reputational surveys conducted by RepTrak®.

The update of the **impact materiality** assessment was carried out with stakeholder engagement; in particular, the Group **involved the Unipol Regional Councils**, bodies through which Unipol groups together stakeholders representing economic, social and environmental interests, with the common goal of developing sustainable area projects. In this way, over forty representatives of trade unions, employers' associations, cooperatives, third sector entities, environmental associations from sixteen regions and one Autonomous Province participated in the assessment. This made it possible to collect informed assessments from entities that represent the main stakeholders with whom the Group has constant relations and that are directly aware of the Group's situation and its work in the various areas. This assessment was integrated with that of the internal functions, including the insurance sector, ecosystems and the diversified companies.

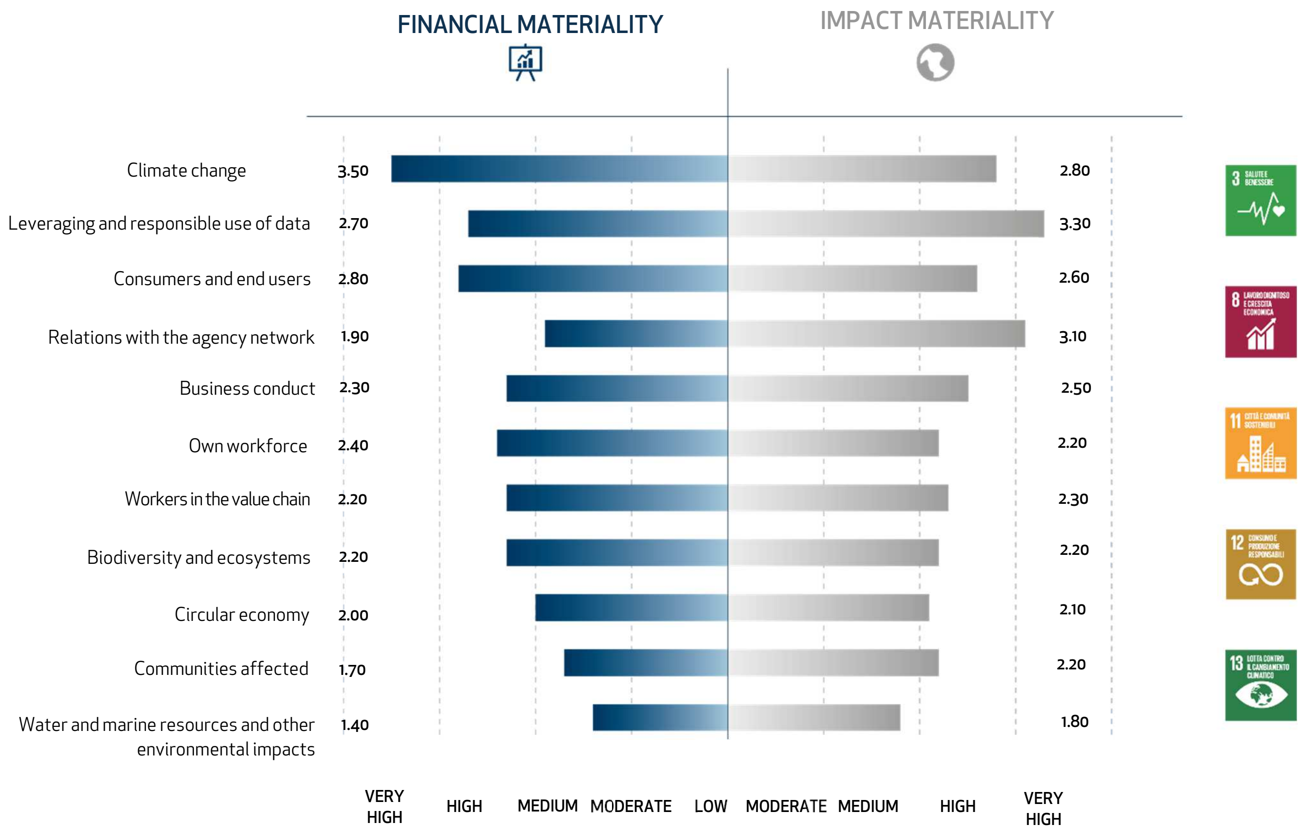
With regard to **financial materiality**, analysis conducted in addition to that required by the GRI Standards, the evidence of which is therefore not subject to limited assurance, in 2023 Unipol implemented a project to specifically introduce an assessment process for potential exposure to sustainability risks considered priorities, including risks from acute, chronic and transitional climate change, demographic changes, cyber risk and biodiversity loss. This process made it possible to identify the risk drivers and understand the transmission channels of the potential impacts of emerging ESG risks within the different companies included in the risk management and monitoring system (ERM), and to assess major exposures to the main traditional risk categories, such as non-life and health technical-insurance risk, life technical-insurance risk, market risk, operational risk, strategic risk and reputational risk, to the components of emerging risks. The project made it possible for the Group to have a system for prioritising exposures through construction of the Heatmap of Emerging ESG Risks. For further details on the sustainability risk assessment project, see the paragraph "Monitoring of Emerging Risks" in the "Internal Control and Risk Management System" chapter.

The materiality of risks and opportunities was also determined by integrating an external view into the internal view. In particular:

- interviews were conducted with Unipol investors, to gain an understanding of the sustainability aspects actually considered in investment decisions and in assessing the Group's performance;
- the assessment methodologies and feedback provided to the Group in the sustainability rating processes were analysed, as were the priorities indicated by the main trend and risk observers, both general and sector-specific.

The assessment results represented graphically through a list of topics, in decreasing order of their overall materiality (impact and financial). For each topic, a double histogram highlights the materiality of the topic in terms of impacts generated or that could be generated, and from the point of view of actual or potential effects of the related risks and opportunities. The numbers from 1 to 5 represent the qualitative-quantitative scale used for the impact and financial materiality assessments carried out with the involvement of internal players and external stakeholders.
For a more effective understanding of the assessment and its results, a table is also provided which, for the top five topics of greatest overall materiality, presents some of the main impacts, risks and opportunities analysed and returns their assessment in terms of impact materiality and financial materiality.
The approach adopted in the materiality assessment is consistent with European Commission requirements, when assessing materiality of information, to consider: business model, strategy and main risks; main sectoral issues; interests and expectations of stakeholders; impact of activities; public policies and regulatory drivers; the results of the assessment therefore guide the contents reported in the Integrated Annual Report.
The Board of Directors approved the results of the materiality assessment.
In addition to listening aimed at updating the materiality assessment, the Group implements actions to directly engage stakeholders, through listening activities and continuous and structured relationships, to understand and respond effectively to the requests of customers, employees, agents, business partners, investors, institutions and the community.

DOUBLE MATERIALITY

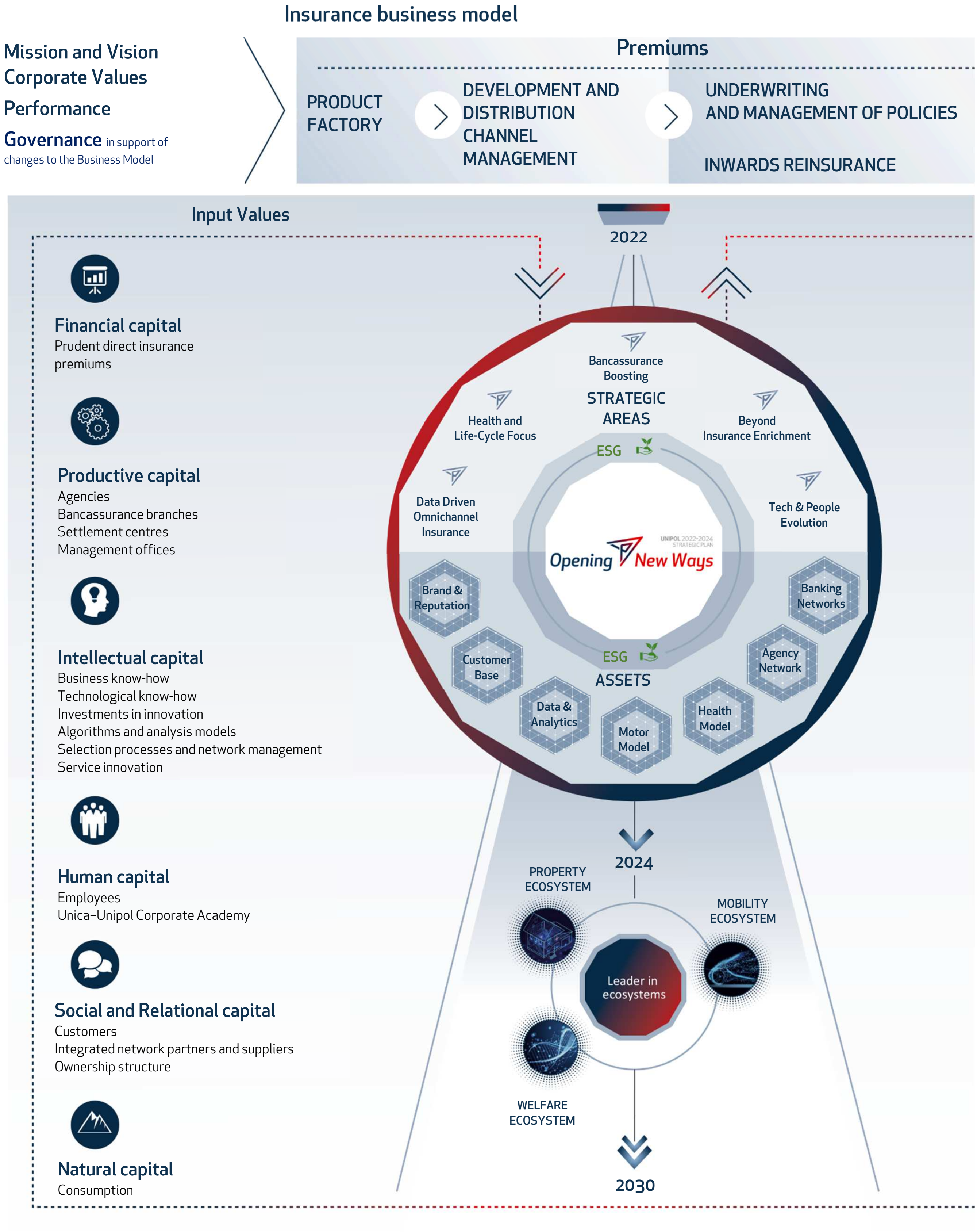


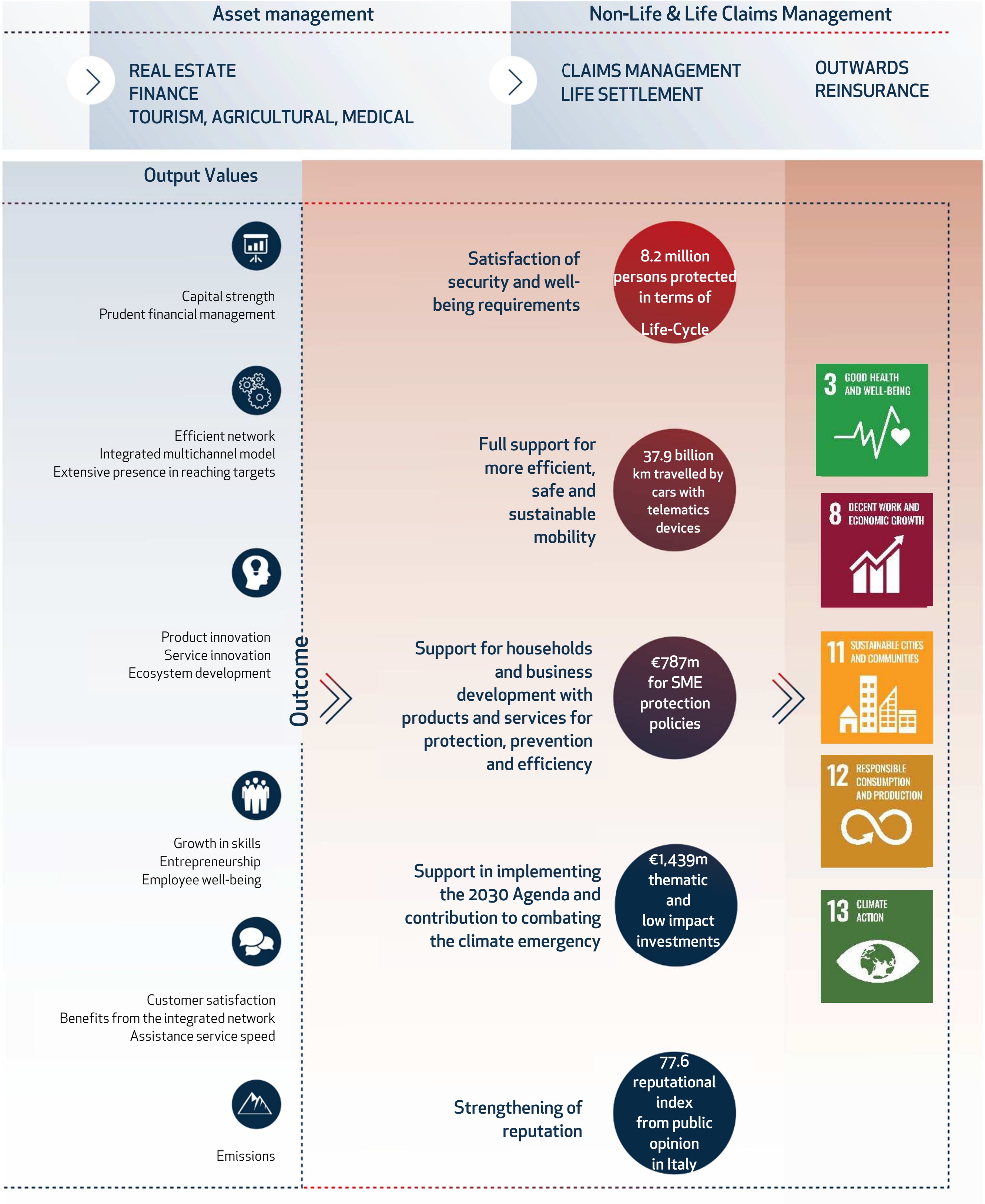
MAIN IMPACTS GENERATED AND FINANCIAL EFFECTS

Material topic		Main positive and negative impacts	Degree of impact		Main financial effects (risks and opportunities)	Degree of impact
Climate change	+	Contribution to increasing society's awareness of climate change issues.	MEDIUM	+	Products and services for climate change adaptation (e.g., to support the resilience of people and businesses)	VERY HIGH
	-	Lack of protection against climate change of business sectors/companies/people, due to limits in the possibility of offering coverage to ensure the most comprehensive sustainability of Insurance Companies, also given the poor willingness of a company to adopt adaptation measures	HIGH	-	Greater technical and credit risk due to increased frequency and seriousness of claims linked to the consequences of climate change	VERY HIGH
Leveraging and responsible use of data	+	Improvement of road safety through the use of telematics, which guides more virtuous driving behaviour and facilitates action in the event of a claim	VERY HIGH	+	Combating fraud through the use of data and telematics	HIGH
	-	Loss, improper disclosure, improper use of customer data	MEDIUM	-	Increased vulnerability of IT systems to outside attacks	HIGH
Consumers and end users	+	Support for customers through rapid settlement of claims	VERY HIGH	+	Strengthening trust and loyalty (also through direct repairs, increase in the range of services, etc.)	VERY HIGH
	-	Reduced consumer access to products and services due to limited insurability on certain categories or certain risks, for example due to a situation of personal or geographic vulnerability	MEDIUM	-	Risks related to demographic changes, with particular reference to the aging and decline in the population and the appeal to different generations and cultures.	MEDIUM
Relations with the agency network	+	Increase in agent skills through training opportunities	VERY HIGH	+	Rooting and authority of the agency network as a driving force for expanding the offer of ecosystems	MEDIUM
	-	Downsizing of the role and opportunities for the Group's agencies in an area due to the enhancement of digital channels	MEDIUM	-	Decline in employment in specific roles and skills mismatches in reference to the agency network	MEDIUM
Business conduct	+	Promotion of legality and mitigation of the risk of corruption through adequate control and monitoring systems put in place by the Group in all its activities	HIGH	+	Establishment of partnerships/relationships of fairness and transparency, with a positive impact on the quality of supplies and service	LOW
	-	Negative impact on choices for consumers, price increases and/or reduced quality of services and goods provided, due to anti-competitive conduct adopted by the Group together with other operators in the sector	MEDIUM	-	Difficulty in adapting to legislative and regulatory developments, with particular reference to emerging issues such as climate change, risks of biodiversity and nature-related loss and artificial intelligence	LOW

The creation of value

NFS




Asset management
Non-Life & Life Claims Management
REAL ESTATE
FINANCE
TOURISM, AGRICULTURAL, MEDICAL
CLAIMS MANAGEMENT
LIFE SETTLEMENT
OUTWARDS REINSURANCE
Output Values
Capital strength
Prudent financial management
Efficient network
Integrated multichannel model
Extensive presence in reaching targets
Product innovation
Service innovation
Ecosystem development
Growth in skills
Entrepreneurship
Employee well-being
Customer satisfaction
Benefits from the integrated network
Assistance service speed
Emissions
Outcome
Satisfaction of security and well-being requirements
8.2 million persons protected in terms of Life-Cycle
Full support for more efficient, safe and sustainable mobility
37.9 billion km travelled by cars with telematics devices
Support for households and business development with products and services for protection, prevention and efficiency
€787m for SME protection policies
Support in implementing the 2030 Agenda and contribution to combating the climate emergency
€1,439m thematic and low impact investments
Strengthening of reputation
77.6 reputational index from public opinion in Italy
3 GOOD HEALTH AND WELL-BEING
8 DECENT WORK AND ECONOMIC GROWTH
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Capital performance

TCFD NFS

Financial Capital

Unipol's capital management strategy focuses on structurally sustaining financial returns in the medium and long term by means of policies that allow for the maintenance of an adequate level of solvency.
In 2023, the Unipol Group reached a Solvency II ratio (calculated on the basis of the Partial Internal Model) of 2.15[4] (2.00 in 2022).

In quantitative terms, the Group's Risk Appetite is determined based on the following elements: capital at risk, capital adequacy and liquidity ratios. Quality objectives are defined in reference to compliance, emerging, strategic, reputational, ESG, operational and IT risks. By means of prudent management again in 2023, the Unipol Group continued to diversify its investment asset allocation and maintain a stable level of liquidity sufficient to meet the operational requirements of the Group companies.

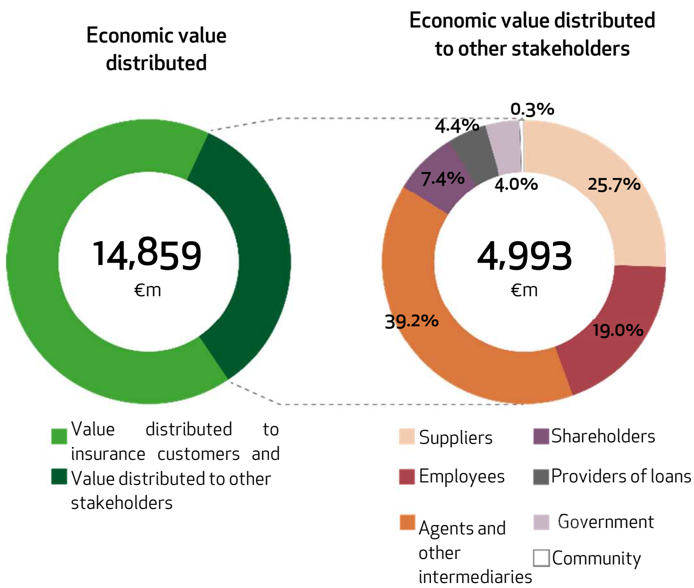
The Group's responsible investment strategy is defined in the "Guidelines for responsible investing"[5], the updated version of which was approved by the Board of Directors in December 2023 and became effective from January 2024.
The Guidelines envisage ex-ante integration of ESG Factors into the decision-making processes for financial investments, with reference to the Non-Life, Free Capital and Class C Life Portfolios, through the ESG strategies of (i) ESG screening of issuers in each environmental, social and governance area, (ii) conduct-based and product-based selective exclusions, (iii) bilateral and/or collective engagement activities.
Since 2017, the Group has adopted the UN Principles for Responsible Investment (UN PRI).

Equity in the distribution of the value created

The distribution to stakeholders of the value generated is calculated according to the GRI 201 Standard of the Global Reporting Initiative, applied so as to capture the characteristics typical of the insurance and diversified business of the Unipol Group.

The "Direct economic value generated" (€15,713m) is calculated from insurance revenues and those typical of the diversified companies, added to which are the income from financial and real estate investments (including the valuation component) and commission income (all items taken from the Group Consolidated Income Statement).

The economic value generated in this way was mainly distributed (for €9,866m) to insurance customers and reinsurers.



For further details on Financial Capital, please refer to the "Appendix - Unipol in numbers".

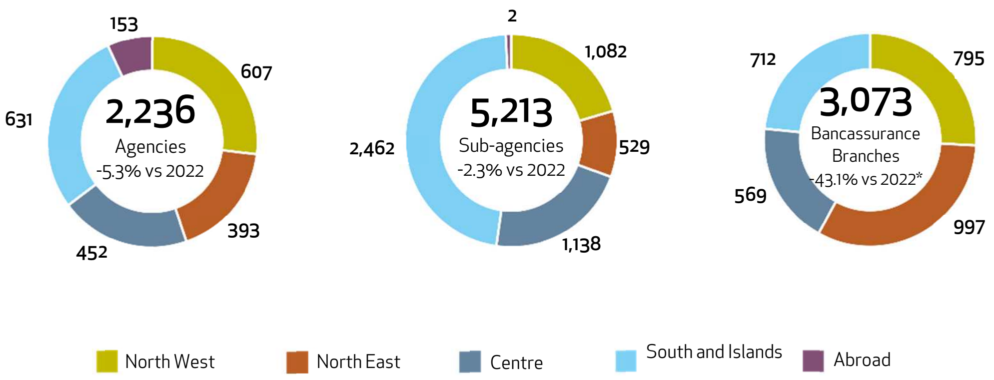
[4] Value calculated on the basis of the information available as of today. The definitive results will be reported to the Supervisory Authority with the timing required by regulations in force.
[5] Presented in detail in the "The monitoring of environmental, social and governance risks" section.

Productive Capital

The distribution network

The Group covers Italy through an extensive network of agencies and sub-agencies, in addition to 470 brokerage firms and points of sale that are part of the bancassurance partnership.

Local Distribution Network



* The significant change in the number of Bancassurance branches is attributable to the sale of Incontra on 30 November 2023.

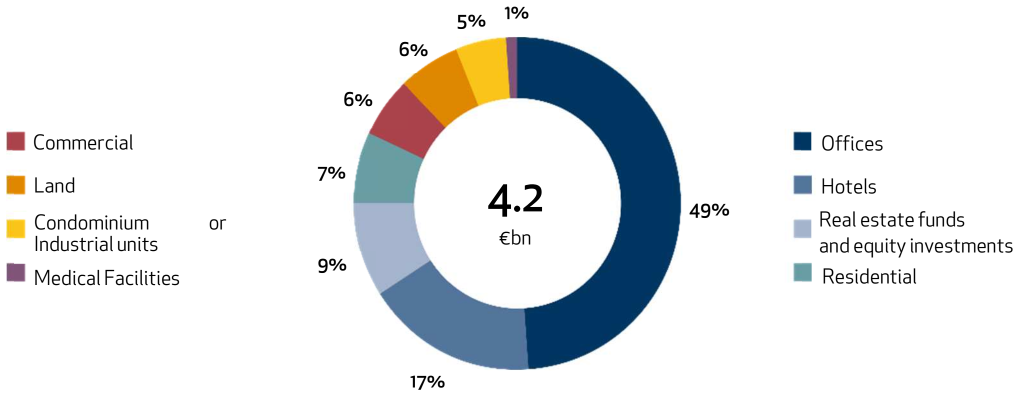
The Group is pursuing the objectives defined in the Strategic Plan, aimed at having a network of Agencies that manage more consistent portfolios, with highly competent specialist structures, capable of supporting the development of all business ecosystems, maintaining the high level of geographic coverage.
156 consolidation and optimisation actions were carried out in 2023, of which 98 involving the merging of one or more pre-existing agencies.
The average size of the Agencies continues to grow (+2.9% compared to 2022, after the +2.8% in 2021); geographic coverage remains widespread: 18% of the agencies are located in Municipalities with less than 15,000 inhabitants and, through agencies and/or sub-agencies, **service is guaranteed in 22% of the Municipalities at risk of marginalisation** surveyed by the Territorial Cohesion Agency and included in the National Strategy for Inner Areas.
The Group's presence throughout the country is also guaranteed by the presence of UnipolSai Assicurazioni and Siat settlement units.
The Group also operates in Serbia through a multi-channel network made up of both internal and external structures, with 150 points of sale that, with reference to internal structures, are distributed basically uniformly between the south and north of the country. The physical network is accompanied by online direct sales channels.
Again abroad, the Group can count on the collaboration of 79 broker companies.
The significant decrease in Bancassurance branches is due to termination of the distribution agreement with Unicredit and the sale of the subsidiary Incontra.

Real estate portfolio

The Unipol Group manages real estate assets amounting to €4.2bn at December 2023, comprising:

- property "used for business purposes", assets used mainly to carry out the business of the Group companies;
- property "used by third parties", buildings owned by the Group but not used by its companies, mostly leased to third parties.

Real estate assets by intended use



The renovation and development of real estate assets involved over 120 properties in 2023, in particular including office buildings located in Milan and Turin.
In Milan, work is now finished on the new building in Piazza Gae Aulenti (Porta Nuova Garibaldi area), designed to receive Leed Platinum certification, which guarantees the highest standards in terms of energy and water savings and the ecological quality of the interiors.

Work continues on **Urban Up**, the real estate project aimed at enhancing a number of important properties owned by the Group in Italy. In this context, development continues in Milan on "**INOLTRE. Sharing the city**", an urban revitalisation project created in 2020 with the aim of combining the values of sustainability, social inclusion and well-being, to contribute to the achievement of Goal 11 of the UN 2030 Agenda "Sustainable Cities and Communities".

Geographical breakdown of the real estate assets

For further details on Productive Capital, please refer to the "Appendix - Unipol in numbers".

Intellectual Capital

The Group's intellectual capital is continuously enhanced through investments in innovation. In 2023, investments in ICT amounted to **€91m** (€93.5m in 2022) and mainly targeted digitalisation projects and evolution of the distribution model and technological infrastructures. **235 terabytes** of electronic data were managed during the year (compared to 175 in 2022).

The Group integrates data and analytics along the entire insurance value chain and in support of Beyond Insurance initiatives.
The main developments in 2023 aim to simplify and accelerate processes, optimising the customer experience and offering them tailored, accessible and affordable insurance solutions to help bridge the protection gap.
To this end, the Group promotes responsible digitalisation, for example by adhering to strict standards and frameworks on digital governance, data protection and privacy, as well as transparency and security. The initiatives carried out with this approach help the Group to overcome the ethical challenges of new technologies and make Unipol aware of and involved in the evolution of artificial intelligence and machine learning regulations.
A high degree of attention is paid to initiatives to proactively mitigate cyber risk, to support insurance companies in underwriting practices and in proprietary approaches that are constantly evolving to better assess IT risks.

In the insurance sector, forms of diversification of the insurance telematics offer are being tested in the **Mobility ecosystem** that allow the agent and customer to personalise their telematic service. The leveraging of data deriving from the use of telematic services makes it possible to support public administrations in emission containment procedures, to the benefit of more sustainable mobility. For example, a project is underway to monitor access to Limited Traffic Zones on the basis of distances recorded by the electronic boxes.

The **Real Time 2.0** process, which envisages opening of the claim from the moment of impact detected by the black box data, the **Video appraisal** service, which allows independent experts to carry out a remote appraisal and collect supporting documents for the virtual settlement of the claim, the "**electronic settlement**" process that makes the information provided by the electronic box available to the adjuster.

In 2023, the **UnipolHome platform** was launched, which will support expansion of the offer of insurance and non-insurance services in the **Property ecosystem**, guaranteeing service quality, positive customer experience, savings on insurance benefits and access to home maintenance and system installation services.
Also in 2023, interventions such as the video appraisal for certain Property claims and the new Property claims opening process were released into production, which aim to improve the customer experience and the technical design of products.

UnipolPay, the fintech startup of Unipol, has developed various business lines (B2B and B2C) with the aim of offering payment solutions that are constantly updated and in line with market innovations, to accompany customers in their daily actions. The transactional platform to manage all payments and collections, dedicated to Group Companies, and the online account "memi" (www.memi.it), usable through an app that guides people step by step through the world of payments, were launched.

Innovation projects by ecosystem

AI, DATA & ANALYTICS

- AI and Telematics to support claims management.
- AI for the calculation and issue of warnings on severe short-term weather events.
- Big Data Analytics for Pricing&Underwriting Excellence.
- *Enterprise Content Management* (ECM).
- Process mining to optimise processes and, where possible, automate them.
- Robotic Process Automation.
- Virtual assistants
- Report generation automation in the form of storytelling.

MOBILITY

- Enhancement of the offer and strengthening of contact points for the management and enhancement of relations with the Mobility customer (launch of GlassX, UnipolRental/SIFÀ merger).
- App for the expansion of electronic toll services for VaaS (Vehicle-as-a-Service).
- Sustainable mobility services associated with the NRRP.
- Solutions for electronic vehicle management and the use of behavioural data.
- Leveraging data for customisation and diversification of the offer.

PLATFORMS & ECOSYSTEMS

- Expansion of insurance and non-insurance services (launch of the UnipolHome platform) in the Property ecosystem.
- Launch of the GO WELFARE app for proximity payment with welfare credit.
- Drakkar DevOps platform for application development and execution based on cutting-edge technologies.
- Data streaming platform for realtime/batch processing and enabling Machine Learning and Artificial Intelligence decision-making processes
- Programming solutions and integration between systems and applications (DX API and ESB).
- Video appraisal
- Coding Automation with generative AI technologies

PERSONAL RESILIENCE

- Enhancement of the offer and strengthening of contact points for the management and enhancement of relations with the Welfare customer (Merger of the Dyadea and Santagostino Medical Centres).
- Launch of a Digital Health platform (DaVinci) specialising in telemedicine and digitalisation of community healthcare services.
- App services for mobile and multi-channel payments and for engagement activities.

CONNECTIVITY

- Data drive design (D^3) to improve the customer experience and technical design of the products.
- Predictive model in customer relations.
- Digital solutions and tools to simplify and accelerate agency processes and optimise customer experience.
- Tools for managing and monitoring customer communication campaigns.

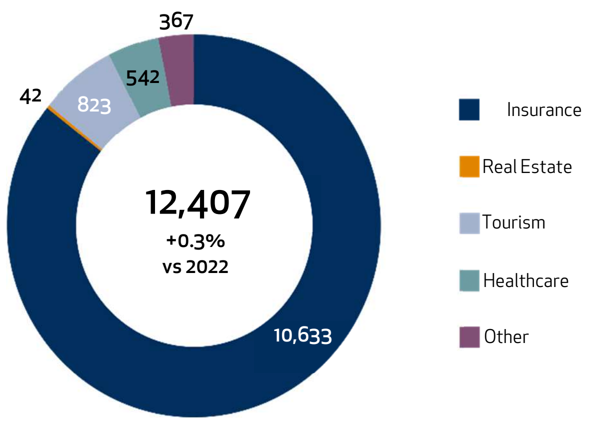
Key:

- INCUBATION
- EXPERIMENTATION
- MARKETING

Human Capital

NFS

Employees by sector



Workforce

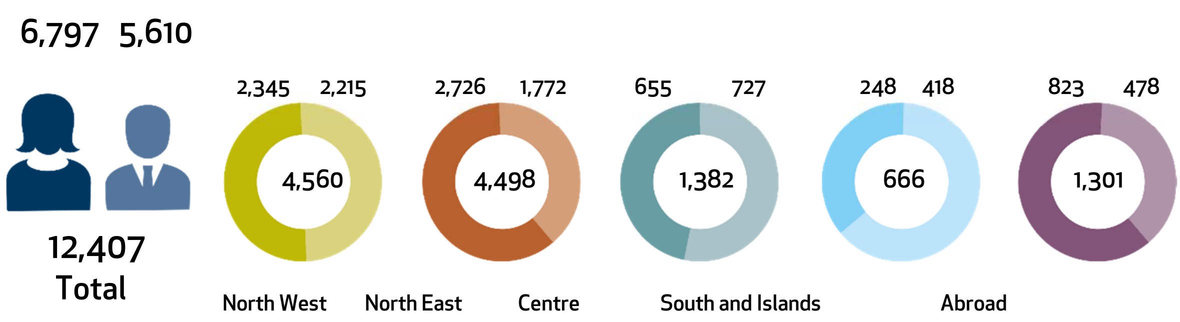
The Group's workforce grew by 0.3% compared to 2022. The recruitment turnover rate increased by 5 percentage points compared to 2022, and the overall turnover was also much higher (36.7%, compared to 23.3% in 2022) as a result of agreements signed at the end of 2022 for voluntary retirement support, as well as new employee intake following the acquisition of new companies.[1] The percentage of voluntary resignations was 3.2%, compared to 2.7% in 2022.

Women account for 54.8% of the workforce. Of these, 626 hold managerial positions, equal to 28.5% of the population in these roles (+0.6 p.p. compared to 2022).

Employees with a permanent contract make up 94.4% of the staff. In 2023, 221 employees were moved to permanent contracts, up from 192 in the previous year. The average age of staff in service at 31 December 2023 was 45.7 years, down from 47.1 in 2022, in particular due to the effect of outflows related to the Solidarity Fund. Graduates account for 52.2% of the workforce, with a significant increase of 6% compared to the previous year.

During the year, 765 employees changed jobs by applying for internal transfers, allowing professional growth and skills enhancement for the individual and for the entire Group.

Number of employees by geographical area



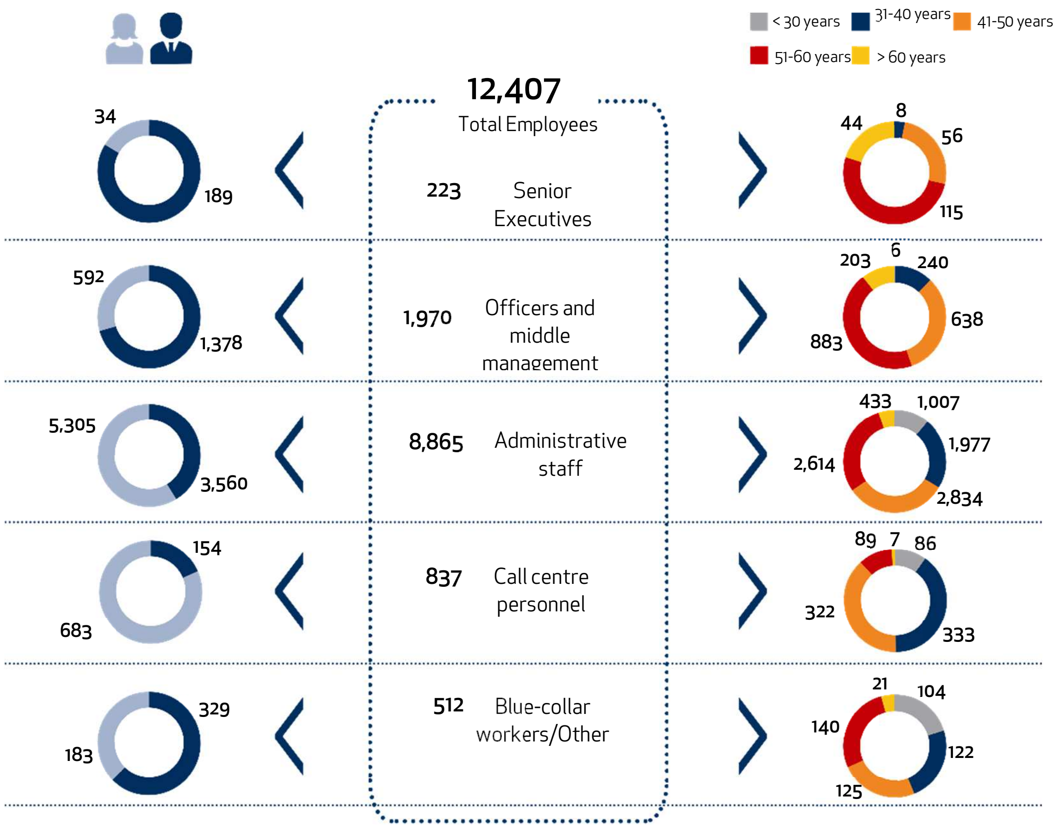
Training and development

The **Academy** adopts a development and training strategy based on three main dimensions: **Business**, to support reorganisations and projects; **Culture**, to promote digital transformation; **People**, to support key talents and skills, addressing issues such as development of the managerial model, generational turnover and the enhancement of potential. This strategy is integrated with a vertical approach focused on the specific skills of the various company professionals.

In parallel, training courses dedicated to the **key insurance business occupations** are provided to strengthen and enhance current skills with the emerging skills of the future.

Training involved over two thousand courses held, including external courses, with participation of **over 10,000 employees and 26,000 agents and network partners**.

Number of employees by age bracket, job-level category and gender



Among the initiatives for employees, the professional development programme continued, by the end of 2023 involving 228 Officers and Middle Managers, with the aim of strengthening skills and ensuring managerial continuity within the Group. This is a rolling programme divided into two distinct paths:

- **mid term successor**: acceleration of the development of managerial skills in individual and collective form which, after initial assessment, includes group coaching and training activities with a focus on key skills for innovation;
- **potential**: personal skills development, envisaging individual coaching with the involvement of managers.

Over 500 adjusters and 300 administrative staff participated in a communication skills development project with the aim of supporting people in dealing with change and improving relationships in their professional network.

In line with the Tech & People Evolution strand of the 2022-2024 Business Plan, a procedure was launched to disseminate **digital culture** by engaging and involving employees as digital transformation accelerators and strengthening an approach based on new skills and digital methods.

After initial assessment, the programme included other initiatives such as personalised newsletters by profile, one-to-one interviews and focus groups and a training course dedicated to about 100 "Digital Champions" as promoters of digital change.

Lastly, the online course "**EticaMente!**" continued to be offered, which makes it possible to reflect on situations that could arise in the company in which it is essential to act ethically: at the end of 2023, it reached 8,462 employees (4,385 trained in the last year) and 22,807 agents and secondary network partners.

Training activities for the **sales network** focused on managerial development training projects (for example, **IMA5**), targeted programmes for generational turnover in the Agency and specific courses on the distribution of new products (such as Focus Impresa).

Training provided in 2023

- €16.6m invested (vs €9.9m in 2022, an increase mainly attributable to the training provided to employees) of which €7.7m direct and €8.9m indirect*
- 1.1m hours' training provided to 75% of the agency network and 25% of employees (with an average 23 hours' training per capita for employees and 26 hours for the agency network)
- 10,067 employees and 26,715 agents and secondary network partners involved in training activities organised by Unica (89% of potential recipients)
- 2,839 courses provided between employees and agents (2,613 in 2022)

*Understood as the opportunity cost of employees which, to participate in training activities do not perform their usual work activities

Welfare

For some time now, the Group has implemented a welfare system with the goal of improving the well-being of its employees.
The cornerstone of this strategy is **first-level welfare**, mainly the result of trade union negotiations, consisting of institutions such as supplementary welfare (implemented through Pension Funds), supplementary assistance (implemented mainly through Welfare Funds), health prevention, accident and non-professional coverage, and personal loans.
To cover the workers of all sectors in which the Group operates, there are 10 Pension Funds, in which 73% of employees are enrolled, and 18 Assistance Funds (plus other forms of supplementary pensions), of which 93.2% of employees are members.
The **second-level corporate welfare** policies accompany the Group's people through the implementation of initiatives, services and training projects to respond to the most important needs of the different stages and conditions of life, improving personal and organisational well-being. In this context, the initiatives "Per Te", dedicated to colleagues, "Per i Figli", dedicated to the children of colleagues and "Per la tua famiglia", dedicated to caregivers and their patients, continued.

Inclusion & Diversity

In May 2023, the "Diversity, Equity and Inclusion" function was established, with the aim of promoting, developing and overseeing policies, programmes and initiatives to promote DE&I in the Company and beyond, in particular for:

- **recognising and promoting individual differences** as factors of innovation and improvement of personal and organisational performance;
- **guaranteeing equal opportunities** for personal growth and fulfilment and contribution to the Group's objectives;
- **defining an inclusive corporate culture** increasingly focused on centrality of the individual.

With these assumptions, a more careful analysis of the company population was launched through the lens of gender and generations (important parameters in the DE&I area), in order to understand, define and guide actions to be introduced in the short and medium term. In particular, a number of priority action areas were highlighted:

- **Gender balance**;
- **Aging**, taking into account the four generations currently "living together" in the Group, and in line with the initiatives promoted by Communication as part of "Generationship".

The training snippet "**La via del rispetto**" (The path to respect) was made available to employees and all agency network staff, inviting reflection on personal communication and behavioural habits, focusing on categories, stereotypes and prejudices that affect the way they relate inside and outside the Company.

In 2023, a new path for the role of **Disability Management** was launched. The action plan was refocused on the process, in synergy with the reference HR functions (Management, Selection, Security and Administration) and collaboration started with the new Diversity, Equity and Inclusion function, as well as on new projects, development and support actions for personnel with disabilities. In this context, projects were launched for the inclusion of deaf people and people with disabilities related to the autism spectrum, as well as to improve

quality of life in the company for people with disabilities already in the workforce, stipulating framework contracts with specialist associations, collaborating with national bodies and interfacing with the various employment agencies.
The percentage of employees with disabilities is 5.2%.

Health and Safety

An **Occupational Health and Safety Management System (OHSMS)** has been operational since 2016; starting from the "Group Guidelines on the protection of health and safety", the System envisages the adoption of operating processes through which the objectives defined by the Guidelines are pursued. The Management System is reviewed at least annually to verify its suitability, adequacy, effectiveness and efficiency in satisfying the requirements of reference regulations and applicable legislation, and in reaching pre-set targets. The review includes an evaluation of opportunities for improvement and the need to make changes to the system, including the Group's policies, objectives and goals.
The total number of occupational accidents was 126, unchanged compared to the previous year, of which 58% while commuting. As a result of the accidents recorded, around 2,990 work days were lost compared to 3,687 in the previous year.

For further details on Health and Safety and on Human Capital, please refer to the "Appendix - Unipol in numbers".

Mobility

Also in 2023, the Group carried out the survey on the mobility habits of employees, in support of the update to the Home-to-Work Commute Plans (PSCL), which involved 7,742 people.
In 2023, the volume of local public transport (TPL) subscriptions continued to recover after decreasing during the pandemic, with a significant +34% compared to 2022. In the second half of 2023, sharing mobility activities were launched, such as the purchase of 100 new e-bikes to renew the company fleet and the signing of agreements with leading companies in the field of car sharing and bike sharing.

Industrial Relations

The policies for 2023 have reconfirmed the high quality standard of Industrial Relations in the Unipol Group.
With reference to the insurance sector, the model for dialogue with trade unions made it possible to effectively manage complex issues such as the constant organisational evolution resulting from numerous corporate reorganisations, technological innovation and the use of flexibility tools. With reference to the non-insurance sector (Beyond Insurance), the model for dialogue with trade unions made it possible to launch a qualified discussion, characterised by willingness of the parties, enhancing the reciprocal commitments also with the signing of the first Memorandum of Understanding on Trade Union Relations for fourteen of the Unipol Group companies that apply the national collective labour agreement for the services sector.
As regards the insurance sector, as part of the activities for implementation of the 2022-2024 Business Plan, a total of 152 trade union meetings were held.
The trade union agreement signed on 18 October 2022 envisaged voluntary pre-retirement arrangements for employees meeting pension requirements by the end of 2027, for a maximum of 800 people (increased if required by an additional 10%). In 2023, 774 people signed the agreement and retired, while another 138 did so in 2022, for a total of 912 employees. On the other hand, with regard to early retirement support for executive personnel, 9 executives subscribed to the plan.
With regard to the non-insurance segment, a total of 36 trade union meetings were held as part of activities for implementation of the 2022-2024 Business Plan.
During the year, 162,164 hours of trade union leave and 5,635 hours of shareholders' meetings were taken, while 3,023 hours of strike action were recorded. The percentage of trade union membership is 40% of employees of the entire Group.

For further details on Industrial Relations and on Human Capital, please refer to the "Appendix - Unipol in numbers".

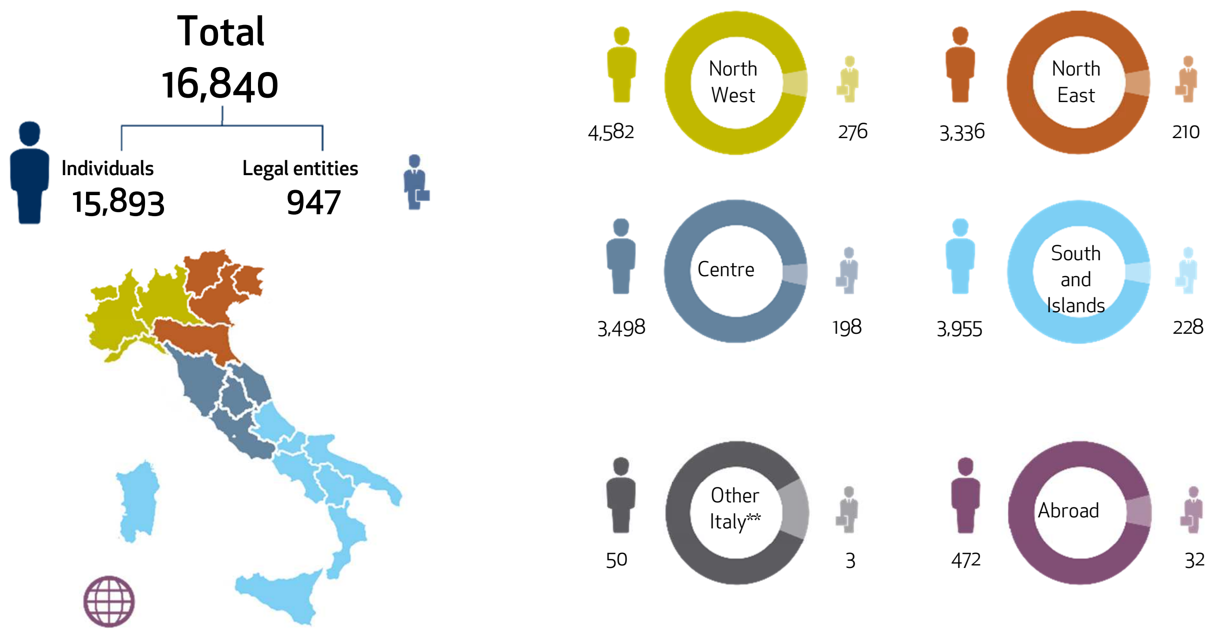
Social and Relational Capital

Customers

In 2023, the Group provided its services to 16.8m insurance customers, both individual policyholders and those insured by collective policies, in line with 2022.

Local customers/policyholders

(Amounts in thousands)



** Not classified geographically

Businesses account for 32% of the Non-Life portfolio of UnipolSai (15% Corporate and 17% SMEs). Among the business customers with a Non-Life General Class premiums volume of more than €40m, the sectors most represented are manufacturing, construction, retail and wholesale trade, transport and storage, hospitality and catering services, real estate, healthcare and third sector.
Presence in the Corporate segment is particularly significant in the business of UniSalute, which is concentrated primarily in the provision of group healthcare policies through Funds, Welfare Funds and mutual healthcare societies aimed at groups and companies of all sizes and sectors. UniSalute is also a leader in the management of sector healthcare funds, managing 50 (all through direct delegation), deriving from national collective agreements.
With the new "Opening New Ways" Strategic Plan, the Unipol Group has entrusted UniSalute with the task of being the only insurance provider in the health sector. Since 2022, UniSalute has created specific solutions for Small and Medium-sized Enterprises (SMEs) available through the UnipolSai agency network, which currently include five modular and customisable health plans suitable for companies wishing to protect the health of their employees.
The activities of the **diversified and instrumental companies** in 2023 generated commercial relations with over **one million customers**, of which 95% are natural persons (of these, 52% from the hotel sector, 39% from the healthcare sector, 8% from Beyond Insurance Mobility companies and the remaining 1% from the agricultural and tourism sector).

Relationship support services

In 2023, the innovation of digital tools and sales and assistance processes continued to maximise the level of service to customers through omnichannel.
The omnichannel sales method was developed on insurance products for the home, pets and travel: existing or potential customers can calculate (on the website and app) an online quote, then directly purchase the policy remotely or choose to contact an Agency for advice

and finalisation of the contract. Potential customers can also sign the contract through the Contact Centre channel, active since April 2023. For these products and for the MV product, agencies can issue a quote and make it available to the Customer in their Reserved Area for subsequent purchase. In 2023, over 42,000 policies were sold using these methods, assigned and managed by the agency channel.
In 2023, over 263,000 receipts were paid through digital channels, an increase of 43% compared to 2022.

Over 5 million customers registered in the reserved area of the website and the UnipolSai App, stable compared to the previous year. The digital penetration index (which considers transactions that can be activated by the Agency to digitalise a security, eliminating the need for printing) reached 52% of the total, while there were over four million signups to the Advanced Electronic Signature (AES).

Customer Protection and Responsible Sales
In order to concretely implement the protection of consumers and their rights in the design, proposal of the insurance offer and in communication, the Group pays **particular attention to all factors that hinder the demand for insurance coverage** by consumers: premium, awareness of risk perception, public confidence deficit, often linked to a discrepancy between the customer's expectations and the actual coverage guaranteed by the contract, product complexity and lack of clarity in the clauses of insurance contracts.

In the product design and approval process, the insurance companies also consider sustainability factors; i.e, they ensure that the integration of these factors into the product is, firstly, consistent with the **sustainability objectives** of the target market and, secondly, they assess whether the product has additional sustainability-related characteristics.

In the **preparation of commercial and communication material**, the Group companies prepare offer documents that take into account the continuous developments in this respect, with a constant commitment to improving language transparency and simplicity. The same approach is used in defining advertising messages. Internal rules and procedures require that product-related communications and advertising material are subject to a strict internal authorisation process, are clearly identifiable as such, are impartial and complete so as not to mislead regarding the characteristics, nature, guarantees and risks of the product offered. Control over the process of preparing advertising messages also monitors the advertising of Life and Non-Life insurance products through websites (including agency websites), social network pages and apps.

Aware of the risks and impacts of greenwashing as a form of misleading advertising, the Group Companies adopt common guidance based on attention to the accuracy and reliability of data of strategies underlying sustainability communications, in compliance with the principles governed by Art. 36 of IVASS Regulation no. 41 and European legislation (Regulation (EU) 2019/2088 and Delegated Regulation (EU) 2021/1288). The monitoring activity also covers other forms of disclosure such as marketing information and website texts, advertising brochures, social media posts, policies, images, strategies, labels, certificates, ratings, objectives, non-regulatory labels and product names.

In the sales phase, the rules of conduct to be adopted in the exercise of distribution activities are governed by internal regulations that deal with issues such as conflicts of interest, precontractual information, financial advisor duty of transparency, product consistency and adequacy assessment and simplification processes to encourage the dissemination of new methods for relations between intermediaries and customers (e.g. electronic signatures and use of electronic payment instruments).

In particular, for the remote placement of Non-Life insurance contracts, the ban on using filters, procedures or mechanisms aimed for the discriminatory selection of customers is specified, as well as the ban on "opt-out" mechanisms (mechanisms in which, against automatic combination with the main insurance coverage or a non-insurance product or service of some unsolicited insurance coverage, for which a willingness to participate has not been expressed, the customer is forced to deselect the related option if not interested in their purchase).
To support the accessibility of protection also for customers with limited income, the Group has reintroduced **zero-interest monthly splitting** of the insurance premium. Monthly payment of the premium with zero interest is active on the MV segment and the main standard General Class products. At 31 December 2023, over **550,000** policies offered zero-rate splitting, equal to premiums of €330m.

With reference to raising awareness of the perception of risk, in addition to the attention to drawing up accurate and precise product documentation, the Group implements financial education initiatives independently (https://www.unipoleos.it/it/index.html) and in collaboration with FEduF (Foundation for Financial Education and Savings), with the aim of bringing young people closer to the world of work and the welfare culture.

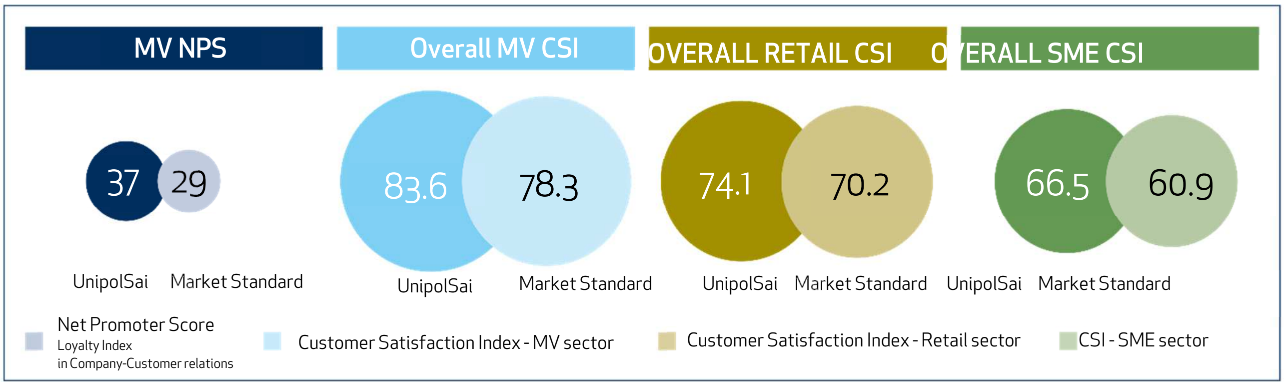
Life product certification, in relation to Life products included in the Investment, Savings and Welfare ranges, audits UnipolSai compliance with product regulations according to the values of **transparency** (complete, understandable and traceable information), **fairness** (clear and balanced cost) and **product value** (protection of capital and selected investments), and was confirmed for 2023 by the certification body Bureau Veritas.

Satisfaction monitoring

In the Customer Satisfaction survey conducted on MV customers in 2023[6], UnipolSai confirms its best ranking, the overall score outperforming the market standard by 5 p.p. The MV customers' NPS (Net Promoter Score) was also higher than the market benchmark.

As part of the ongoing surveys[7], the overall satisfaction index calculated on policyholders increased compared to the previous year (74.1 vs 69.5), while the average market figure decreased from 70.7 to 70.2. Compared to 2022, the satisfaction of UnipolSai business customers increased (from 63.7 to 66.5), remaining above the market (60.9 in 2023 vs 54.9 in 2022).

Customer satisfaction surveys in Italy



Agent satisfaction was down slightly, but still above the sector average (equal to 3.38 on a scale of 0 to 5, from 3.43 in 2022), while the market figure recorded a slight increase (3.19 vs 3.15).

Complaints management

In 2023, IVASS complaints addressed to the Group's Italian insurance companies numbered 21,261[8] (15,257 for UnipolSai Assicurazioni), up 22.6% compared to the previous year.
The number of complaints for every 1,000 UnipolSai policies was 0.431 (0.348 in 2022), while the percentage of claims generating a complaint increased from 0.3% to 0.4%.
2,065 complaints were handled by the insurance companies in Serbia (1,836 in 2022).

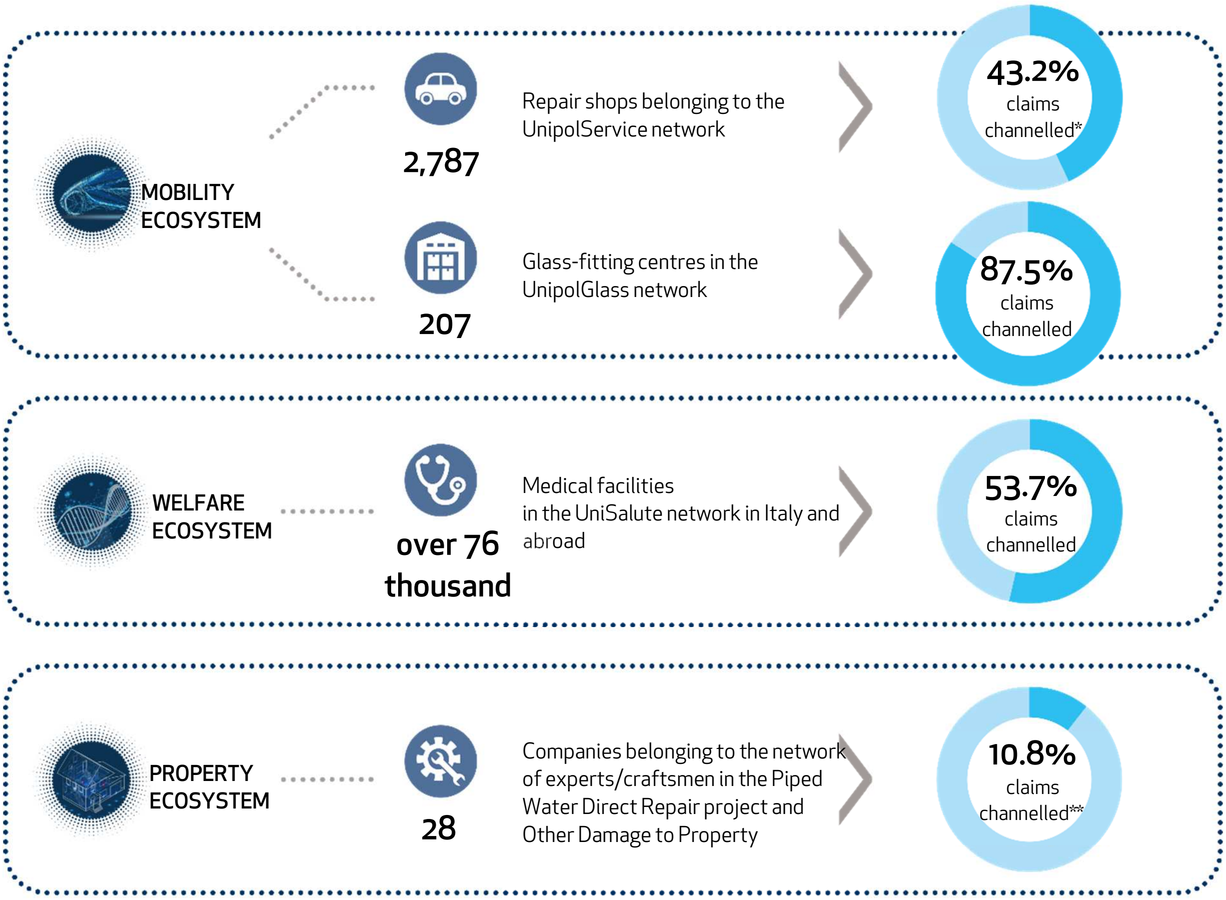
Networks for the internalisation of the service model

Through the adoption of policies, guidelines, formalised internal procedures and periodic controls, the Group ensures that goods or services are suited to satisfying the needs of customers, meet health and safety standards and comply with legal requirements; Unipol also intends to guide **its partners towards the adoption of sound business practices, also in critical supply chains.**
The internalisation of damage repair services ensures financial savings and a high level of service for customers, who are accompanied by selected partners in solving critical issues arising from the damages suffered, regarding the vehicle, person or property.
From the moment they join the Unipol network, the partners carrying out repairs following insurance claims, in addition to receiving initial training on both insurance issues and process management and operations, must read the Code Ethics and Charter of Values, the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001, the Risk Report and the Supplier Code of Conduct, where applicable. Through this step, partners undertake to comply with the anti-corruption measures adopted, occupational

[6] The interviews, performed with the CAWI methodology, were performed during 2023. The customers interviewed totalled 5,494, of which 2,109 UnipolSai customers (1,552 from the random list provided by the client, 32 from the Nexplora panel and 525 as the Market Sample).
[7] Ipsos Multifinanziaria Retail which offers an understanding of financial decisions of households and individuals aged between 18 and 74, representative of 21.2 million households. The sample data are collected through 5,000 annual face-to-face interviews (CAPI) with financial decision-makers, surveyed during two half-yearly waves of 2,500 interviews each.
For Multifinanziaria Aziende this is a periodic monitoring system which goes into detail on the needs of production companies in Italy and their relationship with the entire financial system. Around 1,500 interviews were held with Owners, CEOs and CFOs of companies in the Industry, Services and Trade sectors.
[8] The details of the complaints also include those referring to intermediaries enrolled in Section D of the Single Register of Intermediaries.

safety regulations, current laws and National Labour Agreements, to oppose all forms of discrimination and to guarantee to the Group that the necessary protections governing the assignment of activities to personnel or external companies are in place.

The impacts of direct repair and channelling



* The figure includes MV TPL only.
** Percentage calculated on all UnipolSai home and condominium products.

In the MV sector, the policies underwritten with additional services are growing constantly and significantly: customers who try these services record higher than average retention rates (for example, compared to an average of 84.5% for the UnipolSai MV TPL segment, 90.3% of those in the portfolio have used UnipolService).

In the **Welfare** area, the Group further strengthened its positioning, as described in the chapter "Sustainable Development: the impacts generated by the Unipol Group", paragraph "Satisfaction of security and well-being requirements".

In the **General Property Classes**, with the launch of UnipolHome activities, the proposal of additional direct repair services was strengthened by maximising synergies with insurance benefits. Customers who made use of direct repair services, through the network of operators selected by the Company, without cash disbursement and with elimination of the deductible, recorded a retention rate of 94.8% against the total customers figure of 86.5%.

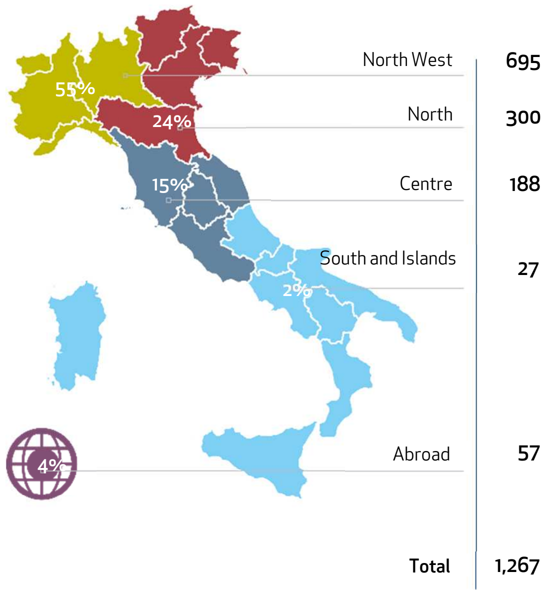
Suppliers

In 2023, the Group traded with over 8,000 companies, for total expense of €1,267m*, of which 96% disbursed in Italy (excluding the foreign suppliers of the subsidiary Ddor Novi Sad).
The main expense items include IT support services, real estate management and goods and services attributable to the diversified companies, which together account for more than 60%.

Without prejudice to several exceptions of limited significance at overall level, the supply chain of the Group, which does not acquire raw materials and does not deliver physical goods to customers, is not particularly complex.
Relations with suppliers are governed by the Code of Ethics, Charter of Values, OMM, Code of Conduct and internal policies characterised by ethics, fairness and transparency, and which ensure partners' adoption of fair business practices also in critical value chains.

Details of this approach are presented under "The monitoring of environmental, social and governance risks" in the chapter on "Governance".

Value disbursed to suppliers by area €m*

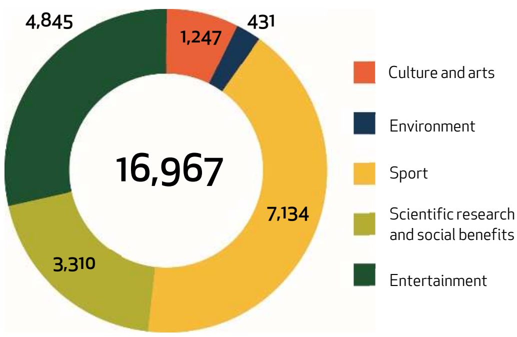


* The chart does not include Gratia et Salus and Ddor Novi Sad, whose total expense came to €15.7m (€13.7m in 2022).
The total value of expenditure on suppliers in 2023 is not comparable with the value for the previous year as a result of the updating of the logic and methodology used to trace only indirect costs (not inherent to the business) for insurance companies and for application of the Group calculation criteria to the new ecosystem companies joining the Group during the year.

Community

Contributions to the community by area*

(Amounts in €k)



The Unipol Group's commitment to the community each year essentially involves a series of various types of contribution which in 2023 exceeded €16.9m, up 11% on the previous year.
The main areas receiving the cash contributions were sport, which in the Group's vision is a major empowerment opportunity, especially for the younger generations, commercial initiatives that contribute to social causes, at the same time promoting the brand and Group business, scientific and socially useful research which in 2023 included significant solidarity initiatives in support of the communities in which the Group operates.

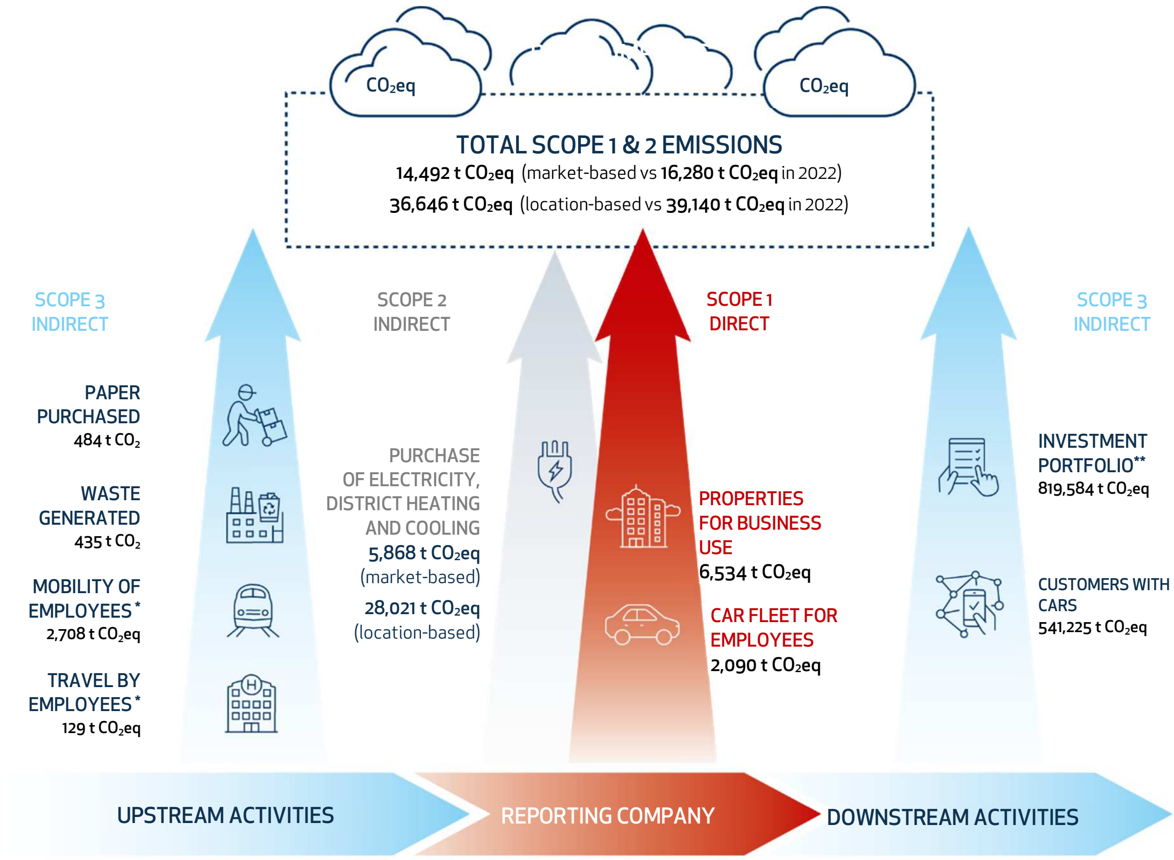
* Excludes the contribution of €1.7m to the Unipolis Foundation. A report on the activities of Unipolis Foundation is published in the Mission Report, available on the website www.fondazioneunipolis.org.

For further details on Social and Relational Capital, please refer to the "Appendix - Unipol in numbers".

Natural Capital

The Group has a consolidated process for analysing and monitoring its direct and indirect impacts on the environment[9] along the entire value chain to outline the activities necessary to reduce these negative impacts. In addition to reducing greenhouse gas emissions, the Unipol Group is paying increasing attention to its contribution to protecting nature and biodiversity.

Management of environmental impacts



*Regarding Scope 3 emissions deriving from employee and customer travel, mobility in Italy, the 2023 DEFRA conversion factors (UK Department for Environment, Food & Rural Affairs - UK Government GHG Conversion Factors for Company Reporting) were used.

**With regard to the climate impacts of investments, in line with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard for Category 15-Investments and the PCAF Global GHG Accounting & Reporting Standard for the financial industry, the value represents the absolute emissions of the corporate portfolio (listed equities and corporate bonds) in terms of Scope 1 & 2 CO_2eq emissions. The value in terms of carbon intensity (Carbon to Value invested - C/V) and Weighted Average Carbon Intensity (WACI) is detailed in the section "The climate impact of the investment portfolio". The Corporate portfolio analysed corresponds to the Group's direct investments in corporate bonds and equities (thus excluding investments in cash, UCITS, ETFs, derivatives and unlisted instruments), equal to €18.1bn.

Direct impacts

In the Strategy on climate change, the Group has defined its target to reduce Scope 1 & 2 emissions by 2030, in line with the Paris targets (see chapter "Risks, Opportunities and Strategy", paragraph "Opening New Ways: 2022-2024 Strategies - The Unipol Group's climate strategy").
Unipol monitors its greenhouse gas emissions related to the energy consumption of real estate assets for business purposes and the company fleet (Scope 1 & 2 emissions). With specific regard to property for business use, for 2023 the calculation of Scope 1 & 2 emissions

[9] For the measurement of greenhouse gas emissions, the calculation methodology adopted is that laid out in Directive EU/87 of 2003 relating to the emission trading scheme and the international classification proposed by the GHG Protocol standard - and picked up on in the GRI Standards - in Scope 1, Scope 2 and Scope 3.

was determined by the consumption of electricity, gas and other energy sources (gas oil and diesel, LPG, district heating and cooling) for all buildings over which the Group has direct control[10].
In 2023, **total Scope 1 & 2 emissions decreased by 6.4%** compared to the previous year according to the location-based approach (36,646 t CO_2eq in 2023 vs 39,140 t CO_2eq in 2022) and **11%** according to the market-based approach (14,492 t CO_2eq in 2023 vs 16,280 t CO2eq in 2022), despite the entry of new companies (and consequently new properties) in the scope[11]. Specifically, Scope 1 emissions (linked to the consumption of gas, LPG, gas oil and diesel) decreased thanks to a reduction in gas consumption linked to favourable weather conditions in the winter of 2023 and to plant works and management which have led to improved energy performance. In addition, in Italy the measures envisaged in the National Plan for the containment of energy consumption, implemented in October 2022 by the Ministry for Ecological Transition with the aim of reducing the use of natural gas, were implemented by the Group, which for example led to a reduction in the daily running time. The reduction in Scope 2 emissions is linked to a decrease in electricity consumption from application of the energy management system, which results in constant monitoring of energy consumption and the installation of more efficient systems.

Energy consumption

In **real estate development activities**, investments in new buildings and substantial renovations of existing properties are characterised by the use of techniques and technologies aimed at maximising energy savings, leading in several cases to the acquisition of certifications that demonstrate the high energy performance levels of buildings. To date, three properties have obtained **Leed Gold certification**.
In the **real estate asset management** activities, including property for "business purposes" and "third-party use", the energy management system certified to the **ISO50001 standard**, implemented by UnipolSai, commits the company to continuous improvement through widespread monitoring of energy consumption and planning of activities aimed at reducing consumption of electricity as well as thermal energy. At present, the certified sites include 19 management offices, 69 settlement centres and 44 properties used by third parties. The target for the three-year period 2022-2024 is an annual reduction of 1% consumption in toe (tonnes of oil equivalent).
The path to certifying significant Group properties for business use has continued with the **BREEAM In-Use certification**, which assesses the environmental performance of buildings. In 2023, eight new buildings were certified (one with an "Excellent" rating and seven "Good"), adding to the seventeen already certified between 2021 and 2022.
Lastly, to strengthen the performance analysis of real estate assets according to the sustainability profile, thirty Group properties were analysed using the **GRESB criteria**, the reference ESG rating system at the international level for real estate investments, with the intention of arranging ongoing improvement and continued expansion of the scope.

Consumption and production of energy from renewable sources

In 2023, 98% of electricity consumption in Italy and Serbia was from **renewable sources**.

Various initiatives are underway to boost the production of energy from renewable sources through the installation of photovoltaic systems. During 2023, 111,179 kWh were produced by photovoltaic plants for self-consumption, including that in Marina di Loano, which came into operation during the year, while the construction of a new photovoltaic plant in Tenute del Cerro began with a production capacity of 60 KW.

Water consumption

The use of **water** is primarily linked to sanitary and irrigation use and, in limited cases, for technological purposes in air conditioning systems. For the toilets, the water comes from the mains system or other water service management companies, whilst for irrigation it also comes from springs or waterways.
Total water consumption in 2023 was approximately 0.9m m^3 (vs 1.5m in 2022), of which 566,000 m^3 attributable to hotels (vs 900,000 in 2022) and 80,000 m^3 for irrigation use (vs 290,000 in 2022 due to third-party use in 2023 of several land parcels).
Tenute del Cerro, which operates in the agricultural sector, pays particular attention to water resource management by investing in rainwater collection structures and precision agricultural tools.

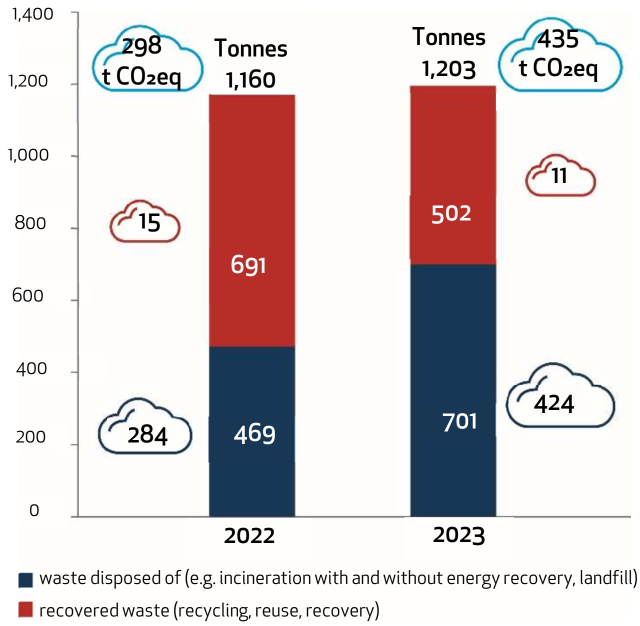
[10] Regarding the companies operating in Italy, the source of the emission conversion factors (relating to CO_2, CH_4, N_2O gases for Scope 1 and Scope 2, location-based method) and of the global warming potential (GWP) is the guideline for the application of the GRI Standards in environmental matters (December 2023 version), drawn up by ABI - Associazione Bancaria Italiana. With specific reference to the emissions from energy purchases (Scope 2) of companies operating in Italy (market-based method) and in Serbia and Ireland (market-based and location-based methods), the European Residual Mixes 2022 emission factors from the AIB Association of Issuing Bodies (Residual Mix and Production Mix, June 2023 version) were used. Emissions are expressed in tonnes of CO_2 equivalent (t CO_2eq).

[11] Analysis of the energy consumption of the new companies in scope shows that the impact of these companies on total consumption was residual.

Waste management

To guarantee waste management control and traceability at Group offices, operating methods are adopted that vary according to the waste treated (i.e. self-disposal of waste, transfer of waste to authorised third parties pursuant to regulations in force and disposal of waste to public municipal waste collection service operators).
The controls in place are designed to handle the risks identified in waste management activities and assessed as sensitive pursuant to Italian Legislative Decree 231/01 and prevent the commission of offences envisaged in this Decree.
The Group follows municipal directives for proper waste disposal, changing its processes and procedures where necessary and arranging recycling or reprocessing where possible. Compliance with local regulations is ensured for separated waste, such as paper, plastic, and glass.
In the same way, for foreign companies, waste collection and management occur in compliance with reference national legislation.
The types of waste considered hazardous (neon and light bulbs, WEEE, empty toner cartridges and spent batteries, hospital waste, etc.) are managed according to their specific characteristics. They are disposed of separately and appropriately, according to regulations in force.
The 4% increase in waste produced in 2023 was affected by construction site activities in place for property maintenance and inclusion in the reporting scope of the Santagostino health centres.

Emissions related to waste generated during activities *



* the total waste count cannot include waste that is delivered to the public service at the various sites. The same treatment is envisaged for municipal waste and separate waste (paper, plastic, glass, metal). The data does not include waste generated by Arca Vita International Dac, the Unipolsai Motor Partner whose waste is managed through the public service. To measure greenhouse gas emissions, the calculation method adopted for waste disposed of is that envisaged in Ecoinvent 3.8 [Solid waste {CH} | treatment of, sanitary landfill | Cut-off, S], while for recovered waste, the conversion factor is that provided for by DEFRA - UK Government GHG Conversion Factors for Company Reporting 2023 [Waste Disposal]. For detailed information, please see the appendix "Unipol in numbers".

Reduction of resource consumption and circular economy

For consumables such as toner and ink cartridges, the Group adopts a centralised management system which arranges their retail redistribution to insurance agencies, together with printed materials and copying paper. In 2023, 8,220 pieces were acquired, including toners and drum units, of which one third certified as remanufactured. The collection and recycling system in 2023 collected more than 5,000 pieces from the agencies alone, equal to 6 tonnes of material, with savings of 12 t CO_2eq.
The remanufacturing process for UnipolTech electronic devices returned by customers continues: in 2023 UnipolTech remanufactured 296,000 devices and the impact of remanufactured products placed on the market compared to new products purchased was 30%. The cumulative figure since UnipolTech began operations is almost **one million devices remanufactured**. Exceptions are obsolete devices or devices that cannot be remanufactured, which are disposed of according to directives and regulatory procedures.

Unipol pays particular attention to **reducing paper and plastic consumption**. Document dematerialisation policies, with more than 8 million policies underwritten with AES by more than 4.2 million customers (3.7 million in 2022), avoided 143 tonnes of CO_2eq emissions (120 in 2022). In 2023, 97% of purchase contracts (in line with 2022) were digitally signed without recourse to hard copy.
The purchase of 443,800 reams of recycled paper, instead of virgin fibre paper, avoided the generation of 456 t CO_2eq.

At 31 December 2023, there were 268 drinking fountains in 107 Unipol Group offices (193 and 64, respectively, in 2022) delivering a total of 369,337 litres of water (vs 139,103 litres in 2022), while avoiding the consumption of 738,000 plastic bottles[12], corresponding to 65.5 t CO_2eq avoided.
In the hotel sector, various initiatives are in place to combat food waste in hotel restaurants. In 2023, 14 UNA Group hotels participated in "TOO GOOD TO GO". Through this collaboration, 3,232 meals were saved and 8.08 tonnes of CO_2 were avoided.

Indirect impacts

Unipol strives to constantly improve the measurement and reporting of its indirect emissions (Scope 3) and environmental impacts, in relation to the following stakeholders:

- **employees**: Unipol continued to monitor the greenhouse gas emissions connected to employee travel and trips, also considering - aside from the emissions generated by employee trips by air, train and personal vehicles already calculated in previous years (2,708.2 t CO_2eq in 2023 vs 2,259 tonnes in 2022) - the emissions generated by employee hotel stays (129.4 t CO_2eq in 2023 vs 79 tonnes in 2022). In both cases, the increasing figures are linked to the full return to pre-pandemic behaviour. Emissions generated by business travel are also reported. The initiatives to promote sustainable mobility implemented as part of the PSCL are described in the previous section on "Human capital";
- **customers**: the emissions generated by **journeys of customers** with **telematic devices** are calculated (6,332,939 t CO_2 eq in 2023 vs 6,526,377 in 2022) and those with UnipolRental **long-term rental cars** (NLT) (541,225 t CO_2 eq in 2023 vs 302,365 in 2022; the increase in emissions is related to the increase in scope following the acquisition of Sifà by UnipolRental). According to a study carried out by UnipolTech on toll transits with UnipolMove, it is estimated that the use of electronic toll payments has made it possible to **avoid the emission of 1,214 t CO2eq** in 2023.
  Aware of the impact of digital tools in terms of energy consumption[13] and greenhouse gas emissions, the Group has developed the **Digital Green Index project**, aimed at analysing the performance of its digital channels. Monitoring of the environmental impact of the commercial website (www.unipolsai.it) showed an increase in absolute emissions, due to a significant increase in site traffic, while the average efficiency of the site improved (2.39 g of CO_2eq per page viewed vs 2.84 in the previous year) as a result of energy efficiency measures;
- **suppliers**: the purchasing structures in the Group Companies undertake to apply criteria for the responsible purchase and use of the goods and services also obtained through centralised purchasing based on eco-sustainability criteria (for 2023 the incidence was 5% of the total value paid to suppliers)
- **investments**: a detailed description of the climate impact of the investment portfolio is provided in the chapter "Sustainable Development: the impacts generated by the Unipol Group".

For further details on Natural Capital, please refer to the "Appendix - Unipol in numbers".

[12] calculation based on standard 50cl bottles of water
[13] Energy consumption includes, for example, the consumption necessary to power the servers, network infrastructures and cooling systems of the data centres necessary for website operation in addition to the consumption of the end devices of users.

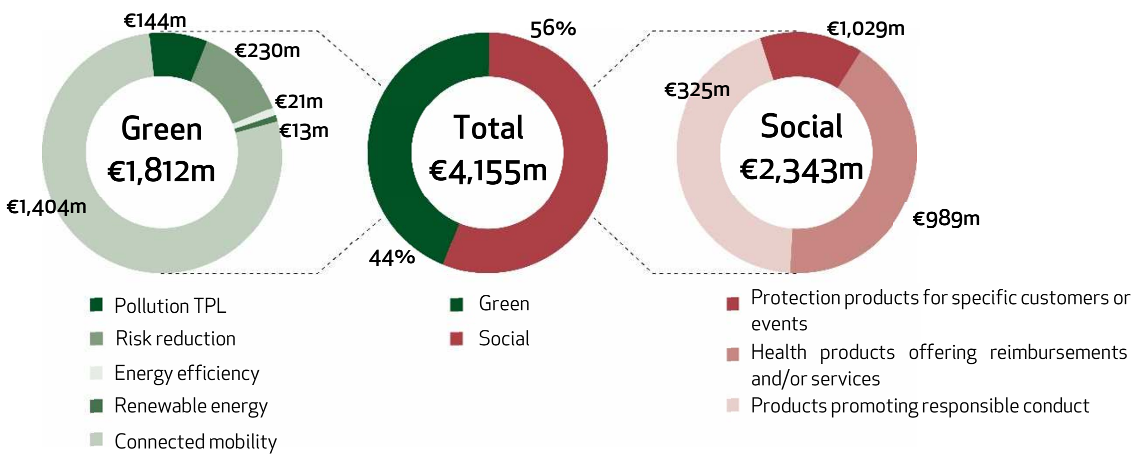
Sustainable Development: the impacts generated by the Unipol Group

NFS

Products and services with social and environmental value

Solutions that integrate economic growth and social and environmental value collected premiums of €4,155m in 2023 (+12% on 2022), accounting for 27.6% of total direct premiums for Non-Life and Life products. The incidence of premiums deriving from these products recorded a limited growth overall (+0.5 p.p.) compared to the previous year, due to the lower new business recorded on products characterised pursuant to Articles 8 and 9 SFDR in the Life offer against an increase in the Group's total Life premiums determined, as a result of 2023 market conditions, by the distribution of class I solutions without SFDR characterisation. 77% of these premiums were attributable to Non-Life business, where they represent 37% of direct premiums (up compared to 32% in 2022), while they account for 15% of Life premiums.
In order to be classed as a "solution with social and environmental value", a product or service must be able to satisfy social needs by improving people's lives, have a positive environmental impact or respond to concerns about the climate.

The impact of products and services with social and environmental value



This chart includes premiums relating to telematic devices in the mobility area only as regards environmental aspects (promotion of sustainable behaviour through mileage-based tariffs), even if the benefits of telematics are also attributable to social factors (in terms of safety and combating fraud).

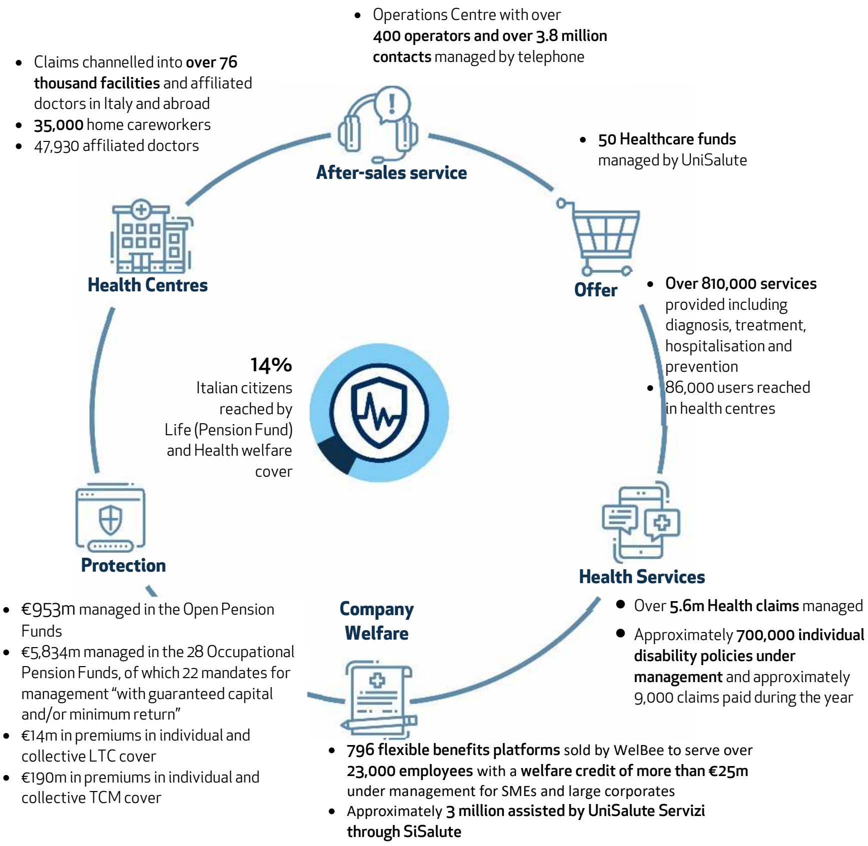
Satisfaction of security and well-being requirements

The Group aims to consolidate its leadership in the health segment and its important role in the pension sector.
During 2023, Unipol evolved its **Life & Health offer from a life-cycle perspective**, proposing insurance solutions and assistance services designed to meet specific needs arising in the various stages of life, with the "**UniSalute al tuo fianco**" commercial proposal.
For these solutions, as for other Group products, monthly splitting is envisaged at no additional cost.

The specific solutions include:

- **UniSalute Studente** (distributed through the bancassurance channel) and **UniSalute Under 30** (marketed online), dedicated to protecting the health of young people under 30 years of age;
- **UniSalute Over 65**, which among other things includes discounted rates for tests and diagnoses (e.g., laboratory tests, ultrasound scans, CT scans and MRI) carried out at UniSalute's partner centres. The product envisages a maximum age limit of 80 years for underwriting or renewal, higher than the market average:
- **UniSalute Donna and UniSalute Uomo**, policies dedicated to women and men between 14 and 80 years of age which, among the numerous services, include common prevention packages and other more specific packages such as preventive gynaecology and breast care;
- **UniSalute Mamma**, which combines insurance cover and SiSalute services to remotely assist new mothers and babies through the use of a platform that is always available; the policy includes benefits during pregnancy and after childbirth.

THE LIFE AND HEALTH WELFARE MODEL IN UNIPOL



The Health offer also includes cover for the risk of non-self-sufficiency, as in the **"UnipolSai Autonomia Costante" product.** The **integrated global support** model defined by the Group envisages personalised management of medical care and consultancy of excellence in cases of non-self-sufficiency and hospitalisation at home after a hospital stay.

The Group assigns a determining role to the accessibility of its services, implementing innovative models for prevention, care and treatment of customers through digital platforms, IoT, chronic disease management programmes, home care services, physiotherapy and social care. This includes the **telemedicine services** developed by DaVinci Health Care, from which patients derive benefits such as easier access to treatment and shorter waiting times for a consultation; this is reflected in an approximate 5% reduction in hospitalisations and 8% in emergency room visits for chronic patients with personal care plans (PAI) created by GPs through the platform.

The Welfare ecosystem offer is completed with the services provided by three Group companies**: UniSalute Servizi, Tantosvago and WelBee**. The first offers non-insurance health services, company welfare services and flexible benefits both in addition to the insurance offer and directly to individual users, through the proposal of SiSalute Cards and services that can be used via app. In 2023, the **SiSereno online psychotherapy service** was launched, making it possible to follow a personalised psychological path that can be used through video consultation with registered psychologists and psychotherapists. **Tantosvago** and **WelBee** are entrusted with the management and dissemination of company Welfare services through a **multi-channel online platform** dedicated to the employees of customer companies that allows access to the network of services and products with more than 1,000,000 offers available for purchase and a choice between different categories of experiential products, also assisting the development of local economic and commercial activities.

Life solutions are also evolving from a "Life-cycle" perspective. For example, the **commercial pension initiative** included in the UnipolSai Previdenza Futura multi-class PIP with a **young target** encourages supplementary pension schemes by launching a path to cover risks and respond to needs that will evolve over time, also thanks to a 50% reduction in the expense borne by the member up to the age of 26.

In the supplementary pensions sector, at 31 December 2023 the Group managed resources totalling €5,834m in Occupational Pension Funds and assets totalling €953m in Open Pension Funds, as described in more detail in the section "Unipol Group Performance".

The Group has structured an offer of investment and welfare products classified pursuant to Article 8 of Regulation (EU) 2019/2088[14], i.e. that promote environmental and/or social characteristics. These are:

- "**Bilanciato Etico**" segment, one of the seven segments of the UnipolSai Previdenza FPA Open Pension Fund, with €52.5m in portfolio assets;
- UnipolSai Investimento **MixSostenibile**, a multi-segment insurance proposal that in 2023 totalled premiums of around €28m;
- the **Cromia 2.0** multi-segment investment product (around €122m in premiums at the end of 2023) and the Ingegno range (with a premiums volume in the year of over €40m), placed on the market by ArcaVita;
- the **Open Solution** multi-segment product (with premiums of over €2m) and the unit-linked products Freefunds and Freefinance (€13m) proposed by BIM Vita;
- the unit-linked policy **Take Care** offered by Arca Vita International, with a number of selectable ESG funds, with over €9m in premiums.

Full support for more efficient, safe and sustainable mobility

TCFD

The Group, with the progressive structuring of the Mobility ecosystem, directly supports the various mobility needs, integrating ancillary services contiguous to the core insurance business.

Three group companies support customers in vehicle maintenance, at the time of the claim and until the damage is compensated through direct repair: UnipolAssistance, which with its contact centre in operation 24/7, manages 900,000 requests for roadside assistance per year; UnipolService, which with its 2,600 affiliated workshops and repair shops handles the vehicle repairs; UnipolGlass, which specialises in the installation, repair and replacement of car windows.
This network (with 220,000 claims managed during the year) serves the nine million UnipolSai customers, as well as the fleet of 130,000 UnipolRental cars and customers of I.Car, the company that created the Identicar anti-theft system, a permanent vehicle identification system through indelible marking of the chassis number on the windows and on optical units that represents an effective deterrent against theft.
The channelling on the network of a significant volume of activities guarantees strong network loyalty, rapid take-up of repairs and efficiency, further strengthened by the centralised management of UnipolService's spare parts purchases directly from the car manufacturers, acting as purchasing centre and supplying the affiliated workshops and repair shops. This management model results in **repair times 11% shorter than the market average.**

UnipolSai is present in the long-term rental sector, with UnipolRental, and operates in the electronic motorway tolls business with UnipolMove, implemented by UnipolTech. Electronic toll payments allow the Group to offer a series of useful mobility services with a view to MaaS (Mobility as-a-Service); in the city of Milan, for example, UnipolSai provides access to the city mobility services of various operators through the Unipol Move City app.

2023 saw the marketing of distinctive solutions for advanced pricing and underwriting models, thanks to the development of algorithms based on driving habit data and the introduction of new parameters related to traffic and speed. Through the potential offered by telematics, solutions are available for mobility risk prevention and protection, such as assistance services and dangerous driving alerts, the "Full Assistance" guarantee that also includes services dedicated to the new needs of electric car users.

Policies with Unibox telematics accounted for 44.0% of total UnipolSai MV policies at the end of 2023, corresponding to 50% of related premiums. The Group's vehicle telematics offer is completed by the Arca Assicurazioni solutions which, through 25,000 policies with €8.5m in premiums and the various Linear solutions, recorded total premiums of over €12m (vs €4.7m in 2022).

In terms of compulsory insurance, the Group pays particular attention to the accessibility of its insurance offer.
During 2023, the placement of BeRebel's highly personalised "pay-per-you" monthly car policy continued, particularly suitable for motorists who travel less than 10-12,000 km per year; a minimum monthly cost corresponds to a quantity of km available. Any extra km travelled or not used roll over to the following month's balance. The policy, managed via app, envisages installation in the car of a small

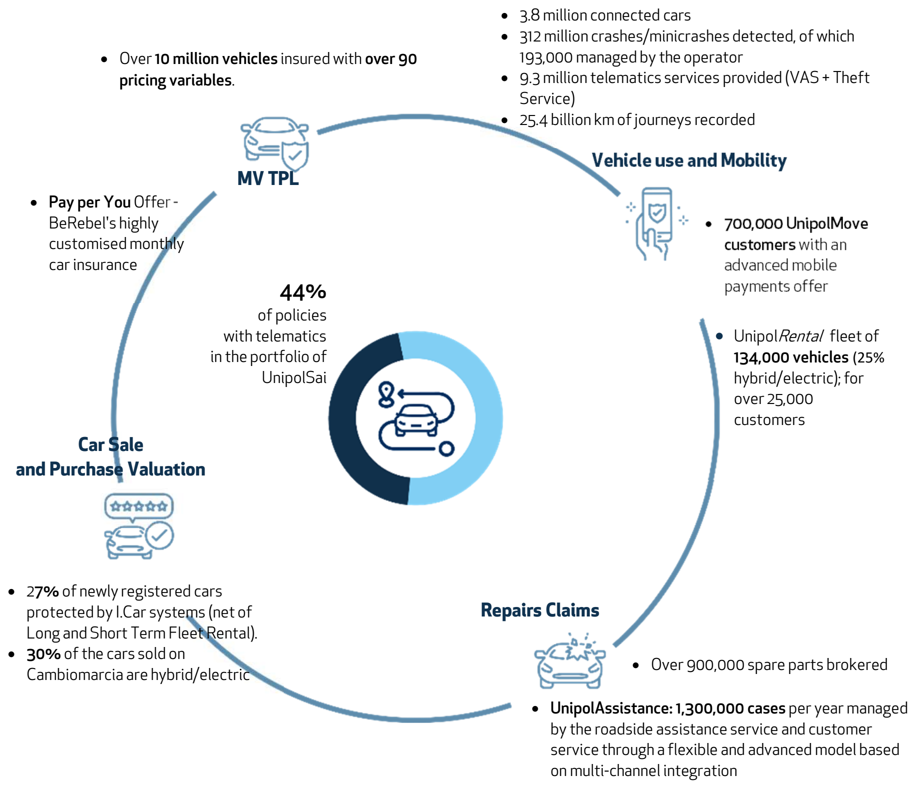
[14] Regulation (EU) 2019/2088 on sustainability-related disclosure in the financial services sector (SFDR, Sustainable Finance Disclosure Regulation) defines two types of products with sustainability characterisation. Among these, Article 8 of the Regulation describes the type of products that promotes "among other characteristics, environmental or social characteristics, or a combination of those characteristics".

telematic device (RebelBot) that detects the kilometres travelled, provides roadside assistance in the event of an accident and offers a discount in calculation of the month-end balance based on usage and driving style in the past month.

In the MV segment, more than 460,000 policies, equal to approximately €200m in insurance premiums, are paid by customers with zero-interest instalments to counteract specific inflation.

Unipol believes that telematics can make a substantial contribution to the transition to a more sustainable mobility. For this reason, through its think tank **The Urban Mobility Council**, it has conducted research with Milan Polytechnic that highlights how emissions can vary significantly according to driving style, regardless of the Euro class of the engine, and that real emissions could be accurately monitored through black box technology. The Unipol Group presented the research to the European Parliament, as a contribution to reflections on the evolution of mobility: a system of incentives linked to virtuous driving behaviour from an environmental perspective (which coincides with lower risk) can in fact be an effective support for reducing emissions while the transition process linked to car fleet renewal is carried out, which will last years, without penalising lower-income earners.

UNIPOL A FULL PARTNER FOR MOBILITY



Support for households and business development with products and services for protection, prevention and efficiency

TCFD

In order to meet the needs of corporate customers, mostly SMEs, the Group's offer has been integrated with services and conditions which, on the one hand, promote and support prevention, understood as an approach that facilitates the continuous existence of the insurability conditions of the individual players and overall sustainability for the Company, and on the other facilitate the rebound in the economic activity in the event of an accident which jeopardises it, by recognising this as a key element for the competitiveness of the players involved.

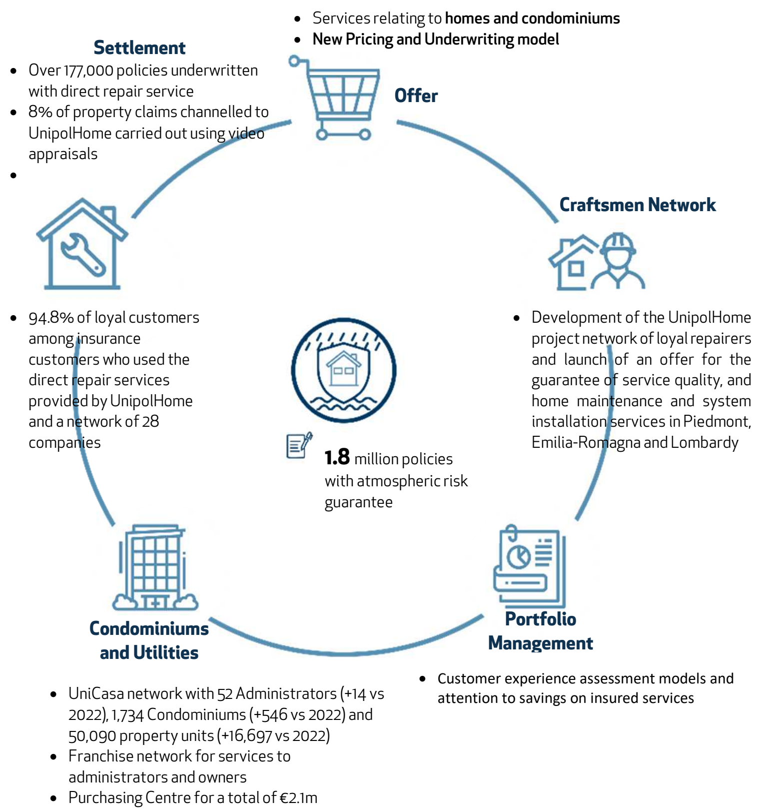
SME premiums reached 11.5% of UnipolSai's total Non-Life premiums (or 27.9% of Non-Life Non-MV premiums), amounting to more than €787m (+3.7% vs 2022).

During 2023, UnipolHome consolidated the Strategic Plan project for the creation of a network of craftsmen, to encourage the transition to a more structured Direct Repair model for General Class business, fully monitored by UnipolSai, to achieve cost and service benefits in relation to Property settlement.

UnipolHome is the entity responsible for:

- search and selection of direct repair companies;
- management and control of the Repair Specialists Register;
- operational management of the assignment of engagements;
- provision of the direct repair service through the selected companies.

UNIPOL PROPERTY ECOSYSTEM



For management of the network, UnipolHome has developed a portal that maps the services and trades available to customers, for which a price list is defined. The 52 registered partner companies (of which 28 are also included in the network for direct property plumbing repairs and Other Damage to Property claims) receive initial training on insurance issues, to manage direct repairs, and on management aspects. After training they are ready to receive assignments, which they will manage through the platform.

The Property ecosystem offer is enriched by UniCasa services: through the franchise network of condominium administrators, services are offered on the market to the Administrator and to the Condominium.

In 2023, the commitment continued to cover customers' insurance requirements deriving from the need for data, technological asset and policyholder asset protection. UnipolSai's offer for digital cover, consisting of a range of diversified products for different needs, recorded premiums of €17m in 2023 (+25% compared to the previous year).

In 2023, the new **UnipolSai Focus Impresa** product was marketed, intended for small and medium-sized enterprises, to cover risks associated with the performance of industrial and craft-trade business activities and for owners of construction companies. Among the important innovations, over and above the supplementary guarantees and additional conditions that better meet the needs of the insured company, note the inclusion in the **Environmental Damage Section** that envisages technical consulting, remediation and emergency services through the "Environment pool" consortium.
The insurance solution for **Third Sector** entities, which offers a high degree of customisation based on the different economic and social purposes of the entities concerned, recorded premiums totalling €8.9m (€7.3m in 2022).

About €130m in General Class premiums were paid by customers with zero-interest instalments.

Support in implementing the 2030 Agenda and contribution to combating the climate emergency

In addition to contributing to SDGs 3, 8 and 11 as described above, Unipol contributes to implementation of the 2030 Agenda as a whole, with particular reference to goal 12, for sustainable production and consumption, and goal 13, for combating the climate emergency with commitments that concern both insurance activities and investments.

Insurance business and impacts of climate change

In 2023, Property damage resulting from atmospheric events was up sharply compared to the previous year and occurred essentially in the regions of central and northern Italy. In particular, there were the serious floods that hit Romagna in the second half of May, the exceptional rain and hail storms in July and August in Lombardy and Triveneto, and lastly the flood in Tuscany at the beginning of November. These events led to an approximate 30% increase in claims in 2023 in the Property segment, thus impacting the settlement rate management data for the year and, as regards economic impact, the average total and reserved cost of claims settled (as this type of event has a significantly higher average cost than classic Property claims).
The Unipol Group confirmed its commitment to supporting populations affected by the floods in Romagna and Tuscany, making its assets available to support customers and agencies in managing claims, also granting significant premium payment extensions and deferrals. Immediately after the most significant events, support measures were put in place to allow a quick restart of activities affected through Disaster Recovery assistance, the granting of prompt advances on compensation and the activation of "Prompt Settlement" fast-track settlement procedures.

Thanks to the support of Leithà, the Unipol Group has projects in place to strengthen and expand its ability to analyse weather and climate data to support the entire value chain of the insurance business:

- **Risk prevention:** with regard to the Weather Alert service, over 4.1 million text messages were sent in 2023 (vs 3.8 million in 2022) for the hail campaign, involving almost 4.2 million UnipolSai, Linear and Arca Assicurazioni customers (in line with the previous year);
- **Pricing:** two new components of the **European Extreme Events Climate Index (E3CI)**[15] were released in 2023 (forest fires and hail). Also updated were the hazard maps relating to flood and rainfall underlying the SAM project, designed to improve the pricing process by using weather variables and property characteristics to accurately process the danger level in a specific area;
- **Claims management**: the analysis of public (Copernicus) and private satellite data made it possible to quickly estimate the losses associated with the flood events that hit Emilia-Romagna and Tuscany and to optimise organisation of the settlement and adjuster networks.

The Unipol Group offers insurance products and services to support customers in mitigating and adapting to climate change[16]. With regard to mitigation, these are, for example: offers to facilitate renovation works, largely to improve the energy efficiency of homes; MV policies envisaging the installation of an electronic device to monitor use of the car, kilometres travelled and driving style, which place the attention of customers on reducing their environmental impacts, inviting them to set themselves targets to reduce their CO_2 emissions (as in the case of the Smart Drive telematics offer), or to pay a monthly contribution to offset CO_2 emissions (as in the case of BeRebel).

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[15] First index in Europe to monitor and manage the impact of extreme weather events, developed by Leithà as part of an International Foundation Big Data and Artificial Intelligence for Human Development (IFAB) project in partnership with the Euro-Mediterranean Centre for Climate Change (CMCC).
[16] Regarding the type of phenomenon it intends to represent, the information presented here differs from information published in the later section "Disclosure on the European Taxonomy of environmentally sustainable economic activities" and therefore is in no way comparable.

Insurance skills to support system resilience

The Unipol Group has designed and implemented two innovative public-private partnership projects that aim to provide knowledge and tools to vulnerable parties (respectively small and medium-sized Italian companies and the agricultural sector) to increase their ability to adapt to climate changes.

The **LIFE DERRIS project**, launched in 2015, aims to increase the awareness of Italian SMEs on the risks that extreme weather events can pose to their business continuity. The project has devised a free online **climate risk self-assessment tool (CRAM)** that helps companies to identify possible risk prevention and management actions to be implemented to increase their resilience to the expected impacts of climate change. At the end of 2023, the tool had been used by almost **10,000 users** for a total of around 13,000 sessions (+1000 compared to the previous year).

The **LIFE ADA (ADaptation in Agriculture) project,** launched in 2020, focuses on the agricultural sector and specifically on three supply chains: dairy (Parmigiano Reggiano), wine, fruit and vegetables. The **ADA tool released** in 2023 is a web-based tool to support farmers in analysing the climate change risks to which they are exposed (currently and in the future), with access to a library of adaptation actions and selection of those most suitable to their specific situation in order to create their own adaptation plan. At year end, the tool had been used by around 700 users. The project involved 7 producer organisations and over 100 farmers in Emilia-Romagna, the project's pilot region, to support them in compiling their adaptation plans.

The climate impact of the investment portfolio

Also in 2023, Unipol measured the climate impact of the investment portfolio and its alignment with the emission reduction trajectories defined at international level with the support of S&P Global Sustainable 1. As specified in the chapter "The Unipol Group strategy on climate change", in 2023, as part of its membership of the NZAOA, the Group published a target for reducing the carbon intensity (C/V) of its directly managed portfolios of listed equities and publicly traded corporate bonds.

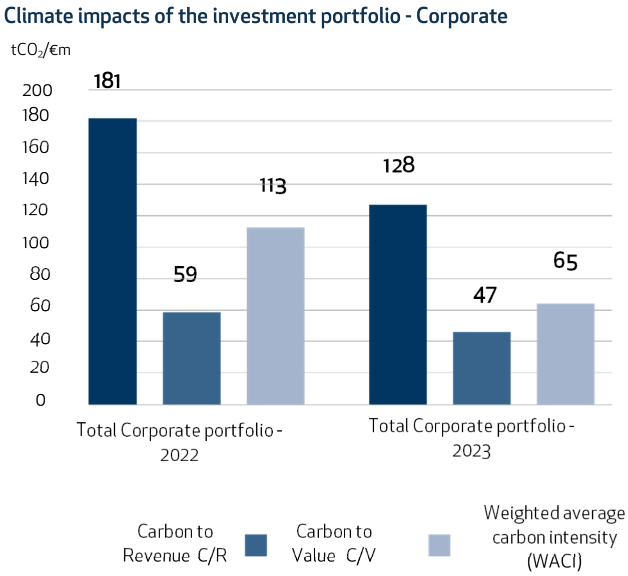
In line with recommendations of the Task Force on Climate-related Financial Disclosures, among the many metrics to be analysed concerning the **Corporate portfolio (Corporate Bonds and Equity)** and the **Government Bonds portfolio**[17], in addition to absolute emissions, the primary metrics are[18]:

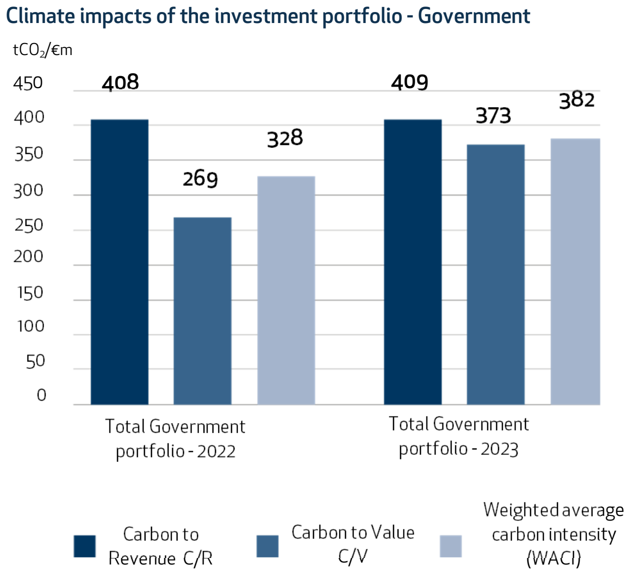
- **Carbon to Revenue - C/R**, which measures the total emissions induced by the portfolio (in tCO_2eq)[19] on related revenues or on the period GDP of the investee issuer.
- **Carbon to Value invested - C/V**, which measures the total emissions induced by the portfolio (in tCO_2eq) on the value of that portfolio (in €m). This is the metric **used for the NZAOA-defined target**;
- **Weighted Average Carbon Intensity (WACI)**, obtained by adding together the carbon intensity of each company (calculated as the Scopes 1 & 2 emissions divided by period revenues) and of each country (calculated as the Scopes 1 & 2 emissions divided by the period GDP) in the portfolio, weighted according to the weight of each company and each country in the portfolio.

[17] The analysis was conducted on figures at 31 December 2023, on 84% of total assets under management (direct and indirect), i.e. €48.5bn in debt and equity securities of which €18.1bn Corporate and €30.4bn Government. Therefore, the excluded asset classes are: cash, UCITS, ETFs, derivatives and unlisted instruments.

[18] Additional information is provided in the Unipol Group's "Unipol and Climate Change 2023" Report and on the website www.unipol.it

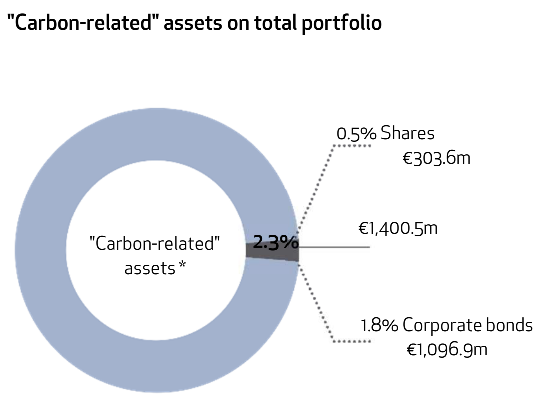
[19] For investments in Corporate Bonds or Equity, the total emissions induced by the portfolio are calculated by allocating the emissions generated by the investee companies based on the value of the Group's investment as a ratio of the market capitalisation or enterprise value of those companies. For Government Bonds, the allocation of the emissions of the investee countries is calculated as a ratio of the Group's investment in government bonds for each country to that country's GDP.

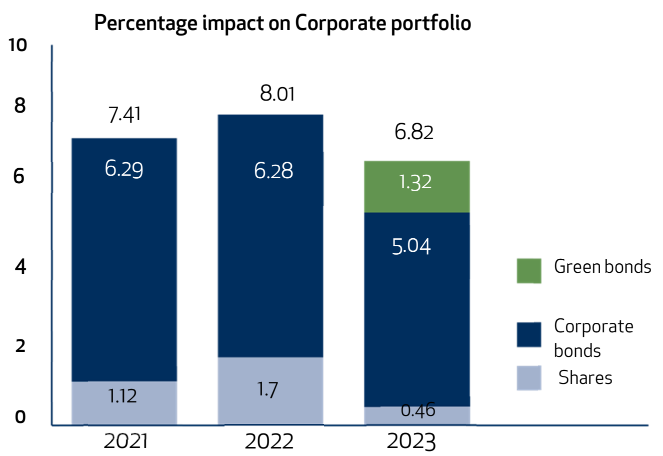




In 2023, the climate impact indicators of the Corporate investment portfolio, including that relating to absolute emissions, all show decreasing trends, largely determined by a reduction in the carbon intensity of certain issuers that generate the highest Scope 1 and 2 emissions, as well as a reduction in investments in high carbon-intensity issuers. As in 2022, the emissions of Unipol's Corporate portfolio are **aligned with a trajectory of between 1.5 and 2 degrees**[20], indicating a positioning consistent with the Paris Agreement's minimum goals.

Fossil fuel exposure represents 0.86% of the Corporate portfolio; considering exposure to coal alone, the related revenues have a 0.19% impact[21].
The incidence of "carbon-related assets"[22] (calculated using the GICS classification) on the overall portfolio remained constant compared to 2022 and 2021, while the incidence on the Corporate portfolio is down from 8% in 2022 to 6.8% in 2023.





[20] The Paris Alignment analysis of the Corporate portfolio assesses the adequacy of emission reduction programmes of companies in the portfolio against the international climate goals, considering past data and forward-looking indicators over a medium-term horizon.
[21] The analysis of stranded assets covers 93% of the analysed corporate portfolio, based on available information.
[22] "Carbon-related" assets refer (according to the definition provided by the TCFD Recommendations) to those linked to the Energy and Utilities sectors (according to the Global Industry Classification Standard - GICS sector classification), excluding Water Utilities, Independent Power Producers (IPP) and Renewable Energy Producers.

Investment decisions for SDGs and combating climate change

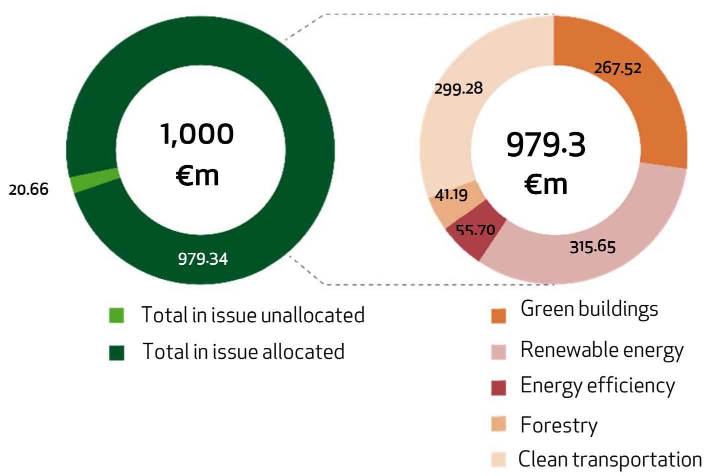
Unipol has a structure dedicated to the selection and management of **alternative investments**, such as private equity, real assets and hedge funds, selected through specific due diligence which calls for, aside from traditional financial analysis, an in-depth analysis of socio-environmental and governance criteria and the mapping of sustainability risks which may have a reputational impact.
Investments with these characteristics **grew by 24.1% in 2023**, and those to combat climate change and protect the environment, land, marine and freshwater ecosystems by 19.6%. With €1,439.3m in total investments, in 2023 the target set in the 2022-2024 Strategic Plan, which envisaged reaching €1,300m invested in support of the 2030 Agenda by the end of 2024, has already been reached and exceeded.
In the table below, the investments are classified based on their positive impact on the different SDGs.

Thematic and impact investments

Issues	Value €m	SDGs	Issu	Value €m	SDGs
Renewable energy, eco-efficiency	785.6		Organic farming and Eco-innovation	52.2	
			Sustainable forest management	49.7	
Digital networks and infrastructure	331.9		Water	42.7	
Sustainable mobility	82.1		Training and culture	16.2	
Residential and social care	77.1		Social housing	1.8	
TOTAL €1,439.3m					

The Group has Green Bonds in issue for a total value of **€1bn**, composed of bond loans - senior, unsecured and unsubordinated, non-convertible with maturity in 2030, issued in 2020 in compliance with its Green Bond Framework published in September 2020, with a Second Party Opinion issued by Sustainalytics.

Green Bond issue and allocation by category



At 31 December 2023, the income allocated to the refinancing or financing of projects consistent with the criteria defined in the Green Bond Framework totalled **€979.3m**.
An in-depth description of the allocation of income and the related impacts generated is contained in the Green Bond Report, which is published annually in conjunction with the publication of data relating to non-financial performance.

Disclosure on the European Taxonomy of environmentally sustainable economic activities

This Appendix provides the information required by Art. 10 of Delegated Regulation (EU) 2021/2178[23], which integrates the "Taxonomy Regulation" and governs the reporting of environmentally sustainable economic activities, defining the core performance indicators of financial undertakings to be included in annual financial reports published from 1 January 2024.

In the Unipol Group's commitment to contribute to the challenges posed by climate change through its main areas of activity, investments and underwriting, the European taxonomy of eco-sustainable economic activities[24] (the "Taxonomy") constitutes a fundamental support to strengthen the orientation of strategies towards the achievement of Community environmental objectives (the "Environmental Objectives"), starting with climate change mitigation and adaptation, which – among the six overall objectives – are the first to be subject to detailed regulation[25].

In 2023, Unipol published an updated version of its strategy on climate change, integrated with the undertaking of commitments to reduce emissions and carry out engagement activities with respect to its directly managed portfolios of listed equities and publicly traded corporate bonds, as part of its membership in the Net-Zero Asset Owner Alliance.
The initiatives implemented under the new Strategic Plan, in support of the environmental goals defined by the European Commission, are described in detail in preceding paragraphs in the chapter "Support in implementing the 2030 Agenda and contribution to combating the climate emergency". The quantitative information contained in that chapter was prepared on the basis of criteria which, by scope and application method, differ from those defined in the Taxonomy and do not match those indicated in this section.

Information on how and to what extent the Unipol Group's activities are associated with environmentally sustainable economic activities in relation to investing and underwriting activities is presented below; this information is prepared based on the interpreted regulatory requirements also considering the interpretative and/or clarification documents published, as described in detail in note[26].

1. Investment KPI

Information on the key performance indicator for investments is provided below.
For the purpose of calculating the percentage exposures to central governments, central banks and supranational issuers ("Investments in sovereign entities"), the denominator, which corresponds to the concept of "total investments" in the table below, is the sum of items "2. Property, plant and equipment", for the part referring to Property, "4. Investments" and "7. Cash and cash equivalents", as recorded in the Statement of Financial Position[27]. With reference, on the other hand, to the denominator for the percentage exposures to Taxonomy-eligible and Taxonomy-non-eligible economic activities, exposures in derivative assets, exposures to undertakings not subject to the application of Articles 19a and 29a of Directive 2013/34/EU ("Non-Financial Statement") which corresponds to the concept of "Assets covered by the KPI" in the tables below, this is determined by deducting the total investments in sovereign entities from the denominator defined above.
In order to guarantee, at least in reference to information to be disclosed in application of the Taxonomy Regulation, effective comparability of the data published, the European Commission[28] requires that disclosures concerning the aforementioned proportions are based on actual information, provided by the financial or non-financial undertaking in which the exposure is held.
To respond to this request, avoiding the use of estimates and as reference for calculation of the Taxonomy eligibility and alignment of its investments, Unipol used the data disclosed by issuers in its portfolio through the related Non-Financial Statements for 2022. These data were collected promptly with the support of a specialist provider. Taxonomy eligibility and alignment are considered only for undertakings that fall within the scope of application of the NFS regulation and publish data relating to their eligibility and alignment. For

[23] As amended by Delegated Regulation (EU) 2022/1214
[24] Defined in Regulation (EU) 852/2020 and its Delegated Acts.
[25] Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, as amended ("Climate Delegated Act")
[26] "FAQs: How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy regulation Article 8 Disclosures Delegated Act?" published in December 2021 and supplemented by the "Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets" of February 2022; "Draft Commission Notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets (third Commission Notice) of December 2023. Note that indications contained in the latter publication, being a version not yet formally adopted and published close to the publication of data for 2023, were taken as reference for the calculations to the extent compatible with the applicability of these indications to data gathered on the basis of processes structured prior to the date of publication.
[27] Therefore, the total investments considered in order to calculate the taxonomy indicator on investments do not include items "1. Intangible assets", "2. Property, plant and equipment" other than property, "3. Insurance assets", "5. Other financial assets", "6. Other assets".
[28] *"FAQs: How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy regulation Article 8 Disclosures Delegated Act?" published in December 2021, FAQ no. 12*

individual issuers listed on the stock exchange, a data hierarchy was adopted: priority is assigned to data disclosed at issuer level; if unavailable, parent company level data are used; if unavailable, the data reported by the ultimate entity are used. For the alignment assessment, the technical screening criteria and those related to those that do no significant harm (DNSH) were considered, as well as the observance of minimum safeguards in conducting business by the issuers.

With reference to 2022, only non-financial undertakings were required to disclose the alignment of their investments with the Taxonomy while, again in 2022, financial undertakings disclosed only the eligibility data. For this reason, the alignment figure currently disclosed is to be considered partial, as it refers only to non-financial undertakings.

In a phase in which the tools to manage the information flows and processing necessary for application of the regulations are still being structured and applied at system level, data collection and subsequent eligibility analysis has focused on issuers in which direct investments are held by the Group and that fall within the scope of application of the regulations (EU financial and non-financial undertakings subject to the application of Articles 19a and 29a of Directive 2013/34/EU). Indirect investments in companies potentially subject to the obligation to publish non-financial disclosures were consequently considered ineligible at this stage, as it was not possible to complete the analysis on all indirect financial instruments in the portfolio.

Note that with reference to the investments indicator, for calculation of the total and the weighted average percentage of Taxonomy-eligible exposures (and aligned, where possible) on the basis of turnover and capital expenditures, as required by regulations and shown in the tables below, the following action was taken:

- with reference to exposures in non-financial undertakings, the eligibility and alignment data provided by issuers were considered, already broken down by turnover and capital expenditures;
- for exposures other than those in non-financial undertakings, as the eligibility indicators broken down between turnover and capital expenditures are not available, the value considered for both indicators was:
  i. for credit institutions, the proportion of exposures to Taxonomy-eligible economic activities with respect to the total assets covered;
  ii. for insurance and reinsurance undertakings, the average between the percentage exposures in Taxonomy-eligible economic activities with respect to the total assets covered and the percentage of Taxonomy-eligible Non-Life economic activities with respect to total Non-Life premiums, weighted according to the proportion of revenues that insurance and reinsurance undertakings derive from investment activities and the proportion of revenues that insurance and reinsurance undertakings derive from Non-Life underwriting activities out of the total revenues of insurance and reinsurance undertakings;
  iii. for investment property, the entire value, given that it is considered among exposures to Taxonomy-eligible economic activities as its nature is deemed consistent with the list in Annexes I and II of Delegated Regulation (EU) 2021/2139 (Climate Delegated Act).

Carrying amounts were used for the weighting of the exposures.

Investment property, as well as real estate for own use (with the exception of land), included in items 2 "Property, plant and equipment" and 4.1 "Investment property" of the Statement of Financial Position, were considered exposures in Taxonomy-eligible economic activities as their nature was deemed consistent with the list contained in Annexes I and II of Delegated Regulation (EU) 2021/2139 ("Climate Delegated Act"); to determine their alignment, the technical screening criteria set out in paragraph 7.7, Annex I of Delegated Regulation (EU) 2021/2139 were applied.

With reference to investment property, for the calculation of the assets aligned in 2023, the Group took into consideration - with a prudential approach - a first subset of properties with respect to which it has precise information on energy performance, i.e. properties included in the scope of the energy management system certified according to ISO 50001 standard.

Within this scope, buildings (constructed before 31 December 2020) that have at least a class A energy performance certificate were considered aligned with the technical screening criteria. For buildings with energy performances certified in lower classes, the energy performance accurately measured by the Energy Performance Certificates (APE), measured in terms of kWh/m², were considered[29]. Therefore, the performance of the top 15% of the building stock in terms of primary operational energy requirements was calculated, considering as reference point the individual climate zones in which the buildings subject to alignment assessment are located. To this end, as a prudential measure[30], the information on energy performance by climate zone contained in the SIAPE (Energy Performance Certificates Information System) portal created and managed by ENEA was used[31]. Buildings for which the overall energy performance was lower than the performance of the top 15% of the buildings in the corresponding climate zone were considered to meet the technical screening criteria for climate change mitigation. In cases where a building has several cadastral units with different energy performances, the building performance was calculated considering the weighted average performance for the useful area of each unit.

[29] For sites with an APE and energy performance assessed previously with respect to the current classification (26/06/2015), the index was normalised, restating the performance from kWh/m³ to kWh/m².
[30] The approach adopted is prudential as it assumes that the energy performance of the overall property portfolio is represented by that indicated in the SIAPE. It is instead reasonable to expect that the portion of the total properties without APE could have a significantly lower energy performance as they are not recent constructions and/or recently subject to energy upgrading.
[31] A useful methodological reference to support the analysis was the report "Percentage distribution of primary energy (Ep) values in the Italian national building stock", prepared by the Italian Thermotechnical Committee for CRIF, 2022.

For properties that contribute substantially to the climate change mitigation objective, compliance with the criterion of **"do no significant harm" to the climate change adaptation objective** was assessed. As part of the analyses carried out on the owned portfolio, the impact of the IPCC RCP8.5 scenario to 2030 was measured on the sum of the change in the expected loss (AAL, Average Annual Loss) and the reinsurance costs between the baseline scenario and that informed of the effects of climate change. The analysis was conducted with reference to the expected risks portfolio for 2027 and in relation to the climate-sensitive perils to which the Group is most exposed: flood, convective storms and electrical damage from weather events. In the scenario impact assessments, possible management actions to mitigate physical risks were not considered. In this context, the impact in terms of AAL is not very significant and no significant risks are highlighted.
The properties in question belong to Unipol Group companies (UnipolSai Assicurazioni, SIAT, Midi Srl) to which the policies apply as described below in the paragraph "Verification of the safeguard clauses referred to in Article 3c of the Taxonomy Regulation" in **compliance with minimum safeguards in conducting business.**

With regard to the breakdown of the KPI numerator by environmental objective, with the information provided in 2022 by companies it is possible to break down the data for the first two environmental objectives, Climate change mitigation and Climate change adaptation. Initial information in relation to the other four objectives (i.e.: Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control, Protection and restoration of biodiversity and ecosystems), based on technical screening criteria contained in Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023, will be made available by companies in the non-financial reporting for 2023. The Group will therefore integrate the information relating to the other four environmental objectives into reporting for 2024.

Weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with, **Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI**, with the following weights for investments in undertakings:		Weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with, Taxonomy-aligned economic activities with the following weights for investments in undertakings:	
turnover-based (%)	3.8	turnover-based (€m)	1,396.6
capital expenditures-based (%)	4.8	capital expenditures-based (€m)	1,788.4

Percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total financial assets under management). Excluding investments in sovereign entities.		Monetary value of assets covered by the KPI. Excluding investments in sovereign entities.	
Coverage ratio (%)	54.9	Coverage (€m)	36,922.4

Investments in central governments, central banks and supranational issuers represent 45.1% of the Group's total assets, equal to €30,356m.
The tables relating to Additional, complementary disclosures - breakdown of denominator of the KPI, Additional, complementary disclosures - breakdown of numerator of the KPI and Breakdown of the numerator of the KPI per environmental objective, as well as Templates 1 to 5 concerning Nuclear and fossil gas related activities are listed in the **Appendix**.

Voluntary additional disclosures

To facilitate reading of the information provided regarding association of Group investments to environmentally sustainable economic activities, summary tables are presented below, supplemented on a voluntary basis.

Breakdown of total investments	Amount (€m)	%
Investments in central governments, central banks and supranational issuers	30,357.8	45.1
Assets covered by the KPI	36,922.5	54.9
Total investments	**67,279.2**	**100**

Breakdown of Assets covered by the KPI - Turnover			**Aligned Amount (€m)**	**Eligible Non-Aligned Amount (€m)**	**Non-Eligible Amount (€m)**
Derivatives	72.4	0.2	-	-	72.4
Exposures to undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU	5,705.5	15.5	-	-	5,705.5

Exposures to undertakings subject to Articles 19a and 29a of Directive 2013/34/EU	15,617.8	42.3	375.3	3,613.1	11,629.4
Exposures to other counterparties (property)	4,199.1	11.4	1,021.3	2,928.6	249.2
Other exposures through Funds that cannot be assessed for eligibility under the EU Taxonomy	8,630.6	23.4	-	-	8,630.6
Other	879.4	2.4	-	-	879.4
Cash and cash equivalents	1,817.7	4.8	-	-	1,817.7
Assets covered by the KPI	**36,922.5**	**100**	**1,396.6**	**6,541.7**	**28,984.2**
Percentage %			3.8	17.7	78.5

Breakdown of assets covered by the KPI - Capital account			Aligned Amount (€m)	Eligible Non-Aligned Amount (€m)	Non-Eligible Amount (€m)
Derivatives	72.4	0.2	-	-	72.4
Exposures to undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU	5,705.5	15.5	-	-	5,705.5
Exposures to undertakings subject to Articles 19a and 29a of Directive 2013/34/EU	15,617.8	42.3	767.2	3,606.1	11,244.6
Exposures to other counterparties (property)	4,199.1	11.4	1,021.3	2,928.5	249.2
Other exposures through Funds that cannot be assessed for eligibility under the EU Taxonomy	8,630.6	23.4	-	-	8,630.6
Other	879.4	2.4	-	-	879.4
Cash and cash equivalents	1,817.7	4.8	-	-	1,817.7
Assets covered by the KPI	**36,922.5**	**100**	**1,788.5**	**6,534,6**	**28,599.4**
Percentage %			**4.8**	**17.7**	**77.5**

2. Underwriting KPI

Insurance and reinsurance business is included in the Taxonomy as an economic activity that can make a substantial contribution to the objective of climate change adaptation through the provision of insurance services relating to the coverage of climate-related hazards in accordance with Annex II, points 10.1 and 10.2, of the Climate Delegated Act. With specific regard to insurance, the economic activity described in point 10.1 is the provision of insurance services related to the underwriting of climate-related hazards (classified in Appendix A of the Climate Act), within the eight lines of the insurance business expressly laid out.

To be considered Taxonomy-eligible, in addition to belonging to one of the aforementioned lines of business, a policy must have conditions that provide coverage for risks related to "climate hazards"[32].

To identify Taxonomy-eligible policies and the related premiums, the Group used the risk category as the analysis and selection element, representing the minimum disaggregation unit through which premiums recognised in the different insurance classes[33] are allocated to the different types of guarantee. From among the risk categories to which its own portfolio is classified, Unipol has selected the risks referring to climate hazards. Of these, the risk categories with a particular impact on the portfolio are those relating to weather events, fire and flood. Using these risk categories as basis, the guarantees and products containing them and therefore envisaging their coverage[34] were identified.

The analysis thus carried out has made it possible to highlight the lines of business in which the Group provides insurance coverage against climate-related hazards, and within these insurance activities, which policies cover risks relating to "climate hazards", to be reported for the purposes of calculating the KPI related to underwriting.

As a result of the analysis, the Group identified significant underwriting of climate-related, and therefore eligible, perils in the following lines of business:

- other motor insurance;
- marine, aviation and transport insurance;
- fire and other damage to property insurance.

To be considered Taxonomy-aligned, an insurance business must meet the technical screening criteria that establish its substantial contribution to climate change adaptation.

For the activities that can be assessed for eligibility, the Group promptly verified compliance with the various technical screening criteria. A subset of UnipolSai Assicurazioni products/cover targeting SMEs and Corporates, both "standard" and "tailor-made", met the technical screening criteria.

If the cover for climate risks is included in insurance contracts that cover multiple risks, in order to calculate the Taxonomy alignment, only the portions of the **premiums concerning the coverage of climate risks** were calculated, using the risk category as an element in the calculation.

In order to comply with the criterion of "do no significant harm" to the climate change mitigation objective, the aligned premiums excluded those underwritten by legal entities operating in the fossil fuel mining, storage, transport or production sectors, identified through analysis and selection of the respective ATECO codes.

	Substantial contribution to climate change adaptation			Do no significant harm (DNSH)						
Economic activities (1)	Absolute premiums, 2023 (2)	Proportion of premiums, 2023 (3)	Proportion of premiums, 2022 (4)	Mitigation of climate change (5)	Water and marine resources (6)	Circular economy (7)	Pollution (8)	Biodiversity and ecosystems (9)	Minimum safeguards (10)
	Currency (€m)	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
A.1. Non-Life insurance and reinsurance underwriting - Taxonomy-aligned activities[35] (environmentally sustainable)	129.9	1.5	N.A.	Yes	Not relevant	Not relevant	Not relevant	Not relevant	Yes
A.1.1 Of which reinsured	5.9	0.1	N.A.	Yes	Not relevant	Not relevant	Not relevant	Not relevant	Yes

[32] "Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets", FAQ no. 25
[33] Under Italian law, "class" refers to management of the form of insurance corresponding to a risk or group of similar risks from the points of view of risk assumption and damage settlement.
[34] It should be noted that in the limited number of cases where a reliable breakdown of premiums by risk category was not available in the databases, such premiums were conservatively considered non-eligible.
[35] For premiums relating to reinsurance business carried out by the reinsurance company UnipolRe, no precise information was available at this stage on the eligibility or ineligibility of reinsurance business. For this reason they were prudentially considered non-eligible.

	Substantial contribution to climate change adaptation			Do no significant harm (DNSH)						
Economic activities (1)	Absolute premiums, 2023 (2)	Proportion of premiums, 2023 (3)	Proportion of premiums, 2022 (4)	Mitigation of climate change (5)	Water and marine resources (6)	Circular economy (7)	Pollution (8)	Biodiversity and ecosystems (9)	Minimum safeguards (10)
	Currency (€m)	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
A.1.2 Of which deriving from reinsurance activities	-	-	-	-	-	-	-	-	-
A.1.2.1 Of which reinsured (retrocession)	-	-	-	-	-	-	-	-	-
A.2 Non-Life insurance and reinsurance underwriting - Taxonomy-eligible but not environmentally sustainable activities (Taxonomy-non-aligned activities)	772.3	8.8	N.A.						
B Non-Life insurance underwriting - Taxonomy-non-eligible activities	7,893.6	89.7	89.8						
Total (A.1 + A.2 + B)	8,795.8	100	N.A.						

Verification of the safeguard clauses referred to in Article 3c of the Taxonomy Regulation

The criteria for environmentally sustainable economic activities referred to in Article 3 of the Taxonomy Regulation envisage, in addition to the principles of substantial contribution to the achievement of one or more environmental objectives and "do no significant harm" to any of the others, compliance with minimum safeguards in conducting business. The minimum safeguards are described in Article 18 of the Regulation, which identifies them as the "procedures implemented by an undertaking [...] to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights".
A practical reference for identifying these procedures are the recommendations contained in the *Final Report on Minimum Safeguards* of the Platform on Sustainable Finance (October 2022), which identify four core topics for which compliance with the EU Taxonomy's minimum safeguards should be defined:

a) human rights (including workers' and consumers' rights);
b) corruption;
c) taxation;
d) fair competition.

Verification of compliance with the safeguard clause is therefore based on the establishment and maintenance of adequate due diligence business processes and systems on these issues.
In general, the Unipol Group is committed to acting in compliance with the Charter of Values, the Group Code of Ethics and the Principles of the United Nations Global Compact it has adopted. The Group has a Whistleblowing Procedure, which governs the system adopted by the Group to allow internal reporting of violations of national or EU regulatory provisions, which are harmful to the public interest or the integrity of companies falling within the scope of application, and of which whistleblowers have become aware in the working context. This tool is an integral part of the Group's due diligence system. A description of the approach and the results of the application can be found in the paragraph "Internal Control and Risk Management System - The Organisation and Management Model pursuant to Italian Legislative Decree 231/2001" in chapter "Governance".
The due diligence systems adopted by Unipol in the related areas are:

a. Human rights (including workers' and consumers' rights)

As part of the Sustainability Policy, which outlines the strategies for pursuing the objectives of Sustainable Success and the management of ESG risks and impacts, Unipol considered it important to define and publish a specific commitment relating to its approach to human rights. The "Guidelines on human rights" aim to define and develop a structured approach to the issue, in order to

identify, monitor and manage the impacts on human rights in all their forms, with a commitment to avoid directly causing, indirectly contributing or in any event be associated with the generation of negative impacts on human rights in all spheres of influence of Unipol, through the systematic and progressive application of these Guidelines at every organisational and functional level of the Group.
The identification and assessment of current and potential negative impacts on Human Rights are the subject of a systematic, structured and periodically repeated process, which provides for internal analysis tools and integration of external sources to ensure broad and timely monitoring.
In the Group's risk management model, on the basis of commitments made through specific risk management policies, assessment procedures are established which make it possible to systematically identify and analyse the risk of generating potentially negative impacts on human rights in the Group and its spheres of influence and qualification. Internally and along the value chain, the Group employs a number of analysis and listening tools (whistleblowing, reports to the Ethics Officer, trade union communications, data-driven analysis systems) and involves multiple players (including: rights holders; stakeholders in their spheres of influence, such as suppliers, investees and customers; reliable, independent and competent external information sources; ESG data and information providers) with which it collaborates to identify potential human rights violations linked directly to its activities or indirectly through its spheres of influence.
The assessment aims to determine:

- potentially negative impacts on Human Rights in the various areas of activity of the Group;
- efforts of the business model to mitigate or manage the risk of generating these impacts.

This process also allows for the timely identification of any negative impacts actually generated, on which an assessment of the main causes is carried out to avoid the repetition of events with the same cause.
Through these assessments, therefore, the Unipol Group identifies the action priorities in terms of prevention and mitigation of negative impacts on Human Rights that may be linked to its operations and its products and services, depending on the severity and probability of the negative impact.
Although all areas are treated fairly and the effort aims to identify all potential violations, the Group focuses on human rights issues on which it could have the greatest negative impact.
In its Integrated Report, the Group communicates the results obtained from application of this approach:

- in relation to its direct impacts, in the sections dedicated to the reference stakeholders (Human capital and the remuneration system and incentives for employees, Social and relational capital for customers, Productive capital for Agents);
- in relation to indirect impacts, in the chapter "Governance", paragraph "Internal Control and Risk Management System - Monitoring of environmental, social and governance risks and impacts", with reference to the application of Guidelines and Codes used to monitor the impacts of underwriting, investing and purchasing activities.

b. Corruption

In 2023, Unipol approved the "Guidelines on Anti-Corruption", which pursue the objective of systematically establishing the reference anti-corruption principles for Group companies in scope.
In order to mitigate the risks of corruption, a multi-level control system is envisaged:

- line controls ("first-level controls"), aimed at ensuring the correct execution of transactions. These are performed by the same operating structures (e.g. hierarchical, systematic and sample controls), also through the different units which report to the heads of the structures, or carried out as part of back office activities; as far as possible, these are incorporated in IT procedures;
- risk and compliance controls ("second-level controls"), which aim to ensure, among other things: correct implementation of the risk management process; compliance with operational limits assigned to the various functions; compliance with conflict of interest regulations, including self-governance; regulatory compliance of corporate operations, including self-governance;
- internal audit ("third-level controls"), verification of the completeness, functionality, adequacy and reliability of the Internal Control and Risk Management System (including the first- and second-level controls) and that business operations comply with the system.

With reference to the supervised Companies and/or those adopting an Organisation, Management and Control Model, the Group has an internal system for reporting violations that makes it possible to report acts or facts that could constitute a violation of rules governing the Companies' business activities, including unlawful conduct pursuant to the Guidelines. The internal system for reporting violations has been formalised in a specific Group Whistleblowing Procedure.
Further information on this subject is available in the chapter on "Governance", under the paragraph "Internal Control and Risk Management System - Anti-corruption".

c. Taxation

In 2022, the Board of Directors of Unipol Gruppo S.p.A. approved the strategy for defining the principles and limits on which tax-related risk management is based (the "Tax Strategy"), valid for all Group companies.
Further information on this subject is available in the chapter on "Governance", under the paragraph "Internal Control and Risk Management System - Tax strategy and tax management methods".

d. Fair competition

The Unipol Group has provided the three main insurance companies with specific Antitrust compliance programmes (Linear in 2021, UnipolSai in 2022 and UniSalute in 2023). It simultaneously undertook an important initiative to raise the awareness of its employees and the agency network on consumer protection, through a specific training activity that involved all the Group Companies.
Further information on this subject is available in the chapter on "Governance", under the paragraph "Internal Control and Risk Management System - Protection of fair competition".

Though aware that monitoring the sustainability performance of customers, which are mostly small and very small companies presents significant complexities, in its Non-Life ESG Guidelines Unipol has defined an approach that involves assessing the ESG performance of current and potential customers, on the basis of which continuation of the business relationship is decided. The ESG Score assigned to each corporate customer uses public data, accurate as regards the individual company and in relation to its sector and geographic area, generating a predictive assessment of the company's potential to determine negative impacts on social (particularly related to human and workers' rights), governance and environmental aspects. Further details are available in the chapter "Governance", paragraph "Internal Control and Risk Management System - Monitoring of environmental, social and governance risks and impacts").

Strengthening of reputation

The trust built over time by the Unipol Group is considered a fundamental asset to continue to successfully evolve within an insurance business in which trust constitutes the foundation for its development opportunities.
Unipol launched its Reputation Management programme in 2014, gradually structuring its internal oversights until the formalisation (at the beginning of January 2020) of an **integrated governance model**, which clearly identifies the processes to implement and the parties involved, with the objective of ensuring even more effective management of the Group's reputation and of reputational risk.
The proactive management of reputational risk hinges on the prompt reporting of any signs of risk linked to the company's values and core business, which can find space in the media, including social media, or within day-to-day operations.

In 2023, the reputational index of the Unipol Group among public opinion in Italy, measured according to the **RepTrak®** analysis model of The RepTrak Company, fell slightly (-1.1 point) compared to 2022, reaching 77.6[36] on a 100-point scale. This value falls within a "strong" reputational segment.

The reputational indices recorded among agents (84.4 vs 90.3 in 2022) and customers (80.2 vs 83.6 in 2022) were down, though both positioned in the 'excellent' bracket, as was that recorded among Unipol Group employees, standing at 82.3 (-0.4 points compared to 2022).

From 2023, the topics of purpose and job satisfaction of human resources were also directly measured:

- Purpose: 68.6% understand and agree with the purpose of their work and recognise its value in achieving the broader corporate purpose;
- Job Satisfaction: 48.7% feel they are doing a meaningful and satisfying job.

For a detailed analysis illustrating the strategic and proactive approach to emerging and reputational risks, please refer to the "Reputational & Emerging Risk Observatory" and "Reputation Management" sections on the unipol.it website.

[36] Average of the 12 monthly surveys conducted with the General Public.

Positioning with analysts

The Group has received positive feedback from the opinions of financial analysts: on the Unipol share, 5 positive and 2 neutral recommendations were given.

The positioning of Unipol Gruppo according to the assessment of the main ESG Rating Agencies is presented below.

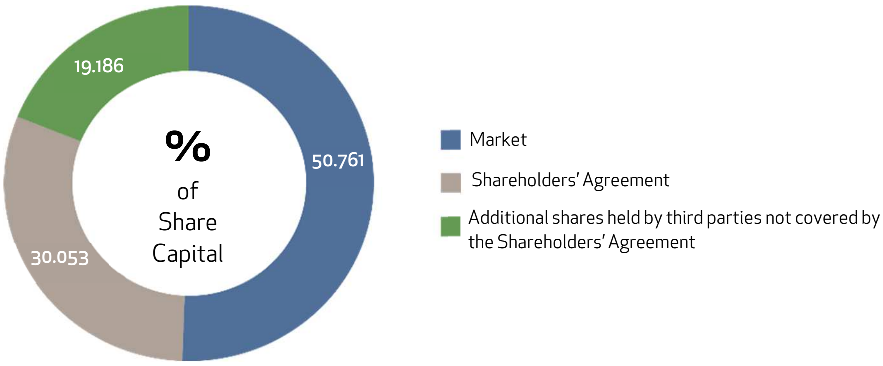
ESG rating of Unipol Gruppo S.p.A.

Carbon Disclosure Project (CDP) Climate change	D- D (Disclosure) – C- C (Awareness) – B- **B** (Management) – A- A (Leadership)	Companies are assessed annually on the approach to climate change mitigation on four levels (communication, awareness, management, leadership) which represent the phases that a company goes through as it progresses towards environmental protection.
FTSE Russell	0 – **3.2** – 5	Unipol is included in several indices of the FTSE4Good Index Series. The selection criterion is based on the ESG rating assigned by FTSE Russell using only public information on over 7,200 securities.
Standard Ethics	F – FF – FFF – AND – **EE+** – EEE	The independent rating agency analyses companies in terms of sustainability, governance and CSR. Unipol is included in various indices; the most significant is the SE Italian Index, in which it has been listed since 2015.
MSCI	CCC – B – BB – BBB – **A** – AA – AAA	The MSCI indices based on the analysis of environmental, social and governance sustainability aspects of 8,500 companies are broken down to represent the main ESG strategies.
Sustainalytics	Severe (100-40) – High (40-30) – Med (30-20) – **Low** (20-10) – Neg (10-0)	Sustainalytics carries out an ESG analysis mainly focused on corporate governance, analysing over 13,000 companies.
S&P	0 – **66** – 100	Through the proprietary CSA questionnaire, S&P analyses 31 insurance sector criteria based on the materiality of the business sector concerned. Following a methodological change, the entire insurance sector recorded a downgrade in scores.
ISS	D- – D – D+ – C- – **C** – C+ – B- – B – B+ – A- – A – A+	Unipol Gruppo received a C rating with "Prime" status from Institutional Shareholder Services ("ISS"). Prime status is assigned to companies with the best ESG performance.
Vigeo Eiris - Moody's	0-29 (Weak) – 30-49 (Limited) – 50-59 (Robust) – **60-100** (Advanced)	Vigeo Eiris is a European ESG rating agency that is part of Moody's ESG Solutions. The Unipol Gruppo score is 62. In addition, since 2021 Unipol has been listed in the Moody's MIB ESG index, which uses the scoring provided by Vigeo Eiris to assess index eligibility.

GOVERNANCE

TCFD NFS

Corporate Governance



On the basis of entries in the Register of Shareholders, the communications received pursuant to the statutory requirements and other information available at the date of this report, the Shareholders who directly, indirectly or through an intermediary or trust companies, have holdings of more than 3% of the share capital are shown in the following table:

EQUITY INVESTMENTS GREATER THAN 3% OF THE SHARE CAPITAL		
Declarant	Direct shareholder	% interest in the share capital
Coop Alleanza 3.0 Soc. Coop.	Coop Alleanza 3.0 Soc. Coop.	22.246%
Holmo S.p.A.	Holmo S.p.A.	6.665%
Nova Coop S.c.r.l.	Nova Coop Soc. Coop.	6.300%
Cooperare S.p.A.	Cooperare S.p.A.	3.782%
Coop Liguria Soc. Coop. di Consumo	Coop Liguria Soc. Coop. di Consumo	3.568%
Koru S.p.A.	Koru S.p.A.	3.345%

From 1 August 2022 and until 31 December 2023, the increase in voting rights took effect in relation to 368,551,959 ordinary shares, pursuant to Art. 127-quinquies of the Consolidated Law on Finance and in compliance with provisions of the By-Laws and the Regulation on increased voting rights adopted by the Company on 25 June 2020. In particular, the increase became effective:

- on 1 August 2022, for 344,551,959 ordinary shares;
- on 1 October 2023, for 24,000,000 ordinary shares.

Below is the updated list of Shareholders who, at 31 December 2023, hold more than 3% of Unipol voting rights, for which the increased rights took effect 24 months after registration in the Special List for entitlement to benefit from the increased vote:

EQUITY INVESTMENTS WITH MORE THAN 3% OF VOTING RIGHTS	
Direct shareholder	% share of voting rights
Coop Alleanza 3.0 Soc. Coop.	29.324%
Holmo S.p.A.	8.807%
Nova Coop Soc. Coop.	8.123%
Cooperare S.p.A.	4.997%
Coop Liguria Soc. Coop. di Consumo	4.715%
Coop Lombardia Soc. Coop.	3.200%
Koru S.p.A.	4.420%

Summary of the governance model adopted by Unipol following the Shareholders' Meeting and the Board of Directors resolutions of 28 April 2022:

SHAREHOLDERS' MEETING
The Shareholders' Meeting is the body that expresses the will of the Company through its resolutions; resolutions taken in accordance with the law and the By-Laws are binding on all Shareholders, even if absent or dissenting. Despite a broad diversification of methods of communication with Shareholders, the Board of Directors considers the Shareholders' Meeting as a crucial opportunity for a fruitful dialogue between Directors and Shareholders.

BOARD OF DIRECTORS
Defines the strategic, business and financial plans of the Company and the Group as well as the relative guidance and coordination policies.

CHAIRMAN
Legally represents the Company and exercises the powers laid out in the By-Laws and Guidelines on corporate governance.

GENERAL MANAGER
Responsible for the operational guidance of the Company, in line with the general planning and strategic guidelines defined by the Board of Directors, and carries out specific functions within the internal control and risk management system.

BOARD OF STATUTORY AUDITORS
Supervises compliance with the law and the By-Laws as well as respect for the principles of correct administration.

INDEPENDENT AUDITORS
EY S.p.A., the external auditor responsible for the legally-required audit of the accounts.

STRATEGIC COMMITTEE
Carries out proposal, advisory, investigation and support functions in identifying development policies and guidelines of the strategic and operational plans of the Company and the Group.

APPOINTMENTS, GOVERNANCE AND SUSTAINABILITY COMMITTEE
Carries out proposal, advisory, investigation and support functions regarding: (i) the self-assessment and optimal composition of the Board of Directors as well as the definition of the corporate governance system of the Company and the Group, (ii) ESG issues and (iii) contents and purposes of the Code of Ethics, as well as related compliance.

REMUNERATION COMMITTEE
Performs proposal, advisory, investigation and support functions in relation to remuneration, including of the Group.

CONTROL AND RISK COMMITTEE
Carries out proposal, advisory, investigation and support functions for defining the guidelines for the internal control and risk management system in order to contribute to the Company's Sustainable Success, so that the main risks associated with the Company and the Group are correctly identified and adequately measured, managed and monitored, in line with the Parent's strategies.

RELATED PARTY TRANSACTIONS COMMITTEE
Carries out an advisory, discussion and propositional role with respect to transactions with related parties, in compliance with the provisions of regulations in force.

For detailed information on the duties and responsibilities of the Appointments, Governance and Sustainability Committee, please refer to the Report on Corporate Governance and Ownership Structures, available in the "Governance" section of the Unipol Group's website.

BOARD OF DIRECTORS

The Board of Directors is vested with the broadest powers for the ordinary and extraordinary administration of the Company. It is therefore entitled to carry out all acts, including disposals, it deems appropriate for achieving the corporate purpose, excluding only those which are reserved by law to the Shareholders' Meeting.

COMPOSITION OF THE BOARD OF DIRECTORS APPOINTED BY THE SHAREHOLDERS' MEETING OF 28 APRIL 2022

○ Chairman **Cimbri Carlo**

○ Vice Chairman **Dalle Rive Ernesto**

○▲ **Balducci** Gianmaria

○▲ **Becchini** Daniela

○ **Cifiello** Mario

○▲ **Datteri** Roberta

○▲ **De Benetti** Cristina

○▲ **De Luise** Patrizia

○▲ **Desiderio** Massimo

○ **Ferrè** Daniele

○▲ **Fumagalli** Paolo

○▲ **Merlino** Claudia

○ **Pittalis** Roberto

○▲ **Trovò** Annamaria

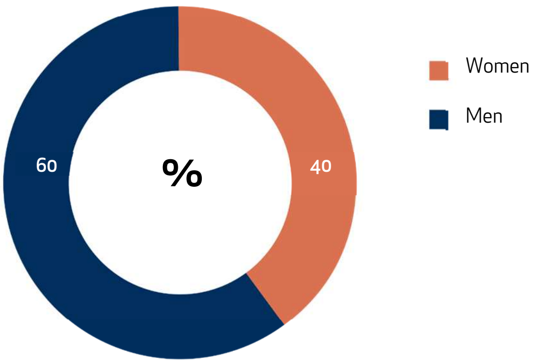
○ **Zini** Carlo

○ Non-executive

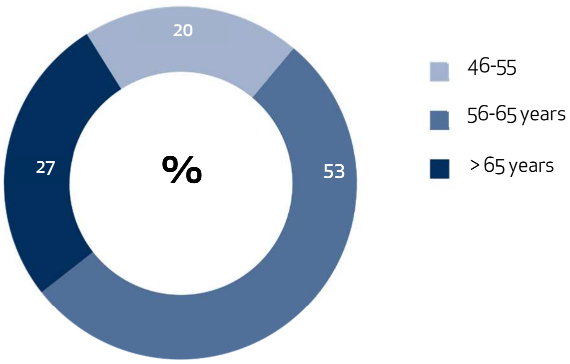
▲ Independent, per Code and Consolidated Law on Finance [(1)]

[(1)] Indicates whether the Director has been classified by the Board of Directors as independent in accordance with the criteria laid out by the Corporate Governance Code and at the same time meets the requirements established by Art. 148, paragraph 3 of the Consolidated Law on Finance. At 31 December 2023, the provisions on independence envisaged in Ministry of Economic Development Decree no. 88 of 2 May 2022 had not yet entered into force.

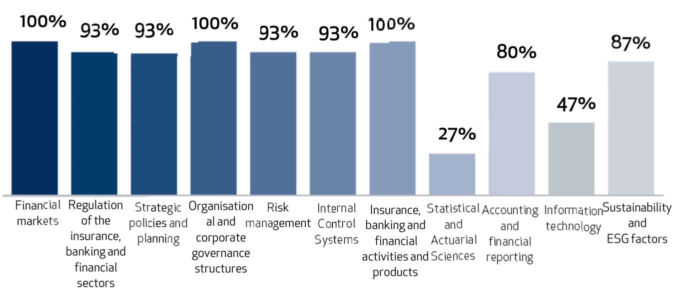
Board of Directors - Breakdown by gender



Board of Directors - Breakdown by age

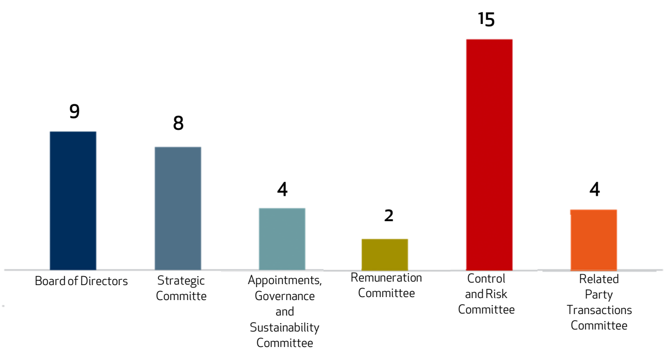


Skills



The percentages attributed to each of the aforementioned skills reflect those of a high or medium-high level held by each of the Directors

Number of meetings and attendance rate



For detailed information, please refer to the Report on Corporate Governance and Ownership Structures, available in the "Governance" section of the Unipol Group's website.

Sustainability governance

Unipol Gruppo has set up a structured ESG governance system comprising a set of rules, processes and organisational structures that operate in an interconnected manner at different levels to ensure the appropriate consideration of sustainability issues in all relevant business decision-making processes aimed at ensuring the definition, implementation and monitoring of the related objectives, to contribute to pursuing the sustainable success of the Company and the Unipol Group.

The first level relates to **sustainability governance**, i.e. the set of bodies and processes that make it possible to define objectives in strategic plans and monitor policies relating to social and environmental issues.
Sustainability policies, i.e. the set of objectives, rules and initiatives defined by the Board of Directors to fulfil social and environmental expectations, are at a second level.
The third level consists of **sustainability management**, i.e. the set of company organisational structures and processes capable of implementing or supporting operating activities linked to sustainability goals.
The key aspects of each level are briefly described below.

The **Board of Directors** of Unipol Gruppo integrates the sustainability strategy into the Strategic Plans of the Company and the Group and supervises its implementation over time.
To this end, the Company organises programmes for induction to the Board of Directors, to disseminate basic knowledge on sustainability to all directors. Unipol Gruppo believes that skills are a crucial factor as they allow the Board of Directors to increase its capacity for critical judgment, assess the sustainability strategies proposed by management and select those most consistent with the entire business plan.
In line with the principles of the current Corporate Governance Code and Italian and international models and best practices, the Board of Directors has long established specific internal board committees responsible for sustainability issues.
In particular, the **Appointments, Governance and Sustainability Committee** performs proposal, advisory, investigation and support functions for the Board of Directors on, among other things, ESG issues and on the contents and purposes of the Code of Ethics, coordinating – for aspects under its responsibility – the policies, processes, initiatives and activities aimed at overseeing and promoting the commitment of the Company and, in general, of the Group to pursuing Sustainable Success. Specifically, this Committee is entrusted with the task, in coordination with the Control and Risk Committee where applicable, of assisting the Board of Directors in a series of areas, identifying guidelines for integrating ESG factors into strategic plans, through the analysis of sustainability issues, also relevant for the generation of long-term value for Shareholders, considering the interests of other relevant stakeholders. Furthermore, this Committee has the task of promoting consistency between the principles of the Code of Ethics and company policies, liaising with the other bodies concerned, and contributing to the definition of initiatives to promote awareness and understanding of the Code of Ethics.
Among other things, the **Control and Risk Committee** supports the Board of Directors in defining the model for identifying, assessing and managing the main sustainability risks and their impacts on the business strategy, keeping the Appointments, Governance and Sustainability Committee informed in this respect.
The **Remuneration Committee** supports the Board of Directors on, among other things, the assessments and decisions relating to the remuneration of the corporate bodies and "Key Personnel" (as defined in the Remuneration Policies), including compensation plans based on financial instruments, and formulates proposals and/or expresses opinions to the Board of Directors for the remuneration of Directors holding special offices, as well as for setting performance targets related to the variable component of the remuneration. In particular, as part of the remuneration policy preparation process, the Company considers the goal of pursuing sustainable success, defining specific sustainability goals to the achievement of which a variable remuneration component is subject.

In 2023, the Appointments, Governance and Sustainability Committee examined and investigated the following sustainability issues:
- the Non-Financial Statement relating to 2022, with the related double materiality assessment;
- aspects relating to application of the Taxonomy Regulation and related delegated acts;
- updating of the Sustainability Policy, integrated with the new annexed Guidelines on Human Rights and Guidelines on Anti-Corruption;
- updating of the Unipol Group strategy on climate change, with definition of the financial investment targets;
- progress status of the ESG objectives and actions integrated into the 2022-2024 Strategic Plan;
- CSRD regulations, the impacts for the Group and the work plan for adaptation.

The Control and Risk Committee examined and analysed the following sustainability issues:

- the Non-Financial Statement relating to 2022, with the related double materiality assessment;
- aspects relating to application of the Taxonomy Regulation and related delegated acts;
- an update on the management of sustainability risks and the negative effects related to sustainability factors.

The outcome of the aforementioned examinations was submitted to the Board of Directors.

Regarding the second level, Unipol Gruppo believes that an adequate governance system on ESG issues is based on an effective and efficient organisational and procedural system, correctly formalised and updated. To this end, the Company has internal regulations laying out **policies and guidelines** and specific operating procedures.
Insofar as they are of specific interest, the main contents of some of these policies are reported below.
The **Sustainability Policy** defines the Group's commitments for improving its sustainability results and managing and mitigating: (i) the ESG risks to which it is exposed, in line with the overall Group risk management system as well as (ii) the impacts on ESG factors generated by the Group as a result of its activities and business relationships.
The **Diversity Policy** aims to provide guidelines on the criteria for optimal composition of the Company's corporate bodies, in consideration of the fact that the integration of diversified managerial and professional profiles, also with regard to a balanced representation of gender and a balanced composition in terms of seniority of office and age brackets, contributes to maximising the quality of the work of the administrative body and activities under the responsibility of the control body.
The **Policy for managing dialogue with Investors in general** intends to govern opportunities for communication and participation with investors, in general, to ensure transparency of information, increasing investors' understanding of some issues that fall under the responsibility of the Board of Directors and relevant to investment decisions, including concerning ESG factors, and promoting the stability of investors' investments and thus the sustainable success of the Company.
Further details on the system of policies to monitor ESG factors are contained in the paragraph "Monitoring of environmental, social and governance risks and impacts".

Regarding **sustainability management**, the Company has assigned an inter-functional company committee, the Group Risk Committee, which brings together managers from different areas to coordinate sustainability activities. This Committee examines the contents of the sustainability policy, the model for identifying, assessing and managing the main ESG risks and their impacts on the business strategy and active policies for achieving the Objectives of the Paris Agreement.
There is also a Sustainability Function in the company organisation that supports Top Management in pursuing Sustainability goals, plans and coordinates activities to integrate ESG issues into company processes and oversees the drafting of corporate sustainability documents.
Lastly, in order to oversee ESG issues, the administrative body has set up a structured system of reporting and exchange of information flows between the various parties involved, so as to allow the Board of Directors to make informed decisions and receive timely communications on the identification, measurement or assessment, monitoring and management of ESG risks.

Unipol Gruppo, by virtue of its attention to the needs of the communities in the broader sense, has long included in its By-Laws the possibility of annual allocation to the provision for social, assistance and cultural purposes, an amount of up to 1% of the net profit resolved by the Shareholders' Meeting in relation to the previous year.

Internal Control and Risk Management System

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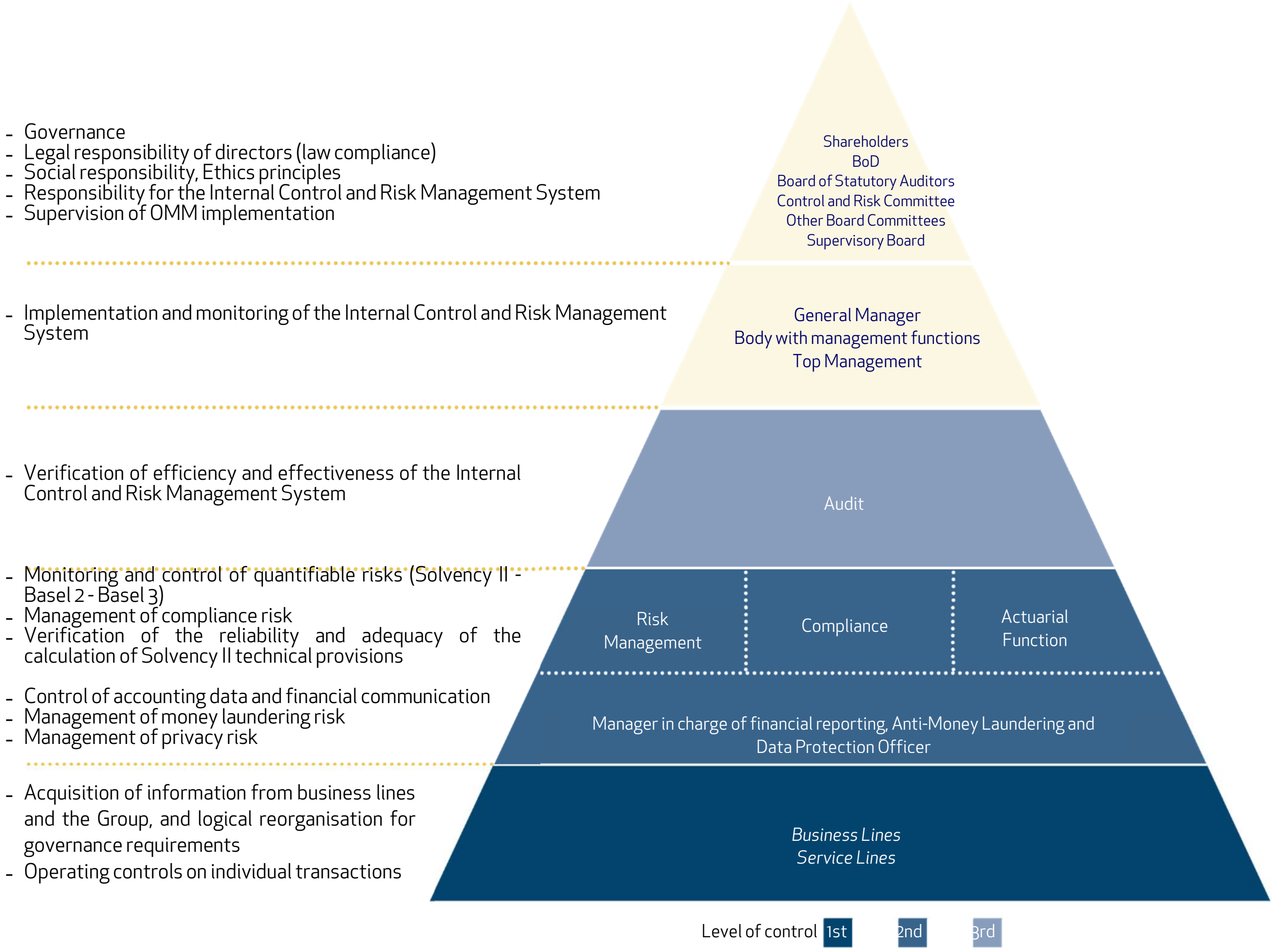
The internal control and risk management system (the "System") is a key element in the overall corporate governance system. It consists of a set of rules, procedures and organisational structures for the effective and efficient identification, measurement, management and monitoring of the main risks, with the aim of contributing to the sustainable success of the Group[37].
The following diagram provides a simplified view of the Risk and Control Governance Model of Unipol Gruppo.



For a detailed description of the Internal Control and Risk Management System, please refer to the "Annual Report on Corporate Governance and Ownership Structures for 2023", available in the "Governance" section of the Unipol Group's website.

[37] The rules for the Unipol Group's internal control and risk management system are set forth in the Group Directives on the corporate governance system, approved by the Unipol Board of Directors and the boards of other consolidated Group companies, and are periodically updated.

The Risk Management System adopted by the Group is inspired by an Enterprise Risk Management logic (ERM Framework) based on the consideration, with an integrated approach, of all the current and prospective risks to which the Group is exposed, assessing the impact these risks may have on the achievement of the strategic objectives. Based on these principles, and to pursue to assigned objectives, the Risk Management System relies on a key element: the Risk Appetite.
The Risk Management Policy outlines the risk management strategies and objectives of the Group and companies within its scope, identifying the roles and responsibilities of the corporate bodies and structures involved in the process.
The corporate bodies and top management of the Group companies are committed to promoting the dissemination of a culture of control.
In 2023, 9,046 Unipol Group employees participated in synchronous and asynchronous courses on Risk Management, a significant increase compared to more than 7,500 in 2022.

Verification of efficiency and effectiveness of the Internal Control and Risk Management System

Audit is responsible for assessing and monitoring the effectiveness, efficiency and adequacy of the internal control system and the additional components of the corporate governance system, including the risk management system.
The activities carried out by Audit are structured as follows: audits and other activities on processes (insurance, management; governance; IT; business of the Group companies subject to Bank of Italy supervision; business of the diversified companies); audits on settlement structures; audits required by regulations and internal fraud detection. In particular, note that the audits and other activities on governance processes also include actions that Audit carries out on an ongoing basis with regard to the risk management system. At the meeting of 9 February 2023, the Board of Directors approved the 2023 Audit Plan, having obtained the opinion of the Board of Statutory Auditors and acknowledged the favourable opinion of the Control and Risk Committee.
Audit planning uses a risk-based approach, with the ultimate objective of guaranteeing adequate coverage of company processes, in terms of audits carried out, according to their materiality.
The Audit Plan construction process consists of three phases:

- scoping, to identify the companies to be included in the scope of the Plan (the Audit Universe);
- risk analysis, to assign a qualitative materiality assessment to the processes, according to a structured approach that takes into account the following factors: context factors, backward-looking factors, forward-looking factors and additional inputs. This assessment is required for definition of the planning methods for audits of the companies considered;
- definition of the annual plan, to identify actions expected to be carried out on companies included in the Audit Universe, considering the results of the risk analysis and additional needs.

Lastly, at the meeting of 15 February 2024, the Board of Directors acknowledged the audit activities carried out during 2023 and the related outcomes and, at the same session, approved the Audit Plan for 2024.

Monitoring of emerging risks

The Unipol Group identifies and monitors the evolution of the main emerging risks by promoting the development of "**Reputational & Emerging Risk Observatory**" activities. The Observatory anticipates and monitors the macro trends of change in the external context, identifying the main risks and opportunities for each macro trend.

The **emerging risks** identified in this way, organised into six main risk areas (Climate Change and Biodiversity, Technology and Data, Social Polarisation, Demographics and Health, Business Transformation, Economy and Finance), are subject to a panel of external experts which assesses the likelihood, impact and degree of urgency commensurate with the reference time horizon. The assessment is from an "outside-in" perspective and makes it possible to build the Emerging Risks Radar, have an overall view of the level of priority of emerging risks for the insurance sector and identify the interconnections between emerging risks by identifying the Risk Nexus, i.e. systems of interaction and feedback between closely interconnected risks of different natures (climate, political, economic, social, technology) which accumulate and amplify in a world increasingly exposed to "polycrises".

Taking into account the growing importance of an early and integrated management of emerging risks and the growing attention to ESG risks, the Group has developed a structured process as part of the Observatory to assess exposure to emerging ESG risks considered priority. The result of this process is the construction of a Heatmap of Emerging ESG Risks, obtained through the definition of precise quantitative indicators for estimating the potential level of exposure to these risks for each traditional risk category.

Construction of the Heatmap of Emerging ESG Risks allows the Group to:

- Integrate the factors of exposure to emerging risks into the traditional risk management methods;
- Develop a cross-sectional view of exposures, which makes it possible to assess the materiality of each emerging risk.

Monitoring of environmental, social and governance risks and impacts

The monitoring of sustainability risks is ensured by the Group risk management system, with a first level of controls performed by the operating structures or as part of back office activities, to ensure the correct execution of transactions, added to which are the second-level controls on risks and compliance, performed, among others, by the Compliance and Anti-Money Laundering, Risk Management and Actuarial functions, and the third-level controls performed by Audit, each for their own areas of responsibility. This oversight system assists the Boards in carrying out the tasks assigned to them by the system of internal policies and regulations on sustainability.

The Group uses multiple tools to identify and assess risks ("risks incurred")[38] and current and potential negative impacts ("risks generated"), related to environmental, social and governance issues[39].

In addition to the information on ESG risks provided above, to strengthen its ability to systematically monitor and manage **negative impacts**, the Group has adopted its own **due diligence approach**, outlining a model for planning due diligence activities according to a risk-based approach, starting from the areas identified by the OECD Guidelines for Multinational Enterprises[40], associated with the main negative impacts identified for the Group, the business processes concerned and the strategic and regulatory controls in place at Group level. As a result of the recent corporate evolution, which led the Group's characterisation as significantly diversified from a sector point of view, Unipol launched a process to expand and deepen its due diligence approach in order to strengthen coverage of the various business sectors.

Risks and negative impacts (also in terms of the related reputational risk) that are fully integrated into the **ERM framework** and included in the taxonomy of risks common to the entire Group, defined in the **Risk Management Policy**.

ESG risks and negative impacts are also included in the Group's **Risk Appetite Statement**. The tools to monitor its performance evolve constantly and, in 2023, the sustainability risk assessment process described in the previous paragraph was added to the **KRI** (Key Risk Indicator) dashboard that monitors negative impacts to assess the degree of risk associated with each of the three environmental, social and governance areas. At least annually, the Unipol Gruppo Board of Directors is informed of developments in the monitoring tools and the results of monitoring carried out.

With specific reference to climate change-related risks, the Unipol Group prepares scenario analyses to measure the impacts of physical and transition risks, aimed at assessing the possible impacts of climate change in two scenarios characterised respectively by (1) an increase in average temperatures of more than 3°C over a horizon of 2050-2065 and (2) an increase in average temperatures by 2035 of less than 1.5°C, in line with the objectives defined in the Paris Agreement. In addition, with reference to physical risks, the Group: (1) identifies the business lines characterised by direct or indirect climate change impacts; (2) carries out "Climate Change So Far" analyses; (3) assesses possible impacts for the most significant acute physical risks (flood and convective storms), chronic risks (sea level rise) and acute risks currently considered secondary perils (forest fires, drought). As regards transition risks, the Group quantifies (1) losses in value of financial investments for the different asset classes (bonds, shares, funds, etc.), originating from the shocks, segmented by business sector (NACE), calibrated on the basis of scenarios outlined by the Network for Greening the Financial System (NGFS) and (2) property renovation costs, defining which energy efficiency improvement measures to apply in terms of the lowest marginal abatement cost, estimating implementation costs and the energy cost savings arising from implementation of these measures.

Further details on the activities carried out, the structured framework and the results highlighted are described in detail in the "Unipol and climate change" report, aligned with the TCFD recommendations and published annually by the Group.

In 2022 and 2023, the Risk Area, in collaboration with the Sustainability Function, also defined the framework for managing the risk of biodiversity loss and collapse of natural ecosystems (land and sea), this too presented in the aforementioned report.

The system of company policies to monitor ESG risks and negative impacts is periodically updated and constantly implemented. The following table describes the main progress made in 2023.

[38] Events that represent a risk for the Group, which has no levers to influence their occurrence but can only act to guard against them, preventing or mitigating their consequences, or to turn them into opportunities.

[39] Events whose triggers are directly related to the Group's operations, in respect of which the Group has levers to prevent their occurrence or mitigate their consequences should they occur.

[40] "OECD Due Diligence Guidance for Responsible Business Conduct" and "OECD Guidelines for Multinational Enterprises", also referred to in Art. 18 of Regulation (EU) 2020/852 - the "Taxonomy Regulation".

Underwriting policies - Non-Life Business and Life Business TCFD	The Non-Life Business and Life Business Underwriting Policies with the related "**Non-Life ESG Guidelines**" and "**Life ESG Guidelines**" (hereinafter the "ESG Guidelines"), have a dual objective. They integrate Sustainability risks into the underwriting processes (also in compliance with the requirements of the Commission Delegated Regulation (EU) 2021/1256 of 21 April 2012), and deal with the negative effects on sustainability that could be generated, even indirectly, from decisions of the Companies made in the underwriting processes, supporting the gradual structuring and extension of a related due diligence approach. In the **Non-Life Business**, in addition to the exclusion of potential customers whose sectors present ESG impacts and/or risks that are incompatible with the Group's approach to sustainability and risk management objectives, the ESG Guidelines envisage an assessment of customers' current and potential ESG performance, on the basis of which continuation of the business relationship is decided. For Non-Life, in 2023 the scope of application of the structured process to identify parties with high potential to generate adverse ESG impacts was expanded, envisaging two due diligence mechanisms: • **the online reporting tool** that, with a data-driven approach[41], generates a summary assessment of the ESG performance of each stakeholder (ESG Score). At the end of 2023, the model had been applied to 22 of the best selling products, and a further extension is planned for 2024. Overall, the ESG score is applied to corporates in the General Classes portfolio, equal to 39% of customers (29% in 2022), which is equivalent to 43% of premiums (over €795m for around 1,170,000 policies); • **the assessment or investigation tool**: for transactions identified as highly critical (reported as such by the intermediary through the underwriting information system), the Sustainability Function is involved, which carries out or requests the necessary investigations, with the involvement of Risk Management if appropriate, and shares with the Business Functions the option most consistent with the company vision for cases presented (proceed with the transaction, abstain, launch an engagement activity with the customer). The portfolio analysis regarding implementation of the score showed that, among the customers to which it applies, 0.48% (equal to 0.49% in terms of premiums) have an ESG score above the critical threshold. These are policies for an amount lower than the average, for which the valuation processes will be launched gradually during the renewal phase. In the **Non- Life Business**, 23 investigations were launched in 2023 (as in 2022) to assess potentially sensitive cases from an ESG risks perspective: 12 cases were considered ineligible (for more details, see the appendix "Unipol in numbers"). To support this process, training courses were dedicated to the sales network (over 2,700 users) and to employees working in the Chief Property & Casualty Officer and Distribution Network Management Area. In the **Life Business**, 9 investigations were launched in 2023 (one in 2022 and 15 in 2021): in 3 cases the relationships were considered ineligible (for more details, see the appendix "Unipol in numbers"). Overall, the current UnipolSai portfolio analysis shows exposure in sectors identified as "sensitive" by the Guidelines equal to 0.9% of the number of policies, corresponding to 0.3% of total premiums.
Investment policy TCFD	The Investment Policy, with its appendix "Guidelines for responsible investing", promotes the integration of ESG factors into the decision-making processes relating to investments. The Guidelines were subjected to an overall update and adjustment to take into account internal and external developments on this topic, including regulatory and Supervisory Authority action. This version, approved by the Board of Directors in December 2023, applies from January 2024. Application of the Guidelines results in the compilation of a list of issuers excluded from the investable universe, approved and updated periodically by the Financial Investments Committee (action which also envisages the presence of the UnipolSai Sustainability Function).
Outsourcing and supplier selection policy ("Outsourcing Policy")	The Outsourcing and supplier selection policy envisages, among the supplier selection criteria, that fair and responsible stakeholder management requirements are also assessed. Suppliers are asked for a commitment to comply with the **Supplier Code of Conduct** for responsible procurement (or the "Code"), adopted at the end of 2018 and inspired by the principles of the United Nations Global Compact and ISO20400[42]. During 2023, the Supplier Code of Conduct was updated to make it more suitable for adoption also by Group companies operating in the non-insurance sectors of the Mobility, Property and Welfare ecosystems. To improve the monitoring of Group commitments and accessibility, the channels and means of reporting envisaged in the Group Whistleblowing Procedure in force to report violations of regulatory provisions pursuant to the Procedure have been included. The Code outlines what Unipol expects from its suppliers on the protection of human and workers' rights (including the elimination of child labour), protection of the environment and the fight against corruption and envisages - amongst other aspects - the right of Unipol to check the supplier's processes and structures to verify their compliance, as well as apply penalty mechanisms if they continue not to comply with the Code. Suppliers, with the exception of Public Administrations, are asked to sign the Code when they sign or renew their contracts.

[41] The approach envisages the allocation to existing and potential customers of an ESG Score, a statistical indicator of the undertaking's adequacy in terms of ESG issues, integrated into the underwriting control system and constituting part of the information assets of the commercial transaction.
[42] ISO standard that provides guidance to organisations, regardless of their activity or size, on integrating sustainability into procurement.

	At the end of 2023, contracts that include the Supplier Code of Conduct account for **63% of total purchasing expenditure**[43]; the 6 percentage point increase compared to 2022 is the result of the commitment to extend the scope of application. In 2023, the Purchasing Department involved the Sustainability Function in **5 in-depth investigations** relating to suppliers (12 in 2022) who had submitted documentation proving their capacity and commitment to satisfying the sustainability requirements stated in the Supplier Code of Conduct, as an alternative to subscribing to the Code itself. **Audits were carried out on 186 suppliers** in 2023 (up from 119 in 2022), equal to 17% of spending in 2022. The suppliers invited to participate were selected based on assessment of the potential risks linked to the organisation's operating sector or its characteristics. The controls carried out in 2023 are part of a 2022-2024 three-year audit plan **to verify supplier reliability**, which also plans a gradual expansion of the corporate scope[44]. The action plan envisages systematic and periodic controls for supplier Organisations considered strategic or exposed to potential risk. These controls, through targeted audits that analyse the adequacy and compliance of the supplier with respect to: • Privacy risks; • 231/01 risks; • Sustainability risks; • ICT risks deriving from cloud service providers; • Energy crisis. 22% of the suppliers audited have a high risk profile, also due to the absence/inadequacy of the documentary evidence requested (57% in the previous survey). For these, almost 600 remediation actions have been planned and around 1,000 improvement actions have been identified. With particular reference to ESG factors, of the 61 suppliers examined (9 more than the previous year), 36% have a high risk profile (48% in 2022). This significant figure is partly inherent in the risk-based selection criteria. For these, over 280 improvement actions were identified, of which 47% relate to the Environment topic, 25% to Social and 28% to Governance. The related implementation will be monitored in 2024.
Policy on the protection and leveraging of personal data	The Policy on the protection and leveraging of personal data states the commitments undertaken by the Group with respect to its customers and all stakeholders to ensure that the protection granted to personal data available to the Group companies is supported by a growing activity of leveraging[45], in terms of awareness, transparency and accessibility (the "**Unipol Data Vision**"). For details of the assets controlled in this respect, see the paragraph "Protection of personal data and cybersecurity".

For details on the Policies referred to above, please refer to the "Sustainability" section of the Unipol Group's website.

[43] In 2023, adoption of the Supplier Code of Conduct was extended to purchases by the Property ecosystem companies, with the exception of Unicasa Italia, and the Welfare ecosystem with the exception of Tantosvago, DaVinci Healthcare and Società & Salute. Also excluded are purchases registered by UniAssiTeam and by the Serbian company Ddor Novi Sad governed by specific contractual arrangements.
[44] In 2023, the suppliers of Unipol Gruppo, the insurance companies UnipolSai, UniSalute, Linear, Siat and Arca Group, the Hotel sector and, in the Healthcare sector, Casa di Cura Villa Donatello, Centro Florence and Centri Medici Dyadea were included.
[45] The "leveraging" of personal data refers to the activity of promoting, developing and enhancing the Group's information assets in order to create shared value.

Like every year, the Interfunctional ESG Risk Panel[46] verified and updated (consistent with and in coordination with the materiality assessment process) the map of ESG risks and negative impacts and related controls, summarised in the following table. For ease of reading, the ESG risks (risks incurred) and potential adverse impacts (risks generated) are highlighted differently on the map.

Risk areas connected with ESG factors	Topics in the materiality assessment	Risk incurred	Main regulatory and strategic controls in place
Climate change – Acute and chronic physical risks TCFD	Climate change	Increased technical and credit risk due to the frequency and seriousness of claims connected with the consequences of climate change (acute and chronic physical risks)	• Sustainability policy • The Unipol Group strategy on climate change • Risk management policy • Non-Life and Life Business Underwriting Policy (and additional internal regulatory documents or corporate communications), including: (i) Guidelines for Non-Life business underwriting activities concerning environmental, social and governance factors ("Non-Life ESG Guidelines"); (ii) Guidelines for Life business underwriting activities concerning environmental, social and governance factors ("Life ESG Guidelines") • Reserving Policy – Life and Non-Life Businesses • Guidelines for the management of credit risk assumption activities • Reinsurance and other risk mitigation techniques policy • Operational risk management policy • Business continuity policy • Business Continuity Plan • Guidelines for responsible investing • 2022-2024 Strategic Plan, "Data-Driven Omnichannel Insurance" guideline
		Non-insurability of climate-related risks due to poor resilience of society	
		Increase in market risk due to the reduction in value of assets linked to the consequences of climate change	
		Damage to Group property and assets and business continuity risk for Group sites and agencies/relating to interruption of the supply chain (operational risk)	
Climate change – Transition risks TCFD	Climate change	Decrease in the value of the investment portfolio relating to companies not meeting expectations with regard to the path of transition towards a sustainable low CO_2 emission economy (financial risk)	• Sustainability policy• The Unipol Group strategy on climate change • Risk management policy • Guidelines for responsible investing • Non-Life and Life Business Underwriting Policy (and additional internal regulatory documents or corporate communications), including: (i) Guidelines for Non-Life business underwriting activities concerning environmental, social and governance factors ("Non-Life ESG Guidelines"); (ii) Guidelines for Life business underwriting activities concerning environmental, social and governance factors ("Life ESG Guidelines") • Integrated Reputation Management System
	Climate change	Potential increase in underwriting risk for policyholders operating in carbon-intensive sectors (underwriting risk)	
	Climate change	Potential increase in the frequency and severity of disputes and resulting allocations of responsibility in relation to the Transition process	
	Climate change	Negative impact on reputation due to poor contribution to the mitigation of direct emissions (reputational risk)	
	Climate change	Negative impact on the Group's reputation due to the underwriting of insurance contracts and investment in companies whose process of transition towards a low CO_2 emission economy is deemed insufficient by stakeholders (reputational risk)	

[46] Body comprising Audit, Compliance and Anti-Money Laundering, Risk Management and Sustainability, aiming to identify potential risks of a social, environmental and governance nature to which the Group is exposed, to map the oversights intended to manage such risks and to suggest possible improvement measures.

Risk areas connected with ESG factors	Topics in the materiality assessment	Risk incurred	Main regulatory and strategic controls in place
Biodiversity loss	Biodiversity and ecosystems	Damage to Group assets and business continuity risk caused by the scarcity of essential natural resources	• Sustainability policy • Business continuity policy • Business Continuity Plan • Risk management policy • Guidelines for responsible investing • Non-Life and Life Business Underwriting Policy (and additional internal regulatory documents or corporate communications), including: (i) Guidelines for Non-Life business underwriting activities concerning environmental, social and governance factors ("Non-Life ESG Guidelines"); (ii) Guidelines for Life business underwriting activities concerning environmental, social and governance factors ("Life ESG Guidelines") • Integrated Reputation Management System
		Negative impact on reputation due to insufficient contribution to the transition to a Nature Positive economy compared to its direct impacts	
		Decrease in value of the investment assets portfolio for companies that fail to meet expectations regarding the transition to a Nature Positive economy	
		Greater technical and credit risk due to increased frequency and seriousness of claims linked to biodiversity loss	
		Negative impact on the Group's reputation due to the underwriting of insurance contracts and investment in companies whose process of transition towards a Nature-Positive economy is deemed insufficient by stakeholders (reputational risk)	
Technological evolution of society	Leveraging and responsible use of data	Increased vulnerability of IT systems to outside attacks	• Sustainability policy • Risk management policy •Operational risk management policy Guidelines on the IT and security risk assessment method • Business continuity policy • Business Continuity Plan • Information security policy • Group Policy on data governance • Organisation, Management and Control Model • Charter for equal opportunities and equality at work • 2022-2024 Strategic Plan, Tech & People Evolution guideline
		Negative impact on the Group's reputation due to the loss of confidentiality, integrity and/or availability of data (cyber risk)	
	Own workforce Relations with the agency network	Decline in employment in specific roles and skills mismatches	
Socio-demographic change	Consumers and end users	Impacts of the ageing population on the sustainability of the risk assumed in the welfare and pension areas and on the adequacy of the offer	• Sustainability policy• Risk management policy • Non-Life and Life Business Underwriting Policy (and additional internal regulatory documents or corporate communications), including: (i) Guidelines for Non-Life business underwriting activities concerning environmental, social and governance factors ("Non-Life ESG Guidelines"); (ii) Guidelines for Life business underwriting activities concerning environmental, social and governance factors ("Life ESG Guidelines") • Reserving Policy – Life and Non-Life Businesses • Policy regarding product governance and control - Non-Life and Life Businesses • Operational risk management policy • 2022-2024 Strategic Plan, Data-Driven Omnichannel Insurance, Health & Life Cycle Focus, Beyond Insurance Enrichment, Tech & People Evolution areas
	Consumers and end users	Reduction of accessibility and sustainability levels of the offer, also because of lack of appeal to new generations and emerging segments	
Increase in social polarisation	Consumers and end users	Reduction of insurability for the most vulnerable segments of our society	

Risk areas connected to ESG factors	Topics in the materiality matrix	Risks generated	Main regulatory and strategic controls in place
Violation of human and workers' rights	Consumers and end users	Discriminatory statements or conduct in communications and in offerings	• Sustainability Policy including the Guidelines on Human Rights • Risk management policy • Operational risk management policy • Non-Life and Life Business Underwriting Policy (and additional internal regulatory documents or corporate communications), including: (i) Guidelines for Non-Life business underwriting activities concerning environmental, social and governance factors ("Non-Life ESG Guidelines"); (ii) Guidelines for Life business underwriting activities concerning environmental, social and governance factors ("Life ESG Guidelines") • Policy on insurance and reinsurance distribution • Policy regarding product governance and control - Non-Life and Life Businesses • Group Policy on data governance • Policy on the protection and leveraging of personal data (and further internal regulations) •Remuneration policies and incentive system • Charter of Values and Code of Ethics (signed by agents) • Charter for equal opportunities and equality at work • Policy on authorisations and powers • Outsourcing and supplier selection policy • Supplier Code of Conduct for responsible procurement • Policy on managing conflict of interest - insurance segment • Guidelines for responsible investing • Health and Safety Management System Manual • Organisation, Management and Control Model • Code of Good Practice • Sector and supplementary agreements • Procedures for managing the company website and web services • Procedures relating to the performance of clinical activities • Clinical risk management procedures • Whistleblowing procedure
	Leveraging and responsible use of data	Use of data that is improper, non-compliant and inconsistent with the Group's data ethics commitments	
	Own workforce	Incorrect actions on labour law issues	
	Own workforce	Incorrect actions on occupational health and safety	
	Own workforce	Discriminatory statements or conduct in personnel management and lack of active equality policies	
	Own workforce	Lack of development initiatives, promotion of professional well-being and development, leveraging of merit	
	Own workforce	Violation of human or workers' rights, or on other sensitive social and governance topics, by the Group, the agency network or the supply chain, or the ecosystem networks established by the Group	
	Workers in the value chain		
	Workers in the value chain	Violation of human or workers' rights, or on other sensitive social and governance topics, at companies insured or investee companies	
	Consumers and end users	Poor monitoring of the safety of products and services made available by the organisation, including in the ecosystems	

Risk areas connected to ESG factors	Topics in the materiality matrix	Risks generated	Main regulatory and strategic controls in place
Environmental damage and negative impact on the environment	Climate change Biodiversity and ecosystems Use of resources and circular economy Other environmental impacts	Negative impact on Group, agency network or supply chain transactions, including insured or investee companies, in terms of air pollution and greenhouse gas emissions and/or neglect of the natural environment (consumption of natural or soil resources, pollution of terrestrial or marine ecosystems, insufficient commitment to minimising impacts)	• Charter of Values and Code of Ethics (signed by agents) • Sustainability policy • The Unipol Group strategy on climate change • Risk management policy • Non-Life and Life Business Underwriting Policy (and additional internal regulatory documents or corporate communications), including: (i) Guidelines for Non-Life business underwriting activities concerning environmental, social and governance factors ("Non-Life ESG Guidelines"); (ii) Guidelines for Life business underwriting activities concerning environmental, social and governance factors ("Life ESG Guidelines") • Guidelines for responsible investing • Outsourcing and supplier selection policy • Supplier Code of Conduct for responsible procurement • Operational risk management policy • Sector and supplementary agreements • Organisation, Management and Control Model
Conduct in violation of business integrity	Business conduct	Potential negative socio-economic impacts (for the market, for shareholders, for stakeholders in general) due to governance practices not aligned with best practices	• Sustainability Policy including: (i) Guidelines on Human Rights and (ii) Guidelines on Anti-Corruption • Risk management policy • Guidelines for responsible investing • Real estate guidelines • Policy on managing conflict of interest - Insurance segment • Policy on insurance and reinsurance distribution • Policy regarding product governance and control (POG) - Non-Life and Life Businesses • Directives on the Group's Corporate Governance System • Policy on authorisations and powers • Operational risk management policy • Key Function Policies • Money laundering and terrorist financing risk management policy • Policy on the protection and leveraging of personal data (and further internal regulations) • Organisation, Management and Control Model • Procedures and operating guides governing transactions with related parties, intercompany counterparties and associated parties • Charter of Values and Code of Ethics (signed by agents) • Integrated Reputation Management System • Guidelines on the management and communication of inside information • Tax Strategy • Antitrust Compliance Programme • Whistleblowing procedure
	Consumers and end users	Lack of transparency, clarity and integrity in relations with customers and other stakeholders and in related communications (e.g. greenwashing)	
	Business conduct	Non-compliance with rules in force (corruption, money laundering, tax, free competition, privacy)	

Key:
Risks incurred Negative impacts (risks generated)

In implementation of the due diligence process, the current and potential negative impacts were identified and subjected to the materiality assessment, from an internal perspective by the Group Functions and Companies, and external through stakeholder engagement; particular attention was paid to potential negative impacts in the area of **human rights**. Unipol thereby identified the most significant areas of current or potential negative impact and, during 2024, will define strengthening of the prevention and mitigation actions.

Protection of personal data and cyber security

The Group's guidelines on the protection of natural persons with regard to processing of their personal data, as well as the organisational model, operating model and architectural model structured by the Group are defined in the **Policy on the protection and leveraging of personal data**.
The Unipol Group uses this system to implement Regulation (EU) no. 2016/679 (the "**GDPR**") and performs ongoing assessment of the effectiveness and efficiency of controls, processes and the organisation put into place for implementation of the GDPR, with support from the Group Data Protection Officer ("**DPO**").

Training on privacy topics involved most of the Group's collaborators (over 98% of employees in Italy) and numerous agents and sub-agents (more than 90% in both cases). At the end of 2023, cyber security courses had reached 7,415 employees (60%) and 20,617 Network staff (72%).

In 2023, there were 518 data breaches reported in the Group companies (270 in 2022), understood as a security violation that leads to the accidental or unlawful destruction, loss, alteration or unauthorised disclosure of, or access to, the personal data transmitted, stored or otherwise processed. All of the cases were promptly managed and resolved with the aim of providing the utmost protection for the rights of data subjects.
The increase in violations compared to the previous year is probably due to the emergence, following the continuous training and awareness of resources operating in the Group, of events that previously were not correctly qualified as data breaches. However, in no case was any administrative penalty inflicted or compensation paid.
In two cases, the breaches were notified to the Personal Data Protection Authority.
In 2023, 4 documented reports were received from the Data Protection Authority alleging breach of privacy, which were promptly answered with no follow-up from the Authority.

The cyber security approach strategy is divided into three different complementary fronts:

- Governance and Processes;
- Technologies and Automation;
- Training (Awareness).

In relation to Governance, the Group **Information Security Policy** defines the guidelines on cyber security according to ISO 27001 standard, envisaging the adoption of suitable physical, logical and procedural security measures to ensure that information processed through the information systems receives appropriate and consistent protection throughout its lifetime.
The risk control system associated with the management and use of data is completed by various other Group policies, in particular the Operational Risk Management Policy, the Personal Data Protection Policy, the Business Continuity Management Policy, the Outsourcing and supplier selection policy, and the Data Governance Policy.

During 2023, the initiatives envisaged in the Strategic Plan to enhance and develop cyber security continued.
Specifically, company policies and procedures were updated on the basis of regulatory developments and cyber threats, and audits on Third Parties were conducted according to risk-based logics.

Cyber Awareness initiatives continued for technical personnel and end users to mitigate cyber risk linked to the human factor, through a new course for employees and intermediaries, a specific application security workshop for around 45 Group programmers and information bulletins.

During the year, despite the increase in threats and attempted attacks linked to cyber crimes and the geopolitical situation, no significant events emerged that compromised the integrity, availability or confidentiality of the Group's data.

UnipolSai has been certified according to the international security standard ISO/IEC 27001[47] for its Advanced Electronic Signature service since 2013 and is audited annually by external auditors.
The **ISO/IEC 27001 certification process for UnipolTech** was also successfully concluded in 2023, relating to the scope of "conception, design, development, provision of insurance-related electronic services and vehicle mobility management".

[47] ISO/IEC 27001 is an international standard that defines the requirements for setting up and managing an information security system and includes aspects concerning logical, physical and organisational security.

For the **Companies operating in Serbia**, the Privacy function was set up within the Compliance Department.
During 2023, there were no privacy or IT security-related incidents, and no complaints on such matters were identified. In particular, no incidents of data loss or theft were reported with regard to customers.
Information security management is defined in the risk management strategy, and since 2016 the ISO 27001 standard has been implemented with regular annual supervisory controls. ISO 22301 was also adopted in 2021, for which the Business Continuity Management certification supports the organisation in reducing the likelihood of incidents and ensuring the resumption of operations following disruptions.

DDOR also works constantly to raise IT security awareness in its employees: in 2023, 172 hours of Cyber Security courses were provided, reaching 154 participants.

Tax Strategy and tax management methods

The Unipol Group attaches strategic importance to the control of tax risk in the pursuit of sustainable success objectives. In order to reduce exposure to tax risks, Unipol - in line with the indications of the Organisation for Economic Co-operation and Development (OECD) as implemented by the Revenue Agency in the regulations for the establishment of cooperative compliance - has implemented a tax risk management system ("Tax Control Framework" or "TCF"), as a set of rules, procedures, organisational structures and controls to allow the recognition, measurement, management and control of tax risk. The adoption of the Tax Control Framework is a condition for access to the cooperative compliance regime, for which an application was submitted in December 2023. The Tax Control Framework adopted by Unipol complies with international standards and the instructions provided by the Revenue Agency, in the implementation of the cooperative compliance regime.

The Unipol TCF consists of:

- a **Tax Strategy** approved by the Board of Directors in 2022, defining the principles and limits on which tax-related risk management is based and strategic guidelines to ensure compliance with tax regulations;
- a **Tax Risk Management Policy** approved by the Board of Directors in 2023 that defines the guiding principles, roles, responsibilities, objectives and tools for managing tax risk and was drafted taking into account the Group's strategic objectives in managing taxation as defined in the Tax Strategy;
- an **Internal Control System** dedicated to the identification and management of tax risk, understood as the risk of violating tax regulations or conflict with the principles and purposes of the legal system (abuse of law). The System is a set of rules, procedures, organisational structures and controls to allow the recognition, measurement, management and control of tax risk.

The Tax Control Framework and the cooperative compliance, to which Unipol applied for participation, are aimed at guaranteeing the company constant monitoring of tax risks and the promotion of a corporate culture based on the principles of honesty, fairness and compliance with tax regulations, ensuring its completeness and reliability, as well as related awareness at all company levels.

Tax Strategy

The Tax Strategy is based on values adopted by the Group and recognised in the Charter of Values and the Code of Ethics. The document sets out the guiding principles of tax management within the Group, including in particular compliance with tax regulations, in the belief that through the payment of taxes due, the Group contributes to the needs of the communities in which it operates and to transparency in relations with the tax authorities.

Tax Risk Management Policy

The Tax Risk Management Policy defines the guiding principles, roles, responsibilities, objectives and tools for managing tax risk.
The **Group's approach to Tax** is geared towards ensuring the correct application of tax rules while maintaining a high degree of transparency in its dealings with tax authorities.
Consequently, the Group acts in full compliance with tax regulations in its various countries of operations, meeting its tax obligations, collaborating with appointed inspection bodies and thereby protecting the Group's reputation over time. The management of tax compliance risks is entrusted to the business functions and to the Tax Service Function, which reports to the Group Chief Financial Officer, in whose operations the risk may arise.

Unipol has a relationship of full collaboration with the competent tax authorities, supporting any audit activities and responding to requests received with the highest possible speed and transparency.

Tax risk management process

Tax risk can occur both in processes typically associated with tax management, and in operating and business processes. In accordance with the guidelines defined in the Tax Strategy, Unipol pursues the objective of proactively managing tax risk, identifying and managing in the TCF the following areas in which tax risk may occur:

- Compliance risks, i.e. the risk of not correctly complying with tax obligations in accordance with the rules prescribed by law. Typically, the mitigation of these risks, for the compliance phase, is ensured directly by the Tax Service Function, while, for risks affecting the business processes, mitigation is offered by the first-level controls by the business functions;
- Tax fraud risks, i.e. the risk of incurring a violation that constitutes a tax fraud offence, with particular regard to predicate offences for the purposes of administrative liability of entities pursuant to Italian Legislative Decree no. 231/2001;
- Interpretation risks, i.e. risks pertaining to the application of tax provisions and arise from hermeneutic uncertainties on abstract regulatory cases, and from the uncertain qualification of actual cases in relation to abstract regulatory assumptions. In order to detect, measure and manage these risks, Unipol has adopted a specific Policy for managing interpretation risk, attached to the Tax Risk Management Policy.

The tax risk measurement methodology is based on qualitative-quantitative parameters that allow review at any time of the assessments made in relation to specific risks. The recognition of tax interpretation risks is carried out as part of the updating of processes with respect to the new tax aspects, when performing tax advisory activities, preparing tax returns and managing non-routine transactions. At risk governance level, the roles and responsibilities are defined for the parties involved in managing the tax variable and introducing a specific procedure to manage risks associated with interpretation uncertainties. The escalation policy defines the rules for the assumption of tax risks that require the involvement of different organisational levels up to and including the Board of Directors.

Taxation represented in the Financial Statements

The Separate Financial Statements documentation discloses taxes for the year and include a statement of reconciliation of the theoretical tax burden compared to the actual tax burden with an explanation of the main reasons for deviations. The main items causing mismatches between taxes paid and taxes recognised are subject to disclosure.
Since 2016, the Unipol Group has prepared a country-by-country report on income taxes, the "CbCR".
The financial statements include, where necessary, prudential provisions against current or potential disputes concerning the application of taxes, where there are divergent interpretations with respect to those expressed by the tax authorities in the context of relations based on mutual transparency and discussion.
Tax risk is in any event one of the operational risks subject to monitoring and assessment under Solvency II regulations. The basis for the approach adopted is the identification, profiling and quantification of risks for the purpose of defining capital requirements.
The Group's Italian and foreign companies pay taxes and duties in application of the tax regulations in force in each country.
In 2023, the total taxes paid to the tax authorities (on income, premiums, property, insurance, mathematical provisions, withholding tax, etc.) by Group companies came to around €2.01bn.
Income taxes recorded a **consolidated tax rate for the year of 19.14%** (22.9% in 2022).

Adoption of the cooperative compliance programme

On 22 December 2023, UnipolSai Assicurazioni S.p.A. submitted an application for adoption of the cooperative compliance programme pursuant to Art. 7, paragraph 2, Italian Legislative Decree no. 128 of 5 August 2015, on its own account and on behalf of Unipol Gruppo S.p.A. as the entity exercising management and control. Subsequently, on 19 January 2024, support documentation for the application was sent to the Italian Revenue Agency pursuant to point 4.5, Measure no. 54237 of 14 April 2016.
As part of the activities to verify the requirements for eligibility to access the cooperative compliance programme, on 25 January 2024 the Italian Revenue Agency issued two separate requests for information, pursuant to point 5.3 of the aforementioned Measure, effectively opening the initial assessment phase of the programme (Company Level Assessment), to verify compliance of the governance of the Tax Control Framework and the tax risks map with the principles and requirements of the programme. Subsequently, following the response to these requests for information, the Italian Revenue Agency will launch the Activity Level Assessment phase which is expected to terminate by the end of 2024 with acceptance of UnipolSai Assicurazioni S.p.A. and Unipol Gruppo S.p.A. into the cooperative compliance programme.

The Organisation and Management Model pursuant to Italian Legislative Decree 231/2001

The Unipol Gruppo Organisation and Management Model (OMM), in the latest version approved by the Board of Directors on 28 September 2023, is composed of a General Part and 14 Special Parts, each dedicated to a category of offences theoretically conceivable within the business context of the Company.
The Special Parts highlight the general conduct principles applied to the corporate bodies and employees directly, and to partners on the basis of dedicated contractual clauses.
Dissemination of the OMM to employees is arranged through publication on the company website, accompanied by a general disclosure relating to Italian Legislative Decree 231/2001. The adoption of the Model and the associated topics are communicated to employees at the time of adoption or update through corporate communication from the competent structure sent via e-mail (or similar electronic means) to all employees in the workforce. The Unipol Group companies with an Organisation, Management and Control Model disseminate it to employees by similar methods.
Training is provided through a specific web module. During 2023, a specific classroom training session was also launched through "one-to-one" meetings with Unipol Gruppo top management.

The Unipol Group has adopted an internal system for reporting violations which aims to safeguard the confidentiality of the whistleblower's identity and protect them from retaliatory conduct as a result of the report, in line with European level and national regulations issued on whistleblowing[48].
The **reporting system** is formalised in a Group Procedure (the last update to which was approved by the Company's Board of Directors on 28 September 2023) which defines, inter alia, who can activate it; what conduct, acts or omissions may be reported; the methods used to report alleged violations and the report management process.

In the entire report management process, from receipt to the investigation and final phases, utmost confidentiality is ensured regarding the identity of the whistleblower and the reported person as well as on the contents of the report and the related documentation. In particular, all whistleblowers are required to use a specific IT platform suitable for guaranteeing the confidentiality of their identity. Violation of the confidentiality obligation constitutes a disciplinary liability, without prejudice to other forms of liability envisaged by law.
The Company undertakes to protect whistleblowers (except in the case of unfounded reports made with wilful misconduct or gross negligence) from any conduct, act or omission, even merely attempted or threatened, as a result of the report and which causes or could directly or indirectly provoke undue harm to the whistleblower. The Procedure identifies the head of the Compliance Function (Main Responsible Structure) or, alternatively, the head of the Audit (Alternative Responsible Structure) and their delegates, if any, as the structure responsible for receiving, examining and assessing the reports.
With reference to 2023, the Main Responsible Structure **received no reports** falling within the scope of application of the Procedure.
The task of supervising the operation and observance of the OMM and of ensuring its updating is entrusted to the Supervisory Board (SB).

The **Anti-Money Laundering** Regulations are governed by Italian Legislative Decree 231/2007, as amended (the "Decree") which is implemented, within the Unipol Group, for Life insurance companies (UnipolSai Assicurazioni, BIM Vita and Arca Vita), for asset management companies (UnipolSai Investimenti SGR) and for Electronic Money Institutions - IMEL (UnipolPay).
All Unipol Group Companies subject to the Decree have a dedicated structure responsible for managing the risk of money-laundering and terrorist financing, with monitoring activities to ensure full compliance with provisions of the Decree.
Group employees are made aware and trained with an **online course dedicated to the prevention of money laundering** and terrorist financing. In 2023 it was completed by 92% of employees and 77% of senior executives.

With reference to foreign insurance companies operating in Serbia and Ireland, internal controls and procedures are in place in line with local legal provisions.
In Serbia, the training course on prevention of money laundering and terrorist financing was attended by 62% of employees and 100% of senior executives during 2023.

For further details on the OMM, please refer to the "Governance" section of the Unipol Group's website

[48] In particular, Italian Legislative Decree no. 24 of 15 March 2023, which transposes Directive (EU) 2019/1937 into Italian law.

Anti-corruption

The Unipol Gruppo OMM envisages monitoring and control tools put in place to combat corruption.

Every year, the 231 Monitoring Function analyses the level of monitoring of material processes pursuant to Italian Legislative Decree 231/2001, highlighting the need for any assessment activities, according to a risk-based methodology. For the Parent, in 2023, out of a total 102 business processes, 15 proved sensitive to the risk of corruption (15% of the total); for UnipolSai Assicurazioni, out of a total 146 business processes, sensitivity to the risk of corruption was found in 50 (34%).
The oversight and control mechanisms put into place to combat corruption in relations with the Public Administration are defined in the OMM of the Parent, in Special Part 1, "Offences against the Public Administration", whilst Special Part 2 "Corporate Offences" discusses the crime of corruption between private parties as provided in the Civil Code. In the Special Parts of the OMM, the specific principles of control for preventing the commission of each type of crime previously indicated are also laid out in detail.
As regards the companies operating in Serbia, their By-Laws and Code of Ethics envisage provisions on avoiding conflicts of interest.

In 2023, based on available information, Unipol Gruppo and the Group companies in Italy and abroad **did not record any instances of bribery or corruption** and no costs for penalties pursuant to Italian Legislative Decree 231/2001 deriving from charges for crimes of corruption.

For the employees of Group Companies that have adopted an Organisation, Management and Control Model, a course is available on the subject of Italian Legislative Decree 231/2001 which, among other things, addresses the issue of corruption offenses. In 2023, **93% of employees** working in the insurance, healthcare, agricultural, hotel and tourism businesses in Italy received **specific training on anti-corruption policy and procedures** (87% in 2022).
To ensure effective implementation of the OMM, agents were asked to acknowledge it, which was done in 84% of cases.
The contracts that the Group enters into with suppliers include a clause in which the suppliers undertake to adhere to the OMM, under penalty of termination of the contract. Viewing of the OMM is certified for suppliers enrolled in the Suppliers Register, which in 2023 accounted for 12% of the total suppliers, with a 61% impact on total spending (stable with respect to the previous year).

Anti-fraud

Combating fraud is in the interest of the insurance companies and also protects customers who act correctly.

The Criminal Law, Anti-Fraud and Authority Response function collaborates constantly, together with the responsible function in the Claims Area and the Information Area, in the development and optimisation of new methodologies and IT applications dedicated to detecting fraud, also based on search engines and predictive systems pending refinement.
The continuous refinement of methods and criteria for fraud detection is supported by investments in technological innovation to develop data-driven solutions. In this area, the evolution of the **anti-fraud engine** (Rulex) continued, through integration with the portfolio data relating to certain General Class products, which strengthened the creation of predictive models in this area. The **TPL Predictive Model** is active which, combined with concrete elements of suspected fraud, makes it possible to increase triage channels and reduce "false positives", as is the **Land Vehicle Hulls Predictive Model** relating to the Theft and Kasko (Comprehensive cover) classes, whose application was extended to new types of claim in 2023.

The Special Areas of the Claims Department of UnipolSai and of other Insurance Companies operating in Italy reported over 30,300 suspicious claims, which led to approximately 16,000 transfers to the investigation units (53% of the cases reported), an increase of 2 percentage points compared to 2022[49]. After investigations, the Anti-Fraud Function managed 8,680 fraud reports (+12% vs 2022) and a complaint was filed in 372 cases (-8% vs 2022).

In the context of criminal initiatives, the approach adopted is to report association phenomena to the Judicial Authorities, bringing together multiple cases of unlawful conduct with the same criminal pattern, behind which criminal organisations often operate.

For companies operating in Serbia, the corresponding fraud risk departments handled 2,787 fraud reports (-11% on 2022). A complaint was filed in 130 cases (+16% vs 2022).

[49] This change is partly due to a solution to the problem relating to certain AIA indicators, the Anti-Fraud Computer Archive used after the launch of the new EBDS (Evolution of the Claims Database).

Also in 2023, the commitment was strengthened as regards analysing reports received regarding new types of criminal conduct not attributable to the traditional scope of insurance fraud. In particular, for UnipolRental and I.Car, in 2023 the Criminal Law, Anti-Fraud and Authority Response Function of UnipolSai Assicurazioni opened a total of 56 files worthy of investigation for the necessary assessments and filed 10 complaints with the relevant Judicial Authority. For UnipolPay, an e-money institution (IMEL), no cases of fraud had been recorded at 31 December.

Protection of fair competition

Unipol undertook an important initiative to raise the awareness of its employees and the agency network on consumer protection, through training activities that involved all the Group Companies, and simultaneously launched activities necessary to provide a specific **antitrust compliance programme** to the main insurance companies (Linear in 2021, UnipolSai in 2022 and UniSalute in 2023).
These programmes have the objective of "securing" the Companies' processes and activities, further strengthening the antitrust culture and sensitivity of its employees, and are implemented on the basis of indications provided in the Antitrust Authority (AGCM) Guidelines on antitrust compliance and Italian and international best practices of reference.
Application of the Programmes involves the following:

- map the areas and business activities potentially exposed to antitrust risk;
- prepare a manual, containing guidelines on the management of potentially sensitive activities from an antitrust perspective, and an organisational procedure containing adequate measures to prevent the commission of antitrust offences or limit their consequences;
- identify an internal contact to be assigned the duties of Antitrust Compliance Officer, responsible for supervising implementation of the Procedure.

In order to actually implement the Programmes, ad hoc training sessions on antitrust were planned. For UnipolSai, in 2023 these first involved top management working in antitrust-sensitive areas and, subsequently, remaining UnipolSai and agency network staff. For UniSalute, whose Programme was approved by the Board of Directors on 2 October 2023, a first training session was held in the same month dedicated to top management of UniSalute working in sensitive areas, while remaining staff will be involved during 2024.

Sanctions

In 2023, the total number of IVASS interventions against UnipolSai and the other insurance companies of the Group operating in Italy was 3,662, up 18% compared to 2022 (for UnipolSai as a result of the increase in claims reported, mainly due to the extreme weather events that occurred during the year).

During 2023, UnipolSai Assicurazioni paid 29 penalties amounting to €140,578, all relating to claims in the settlement phase.

In relation to complaints submitted by customers pursuant to IVASS Regulation no. 46/2016, UnipolSai Assicurazioni alone, together with its agents, handled 1,250 complaints.

In relation to respect for environmental legislation, no fines or non-monetary penalties were imposed for damages caused to the environment as a result of the operations of Group companies and health and safety.

For detailed information on the figures for initiatives to combat corruption risk and fraud risk, and the sanctions, please see the "Appendix - Unipol in numbers".

Capital requirements

Capital management

Capital management policy
The Group's capital management strategies and objectives are outlined in the "Capital management and dividend distribution policy", which describes the reference context and the process for managing capital and distributing dividends also in terms of the roles and responsibilities of the players involved. The document also identifies the principles of capital management and the distribution of dividends or other elements of own funds, in line with the return on capital objectives and the risk appetite defined by the Board of Directors.

The general aims pursued by the "Capital management and dividend distribution policy" are:
- ex ante definition of the return objectives on allocated capital, consistent with the profitability objectives and in line with the risk appetite;
- maintaining a sound and efficient capital structure, considering growth targets and risk appetite;
- outlining the capital management process for the definition of procedures to ensure, inter alia, that:
  - the elements of own funds, both at the time of issue and subsequently, satisfy the requirements of the applicable capital regime and are correctly classified;
  - the terms and conditions for each element of own funds are clear and unequivocal;
- ex ante definition of a sustainable flow of dividends, in line with the profit generated, available cash and the risk appetite, identifying and documenting any situations where postponement or cancellation of distributions from an element of own funds is expected;
- outlining the dividend distribution process for the definition of procedures to ensure a sound and efficient capital structure, considering that growth targets and profitability objectives are in line with the risk appetite;
- defining the roles, responsibilities and reporting in relation to capital management and the distribution of dividends or other elements of own funds.

The capital management and dividend distribution process is divided into five steps, in close relation with other corporate processes:
- final measurement of available capital and the capital required;
- preparation of the mid-term capital management plan;
- monitoring and reporting;
- management actions on capital;
- distribution of dividends or other elements of own funds.

Insurance Sector
Activities by the competent corporate organisations of the Group were carried out in 2023 in compliance with Solvency II regulations and the supervisory provisions issued by IVASS.

As regards the Group's solvency capital requirement, note that this is calculated using the partial internal model authorised by IVASS.

Remuneration system and incentives

NFS

The Unipol Group Companies annually adopt Remuneration Policies, drafted in line with the provisions of Regulatory Bodies in the sector and consistent with the Group's short- and long-term objectives.
The Remuneration Policies are approved by the Companies' Boards of Directors, after obtaining the opinion of the Remuneration Committee, if established, and their respective Shareholders' Meetings.

The primary objective of Remuneration Policies is to guarantee fair remuneration, adequate to the role, responsibilities, degree of professionalism and individual skillset, in compliance with legal and regulatory provisions, consistent with sustainable performance requirements and aligned with the benchmarks envisaged in National Collective Labour Agreements.

To this end, the following principles are the essential parameters for the determination of remuneration:

- a sound and prudent risk management policy, in line with the long-term strategic objectives, profitability and balance of the Group, to be interpreted as tailored to the specific characteristics of the different sectors, adopting remuneration policies such as would not incentivise the excessive exposure or assumption of risks;
- internal equity, so that both the fixed and variable components of remuneration are consistent (i) with the position held and the connected responsibilities, the role assigned, the experience gained, skills, capacities demonstrated and performance, as well as (ii) with the nature, extent and complexity of the risks inherent in business activities;
- meritocracy, so that the results achieved and the conduct enacted to achieve them are rewarded;
- the commitment to gender neutrality, also by periodically monitoring the Gender Pay Gap and verifying its containment;
- dialogue with the reference markets, in order to create competitive pay packages, learning of the trends, guidance and best practices so as to sustain health competition fairly and effectively.

The annual remuneration of **non-executive Directors** is fixed. In addition, they receive reimbursement of expenses incurred to carry out their duties, and a fee for attending each board meeting and shareholders' meeting. In addition, the Board of Directors provides Directors who are members of Board Committees, if any, with an extra fixed remuneration for the office held, without payment of any attendance fee.
No variable component is envisaged in the remuneration linked to results or based on financial instruments, nor is the payment of an indemnity due to Directors in the event of resignation, termination of mandate/office or dismissal following a takeover bid.

The annual remuneration of **Statutory Auditors** is fixed. In addition, they receive reimbursement of expenses incurred to carry out their duties. Statutory Auditors are paid no variable remuneration.

Executive remuneration involves payment of a fixed as well as a variable component. The variable component is linked to Group, company and individual performance, and is commensurate with the fixed component and the weighting of the organisational role covered by the beneficiary. The fixed component remunerates the extent and level of responsibility, the complexity of what has to be managed and the experience required for the job; it also remunerates the skills, expertise and experience held. The fixed component is also calculated by taking market benchmarks into account.

The **variable remuneration component**, balancing payments in monetary form and/or financial instruments, aims to reward results achieved in the short and medium/long-term, expressed not only in the form of economic revenue, but also in the form of attention to risks and qualitative performance, also linked to ESG criteria, as well as to develop professional skills while enacting an effective retention policy.

The following principles constitute the specific parameters of the Remuneration Policies:

- an appropriate balance between fixed and variable remuneration components, with the latter linked to pre-set, objective and measurable efficiency criteria, to strengthen the link between performance and remuneration;
- the establishment of ex-ante limits for the variable component;
- sustainability thanks to the proper balance between short and long-term efficiency criteria, on which remuneration is dependent, through the payment of the variable component in instalments, setting a minimum vesting period for the assignment of financial instruments, the option to reduce or the right to require the return of said component in the event that specific conditions are not fulfilled;

with reference to Top Management, the provision of share ownership requirements, consisting of a lock-up obligation, for a predetermined period, on the shares assigned as a result of participation in the incentive plans.

The plan also includes malus and claw-back clauses.

VARIABLE COMPONENT

A prerequisite for the recognition of any incentive is the continuation of effectively positive economic results and the minimisation of risk factors, aside from the presence of a Dividend Capability, i.e., the presence of the conditions, in terms of the economic result and the minimum solvency requirements of the Unipol Group, for any distribution of a dividend to Unipol shareholders.

The variable component is divided into a Short-Term Bonus (STI) and a Long-Term Bonus (LTI).

Short-Term Bonus (STI)

Every year, recipients are assigned economic-financial and non-financial objectives, quantitative and qualitative in nature, differentiated based on the level of hierarchical-organisational responsibilities. These objectives are assigned through a cascading process, which progressively outlines the objectives set at Group level for individual company structures, in order to make the objectives assigned to the managerial levers more consistent.
The Individual Performance Level is determined according to the degree of achievement of the assigned performance objectives.
The Short-Term Incentive is allocated entirely in monetary form.

The RepTrak® **reputational index** trend has a weight of 10% on the amount of the STI Bonus. The objective to be reached refers to the Reputational Profile of the Unipol Group in the Year of Accrual of the incentive system, compared against the profile recorded by the Financial-Insurance Sector as a whole.
Furthermore, commitment-compliance objectives defined by the "**Guidelines for responsible investing**", consistent with the provisions of Regulation 2019/2088, are established for the functions specifically involved in the financial investment decision-making processes in order to guarantee monitoring of sustainability risks, as well as to contain potential negative effects of the investment decisions on the sustainability factors.

Long-Term Bonus (LTI)

The Long-Term Incentive is entirely assigned based on a closed financial instrument-based remuneration plan, which involves the distribution of Unipol ordinary shares and UnipolSai ordinary shares in the three-year period 2026-2028 (five-year period 2026-2030 for Executive Level Managers).

The payment of the LTI bonus is based on achievement of the following indicators in the three-year period 2022-2024:

- economic and financial performance (which accounts for 60% of the amount of the LTI Bonus), relating to Unipol's Consolidated Gross Profit accumulated in the three-year period and the target of Unipol's solvency capital requirement;
- creation of value for Group shareholders (which accounts for 20% of the amount of the LTI Bonus), relating to the absolute level of Total Shareholder Return of Unipol Gruppo measured over the three-year period;
- **sustainability** (which accounts for 20% of the amount of the LTI Bonus), relating to the issues of **Climate Strategy and Finance for the SDGs** and the **Gender Pay Gap**.

For detailed information, please refer to the Remuneration Report, available in the "Governance" section of the Unipol Group's website.

Specifically, the ESG objectives to which payment of the long-term variable remuneration is linked are:

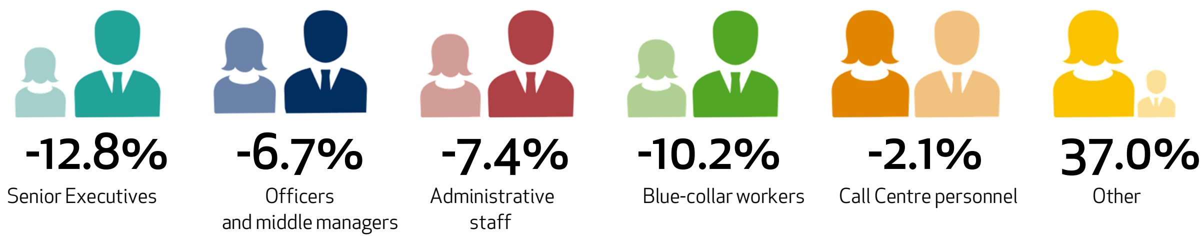
- reduction of *Scope 1 and 2* greenhouse gas emissions of Unipol Group business property, in line with climatic science-based objectives;
- the increase in the amount of investments in support of the UN 2030 Agenda, in line with the Strategic Plan's objective of reaching €1,300m by the end of 2024;
- limitation of the Gender Pay Gap.

With reference to the remuneration of **Non-Executive Personnel**, in addition to the fixed component, a variable component may be envisaged, at Group company and/or departments/function level, through dedicated annual or interim incentive systems consistent with business strategies. For each participant, these systems envisage an **assessment of individual, team, management and/or company performance**, based on predefined, objective and measurable goals, which make it possible to measure the contribution of individuals and that of the team.

With respect to the pay gap between women and men note that, as regards the overall remuneration of the Group Companies operating in Italy, in the executive category the median values for women were around 12.8 percentage points lower than the overall remuneration of men (-9% in 2022, change due to turnover); in the Officers and Middle Management category, the gap is in favour of men by around 6.7 percentage points (values in line with 2022); in the Administrative staff category this gap is 7.4 percentage points (values in line with 2022), while an approximate 2.1 percentage point gap in favour of women was recorded among Call Centre personnel. With reference to the Blue-collar workers category, there was a shift in favour of male personnel of 10.2 percentage points, while in the Other employees category (introduced starting from this year, with the aim of including highly specialised personnel operating in diversified businesses, therefore not falling within the remaining categories) there is a shift in favour of the female gender by 37.0 percentage points.
Also note that, with regard to the gaps relating to fixed remuneration for non-executive staff (Middle Managers and Officers, Administrative staff and Call Centre personnel), the values overall were in line with the previous year. In relation to senior executives, the pay gap was in favour of men by 5.1 percentage points.

Pay gaps by gender and job level category*

Differences relating to median values of total gross annual remuneration of employees (fixed and variable parts)



* The figures exclude the foreign companies Arca Vita International, DDOR, DDOR Auto, DDOR Re and Unipol Re.

UNIPOL GROUP PERFORMANCE

Supplementing the information provided in the "Significant events in 2023 and after 31 December 2023" section of this Report, greater details on events during the year are provided below.

Unisalute 2.0

As provided for in the 2022-2024 Strategic Plan, at the beginning of 2023, after a pilot phase, the "UniSalute 2.0" project was definitively launched. With the launch of this project, the Group decided to transform UniSalute into the only product factory for the Health class. During 2023, the possibility of acquiring new UnipolSai brand business was progressively restricted, and the existing portfolio was progressively replaced with new UniSalute products. The project was also extended to the banking channel: after the pilot phase carried out on the Banco di Sardegna branches (BPER Group), starting from 9 January 2023 the offer of ACUORE health policies under the UniSalute brand was also made available at all branches of BPER Banca and Banca Popolare di Sondrio. In this way, UniSalute takes over from Arca Assicurazioni with the aim of becoming the only carrier of the Group in the healthcare sector across all sales channels.

Integration of SIFÀ into UnipolRental

At its meeting on 23 March 2023, the Board of Directors of UnipolSai Assicurazioni SpA approved an industrial project in the long-term rental business with BPER Banca SpA (the "Framework Agreement") which, inter alia, calls for the integration via merger by incorporation of SIFÀ - Società Italiana Flotte Aziendali SpA (a company belonging to the BPER Group) into UnipolRental SpA. This project, developed as part of the "Beyond Insurance Enrichment" strategic guideline, more specifically the "Mobility" ecosystem of the "Opening New Ways" 2022-2024 Strategic Plan, aimed to create an operator of national significance in the long-term rental sector. Following the approval of the merger deed by the respective Shareholders' Meetings and its subsequent filing with the register of companies, the merger became effective for legal, accounting and tax purposes on 1 July 2023. For the merger, the share capital of the incorporating company was increased from €25,000,000 to €31,244,899, with the assignment of the newly issued shares to BPER Banca, formerly the 100% parent company of SIFÀ. With the completion of the merger, BPER acquired a stake in UnipolRental corresponding to 19.987% of the share capital and UnipolSai, formerly the sole shareholder of UnipolRental, holds the residual shareholding equal to 80.013% of the share capital.

It should also be noted that, on the UnipolRental shares held by BPER, UnipolSai and BPER have mutually granted an option, by virtue of which: (i) BPER will have the right to sell to UnipolSai its entire investment in UnipolRental, exercising the related right within 60 days of the approval of the financial statements of UnipolRental at 31 December 2025; (ii) UnipolSai will have the right to purchase the entire investment held by BPER, being able to exercise the relevant option within 60 days following the expiry of the deadline granted in favour of BPER for the exercise of the relevant put option. The exercise price of the options will be determined on the basis of a multiple of UnipolRental's profit for the year at 31 December 2025, normalised if necessary to neutralise any impact on the profit for the year arising from the indemnity scheme.

Lastly, it should be noted that, in relation to the Framework Agreement, guarantees have been provided for the benefit of UnipolRental to indemnify the company resulting from the merger in connection with any inaccuracy or untruthfulness of the representations and warranties set forth in the executed Framework Agreement.

Acquisition of the Santagostino Medical Centres

On 16 December 2022, UnipolSai signed the contract to acquire the entire share capital of Società e Salute SpA, a company operating in the private healthcare sector under the brand name "Centro Medico Santagostino", from the L-GAM investment fund. The subsidiary holds a 100% interest in Santagostino Servizi e Prodotti, specialised in the sale of sanitary items such as eyewear and hearing aids. The acquisition was finalised on 3 April 2023 for a consideration of €105,422k, of which €5,000k deposited in an escrow account in the name of UnipolSai with a lien in favour of the sellers. This amount constitutes a guarantee in favour of UnipolSai for the indemnities laid out in the purchase agreement in relation to the obligations and warranties of the sellers.

In December 2023, the subsidiary opened a new 3-floor health centre in Rome's Garbatella district, with 6 clinics and 36 specialties, to offer quality clinical and specialist services ranging from gynaecology to dermatology, from ophthalmology to otolaryngology, physiatry, nutrition and diagnostic imaging. At the end of 2023, Santagostino health centres are present locally with 38 locations in Milan, Sesto San Giovanni, Buccinasco, Rho, Monza, Nembro, Bologna, Brescia and Rome, and are part of the development roadmap outlined with the Beyond Insurance Enrichment Strategic Guideline of the Opening New Ways Strategic Plan.

Merger by incorporation of UnipolRe into UnipolSai
The Boards of Directors of UnipolRe DAC and UnipolSai Assicurazioni SpA, which met on 20 March and 23 March 2023, respectively, approved the plan for the merger by incorporation of UnipolRe DAC into UnipolSai Assicurazioni, in order to (i) simplify the organisational structure of the Unipol Group; (ii) strengthen governance by Unipol Group structures; (iii) optimise the allocation of investments; (iv) pursue cost synergies; and (v) optimise fungibility and capital absorption.
The deed of merger, signed on 14 December 2023, was entered in the Register of Companies held by the Bologna Chamber of Commerce on 20 December 2023 and effective from 31 December 2023. The completion of this transaction has no accounting effects on the consolidated financial statements as UnipolRe is a wholly-owned subsidiary of the incorporating company UnipolSai.

UnipolSai's support for the populations struck by floods in Emilia Romagna and Tuscany
On 17 May 2023, UnipolSai launched a structured and integrated plan of actions in favour of populations affected by the May floods in the Emilia Romagna region, with the aim of supporting customers and agencies resident in areas affected by the flood.
In a context of difficulty and suffering, UnipolSai committed to facilitating claims management, granting significant extensions and deferrals and providing adequate and timely responses by activating a dedicated toll-free number. In addition to the aforementioned interventions in favour of customers, the Company, with the collaboration of the US entrepreneur Elon Musk, through his company SpaceX, purchased the Starlink terminals which enabled rescue workers, essential and strategic services (e.g. hospitals) and the flood-affected population to have access to the Internet. In June 2023, the purchased terminals were distributed and installed throughout the country so as to ensure continuity of activities.
On 7 November 2023, UnipolSai also launched a structured and integrated plan of actions in favour of populations affected by the November floods in Tuscany, with the aim of supporting customers and agencies resident in areas affected by the flood. In a context of difficulty and suffering, UnipolSai committed to facilitating claims management, granting significant extensions and deferrals and providing adequate and timely responses by activating a dedicated toll-free number.

UnipolSai participates together with the main Italian insurance companies in the Eurovita rescue operation
On 29 June 2023, the Board of Directors of UnipolSai Assicurazioni approved the Company's participation in the rescue operation scheme to protect Eurovita policyholders, together with Allianz, Assicurazioni Generali, Intesa Sanpaolo Vita and Poste Vita (jointly, the "Companies").
On 3 August 2023, the Companies established the NewCo Cronos Vita SpA. Following the receipt of IVASS authorisation to carry out insurance activities, the NewCo was renamed Cronos Vita Assicurazioni SpA ("Cronos Vita"). At 31 December 2023, the share capital of Cronos Vita amounted to €60m and was subscribed in equal shares of 22.5% by UnipolSai, Generali Italia, Intesa Sanpaolo Vita and Poste Vita, with Allianz subscribing the remaining 10%. The total payments made by UnipolSai in the form of share capital in favour of Cronos Vita amounted to €49.5m.
With effect from 30 October 2023, Eurovita SpA transferred a company complex to Cronos Vita comprising the entire portfolio of Eurovita policies, placed under compulsory administrative liquidation on 27 October 2023. Cronos Vita is managing the run-off of this portfolio for the time strictly necessary (i) for the precise identification of the distinct business units making up the company complex to be assigned to the Companies and (ii) the subsequent transfer of these units to them (or, subject to the approval of the banks involved in the transaction, their subsidiaries).
The deadline established for completing the transfer of the business units to the Companies is 24 months from the above-mentioned effective date of the transfer to Cronos Vita of the business unit, without prejudice to any delays caused by objective technical or authorisation issues. It is expected, however, that the Companies will define the agreements aimed at identifying the complex to be transferred and the related conditions by the 2024 financial year, so as to be able to start the authorization process and the detailed technical activities functional to the migration of the portfolios.
As of 31 October 2023, IVASS Measure of 6 February 2023, which had temporarily suspended the right of Eurovita policyholders to exercise their right to Redemptions, stopped being effective. To ensure the success of the transaction and a balancing of the respective risks and charges between the parties involved, 30 banks, including the banks distributing Eurovita products and certain system banks, have indicated their willingness, subject to the issue of specific guarantees by part of Eurovita and, alternatively, its shareholders, to grant loans to the company to cover part of the early redemptions relating to the policies linked to segregated funds distributed by the banks and included in the company complex.

Digital Green Index: more sustainable digital channels
In June 2023, UnipolSai obtained two important awards with the Digital Green Index project, testifying to the Company's commitment to promoting sustainability and innovation in the insurance sector.

The Digital Green Index project has demonstrated how it is possible to create eco-sustainable and certified digital channels, through the application of a "green" methodology of design, planning and implementation that leads to a reduction in energy scoring. The innovative methodology was used for the first time in the development of the GlassX site for UnipolGlass which, from an energy point of view, produces only 0.75 tonnes of CO_2 per year, which corresponds to a reduction of 29% compared to the world average of digital channels. The project won first place in the "Best ESG Project" category at the Italy Insurance Forum Awards 2023. This event is sponsored by Insurance Club, the community of IKN Italy, which evaluates best practices in the insurance world in Italy.
This was followed by third place in the "Social, Sustainable & Responsible" category at The Qorus-Accenture Innovation in Insurance Awards 2023, which evaluates the most innovative projects and initiatives in the global insurance sector, in which 223 companies participated from 43 countries.

SIAT and BPER together for new Group synergies

SIAT and BPER signed an agreement on 27 July 2023 that provides for the distribution of SIAT products in the Marine and Aviation sector through the BPER banking channels. The transaction is part of the Bancassurance Boosting guideline of the Opening New Ways 2022-2024 Strategic Plan, with the aim of strengthening the bancassurance business model, and represents an important step forward for the expansion of synergies between the Unipol Group and BPER. The new agreement aims to offer the distinctive services of SIAT, specialised in transport insurance, to meet the shipping insurance needs of BPER's business customers, through its network and bank branches. The agreement began with a pilot phase involving the geographical areas of Liguria and Emilia Romagna, to test the interest of potential customers.

Plan for the merger by incorporation of Centri Medici Dyadea into Società e Salute

On 21 September 2023, the Boards of Directors of Dyadea Srl and Società e Salute SpA approved the merger by incorporation into Società e Salute SpA of Centri Medici Dyadea Srl. The merger is part of a broader industrial and strategic project for the reorganisation of the Unipol Group to simplify the Group's corporate structure so that all healthcare facilities can be brought together under a single corporate vehicle in order to standardise processes and business procedures and, also, create economies of scale and industrial synergies. The merger plan was approved by the Shareholders' Meetings of the two companies on 10 October 2023.

The Unipol Group has an approximate 19.7% interest in the share capital of Banca Popolare di Sondrio.

Through a reverse accelerated bookbuilding ("RABB") procedure, Unipol finalised the purchase of 46.3m ordinary BPSO shares for a consideration of €5.1 per share, with a total outlay of approximately €235.6m paid on 2 October 2023. With this purchase, which took place within the scope of the authorisation received by Unipol, which allows it to hold a direct and indirect investment in BPSO equal to 19.99% of the latter's share capital, net of treasury shares, the Unipol Group now holds, also taking into account the shares held by UnipolSai, a total investment of approximately 19.7% of the share capital of BPSO. The increase in the investment allows the Unipol Group to (i) consolidate the industrial and corporate partnership with BPSO in the Life and Non-Life bancassurance business, strengthening its strategic approach, (ii) increase the stability of the BPSO Group ownership structure for the positive pursuit of its strategic plan objectives and (iii) stimulate the Bank's evolution in accordance with best market practices.
In relation to the increase in the total interest held in BPSO, from October 2023 Unipol classified the investment in BPSO as an "associate" investment to be consolidated using the equity method. The 2023 Consolidated Financial Statements reflect the effects of initial consolidation of the investee with the equity method, with a positive, non-recurring impact on the consolidated income statement of €267m.

Cancellation of UnipolReC from the Register of financial intermediaries (Art. 106, Consolidated Law on Banking)

At the meeting of 7 February 2023, the Board of Directors of UnipolReC SpA, in acknowledging that, following the sale en bloc without recourse of the entire loan portfolio in favour of AMCO – Asset Management Company SpA, completed pursuant to Art. 58 of the Consolidated Law on Banking on 14 December 2022, the continuation of financial intermediation activities pursuant to Art. 106 of the Consolidated Law on Banking no longer satisfies the interests of the Unipol Group, resolved, among other things, on the proposal to adopt a new corporate purpose with consequent waiver of exercise of the activity reserved to it pursuant to Art. 106 of the Consolidated Law on Banking. This proposal was submitted for approval to the Shareholders' Meeting of UnipolReC, subject to the issue by the Bank of Italy of the authorisation required pursuant to Bank of Italy Circular no. 288 of 3 April 2015. The company was struck off from the Register of financial intermediaries on 11 December 2023.

Trade union agreement regarding Personnel and access to the Solidarity Fund

As part of the 2022-2024 Strategic Plan implementation activities, on 18 October 2022 and 25 October 2022 trade union agreements were signed (for the companies UnipolSai, UniSalute, Arca Assicurazioni and Siat) which - as concerns voluntary pre-retirement arrangements for employees meeting pension requirements by the end of 2027 - are divided into three types:

- employees who have met or will meet early retirement requirements pursuant to the "Fornero Reform" by 31 October 2023: mutually agreed termination of the employment contract was set for 31 December 2022 for those already meeting the requirements or has been set, from time to time, as the last day prior to meeting the aforementioned pension requirements, involving a total of 136 employees.
- employees who will meet the early retirement or normal retirement requirements pursuant to the "Fornero Reform" in the period between 1 November 2023 and 31 December 2027: access to the extraordinary section of the Solidarity Fund with all charges borne by the Company, which envisages payment to the interested party of a pay cheque equal to the future pension and payment of the related contributions for as long as the individual accesses the Fund.
  In this regard, note that the mutually agreed termination of employment relationships of the above-mentioned employees took place with access to the extraordinary benefits of the Solidarity Fund as of:
  - 1 May 2023 (termination/last day of work on 30 April 2023) for those who will accrue the pension between 1 November 2023 and 31 December 2025, for a total of 329 employees;
  - 1 July 2023 (termination/last day of work on 30 June 2023) for those who will accrue pension between 1 January 2026 and 31 December 2027, for a total of 445 employees.
- employees who have already accrued or will accrue the pension with the "quota 102": the mutually agreed termination of the employment relationship was set by 31 December 2022, for a total of 2 employees.

Therefore, a total of 912 employees were involved in the mutually agreed termination of their employment relationship.
The trade union agreement in question envisaged the early termination of 800 employees (in addition to a higher number of participants up to a maximum 10% more than the number indicated), and therefore the objectives of the Strategic Plan were achieved with regard to this action considered strategic in terms of generational renewal and cost reduction.
In addition, in December 2022, a trade union agreement was signed on pre-retirement arrangements for executive personnel who will meet pension requirements due to either the number of years of contributions or old age by 31 December 2027. This agreement refers to the provisions of the system governed by Art. 4, paragraphs 1 to 7-ter, of Law no. 92 of 28 June 2012 ("Fornero" law), as amended by Art. 34, paragraph 54, of Law no. 221 of 17 December 2012 and Art. 1, paragraph 160, of Law no. 205 of 27 December 2017.
Senior executives who intend to participate in the plan, subject to mutually agreed termination of the employment relationship, will be paid the "isopensione", i.e. an allowance equal to the pension accrued at the time of termination, until the disbursement of the pension benefit. Payments of the relative contribution also continue until the first pension requirement is met.
To date, 9 UnipolSai executives and 1 Una Group executive have subscribed to the plan.

In terms of policies and projects, in relation to the Group Supplementary Corporate Agreement of 13 May 2016 - amended on 8 June 2021 and expired on 31 December 2021 - please note that on 28 February 2024, a draft bridge agreement was signed with the Trade Unions, subject to the approval of workers in the insurance sector by means of a referendum and by the Board of Directors on 21 March 2024. The aim of this agreement was to improve company welfare benefits (supplementary pension and welfare credit, the latter valid for 2024), while also recognising an improvement in the Variable Company Bonus, in correlation with the use of holidays and mandatory training, and a one-off amount for the years 2022 and 2023.

Operating performance

The income statement and statement of financial position values referring to 2023 were prepared by applying IFRS 9 on financial instruments and IFRS 17 on insurance contracts to the entire group scope, replacing IFRS 4 and IAS 39 previously in force. The new accounting standards, in force as of 1 January 2023, were also applied retroactively to the data presented for comparative purposes for the year 2022, to allow for a like-for-like comparison. Please refer to the New accounting standards section of the Notes to the financial statements for information on the effects of the transition on the Group's statement of financial position, income statement and shareholders' equity.
It should also be noted that, in order to provide a better representation of the actual contribution to the consolidated results and also taking into account the significance of this activity on the overall Group, the economic and financial results previously attributed to the Real Estate business have been allocated to the Life business, if referring to assets whose returns affect the services to be provided to subscribers of revaluable products, and to Other Businesses for the residual portion. The different representation of the information by segment was applied retroactively to the figures for previous years, presented for comparative purposes.

The Unipol Group closed 2023 with **consolidated net profit** of €1,331m, a value positively impacted for €267m by the badwill recognised on initial consolidation at equity of the investment in Banca Popolare di Sondrio (following the acquisition by Unipol Gruppo of a 10.2% interest in the Bank, which brought the Group's overall equity investment to 19.7%). The amount of badwill recognised was allocated to Non-Life business for €86m, to Life business for €43m and to Holding and Other Businesses for €138m.
The net profit excluding this extraordinary item was €1,064m.

In 2022, the Group had recorded a consolidated net profit of €866m, determined according to the previous accounting standards, which reflected extraordinary components giving a positive balance of approximately €92m (normalised profit of €774m). The final balance for 2022, restated for comparative purposes in application of the new standards, would have been €675m (normalised result of €584m).
The 2022 results were impacted by extraordinary components: negatively by the allocation of a solidarity fund for employees, and positively by the effects deriving from the increase, from 18.9% to 19.9%, in Unipol's total interest in BPER and the badwill recognised by BPER following the acquisition of Banca Carige. The impact of these extraordinary items on the pre-tax result was a positive €31m, broken down as follows among the businesses: Non-Life -€91m, Life -€20m, Holding and Other Businesses +€142m.

At 31 December 2023, **direct insurance premiums**, gross of reinsurance, stood at €15,060m, up (+10.4%) compared to €13,645m at 31 December 2022.

Non-Life direct premiums, amounting to €8,651m, recorded growth of 4.2% compared to €8,304m at 31 December 2022. UnipolSai Assicurazioni, which recorded Non-Life premiums of €6,952m (+1.0%), and the other main Group companies contributed to this amount. These included the following:
- UniSalute, which achieved premiums of €796m (+38.7%) following the launch of the UniSalute 2.0 project, thanks to which the Group's agency and bancassurance distribution networks offer retail and SME customers the Health products offered by the company, which is a leader in its market;
- Linear, active in the direct MV segment, which accounted for premiums of €216m (+12.2%);
- Arca Assicurazioni, which reported premiums of €272m (+10.9%), confirming the strategic nature of the bancassurance business, which relies on the branch network of the various banking partners where the Group's products are sold.

The **MV** segment was up by 3.0% compared to the previous year, recording premiums of €4,006m. Premiums were positively affected by the tariff increases made necessary due to the rising cost of claims caused by the significant recovery in inflation recorded over the last two years, which impacted both vehicle repair costs and regulatory adjustments of the reference values of losses for minor injuries and family member losses. Moreover, the growth in premiums was mitigated by the effects of the success of the offer to UnipolSai customers of the possibility of monthly premium instalments without additional charges. In addition, the accessory guarantees included in the Land Vehicle Hulls class, which recorded growth of 6.0% compared to 2022, are also continuously developing.

Premiums in the **Non-MV** segment continued to record positive performance, amounting to €4,645m, with growth of 5.2% compared to 31 December 2022, thanks to the contribution of all of the main business lines and sales channels of the Group.

All Ecosystem business lines posted positive performance.
The **Mobility Ecosystem** recorded €4,365m in insurance premiums (+3.0%). In this ecosystem, the growth of UnipolRental was further consolidated, reaching a stock of 136k contracts acquired against 78k at the end of 2022, benefiting from the merger by incorporation of

SIFÀ (Società Italiana Flotte Aziendali) starting from the second half of the year. The total number of vehicles registered at 31 December 2023 was 38,061, compared to 23,377 in the same period of last year.
In 2023, the **Welfare Ecosystem** reported €1,772m in premiums (+7.4%), with a significant increase in the Health Class (+13.5%), while the **Property Ecosystem**, with insurance premiums of €2,514m, grew by 4.0%.

The **combined ratio** at 31 December 2023 was 98.2%. The loss ratio was 71.5%, while the expense ratio stood at 26.7%. The 2023 loss ratio was affected by atmospheric events linked to the flood that struck Emilia-Romagna in May and the wind and hail storms in Northern Italy at the end of July. These were exceptional events that demonstrate the danger of ongoing climate change that the insurance sector will have to face more and more.

The **Non-Life pre-tax profit** was €896m (normalised profit of €810m), compared to €846m in 2022 determined using the previous accounting standards (normalised profit of €937m), and the 2022 profit of €731m recalculated according to the new accounting standards (normalised profit of €822m).

In the **Life business**, the Group achieved direct premiums of €6,409m, up sharply (+20.0%) compared to €5,341m in 2022, despite a still difficult market context due to the generalised increase in interest rates and the climate of uncertainty also created by the Eurovita crisis, the resolution of which also benefited from a contribution from the Unipol Group. The sales networks focused on traditional and multi-segment products, with a view to optimising the net flows of segregated funds, which made it possible to achieve positive net inflows.
Premiums were very strong in the bancassurance channel, which with Arca Vita, together with the subsidiary Arca Vita International, recorded an increase of 34.8% compared to 2022 (€2,554m).
UnipolSai recorded growth, with direct premiums of €3,811m, +12.3% over 2022, in part thanks to the acquisition of new pension fund contracts.

The **Life pre-tax profit** was €375m (normalised profit of €333m), compared to €273m in 2022 determined using the previous accounting standards (normalised profit of €293m), or €136m recalculated according to the new accounting standards (normalised profit of €156m).

In 2023, the **Holding and Other Businesses** sector benefited from the stronger contribution following consolidation of the banking equity investments, recording a performance distinctly better than in 2022, and the positive results of the hotel sector represented by the UNA Group, which crowns a year of recovery in tourist flows and in the MICE segment (conferences, business trips, etc.), achieving turnover of over €200m and a net profit of €25m.

The **pre-tax profit** of the **Holding and Other Businesses** sector was a positive €294m (normalised profit of €156m) compared to the -€10m at 31 December 2022 according to the previous accounting standards (normalised loss of -€152m) and €8m recalculated with the new accounting standards (normalised loss of -€134m).

The **management of financial investments** benefited from the increase in the profitability of new investments, focusing on investment grade securities, with a simultaneous improvement in terms of diversification and the overall risk-return profile.
The gross profitability of the Group's insurance financial investments portfolio achieved a return of 3.8% on invested assets, of which 3.4% from coupons and dividends and 0.4% from sales and valuations. The same figure at 31 December 2022, calculated with the IAS 39 accounting standard in force at the time, was 3.1%, of which 3.3% linked to the coupons and dividends component.

At 31 December 2023, **consolidated shareholders' equity** amounted to €9,799m (€8,578m at 31/12/2022, recalculated according to the accounting standards currently in force), of which €7,967m pertaining to the Group. The change during the period benefited not only from the positive result for the period, but also from the financial market recovery.

The Group **solvency ratio** at 31 December 2023 was 215%[50] (200% at 31/12/2022) taking into account expected dividends and the consolidation of Banca Popolare di Sondrio.

[50] Figure calculated on the basis of the Partial Internal Model, considered preliminary as the final figure will be disclosed to the Supervisory Authority with timing as imposed by current regulations.

Condensed Consolidated Operating Income Statement broken down by business segment

	Non-Life business			Life business			Insurance Sector		
	31/12/2023	31/12/2022	% var.	**31/12/2023**	31/12/2022	% var.	**31/12/2023**	31/12/2022	% var.
Insurance revenues from insurance contracts issued	*8,947*	*8,000*	*11.8*	*623*	*549*	*13.6*	*9,571*	*8,549*	*12.0*
Insurance service expenses from insurance contracts issued	*(9,029)*	*(6,985)*	*29.3*	*(376)*	*(322)*	*16.5*	*(9,405)*	*(7,307)*	*28.7*
Reinsurance contracts held result	*247*	*(162)*	*n.s.*	*(6)*	*(7)*	*(6.7)*	*240*	*(168)*	*n.s.*
Result of insurance services	165	854	(80.7)	241	220	9.8	406	1,074	(62.2)
*Balance on investments**	*907*	*99*	*n.s.*	*1,354*	*922*	*46.9*	*2,260*	*1,021*	*121.5*
Net financial costs/revenues relating to insurance contracts	*(97)*	*71*	*n.s.*	*(1,191)*	*(910)*	*30.9*	*(1,289)*	*(840)*	*53.5*
Net financial result (excluding interest expense on financial liabilities)	809	169	n.s.	162	12	n.s.	972	181	n.s.
Other revenue/costs	8	(245)	n.s.	6	(65)	n.s.	13	(311)	n.s.
Profit(Loss) before tax and interest expense on financial liabilities	982	778	26.2	410	166	146.3	1,391	944	47.4
interest expense on financial liabilities	(86)	(46)	85.4	(34)	(30)	12.8	(120)	(77)	56.7
Pre-tax Profit/(Loss)for the period	896	731	22.5	375	136	176.0	1,271	867	46.5
Income taxes	(157)	(181)	(13.3)	(94)	(53)	75.5	(250)	(234)	7.0
Profit (Loss) from discontinued operations	0	0	0	0	0	0	0	0	0
Consolidated Profit (Loss)	739	551	34.2	282	83	n.s.	1,021	633	61.2
Consolidated Profit (Loss) attributable to the owners of the Parent	0	0	0	0	0	0	0	0	0
Consolidated Profit (Loss) attributable to non-controlling interests	0	0	0	0	0	0	0	0	0

* excluding interest expense on financial liabilities

The factors that marked the economic performance of the Group included the following:

- **direct insurance premiums**, gross of reinsurance, totalled €15,060m (€13,645m at 31/12/2022, +10.4%). Non-Life direct premiums amounted to €8,651m (€8,304m at 31/12/2022, +4.2%) whereas Life direct premiums amounted to €6,409m (€5,341m at 31/12/2022, +20%), of which €2,237m related to Life investment products (€2,170m at 31/12/2022);
- the **combined ratio**[51] in the Non-Life segment was 98.2%.

[51] Indicator that measures the balance of overall Non-Life technical management. As of 2023, with the introduction of the new income statement formats following the entry into force of IFRS 17, the ratio is calculated using the following formula: 1 - (insurance service result/revenue from insurance contracts).

Amounts in €m

Holding and Other business Sector			Inter-segment eliminations		Total consolidated		
31/12/2023	31/12/2022	% var.	**31/12/2023**	31/12/2022	**31/12/2023**	31/12/2022	var. %
					9,571	*8,549*	*12.0*
					(9,405)	*(7,307)*	*28.7*
					241	*(168)*	*n.s.*
					407	1,074	(62.1)
430	*185*	*131.9*	*(67)*	*(49)*	*2,623*	*1,158*	*126.5*
					(1,289)	*(840)*	*53.5*
430	185	131.9	(67)	(49)	1,334	318	n.s.
(46)	(94)	(51.1)	44	42	10	(365)	n.s.
384	92	n.s.	(24)	(8)	1,751	1,027	70.5
(90)	(83)	8.1	24	8	(186)	(152)	22.4
294	8	n.s.			1,565	875	78.9
16	34	(51.2)			(234)	(200)	17.0
310	42	n.s.			1,331	675	97.2
					1,101	525	
					230	150	

Insurance Sector performance

The Group's insurance business closed with a total **pre-tax profit of €1,271m** (€867m at 31/12/2022, +46.5%), of which €896m relating to Non-Life business (€731m at 31/12/2022, +22.5%) and €375m relating to Life business (€136m at 31/12/2022). The initial consolidation at equity of the investment in Banca Popolare di Sondrio for €139m (€93m Non-Life business and €46m Life business) had a positive impact on the result at 31 December 2023. It should be noted that the result at 31 December 2022 was positively affected, in the amount of €135m, by the contribution of the consolidation of BPER Banca using the equity method, including the non-recurring effects due to the recognition of the CARIGE acquisition and the change in the Unipol Group's equity interest in BPER Banca, and negatively affected by the allocation to the solidarity fund for employees for a total of €199m, of which €178m in Non-Life business and €20m in Life business.

Investments and cash and cash equivalents of the Insurance sector totalled €62,991m at 31 December 2023 (€58,543m at 31/12/2022), of which €14,126m in the Non-Life business (€14,805m at 31/12/2022) and €48,865m in the Life business (€43,738m at 31/12/2022).

Insurance liabilities amounted to €51,200m (€47,327m at 31/12/2022), of which €13,585m in the Non-Life business (€12,772m at 31/12/2022) and €37,615m in the Life business (€34,556m at 31/12/2022).

Financial liabilities amounted to €13,489m (€10,875m at 31/12/2022), of which €2,301m in the Non-Life business (€1,483m at 31/12/2022) and €11,188m in the Life business (€9,392m at 31/12/2022).

Total premiums (direct and indirect premiums and investment products) at 31 December 2023 amounted to €15,205m (€13,843m at 31/12/2022, +9.8%). Non-Life premiums amounted to €8,796m (€8,502m at 31/12/2022, +3.5%) and Life premiums amounted to €6,410m (€5,341m at 31/12/2022, +20%), of which €2,237m related to investment products (€2,170m at 31/12/2022, +3.1%).

Direct premiums amounted to €15,060m (€13,645m at 31/12/2022, +10.4%), of which Non-Life premiums totalled €8,651m (+4.2%) and Life premiums €6,409m (+20%).

Amounts in €m

	31/12/2023	*% comp.*	31/12/2022	*% comp.*	*% var.*
Non-Life direct premiums	8,651	*57.4*	8,304	*60.9*	*4.2*
Life direct premiums	6,409	*42.6*	5,341	*39.1*	*20.0*
Total direct premium income	**15,060**	***100.0***	**13,645**	***100.0***	***10.4***

Indirect premiums from Non-Life and Life businesses at 31 December 2023 amounted to a total of €145m (€199m at 31/12/2022, -26.8%), almost entirely made up of Non-Life business.

Amounts in €m

	31/12/2023	*comp. %*	31/12/2022	*% comp.*	*% var.*
Non-Life indirect premiums	145	*99.8*	198	*99.9*	*(26.8)*
Life indirect premiums		*0.2*		*0.1*	*6.5*
Total indirect premiums	**145**	***100.0***	**199**	***100.0***	***(26.8)***

Group **premiums ceded** totalled €515m (€543m at 31/12/2022), of which €494m in premiums ceded in Non-Life business (€524m at 31/12/2022) and €21m in Life business (€19m at 31/12/2022). Retention ratios remained essentially stable in both Non-Life and Life businesses.

Amounts in €m

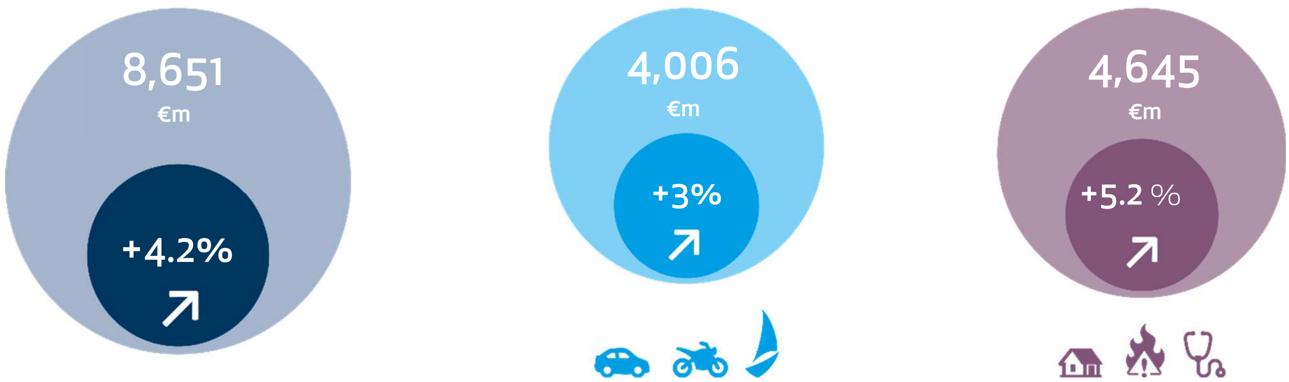
	31/12/2023	comp. %	31/12/2022	% comp.	% var.
Non-Life ceded premiums	494	95.9	524	96.5	(5.8)
Retention ratio - Non-Life business (%)	*94.4%*		*93.8%*		
Life ceded premiums	21	4.1	19	3.5	9.9
Retention ratio - Life business (%)	*99.5%*		*99.4%*		
Total premiums ceded	**515**	**100.0**	**543**	**100.0**	**(5.3)**
Overall retention ratio (%)	*96.0%*		*95.3%*		

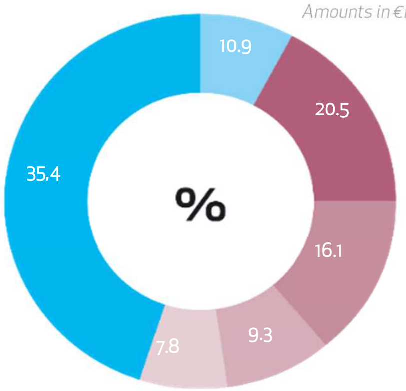
Retention ratio is the ratio of premiums retained (total direct and indirect premiums net of premiums ceded) to total direct and indirect premiums. Investment products are not included in calculating this ratio.

Non-Life business

Total Non-Life premiums (direct and indirect) at 31 December 2023 were €8,796m (€8,502m at 31/12/2022, +3.5%). **Direct business** premiums alone amounted to €8,651m (€8,304m at 31/12/2022, +4.2%).

Non-Life business direct premiums





Amounts in €m

	31/12/2023	*% comp.*	31/12/2022	% comp.	*% var.*
Land, sea, lake and river motor vehicles TPL (classes 10 and 12)	3,059		2,994		2.2
Land Vehicle Hulls (class 3)	947		894		6.0
Total premiums - Motor Vehicles	**4,006**	*46.3*	**3,888**	*46.8*	*3.0*
Accident and Health (classes 1 and 2)	1,772		1,650		7.4
Fire and Other damage to property (classes 8 and 9)	1,392		1,322		5.3
General TPL (class 13)	807		771		4.6
Other classes	674		674		(0.0)
Total premiums - Non-M-V	**4,645**	**53.7**	**4,416**	**53.2**	**5.2**
Total Non-Life direct premiums	**8,651**	***100.0***	**8,304**	***100.0***	**4.2**

In the **MV business**, premiums in the MV TPL class amounted to €3,059m, up 2.2% compared to 31 December 2022. Growth was also recorded in the Land Vehicle Hulls class with premiums equal to €947m (€894m at 31/12/2022). The **Non-MV segment**, with premiums amounting to €4,645m, recorded a 5.2% growth.

Non-Life claims

The **loss ratio** in Non-Life business was 71.5%.

As mentioned previously, the 2023 loss ratio was affected by atmospheric events linked to the flood that struck Emilia-Romagna in May and the wind and hail storms in Northern Italy at the end of July. These were exceptional events that demonstrate the danger of ongoing climate change that the insurance sector will have to face more and more.

The number of claims reported, without considering the MV TPL class, recorded an increase of 40.5%, mainly due to the significant growth in claims reported relating to the Health class. The table with the changes by class is provided below.

Number of claims reported (excluding MV TPL)

	31/12/2023	31/12/2022	*% var.*
Land Vehicle Hulls (class 3)	446,992	353,804	*26.3*
Accident (class 1)	112,542	103,128	*9.1*
Health (class 2)	6,287,983	4,235,328	*48.5*
Fire and Other damage to property (classes 8 and 9)	378,542	282,821	*33.8*
General TPL (class 13)	90,737	86,476	*4.9*
Other classes	524,060	518,298	*1.1*
Total	**7,840,856**	**5,579,855**	***40.5***

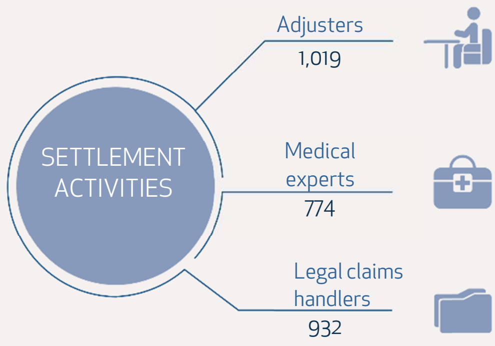
As regards the MV TPL class, where the CARD agreement[52] is applied, in 2023, 534,844 "fault" claims (Non-Card, Debtor Card or Natural Card) were managed, a decline of 1.6% (543,525 at 31/12/2022).
Claims reported that present at least a Debtor Card claims handling numbered 328,326, up by 4.5% compared to the same period in the previous year.
Handler Card claims were 401,325 (including 81,620 Natural Card claims, claims between policyholders at the same company), up by 3.4%. The settlement rate in 2023 was 77.9%% versus 78.7% in the same period of the previous year.
The weight of cases to which the Card agreement may be applied (both Handler Card and Debtor Card claims) out of the total cases (Non-Card + Handler Card + Debtor Card) in 2023 was equal to 85.4% (82.7% at 31/12/2022).
The change is largely due to the entry into the CARD regime as of 1 January 2023 of some foreign companies that previously did not participate in the direct compensation scheme. The different management of claims involves a reassignment between Non-Card and Card claims.

[52] Below is a brief description of the terms used:
- Non-Card claims: claims governed by the ordinary regime, to which CARD is not applied;
- Debtor Card claims: claims governed by CARD where "our" policyholder is fully or partially liable, which are settled by the counterparty's insurance companies, to which "our" insurance company must pay a flat rate pay-out ("Debtor Flat Rate");
- Handler Card claims: claims governed by CARD where "our" policyholder is fully or partially not liable, which are settled by "our" insurance company, to which the counterparty's insurance companies must pay a flat rate pay-out ("Handler Flat Rate").
However, it must be noted that this classification is a simplified representation because, in reality, each individual claim may contain damages included in each of the three above-indicated cases.

Settlement performance

Settlement activities involve various entities with which close area partnership agreements are in place. The partnerships operate by applying the key values of our services

- FAIRNESS
- EFFICIENCY
- QUALITY



New products

In the **MV TPL and Land Vehicle Hulls** segment, starting from February 2023, the new **Unibox Smart Drive** device was marketed, a new telematics solution that for proper operation involves interaction via Bluetooth between the device to be positioned autonomously on the windscreen and a specific App to be installed on the smartphone. In addition to in-vehicle safety services, with the detection of road accidents above a certain level and the subsequent dispatch of help, the App also provides the possibility of monitoring CO_2 levels and the fuel saved during the year by virtue of the driving style adopted. The initiative, included in the Data Driven Omnichannel Insurance guideline of the "Opening New Ways" Plan, enhances the widespread and advanced use of Data and Analytics to consolidate the technical and distribution excellence of the Company, through an extremely innovative insurance product.

In 2023, a number of tariff review measures were adopted for the MV price list, in continuity with the manoeuvre already initiated at the end of 2022, aimed at pursuing technical excellence in the Non-Life MV business and guaranteeing adequate levels of development and margins. As of September 2023, the new **Customer Life Time Value** (CLTV) indicator has been used to assess the prospective value of each customer by analysing both the profit margins that they generate with their policies, and their retention and propensity to purchase other policies in the future: customers with a higher CLTV will be able to take advantage of lower MV TPL rate increases.

With regard to the Non-MV segment, during 2023, **UnipolSai** expanded the range of products for the protection of companies. The month of January saw the launch of **UnipolSai Condominio Più**, the solution capable of responding flexibly to the needs of different condominium contexts thanks to a modular and scalable offer.

In January 2023, the new **Scudo Cyber** product was also unveiled, the first stand-alone cyber product to complete the range of digital covers aimed at small and medium-sized enterprises, professional firms and the third sector and offer the possibility of customising all cover depending on specific customer requirements. It also includes the Quick Recovery service, which makes it possible to use the intervention of the Cyber Incident Response Team to limit or avoid the aggravation of the damage, without any advance payment or deductible.

From 12 April 2023, note the new **UnipolSai Focus Commercio** product, intended for commercial activities and services, which offers dedicated cover for car repairers, service stations and the catering trade; insurance cover is also provided for professional and consulting firms. The main innovation of the product lies in the architecture of the individual sections, divided into a more streamlined and therefore more accessible basic offer, enriched by supplementary and additional guarantees.

As of 29 September 2023, it is also worth mentioning the new **UnipolSai Focus Impresa** product, intended for small and medium-sized enterprises for the risks associated with the performance of industrial and craft-trade business activities and for owners of construction companies. The main innovation of the new product lies in the architecture of the individual sections, divided into a more streamlined and more accessible basic offer, enriched by supplementary guarantees and additional conditions that make it possible to build a complete package based on the needs of the insured company. The main innovations include the introduction of the Environmental Damage Section, which makes available the know-how and advice of expert professionals in the environmental sector, such as technical consultants and reclamation and emergency service companies, to the insured party through the "Pool Ambiente" Consortium.

In the first few months of 2023, two new policies were issued on the UniSalute website, UniSalute Donna and UniSalute Uomo, in addition to the offer of online healthcare solutions specifically for individuals and families. The two new products are aimed at women and men between 14 and 80 years of age and offer numerous services: in addition to hospitalisation, reimbursement of sanitary tickets and subsidised rates, prevention packages are provided which are common to both women and men (e.g. cardiovascular, ophthalmologic, dermatological) and others, more specific, such as gynaecology and breast care preventive services for UniSalute Donna, and urology preventive services for UniSalute Uomo.

In January 2023, UniSalute's offer of individual solutions was enhanced with two new products within the range of policies proposed through this channel: UniSalute Sanicard Rinnovo Garantito and UniSalute Invalidità. The first is an innovative policy that allows you to protect your health year after year up to the age of 80, regardless of how your conditions change. The second, thanks to an indemnity combined with assistance coverage, protects the peace of mind of the insured and his/her family in the event of serious illnesses that compromise the ability to work.

With reference to the subsidiary Arca Assicurazioni, since the beginning of January the new single-premium product Ama & Proteggi - Benvenuto a casa has been made available for marketing, which offers cover of the building used as a residence against risks deriving from fire, lightning, explosion, blasts, atmospheric events and socio-political events. In addition, since May 2023 the annual premium product Ama & Proteggi - Casa a tua modo has been made available, which offers the possibility to adapt and choose insurance coverage. In addition, in order to make it more responsive to customer needs, the product makes it possible to insure up to 3 homes and to purchase the new cover against catastrophe risks from flooding, which supplements the earthquake guarantee already present in the products in the catalogue. Lastly, with reference to the Protection segment, the Salva Prestito range products were restyled as of 1 January, while Salva Mutuo products and the Arca Valore Impresa CPI product were restyled at the end of the year.

Since 21 February 2023, Compagnia Assicuratrice Linear's new Casa e Famiglia product has been on the market. It was developed in response to the need to offer cover that could meet new customer needs by expanding the product catalogue. Casa e Famiglia has a modular and highly customisable structure based on the customer's needs and provides coverage to protect: the home, assets and the person. It is sold both through the Linear website, through autonomous navigation, and through a call to the call centre, and can only be purchased by credit card.

Non-Life premiums of the main Group insurance companies

The direct premiums of **UnipolSai**, the Group's main insurance company, stood at €6,952m (+1%), of which €3,701m in the MV classes (+2.2%) and €3,250m in the Non-MV classes (-0.4%).

Unipol Assicurazioni Spa - Non-Life business direct premiums income

Amounts in €m

	31/12/2023	*% comp.*	31/12/2022	*% comp.*	*% var.*
Land, sea, lake and river motor vehicles TPL (classes 10 and 12)	2,811	*40.4*	2,779	*40.4*	*1.1*
Land Vehicle Hulls (class 3)	890	*12.8*	841	*12.2*	*5.9*
Total premiums - Motor Vehicles	**3,701**	***53.2***	**3,621**	***52.6***	***2.2***
Accident and Health (classes 1 and 2)	736	*10.6*	820	*11.9*	*(10.3)*
Fire and Other damage to property (classes 8 and 9)	1,282	*18.4*	1,236	*18.0*	*3.7*
General TPL (class 13)	780	*11.2*	746	*10.8*	*4.5*
Other classes	452	*6.5*	461	*6.7*	*(1.8)*
Total premiums - Non-MV	**3,250**	***46.8***	**3,263**	***47.4***	***(0.4)***
Total Non-Life direct premiums	**6,952**	***100.0***	**6,883**	***100.0***	***1.0***

As regards MV premiums, €2,811m related to the MV TPL and Marine, Lake and River Vessels TPL classes (€2,779m at 31/12/2022, +1.1%).

In the MV segment, the measures to recover the margins of the MV TPL business, applied from the end of 2022, have allowed for a significant reversal of the downward trend in the average premium that has characterised the business over the last 10 years. The rise in the average premium, which accelerated in the second half of 2023, guaranteed an increase in premiums which, net of the effect of monthly instalments, would have reached a higher value of growth. The growth in premiums concerns both the individual policies segment, due to the increase in the average premium, and the fleet segment, where the increase in the insured fleet of some major customers had an effect. The gradual return to post-pandemic normality has maintained a certain advantage in terms of claims frequency, which marked a reduction compared to 2022, with an ensuing decrease in the number and cost of claims, despite the higher average cost deriving from inflationary pressures and recent case law guidelines on minor injuries and the quantification of family member losses on claims with fatalities. The recovery in the average premium and the improvement in the claims frequency have caused the technical result of the class to improve.

As concerns the Land Vehicle Hulls class, premiums for 2023 were significantly impacted by the effect of the new monthly splitting. Furthermore, the increase in premiums was significantly caused by the higher average premium of some significant guarantees, including Natural Events, Kasko (Comprehensive cover), Collision and Socio-Political Events. The number of claims and costs is up in part due to a gradual recovery in the claims frequency, accompanied by an increase in the average cost that is involving certain guarantees but, above all, due to weather, flood and hail events, which have heavily affected the class and resulted in a negative technical balance.

Among the actions carried out in 2023 aimed at making settlement processes more efficient, the **Telematica** project was launched in collaboration with UnipolTech, aimed at improving the effectiveness of boxes and expanding the set of available data. With a view to the evolution of the electronic settlement process and the innovative use of the information provided by the black box for MV claims, from the end of June 2023 information from the electronic data present in the Unico platform was also integrated in Liquido, in order to provide the adjuster with more information available directly on the settlement instrument, for each applicable claim. Claim liability predictive models are also constantly improving in order to improve the verification by the adjuster of consistency between statements made and the actual dynamics of the event; as of the end of 2023, these models were further refined with the introduction of geospatial features that further boost prediction accuracy. The optimisation of the Real Time claims management process continued, which envisages the opening of a claim from the moment of a crash detected in black box data, at the same time triggering initial contact with the policyholder and anticipating the information collection stage.
In 2023, the **"Lorentz"** tool for detecting the intensity of atmospheric events was improved. It initially focused on precipitation intensity (up to hail), but has now been enhanced with additional maps that also represent the presence and intensity of wind phenomena and waterway flooding. These data, associated with telematics information, contribute to optimising claims management in terms of speed and accuracy in determining what took place and fault, as well as limiting the average cost.

At the end of 2023, CPMs and SPMs provided local coverage via 83 and 413 locations, respectively. The **CPM (Medical Report Centre)** is a service offered to the injured customer with non-severe injuries (MV, Accident or General TPL), who is given the option to perform the medical-legal examination directly at the offices of the Company and then to be paid promptly. The process was optimised for the booking of the visits by enhancing the customer's contract service and introducing the use of an electronic agenda. In addition to the CPMs located in the Territorial Settlement offices, covering particularly vast areas or with a high incidence of examinations, UnipolSai relies on **SPM (Medical Booking Services)**, where the service is instead performed directly at the doctor's office of the independent expert, where the adjuster also goes. In order to improve the customer experience by offering innovative services, it is now possible to make direct CPM and SPM bookings from the UnipolSai App.
In the course of 2023, a series of actions continued to taken to optimise the management of **claims with injuries** through the creation of a number of tools and procedures, which strengthened data use to identify injury type/severity and optimise the injury management and reserving process (first for MV TPL claims and as of the second half of 2023 for General TPL - Accident claims as well). The MV Territorial Settlement network was also reorganised, with the creation of a pool of adjusters specialised in the management of claims with injuries. The reorganisation of the approved representatives medical network continued in 2023, with about 100 new doctors under 40 to generate the turnover necessary to also renew procedures for the management of claims with injuries.
Activities also continued for improvement of the criteria adopted to identify fraud, guaranteeing an adequate system for combating fraudulent phenomena through the evolution of the **Anti-Fraud Engine** and the platform created for the management of relationship charts, which makes it possible to identify the correlation between events and parties and easily perform advanced searches in order to support investigations.
Lastly, in 2023 the model for the **management of reimbursements** was revised, changing the part for their identification and collection and business model evolution to guarantee a continuous improvement of results for UnipolSai.

In the **Non-MV** segment, the reduction in Health premiums already recorded in the first half of the year was due to the consolidation of the **UniSalute 2.0 project**, which called the centralisation of the health portfolio with UniSalute, the Group's specialist company. The

effect of the reduction is mainly on the Agricultural Funds characterised by a significant volume of collections, while on the retail portfolio the decrease was confirmed as more gradual.
The Accident class closed the year 2023 with premiums down. This phenomenon is particularly evident in the retail sector, where the difficulties caused by the macroeconomic context, together with the high rate of inflation, caused a significant contraction in insurance spending capacity. All of this was reflected, for customers, in increasingly frequent recourse to monthly premium payments on standardised products, which slows down incoming cash flows, in addition to giving up all insurance coverage not seen as a priority, such as policies covering traffic accidents.
On the other hand, there was a slight increase in Other Damage to Property premiums, linked in particular to the Construction sector, which maintains a growth trend due to the increase in premiums of policies covering public tenders, especially within the scope of the NRRP, in addition to an increase in Other TPL premiums, widespread across the various segments with the exception of Public Entities and those sectors with activities linked to certifications for the 110% Superbonus. It should be noted that in 2023 growth was confirmed in Goods in Transit premiums, due to the positive influence of commercial development actions and synergies with other classes.

As concerns General Classes (GC) Direct Repair, the project for the creation of a network of craftsmen is under way, with the creation of UnipolHome, to favour the transition of the current GC Direct Repair model to a more structured one, with full supervision by the Company. The ultimate goal of this action is to achieve benefits in terms of cost and service on Property settlement.
The review of the Customer Journeys of customers who suffer an MV or Property claim is another of the priorities of the current Strategic Plan. Customer data and digital data collected during and after the claim using new technologies will be used to set up personalised interventions that will guarantee a multichannel, simple and rapid experience that keeps pace with the times, thus impacting average cost containment as well as UnipolSai's reputation.

Arca Assicurazioni achieved a net profit at 31 December 2023 of roughly €66m (€40.8m at 31/12/2022), recording direct premiums for €272.2m (+10.9%). Specifically, there was an increase in both the Non-MV segment (+10.3%) and the MV segment (+13.5%), while the Protection segment basically remained stable. The breakdown of the portfolio among the distribution channels is almost totally focused on the banking channel which, at 31 December 2023, recorded 99.1% of total Non-Life premiums (in line with the 2022 figure of 99%). Overall, the banking channel recorded an approximate 11% increase in premiums compared to the previous year, with premiums written totalling approximately €269.7m.
In the MV segment, in order to cope with the increase in compensation for non-financial damage relating to minor injuries, established by the MISE decree of 8 June 2022, and the growing cost of repairing vehicles due to inflationary trends that particularly affect component prices, a number of measures were implemented to increase the tariff.

Compagnia Assicuratrice Linear, a company specialised in direct sales (online and call centre) of MV products, in 2023 generated a profit of €10.8m, up compared to 31 December 2022 (€10.2m). Total gross premiums at just under €216m were up compared to 2022 (€192.6m). The partnership for the sale of Home Assistance insurance with Hera, an Italian multiutility based in Bologna, generated premiums written for around €1.5m in 2023 (€1.9m at 31/12/2022). The contribution of the product "Poste Guidare Sicuri LN", placed through the Poste Italiane network, was also positive, recording premiums of around €10.5m (€7.3m at 31/12/2022). The new product "Berebel Autovetture", in collaboration with Berebel, recorded premiums of around €7m in 2023. At the end of 2023, there were close to 684k contracts in the portfolio (-1.9%), a moderate decline compared to the portfolio development experienced in recent years.

DDOR Novi Sad recorded a total net profit (Non-Life and Life) at 31 December 2023 of around €4.2m (against a total loss at 31/12/2022 of around €0.3m), despite the negative contribution of the Non-Life business to the technical result due to the significant impact of catastrophic events and one-off events that occurred during the year. Total premiums were up and stood at €134.1m at 31 December 2023 (of which €113.9m in the Non-Life business) compared to €121.7m at 31 December 2022 (of which €103m Non-Life). The market context of the Serbian insurance sector continues to be characterised by intense competition in the Large Customers and MV segments, favoured by relative underdevelopment compared to the most advanced European insurance markets, although gradual progress is currently being made.

Incontra recorded a profit of around €25m at 31 December 2023 (profit of roughly €31m at 31/12/2022), with premiums decreasing by approximately 16% year-on-year, from €154.4m at the end of 2022 to €129.3m at 31 December 2023, mainly concentrated in the Health and Pecuniary Losses classes. Please note that on 30 November 2023, the sale to Unicredit SpA by UnipolSai of the equity investment held in Incontra Assicurazioni became effective. For further information, please refer to the section "Information on significant events during the year".

The year 2023 recorded a profit of €5.8m for **SIAT** (€5.4m at 31/12/2022). Total gross premiums (direct and indirect) were up by roughly 11.3% to €192m (€173m at 31/12/2022). In particular, as regards the Hulls sector, the increase in business was due in part to extra premiums collected as a result of the continuing war between Russia and Ukraine and in part to the renewal of some fleets, including MSC, for a high amount. Newly acquired business was extremely limited; on the whole, the number of fleets in the portfolio was down compared to last year. The increase in premiums in the Goods segment is largely attributable to the continuation of the Russia-Ukraine conflict as well as the contribution of additional premiums relating to the risks of war and strikes for voyages departing from the Black Sea, as well as the underwriting of new business, the development of the digital world and the increase in the market value of raw materials, with the resulting increase in premiums relating to commodities policies. In addition, with the aim of greater portfolio diversification, this sector continues to seek and develop (through medium-small intermediaries) business with customers belonging to small - medium enterprises, which are normally more profitable and, therefore, with good expected profitability.

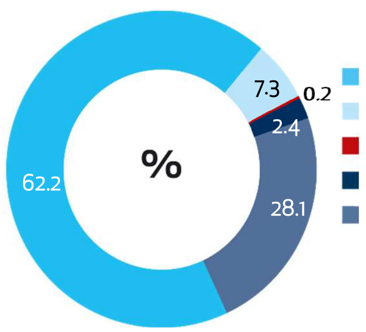
UniSalute, the insurance company specialised in the healthcare sector, confirms its leadership in the Healthcare segment, increasing direct premiums by 38.7% (10.6% at 31/12/2022). Total premiums (including indirect business) amounted to €796.2m (€614.3m at 31/12/2022), up by 29.6%. In terms of claims, in the Health class, claims paid during the year amounted to €474.7m, up compared to 2022 (+19.6%), while in the Accident class, claims paid during the year amounted to €5m (+19%). The increase is attributable to the increase in the loss ratio of the corporate portfolio as well as the incidence of claims of the retail and SME and bancassurance channels. 2023 posted a profit of €71.9m, up compared to €64.1m at the end of 2022. In this context, business in 2023 highlighted, in particular, new acquisitions including the Local Public Transport Fund, Ferservizi (Ferrovie dello Stato Group), Caspop (Banco Popolare Group Welfare Fund), Asdep (National Association for Healthcare of Public Entity employees), ENAV and ARERA, reforms on a significant number of health plans already in the portfolio, such as Fondo Sanilog, Fondo Sanedil, Fondo Fasda, Fideuram, Italo and Abbvie, and finally an increase of the insured population in the main sector Funds.

Life business

Life **direct premiums**, which represent almost all premiums, amounted to a total of €6,409m (€5,341m at 31/12/2022), of which €2,237m were investment products (€2,170m at 31/12/2022), and were composed as follows:

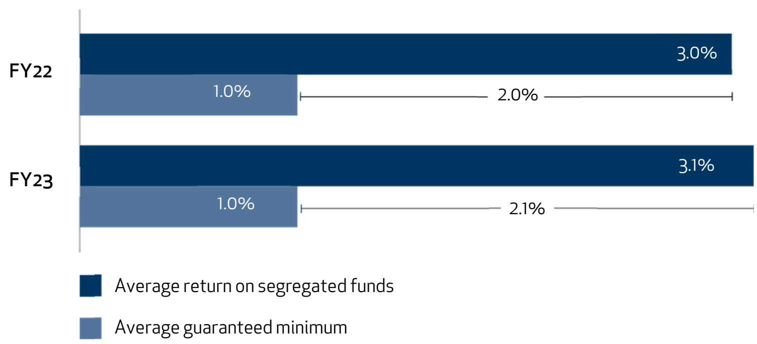
Life business direct premiums

Amounts in €m



	31/12/2023	*% comp.*	31/12/2022	*% comp.*	*% var.*
Total premium income					
I - Whole and term Life insurance	3,986	*62.2*	2,878	*53.9*	*38.5*
III - Unit-linked/index-linked policies	466	*7.3*	946	*17.7*	*(50.7)*
IV - Health	14	*0.2*	14	*0.3*	*2.2*
V - Capitalisation insurance	151	*2.4*	199	*3.7*	*(24.1)*
VI - Pension funds	1,792	*28.0*	1,304	*24.4*	*37.4*
Total Life business direct premium income	**6,409**	***100.0***	**5,341**	***100.0***	***20.0***
- of which Life investment products	*2,237*	*100.0*	*2,170*	*100.0*	*22.2*

Returns on Segregated Funds and guaranteed minimums



Pension Funds

Even within the current difficult economic context, UnipolSai Assicurazioni has maintained its strong position in the supplementary pensions market.

UnipolSai managed a total of 28 **Occupational Pension Fund** mandates at 31 December 2023 (22 of them for accounts "with guaranteed capital and/or minimum return"). At the same date, resources under management totalled €5,834m (€5,187m of which with guaranteed capital). At 31 December 2022, UnipolSai managed a total of 23 Occupational Pension Fund mandates (18 of which "with guaranteed capital and/or minimum return"); resources under management totalled €4,390m (of which €3,811m with guaranteed capital).

As regards **Open Pension Funds**, at 31 December 2023 the Group managed 2 open-ended pension funds (UnipolSai Previdenza FPA and Fondo Pensione Aperto BIM Vita) which at that date amounted to a total of 41,337 members for total assets of around €953m. At 31 December 2022, those Funds had total assets of €881m and a total of 41,103 members.

New products

In the first half of 2023, a new version of the Class I investment product, UnipolSai Investimento Garantito, was marketed. The restyling of the product includes a Basic version open to all customers and a Fidelity version dedicated to the reinvestment of amounts from settlements of benefits from other insurance contracts. The new version of the product includes an update of the cost structure on the premium, the overperformance commission and the financial guarantee, recognised only in the event of death or on maturity.
Starting from April, a campaign was launched on the product, aimed at customers who bring in new liquidity, which offers a discount on the management fee.

At the beginning of the second half of 2023, the new individual product UnipolSai Rendita was marketed in the two forms of immediate life annuity and immediate annuity with return of premiums to further supplement the offer.

In July 2023, the single-premium multi-segment product Investimento GestiMix was restyled. The new product maintains the same technical characteristics as the previous one, except the reference segregated fund is replaced with the newly established "PlusValore UnipolSai". Also for this product, together with the multi-segment product Investimento MixSostenibile, sales campaigns began in July that under certain conditions allow the application of a lower commission for the part referring only to the Segregated Fund.

Starting in October 2023, a new version of the Investimento Garantito product was marketed, in which the reference Segregated Fund was changed and the percentage costs were eliminated in the version from reinvestment. When the new version of the product was launched, a sales campaign began which, under certain conditions, allows for the application of a lower management fee.

Also as of October 2023, the Previdenza Futura product (individual pension plan) was updated, with a reduction in percentage loading on payments made starting from 18 October 2023 for enrollees up to the day before reaching the age of 26.

In October, marketing began of a new version of the capitalisation product, Investimento Capital, open to all customers. The main changes introduced concerned reduced loading, the introduction of additional payments, the revision of the management fee and the updating of redemption penalties. When the product was released, a campaign was launched that offered a reduction in the management fee for customers who bring in new liquidity.

In February 2023, the subsidiary Arca Vita launched an insurance solution consisting of two products that offer loan protection cover in the event of premature death (TCM) and cover in the event of loss of self-sufficiency (LTC). This product represents the Company's first offer in Class IV (long-term health insurance).

Life premiums of the main Group insurance companies

Direct premiums for UnipolSai were equal to €3,811m (€3,392m at 31/12/2022, +12.3%).

Amounts in €m

	31/12/2023	% comp.	31/12/2022	% comp.	% var.
Total premium income					
I - Whole and term Life insurance	1,709	44.8	1,618	47.7	5.6
III - Unit-linked/index-linked policies	149	3.9	261	7.7	(42.9)
IV - Health	14	0.4	14	0.4	1.9
V - Capitalisation insurance	151	4.0	199	5.9	(24.1)
VI - Pension funds	1,788	46.9	1,300	38.3	37.6
Total Life business direct premium income	**3,811**	**100.0**	**3,392**	**100.0**	**12.3**
Total Life investment products	1,936	50.8	1,560	46.0	24.1

The individual policies segment showed a decline of 5.1% compared to 2022, while collective policy premiums showed an increase of 27.3% compared to the same period of the previous year due to acquisition of the new Class VI pension funds (+37.6%). The growth in total premiums mainly concerns single premiums (+15.6%).
In an unfavourable market context, in addition to the excellent Class VI result, there was an increase in Class I premiums (+5.6%) and an increase in Class IV premiums (+1.9%).
The decline in first year premiums compared with the previous year (-18.8%) can be attributed primarily to the drop in premiums from Class I products (-16.7%).

BIM Vita recorded a profit of €1.7m at 31 December 2023 (€1.5m at 31/12/2022). Premiums amounted to around €15m (approximately €21m at 31/12/2022, -25.9%). The volume of investments stood at €564m (€581m at 31/12/2022).

The bancassurance channel of the **Arca Group** (Arca Vita and Arca Vita International) recorded direct premiums (including investment products) of €2,554m (€1,894m at 31/12/2022), up compared to the previous year, mainly due to Class I products. Considering the changed market scenarios, characterised by significantly higher rates than in previous years and the considerably increasing trend of redemptions, Arca Vita supported Class I premiums through campaigns that favoured New Business for traditional products, without establishing a placement ceiling for multi-segment products for 2023. The volume of total investments reached the amount of €14,804m (€12,584m at 31/12/2022). The profit of Arca Vita, net of dividends collected from the subsidiaries, was €59.8m (down compared to €61.1m recognised at 31/12/2022), and that of Arca Vita International was approximately €0.9m (€0.5m at 31/12/2022).

Reinsurance

Unipol Group reinsurance policy

With regard to the risks underwritten in the Non-Life business, the Group reinsurance strategy proposed the same cover structures in place in 2022, maximising the effectiveness of the most operational of the main non-proportional treaties. The renewal for 2023 took place in continuity with those expiring.

At Group level, the following cover was negotiated and acquired:

- excess of loss treaties for the protection of MV TPL, General TPL, Fire (by risk and by event), Land Vehicle Hull Atmospheric Events, Theft, Accident and Transport portfolios;
- stop loss treaty for the Hail class;
- proportional treaties for: Technological risk (C.A.R. - Contractors' All Risks -, Erection all Risks and Decennale Postuma - Ten-year Building Guarantee), Bonds (the retention of which is then protected by a "risk attaching" excess of loss), Aviation (Accident, Aircraft and TPL, the retention of which is protected by a "loss attaching" excess of loss), Legal Expenses, "D & O" and "Cyber" third-party liability.

To minimise counterparty risk, reinsurance coverage continued to be spread out and placed with the major professional reinsurers that have been given a high credit rating by major rating agencies, in order to provide a comprehensive and competitive service. The risks of the Legal Expenses and part of Transport classes were instead ceded to specialised reinsurers and/or specialist Group companies.

As regards the Life business, the renewal of reinsurance covers relating to 2023 occurred fully in line with that expiring, therefore the risks underwritten are mainly covered at Group level with two proportional treaties, one for individual risks and one for collective risks in excess of the risk premium. Retention is protected with a non-proportional cover in excess of loss by event that regards the Life and/or Accident classes. There are also three proportional covers for LTC guarantees, one proportional cover for Individual Serious Illnesses and one for Weighted Risks.

Holding and Other Businesses Sector Performance

The main **income statement figures for the Holding and Other Businesses sector** are summarised below:

Amounts in €m

	31/12/2023	31/12/2022	*% var.*
Gains/losses on financial assets and liabilities at fair value through profit or loss	11	(20)	*(1.5)*
Gains/losses on investments in associates and interests in joint ventures	328	200	*0.6*
Gain/losses on other financial assets and liabilities and investment property	1	(78)	*(1.0)*
Net financial result	340	102	*2.3*
Other revenue	469	317	*0.5*
Other costs (*)	(515)	(411)	*0.3*
Pre-tax Profit (Loss) for the period	**294**	**8**	***34.1***

(*) Includes Operating expenses, Net provisions for risks and charges, Net impairment losses/reversals on property, plant and equipment and intangible assets, Other operating expenses/income

The **pre-tax profit** at 31 December 2023 was €294m (€8m at 31/12/2022): the result was positively impacted by the initial consolidation using the equity method of the investment in Banca Popolare di Sondrio for €150m (of which €138m as a one-off component and €12m as part of the result for the fourth quarter) and the contribution of BPER Banca for €163m. Note that the pre-tax result at 31 December 2022 benefited for €153m from the effects of the consolidation with the equity method of BPER Banca, affected by the recognition of the badwill originated from the acquisition of CARIGE and the change in the equity interest of the Unipol Group in BPER Banca.

At 31 December 2023, the **Investments and cash and cash equivalents** of the Holding and Other Businesses sector (including properties for own use for €597m) were €5,301m (€4,532m at 31/12/2022).

Financial liabilities amounted to €2,795m (€2,742m at 31/12/2022) and mainly comprised €2,428m in three senior bonds issued by Unipol with a total nominal value of €2,402m (€2,458m at 31/12/2022, €2,438m the nominal value) and €141m in Unipol's payable to Group companies not belonging to the Holding and Other Businesses sector relating to the cash pooling arrangement.

With regard to the **hotel sector**, 2023 closed with a significant improvement over last year. Revenues of the subsidiary Gruppo UNA increased by approximately 40% compared to 31 December 2022 (from €149m to €208m). At 31 December 2023, there were 33 directly managed hotels: it should be noted the acquisition, during 2023, of the management of Hotel Galles in Milan and the first complete annual financial year for the newly opened Unahotels Trastevere. The year 2023 ended with a profit of €25.3m, above the forecasts at the beginning of the year.

In the **health sector**, Casa di Cura Villa Donatello closed 2023 with revenue of €44m, up by around 8.7% compared to 2022 (€40.5m). Revenue trends show a continuation of the positive performance in the core business, for hospitalisation (hospital stays and outpatient surgery) as well as clinic activities (visits and diagnostics). The company closed with a profit of €2.7m (loss of €1.5m in the previous year).

With regard to **agricultural activities**, on 30 May 2023 Tenute del Cerro Wines Srl was established with the aim of marketing a broader range of owned and distributed wines, with sales activities starting on 1 July. Considering the combined data of Tenute del Cerro and Tenute del Cerro Wines, packaged wine sales recorded an increase of approximately 4.5% compared to 31 December 2022, reaching €9.9m, while total revenue rose from €11.3m to €11.9m, also as a result of the excellent performance of agri-tourism businesses. The year ended with a total profit of the two companies of €0.2m.

Asset and financial performance

Investments and cash and cash equivalents

At 31 December 2023, the Group's **Investments and cash and cash equivalents** totalled €67,309m (€62,796m at 31/12/2022):

Amounts in €m

	31/12/2023	% comp.	31/12/2022	% comp.	% var.
Insurance sector	62,991	93.6	58,543	93.2	7.6
Holding and other businesses sector	5,031	7.5	4,532	7.2	11.0
Intersegment eliminations	(713)	(1.1)	(279)	(0.4)	155.6
Total Investments and cash and cash equivalentsquide	**67,309**	**100.0**	**62,796**	**100.0**	**7.2**

The breakdown by investment category is as follows:

Amounts in €m

	31/12/2023	% comp.	31/12/2022	% comp.	% var.
Investments					
Property (*)	3,869	5.7	3,852	6.1	0.4
Investments in associates and interests in joint ventures	2,656	3.9	1,608	2.6	65.2
Financial assets at amortised cost	1,857	2.8	1,866	3.0	(0.5)
Debt securities	1,282	1.9	1,262	2.0	1.5
Other loans and receivables	575	0.9	604	1.0	(4.7)
Financial assets at fair value through OCI	40,697	60.5	37,702	60.0	7.9
Financial assets at fair value through profit or loss	16,412	24.4	15,970	25.4	2.8
Held-for-trading financial assets	72	0.1	281	0.4	(74.4)
Financial assets at fair value	10,679	15.9	8,786	14.0	21.5
Other financial assets mandatorily at fair value	5,661	8.4	6,903	11.0	(18.0)
Cash and cash equivalents	1,818	2.7	1,798	2.9	1.1
Total Investments and Cash and cash equivalents	**67,309**	**100.0**	**62,796**	**100.0**	**7.2**

(*) including properties for own use

Transactions carried out in the year

This section provides information on financial transactions referring to Group investments other than those for which the risk is borne by customers, the only exclusion being portfolios held by the foreign companies DDOR and DDOR Re, the values of which in the Group's total portfolio are of little significance.
In 2023, the investment policies adopted in the financial area continued to apply, in the medium/long term, the general criteria of prudence and preservation of asset quality, in compliance with the Guidelines defined in the Group Investment Policy.
Specifically, financial transactions were geared towards reaching profitability targets consistent with the asset return profile and with the trend in liabilities over the long term, maintaining a high-quality portfolio through a process of selecting issuers on the basis of their diversification and strength, with a particular focus on the liquidity profile.

As regards **bonds**, a prudent approach was maintained, assuming a positioning consistent with a context of volatile interest rates and still high inflation.
The year was characterised by a restructuring of the exposure to government bonds and a reduction in exposure to Italian government bonds.
During the year, the non-government bond component recorded an increase in the Life business and a decrease in the Non-Life business, mainly involving financial and corporate issuers in the subordinated and corporate securities categories in order to reduce the risk profile of the portfolio.

Exposure to level 2 and 3 structured bonds remained essentially unchanged during 2023.

The following table shows the Group's exposure to structured securities:

Amounts in €m

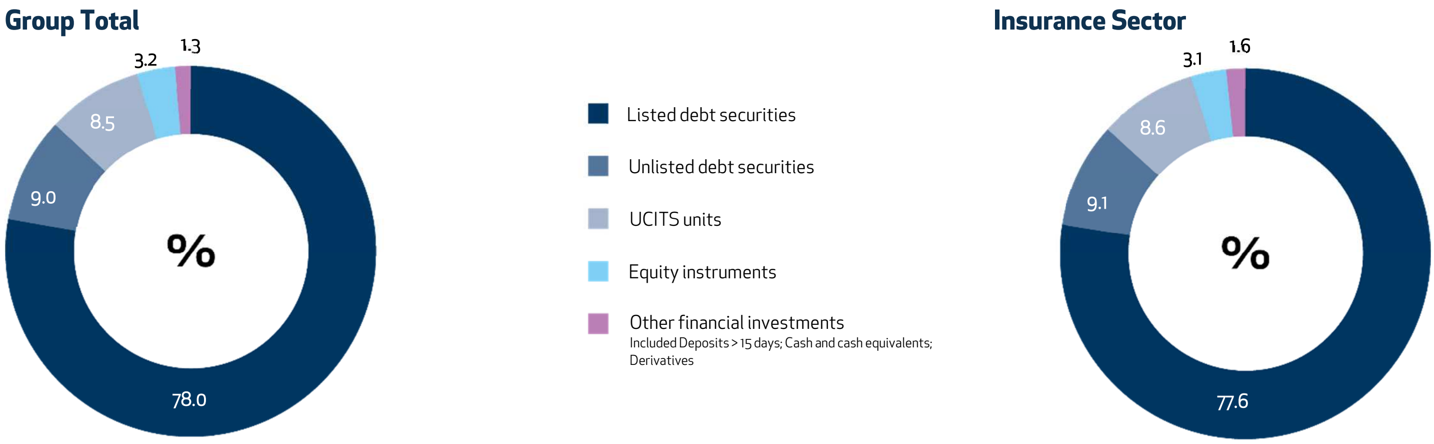
	31/12/2023			31/12/2022			*variation*	
	Carrying amount	Market value	Implied +/-	Carrying amount	Market value	Implied +/-	*Carrying amount*	*Market value*
Structured securities - Level 1	14	14		14	14			
Structured securities - Level 2	222	218	3	227	229	(1)	*(6)*	*(10)*
Structured securities - Level 3	1	1		1	1			
Total structured securities	**236**	**233**	**3**	**242**	**243**	**(1)**	***(6)***	***(10)***

Equity exposure decreased by €394m in 2023; transactions mainly concerned the securities of issuers operating in the oil, technology and basic resources sectors. On the whole, the portfolio maintains a good dividend yield despite a 25% exposure to ETFs that have a dividend flow close to zero. During the year, exposure to emerging markets was also reduced, replaced by the purchase of call options expiring in December 2024 on China and Emerging Markets, for a nominal amount of €285m.

Exposure to **alternative funds**, a category that includes Private Equity Funds, Hedge Funds and investments in Real Assets, amounted to €2,753m, an increase of approximately €382m compared to 31 December 2022.

Breakdown of financial investments by type

(excluding financial assets for which the investment risk is borne by policyholders/customers and arising from pension fund management)



Currency operations were actively managed following the performance of currency prices with a view to managing net exposure to the currency risk of outstanding equity and bond positions.

The overall duration of the Group portfolio was 5.53 years, up on the 5.15 years recorded at the end of 2022. With reference to the Group insurance portfolio, the Non-Life duration was 2.97 years (2.67 at the end of 2022); the Life duration was 6.48 years (6.33 at the end of 2022). The Holding and Other Businesses portfolio duration was 0.98 years, down compared to the end of the previous year (1.15 years).

The fixed rate and floating rate components of the bond portfolio amounted respectively to 91.8% and 8.2%. The government component accounted for approximately 63.4% of the bond portfolio whilst the corporate component accounted for the remaining 36.6%, split into 26.9% financial and 9.7% industrial credit.

92.1% of the bond portfolio was invested in securities with ratings of BBB- or higher. 10% of the total is positioned in rating classes AAA and AA-, while 21.3% of securities had an A rating. The exposure to securities in the BBB rating class was 60.7% and includes Italian government bonds which make up 43% of the total bond portfolio.

Net financial result

Details of the Net financial result are shown in the following table:

Amounts in €m

	31/12/2023	*% comp.*	31/12/2022	*% comp.*	*% var.*
Gains/losses on investment property	17	*0.7*	(2)	*(0.2)*	*n.s.*
Gains/losses on investments in associates and interests in joint ventures	641	*24.9*	348	*29.1*	*84.1*
Net gains on financial assets recognised at amortised cost	136	*5.3*	22	*1.9*	*n.s.*
Net gains on financial assets at fair value through OCI (*)	1,368	*53.1*	1,385	*115.7*	*(1.3)*
Net gains on financial assets at fair value through profit or loss (**)	416	*16.2*	(557)	*(46.5)*	*n.s.*
Total net gains on investments	**2,577**	***100.0***	**1,197**	***100.0***	***115.2***
Total net losses on financial liabilities	**(194)**		**(160)**		***21.8***
Total net gains (***)	**2,383**		**1,038**		***129.6***
Net gains on financial assets at fair value(****)	668		(898)		*n.s.*
Net losses on financial liabilities at fair value(****)	(614)		866		*n.s.*
Total net gains on financial instruments at fair value (****)	54		(32)		*n.s.*
Balance on investments	2,437		1,006		*142.3*
Net financial costs/revenues relating to insurance contracts issued	(1,286)		(838)		*53.5*
Net financial revenues/costs relating to reinsurance contracts held	(3)		(2)		*50.0*
Net financial result	**1,148**		**166**		***n.s.***

(*) Excluding the valuations of financial assets available for sale subject to hedge accounting
(**) Excluding net gains and losses on financial instruments at fair value through profit or loss for which investment risk is borne by customers (index- and unit- linked) and arising from pension fund management, including the valuations of financial assets available for sale subject to hedge accounting
(***) Excluding net gains and losses on financial instruments at fair value through profit or loss for which investment risk is borne by customers (index- and unit- linked) and arising from pension fund management
(****) Net gains and losses on financial instruments at fair value through profit or loss with investment risk borne by customers (index-and unit-linked) and arising from pension fund management.

Net income at 31 December 2023, amounting to €2,383m, includes net income of €309m (€288m at 31/12/2022), deriving from the consolidation using the equity method of BPER Banca and €289m from the initial consolidation at equity of Banca Popolare di Sondrio (of which €267m as badwill).

The item Gains/losses on investment property included €53m in depreciation (€51m at 31/12/2022).

Shareholders' equity

At 31 December 2023, Shareholders' equity amounted to €9,799m (€8,578m at 31/12/2022). **Shareholders' equity attributable to the owners of the Parent**, standing at €7,967m (€6,862m at 31/12/2022), is composed of:

Amounts in €m

	31/12/2023	31/12/2022	*variation in amount*
Share capital	3,365	3,365	
Capital reserves	1,639	1,639	
Income-related and other equity reserves	1,756	1,395	*361*
Treasury shares (-)	(4)	(5)	*1*
Valuation reserves	110	(57)	*167*
Profit (loss) for the year attributable to the owners of the Parent (+/-)	1,101	525	*576*
Total shareholders' equity attributable to the owners of the Parent	**7,967**	**6,862**	***1,105***

The main changes over the period were as follows:
- a decrease due to dividend distribution for €265m;
- an increase of €167m due to the positive change in valuation reserves;
- an increase of €81m deriving from gains from the sale of equity instruments measured at fair value through other comprehensive income;
- an increase of €1,101m as a result of the Group profit at 31 December 2023.

The **Shareholders' equity attributable to non-controlling interests** amounted to €1,832m (€1,716m at 31/12/2022), composed of one perpetual regulatory capital instrument (Restricted Tier 1) for €496m issued by UnipolSai in 2020. The main changes over the period were as follows:
- a decrease of €98m for payment of dividends to third parties;
- an increase of €37m due to the positive change in valuation reserves attributable to non-controlling interests;
- an increase of €5m deriving from gains from the sale of equity instruments measured at fair value through other comprehensive income;
- a decrease of €25m net of taxes, to pay the coupon to holders of the Restricted Tier 1 capital instrument issued by UnipolSai;
- an increase of €230m due to profit attributable to non-controlling interests.

Treasury shares

At 31 December 2023, the treasury shares held by Unipol and its subsidiaries totalled 928,678 (1,129,432 at 31/12/2022), of which 287,664 shares held directly. The changes during the year referred to the following transactions:
- in execution of the Performance share-based compensation plans for the executive personnel of Unipol and its subsidiaries, 783,878 Unipol shares were granted in January in execution of the 2019-21 Long-Term Incentive Compensation Plan and, in May, 1,876 Unipol shares in execution of the Short-Term Incentive Compensation Plan for the years 2020 and 2022;
- purchase in September of 585,000 Unipol shares.

Reconciliation statement for the Group result for the year and shareholders' equity showing the corresponding figures for the Parent

In accordance with Consob Communication 6064293 of 28 July 2006 the statement reconciling the Group result for the year and shareholders' equity, including the corresponding figures for the Parent, is shown below:

Amounts in €m	Share capital and reserves	Profit (loss) for the year	**Shareholders' equity at 31/12/2023**
Parent balances in accordance with Italian GAAP	**5,799**	**378**	**6,177**
IAS/IFRS adjustments to the Parent's financial statements	76	(1)	75
Differences between net carrying amount and shareholders' equity and profit (loss) for the year of consolidated investments, of which:	(649)	1,064	415
- Translation reserve	*4*		*4*
- Gains or losses on available-for-sale financial assets and at fair value through OCI	*(1,108)*		*(1,108)*
- Financial revenues or costs relating to insurance contracts issued and to reinsurance transfers	*1,218*		*1,218*
- Other gains or losses recognised directly in equity	*102*		*102*
Consolidation differences	1,514		1,514
Companies measured using the equity method	1,078	605	1,683
Intragroup elimination of dividends	719	(719)	
Other adjustments	(70)	4	(66)
Consolidated total	**8,467**	**1,331**	**9,798**
Non-controlling interests	1,602	230	1,832
Consolidated balances - portion attributable to the owners of the Parent	**6,866**	**1,101**	**7,967**

Insurance and financial liabilities

At 31 December 2023, Insurance liabilities amounted to €51,200m (€47,327m at 31/12/2022) and Financial liabilities amounted to €15,522m (€13,339m at 31/12/2022).

Amounts in €m

	31/12/2023	31/12/2022	*% var.*
Non-Life Insurance liabilities	13,585	12,772	6.4
Life Insurance liabilities	37,615	34,556	8.9
Total Insurance liabilities	**51,200**	**47,327**	**8.2**
Financial liabilities at fair value	**10,507**	**8,723**	**20.5**
Investment contracts - insurance companies	*10,412*	*8,568*	*21.5*
Other	*95*	*155*	*(38.7)*
Financial liabilities at amortised cost	**5,016**	4,616	**8.7**
Subordinated liabilities	*1,287*	*1,367*	*(5.8)*
Other	*3,728*	*3,249*	*14.8*
Total financial liabilities	**15,522**	**13,339**	**16.4**
Total	**66,722**	**60,666**	**10.0**

Unipol Group Debt

For a correct representation of the accounts under examination, information is provided below of financial debt only, which is the total amount of the financial liabilities not strictly associated with normal business operations.

Amounts in €m

	31/12/2023	31/12/2022	*variation in amount*
Subordinated liabilities issued by UnipolSai	1,287	1,367	(80)
Debt securities issued by Unipol	2,428	2,458	(30)
Other loans	1,300	790	510
Total debt	**5,015**	**4,615**	**400**

Subordinated liabilities issued by UnipolSai Assicurazioni Spa amounted to €1,287m. The change compared to the previous year is due to the repayment of the last tranche on 24 July 2023 of the subordinated loan granted by Mediobanca in 2003.

The Debt securities issued by Unipol amounted to €2,428m and relate to two senior unsecured bond loans listed on the Luxembourg Stock Exchange, with a total nominal value of €1,500m, and a 10-year senior green bond loan with a nominal value of €902m, decreasing by €98m as a result of the repurchase in several tranches in the second half of 2022 and the first half of 2023, listed on the Luxembourg Stock Exchange and issued in two tranches on 23 September and 26 November 2020. The issues described above were implemented as part of the Euro Medium Term Notes (EMTN) Programme, with a maximum total nominal amount of €3,000m, established in December 2009 for €2,000m with the latest renewal and increase to €3,000m in September 2020.

Other loans of €1,300m (€790m at 31/12/2022) mainly relate to loans taken out by UnipolRental from banks and other lenders for a total of €908m, the loan for property purchases and improvement works taken out by the Athens R.E. Closed Real Estate Fund for €140m and the Tikal Closed Real Estate Fund for €99m. The item also includes the financial liabilities deriving from the present value of future lease payments due on lease agreements accounted for on the basis of IFRS 16 for a total of €137m.

OTHER INFORMATION

Transactions with related parties

The Procedure for related-party transactions (the "**Procedure**") - prepared pursuant to Art. 4 of Consob Regulation no. 17221 of 12 March 2010, as amended (the "**CONSOB Regulation**") – defines the rules, methods and principles that ensure the transparency and substantive and procedural fairness of the transactions with related parties carried out by Unipol, either directly or through its subsidiaries.

The Procedure is published in the "Corporate Governance/Related Party Transactions" section of the Unipol Group's website (www.unipol.it).

In 2023, Unipol did not approve, or carry out, directly or through subsidiaries, any related party transactions qualifying as of "Major Significance", or which significantly influenced the financial position or profit and loss of the companies, pursuant to Art. 5, paragraph 8 of the CONSOB Regulation.

With regard to Related Party Transactions qualifying as "exempt" from the application of procedural safeguards established by the CONSOB Regulation and the Procedure, during 2023 an unsecured interest-bearing loan was granted by Unipol for a maximum of €450m (the "**Loan**") in favour of its indirect subsidiary UnipolRental SpA ("**UnipolRental**"). The Loan — which is exempt in that it is arranged with an indirectly controlled company, in the absence of significant interests of other related parties – was approved by the Company's Board of Directors on 23 March 2023 and forms part of the broader partnership project between the Unipol Group and the BPER Group in the long-term rental business (the "**Industrial Project**") implemented, inter alia, through the merger by incorporation of SIFÀ - Società Italiana Flotte Aziendali SpA ("**SIFÀ**"), a subsidiary of BPER Banca SpA ("**BPER**"), into UnipolRental, as described above in the section "Unipol Group Performance". The related amount, mainly aimed at repaying SIFÀ's debt to BPER at the effective date of the merger, was disbursed in full on 4 July 2023.

For the sake of full disclosure, note that the Loan, together with the other transactions related to the Business Plan, was subject to the application of the procedural and decision-making controls established, for Related Party Transactions of Major Significance, by the Procedure for Related Party Transactions adopted by UnipolSai Assicurazioni SpA ("**UnipolSai**").
On 30 March 2023, UnipolSai published, pursuant to Art. 5 of the CONSOB Regulation and Art. 14 of the Procedure, the relevant information document, which was made available to the public at UnipolSai's registered office, on the authorised e-Market Storage mechanism (www.emarketstorage.it) and on UnipolSai's website (www.unipolsai.com-"*Goverance/Related Party Transactions*" section).

Then on 10 August 2023, the frequency of calculation and payment of interest on Intercompany Loans was changed from annual to half-yearly, with financial aspects substantially unchanged and without prejudice to all other parameters, including the interest rate, with a view to improving UnipolRental liquidity management efficiency.

The information required by IAS 24 and Consob Communication DEM/6064293/2006 is provided in paragraph 3.5 of the Notes to the financial statements - Transactions with Related Parties.

Solvency II solvency position

The values relating to own funds and to the solvency capital requirement, calculated on the basis of the information available as of today, are illustrated below:

	In €m	**Total**
Eligible own funds to cover the Solvency Capital Requirement		10,064
	Tier 1 - unrestricted	*8,517*
	Tier 1 - restricted	*1,083*
	Tier 2	*440*
	Tier 3	*24*
Solvency Capital Requirement		4,688
Ratio between Eligible own funds and the Solvency Capital Requirement		***2.15***

The solvency situation of the Group will be subject to a specific disclosure to the market and to the Supervisory Authority by the current regulatory deadline, as part of the publication of the Solvency and Financial Condition Report (SFCR) envisaged in Art. 359 of Regulation (EU) 35/2015.

Report on corporate governance and ownership structures pursuant to Art. 123-bis of Italian Legislative Decree 58 of 24 February 1998

The information required by Art. 123-bis, Italian Legislative Decree 58 of 24 February 1998 as amended is included in the Annual Report on Corporate Governance, approved by the Board of Directors and published together with the Management Report.

The Annual Report on Corporate Governance is available in the "Governance/Corporate Governance System" Section on the Company's website (www.unipol.it).

Ethics Report

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General considerations

In 2020, due to the critical issues generated by the health emergency, the operations of the Ethics Officer were marked by a strong increase in the recourse to the Function by stakeholders (in particular, Customers) to report problems of various kinds, mainly concerning insurance and in any case not related to profiles of compliance with the Code of Ethics.
2021 also recorded a substantial return to the performance of activity more closely related to the prerogatives of the Ethics Officer, a trend which fully stabilised in 2022.
2023 confirmed the final stabilisation of the activity entrusted to the Ethics Officer.

More specifically, the activity was based on the essential prerogatives of the Function:
1. promote and organise, in conjunction with the different corporate functions and with the Ethics Committee, regular activities to disseminate the knowledge and raising the awareness of the Code;
2. provide clarifications on the meaning and interpretation of the Code in relation to specific questions asked by the various stakeholders;
3. receive information on alleged violations of the Code by the various stakeholders directly and decide whether and how to investigate; in straightforward cases, to carry out the relevant checks and resolve disputes;
4. prepare the Ethics Report, an annual document that reports on the consistency between ethical principles and organisational activities, identifying areas at risk and verifying the effective implementation of the Code.

With specific reference to the promotion and sensitisation of stakeholders to the Code's system of values, the transition from optional to mandatory of the Eticamente! course was significant (from April 2023 for Employees and July 2023 for the Distribution Networks).
With regard to the collection and management of reports received, for various reasons, from stakeholders, 2023 - as mentioned previously - recorded a realignment of Ethics Officer activities to normal average levels, after the somewhat anomalous peaks recorded during the health emergency (which in any event only related to the “complaints” category). In particular, reports of alleged violations of the Code of Ethics remain low in number and proved substantially unfounded after the necessary careful and scrupulous investigation activities.

Therefore, the general consistency between the principles stated in the Code and company operations was confirmed.

Activities carried out and launched in 2023 with reference to the Charter of Values and the Code of Ethics

During 2023, the Appointments, Governance and Sustainability Committee met on ethics issues as follows:
- on 22 March to approve the 2022 Ethics Report and the related Statement to the Board of Directors;
- on 7 November to examine the Function's activities in the period 1 January-31 October 2023.

The main activities carried out related to areas described below.

- Reports and requests received

The Code of Ethics envisages that communications and requests may be submitted by anyone to the Ethics Officer, in writing via ordinary post, by e-mail (to responsabile.etico@unipol.it) or by phone.
Such contact (which can be assessed by the Ethics Officer only if submitted in writing and not anonymously, with the guarantee of utmost confidentiality), can be reports of alleged violations of the contents of the Code of Ethics, criticisms, suggestions and, in general, requests for clarifications and/or interpretative opinions on the most suitable models of conduct to avoid violations or non-compliance with the Code of Ethics.

In 2023, 149 reports and requests were received in the dedicated e-mail inbox of the Ethics Officer, as opposed to 114 in 2022 and 145 in 2021.

The figure for 2023 indicates a return, in terms of reports to the Function, to levels in line with the ten-year average, which was 120 reports per year.

In particular, of the **15 reports identified as alleged and specific violations**, in 2023 two situations of actual, albeit slight, violation of the Code of Ethics were identified, settled and promptly remedied also thanks to the intervention of the Ethics Officer, who in full application of their prerogatives therefore aimed - among other things - to reconcile conflicts or remedy ethically relevant events.
In the remaining cases, the Ethics Officer was able to deploy his prerogatives, taking action to prevent and define critical issues before they had a more significant impact on the Group, also from ethics and reputational perspectives.
These reports were assessed and, if necessary, dealt with in accordance with the Code and with consolidated practices, resulting in no cases of serious violation of the Charter of Values and Code of Ethics. Therefore, these were situations that the Ethics Officer was able to manage within his assigned sphere of autonomy.

In addition, during 2023 the Ethics Officer received **62 reports which were registered as being "complaint type" reports** (therefore, the marked reduction in this type of situation over time continues).
According to consolidated practice, and in line with the values and principles that inspire the Group in terms of listening and attention to customer needs and service efficiency, with regard to such reports that have no ethical relevance, the Ethics Officer in effect acts as "facilitator" of possible solutions, collaborating in particular with the Customer Advocacy Function and with other structures on a case-by-case basis (such as Settlement Controls, MV, Sales Department, Commercial Communication).
However, note that these are normally issues relating to claims (refusals or delays in settlements, lack of response from settlement staff) or the agency network.

Lastly, the **71** contacts of various types should be mentioned (submission of CVs for personnel searches, professional collaboration requests, requests for sponsorships, various types of complaints related to purely technical issues or related to delayed or inadequate responses by company representatives, etc.), which were routed to the relevant corporate functions and in one case to the Ethics Officer who, as envisaged in the Code of Ethics, was asked to provide clarification on the meaning and interpretation of the Code in relation to specific questions posed by the various stakeholders.

- Training: use of the *EticaMente*! Course

EticaMente! is the online training course on the Code of Ethics for all employees, agents and agency staff of the Unipol Group.

Considering the importance of creating a solid common ethical and value culture within the Group, the Ethics Officer, also in consideration of their precise task of supervising knowledge of the Code of Ethics and raising awareness of its values, deemed it appropriate to activate constant monitoring of usage trends, accompanied by specific reminder actions.
In this broader framework, starting from December 2020, at each Committee meeting the Ethics Officer and "Unica" provided usage data and from time to time defined communication, promotion and stimulation initiatives.
The assessment of progress in user trends of the *EticaMente!* course for 2021 had revealed that, overall, participation was still limited compared to the breadth of potential users.
However, the awareness-raising initiatives adopted in 2022 (with the support of the Chief Commercial Officer and the Departments that showed a lower participation in this training opportunity) had proved to be not 100% effective.
Consequently, after the initial optional phase, the course was made mandatory in April 2023 for Employees and in July 2023 for the Distribution Networks.

At 31 December, the attendance is therefore as follows:

	December 2023	%	December 2022	%	December 2021	%
Employees	8,462	80.4%	4,885	44.57%	3,233	30.7%
Networks	22,807	69.8%	4,143	12.47%	2,266	7.1%
Total	31,269	72.4%	9,028	20.44%	5,499	13%

For detailed information, please refer to the full Ethics Report, available in the "Sustainability" section of the Unipol Group's website.

Business outlook

International macroeconomic forecasts for the year 2024 are characterised by expectations of a gradual recovery, moreover already underway towards the end of 2023, of the inflationary tensions that followed the rally in raw materials and the critical logistics issues triggered by the pandemic crises and the war between Russia and Ukraine. The financial markets therefore expect a reduction in interest rates by the main Central Banks during 2024.

However, uncertainties surrounding the global economy persist, with very low growth estimates in the Eurozone, and high concerns about growing geopolitical tensions exacerbated by the ongoing conflict in Palestine and the threat of its expansion to the Red Sea area, with repercussions on transport costs and delays in the supply chain. In Italy, despite the drives deriving from the NRRP, GDP growth is still expected to be weak after the modest increase of 0.9% recorded in 2023.

With regard to the Non-Life insurance business, the effects of ongoing climate change, which generated a peak in claims in 2023, are leading to changes in products, at both tariff and regulatory level, in addition to a revision of reinsurance treaties. As concerns MV TPL, although in a still highly competitive market context, ongoing actions are aimed at achieving positive margins by favouring portfolio selection and cost containment, also thanks to the know-how acquired in the area of telematics and the constant increase in MV claims channelled to the UnipolService and UnipolGlass networks, allowing for excellent results in terms of limiting average repair costs.

In the Life segment, traditional Class I products will continue to be offered across all production networks in 2024 as well, to promote the profitability of segregated funds, alongside multi-segment and protection products, while maintaining leadership in the Pension Funds sector.

As set forth in our 2022-2024 Strategic Plan, after two years in which all ecosystems in which the Group is active recorded strong growth, both internally and externally, in 2024 activities will be focused on the integration and consolidation of the various businesses. In this sense, the Dyadea health centres merged as of 1 January 2024 with the Santagostino Medical Centres. Together, they have 45 facilities in different Italian cities and strengthen the offer of the Welfare ecosystem, which is one of the Group's main strategic assets.

Overall, the information currently available makes it possible to confirm, in the absence of currently unforeseeable events, also linked to the deterioration of the reference context, that its consolidated income trends for the year under way are in line with the objectives laid out in the 2022-2024 Strategic Plan.

Bologna, 21 March 2024

The Board of Directors

GRI Content Index

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Statement of use	Unipol Group reported the information indicated in this GRI content index for the period 2023 with reference to the GRI Standards
GRI 1 used	GRI 1 – Foundation - Version 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures2021	2-1 Organizational details	Activities and Sectors
	2-2 Entities included in the organization's sustainability reporting	Information on the Annual Integrated Report
	2-3 Reporting period, frequency and contact point	Information on the Annual Integrated Report
	2-4 Restatements of information	Information on the Annual Integrated Report
	2-5 External assurance	Information on the Annual Integrated Report
	2-6 Activities, value chain and other business relationships	Appendix
	2-7 Employees	Human Capital
	2-8 Workers who are not employees	Human Capital
	2-9 Governance structure and composition	Corporate Governance
	2-10 Nomination and selection of the highest governance body	Corporate Governance
	2-11 Chair of the highest governance body	Corporate Governance
	2-16 Communication of critical concerns	Appendix
	2-21 Annual total compensation ratio	Appendix
	2-22 Statement on sustainable development strategy	Letter from the Chairman and Letter from the General Manager
	2-26 Mechanisms for seeking advice and raising concerns	Ethics Report
	2-27 Compliance with laws and regulations	Internal Control and Risk Management System
	2-29 Approach to stakeholder engagement	Materiality assessment: approach and results
	2-30 Collective bargaining agreements	Appendix
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality assessment: approach and results
	3-2 List of material topics	Materiality assessment: approach and results
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Capital
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	Social and Relational Capital
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-corruption
	205-2 Communication and training about anti-corruption policies and procedures	Anti-corruption
	205-3 Confirmed incidents of corruption and actions taken	Anti-corruption
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Sanctions

GRI STANDARD	DISCLOSURE	LOCATION
GRI 207: Tax 2019	207-1 Approach to tax	Tax strategy and Tax management methods
	207-2 Tax governance, control and risk management	Tax strategy and Tax management methods
	207-3 Stakeholder engagement and management of concerns related to tax	Tax strategy and Tax management methods
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Natural Capital
	302-3 Energy intensity	Appendix
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	Natural Capital
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	Natural Capital - Internal Control and Risk Management System
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Natural Capital
	305-2 Energy indirect (Scope 2) GHG emissions	Natural Capital
	305-3 Other Energy indirect (Scope 3) GHG emissions	Natural Capital
GRI 306: Waste 2020	306-3 Waste generated	Natural Capital
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Appendix
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Human Capital
	403-5 Worker training on occupational health and safety	Human Capital
	403-9 Work-related injuries	Human Capital
	403-10 Work related ill health	Appendix
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Corporate Governance
	405-2 Ratio of basic salary and remuneration of women to men	Remuneration system and incentives
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Monitoring of environmental, social and governance (ESG) risks (as mentioned in the vendors' code of conduct for responsible procurement)
GRI 415: Public policy 2016	415-1 Political contributions	Appendix
GRI 417: Marketing and Labeling 2016	417-3 Incidents of Non-compliance concerning marketing communications	Appendix
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Protection of personal data and cybersecurity

Summary table of climate change-related disclosures (TCFD)

TCFD Area	Specific Topics	Page reference of the Integrated Report
Governance	a. Board Oversight	Pages 81-82: "Sustainability Governance"
	b. Management's Role	Pages 81-82: "Sustainability Governance"
Strategy	a. Risks and Opportunities	Page 37-39: "Materiality assessment: approach and results" Pages 60-74: " Sustainable Development: the impacts generated by the Unipol Group " Pages 83-91: "Internal Control and Risk Management System"
	b. Impact on Organization	Pages 31-33: "Future orientation in the use of capital" Page 36: "The Unipol Group's climate strategy"
	c. Resilience of Strategy	Pages 31-33: "Future orientation in the use of capital"
Risk Management	a. Risk ID & Assessment Processes	Pages 83-91: "Internal Control and Risk Management System"
	b. Risk Management Processes	Pages 83-91: "Internal Control and Risk Management System"
	c. Integration into Overall Risk Management	Pages 83-91: "Internal Control and Risk Management System"
Indicators and Objectives	a. Climate-Related Metrics	Pages 56-59: "Natural Capital" Page 60: "Product and services with social and environmental value" Pages 65-69: "Support in implementing the 2030 Agenda and contribution to combating the climate emergency" Pages 99-101: "Remuneration system and incentives"
	b. Scope 1, 2, 3 GHG Emissions	Pages 56-59: "Natural Capital" Pages 65-69: "Support in implementing the 2030 Agenda and contribution to combating the climate emergency"
	c. Climate-Related Targets	Page 36: "The Unipol Group's climate strategy"

Summary table of disclosures related to the Principles for Sustainable Insurance (PSI)

Principle 1: "We will embed in our decision-making environmental, social and governance issues relevant to our insurance business."		
Areas of action	Main topics in 2023	Page reference of the Integrated Report or web
Finalise ESG governance	ESG governance update: - Unipol Group Sustainability Policy 2023 - Guidelines on Anti-Corruption 2023 - Guidelines on Human Rights 2023	Website Sustainability Library
Maintain an up-to-date ESG risk management framework.	Double materiality approach consistent with ESRS requirements.	Pages. 37-39: "Materiality assessment: approach and results"
	Integration of Sustainability Risks in the Non-Life and Life underwriting processes (also in compliance with the requirements of Delegated Regulation (EU) 2021/1256), directing underwriting and pricing activities towards a management approach capable of correctly assessing exposure to sustainability risks.	Pages 85-91: "Monitoring of environmental, social and governance risks and impacts"
Target connected to the incidence of products with social and environmental value, setting a target of 30% to be reached by the end of 2024.	Premiums of €4,155m in 2023, accounting for 27.6% of total direct premiums for Non-Life and Life products.	Page 60: "Products and services with social and environmental value".
Train agency network employees on ESG integration and ensure transparent and clear communication of products.	In support of the process of integrating ESG risks into underwriting processes, training courses were offered both to the sales network (over 2,700 users) and to employees working in the Corporate, SME and Transport and Aviation Business Lines.	Pages 85-91: "Monitoring of environmental, social and governance risks and impacts"
Integrate ESG factors into the investment decision-making process	Guidelines for responsible investing 2022 Participation in the NZAOA and publication of interim milestones for 2030	Page. 36: "The Unipol Group's climate strategy" Page. 66: " The climate impact of the investment portfolio" Website Sustainability Library

Principle 2: "We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions."		
Areas of action	Main topics in 2023	Page reference of the Integrated Report or web
Offer a range of services, information and tools to mitigate customer risks and their impact on ESG issues.	LIFE ADA Project (ADaptation in Agriculture). In 2023, official use of the ADA Tool began in the Emilia-Romagna region of Italy. LIFE DERRIS Project. At the end of 2023, the tool had been used by almost 10,000 users for a total of around 13,000 sessions.	Page 66: "Insurance skills to support system resilience"
	Welfare: Life & Health commercial offer from a Life cycle perspective; UniSalute Studente, UniSalute Under 30, UniSalute Over 65, UniSalute Donna and UniSalute Uomo, UniSalute Mamma, UnipolSai Autonomia Costante and Telemedicine Services. Mobility: MV policies with telematics; monthly "pay-per-you" insurance policy; payment in instalments with zero interest. Property: Weather Alert service; index evolution (E3CI); to monitor and manage the impact of extreme weather events; updating of the SAM project hazard maps; improvement of the Lorentz tool. Value of premiums of Taxonomy-eligible policies according to Disclosure on the European Taxonomy of environmentally sustainable economic activities.	Pages 60-62: "Satisfaction of security and well-being requirements" Pages 69-76: "Disclosure on the European Taxonomy of environmentally sustainable economic activities"
Raising standards by integrating ESG criteria into supply chain selection parameters.	Updating of the "2023 Supplier Code of Conduct". 63% of the total expenditure for purchases is covered by the Supplier Code of Conduct 186 suppliers audited (equal to 17% of total 2022 expenditure) on privacy risks; 231/01 risks; sustainability risks; ICT risks deriving from cloud service providers; energy crisis.	Pages 85-91: "Monitoring of environmental, social and governance risks and impacts" Website Sustainability Library
Increase the awareness of customers, brokers, agents and employees on ESG factors.	LIFE DERRIS Project. At the end of 2023, the tool had been used by almost 10,000 users for a total of around 13,000 sessions.	Page 66: "Insurance skills to support system resilience"

Principle 3: "We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues."		
Areas of action	Main topics in 2023	Page reference of the Integrated Report or web
Participating in regulatory framework developments, sharing knowledge and experience gained in the insurance market.	In 2023, the Group participated in 7 public consultations at national level and 10 public consultations/surveys at EU level, for a total of 17 engagements.	Institutional relations and interest representatives
Engage in dialogue with different stakeholders to promote research and public awareness initiatives on ESG issues.	Underwriting of various international commitments that guide our internal practices and policies and contribute to defining our approach to sustainability. These mainly include UN Global Compact (UNGC) Net-Zero Asset Owner Alliance (NZAOA) Principles for Sustainable Insurance (PSI) Principles for Responsible Investment (PRI)	Pagg. 14-15: " Unipol Group Vision, Mission and Values" Website Sustainability Commitments
	Stakeholder engagement tools and processes for managing sustainability-related challenges and opportunities, including the Reputational & Emerging Risk Observatory and the Unipol Regional Councils, 21 local bodies that bring together more than 200 organisations of the main stakeholders with the shareholders' meeting, with a view to creating shared value.	Pages 31-33: "Future orientation in the use of capital" Pages. 37-39: "Materiality assessment: approach and results" Website Sustainability Emerging Risk Observatory
	"Welfare, Italia" project, promoted by Unipol Gruppo in collaboration with The European House-Ambrosetti.	Institutional relations and interest representatives
	"The Urban Mobility Council" Think Tank, which has the objective of constructing a permanent platform for dialogue between institutional stakeholders, the academic world, business players and the media on the new frontiers of mobility, that are connected, green, autonomous and integrated, to seek economic, social and environmental sustainability supported by the digital transition and the leveraging of data.	Pages 62-63: "Full support for more efficient, safe and sustainable mobility"
	The Group is a member of associations committed to the development and dissemination of the principles of sustainable development, such as the International Cooperative and Mutual Insurance Federation (ICMIF). Note the following for 2023: launch of the pilot project in collaboration with the Swiss Re Institute, to implement the Insurance SDG Calculator (iSDG tool) aimed at measuring the impact of insurance business on the 17 SDGs. Continuation of the microinsurance project "5-5-5 Mutual Microinsurance Strategy"	Website Sustainability Social Impact ICMIF 5-5-5 Mutual Microinsurance Strategy

Principle 4: "We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles."		
Areas of action	Main topics in 2023	Page reference of the Integrated Report or web
We will assess, measure and monitor our progress in managing ESG issues, regularly disclosing the results to demonstrate our accountability and transparency.	Monitoring the progress of our sustainability initiatives: climate change and inclusion and diversity through a set of metrics and KPIs.	Pages 149-164 "Appendix - Unipol in numbers"
	ESG rating of Unipol Gruppo SpA	Page 77: "Positioning with analysts ". Sustainability indices and ratings
Actively participate in reporting and disclosure frameworks.	Unipol publishes its environmental performance through the Carbon Disclosure Project (CDP), which encourages companies to be more open, among other things, about their greenhouse gas emissions. The Unipol Group has a Climate Change score of "B" for 2023.	Sustainability indices and ratings
	For preparation of the annual sustainability report, the multiple information expectations applied, originating from the different stakeholders, are: - Standards laid out in the International Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC), as updated in the January 2021 edition; - "Sustainability Reporting Standards" issued by the Global Reporting Initiative (GRI) in 2016, with subsequent amendments (including adoption of the GRI Universal Standards 2021), as well as the "Financial Services Sector Supplements", using the "GRI-Referenced" approach. - Recommendations published in June 2017 by the Task Force on Climate-related Financial Disclosures (TCFD), which the parent Unipol adopted in 2020 for transparent disclosures on climate change-related risks and opportunities (as regards which, Unipol has published its TCFD Report since 2019).	Page 139: "Summary table of climate change-related disclosures (TCFD)". https://www.unipol.it/it/sostenibilita/strategia-e-governance/iniziative-istituzionali Website Sustainability Commitments

Appendix - Disclosure on the European Taxonomy of environmentally sustainable economic activities - tables

Additional, complementary disclosures - breakdown of denominator of the KPI

Percentage of derivatives relative to total assets covered by the KPI		Value in monetary amounts of derivatives	
%	0.2	(€m)	72.4

Proportion of **exposures to EU financial and non-financial undertakings**[53] **not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU**:	
for non-financial undertakings (%)	0.6	for non-financial undertakings (€m)	218.9
for financial undertakings (%)	19.7	for financial undertakings (€m)	7,265.7

Proportion of **exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU**:	
for non-financial undertakings (%)	4.0	for non-financial undertakings (€m)	1,491.5
for financial undertakings (%)	15.5	for financial undertakings (€m)	5,718.8

Proportion of **exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **exposures to financial and non-financial undertakings subject to the application of Articles 19a and 29a of Directive 2013/34/EU**:	
for non-financial undertakings (%)	10.5	for non-financial undertakings (€m)	3,872.4
for financial undertakings (%)	31.8	for financial undertakings (€m)	11,745.4

Proportion of **exposures to other counterparties** over total assets covered by the KPI:		Value of exposures to other counterparties:	
(%)	17.7	(€m)	6,537.3

Proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policyholders, which are directed at funding, or are associated with, Taxonomy-aligned economic activities:		Value of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policyholders, which are directed at funding, or are associated with, Taxonomy-aligned economic activities:	
Turnover-based (%)	0.1	Turnover-based (€m)	31.2
Capital expenditures-based (%)	0.2	Capital expenditures-based (€m)	65.3

Value of all the investments that are funding **Taxonomy-non-eligible economic activities** relative to the value of total assets covered by the KPI:		Value of all the investments that are funding **Taxonomy-non-eligible economic activities**:	
turnover-based (%)	78.5	turnover-based (€m)	28,984.2
capital expenditures-based (%)	77.5	capital expenditures-based (€m)	28,599.4

Value of all the investments that are funding **Taxonomy-eligible, but not Taxonomy-aligned, economic activities** relative to the value of total assets covered by the KPI:		Value of all the investments that are funding **Taxonomy-eligible, but not Taxonomy-aligned, economic activities**:	
turnover-based (%)	17.7	turnover-based (€m)	6,541.6
capital expenditures-based (%)	17.7	capital expenditures-based (€m)	6,534.6

[53] For reporting on this indicator, the Group decided to refer to the sample tables proposed in the "Platform considerations on voluntary information as part of Taxonomy-eligibility reporting - Appendix 1" with regard to Investment KPI reporting for financial undertakings, limiting the scope of this item to undertakings in the European Union not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI. This makes it possible to present a breakdown of the denominator of the KPI by means of individual values which, taken together, make up 100% of the denominator, making the figure easier to understand and compare.

Additional, complementary disclosures: breakdown of numerator of the KPI

Proportion of taxonomy-aligned **exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of taxonomy-aligned **exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:	
For non-financial undertakings			
Turnover-based (%)	1.0	Turnover-based (€m)	375.3
Capital expenditures-based (%)	2.1	Capital expenditures-based (€m)	767.1
For financial undertakings[54]			
Turnover-based (%)	n.a.	Turnover-based (€m)	n.a.
Capital expenditures-based (%)	n.a.	Capital expenditures-based (€m)	n.a.

Proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of **life insurance contracts where the investment risk is borne by the policyholders**, which are directed at funding, or are associated with, Taxonomy-aligned economic activities:		Value of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts **where the investment risk is borne by the policyholders**, which, based on the core business of the issuer (financial assets) or the nature of the investment (property), are directed at funding, or are associated with, Taxonomy-aligned economic activities:	
Turnover-based (%)	0.1	Turnover-based (€m)	31.2
Capital expenditures-based (%)	0.2	Capital expenditures-based (€m)	65.3

Proportion of **Taxonomy-aligned exposures to other counterparties (property)** over total assets covered by the KPI[55]:		Value of **Taxonomy-aligned exposures to other counterparties (property)** over total assets covered by the KPI:	
turnover-based (%)	2.8	turnover-based (€m)	1,021.3
capital expenditures-based (%)	2.8	capital expenditures-based (€m)	1,021.3

Breakdown of the numerator of the KPI per environmental objective

Taxonomy-aligned activities - provided "do-not-significant-harm" (DNSH) and social safeguards positive assessment:					
1) Climate change mitigation	turnover-based (%)	99.9	Transitional activities	turnover-based (%)	1.3
				capital expenditures-based (%)	2.5
	capital expenditures-based (%)	99.9	Enabling activities	turnover-based (%)	11.9
				capital expenditures-based (%)	16.1
2) Climate change adaptation	turnover-based (%)	0.1	Transitional activities	turnover-based (%)	1.3
				capital expenditures-based (%)	1.3
	capital expenditures-based (%)	0.1	Enabling activities	turnover-based (%)	15.6
				capital expenditures-based (%)	77.6
Taxonomy-aligned activities - provided "do-not-significant-harm" (DNSH) and social safeguards positive assessment:					
1) Climate change mitigation	turnover-based (€m)	1,394.5	Transitional activities	turnover-based (€m)	18.1
				capital expenditures-based (€m)	44.0
	capital expenditures-based (€m)	1,786.1	Enabling activities	turnover-based (€m)	165.5
				capital expenditures-based (€m)	288.1
2) Climate change adaptation	turnover-based (€m)	2.0	Transitional activities	turnover-based (€m)	26.8
				capital expenditures-based (€m)	48.9
	capital expenditures-based (€m)	2.4	Enabling activities	turnover-based (€m)	319.0
				capital expenditures-based (€m)	1.8

[54] For exposures to financial undertakings, as the indicators distinguished between turnover and capital expenditures are not available, the value considered for both indicators was: for credit institutions, the proportion of Taxonomy-aligned economic activities of investee companies; for insurance and reinsurance undertakings, the arithmetic average between the proportion of exposures to Taxonomy-eligible economic activities with respect to the total assets covered and the proportion of Non-Life Taxonomy-eligible economic activities with respect to total Non-Life premiums.
[55] The proportion of Taxonomy-eligible exposures to other counterparties is composed entirely of investment property. Therefore, it is not possible to present a figure based on turnover and/or based on capital expenditures. The amounts indicated represent the value of the investment recognised in the Financial Statements.

Template 1 – Nuclear and fossil gas related activities[56]

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Template 2 – Taxonomy-aligned economic activities (denominator)
A) By turnover

Row	Economic activities	Amount and proportion					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€m)	%	Amount (€m)	%	Amount (€m)	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	23.1	0.06	23.1	0.06	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,373.5	3.72	1,371.4	3.71	2.0	0.01
8.	Total applicable KPI	36,922.4	100	36,920.4	99.99	2.0	0.01

[56] In application of Delegated Regulation (EU) 2021/2178, the Group has integrated the envisaged templates into its reporting with regard to the activities related to nuclear and fossil gases. However, note that issuers' coverage of this information was very partial, so the data cannot be considered fully representative.

B) By capital expenditure

Row	Economic activities	Amount and proportion					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€m)	%	Amount (€m)	%	Amount (€m)	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	3.6	0.01	3.6	0.01	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	30.7	0.08	30.7	0.08	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.049	0.0001	0.049	0.0001	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,754.0	4.75	1,751.6	4.74	2.4	0.01
8.	Total applicable KPI	36,922.4	100	36,920.0	99.99	2.4	0.01

Template 3 – Taxonomy-aligned economic activities (numerator)

A) By turnover

Row	Economic activities	Amount and proportion					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€m)	%	Amount (€m)	%	Amount (€m)	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	23.1	1.7	23.1	1.7	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	1,373.5	98.3	1,371.4	98.2	2.0	0.1
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	1,396.6	100%	1,394.5	99.9	2.0	0.1

B) By capital expenditure

Row	Economic activities	Amount and proportion					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€m)	%	Amount (€m)	%	Amount (€m)	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	3.6	0.2	3.6	0.2	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	30.7	1.7	30.7	1,49,8	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.049	0.003	0.049	0.003	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	1,754.0	98.0	1,751.6	97.9	2.4	0.1
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	1,788.4	100	1,786.0	99.9	2.4	0.1

Template 4 – Taxonomy-eligible but not taxonomy-aligned economic activities
A) By turnover

Row	Economic activities	Amount and proportion					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€m)	%	Amount (€m)	%	Amount (€m)	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	33.0	0.09	33.0	0.09	-	-
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	4.5	0.01	4.5	0.01	-	-
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	4.5	0.01	4.5	0.01	-	-

Row	Economic activities	Amount and proportion					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€m)	%	Amount (€m)	%	Amount (€m)	%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	6,499.6	17.6	6,499.6	17.6	-	-
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	6,541.6	17.7	6,541.6	17.7	-	-

B) By capital expenditure

Row	Economic activities	Amount and proportion					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€m)	%	Amount (€m)	%	Amount (€m)	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	10.1	0.03	10.1	0.03	-	-
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	1.3	0.004	1.3	0.04	-	-
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	6,523,1	17.67	6,523.1	17.67	-	-
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	6,534.6	17.7	6,534.6	17.7	-	-

Template 5 – Taxonomy non-eligible economic activities

A) By turnover

Row	Economic activities	Amount (€m)	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	5.8	0.02
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	28,978.4	78.48
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	28,984.2	78.5

B) By capital expenditure

Row	Economic activities	Amount (€m)	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	31,289.8	0.1
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	28,568.1	77.4
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	28,599.4	77.5

Appendix – Unipol in numbers

GRI indicator	Description	unit of measurement	2023	2022	Change %/p.p.	Notes
2-7	**Total employees**	**No.**	**12,407**	**12,370**	**0%**	
405-1	**Employees by gender**	**No.**	**12,407**	**12,370**	**0%**	
	Men	No.	5,610	5,648	-1%	
	Women	No.	6,797	6,722	1%	
405-1	**Employees by nationality**					
	Italian	%	88.1%	88.3%	-0.2 p.p.	
	Serbian	%	10.4%	10.7%	-0.3 p.p.	
	Irish	%	0.1%	0.4%	-0.3 p.p.	
	Other	%	1.4%	0.6%	0.8 p.p.	
405-1	**Employees in managerial positions by nationality**					
	Italian	%	90.5%	92.4%	-1.9 p.p.	
	Serbian	%	8.9%	7.0%	1.9 p.p.	
	Irish	%	-	0.4%	-0.4 p.p.	
	Other	%	0.6%	0.2%	0.4 p.p.	
405-1	**Employees with permanent contracts by geographic area**	**No.**	**11,701**	**11,835**	**-1%**	
	North West	No.	4,381	n.a.	n.a.	
	North East	No.	4,297	n.a.	n.a.	
	Centre	No.	1,278	n.a.	n.a.	
	South and Islands	No.	639	n.a.	n.a.	
	Serbia	No.	1,097	n.a.	n.a.	
	Ireland	No.	9	n.a.	n.a.	
405-1	**Employees with fixed-term contracts by geographic area**	**No.**	**706**	**535**	**32%**	
	North West	No.	179	n.a.	n.a.	
	North East	No.	201	n.a.	n.a.	
	Centre	No.	104	n.a.	n.a.	
	South and Islands	No.	27	n.a.	n.a.	
	Serbia	No.	195	n.a.	n.a.	
	Ireland	No.	-	n.a.	n.a.	
405-1	**Employees by gender (Italy)**	**No.**	**11,106**	**10,995**	**1%**	
	Men	No.	5,132	5,129	0%	
	Women	No.	5,974	5,866	2%	
405-1	**Employees by gender (Serbia)**	**No.**	**1,292**	**1,326**	**-3%**	
	Men	No.	471	492	-4%	
	Women	No.	821	834	-2%	
405-1	**Employees by gender (Ireland)**	**No.**	**9**	**49**	**-82%**	
	Men	No.	7	27	-74%	
	Women	No.	2	22	-91%	
405-1	**Employees by sector**	**No.**	**12,407**	**12,370**	0%	
	Insurance	No.	10,633	11,062	-4%	
	Real Estate	No.	42	42	0%	
	Tourism	No.	823	695	18%	
	Healthcare	No.	542	255	113%	

GRI indicator	Description	unit of measurement	2023	2022	Change %/p.p.	Notes
	Other	No.	367	316	16%	
405-1	**Employees by age bracket**	**No.**	**12,407**	**12,370**	0%	
	Over 60 years	No.	708	1,050	-33%	
	51-60 years	No.	3,841	4,012	-4%	
	41-50 years	No.	3,975	3,962	0%	
	31-40 years	No.	2,680	2,469	9%	
	Up to 30 years	No.	1,203	877	37%	
	Percentage of graduate employees	**%**	**52.26**	**46.20**	**6.1 p.p.**	
	Percentage of secondary school graduate employees	**%**	**37.91**	**42.86**	**-5.0 p.p.**	
2-7	**Employees by contract type: permanent**	**No.**	**11,701**	**11,835**	**-1%**	
	Men	No.	5,329	5,437	-2%	
	Women	No.	6,372	6,398	-0%	
2-7	**Employees by contract type: fixed term**	**No.**	**706**	**535**	**32%**	
	Men	No.	281	211	33%	
	Women	No.	425	324	31%	
2-7	**Full-time employees**	**No.**	**10,514**	**10,336**	**2%**	
	Men	No.	5,153	5,385	-4%	
	Women	No.	5,361	4,951	8%	
2-7	Average number of Full Time employees during the year	No.	10,610	n.a.	n.a.	
2-7	**Part-time employees**	**No.**	**1,893**	**2,034**	**-7%**	
	Men	No.	249	263	-5%	
	Women	No.	1,644	1,771	-7%	
2-7	**Employees on “staff leasing” contracts**	**No.**	**94**	**97**	**-3%**	
	Men	No.	22	37	-41%	
	Women	No.	72	60	20%	
2-7	**“Non-guaranteed hours” employees**	**No.**	**1079**	**782**	**38%**	
	Men	No.	582	397	47%	
	Women	No.	497	385	29%	
2-30	**Employees covered by collective bargaining agreements**	**%**	**100**	**100**	-	
401-1	**Recruitments by gender**	**No.**	**2,334**	**1,654**	**41%**	
	Men	No.	1,157	842	37%	
	Women	No.	1177	812	45%	
401-1	**Recruitments by age brackets**	**No.**	**2,334**	**1,654**	**41%**	
	Over 60 years	No.	58	67	-13%	
	51-60 years	No.	254	217	17%	
	41-50 years	No.	420	374	12%	
	31-40 years	No.	707	483	46%	
	Up to 30 years	No.	895	513	74%	
401-1	**Terminations by gender**	**No.**	**2,297**	**1,230**	**87%**	
	Men	No.	1,194	659	81%	
	Women	No.	1103	571	93%	
401-1	**Terminations by age brackets**	**No.**	**2,297**	**1,230**	**87%**	
	Over 60 years	No.	704	156	351%	
	51-60 years	No.	561	202	178%	
	41-50 years	No.	315	284	11%	
	31-40 years	No.	358	321	12%	

GRI indicator	Description	unit of measurement	2023	2022	Change %/p.p.	Notes
	Up to 30 years	No.	359	267	34%	
401-1	**Terminations by job-level category**	**No.**	**2,297**	**1,230**	**87%**	
	Senior Executives	No.	24	18	33%	
	Officers and middle management	No.	313	66	374%	
	Administrative staff	No.	1,452	576	152%	
	Call Centre personnel	No.	19	18	6%	
	Blue-collar workers/Other	No.	489	552	-11%	
401-1	**Recruitment rate**	%	**18.8%**	**13.4%**	**5.4 p.p.**	
401-1	**Recruitment rate by gender**	%				
	Men	%	20.6%	14.9%	5.7 p.p.	
	Women	%	17.3%	12.1%	5.2 p.p.	
401-1	**Recruitment rate by age brackets**	**%**				
	Over 60 years	%	8.2%	6.4%	1.8 p.p.	
	51-60 years	%	6.6%	5.4%	1.2 p.p.	
	41-50 years	%	10.6%	9.4%	1.2 p.p.	
	31-40 years	%	26.4%	19.6%	6.8 p.p.	
	Up to 30 years	%	74.4%	58.5%	15.9 p.p.	
401-1	**Termination rate**	**%**	**18.5%**	**9.9%**	**8.6 p.p.**	
401-1	**Termination rate by gender**	**%**				
	Men	%	21.3%	11.7%	9.6 p.p.	
	Women	%	16.2%	8.5%	7.7 p.p.	
401-1	**Termination rate by age bracket**	**%**				
	Over 60 years	%	99.4%	14.9%	84.5 p.p.	
	51-60 years	%	14.6%	5.0%	9.6 p.p.	
	41-50 years	%	7.9%	7.2%	0.7 p.p.	
	31-40 years	%	13.4%	13.0%	0.4 p.p.	
	Up to 30 years	%	29.8%	30.4%	-0.6 p.p.	
401-1	**Recruitments by geographic area**		**2,334**	**1,654**	**41%**	
	North West	N.	846	346	145%	
	North East	N.	537	433	24%	
	Centre	N.	325	260	25%	
	South and Islands	N.	443	418	6%	
	Serbia	N.	174	184	-5%	
	Ireland	N.	9	13	-31%	
401-1	**Terminations by geographic area**	N.	**2,297**	**1,230**	87%	
	North West	N.	686	216	218%	
	North East	N.	451	187	141%	
	Centre	N.	404	208	94%	
	South and Islands	N.	500	401	25%	
	Serbia	N.	208	202	3%	
	Ireland	N.	48	16	200%	
	Recruitment rate (Italy)	**%**	**19.4%**	**13.3%**	**6.1 p.p.**	
401-1	**Recruitment rate by geographic area**					
	North West	%	18.6%	7.9%	10.7 p.p.	

GRI indicator	Description	unit of measurement	2023	2022	Change %/p.p.	Notes
	North East	%	11.9%	9.8%	2.1 p.p.	
	Centre	%	23.5%	17.9%	5.6 p.p.	
	South and Islands	%	66.5%	58.1%	8.4 p.p.	
	Serbia	%	13.5%	13.9%	-0.4 p.p.	
	Ireland	%	22.2%	26.5%	-	the 2023 figure is calculated only on the employees of Arca Vita International
	Termination rate (Italy)	**%**	**18.4%**	**9.2%**	**9.2 p.p.**	
401-1	**Termination rate by geographic area**					
	North West	%	15.0%	4.9%	10.1 p.p.	
	North East	%	10.0%	4.2%	5.8 p.p.	
	Centre	%	29.2%	14.4%	14.8 p.p.	
	South and Islands	%	75.1%	55.8%	19.3 p.p.	
	Serbia	%	16.1%	15.2%	0.9 p.p.	
	Ireland	%	0.0%	32.7%	-	2023 figure is calculated on Arca Vita International employees only
401-1	**Open positions filled by internal candidates**	**%**	**73.4%**	**61.0%**	**12.4 p.p.**	
401-1	**Promotions during the year**	**No.**	**409**	**144**	**184%**	
	Men promoted	No.	149	79	89%	
	Women promoted	No.	260	65	300%	
401-1	**New managers (recruited or promoted)**	**No.**	**82**	**n.a.**	**n.a.**	
401-1	**Women managers in revenue-generating functions**	**%**	**25.9%**	**24.7%**	**1.2 p.p.**	
401-1	**Women in STEM-related positions**	**%**	**20.2%**	**17.2%**	**3.0 p.p.**	as % of total STEM positions
401-1	**Women in junior management positions**	**%**	**31.0%**	**29.3%**	**1.7 p.p.**	
401-1	**Female agents in managerial positions**	**%**	**20.3%**	**20.1%**	**0.2 p.p.**	
404-1	**Training hours completed by gender**	**Hours**	**274,881**	**194,514**	**41%**	
	Men	Hours	123,993	87,999	41%	
	Women	Hours	150,888	106,515	42%	
404-1	**Training hours completed by job-level category**	**Hours**	**274,686**	**194,514**	41%	
	Senior Executives	Hours	4,298	3,692	16%	
	Officers and middle management	Hours	46,229	44,551	4%	
	Administrative staff	Hours	206,417	118,924	74%	
	Blue-collar workers/Other	Hours	1,301	951	37%	
	Call Centre personnel	Hours	16,441	26,396	-38%	
404-1	**Average training hours completed (UNICA)**	**Hours**	**23**	**14**	65%	
404-1	**Average training hours completed by gender (UNICA)**	**Hours**				
	Men	Hours	23	15	58%	
	Women	Hours	24	14	70%	
404-1	**Average training hours completed by job level (UNICA)**	**Hours**				
	Senior Executives	Hours	17	15	16%	
	Officers and middle management	Hours	24	16	51%	
	Administrative staff	Hours	26	13	99%	
	Blue-collar workers/Other	Hours	3	2	25%	
	Call Centre personnel	Hours	16	26	-38%	
404-1	**Hours of training by age brackets**					
	Over 60 years	No.	10,416	11,437	-9%	
	51-60 years	No.	72,692	51,012	43%	
	41-50 years	No.	93,386	68,296	37%	
	31-40 years	No.	61,897	46,080	34%	

GRI indicator	Description	unit of measure	2023	2022	Change %/p.p.	Notes
	Up to 30 years	No.	36,489	17,689	106%	
404-1	**Training method**					
	No. of classroom courses, webinars, videoconferencing	No.	901	677	33%	
	No. of distance training courses	No.	617	637	-3%	
	No. of attendees in classroom courses, webinars, videoconferencing	No.	20,641	17,039	21%	
	No. of attendees in distance training courses	No.	68,111	60,053	13%	
	Man-hours of classroom courses, webinars, videoconferencing	No.	151,184	91,065	66%	
	Man-hours of distance training courses	No.	121,742	103,449	18%	
	Headcount in classroom courses, webinars, videoconferencing	No.	7,524	5,512	37%	
	Headcount in distance training courses	No.	11,099	11,262	-1%	
404-1	**Contract training**					
	Hours of training provided by contract: Full time	Hours	235,175	158,333	49%	
	Hours of training provided by contract: Part time	Hours	39,347	36,181	9%	
	Average training hours provided by contract: Full time	Hours	22	15	46%	
	Average training hours provided by contract: Part time	Hours	21	18	17%	
	Training on safety					
	Number of trained employees with Worker role	No.	9,634	8,816	9%	
	Number of trained employees with Officer role	No.	1,307	1,099	19%	
	Number of trained employees with Executive role	No.	176	152	16%	
	Other trained employees (by appointment type)	No.	1,393	355	292%	
TRAINING ON ESG						
	Number of trained employees on ESG	N.	6,181	5,091	21%	
	Of which number of trained employees on Human Rights	N.	1,517	n.a.	n.a.	
	Percentage of trained employees on Human Rights	%	12.2	n.a.	n.a.	
	Number of agents trained on ESG issues	N.	28,187	8,226	243%	in 2023, 4 courses were provided, including updating of the Code of Ethics and Charter of Values, with over 22,800 participants.
ACCIDENTS						
403-9	**Accidents by gender**	**No.**	**126**	**126**	**0%**	
	Men	No.	51	50	2%	
	Women	No.	75	76	-1%	
403-9	**Accidents by type**	**No.**	**126**	**126**	**0%**	
	Non-commuting	No.	53	48	10%	
	Commuting	No.	73	78	-6%	
403-9	**Non-commuting accidents**	**No.**	**53**	**48**	**10%**	
	Insurance	No.	28	32	-13%	
	Real Estate	No.	0	0	-	
	Tourism	No.	23	12	92%	
	Healthcare	No.	1	1	0%	
	Other	No.	1	3	-67%	
403-9	**Commuting accidents**	**No.**	**73**	**78**	**-6%**	
	Insurance	No.	60	60	0%	
	Real Estate	No.	1	-	-	
	Tourism	No.	3	16	-81%	
	Healthcare	No.	9	1	8	
	Other	No.	0	1	-100%	

GRI indicator	Description	unit of measurement	2023	2022	Change %/p.p.	Notes
403-9	**Days lost due to accidents**	**No.**	**2,990**	**3,687**	**-19%**	
403-9	**Days lost due to accidents by sector**					
	Insurance	No.	2,522	2,967	-15%	
	Real Estate	No.	4		-	
	Tourism	No.	354	643	-45%	
	Healthcare	No.	84	11	664%	
	Other	No.	26	66	-61%	
403-9	**Accident frequency**	**No.**	**2.24**	**2.03**	**10%**	Frequency index = non-commuting accidents x 1,000,000/no. hours worked
403-9	**Accident frequency by sector**					
	Insurance	No.	1.37	1.51	-9%	
	Real Estate	No.			-	
	Tourism	No.	13.44	8.30	62%	
	Healthcare	No.	0.99	2.10	-53%	
	Other	No.	2.30	8.03	-71%	
	Accident severity	**No.**	**0.13**	**0.16**	**-19%**	Severity index = total no. days accidents x 1,000/no. hours worked
403-9	**Accident severity by sector**					
	Insurance	No.	0.12	0.14	-12%	
	Real Estate	No.	0.05		-	
	Tourism	No.	0.21	0.44	-54%	
	Healthcare	No.	0.08	0.02	259%	
	Other	No.	0.06	0.18	-66%	
403-9	**Total number of hours worked**		**23,630,466**	**23,591,020**	**0%**	The number of hours worked is calculated on the basis of theoretical hours as per the National Collective Labour Agreement of the various sectors
	Number of hours worked by sector					
	Insurance	No.	20,386,139	21,208,640	-4%	
	Real Estate	No.	87,360	87,360	0%	
	Tourism	No.	1,711,840	1,445,600	18%	
	Healthcare	No.	1,011,087	475,696	113%	
	Other	No.	434,040	373,724	16%	
403-9	**Number of medical examinations for mandatory health surveillance**	**No.**	**5,915**	**5,275**	**12%**	
403-9	**Number of preventive healthcare check-ups for workers**	**No.**	**362**	**804**	**-55%**	
403-9	**Absenteeism**					
	Days of absence	No.	196,616	251,578	-22%	
	Total absenteeism rate	%	7.73%	9.35%	-1.62 p.p.	
	Absenteeism rate - men	%	5.32%	6.79%	-1.47 p.p.	
	Absenteeism rate - women	%	9.78%	11.56%	-1.78 p.p.	
403-10	Occupational illness rate	%	0	n.a.	n.a.	There were no occupational illnesses in 2023
TRADE UNION LEAVE AND STRIKES						
	Number of trade union meetings	**No.**	**107**	**77**	39%	
	Number of hours of trade union meetings	**No.**	**5,635**	**5,232**	8%	
	Number of hours of trade union leave	**No.**	**162,164**	**176,772**	-8%	
	Number of hours of strikes	**No.**	**3,023**	**742**	307%	

GRI indicator	Description	unit of measurement	2023	2022	Change %/p.p.	Notes
402-1	**Minimum notice periods regarding organisational changes**	days	30	30	-	
	Number of terminations not included in reorganisation	No.	51	n.a.	n.a.	
	Consultations for organisational changes	No.	40	n.a.	n.a.	
INDIVIDUAL CUSTOMERS						
2-6	**Number of individual customers by sector**					
	Insurance	No. in thousands	15,994	15,888	1%	
	Hotel	No. in thousands	530	459	15%	
	Agricultural	No. in thousands	13	11	13%	
	Tourism	No. in thousands	2	n.a.	n.a.	
	Healthcare	No. in thousands	399	91	339%	
	Beyond Insurance	No. in thousands	82	195	-58%	
LEGAL ENTITY CUSTOMERS						
2-6	**Number of legal entity customers by sector**					
	Insurance	No. in thousands	952	953	-0%	
	Hotel	No. in thousands	11	n.a.	n.a.	
	Agricultural	No. in thousands	1	1.4	-40%	
	Tourism	No. in thousands	0.2	1.5	-85%	
	Healthcare	No. in thousands	0.1	0.3	-48%	
	Beyond Insurance	No. in thousands	38	41.1	-8%	
COMPLAINTS						
2-16	**Breakdown of complaints by phase (Italy)**	**No.**	**21,261**	**17,347**	**23%**	this includes INCONTRA ASSICURAZIONI figures up to the date of sale on 30 November 2023
	Accepted	No.	7,612	7,138	7%	
	Rejected	No.	9,554	7,715	24%	
	Settled	No.	2,027	1,743	16%	
	Under investigation	No.	2,068	751	175%	
2-16	**Breakdown of complaints by area (Italy)**	**No.**	**21,261**	**17,347**	**23%**	this includes INCONTRA ASSICURAZIONI figures up to the date of sale on 30 November 2023
	Claims	No.	15,526	12,975	20%	
	Legal	No.	141	151	-7%	
	Administrative	No.	597	553	8%	
	Commercial	No.	1,330	1,350	-1%	
	Industrial	No.	3,203	1,980	62%	
	Information Systems	No.	403	310	30%	
	Other	No.	61	28	118%	
2-16	**Percentage of complaints out of the total by phase (Italy)**					
	Accepted	%	35.8%	41.1%	-5.3 p.p.	
	Rejected	%	44.9%	44.5%	0.4 p.p.	
	Settled	%	9.5%	10.0%	-0.5 p.p.	
	Under investigation	%	9.7%	4.3%	5.4 p.p.	
2-16	**Percentage of complaints out of the total by area (Italy)**					
	Claims	%	73.0%	74.8%	-1.8 p.p.	
	Legal	%	0.7%	0.9%	-0.2 p.p.	

GRI indicator	Description	unit of measurement	2023	2022	Change %/p.p.	Notes
	Administrative	%	2.8%	3.2%	-0.4	
	Commercial	%	6.3%	7.8%	-1.5 p.p.	
	Industrial	%	15.1%	11.4%	3.7 p.p.	
	Information Systems	%	1.9%	1.8%	0.1 p.p.	
	Other	%	0.3%	0.2%	0.1 p.p.	
417-3	**Cases of non-compliance concerning marketing communications**	**No.**	0	0	-	Cases of IDD non-compliance
ESG GUIDELINES FOR NON-LIFE UNDERWRITING						
	Incidence of VAT registrations with ESG score application out of total General Classes portfolio	%	39%	29%	10 p.p.	
	Total Cases investigated	**N.**	**23**	**12**	**92%**	
	Eligible cases	**N.**	11	9	22%	In 1 case, an exception was raised with the Group Risk Committee, which decided there were no reasons to prevent renewal of the insurance cover requested by the customer involved in negotiations.
	Non-eligible cases	**N.**	12	3	300%	
	Non-eligibility criterion: Distribution of weapons in areas of conflict or civil war, or to countries that systematically infringe human rights	**N.**	12	n.a.	n.a.	
ESG GUIDELINES FOR LIFE UNDERWRITING						
	Total Cases	**N.**	**9**	**1**	**8**	
	Eligible cases	**N.**	6	0	6	In 2 cases, exceptions were raised with the Group Risk Committee, which decided there were no reasons to prevent renewal of the insurance cover requested by the customer involved in negotiations.
	Non-eligible cases	**N.**	3	1	2	
	Non-eligibility criterion: Gambling	**N.**	1	n.a.	n.a.	
	Non-eligibility criterion: Customer's Environmental Conduct	**N.**	1	n.a.	n.a.	
	Non-eligibility criterion: Customer conduct assessed on multiple ESG dimensions	**N.**	1	n.a.	n.a.	
PENSION FUND						
201-3	**Percentage enrolled**					
	Senior Executives	%	100%	100%	0 p.p.	
	Employees	%	73%	78%	-5.0	
201-3	**Total contributions paid**	**€**	**61,567,110**	**57,673,688**	7%	
	Contributions paid by the company	**€**	**24,782,641**	**20,851,227**	**19%**	
	Senior Executives	€	3,328,859	3,090,187	8%	
	Employees	€	21,453,782	17,761,040	21%	
	Contributions paid by personnel	**€**	**36,784,469**	**36,822,461**	**0%**	
	Senior Executives	€	2,546,280	2,442,960	4%	
	Employees	€	34,238,189	34,379,500	0%	
	Impact of company contributions on the total paid	**%**	**40.3%**	**36.2%**	**4.1 p.p.**	
	Impact of company contributions on Senior Executives	%	56.7%	55.8%	0.9 p.p.	
	Impact of company contributions on Employees	%	38.5%	34.1%	4.4 p.p.	
WELFARE FUND						
201-3	**Percentage enrolled**					
	Senior Executives	%	100%	100%	0 p.p.	

GRI indicator	Description	unit of measure ment	2023	2022	Change %/p.p.	Notes
	Employees	%	93%	95%	-2.0 p.p.	
201-3	**Total contributions paid**	**€**	**33,714,753**	**24,492,163**	35%	
	Contributions paid by the company	**€**	**30,398,790**	**21,884,789**	39%	
	Senior Executives	€	2,909,005	2,440,568	19%	
	Employees	€	27,489,785	19,444,220	41%	
	Contributions paid by personnel	**€**	**2,715,962**	**2,607,374**	4%	
	Senior Executives	€	181,797	161,498	11%	
	Employees	€	2,534,165	2,445,877	3%	
	Impact of company contributions on the total paid	**%**	**91.8%**	**89.4%**	**2.4 p.p.**	
	Impact of company contributions on Senior Executives	%	94%	94%	0 p.p.	
	Impact of company contributions on Employees	%	92%	89%	3.0 p.p.	
GOVERNANCE DATA						
ANTI-FRAUD						
	Total reports	**N.**	**11,470**	**10,707**	**7%**	In Italy
	Settlement cases reported	No.	9,948	9,294	7%	
	Underwriting cases reported	No.	1,522	1,413	8%	
	Total complaints	**No.**	**502**	**528**	**-5%**	In Italy
	No. settlement complaints filed	No.	403	411	-2%	
	No. underwriting complaints filed	No.	99	117	-15%	In Italy
	Number of open files on reported cases	**No.**	**2,261**	**2,371**	**-5%**	
ANTI-CORRUPTION						
205-2	**Governance body members that received training about anti-corruption**	**ql**	The members of the Board of Directors approve the update of the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001, which also contains requirements regarding the prevention of the risk of committing the crimes of corruption.			
205-2	**Percentage of employees specifically trained on anti-corruption policies and procedures (Italy)**	**%**	**93%**	**87%**	**6 p.p.**	Training on OMM renewal
	Senior Executives	%	86%	82%	4 p.p.	
	Officers and middle management	%	96%	91%	5 p.p.	
	Administrative staff	%	95%	88%	7 p.p.	
	Call Centre personnel	%	99%	96%	3 p.p.	
	Blue-collar workers/Other	%	25%	24%	1 p.p.	
205-2	**OMM: acknowledgement by Employees**	**%**	**67%**	**87%**	**-20 p.p.**	The 2022 figure refers to training received by employees
205-2	**OMM: acknowledgement by Agents**	**%**	**84%**	**96%**	**12 p.p.**	
205-2	**OMM: acknowledgement by Suppliers**	**%**	**61%**	**61%**	-	As a percentage of total expenditure
ANTI-MONEY LAUNDERING						
205-2	**Percentage of employees specifically trained on anti-money laundering policies and procedures (Italy)**	**%**	**92%**	**15%**	**77 p.p.**	The new anti-money laundering course was released in Italy in October 2022. In Serbia equivalent course was taken in 2023 by 62% of employees.
PRIVACY (Italy)						
418-1	**Total complaints for violation of privacy**	**No.**	**4**	**0**	-	
	Complaints for violation of privacy from external	**No.**	**3**	**1**	**200%**	
	Complaints for violation of privacy from Regulatory Bodies	**No.**	**0**	**1**	**-100%**	
418-1	**Total loss or theft of customer data**	**No.**	**518**	**270**	**92%**	
	Employees trained on privacy in Italy	**%**	**99%**	**92%**	**7 p.p.**	In Serbia, Privacy was the topic of intensive training for all employees in 2022, extended in 2023 to new employees

GRI indicator	Description	unit of measurement	2023	2022	Change %/p.p.	Notes
	Agents trained on Privacy	%	96%	89%	7 p.p.	
	Sub-agents trained on Privacy	%	92%	84%	8 p.p.	
CYBER SECURITY (Training activities)						
	Cyber security course participants (Employees)	No.	7.415	5.194	43%	
	Hours of Cyber security courses (Employees)	No.	25,210	41,785	-40%	
	Cyber security course participants (Network)	No.	20,617	21,584	-4%	
	Hours of Cyber security courses (Network)	No.	81,011	110,672	-27%	
RESPONSIBLE CONDUCT (BUSINESS ETHICS)						
	Reports of violations regarding Corruption	No.	0	0	-	
	Reports of violations regarding Discrimination and/or harassment	No.	0	0	-	
	Reports of violations regarding Anti-Money Laundering or Insider Trading	No.	0	0	-	The figure is monitored by the Legal Disputes organisational function through the AL-MO application, which monitors ongoing disputes on a "cause of claim" basis. This monitoring did not reveal any cases.
	Reports of violations regarding Conflict of interest	No.	0	0	-	
	Reports of violations regarding Customer Privacy	No.	518	270	92%	
REMUNERATION DIFFERENCES BY GENDER						
405-2	Italy - Pay gap - Fixed					Difference by gender and job-level category relating to median values of gross annual fixed remuneration of employees
	W/M - Senior Executives	No.	0.95	0.98	-0,03	
	W/M - Officers and middle management	No.	0.94	0.95	-0,01	
	W/M - Administrative staff	No.	0.93	0.93	-	
	W/M - Call Centre personnel	No.	1.03	1.03	-	
	W/M - Blue-collar workers/Other	No.	0.90	0.95	-0,05	
	W/M - Highly specialised personnel	N.	1.41	n.a.	n.a.	
405-2	Serbia - Pay gap - Fixed					Difference by gender and job-level category relating to median values of gross annual fixed remuneration of employees
	W/M - Senior Executives	No.	1.25	1.20	0.04	
	W/M - Officers and middle management	No.	0.86	0.86	-	
	W/M - Administrative staff	No.	0.92	0.87	0.05	
	W/M - Call Centre personnel	No.	0.61	0.63	-0.02	
	W/M - Blue-collar workers/Other	No.	0.94	0.85	0.09	
405-2	Italy - Pay gap - Fixed + Variable					Difference by gender and job-level category relating to median values of gross annual fixed + variable remuneration of employees
	W/M - Senior Executives	No.	0,87	0.91	-0.04	
	W/M - Officers and middle management	No.	0.93	0.94	-0.01	
	W/M - Administrative staff	No.	0.93	0.93	-	
	W/M - Call Centre personnel	No.	1.02	1.03	-0.01	
	W/M - Blue-collar workers/Other	No.	0.90	0.94	0,04	
	W/M - Highly specialised personnel	No.	1.37	n.a.	n.a.	
405-2	Serbia - Pay gap - Fixed + Variable					Difference by gender and job-level category relating to median values of gross annual fixed + variable remuneration of employees
	W/M - Senior Executives	No.	1.22	1.30	-0.08	
	W/M - Officers and middle management	No.	0.86	0.86	-	
	W/M - Administrative staff	No.	0.92	0.87	0,05	
	W/M - Call Centre personnel	No.	0.61	0.63	-0.02	
	W/M - Blue-collar workers/Other	No.	0.95	0.85	0.10	

GRI indicator	Description	unit of measurement	2023	2022	Change %/p.p.	Notes
REMUNERATION RATIO						
2-21	Annual remuneration of the top management person	€	3,300,000	3,300,000	-	
2-21	Average employee remuneration	€	53,487	51,984	2.89%	
2-21	Median employee remuneration	€	45,575	44,000	3.58%	
2-21	Ratio of annual remuneration of Top Management to average employee remuneration	%	61.7	63.5	-1.8 p.p.	
2-21	Ratio of annual remuneration of Top Management to median employee remuneration	%	72.4	75.0	-2.6 p.p.	
ECONOMIC DATA						
DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (methodology according to the application of IFRS 17 for 2023 and 2022)						
201-1	**Direct economic value generated**	**€m**	**15,713**	**7,358**	**114%**	
	Insurance revenue	€m	9,571	8,549	12%	
	Diversified core revenues	€m	1,274	778	64%	
	Income from financial and real estate investments (including valuation)	€m	4,852	-1,982	-345%	
	Commission income	€m	16	13	23%	
	Economic value distributed	**€m**	**14,859**	**6,305**	**136%**	
	To policyholders and reinsurers	€m	9,866	2,303	328%	
	To other stakeholders	€m	4,993	4,002	25%	
	Economic value retained	**€m**	**854**	**1,053**	**-19%**	
415-1	Economic value disbursed by category: Policy Influence	€m	0	0	The Group does not finance political parties, their representatives or candidates, either in Italy or abroad, does not sponsor conferences or celebrations whose sole purpose is political propaganda, and does not make contributions to or incur expense for political campaigns, political organisations, lobbyists or lobbying organisations, trade associations and other tax-exempt groups, as defined in the Organisation and Management Model (OMM).	
PREMIUMS BY CHANNEL						
02-6	**Percentage breakdown of premiums by channel**					
	Agency Network	%	54.1%	59.5%	-5.4 p.p.	
	Management/Broker	%	23.9%	21.8%	2.1 p.p.	
	Bancassurance Network	%	20.6%	17.2%	3.4 p.p.	
	Other	%	1.4%	1.5%	-0.1 p.p.	
VALUE DISBURSED TO SUPPLIERS BY TYPE						
02-6	**Value disbursed to suppliers by type**	**€/mln**	**1,267**	**1,083**	**17%**	The figures do not include Gratia et Salus and Ddor Novi Sad, whose total expense came to €15.7m (€13.7m in 2022). After updating the Group's calculation criteria and applying them to the new ecosystem companies that joined the Group during the year (DaVinciHealthCare; Società e Salute; TantoSvago; Tenute del Cerro Wines; Unicasa Italia), for 2022/2023 comparison purposes the expense paid to suppliers for 2022 was recalculated. In particular, the logic and methodology used to trace indirect costs only have been updated: for insurance companies, therefore, direct business relations associated with parties with which the Group has a certain form of direct and formal involvement for the purpose of achieving its business objectives, namely the supply of insurance products and services. Examples of partners not included in this representation are affiliates, personnel, business-to-business customers, first-level suppliers included in technical insurance management (e.g. associated with claims), franchise holders, joint venture partners, investee companies in which the Group holds an equity position. This representation also excludes amortisation/depreciation, purchases of equity investments or properties attributable to extraordinary, non-recurring transactions (vice versa including management and maintenance costs for properties for own use and for third-party use).
	Printing and stationery	€m	7	3	**105%**	
	Marketing, advertising and sponsorships	€m	63	43	**47%**	
	Miscellaneous services	€m	116	91	**27%**	
	Information technology	€m	370	337	**10%**	
	Equipment, fixtures and fittings and signs	€m	23	14	**71%**	
	Consultancy and services	€m	127	108	**18%**	
	Utilities and operation	€m	130	162	**-20%**	
	Real estate asset management	€m	160	143	**12%**	
	Other diversified categories	€m	271	182	**49%**	For 2023, the Other diversified categories figure breaks down as 57% UnipolRental, 15% Hotel Sector, 11% Healthcare Sector, 17% other diversified.

GRI indicator	Description	unit of measurement	2023	2022	Change %/p.p.	Notes
Dissemination of the Supplier Code of Conduct						
	No. of suppliers adopting the Supplier Code of Conduct	No.	928	755	22.9%	
	Percentage of suppliers adopting the Supplier Code of Conduct	%	63%	57%	6 p.p.	
Third-party audits						
	Total Suppliers audited	No.	186	119	56.3%	
	Imp. of suppliers audited on total expenditure	%	17%	19%	-2 p.p.	
	Total Suppliers under review ESG Risk area	No.	61	51	19.6%	
	No. areas for improvement	No.	284	256	10.9%	
	Suppliers with high risk level conduct	No.	22	23	-4.3%	
VALUE OF CONTRIBUTIONS TO THE COMMUNITY BY TYPE						
201-1	**Value of contributions to the community by type**	**€m**	**16.97**	**15.29**	**11%**	
	Charitable donations	€m	3.2	2.0	61.9%	
	Sponsorships	€m	13.8	13.33	3.5%	
	Contribution to the Unipolis Foundation	**€m**	**1.70**	**1.70**	**0%**	
ENVIRONMENTAL DATA						
302-1	**Energy consumed**					
302-1	**Total Gas**	**Gj**	**95,456**	**135,983**	**-29.8%**	
	Insurance	Gj	22,939	31,066	-26.2%	
	Hotel	Gj	57,601	81,035	-28.9%	
	Agricultural	Gj	618	721	-14.3%	
	Tourism	Gj	0	1	-100.0%	
	Healthcare	Gj	12,777	20,923	-38.9%	
	Beyond	Gj	1,521	2,237	-32.0%	
302-1	**Total Diesel**	**Gj**	**7,465**	**11,330**	**-34.1%**	
	Insurance	Gj	180	626	-71.2%	
	Hotel	Gj	4,375	8,424	-48.1%	
	Agricultural	Gj	216	216	0.0%	
	Tourism	Gj	0	0	-	
	Healthcare	Gj	54	42	28.6%	
	Beyond	Gj	617	0	-	
302-1	**Total Automotive diesel**	**Gj**	**5,220**	**4,184**	**24.8%**	
	Insurance	Gj	0	0	-	
	Hotel	Gj	0	0	-	
	Agricultural	Gj	5,220	4,184	24.8%	
	Tourism	Gj	0	0	-	
	Healthcare	Gj	0	0	-	
	Beyond	Gj	0	0	-	
302-1	**Total Electricity**	**Gj**	**293,581**	**302,101**	-3%	
	of which renewable	Gj	286,760	293,487	-2%	
	of which non-renewable	Gj	6,821	8,614	-21%	
302-1	**Total Electricity**	**Gj**	**293,581**	**302,101**	**-2.8%**	
	Insurance	Gj	141,418	155,920	-9.3%	
	Hotel	Gj	106,907	105,218	1.6%	

GRI indicator	Description	unit of measure ment	2023	2022	Change %/p.p.	Notes
	Agricultural	Gj	3,436	3,467	-0.9%	
	Tourism	Gj	13,912	12,064	15.3%	
	Healthcare	Gj	24,067	21,332	12.8%	
	Beyond	Gj	3,841	4,102	-6.4%	
302-1	**Total LPG**	**Gj**	**1,849**	**1,268**	**45.8%**	
	Insurance	Gj	0	0	0%	
	Hotel	Gj	0	0	0%	
	Agricultural	Gj	1,849	1,268	45.8%	
	Tourism	Gj	0	0	0%	
	Healthcare	Gj	0	0	0%	
	Beyond	Gj	0	0	0%	
302-1	**Total District heating/cooling**	**Gj**	**78,226**	**77,947**	**0.4%**	
	Insurance	Gj	60,189	56,730	6.1%	
	Hotel	Gj	17,250	21,217	-18.7%	
	Agricultural	Gj	0	0	-	
	Tourism	Gj	0	0	-	
	Healthcare	Gj	0	0	-	
	Beyond	Gj	0	0	-	
	Sector breakdown of employees by workplace - Total	**No.**	**12,407**	**12,370**	**0%**	Sector breakdown by workplace in properties for business use
	Insurance	No.	10,375	11,062	-6%	
	Hotel	No.	748	695	8%	
	Agricultural	No.	90	94	-4%	
	Tourism	No.	27	28	-4%	
	Healthcare	No.	368	180	104%	
	Beyond	No.	799	311	157%	
302-3	**Energy intensity - Total**	**GJ/add**	**38.8**	**43.1**	**-10%**	
	Insurance	GJ/add	21.7	22.1	-2%	
	Hotel	GJ/add	248.8	310.6	-20%	
	Agricultural	GJ/add	126.0	104.9	20%	
	Tourism	GJ/add	515.3	430.9	20%	
	Healthcare	GJ/add	100.3	235.0	-57%	
	Beyond	GJ/add	7.5	20.4	-63%	
WATER						
303-3	**Water withdrawal**	m^3	**979,635**	**1,534,742**	-36.2%	
	Insurance	m^3	190,384	188,611	0.9%	
	Hotel	m^3	565,791	938,099	-39.7%	
	Agricultural	m^3	89,903	296,793	-69.7%	Irrigated uses for third-party land use were excluded in 2023
	Tourism	m^3	52,129	47,739	9.2%	
	Healthcare	m^3	72,874	57,254	27.3%	
	Beyond	m^3	6,610	6,246	5.8%	
EMISSIONS						
305-1/305-2	**Direct GHG emissions and indirect GHG emissions from energy consumption**					
	Scope 1 - Tonnes of Emissions	**T CO_2 eq**	**8,624**	**10,592**	-18.6%	

GRI indicator	Description	unit of measure ment	2023	2022	Change %/p.p.	Notes
	Scope 1 - Direct GHG emissions - Fleets	T CO_2 eq	2,090	1,579	32.4%	Italy and Serbia. The figure does not include data reelated to the fleets of the former Sifà company prior to its merger with UnipolRental, equal to the first 6 months of fiscal year 2023.
	Scope 1 - Direct GHG emissions - Property	T CO_2 eq	6,534	9,013	-27.5%	
	Scope 1 - Direct GHG emissions - Property by sector	**T CO_2 eq**	**6,534**	**9,013**	-27.5%	
	Scope 1 - Insurance	T CO_2 eq	1,363	1,857	-26.6%	
	Scope 1 - Hotel sector	T CO_2 eq	3,716	5,350	-30.5%	
	Scope 1 - Agricultural	T CO_2 eq	563	453	24.3%	
	Scope 1 - Tourism	T CO_2 eq	0	0	#DIV/0!	
	Scope 1 - Healthcare	T CO_2 eq	756	1,222	-38.1%	
	Scope 1 – Beyond insurance	T CO_2 eq	136	130	4.6%	
305-2	**Scope 2 - Indirect GHG emissions from energy purchased (Location Based)**	**T CO_2 eq**	**28,021**	**28,548**	-1.8%	
	Scope 2 - Insurance	T CO_2 eq	15,532	16,691	-6.9%	
	Scope 2 - Hotel	T CO_2 eq	9,055	8,884	1.9%	
	Scope 2 - Agricultural	T CO_2 eq	257	252	2.0%	
	Scope 2 - Tourism	T CO_2 eq	1040	875	18.9%	
	Scope 2 - Healthcare	T CO_2 eq	1,850	1,548	19.5%	
	Scope 2 – Beyond insurance	T CO_2 eq	287	298	-3.7%	
305-2	**Scope 2 - Indirect emissions from energy purchased (Market Based)**	**T CO_2 eq**	**5,868**	**5,688**	**3.2%**	
	Scope 2 - Insurance	T CO_2 eq	4,163	3,416	21.9%	
	Scope 2 - Hotel	T CO_2 eq	1,444	1,699	-15.0%	
	Scope 2 - Agricultural	T CO_2 eq	-	-	-	
	Scope 2 - Tourism	T CO_2 eq	19	21	-9.5%	
	Scope 2 - Healthcare	T CO_2 eq	293	270	8.5%	
	Scope 2 – Beyond insurance	T CO_2 eq	249	280	-11.1%	
	Emission intensity - Scope 1 + 2 (Location Based)	**T CO_2 eq/add**	**2.8**	**3.0**	**-8.3%**	
	Insurance	T CO_2 eq/add	1.6	1.7	-2.9%	
	Hotel	T CO_2 eq/add	17.1	20.5	-16.6%	
	Agricultural	T CO_2 eq/add	9.1	7.5	21.5%	
	Tourism	T CO_2 eq/add	38.5	31.3	23.3%	
	Healthcare	T CO_2 eq/add	7.1	15.4	-54.0%	
	Beyond	T CO_2 eq/add	0.5	1.4	-61.5%	
305-3	**Scope 3**	**T CO_2 eq**	**7,697,493**	**7,745,344**	**-0.6%**	
	Scope 3 Category 1 - Goods and services purchased	T CO_2 eq	484	623	-22.3%	Emissions related to the purchase of paper in Italy
	Scope 3 Category 5 - Waste generated during business activities	T CO_2 eq	435	298	45.6%	In Italy and Serbia. The figure also includes non-insurance activities.
	Scope 3 Category 6 - Employee mobility (rail-road-air travel-hotel stays)	T CO_2 eq	2,827	2,337	20.9%	In Italy

GRI indicator	Description	unit of measurement	2023	2022	Change %/p.p.	Notes
	Scope 3 Category 13 - Customer mobility with long-term rental cars	T CO_2 eq	541,225	302,365	79.0%	In Italy - Change of scope with acquisition of former Sifà from UnipolRental. The figure does not include the data for fleets of the former Sifà before the merger with UnipolRental, equal to the first 6 months of 2023.
	Scope 3 Category 15 - Corporate portfolio investments	T CO_2 eq	819,584	913,343	-10.3%	The value represents the absolute emissions of the Group's direct investments in listed equities and corporate bonds in terms of Scope 1 & 2 CO2eq emissions.
	Scope 3 Category 15 - Motor insurance customers with electronic devices	T CO_2 eq	6,332,939	6,526,377	5%	Emissions generated by the movements of customers with electronic devices calculated on the basis of km travelled and the type of vehicle power supply, using the DEFRA 2023 conversion factors (UK Department for Environment, Food & Rural Affairs - UK Government GHG Conversion Factors for Company Reporting), unlike the methodology set out in the PCAF standard "Insurance-Associated Emissions" (November 2022)
	Emissions avoided					
	Emissions avoided by the use of recycled paper compared to virgin fibre paper	T CO_2 eq	456	457	-0.3%	In Italy - Calculation carried out on the basis of data provided by the paper supplier (Steinbeis Paper) using a comparison between the updated life cycle assessment published by the German Federal Environment Agency in 2022 and a life cycle assessment of recycled paper prepared by the Institute for Energy and Environment Research (IFEU) in 2017
	Emissions avoided by the use of AES	T CO_2 eq	142	140	1.6%	In Italy - Calculation carried out on the basis of data provided by the paper supplier (Steinbeis Paper) using a comparison between the updated life cycle assessment published by the German Federal Environment Agency in 2022 and a life cycle assessment of recycled paper prepared by the Institute for Energy and Environment Research (IFEU) in 2017.
	Emissions avoided by the replacement of illuminated signs	T CO_2 eq	12	18	-33.1%	In Italy - Replacement of illuminated signs with more energy-efficient models. (Source: Istituto Superiore per la Ricerca Ambiente (ISPRA), Reports 317/2020)
	Emissions avoided by use of the collection and recycling programme for used printer cartridges	T CO_2 eq	12	24	-47.4%	In Italy - Emissions avoided compared to landfill dumping of used cartridges (participation in the Lexmark used cartridge collection programme - LCCP: https://www.lexmark.com/it_it/products/supplies-and-accessories/reuse-and-recycling-program/cartridge-collection-program.html)
	Emissions avoided by employees' use of public transport for work commute	T CO_2 eq	1,931	1229	57.1%	
	Emissions avoided by use of the San Donato Milanese company shuttle by employees	T CO_2 eq	634	-		
	Emissions avoided by shorter queue times at toll booths for UnipolMove customers	T CO_2 eq	1,214	-		In Italy - The amount of CO2 avoided was calculated on the basis of the lower quantity of fuel consumed by a vehicle that stops at a motorway toll booth compared to a vehicle that transits using electronic toll payment (Methodological sources: Ca Foscari University and European Environment Agency)
306-3	**Waste by type**	**Tonnes**	**1,203**	**1,160**	**4%**	
	Non-hazardous waste	Tonnes	928	1,062	-13%	
	Hazardous waste	Tonnes	275	98	181%	
306-3	**Waste by disposal method**	**Tonnes**	**1,203**	**1,160**	4%	
	Waste destined for disposal	Tonnes	**701**	469	49%	
	Waste not destined for disposal	Tonnes	**502**	691	-27%	
306-3	**Waste by sector**	**Tonnes**	**1,203**	**1,160**	4%	
	Waste - Insurance (Italy and Abroad)	Tonnes	750	831	-10%	
	Waste - Hotel	Tonnes	176	137	29%	
	Waste - Agricultural	Tonnes	20	21	-6%	
	Waste - Tourism	Tonnes	108	108	1%	
	Waste - Healthcare	Tonnes	142	63	124%	
	Waste - Beyond	Tonnes	7	0.2	3,038%	

Income and Taxes: Country by Country Report*

Country	Number of employees (no.)	Revenues from sales to third parties (€k)	Profit/loss before taxes (€k)	Corporate income taxes on profit/loss (€k)	Corporate income taxes paid on a cash basis (€k)
ITALY	10,549	15,147,394	840,233	209,641	63,421
LUXEMBOURG	-	-	-23	-	-
IRELAND	52	289,623	(54,633)	117	160
THE	-	-	-215	-	-
SERBIA	1,345	110,287	5,678	121	2,092

The main activities for each country in which the Group operates are broken down as follows:
Italy: Sales, marketing or distribution; Administration, management or support services; Regulated financial services; Insurance; Holding of shares or other equity instruments.
Luxembourg: Administration, management or support services.
Ireland: Insurance.
The Netherlands: Holding of shares or other equity instruments.
Serbia: Insurance.
For further details on the Group entities resident in the various tax jurisdictions, please refer to the Notes to the Financial Statements.

* The data shown relate to the 2022 tax period; this is because in order to meet the GRI standard, the Unipol Group also uses the data collected for Country by Country Reporting introduced, in line with the OECD's work on the Base Erosion and Profit Shifting project (BEPS), by Italian tax legislation (Article 1, paragraph 145 of Law 208/2015) which must be sent to local tax authorities within 12 months of the end of the relevant tax period.

Glossary

ALM: Asset and Liability Management, referring to the integrated management of assets and liabilities for the purpose of allocating resources in such a way as to optimise the risk/return ratio.

APE – Annual Premium Equivalent: the new Life business expressed in APE is a measurement of the volume of business relating to new policies and corresponds to the sum of periodic premiums of new products and one tenth of single premiums. This indicator is used to assess the business along with the in force value and the Life new business value of the Group.
Premium retention ratio is the ratio of premiums retained (total direct and indirect premiums net of premiums ceded) to total direct and indirect premiums. Investment products are not included in calculating this ratio.

ASviS - Italian Alliance for Sustainable Development: set up in 2016, on the initiative of the Unipolis Foundation and the "Tor Vergata" University of Rome, whose objective is to increase awareness in Italian society, economic entities and institutions, of the importance of the 2030 Agenda for sustainable development and to empower them to achieve the Sustainable Development Goals.
The Alliance currently incorporates more than 200 of the most important institutions and networks of civil society, such as associations representing social parties (business, trade union and Third Sector associations), networks of associations of civil society which concern specific objectives (health, economic well-being, education, labour, quality of the environment, gender equality, etc.), associations of regional authorities, universities and public and private research centres, and the associated networks, associations of entities active in the worlds of culture and information, foundations and networks of foundations, Italian entities belonging to international associations and networks active in sustainable development matters.

BVPS – Book Value Per Share: ratio between the Group's Shareholders' equity and the total number of shares.

Capital: stocks of value on which all organisations depend for their success. Used as inputs to the business model, and are increased, decreased or transformed through the organisation's business activities and outputs. The capitals are categorised in the <IR> Framework as financial, productive, intellectual, human, social and relational, and natural. (International <IR> Framework).

CARD - Convenzione tra Assicuratori per il Risarcimento Diretto - Agreement between Insurers for Direct Compensation: MV TPL claims may be classified as one of three cases of claims managed:
Non-Card claims: claims governed by the ordinary regime, to which CARD is not applied;
Debtor Card claims: claims governed by CARD where "our" policyholder is fully or partially liable, which are settled by the counterparty's insurance companies, to which "our" insurance company must pay a flat rate pay-out ("Debtor Flat Rate");
Handler Card claims: claims governed by CARD where "our" policyholder is fully or partially not liable, which are settled by "our" insurance company, to which the counterparty's insurance companies must pay a flat rate pay-out ("Handler Flat Rate").
However, it must be noted that this classification is a simplified representation because, in reality, each individual claim may contain damages included in each of the three above-indicated cases.

Combined ratio: indicator that measures the balance of Non-Life technical management, represented by the sum of the loss ratio and the expense ratio.

Corporate Sustainability Reporting Directive (CSRD): Directive (EU) 2022/2464 of 14 December 2022 which introduces new rules for corporate sustainability reporting, harmonising the disclosure of sustainability information so that financial undertakings, investors and the general public have transparent, comparable and reliable information.

CS OVERALL (Customer Satisfaction Overall for retail and companies): an indicator of overall satisfaction with the reference company (sole or main) that takes into account all aspects of the relationship (policies subscribed, personnel, service, innovation, reputation, etc.). It is calculated by using a 6-step numeric scale from 3 to 8, where 3 is the lowest score, 6 is satisfactory and 8 is the highest score. The percentage score is calculated on the two highest scores on the scale.

CSI (Customer Satisfaction Index): overall satisfaction index based on 13 factors pertaining to two macro areas: Relations with agents and Service provided by the company. The sum of weighted scores obtained for each of the 13 factors determines the arithmetic mean representing the overall CSI.

Environmental, social and governance (ESG): an acronym that refers to the organisational aspects of a company, linked to environmental, social and good governance policies, objectives and implementation procedures.

EPS – Earning per share: ratio between the Group's net profit and the total number of shares.

ESG Guidelines: guidelines for the ex-ante assessment of ESG risks that could arise in the business processes (investments, recruitment, credit), annexed to the related Policies and useful to supporting correct assessment of the risks in line with the sustainability guidelines.

Expense ratio: percentage indicator of the ratio of total operating expenses to premiums written as far as direct business is concerned, and the premiums as far as retained business, net of reassurance, is concerned.

EU Sustainability Reporting Standard (ESRS): the reporting standards prepared by EFRAG (European Financial Reporting Advisory Group) on behalf of the European Commission, aimed at defining the sustainability information that companies must disclose in compliance with the Corporate Sustainability Reporting Directive.

FSB - Financial Stability Board: the international body that controls and formulates recommendations on the global financial system.

FTSE4Good Index: the index evaluates the performances of companies that are globally recognised for their high standards of social responsibility. The index is reviewed twice per year, in March and in September, to include any new companies and instead exclude any that have not maintained the required sustainability standards.

Global Compact: United Nations initiative launched in 2000 to encourage companies all over the world to adopt sustainable policies, comply with corporate social responsibilities and publicly disclose the results of the actions undertaken. It involves compliance with 10 Principles in 4 areas: Human Rights, Labour, Environment and Anti-Corruption.
To date, over 18,000 companies from 160 countries worldwide have adopted the initiative, in support of the United Nations Sustainable Development Goals (SDGs) for 2030.

Global Reporting Initiative (GRI): an international non-profit organisation established with the aim of defining sustainability performance reporting standards for companies and organisations of any size, from any sector or country in the world. The GRI has developed and prepared the GRI Standards as a reporting reference framework for the organisations mentioned above.

Inputs: the capitals (resources and relationships) that an organisation draws upon for its business activities. (International <IR> Framework).

IPCC - Intergovernmental Panel on Climate Change: the scientific body of the United Nations that is responsible for assessing climate change, its implications and potential future risks, as well as proposing options for adaptation and mitigation.

ISO 50001: a voluntary international standard that provides organisations of any size with a system for optimising the energy performance of all of their processes and for promoting more efficient energy management.

Loss ratio: primary indicator of the cost-effectiveness of operations of an insurance company in the Non-Life business. This is the ratio of the cost of claims for the period to premiums for the period.

Materiality: a matter is material if it could substantively affect the organisation's ability to create value in the short, medium or long term. (International <IR> Framework).

Mission: establishes what the Company does. It expresses the Company's day-to-day activities.

Business model: an organisation's system of transforming inputs through its business activities into outputs and outcomes that aims to fulfil the organisation's strategic purposes and create value over the short, medium and long term. (International <IR> Framework).

MRO (Main Refinancing operations): open market operations carried out by the Eurosystem.

MSCI ESG Index: the index supports the evaluation of the environmental, social and governance (ESG) investments and helps institutional investors to perform a more effective benchmarking for the performances of ESG investments.

Non-Financial Statement (NFS): a separate or consolidated statement of a non-financial nature as envisaged in Italian Legislative Decree no. 254 of 30 December 2016, which introduced new transparency obligations to Italian law in line with the European regulations on environmental and social issues, human resources, respect for human rights, the fight against active and passive corruption, which are relevant taking into account the activities and characteristics of the company.

NPS (Net Promoter Score): an indicator that measures the proportion of product/service "promoters" vs "detractors".
It is based on the question "Would you recommend the company to your best friend?" The answers are scored on a scale of 0 to 10.
The indicator is calculated by subtracting the percentage of detractors from the percentage of promoters.

OTI (Other Technical Items) ratio: ratio of the sum of the balance of other technical charges/income and the change in other technical provisions to net premiums for the period.

Outcomes: the internal and external consequences (positive and negative) for the capitals as a result of an organisation's business activities and outputs (International <IR> Framework).

Outputs: an organisation's products and services, and any by-products and waste (International <IR> Framework).

Paris Agreement: it defines a global framework to avoid dangerous climate changes, limiting the rise in the global temperature to well below 2 °C and continuing efforts to limit this increase to 1.5°C (compared to pre-industrial levels). It was agreed at the Paris Climate Conference (COP21) in December 2015 and is currently ratified by roughly 190 parties, including the EU and its Member States.

PRI: principles promoted in 2006 by the United Nations to favour the spreading of sustainable and responsible investment amongst institutional investors, which are signed and implemented by financial sector companies. The companies commit to incorporating ESG concerns within investment analyses and decision-making processes, as well as their company policies and practices.

Reputation Index: an index developed by the Reputation Institute to measure and manage the reputation of companies and their brands as a lever for business growth, valid at international level. The reputation of the Unipol Group consists in a series of expectations, perceptions and opinions developed over time by the reference Stakeholders (customers, employees, agents, financial community, institutions, opinion makers, public opinion) on the qualities of the Group, its characteristics and its conduct, which derive from experience, word of mouth or observation of the Group's shares. The consistency of Group conduct with its promises and resulting response to expectations formulated by its Stakeholders determine how the corporate reputation is formed

ROE – Return on Equity: ratio between the Group's net profit for the year and the average of the Shareholders' equity attributable to owners of the Parent (calculated as half the sum total of opening and closing Shareholders' equity), excluding Other comprehensive income (OCI).

Scope of GHG emissions: classification of the organisational confines in which the direct and indirect GHG (Greenhouse Gas) emissions generated by an organisation's activities are produced. There are 3 Scope classes: Scope 1, Scope 2 and Scope 3. The classification derives from the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). Scope 1 refers to direct GHG emissions from installations owned or controlled by the organisation. Scope 2 refers to indirect GHG emissions deriving from the generation of electricity, steam energy, heating and cooling, imported and consumed within the organisation. Scope 3 refers to other indirect emissions not covered by Scope 2, such as emissions associated with business travel.

SDGs- Sustainable Development Goals: the 2030 Agenda for Sustainable Development is a plan of action for people, the planet and prosperity, signed in September 2015 by the governments of 193 UN member states. It encompasses 17 Sustainable Development Goals - SDGs - as listed below:

Goal 1:
End poverty in all its forms everywhere.

Goal 2:
End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

Goal 3:
Ensure healthy lives and promote well-being for all at all ages.

Goal 4:
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Goal 5:
Achieve gender equality and empower all women and girls.

Goal 6:
Ensure availability and sustainable management of water and sanitation for all.

Goal 7:
Ensure access to affordable, reliable, sustainable and modern energy for all.

Goal 8:
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Goal 9:
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

Goal 10:
Reduce inequality within and among countries.

Goal 11:
Make cities and human settlements inclusive, safe, resilient and sustainable.

Goal 12:
Ensure sustainable consumption and production patterns.

Goal 13:
Take urgent action to combat climate change and its impacts.

Goal 14:
Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

Goal 15:
Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

Goal 16:
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Goal 17:
Strengthen the means of implementation and revitalize the global partnership for sustainable development.

SRIs: the sustainability indexes or SRIs are summary indexes that monitor the performance trends of a basket of companies listed on the Stock Exchange in accordance not only with financial and economic criteria, but also criteria relating, as applicable, to environmental, social and good corporate governance aspects, employed by investors that intend to adopt sustainable and responsible investment (SRI) strategies.
Sustainable and responsible investment refers to a medium/long-term investment strategy which, in assessments of companies and institutions, combines financial analysis with environmental, social and good governance analysis so as to create value for the investor and for the company as a whole.

Taxonomy Regulation: Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, on the establishment of a framework to facilitate sustainable investment.

TCFD - Task Force on Climate-related Financial Disclosures: develops voluntary and consistent recommendations on climate-related financial risks to be used by companies in providing information to investors, lenders, insurers and other stakeholders

TEG - Technical Expert Group on Sustainable Finance: the Commission has established this group to assist in particular in the development of a standardised classification system for sustainable business activities, a standard for EU green bonds, methods for low-carbon indicators and metrics for reporting on climate change issues

TLTRO - Targeted Long Term Refinancing Operations: financial interventions carried out by the European Central Bank, introduced for the first time during the sovereign debt crisis that took place in Eurozone countries. Under the TLTRO programme, 4-year loans with very low interest rates are disbursed through auctions to Eurozone banks, with a view to injecting liquidity into the real economy. Indeed, banks are required to use this liquidity to support lending to small and medium sized enterprises.

UNEP - United Nations Environment Programme: the main global environmental authority which establishes the global environmental agenda, promotes consistent implementation of environmental approaches to sustainable development within the UN system and acts as the authoritative defender of the global environment.

UNEP FI - United Nations Environment Programme Finance Initiative: a global partnership established between the United Nations Environment Programme and the financial sector.

Values: represent the Company's conduct. They describe the expectations and principles for specific interaction between the internal and external environment of the Company.

Value Creation: the process that results in increases, decreases or transformations of the capital caused by the organisation's business activities and outputs. (International <IR> Framework).

Vision: describes the impact that the Company intends to have, the result expected of the organisation from achieving its purpose.

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CONSOLIDATED FINANCIAL STATEMENTS AT 31.12.2023 TABLES OF CONSOLIDATED FINANCIAL STATEMENTS

Statement of financial position

Assets

Amounts in €m

	Asset items	31/12/2023	31/12/2022
1.	INTANGIBLE ASSETS	**2,485**	**2,236**
	of which: goodwill	1,883	1,719
2.	PROPERTY, PLANT AND EQUIPMENT	**4,187**	**2,868**
3.	INSURANCE ASSETS	**1,123**	**980**
3.1	Insurance contracts issued that are assets	63	54
3.2	Reinsurance contracts held that are assets	1,060	926
4.	INVESTMENTS	**63,924**	**59,428**
4.1	Investment property	2,302	2,282
4.2	Investments in associates and interests in joint ventures	2,656	1,608
4.3	Financial assets at amortised cost	1,857	1,866
4.4	Financial assets at fair value through OCI	40,697	37,702
4.5	Financial assets at fair value through profit or loss	16,412	15,970
	a) Held-for-trading financial assets	72	281
	b) Financial assets at fair value	10,679	8,786
	c) Other financial assets mandatorily at fair value	5,661	6,903
5.	OTHER FINANCIAL ASSETS	**2,490**	**2,538**
6.	OTHER ASSETS	**3,431**	**3,177**
6.1	Non-current assets or assets of a disposal group held for sale	133	514
6.2	Tax assets	705	1,180
	a) current	4	37
	b) deferred	701	1,143
6.3	Other assets	2,593	1,483
7	CASH AND CASH EQUIVALENTS	**1,818**	**1,798**
	TOTAL ASSETS	**79,458**	**73,025**

Statement of financial position

Shareholders' equity and liabilities

Amounts in €m

	Items of Shareholders' Equity and Liabilities	31/12/2023	31/12/2022
1.	SHAREHOLDERS' EQUITY	**9,799**	**8,578**
1.1	Share capital	3,365	3,365
1.2	Other equity instruments		
1.3	Capital reserves	1,639	1,639
1.4	Income-related and other equity reserves	1,756	1,395
1.5	Treasury shares (-)	(4)	(5)
1.6	Valuation reserves	110	(57)
1.7	Shareholders' equity attributable to non-controlling interests (+/-)	1,602	1,566
1.8	Profit (loss) for the year attributable to the owners of the Parent (+/-)	1,101	525
1.9	Profit (loss) for the year attributable to non-controlling interests (+/-)	230	150
2.	PROVISIONS FOR RISKS AND CHARGES	**552**	**635**
3.	INSURANCE LIABILITIES	**51,200**	**47,327**
3.1	Insurance contracts issued that are liabilities	51,108	47,194
3.2	Reinsurance contracts held that are liabilities	92	133
4.	FINANCIAL LIABILITIES	**15,523**	**13,339**
4.1	Financial liabilities at fair value through profit or loss	10,507	8,723
	a) Financial liabilities held-for trading	95	155
	b) Financial liabilities at fair value	10,412	8,568
4.2	Financial liabilities at amortised cost	5,016	4,616
5.	PAYABLES	**1,146**	**1,336**
6.	OTHER LIABILITIES	**1,238**	**1,810**
6.1	Liabilities associated with disposal groups held for sale		360
6.2	Tax liabilities	106	389
	a) current	17	13
	b) deferred	89	376
6.3	Other liabilities	1,132	1,061
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**79,458**	**73,025**

Income statement

Amounts in €m

	Items	31/12/2023	31/12/2022
1.	Insurance revenue from insurance contracts issued	9,571	8,549
2.	Insurance service expenses from insurance contracts issued	(9,405)	(7,307)
3.	Insurance revenue from reinsurance contracts held	637	190
4.	Insurance service expenses from reinsurance contracts held	(396)	(358)
5.	**Result of insurance services**	**407**	**1,074**
6.	Gains/losses on financial assets and liabilities at fair value through profit or loss	470	(338)
7.	Gains/losses on investments in associates and interests in joint ventures	641	348
8.	Gain/losses on other financial assets and liabilities and investment property	1,326	996
8.1	- Interest income calculated with the effective Interest method	1,452	1,425
8.2	- Interest expense	(186)	(152)
8.3	- Other income/Charges	160	153
8.4	- Realised gains/losses	(9)	(38)
8.5	- Unrealised gains/losses	(91)	(392)
	of which: Related to impaired financial assets	(10)	(3)
9.	**Balance on investments**	**2,437**	**1,006**
10.	Net financial costs/revenues relating to insurance contracts issued	(1,286)	(838)
11.	Net financial revenues/costs relating to reinsurance transfers	(3)	(2)
12.	**Net financial result**	**1,148**	**166**
13.	**Other revenue/costs**	**1,096**	**516**
14.	**Operating expenses:**	**(564)**	**(482)**
14.1	- Investment management expenses	(75)	(92)
14.2	- Other administrative expenses	(489)	(390)
15.	**Net provisions for risks and charges**	(10)	(14)
16.	**Net impairment losses/reversals on property, plant and equipment**	(377)	(285)
17.	**Net impairment losses/reversals on intangible assets**	(133)	(98)
	of which: Value adjustments to goodwill		
18.	**Other operating expenses/income**	(2)	(2)
19.	**Pre-tax Profit (Loss) for the period**	**1,565**	**875**
20.	Income taxes	(234)	(200)
21.	**Profit (Loss) for the year after taxes**	**1,331**	**675**
22.	Profit (Loss) from discontinued operations		
23.	Consolidated Profit (Loss)	**1,331**	**675**
	of which: attributable to the owners of the Parent	1,101	525
	of which: attributable to non-controlling interests	230	150

Comprehensive income statement

Amounts in €m

	Items	**31/12/2023**	31/12/2022
1	Profit (Loss) for the period	**1,331**	**675**
2	Other income items net of taxes not reclassified to profit or loss	**67**	**(20)**
2.1	Portion of valuation reserves of equity investments valued at equity	5	41
2.2	Change in the revaluation reserve for intangible assets		
2.3	Change in the revaluation reserve for property, plant and equipment		
2.4	Financial revenues or costs relating to insurance contracts issued	(22)	12
2.5	Gains and losses on non-current assets or disposal groups held for sale		
2.6	Actuarial gains and losses and adjustments relating to defined benefit plans	(7)	12
2.7	Gains or losses on equity instruments at fair value through OCI	91	(85)
2.8	Reserve deriving from variation on credit risk on financial liabilities at fair value through profit or loss		
2.9	Other items		
3	Other income items net of taxes reclassified to profit or loss	**129**	**(503)**
3.1.	Change in the reserve for foreign currency translation differences		
3.2	Gains or losses on financial assets (other than equity instruments) at fair value through OCI	1,578	(6,626)
3.3	Gains or losses on cash flow hedges	37	70
3.4	Gains or losses on hedges of a net investment in foreign operations		
3.5	Portion of valuation reserves of equity investments valued at equity	26	(71)
3.6	Financial revenues or costs relating to insurance contracts issued	(1,526)	6,154
3.7	Financial revenues or costs relating to reinsurance transfers	14	(30)
3.8	Gains and losses on non-current assets or disposal groups held for sale		
3.9	Other items		
4	TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE)	**196**	**(523)**
5	TOTAL CONSOLIDATED COMPREHENSIVE INCOME (EXPENSE) (Item 1+4)	**1,529**	**153**
5.1	of which: attributable to the owners of the Parent	1,268	93
5.2	of which: attributable to non-controlling interests	261	60

Statement of changes in shareholders' equity

Amounts in €m

	Share capital	Other equity instruments	Capital reserves	Income-related and other equity reserves	Treasury shares	Valuation reserves	Profit (loss) for the year attributable to the owners of the Parent	Equity attributable to the owners of the Parent	Shareholders' equity attributable to non-controlling interests	Total equity
Balance at 1.1.2022	3,365		1,639	2,585	(1)	453	797	7,025	1,813	8,838
of which: Changes to opening balance				33		(916)		(755)	(129)	(883)
Allocation of profit (loss) for the year 2021										
Reserves				523			(476)	47	12	(3,598)
Dividends and other allocations				(121)			(950)	(941)	(149)	396
Changes during the year										
Issuance of new shares										
Purchase of treasury shares					(4)			(4)		(4)
Changes in investments				(27)				19	(46)	(27)
Comprehensive Income Statement						(523)	675	72	81	153
Other changes				(3)			3	3	5	(230)
Balance at 31.12.2022	3,365		1,639	2,974	(5)	(70)	675	6,862	1,716	8,578
Balance at 1.1.2023	3,365		1,639	2,974	(5)	(70)	675	6,862	1,716	8,578
of which: Changes to opening balance										
Allocation of profit (loss) for the year 2022										
Reserves				312			(312)			
Dividends and other allocations				(25)			(363)	(265)	(123)	(388)
Changes during the year										
Issuance of new shares										
Purchase of treasury shares					1			1		1
Changes in investments				1					1	1
Comprehensive Income Statement						198	1,331	1,268	261	1,530
Other changes				77				100	(24)	77
Balance at 31.12.2023	**3,365**		**1,639**	**3,340**	**(4)**	**128**	**1,331**	**7,967**	**1,832**	**9,799**

Statement of cash flows (indirect method)

Amounts in €m

	Amount 31/12/2023	31/12/2022
Net cash flows generated by/used for:	(+/-)	(+/-)
- Profit (loss) for the period (+/-)	1,331	675
- Net revenues and costs of insurance contracts issued and reinsurance transfers (+/-)	883	(234)
- Capital gains/losses on financial assets at fair value through profit or loss (-/+)	(1,705)	(729)
- Other non-monetary gains and losses on financial instruments, investment property and investments (+/-)	(1,661)	2,054
- Net provisions for risks and charges (+/-)	(83)	188
- Interest income. dividends, interest expense. taxes (+/-)	(2,713)	(3,429)
- Other adjustments (+/-)	823	(1,186)
- interest income collected (+)	1,026	1,012
- dividends collected (+)	229	216
- interest expense paid (-)	(206)	(181)
- paid taxes (-)	(100)	(317)
Net cash flows generated by/used for other monetary items from operating activities	(+/-)	(+/-)
- Insurance contracts classifiable as liabilities/assets (+/-)	587	1,093
- Reinsurance transfers classifiable as assets/liabilities (+/-)	68	(147)
- Liabilities from financial contracts issued by insurance companies	1,187	1,287
- Receivables of banking subsidiaries (+/-)		
- Liabilities of banking subsidiaries (+/-)	(1)	
- Other financial instruments and liabilities at fair value through profit or loss (+/-)	1,676	960
- Other financial instruments and liabilities (+/-)	196	460
Total net cash flow generated by/used for operating activities	**1,537**	**1,722**
Net cash flows generated by/used for:	(+/-)	(+/-)
- Sale/purchase of investment property (+/-)	(24)	(266)
- Sale/purchase of investments in associates and joint ventures (+/-)	(288)	(74)
- Dividends collected on equity investments (+)	553	597
- Sale/purchase of financial assets measured at amortised cost (+/-)	(16)	461
- Sale/purchase of financial assets measured at fair value through other comprehensive income (+/-)	(291)	(1,826)
- Sale/purchase of property, plant and equipment and intangible assets (+/-)	(1,293)	(817)
- Sale/purchase of subsidiaries and business units (+/-)	(114)	
- Other net cash flows from investing activities (+/-)	63	24
Total net cash flow generated by/used for investing activities	**(1,410)**	**(1,901)**
Net cash flows generated by/used for:	(+/-)	(+/-)
- Issues/purchases of equity instruments (+/-)		(25)
- Issues/purchases of treasury shares (+/-)	1	(4)
- Distribution of dividends and other purposes (-)	(388)	(321)
- Sale/purchase of non-controlling interests (+/-)		
- Issues/purchases of subordinated liabilities and participating financial instruments (+/-)	(116)	(80)
- Issues/purchases of liabilities measured at amortised cost (+/-)	392	472
Total net cash flow generated by/used for financing activities	**(111)**	**42**
NET CASH FLOW GENERATED/USED DURING THE YEAR	**16**	**(137)**

Key:
(+) generated
(–) used
T = reference year of the financial statements

RECONCILIATION

Financial statement items	Amount 31/12/2023	31/12/2022
Cash and cash equivalents at 1 January	1,802	1,939
Total net cash flow generated/used during the year	16	(137)
Cash and cash equivalents: effect of exchange rate changes		
Cash and cash equivalents at 30 June	**1,818**	**1,802**

Cash and cash equivalents at the end of the year 2022 and at the beginning of the year 2023 include the cash and cash equivalents of non-current assets or assets of a disposal group held for sale (€4,4m).
Cash and cash equivalents at the beginning of the year 2022 include the cash and cash equivalents of non-current assets or assets of a disposal group held for sale (€0,2m).

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NOTES TO THE FINANCIAL STATEMENTS

1. Basis of presentation

The Unipol Group, consisting of the Parent Unipol Gruppo SpA ("Unipol") and its subsidiaries, operates in all Non-Life and Life insurance and reinsurance and capitalisation business; it may issue investment contracts and may set up and manage Open Pension Funds, in compliance with the provisions of Art. 9 of Italian Legislative Decree 124 of 21 April 1993 and subsequent amendments.
To support the insurance business and the relative ecosystems, it has developed instrumental commercial activities relating in particular to vehicle repair and vehicle glass replacement, the management of black boxes and other telematic devices, the management of payments in mobility, long-term vehicle rental and the marketing of anti-theft systems for vehicles.
It also carries out real estate, and to a lesser extent, financial, hotel, agricultural, healthcare and flexible benefits activities.
The Unipol Group operates primarily in Italy: outside Italy, the Group operates in Serbia, through the subsidiary DDOR Novi Sad and the dedicated captive reinsurance company Ddor Re.

The Parent Unipol, head of the Unipol Insurance Group, is a joint-stock company with registered office at Via Stalingrado 45, Bologna (Italy) and is listed on the Milan Stock Exchange.

The Unipol Group's Consolidated Financial Statements were drawn up in accordance with Art. 154-ter of Italian Legislative Decree 58/1998 (Consolidated Law on Finance) and of ISVAP Regulation no. 7 of 13 July 2007, as amended. They conform to the IAS/IFRS standards issued by the IASB and endorsed by the European Union, along with the interpretations issued by IFRIC, in accordance with the provisions of Regulation (EC) no. 1606/2002 in force at the closing date of the financial statements.

The Consolidated Financial Statements consist of:
- Statement of Financial Position;
- Income Statement and Comprehensive Income Statement;
- Statement of Changes in Shareholders' Equity;
- Statement of Cash Flows;
- Notes to the Financial Statements.

The layout conforms to the provisions of ISVAP Regulation no. 7 of 13 July 2007, Part III as amended, relating to the layout of the Consolidated Financial Statements of insurance and reinsurance companies that must adopt international accounting standards.

The information requested by Consob Communications DEM/6064293, 28 July 2006, and DEM/11070007 of 5 August 2011 is also provided.

The Consolidated Financial Statements are drawn up on the assumption that the company will continue as a going concern, in application of the principles of accrual accounting, materiality and truthfulness of accounting information, in order to provide a true and fair view of the equity-financial position and economic result, in compliance with the principle of the prevalence of the economic substance of transactions over their legal form.
The going concern assumption is considered to be confirmed with reasonable certainty given that companies belonging to the Unipol Group have sufficient resources to ensure that they will continue to operate for the foreseeable future. In addition, the liquidity risk is deemed to be very remote.

The layout of the financial statements offers a comparison with the figures of the previous year. Where necessary, in the event of a change to the accounting standards, measurement or classification criteria, the comparative data are restated and reclassified in order to provide homogeneous and consistent information.

The presentation currency is the euro and all the amounts, unless otherwise indicated, are disclosed in €m. Note that, in line with the provisions of ISVAP Regulation no. 7 of 13 July 2007, with reference to the Statement of Financial Position, Income Statement, Comprehensive Income Statement, Statement of Cash Flows and Statement of Changes in Shareholders' Equity (the "Financial Statements"), the amounts of the sub-items have been rounded, disregarding fractions of amounts equal to or less than €500k and rounding fractions greater than €500k up to the nearest million. The rounded total of items is the sum of rounded sub-item amounts. The algebraic sum of the differences deriving from the rounding carried out on the items refers to the items in each financial statement specifically indicated in the Regulation. The amounts in the Explanatory Notes are rounded according to the same criterion and are expressed in €m, ensuring that the amounts therein are aligned with those of the Financial Statements.

The Consolidated financial statements of Unipol are subject to audit by the independent auditors EY SpA, the company tasked with performing the legally-required audit of the consolidated financial statements for the years 2021-2029.

EU ESEF Regulation - Financial statements in the single electronic reporting format

The "Transparency Directive" (2004/109/EC) requires listed companies to publish their annual financial report in the "single electronic reporting format". To this end, Regulation (EU) 2019/815 of 2018 (the "ESEF Regulation"), as supplemented by national regulations, imposed the obligation of drafting such reporting in XHTML format starting from 2021, also marking up certain information in the consolidated financial statements using XBRL specifications. In particular, the consolidated financial statements contain the mark-up of numerical data contained in the statement of financial position, income statement and comprehensive income statement, statement of changes in shareholders' equity and statement of cash flows, as well as the information elements identified in Annex II of the regulation if these are reported in the explanatory notes. It should be noted that, due to certain technical limitations recognised by ESMA in its ESEF Reporting Manual, when some information contained in the explanatory notes is extracted from the XHTML format in an iXBRL instance, it may not be reproduced in a manner identical to the corresponding information that can be viewed in the consolidated financial statements in XHTML format, which could therefore cause difficulties in the readability of such extracted information.

Reporting date

The reporting date of the Consolidated Financial Statements is 31 December 2023, the date the Separate Financial Statements of the Parent Unipol closed. All the consolidated companies close their financial statements at 31 December with the exception of the following:

- the subsidiaries Unipol Finance Srl, Unipol Investment SpA, UnipolPart I SpA and the associate Pegaso Finanziaria SpA close their financial year on 30 June and prepare interim financial statements in reference to the date of the Consolidated Financial Statements;
- the associate Fin.Priv Srl closes its financial year on 30 November.

The Consolidated Financial Statements were drawn up using restatements of the separate financial statements of the consolidated companies, adjusted to comply with IAS/IFRS standards as applied by the Parent Unipol, and approved by the Boards of Directors of the companies concerned.

Basis of consolidation

Companies consolidated on a line-by-line basis

This method provides for the consolidation on a line-by-line basis of the assets, liabilities, gains and losses of the consolidated companies as from the date they were acquired, with the carrying amount of the investment being offset against the corresponding amount of the shareholders' equity of each individual subsidiary and, in the case of investments not wholly owned, the separate recognition of the amount of the equity and the profit or loss for the year attributable to non-controlling interests.
The amount of equity attributable to non-controlling interests is recognised under shareholders' equity as "Share capital and reserves attributable to non-controlling interests", whilst the corresponding share of consolidated profit or loss is shown under "Profit (loss) for the year attributable to non-controlling interests".
The financial statements of the subsidiaries are consolidated on a line-by-line basis.

Goodwill

If the cost of acquiring investments in subsidiaries exceeds the fair value of the identifiable assets, liabilities and contingent liabilities, the excess amount is recognised as goodwill under intangible assets.
This goodwill represents a payment made in the expectation of future economic benefits arising from assets that cannot be identified individually and recognised separately.
In the years after the year of acquisition, goodwill is measured at cost, net of any impairment losses accumulated.
Ancillary acquisition costs are recognised in the income statement during the year in which the costs are incurred or the services provided.

Under IFRS 10.23 changes in investments in subsidiaries that do not lead to a loss of control are recognised as equity transactions. Any positive difference between the proportion of net fair value of identifiable assets, liabilities and contingent liabilities of the subsidiary and the fair value of the price paid or received is recognised directly in profit for the period and allocated to the members of the holding company.

Companies measured using the equity method

When this method is used the carrying amount of the investment is adjusted to the corresponding portion of shareholders' equity, including the profit/loss for the year and all the adjustments made when consolidation is on a line-by-line basis. Any difference between the portion of shareholders' equity acquired and the fair value of the price paid (goodwill) is recognised in the carrying amount of the investment. Changes in interests in an associate which do not entail the acquisition of control or the loss of significant influence are treated as purchases or sales of shares, even if due to reasons other than purchases or sales, and therefore result in income or expenses recognised in the income statement and calculated on the basis of the difference between any consideration due or received and the change in the share of the investee's shareholders' equity held by the investor.

Elimination of intragroup transactions

The amounts receivable and payable between companies included in the consolidation scope, the gains and losses relating to transactions carried out between these companies and the profits and losses resulting from transactions carried out between these companies and not yet realised with parties external to the Group are eliminated during the preparation of Consolidated Financial Statements.

Put options on non-controlling interests

In the presence of put options granted by the Group on the shareholders' equity of subsidiaries held by non-controlling shareholders, and in the absence of mechanisms for determining the exercise price that in substance already expose the Group to the risks and benefits deriving from holding such shareholders' equity, the following accounting treatment is adopted:
- at economic level, the result for the period of the subsidiary is divided between the share attributable to the owners of the Parent and the share attributable to non-controlling interests on the basis of the share actually held by the two categories of shareholders during the year;
- at asset level, a financial liability is recognised in an amount equal to the present value of the put option exercise price and, as a balancing entry, the shareholders' equity attributable to non-controlling interests subject to the put option is cancelled. Any differences between the two values are recognised as a reduction or increase in the shareholders' equity attributable to the owners of the Parent.

If, on the other hand, the above-mentioned put options granted by the Group on the shareholders' equity of subsidiaries held by non-controlling shareholders substantially already expose the Group to the risks and benefits deriving from holding such shareholders' equity, the transaction would be treated like a purchase of non-controlling interests with deferred payment.

Segment reporting

Segment reporting is provided according to the provisions of IFRS 8 and structured on the basis of the major business segments in which the Group operated in the year reported in these consolidated financial statements and in the previous year:
- Non-Life insurance business;
- Life insurance business;
- Holding and Other Businesses.

It should be noted that, in order to provide a better representation of the actual contribution to the consolidated results and also taking into account the significance of this activity on the overall Group, the economic and financial results previously attributed to the Real Estate business have been allocated to the Life business, if referring to assets whose returns affect the services to be provided to subscribers of revaluable products, and to Holding and Other Businesses for the residual portion. The different representation of the information by segment was applied retroactively to previous years presented for comparative purposes.

Segment reporting is carried out by separately consolidating the accounting items for the individual subsidiaries and associates that belong to each identified segment, eliminating intragroup balances between companies in the same segment and cancelling, where applicable, the carrying amount of the investments against the corresponding portion of shareholders' equity.
In the column "Intersegment eliminations", the intragroup balances between companies in different sectors are eliminated.
This rule does not apply in the following cases:

- investment relations between companies in different sectors, since the elimination of the investment takes place directly in the sector of the company that holds the investment;
- collected dividends, eliminated in the sector of the company that collects the dividend;
- realised profits and expenses, since the elimination takes place directly in the sector of the company that realises the capital gain or loss.

No segment reporting based on geographical area has been provided since the Group operates mainly at the national level and there appears to be no significant diversification of risks and benefits, for a given type of business activity, based on the economic situation of the individual regions.

The segment reporting layout conforms to the provisions of ISVAP Regulation no. 7/2007 as amended.

Main accounting standards

New accounting standards

A summary is provided below of the amendments to the accounting standards previously in force, applied as of 1 January 2023; among the changes of greatest interest to the Unipol Group are the entry into force of "IFRS 17 - Insurance Contracts" and the extension of the application of "IFRS 9 - Financial Instruments" to the entire Group scope, the effects of which are presented in specific paragraphs.

As regards the other regulatory developments, no impact is worth reporting.

Amendments to IAS 1 Presentation of financial statements, IFRS Practice Statement 2 "Making Materiality Judgements" and IAS 8 Accounting policies, changes in accounting estimates and errors

On 3 March 2022, Regulation (EU) 2022/357 was published, which incorporated the amendments to IAS 1 "Presentation of financial statements" and IAS 8 "Accounting policies, changes in accounting estimates and errors", published by the IASB on 12 February 2021 with a view to improving the communication of the accounting policies of companies, which should privilege information that is more relevant and effective for investors and users of financial statements. Specifically, the amendments to IAS 1 and IFRS Practice Statement 2 provide guidelines on how to apply the concept of materiality to the disclosure on the accounting policy adopted, while those to IAS 8 have the dual objective of introducing a new definition of "accounting estimate" and clarifying how entities should distinguish between changes in the accounting standards applied and changes in accounting estimates. This differentiation is of fundamental importance as the latter are applied on a prospective basis only to future transactions, while amendments to accounting standards are generally applied retroactively to past events as well.

Amendments to IAS 12 Deferred tax related to assets and liabilities arising from a single transaction

Regulation (EU) 2022/1392 published on 12 August 2022 adopted several amendments to IAS 12 "Income taxes" to specify how to account for deferred taxes on certain transactions that may generate assets and liabilities of an equal amount, such as leases and decommissioning obligations.

Amendments to IAS 12 International Tax Reforms - Pillar Two Model Rules

On 23 May 2023, the IASB issued amendments, effective as of 1 January 2023, to IAS 12 "International Tax Reform - Pillar Two Model Rules" in which it introduces, following numerous market requests, a mandatory temporary exception to the requirements of IAS 12 to recognise and disclose information on deferred tax assets and liabilities deriving from the rules of the "Global minimum tax under Pillar 2" regulations, which will enter into force on 1 January 2024, which resulted in Directive (EU) 2022/2523, on the global minimum level of taxation of 15% ("top-up tax"), applicable to large multinational groups (and large national groups beginning from 2029). On 2 June 2023, EFRAG submitted the Endorsement Advice Letter to the EU Commission, in which it expressed a positive opinion on the amendments and on 13 July the ARC (EC Accounting Regulatory Committee) also voted in favour.
On 29 September 2023, the IASB also issued the document "International Tax Reform - Pillar Two Model Rules - Amendments to the IFRS for SMEs Standard", making the temporary exception applicable to SMEs as well.
On 9 November 2023, Regulation (EU) 2023/2468 was published, which incorporates the entire set of amendments to IAS 12.

IFRS 17 "Insurance contracts" and IFRS 9 "Financial instruments"

The standards IFRS 17 and IFRS 9, both applicable to the entire scope of the Group from 1 January 2023, significantly change the accounting representation of insurance contracts and financial instruments. As mentioned in previous years, due to the strict correlation between the two standards, as from the 2018 financial year, the undertakings or groups that conduct insurance business had the option to defer the application of IFRS 9 up to the date of first-time adoption of IFRS 17. This option was also exercised by the Unipol Group which, in its capacity as Parent of a financial conglomerate for which the conditions envisaged by Regulation (EU) 2017/1998 were met at the date of entry into force of IFRS 9, deferred the application of the IFRS 9 limited to UnipolSai and its subsidiaries. It is also noted that, specifically due to the close interrelation of the two standards, the Group has adopted the option set forth in Regulation (EU) 2022/1491 (so-called "classification overlay") to ensure full representation of the joint impact of the new context of the accounting standards, therefore adopting both IFRS 9 and IFRS 17 in determining the comparative data for 2022 presented in the accounting reports for the 2023 financial year. The most significant changes introduced by the aforementioned standards and a disclosure on the main accounting policies that the Group has adopted are described below.

IFRS 17 – Insurance contracts

IFRS 17 "Insurance Contracts", applicable from 1 January 2023, establishes new criteria for measuring and accounting rules for insurance products, replacing IFRS 4, an "interim" standard issued in 2004, which provided for the application of local accounting practices, potentially different from each other, complicating the comparison of the financial results of insurance companies. The process of formation and approval of the standard was particularly complex: specifically, in the version approved by the IASB on 18 May 2017, the date of entry into force was set for 1 January 2021. With the two following interventions by the IASB, the date of entry into force was postponed to 1 January 2023, also considering the numerous requests to amend the standard proposed by the various stakeholders in the months immediately following the publication of the first version of the standard.

The amendments to the standard have been adopted by the IASB on 25 June 2020 and, downstream, the process of endorsement of the new standard in the European Union was activated, which was completed on 23 November 2021 with the publication of Regulation (EU) 2021/2036. It is noted that, in the endorsement phase, in line with that desired by the Italian and European industry, as a partial amendment to the version of the standard approved by the IASB, the possibility was also introduced via EU Regulation UE 2023/1803 of not applying the grouping into annual cohorts of Life insurance contracts characterised by intergenerational mutualisation and cash flow matching.

<u>Main changes to IFRS 17</u>

Very briefly, the IFRS 17 accounting standard has introduced the following changes:

a) change in aggregation criteria of insurance contracts: the new accounting model requires greater granularity in the grouping of insurance contracts with similar characteristics that form the basis for quantifying the economic and financial components (so-called Units of Account - UOAs).
b) market-consistent values: insurance liabilities must be measured at current values (based on up-to-date information), estimated on the basis of expected cash flows, weighted by the probability of realisation and discounted to take into consideration the time value of money, the characteristics of cash flows and the characteristics of liquidity of the insurance contracts.
c) explicit measurement of the Risk Adjustment (RA): it must be estimated separately from the liabilities in order to bear the uncertainty about the amount and timing of cash flows arising from the non-financial risk when the entity will fulfil its contractual obligations for the expected cash flows.
d) recognition of the estimated profit that is implicit in the insurance contracts in portfolio: according to the General Accounting Model, as explained in more detail under f) below, the so-called "Contractual Service Margin" (CSM), as the difference between the cash flows due to the company (i.e., premiums) and the aggregate contract charges undertaken, including Risk Adjustment, must be identified. This amount, if positive, i.e., in case of non-onerous contracts at the subscription date, will be deferred as a liability for the purpose of recognising it in the Income Statement, spreading it over the entire period during which the insurance cover is provided. If the CSM is negative, on initial recognition or even subsequently in the event of adverse changes in the expected profitability, the implicit loss deriving from the insurance contract cannot be deferred and it is fully recognised in the Income Statement.

e) Income Statement by margins: a representation by margins has been introduced, with the explicit representation of actual flows and estimated flows, which shows:

i. The insurance margin deriving from underwriting activities as a difference between:

A. Insurance revenue, mainly comprised of:

- the amount of insurance service expenses that the insurer expects to incur during the year;
- the evolution of liability due to the explicit adjustment for risk for the component relating to future services;
- the attribution to the year of a portion of the CSM based on the portion of services provided, gross of the component of acquisition charges.

B. Insurance costs, mainly comprised of:

- the amount of insurance service expenses actually incurred during the year under way (claims occurring and change in liabilities for claims occurring and administration expenses);
- the portion of contract acquisition charges allocated on an accrual basis to the financial year;
- the losses on onerous contracts and the related reversal.

ii. Net financial margin as the difference between the result of the investment in financial instruments and net finance expenses/income relating to insurance contracts issued.

f) different accounting models depending on the characteristics of the insurance contracts, such as:

i. The Building Block Approach (BBA): standard model that provides for the separate accounting for the components of insurance liabilities/assets, comprised of the present value of expected future cash flows, the explicit adjustment for risk and the CSM, constantly adjusted based on the market conditions, specifically:

- the changes in the present value of cash flows deriving from changes in the discount rate used result in an equivalent adjustment of the present value of cash flows with an offsetting entry in the Income Statement or, as an option, in the Comprehensive Income Statement as described in more details in point g) below;
- the changes in the estimated liabilities relating to future services result in an adjustment to the CSM;
- the changes observed in the expected cash flows for the period (recognised under revenue from insurance services) and those actually incurred in the period (recognised under insurance service expenses), instead, impact the Income Statement for the year.

ii. The Premium Allocation Approach ("PAA"): simplified and optional approach - applicable to contracts with coverage equal to or less than 12 months and, only under specific conditions, also to contracts with a longer duration - which provides for the recognition of a single liability (so-called Liability for Remaining Coverage or LRC) without explicitly distinguishing, unlike the BBA model, the relevant components identified above. The LRC is recognised in the Income Statement according to systematic logic on a time basis or, if significantly different, based on the expected risk distribution pattern in the contractual coverage period. In the event that the *pro-rata temporis* method is applicable, the method of insurance revenue recognition is similar to the method of accounting for the "Provision for unearned premiums" on the basis of the former IFRS 4.

iii. The Variable Fee Approach ("VFA"): mandatory accounting model that constitutes a variation of the BBA applicable to cases of insurance contracts with direct participation (i.e. whose cash flows are dependent on the underlying assets), which require that the policyholder obtain from the insurance company remuneration based on a substantial share of the returns of a portfolio of clearly identifiable financial assets. Under this approach, the CSM substantially represents the fee for the financial management service provided by the insurer which must be recognised in the Income Statement over the term of the service. Different from that set out for the BBA, any changes in the estimate of the CSM that derive from the performance of the underlying financial assets and, therefore, are due to market variables, result in a change in the CSM without any direct impacts on the Income Statement or Comprehensive Income Statement.

g) accounting options for changes in insurance liabilities attributable to financial variables: regardless of the accounting model adopted, in order to reduce the accounting mismatch that can be generated by the different accounting criteria of financial assets (IFRS 9) and insurance liabilities (IFRS 17), the option (so-called "FVOCI Option") to recognise the effects of changes in market rates on the value of the liabilities or assets associated with the fulfilment of the insurance contract (so-called "Fulfilment Cash Flow" or FCF, comprised of the sum of the present value of expected cash flows and the risk margin) as an offsetting entry to items of Other comprehensive income, thus reducing the volatility of the Income Statement results.
h) qualitative and quantitative disclosure: to accompany the information reported in the Income Statement and in the Statement of Financial Position, the impact of insurance contracts on the company's cash flows and financial performance must also be reported by means of various statements showing the changes occurred during the year related to the single components making up the insurance liabilities. With regard to disclosure, the Supervisory Authority also intervened significantly and, with its Measure of 7 June 2022, updated IVASS Regulation 7/2007, defining, inter alia, in line with the requirements of the IFRS international standards, the minimum content of the annual disclosure and of the more limited half-yearly disclosure, and also introducing a mandatory format, with the quantitative disclosure broken down into mostly tabular forms.

The main choices of the Unipol Group

A brief analysis is provided below of the main choices made by the Unipol Group with reference to the adoption of the new accounting standard IFRS 17 as well as the transition approach referring to the date of initial application (1/1/2022).
For a more detailed illustration of the methodological and valuation approach adopted by the Group, please refer to what is reported below in this section of the Notes to the Financial Statements, commenting on the accounting standards adopted in the recognition and measurement of Insurance Liabilities and other Statement of Financial Position and Income Statement items relating to insurance operations.

Scope of application

IFRS 17 is applied to all products featuring significant insurance risk and to insurance contracts with direct participation features. Based on this criterion, the scope of application has included all Non-Life insurance contracts and, with regard to the Life business, all class I, IV and V products and a limited portion of class III products, if they contain, at the date of first-time adoption of IFRS 17, significant insurance risk other than investment risk. On the basis of this approach, all class VI products were considered not insurance contracts but investment contracts.

In addition, for the determination of the scope of cash flows included in the contract boundary for the purpose of accounting for insurance contracts compared to the scope considered based on the previous accounting criteria, the following changes were made:

- inclusion in the estimate of the initial net liability also of a portion of indirect acquisition costs, which were instead charged directly to the Income Statement when incurred on the basis of IFRS 4;
- possible onerousness on the issue of a UOA is calculated considering a larger scope of cash flows, including all those for which the insurance company cannot modify the rate or benefits to align them with the risk assumed.

Method of aggregating groups of contracts

For the purpose of identifying the unit of account, i.e., the level of aggregation, also defined based on the level of expected profitability of the contracts, to which the accounting criteria set out in the standard are applied, the Group has included in the same UOA all contracts issued during each financial year (period 1/1 – 31/12, corresponding to the "annual cohort" concept). Accounting for charges for claims based on the "cohorts" of issue of insurance contracts, and not by the year of occurrence constitutes a significant change, especially with regard to the Non-Life business, compared to the representation criteria based on the provisions of the previous IFRS 4. Please refer to the section Method of aggregating groups of contracts for additional information on the application criteria adopted by the Group.

With regard to the aggregation criteria used under IFRS 4, the different level of granularity introduced by IFRS 17 results in a greater possibility of identifying onerous UOAs, in the initial accounting phase, resulting in the recording of the expected loss directly in the year of issue.

Calculating discount rates

To determine the discount rate to apply to future cash flows, in the absence of regulatory provisions on the matter, the Group has applied a bottom-up approach. This approach provides for the identification of a "risk free" curve adjusted on the basis of a factor ("Illiquidity Premium") that expresses the illiquidity characteristics of insurance contracts. To identify the risk free curve, the Group has adopted a methodology similar to the one used in the area of prudential supervision. The Illiquidity Premium is determined using an approach analogous to that designed in the context of the revision of the Solvency II standard formula, but using the characteristics of the real asset portfolio underlying insurance liabilities. In other words, the Illiquidity Premium is differentiated based on the liquidity characteristics of the cash flows being discounted, distinguishing, for example, between flows that are dependent on the returns of a portfolio of underlying financial assets and those that are not.

Calculation of the adjustment for non-financial risks

The Group has adopted a method of determining the Risk Adjustment calculated using metrics derived from the Solvency II framework based on the probability distributions of the set of risks to which the cash flows are subject, and also taking into account the diversification benefits existing between the different UOAs. In particular, the diversification effect is applied between the insurance portfolios of the same entity, but not between different sectors or between legal entities. With reference to the confidence level on the basis of which the amount of the Risk Adjustment is determined, the Group has generally adopted a level equal to the 75th percentile which may be supplemented with a prudential buffer up to the 98th percentile in the event of situations of particular uncertainty in the reference context.

Accounting approaches applied

For insurance contracts taken out since the transition date, the Group has generally applied the following accounting models:

- the PAA for all Non-Life contracts with coverage of up to 12 months;
- the VFA for the contracts with direct participation features (mainly comprised of revaluable policies linked to segregated funds);
- the BBA for all insurance contracts not included in the above categories, i.e., mainly for multi-annual Non-Life and Life policies other than those to which the VFA is applied.

These accounting models were applied consistently also to contracts signed prior to the transition date, with the exception of Non-Life business, accounted for on the basis of:

- the BBA if the fair value approach has been applied to them as a transition method;
- the PAA if the transition took place with the modified retrospective approach.

Adoption of options to reduce accounting mismatches

The Group has adopted the options to reduce accounting mismatches deriving from the methods of valuation of liabilities and assets subject to IFRS 17 and/or IFRS 9. Specifically, the options set out in paragraphs 88, 89 and 90 of IFRS 17 allow for recognising as an offsetting entry in the Comprehensive Income Statement, rather than in the Income Statement, a portion of the finance income or expenses relating to insurance contracts. That option makes it possible:

- with regard to contracts accounted for using the BBA or PAA, to recognise changes in insurance assets and liabilities deriving from changes in the discount rates as an offsetting entry in the Comprehensive Income Statement, recording in the Separate Income Statement only the effects of capitalising cash flows at the same discount rate applied at initial recognition (the so-called "locked-in" rate);
- with regard to contracts accounted for using the VFA, to eliminate the net financial profitability recognised in the Income Statement deriving from the assets underlying the insurance contracts and from the revaluation of insurance liabilities ("mirroring"). This approach makes it possible to go beyond the practice of shadow accounting, as provided for in IFRS 4, with the aim of reducing the existing accounting mismatch between the valuation criteria of financial assets and those of the correlated insurance liabilities.

Transition to IFRS 17

On first-time adoption, the standard IFRS 17 requires the recalculation of the Statement of Financial Position and Income Statement balances at the transition date (which, for the Unipol Group, is 1 January 2022, as the 2023 Financial Statements present the previous year's Statement of Financial Position and Income Statement for comparison purposes) based on the full retrospective approach, i.e., assuming that the standard had been applied from the date of initial recognition of the insurance contracts. Based on the complexity of the provisions of the standard and the changes introduced to the existing accounting methods, the standard also provides the option, where it is not possible to retrospectively and fully apply the standard, to use two simplified approaches, as alternatives to each other, to calculate the amount of accounting items linked to insurance contracts: the modified retrospective approach or the Fair Value approach.

In order to verify the possibility of reconstructing the data necessary for the application of the full retrospective approach, the Group has carried out a detailed analysis in relation to the transactional flows of the years prior to the transition date (so-called "actual" flows), the cash flows (so-called "expected" data) and the values, subject to the allocation processes, not directly attributable to the contracts. On the basis of these analyses, the information relating to past years was not fully available in the portfolio or could not be found except by incurring excessive efforts, unreasonable costs with respect to the (limited) information advantage and/or adopting excessively arbitrary assumptions and simplifications, sometimes the result of derivation rules made more uncertain by changes in operations. In this context, the Group believed that there were well-founded reasons that made the full retrospective approach not applicable for the transition to IFRS 17 and, in line with the provisions of the same standard, therefore decided to apply both the fair value approach and the modified retrospective approach to net insurance liabilities outstanding at the transition date.

In particular:

- with reference to the Non-Life business, given the reference context existing at the transition date characterised by significant uncertainties, such as those inherent in inflation dynamics and the possible repercussions on productivity, the fair value approach was mainly adopted (applied in particular to contracts issued by UnipolSai) and, on a residual basis, the modified retrospective approach;
- for the Life business, the fair value approach was mainly applied to the portion of contracts subject to revaluation relating to UOAs linked (i) to segregated funds of little significance or characterised by financial guarantees and retained return levels not in line with those of similar contracts marketed at the transition date, and (ii) to portfolios of non-revaluable contracts linked to collective policies. The modified retrospective approach was applied to the residual portion of insurance contracts, consisting mainly of the UOAs linked to the remaining segregated funds, as well as to the individual non-revaluable contracts.

As a result of the above, the fair value transition approach concerned approximately *89%* of the Non-Life business in place at the transition date and 47% of the Life business; while the modified retrospective approach was applied to 53% of the Life business and 11% of the Non-Life business. As already mentioned above, the transition approach, limited to the Non-Life business, also affected the choice of the accounting model to be applied to the business in place at the transition date, reserving the PAA model for the Non-Life business with transition under the modified retrospective approach and instead applying the BBA to the Non-Life business with transition under the Fair Value approach.

It should also be noted that, for the same reasons that do not permit the application of the full retrospective approach, the Group has decided to adopt the following simplifications in the application of the transition approaches with respect to the application of the full retrospective approach:

- aggregation of all cohorts prior to the transition date in a single UOA;
- for contracts where the BBA or PAA is applied, setting at zero the cumulative amount recognised in the Comprehensive Income Statement as a breakdown of the effects on insurance liabilities and assets of the change in the discount rate from the rate of initial recognition;
- for contracts to which the VFA is applied, setting the cumulative amount recognised in the Comprehensive Income Statement related to insurance liabilities equal to the corresponding value recognised in the Comprehensive Income Statement related to the financial instruments underlying the insurance liabilities themselves.

With reference to the methods for calculating the FV, it should be noted that this was determined on the basis of information available at the time of transition, as an aggregation between:

- the value of the Best Estimates calculated with metrics in line with those adopted for the preparation of the MCBS and appropriately supplemented, where necessary, to take into account a better estimate of the inflationary context in place at the transition date;
- an amount equal to the estimate of the additional profitability required by the market for assuming the risks underlying the portfolios (the so-called Cost Of Capital method), also defined starting from SII metrics and taking into consideration a capital endowment equal to that held on average in the Italian market with respect to the minimum regulatory capital.

The CSM at the transition date was determined as the difference between the FV and the present value of the risk-adjusted expected future cash flows for each UOA.

IFRS 9 - Financial instruments

The standard IFRS 9 - Financial Instruments was effective at the beginning of 2018. This standard was issued by the IASB at end July 2014 and was endorsed by Regulation (EU) 2016/2067, which reformed provisions envisaged by IAS 39 on the following main issues:

- Classification and Measurement: classification categories were envisaged for financial assets, based on a business model and the characteristics of the contractual cash flows;
- Impairment: an incurred loss model is replaced by an expected loss model, with the introduction of a new concept of staging allocation;
- Hedge Accounting: thanks to this new model, hedge accounting is further aligned to risk management processes.

In particular, as regards Classification and Measurement, unlike in the IAS 39, which requires mainly the analysis of the type of financial asset or liability, as well as the related holding period, the IFRS 9 standard introduced classification criteria of financial instruments based on the measurement of the related business model, as well as the analysis of the characteristics of the contractual cash flows resulting from the instruments themselves, with the application of the so-called SPPI test, aimed at verifying the position of Solely Payments of Principal and Interest. Moreover, in view of measuring what business model should be assigned to the financial instrument, the IFRS 9 envisages more objective parameters, based on various requirements such as: performance, risk, remuneration and turnover.

The new regulations also revised some guidelines on the possible reassignment of the business model that must however be very uncommon and shall meet special conditions involving significant changes, both "internal" with respect to the company and "demonstrable" with respect to external parties.

The main choices of the Unipol Group

A brief examination of the activities carried out in relation to the main areas of impact is provided below. It is noted that, to the extent applicable, the approach followed for the first-time adoption of IFRS 9 on the scope of financial instruments held by UnipolSai and its subsidiaries is consistent with that adopted at the time for the first-time adoption of the standard for the other entities in the Unipol Group.

<u>Classification and measurement of financial instruments</u>

Classification and measurement of financial assets (credits and debt securities) was defined by the Unipol Group based on the following elements:

- detailed exam of cash flow characteristics;
- definition of the business model.

As regards the first classification element of financial assets, initiatives and procedures have been performed aimed at evaluating whether the contractual cash flows of debt securities in portfolio, at the date of transition to the standard, exclusively reflect the payment of principal and interest accrued on the amount of capital to be returned (so-called SPPI Test – Solely Payment of Principle and

Interest, supplemented by the so-called Benchmark Test in the absence of a perfect correspondence between the periodical redefinition of the interest rate and the related tenor).

As regards the Group's securities portfolio subject to first-time adoption of IFRS 9, the following is noted:

- a slim portion of debt securities, classified under categories Available-for-sale financial assets and Loans and receivables, which did not pass the SPPI test, was classified in the category Financial assets at fair value through profit or loss. Securities under this classification feature characteristics other than the measurement of credit risk and of time value of money;
- it has been deemed that the management model of the overall bond portfolio, performed by Group entities for which IFRS 9 is applied, can be mainly included within the HTCS "Held to Collect & Sell" business model. This model, in fact, has the target to collect both cash flows that are contractually envisaged by financial assets and those resulting from the sale of financial assets themselves. In light of both the changes in the regulatory context and of contractual terms related to financial assets under evaluation, which generate cash flows, at predetermined dates, representing only the repayment of the principal and the payment of interest accrued, most of the securities already in the IAS 39 portfolio at the date of transition (previously classified as IAS 39 Available-for-sale financial assets, Loans and receivables and Held-to-maturity investments), with the only exception of securities that did not pass the SPPI test, were classified as Financial assets at fair value through other comprehensive income (FVOCI);
- the residual portion of debt securities, managed using the HTC "Hold To Collect" business model, was classified in the category of Financial assets at amortised cost;
- equity securities, which by their nature do not pass the SPPI test, have generally been recognised in the FVOCI Equity category (or without reversal to the income statement of the difference between the purchase and sale value), as permitted by the standard's option for such instruments, except for any investments held for trading, which have been recognised in the FVPL category;
- the UCITS units, the closed and open funds, whose cash flows did not pass the SPPI test and could not be classified as equity instruments, were therefore recognised under the FVPL category. This category also includes the portfolios of financial instruments of UnipolRe intended, as held by an entity subject to corporate reorganisation, to be subject to a thorough review with a view to a different investment strategy resulting from the reorganisation itself;
- all financial assets included in the portfolios linked to investment products (e.g., Unit-linked and pension funds without significant insurance risk) were classified in the category FVPL, which also includes the related liabilities to underwriters.

Impairment model

With reference to debt securities, IFRS 9 introduced a structured impairment model based on the concept of "expected loss" which requires the classification of financial assets into three different categories based on the evolution of credit risk, superseding the concept of "incurred loss" established by the previous IAS 39.
With reference to equities, based on the categories in which these instruments can be classified on the basis of IFRS 9 (FVOCI Equity and FVPL), the concept of impairment established by the previous IAS 39 for securities classified in the category of Available-for-sale financial assets has therefore been superseded.

Hedge Accounting

As regards Hedge Accounting, the Group has exercised the faculty, afforded by IFRS 9, to maintain the accounting model as envisaged by the previous IAS 39.

The implementation process

The Unipol Group has been strongly committed to planning for the future application of IFRS 17 since 2017, with extensive involvement of the main corporate functions. After a thorough assessment to determine the impact of this standard and measuring the gaps in terms of processes, IT systems, accounting, actuarial calculations, business and risk, at the beginning of 2018 the IFRS 17 transition project was launched which, under the guidance of UnipolSai, has gradually also involved the other insurance companies in the Group, with a view to implementing a single data processing and management model within the Group, leveraging common policies, processes and IT applications.

With reference to IFRS 9, the Group, following a process of analysis and implementation in the management, IT and accounting systems, has activated in previous years for entities holding financial instruments (other than those not belonging to the insurance sector that have applied IFRS 9 already from the 2019 financial year) a parallel management and accounting system adapted to the requirements of IFRS 9. It should be noted that, in order to enable a more timely application of the rules provided for the VFA, it was necessary to proceed to independently identify and manage a higher number of financial asset portfolios, compared to the context of the previous IAS 39. Specifically, a portfolio of financial instruments was activated for each portfolio to which the VFA is applied.

The effects of the application of IFRS 17 and 9

As already mentioned above, the financial statements layouts of ISVAP Regulation 7/2007 applicable to Insurance Groups were revised in 2022 by the Supervisory Authority, albeit with effect only from the year 2023. The amendments introduced, attributable mainly, but not only, to the introduction of IFRS 17 have had significant impacts on the presentation of the Income Statement and Statement of Financial Position items and were also applied to the figures for the previous period presented for comparative purposes in these Consolidated Financial Statements.

In order to allow a clearer reconciliation between the data presented in the last approved consolidated financial statements for the year 2022 and those restated according to the new regulatory system, the effects deriving from the restatement, i.e. from the reclassification, are shown below, without any impacts from the remeasurement of assets, liabilities, costs and revenue due to the application of the new accounting standards:

- to the Statement of Financial Position at 1 January 2022, which is the date of first-time adoption (or FTA) of IFRS 17 and 9 to the entire scope of the Unipol Group;
- to the Income Statement for 2022;
- to the Statement of Financial Position at 31 December 2022

accompanied by a comment on the main changes.

Effects of restatement

Statement of Financial Position at the transition date (before restatement of values)

	1/1/2022 (previous presentation) / 1/1/2022 (new presentation)	INTANGIBLE ASSETS	PROPERTY, PLANT AND EQUIPMENT	TECHNICAL PROVISIONS - REINSURERS' SHARE	Investment property	Investments in subsidiaries, associates and interests in joint ventures	Held-to-maturity investments	Loans and receivables	Financial assets at amortised cost	Available-for-sale financial assets	Financial assets at fair value through OCI	Held-for-trading financial assets	Financial assets at fair value	Other financial assets mandatorily at fair value	Receivables relating to direct insurance business	Receivables relating to reinsurance business	Other receivables	Non-current assets or assets of a disposal group held for sale	Deferred acquisition costs	Deferred tax assets	Current tax assets	Other assets	CASH AND CASH EQUIVALENTS	Total
		1.	2.	3.	4.1	4.2	4.3	4.4	4.4bis	4.5	4.5bis	4.6.1	4.6.2	4.6.3	5.1	5.2	5.3	6.1	6.2	6.3	6.4	6.5	7.	
1.	INTANGIBLE ASSETS	2,081	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,081
2.	PROPERTY, PLANT AND EQUIPMENT	-	2,515	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	-	2,520
3.1	Insurance contracts issued that are assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.2	Reinsurance contracts held that are assets	-	-	831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	831
4.1	Investment property	-	-	-	2,073	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,073
4.2	Investments in associates and interests in joint ventures	-	-	-	-	1,304	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,304
4.3	Financial assets at amortised cost	-	-	-	-	-	66	1,993	357	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,416
4.4	Financial assets at fair value through OCI	-	-	-	-	-	301	2,457	-	42,316	495	-	-	-	-	-	-	-	-	-	-	-	-	45,568
4.5 a)	Held-for-trading assets at FVPL	-	-	-	-	-	-	-	-	-	-	147	-	-	-	-	-	-	-	-	-	-	-	147
4.5 b)	Assets at FVPL	-	-	-	-	-	-	-	-	-	-	-	8,345	-	-	-	-	-	-	-	-	-	-	8,345
4.5 c)	Other assets mandatorily at FVPL	-	-	-	-	-	-	304	-	7,879	-	82	-	51	-	-	-	-	-	-	-	-	-	8,316
5.	OTHER FINANCIAL ASSETS	-	-	-	-	-	-	-	-	-	-	-	-	-	1,398	205	1,830	-	-	-	-	-	-	3,433
6.1	Non-current assets or assets of a disposal group held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	133	-	-	-	-	-	133
6.2 a)	Current tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	-	-	10
6.2 b)	Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	427	-	-	-	427
6.3	Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100	-	-	616	-	716
7.	CASH AND CASH EQUIVALENTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,939	1,939
	Total	2,081	2,515	831	2,073	1,304	367	4,754	357	50,194	495	230	8,345	51	1,398	205	1,830	133	100	427	10	621	1,939	**80,259**

	1/1/2022 (previous presentation) / 1/1/2022 (new presentation)	1.1.1 GSE - Share capital	1.1.2 GSE - Other equity instruments	1.1.3 GSE - Capital reserves	1.1.4 GSE - Income-related and other equity reserves	1.1.5 GSE - (Treasury shares)	1.1.6 GSE - Reserve for foreign currency translation differences	1.1.7 GSE - Gains or losses on available-for-sale financial assets	1.1.7bis GSE - Gains or losses on financial assets at fair value through OCI	1.1.8 GSE - Other gains or losses recognised directly in equity	1.1.9 Profit (loss) for the year attributable to the owners of the Parent	1.2.1 NCI - Share capital and reserves attributable to non-controlling interests	1.2.2 NCI - Gains or losses recognised directly in equity	1.2.3 Profit (loss) for the year attributable to non-controlling interests	Total
1.1	Share capital	3,365	-	-	-	-	-	-	-	-	-	-	-	-	3,365
1.2	Other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.3	Capital reserves	-	-	1,639	-	-	-	-	-	-	-	-	-	-	1,639
1.4	Income-related and other equity reserves	-	-	-	1,055	-	-	-	-	(56)	627	-	-	-	1,626
1.5	Treasury shares (-)	-	-	-	-	(1)	-	-	-	-	-	-	-	-	(1)
1.6	Valuation reserves	-	-	-	-	-	3	1,139	20	(11)	-	-	-	-	1,151
1.7	Shareholders' Equity attributable to non-controlling interests (+/-)	-	-	-	-	-	-	-	-	-	-	1,554	218	170	1,942
1.8	Profit (loss) for the year attributable to the Parent (+/-)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.9	(+/-)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Shareholders' Equity	3,365	-	1,639	1,055	(1)	3	1,139	20	(67)	627	1,554	218	170	**9,722**

	1/1/2022 (previous presentation) / 1/1/2022 (new presentation)	2. PROVISIONS	3. TECHNICAL PROVISIONS	4.1.1 Held-for-trading financial liabilities at FVPL	4.1.2 Financial liabilities at FVPL	4.2 Financial liabilities at amortised cost	5.1 Payables arising from direct insurance business	5.2 Payables arising from reinsurance business	5.3 Other payables	6.1 Liabilities associated with disposal groups held for sale	6.2 Deferred tax liabilities	6.3 Current tax liabilities	6.4 Other liabilities	Total
2.	PROVISIONS FOR RISKS AND CHARGES	447	-	-	-	-	-	-	-	-	-	-	-	447
3.1	Insurance contracts issued that are liabilities	-	57,128	-	-	-	-	-	-	-	-	-	-	57,128
3.2	Reinsurance contracts held that are liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 a)	Held-for-trading financial liabilities at FVPL	-	-	446	-	-	-	-	-	-	-	-	-	446
4.1 b)	Financial liabilities at FVPL	-	-	-	5,911	-	-	-	-	-	-	-	-	5,911
4.2	Financial liabilities at amortised cost	-	-	-	-	4,414	-	-	-	-	-	-	-	4,414
5.	PAYABLES	-	-	-	-	-	188	104	804	-	-	-	-	1,096
6.1	Liabilities associated with disposal groups held for sale	-	-	-	-	-	-	-	-	3	-	-	-	3
6.2 a)	Current tax liabilities	-	-	-	-	-	-	-	-	-	-	40	-	40
6.2 b)	Deferred tax liabilities	-	-	-	-	-	-	-	-	-	115	-	-	115
6.3	Other liabilities	-	-	-	-	-	-	-	-	-	-	-	937	937
	Total liabilities	447	57,128	446	5,911	4,414	188	104	804	3	115	40	937	**70,537**

Total Shareholders' Equity and Liabilities 80,259

Statement of Financial Position and Income Statement at 31 December 2022 (before restatement of values)

	31/12/2022 (previous presentation) / 31/12/2022 (new presentation)	INTANGIBLE ASSETS	PROPERTY, PLANT AND EQUIPMENT	TECHNICAL PROVISIONS - REINSURERS' SHARE	Investment property	Investments in subsidiaries, associates and interests in joint ventures	Held-to-maturity investments	Loans and receivables	Financial assets at amortised cost	Available-for-sale financial assets	Financial assets at fair value through OCI	Held-for-trading financial assets	Financial assets at fair value	Other financial assets mandatorily at fair value	Receivables relating to direct insurance business	Receivables relating to reinsurance business	Other receivables	Non-current assets or assets of a disposal group held for sale	Deferred acquisition costs	Deferred tax assets	Current tax assets	Other assets	CASH AND CASH EQUIVALENTS	TOTAL ASSETS
		1.	2.	3.	4.1	4.2	4.3	4.4	4.4bis	4.5	4.5bis	4.6.1	4.6.2	4.6.3	5.1	5.2	5.3	6.1	6.2	6.3	6.4	6.5	7.	
1.	INTANGIBLE ASSETS	2,261	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,261
2.	PROPERTY, PLANT AND EQUIPMENT	-	2,862	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	-	2,867
3.1	Insurance contracts issued that are assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.2	Reinsurance contracts held that are assets	-	-	762	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	762
4.1	Investment property	-	-	-	2,282	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,282
4.2	Investments in associates and interests in joint ventures	-	-	-	-	1,608	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,608
4.3	Financial assets at amortised cost	-	-	-	-	-	64	1,924	-	16	-	-	-	-	-	-	-	-	-	-	-	-	-	2,003
4.4	Financial assets at fair value through OCI	-	-	-	-	-	302	2,479	-	34,466	829	2	-	-	-	-	-	-	-	-	-	-	-	38,078
4.5 a)	Held-for-trading assets at FVPL	-	-	-	-	-	-	-	-	-	-	280	-	-	-	-	-	-	-	-	-	-	-	280
4.5 b)	Assets at FVPL	-	-	-	-	-	-	-	-	-	-	-	8,786	-	-	-	-	-	-	-	-	-	-	8,786
4.5 c)	Other assets mandatorily at FVPL	-	-	-	-	-	-	281	-	6,548	-	52	-	74	-	-	-	-	-	-	-	-	-	6,955
5.	OTHER FINANCIAL ASSETS	-	-	-	-	-	-	-	-	-	-	-	-	-	1,416	192	1,931	-	-	-	-	-	-	3,539
6.1	Non-current assets or assets of a disposal group held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	533	-	-	-	-	-	533
6.2 a)	Current tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37	-	-	37
6.2 b)	Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,171	-	-	-	1,171
6.3	Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	102	-	-	1,479	-	1,581
7.	CASH AND CASH EQUIVALENTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,798	1,798
	Total	2,261	2,862	762	2,282	1,608	366	4,684	-	41,030	829	334	8,786	74	1,416	192	1,931	533	102	1,171	37	1,484	1,798	**74,539**

	31/12/2022 (previous presentation) / 31/12/2022 (new presentation)	GSE - Share capital 1.1.1	GSE - Other equity instruments 1.1.2	GSE - Capital reserves 1.1.3	GSE - Income-related and other equity reserves 1.1.4	GSE - (Treasury shares) 1.1.5	GSE - Reserve for foreign currency translation differences 1.1.6	GSE - Gains or losses on available-for-sale financial assets 1.1.7	GSE - Gains or losses on financial assets at fair value through OCI 1.1.7bis	GSE - Other gains or losses recognised directly in equity 1.1.8	Profit (loss) for the year attributable to the owners of the Parent 1.1.9	NCI - Share capital and reserves attributable to non-controlling interests 1.2.1	NCI - Gains or losses recognised directly in equity 1.2.2	Profit (loss) for the year attributable to non-controlling interests 1.2.3	Total
1.1	Share capital	3,365	-	-	-	-	-	-	-	-	-	-	-	-	3,365
1.2	Other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.3	Capital reserves	-	-	1,639	-	-	-	-	-	-	-	-	-	-	1,639
1.4	Income-related and other equity reserves	-	-	-	1,458	-	-	-	-	(62)	-	-	-	-	1,396
1.5	Treasury shares (-)	-	-	-	-	(5)	-	-	-	-	-	-	-	-	(5)
1.6	Valuation reserves	-	-	-	-	-	3	(923)	(15)	(14)	-	-	-	-	(948)
1.7	Shareholders' Equity attributable to non-controlling interests (+/-)	-	-	-	-	-	-	-	-	-	-	1,546	(197)	-	1,349
1.8	Profit (loss) for the year attributable to the Parent (+/-)	-	-	-	-	-	-	-	-	-	683	-	-	-	683
1.9	Profit (loss) for the year attributable to non-controlling interests (+/-)	-	-	-	-	-	-	-	-	-	-	-	-	183	183
	Total Shareholders' Equity	3,365	-	1,639	1,458	(5)	3	(923)	(15)	(76)	683	1,546	(197)	183	**7,662**

	31/12/2022 (previous presentation) / 31/12/2022 (new presentation)	PROVISIONS 2.	TECHNICAL PROVISIONS 3.	Held-for-trading financial liabilities at FVPL 4.1.1	Financial liabilities at FVPL 4.1.2	Financial liabilities at amortised cost 4.2	Payables arising from direct insurance business 5.1	Payables arising from reinsurance business 5.2	Other payables 5.3	Liabilities associated with disposal groups held for sale 6.1	Deferred tax liabilities 6.2	Current tax liabilities 6.3	Other liabilities 6.4	Total
2.	PROVISIONS FOR RISKS AND CHARGES	635	-	-	-	-	-	-	-	-	-	-	-	635
3.1	Insurance contracts issued that are liabilities	-	51,766	-	-	-	-	-	-	-	-	-	-	51,766
3.2	Reinsurance contracts held that are liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 a)	Held-for-trading financial liabilities at FVPL	-	-	155	-	-	-	-	-	-	-	-	-	155
4.1 b)	Financial liabilities at FVPL	-	-	-	6,685	-	-	-	-	-	-	-	-	6,685
4.2	Financial liabilities at amortised cost	-	-	-	-	4,748	-	-	-	-	-	-	-	4,748
5.	PAYABLES	-	-	-	-	-	198	144	1,138	-	-	-	-	1,480
6.1	Liabilities associated with disposal groups held for sale	-	-	-	-	-	-	-	-	388	-	-	-	388
6.2 a)	Current tax liabilities	-	-	-	-	-	-	-	-	-	-	13	-	13
6.2 b)	Deferred tax liabilities	-	-	-	-	-	-	-	-	-	1	-	-	1
6.3	Other liabilities	-	-	-	-	-	-	-	-	-	-	-	1,007	1,007
	Total liabilities	635	51,766	155	6,685	4,748	198	144	1,138	388	1	13	1,007	**66,877**

Total Shareholders' Equity and Liabilities 74,539

With reference to the statement of financial position balances, it should be noted that, for the purposes of restatement, the amount of item "3. Technical provisions - Reinsurers' share" of assets and "3. Technical provisions" of liabilities, has been fully allocated respectively to item "3.2 Reinsurance contracts held that are assets" and "3.1 Insurance contracts issued that are liabilities" of the current statement of financial position format: the detailed effects arising from the recalculation of insurance assets and liabilities on the basis of IFRS 17 have been shown in the subsequent section on restatement of balances.

The most significant impact deriving from the restatement of asset items is attributable to the reclassification of financial instruments in the categories under IFRS 9. As mentioned above, the application of IFRS 9 resulted in a significant increase in financial assets at fair value through profit or loss, mainly attributable to the failure to pass the SPPI Test of a portion of the securities portfolio previously classified under Available-for-sale financial assets and, to a lesser extent, Loans and receivables.

Conversely, the amount of financial instruments reclassified under Financial assets at amortised cost is significantly lower than the corresponding accounting categories under the previous IAS 39 (Loans and receivables and Held-to-maturity investments). Similarly, the amount of FVOCI assets is lower than the corresponding IAS 39 category of Available-for-sale financial assets.

Income Statement at 31 December 2022 (before restatement of values)

	31/12/2022 (previous presentation) / 31/12/2022 (new presentation)	1.1.1 Gross premiums earned	1.1.2 Earned premiums ceded to reinsurers	1.2 Commission income	1.3 Gains and losses on financial instruments at FVPL	1.4 Gains on investments in subs. ass. and interests in JV	1.5.1 Interest income	1.5.2 Other income	1.5.3 Realised gains	1.5.4 Unrealised gains	1.6 Other revenue	2.1.1 Charges relating to claims - Amounts paid and chan. tech. prov.	2.1.2 Charges relating to claims - Reinsurers' share	2.2 Commission expense	2.3 Losses on investments in subs. ass. and interests in JV	2.4.1 Interest expense	2.4.2 Other charges	2.4.3 Realised losses	2.4.4 Unrealised losses	2.5.1 Commissions and other acquisition costs	2.5.2 Investment management expenses	2.5.3 Other administrative expenses	2.6 Other costs	3. Taxes	4 Profit (Loss) from discontinued operations	Total
1.	Insurance revenue from insurance contracts issued	11,907	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,907
2.	Insurance service expenses from insurance contracts issued	-	-	-	-	-	-	-	-	-	22	(8,832)	-	-	-	-	-	-	-	(2,071)	-	-	(244)	-	-	(11,124)
3.	Insurance revenue from reinsurance contracts held	-	-	-	-	-	-	-	-	-	-	-	183	-	-	-	-	-	-	184	-	-	-	-	-	367
4.	Insurance service expenses from reinsurance contracts held	-	(541)	-	-	-	-	-	-	-	10	-	-	-	-	-	-	-	-	-	-	-	(4)	-	-	(536)
6.	Gains/losses on financial assets and liabilities at fair value through profit or loss	-	-	-	(333)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(333)
7.	Gains/losses on investments in associates and interests in joint ventures	-	-	-	-	348	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	348
8.1	Interest income calculated with the effective interest method	-	-	-	-	-	1,531	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,531
8.2	Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(157)	-	-	-	-	-	-	-	-	-	(157)
8.3	Other gains/losses	-	-	-	-	-	-	345	-	-	-	-	-	-	-	-	(39)	-	-	-	-	-	-	-	-	306
8.4	Realised gains/losses	-	-	-	-	-	-	-	488	-	-	-	-	-	-	-	-	(461)	-	-	-	-	-	-	-	26
8.5	Unrealised gains/losses	-	-	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-	(350)	-	-	-	(9)	-	-	(357)
10.	Net finance expenses/income relating to insurance contracts issued	-	-	-	-	-	-	-	-	-	-	49	-	-	-	-	-	-	-	-	-	-	-	-	-	49
11.	Net finance income/expenses relating to reinsurance contracts held	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13.	Other revenue/costs	-	-	49	-	-	14	-	-	-	1,132	-	-	(90)	-	-	-	-	-	-	-	-	(755)	-	-	350
14.1	Investment management expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(136)	-	-	-	-	(136)
14.2	Other administrative expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(792)	-	-	-	(792)
15.	Net provisions for risks and charges	-	-	-	-	-	-	-	-	-	10	-	-	-	-	-	-	-	-	-	-	-	(24)	-	-	(14)
16.	Net impairment losses/reversals on property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(285)	-	-	(285)
17.	Net impairment losses/reversals on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(42)	-	-	(42)
18.	Other operating expenses/income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.	Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(243)	-	(243)
22.	Profit (Loss) from discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	11,907	(541)	49	(333)	348	1,545	345	488	2	1,174	(8,783)	183	(90)	-	(157)	(39)	(461)	(350)	(1,887)	(136)	(792)	(1,364)	(243)	-	**866**

As emerges from the reconciliation scheme, the Income Statement introduced by the current Regulation 7/2007 shows a scalar structure that provides separate evidence of the income components that constitute the insurance service result and those that make up the financial result deriving from investments and of the financial component deriving from insurance assets and liabilities. Some economic components previously grouped under Other revenue and Other costs have also been detailed and shown separately.

For the purposes of the restatement, as the discounting of technical provisions was not included in the previous IFRS 4, it should be noted that in item "10. Net finance expenses/income relating to insurance contracts issued", the only component of the change in Life technical provisions attributable to the application of the so-called shadow accounting was recognised.

Effects deriving from the restatement of the balances

Statement of Financial Position at the transition date (after restatement of balances)

		1/1/2022 Reclassified	IFRS 9 transition effect	IFRS 17 transition effect	Tax effect	1/1/2022 Restated
1.	INTANGIBLE ASSETS	2,081	-	(38)	-	2,043
2.	PROPERTY, PLANT AND EQUIPMENT	2,520	-	-	-	2,520
3.	INSURANCE ASSETS	831	-	277	-	1,108
3.1	Insurance contracts issued that are assets	-	-	79	-	79
3.2	Reinsurance contracts held that are assets	831	-	198	-	1,029
4.	INVESTMENTS	68,169	456	(124)	-	68,501
4.1	Investment property	2,073	-	-	-	2,073
4.2	Investments in associates and interests in joint ventures	1,304	-	-	-	1,304
4.3	Financial assets at amortised cost	2,416	(5)	(124)	-	2,288
4.4	Financial assets at fair value through OCI	45,568	482	-	-	46,050
4.5 a)	Held-for-trading assets at FVPL	147	(15)	-	-	132
4.5 b)	Assets at FVPL	8,345	-	-	-	8,345
4.5 c)	Other assets mandatorily at FVPL	8,316	(7)	-	-	8,310
5.	OTHER FINANCIAL ASSETS	3,433	-	(987)	-	2,446
6.	OTHER ASSETS	1,285	-	(96)	304	1,494
6.1	Non-current assets or assets of a disposal group held for sale	133	-	-	-	133
6.2 a)	Current tax assets	10	-	-	-	10
6.2 b)	Deferred tax assets	427	-	-	304	731
6.3	Other assets	716	-	(95)	-	621
7.	CASH AND CASH EQUIVALENTS	1,939	-	-	-	1,939
	TOTAL ASSETS	80,259	456	(968)	304	80,051

		1/1/2022 Reclassified	IFRS 9 transition effect	IFRS 17 transition effect	Tax effect	1/1/2022 Restated
1.	SHAREHOLDERS' EQUITY	9,722	469	(1,731)	378	8,838
1.1	Share capital	3,365	-	-	-	3,365
1.2	Other equity instruments	-	-	-	-	-
1.3	Capital reserves	1,639	-	-	-	1,639
1.4	Income-related and other equity reserves	1,626	366	(328)	(18)	1,646
1.5	Treasury shares (-)	(1)	-	-	-	(1)
1.6	Valuation reserves	1,151	30	(1,149)	344	376
1.7	Shareholders' Equity attributable to non-controlling interests (+/-)	1,942	73	(255)	53	1,813
1.8	Profit (loss) for the year attributable to the Parent (+/-)	-	-	-	-	-
1.9	Profit (loss) for the year attributable to non-controlling interests (+/-)	-	-	-	-	-
2.	PROVISIONS FOR RISKS AND CHARGES	447	-	-	-	447
3.	INSURANCE LIABILITIES	57,128	-	(1,267)	-	55,862
3.1	Insurance contracts issued that are liabilities	57,128	-	(1,353)	-	55,775
3.2	Reinsurance contracts held that are liabilities	-	-	87	-	87
4.	FINANCIAL LIABILITIES	10,771	(13)	2,093	-	12,851
4.1 a)	Held-for-trading financial liabilities at FVPL	446	(13)	-	-	433
4.1 b)	Financial liabilities at FVPL	5,911	-	2,220	-	8,131
4.2	Financial liabilities at amortised cost	4,414	-	(127)	-	4,287
5.	PAYABLES	1,096	-	(113)	-	983
6.	OTHER LIABILITIES	1,095	-	50	(74)	1,071
6.1	Liabilities associated with disposal groups held for sale	3	-	-	-	3
6.2 a)	Current tax liabilities	40	-	-	-	40
6.2 b)	Deferred tax liabilities	115	-	-	(74)	41
6.3	Other liabilities	937	-	50	-	986
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	80,259	456	(968)	304	80,051

Statement of Financial Position at 31 December 2022 (after restatement of balances)

		31/12/2022 Reclassified	IFRS 9 transition effect	IFRS 17 transition effect	Tax effect	31/12/2022 Restated
1.	INTANGIBLE ASSETS	2,261	-	(24)	-	2,236
2.	PROPERTY, PLANT AND EQUIPMENT	2,867	-	1	-	2,868
3.	INSURANCE ASSETS	762	-	218	-	980
3.1	Insurance contracts issued that are assets	-	-	54	-	54
3.2	Reinsurance contracts held that are assets	762	-	164	-	926
4.	INVESTMENTS	59,991	(431)	(133)	-	59,428
4.1	Investment property	2,282	-	-	-	2,282
4.2	Investments in associates and interests in joint ventures	1,608	-	-	-	1,608
4.3	Financial assets at amortised cost	2,003	(4)	(133)	-	1,866
4.4	Financial assets at fair value through OCI	38,078	(376)	-	-	37,702
4.5 a)	Held-for-trading assets at FVPL	280	2	-	-	281
4.5 b)	Assets at FVPL	8,786	-	-	-	8,786
4.5 c)	Other assets mandatorily at FVPL	6,955	(52)	-	-	6,903
5.	OTHER FINANCIAL ASSETS	3,539	-	(1,001)	-	2,538
6.	OTHER ASSETS	3,322	-	(116)	(29)	3,177
6.1	Non-current assets or assets of a disposal group held for sale	533	-	(18)	-	514
6.2 a)	Current tax assets	37	-	-	-	37
6.2 b)	Deferred tax assets	1,171	-	-	(29)	1,143
6.3	Other assets	1,581	-	(98)	-	1,483
7.	CASH AND CASH EQUIVALENTS	1,798	-	-	-	1,798
	TOTAL ASSETS	74,539	(431)	(1,055)	(29)	73,025

		31/12/2022 Reclassified	IFRS 9 transition effect	IFRS 17 transition effect	Tax effect	31/12/2022 Restated
1.	SHAREHOLDERS' EQUITY	7,662	(431)	1,752	(405)	8,578
1.1	Share capital	3,365	-	-	-	3,365
1.2	Other equity instruments	-	-	-	-	-
1.3	Capital reserves	1,639	-	-	-	1,639
1.4	Income-related and other equity reserves	1,396	363	(328)	(37)	1,395
1.5	Treasury shares (-)	(5)	-	-	-	(5)
1.6	Valuation reserves	(948)	(152)	1,394	(352)	(57)
1.7	Shareholders' Equity attributable to non-controlling interests (+/-)	1,349	59	217	(59)	1,566
1.8	Profit (loss) for the year attributable to the Parent (+/-)	683	(549)	358	33	525
1.9	Profit (loss) for the year attributable to non-controlling interests (+/-)	183	(152)	110	9	150
2.	PROVISIONS FOR RISKS AND CHARGES	635	-	-	-	635
3.	INSURANCE LIABILITIES	51,766	-	(4,440)	-	47,327
3.1	Insurance contracts issued that are liabilities	51,766	-	(4,573)	-	47,194
3.2	Reinsurance contracts held that are liabilities	-	-	133	-	133
4.	FINANCIAL LIABILITIES	11,587	-	1,752	-	13,339
4.1 a)	Held-for-trading financial liabilities at FVPL	155	-	-	-	155
4.1 b)	Financial liabilities at FVPL	6,685	-	1,884	-	8,568
4.2	Financial liabilities at amortised cost	4,748	-	(132)	-	4,616
5.	PAYABLES	1,480	-	(144)	-	1,336
6.	OTHER LIABILITIES	1,409	-	26	377	1,810
6.1	Liabilities associated with disposal groups held for sale	388	-	(28)	-	360
6.2 a)	Current tax liabilities	13	-	-	-	13
6.2 b)	Deferred tax liabilities	1	-	-	376	376
6.3	Other liabilities	1,007	-	54	1	1,061
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	74,539	(431)	(1,054)	(29)	73,025

Income Statement at 31 December 2022 (after restatement of balances)

		31/12/2022 Reclassified	IFRS 9 transition effect	IFRS 17 transition effect	Tax effect	31/12/2022 Restated
1.	Insurance revenue from insurance contracts issued	11,907	-	(3,358)	-	8,549
2.	Insurance service expenses from insurance contracts issued	(11,124)	-	3,817	-	(7,307)
3.	Insurance revenue from reinsurance contracts held	367	-	(177)	-	190
4.	Insurance service expenses from reinsurance contracts held	(536)	-	178	-	(358)
5.	Insurance service result	613	-	460	-	1,074
6.	Gains/losses on financial assets and liabilities at fair value through profit or loss	(333)	(347)	342	-	(338)
7.	Gains/losses on investments in associates and interests in joint ventures	348	-	-	-	348
8.1	Interest income calculated with the effective interest method	1,531	(107)	-	-	1,425
8.2	Interest expense	(157)	5	-	-	(152)
8.3	Other gains/losses	306	(153)	-	-	153
8.4	Realised gains/losses	26	(65)	-	-	(38)
8.5	Unrealised gains/losses	(357)	(34)	-	-	(392)
9.	Investment result	1,365	(701)	342	-	1,006
10.	Net finance expenses/income relating to insurance contracts issued	49	-	(887)	-	(838)
11.	Net finance income/expenses relating to reinsurance contracts held	-	-	(2)	-	(2)
12.	Net financial result	1,414	(701)	(548)	-	166
13.	Other revenue/costs	350	-	165	-	516
14.1	Investment management expenses	(136)	-	44	-	(92)
14.2	Other administrative expenses	(792)	-	402	-	(390)
15.	Net provisions for risks and charges	(14)	-	-	-	(14)
16.	Net impairment losses/reversals on property, plant and equipment	(285)	-	-	-	(285)
17.	Net impairment losses/reversals on intangible assets	(42)	-	(56)	-	(98)
18.	Other operating expenses/income	-	-	(2)	-	(2)
19.	Pre-tax profit (loss) for the year	1,108	(701)	465	-	875
20.	Taxes	(243)	-	-	42	(200)
21.	Profit (Loss) for the year after taxes	866	(701)	466	42	675
22.	Profit (Loss) from discontinued operations	-	-	-	-	-
23.	Consolidated profit (loss)	866	(701)	465	42	675
	of which attributable to the Parent	*683*	*(588)*	*394*	*33*	*(525)*
	of which attributable to non-controlling interests	*183*	*(113)*	*71*	*9*	*150*

Statement of reconciliation of changes in the consolidated shareholders' equity

In order to provide an overall representation of the effects on equity and on the economic result deriving from the transition to the new accounting standards, please note the following:

- a statement of reconciliation of changes in the consolidated shareholders' equity at the transition date and during the year 2022, accompanied by
- comments on the most significant adjustments due to the application of IFRS 17 and 9.

	Shareholders' Equity 1/1/2022	Profit for the period	Other comprehensive income (expense)	Other changes	Shareholders' Equity 31/12/2022
Change in Shareholders' Equity as shown in the 2022 consolidated financial statements	9,722	866	(2,513)	(412)	7,662
Impact of IFRS 9 application	469	(701)	(199)	-	(431)
Impact of IFRS 17 application of which:	(1,731)	465	3,018	-	1,752
Intangible assets and deferred acquisition costs	*(138)*				*(126)*
Cash flows	*2,773*				*5,816*
CSM	*(3,203)*				*(2,996)*
RA	*(1,162)*				*(942)*
Tax and other minor effects	378	42	(828)	2	(404)
Total adjustments	**(883)**	**(194)**	**1,991**	**2**	**917**
Data restated	**8,838**	**675**	**(523)**	**(410)**	**8,578**

Main impacts on the Statement of Financial Position at the transition date (1/1/2022)

Shareholders' Equity restated at the transition date in application of the new standards, equal to €8,838m, was €883m lower than the €9,722m recognised in application of the previous standards. The reduction is due to the combined effect of positive changes from the application of IFRS 9, amounting to €469m, negative changes deriving from the application of IFRS 17 equal to €1,731m, in addition to the related tax effects of €378m.

With reference to the application of IFRS 9, the positive balance is mainly due to the portion of financial instruments reclassified from HTM and L&R according to IAS 39 to FVOCI and FVPL according to IFRS 9 and, consequently, recognised at fair value rather than at amortised cost, with the emergence of implicit capital gains in a market environment at the transition date characterised by low interest rates.

The negative impact from the application of IFRS 17 is instead due to the increase in net insurance liabilities as a result of:

- the recognition of the CSM (€3,203m of which €1,071m relating to the Non-Life business and €2,132m to the Life business);
- the recognition of the Risk Adjustment (€1,162m, of which €1,025m related to the Non-Life business and €137m to the Life business);
- the reversal of Intangible assets and deferred acquisition costs (€138m);

these increases were partly offset by the decrease of €2,773m deriving from the best estimate of the discounted cash flows to replace the technical provisions at ultimate cost.

It should be noted that, as mentioned above, during the transition phase, the fair value approach was applied with reference to a portion of the Life portfolio as well as to the insurance liabilities of the Non-Life business of UnipolSai, with the consequent application of the BBA to all Non-Life contracts in effect at that date and with a separate recognition, for the net liability component for residual coverage, of the CSM and the Risk Adjustment.

The changes in the Statement of Financial Position illustrated above were also reflected in the related deferred taxation, which resulted in a net positive effect on equity of €378m.

Effects on the economic result and on other comprehensive income for the year 2022

The result for the period restated according to the new accounting standards went from €866m to €675m, against a negative impact of €701m resulting from the application of IFRS 9, a positive impact of €465m resulting from the application of IFRS 17, and the related positive deferred tax effects of €42m. With reference to the impact of IFRS 9, this is mainly due, in a context of significant depreciation of almost all asset classes, to the increased share of financial instruments at fair value through profit or loss. This asset category, intended to increase the volatility of the Income Statement, was progressively reduced during the year 2022, also in view of the entry into force of the new standard.

The negative impact on the 2022 restated income statement arising from IFRS 9 is partially offset by the application of IFRS 17, due in particular to the adoption of the OCI option, which allows for a better control of accounting mismatches with reference to the valuation of assets and liabilities relating to revaluable Life insurance contracts, recognised using the VFA method, and to a positive contribution from the Non-Life business, which benefits from the approach adopted on transition and the net insurance liability discounting effect. In this regard, it should be noted, more generally, that the exercise of the options to mitigate accounting mismatches, relating to the Life and Non-Life insurance portfolio, also led to a marked reduction (from €2,513m to €523m net of tax effects) of the negative change in other comprehensive income.

Main impacts on the Statement of Financial Position at 31 December 2022

As a result of the differences commented above, there was a positive impact of €917m on shareholders' equity at 31 December 2022 deriving from application of the new accounting standards, deriving from a positive impact of €1,752m for the application of IFRS 17, partially offset by the negative effect of the application of IFRS 9 (€431m) and the effect on deferred taxation, also negative in the amount of €404m.

With reference to the impact of IFRS 9, this is mainly attributable to the decrease in the portion of the bond portfolio recognised at amortised cost (L&R and HTM categories according to IAS 39 and Amortised cost according to IFRS 9) and the consequent more extensive use of fair values for the measurement of financial assets in the portfolio, in a context of significantly rising interest rates during 2022 such as to negatively affect the market prices of fixed-rate bonds.

In the application of IFRS 17, the main impact resulting from the cash flow component, which increased from €2,773m to €5,816m, as discussed above, is attributable to the remeasurement of net insurance liabilities at current values, thus taking into account the discounting effect in a context of significantly higher rates than those at initial recognition of the same net insurance liabilities. It should be noted that this mechanism for adjusting net insurance liabilities was not contemplated in the application of IFRS 4 except through the application of shadow accounting with respect to insurance contracts with direct participation features. With reference to the adjustment for the recognition of the CSM down from €3,203m to €2,996m, please note:

(i) a decrease in the component relating to the Non-Life business (from €1,071m to €731m) due to the decrease in the portfolio component of policies accounted for under the BBA method, which are gradually being replaced by newly issued policies accounted for under the PAA method, and thus without autonomous representation of the CSM;

(ii) an increase in the component linked to the Life business (from €2,132m to €2,265m) due to the positive impacts on the prospective margins of the insurance contracts accounted for using the VFA method due to the increase in market rates.

Lastly, with reference to the Risk Adjustment component, the decrease from €1,162m to €942m is mainly due to the same trends already commented on with reference to the CSM in the Non-Life business.

New accounting standards not yet in force

The documents published by the International Accounting Standards Board listed below could be significant for the Group, but are still not applicable since they have not yet been endorsed by the European Union or have not yet entered into force at the reporting date.

Amendments to IAS 1 - Classification of liabilities as current or non-current

On 20 December 2023, Regulation (EU) 2023/2822 was published, which adopts the amendments to IAS 1 "Presentation of Financial Statements", subject to the document issued by the IASB on 23 January 2020, whereby the Board defined a more general approach for the classification of payables - and other liabilities - providing some criteria for the distinction between "current" and "non-current". Specifically, the classification should be based on the substantial right, existing at the reporting date, to defer the payment (or not) by at least twelve months. On 31 October 2022, the IASB also published the document "Non-current Liabilities with Covenants" proposing several amendments to IAS 1 "Presentation of Financial Statements", with a view to improving the information that companies provide on long-term debt with covenants. The entire set of amendments mentioned above applies as of 1 January 2024.

Amendments to IFRS 16 - Sale and leaseback transactions

EU Regulation 2023/2579, published on 21 November 2023, adopted the amendments to IFRS 16 "Leases" issued by the IASB on 21 September 2022, in which the Board clarified the methods for accounting for a sale and leaseback transaction that calls for variable payments based on the performance or use of the asset involved in the transaction. The amendments entered into force on 1 January 2024.

Update on the main activities of the IASB/Authority on accounting matters

EU regulations on ESAP

On 20 December 2023, Regulation EU 2023/2859 was published in the Official Journal, establishing the European Single Access Point (ESAP), introducing centralised access to publicly available information on financial services, capital markets and sustainability reporting. Together with the above-mentioned Regulation, Regulation (EU) 2023/2869 and Directive (EU) 2023/2864 of 13 December 2023 were published, amending past regulations on the establishment and functioning of the European single access point. The ESAP is expected to be made available to the public starting in 2027.

Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements

On 25 May 2023, the IASB issued the document "Supplier Finance Arrangements (Proposed amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures") in which it requires entities to provide additional information - both qualitative and quantitative - on supplier finance arrangements, in order to allow users of the financial statements to assess how these arrangements affect the company's liabilities and cash flows, as well as their exposure to liquidity risk. The EFRAG issued its positive "Endorsement Advice" on 4 October 2023.

Amendments to IFRS 9, IFRS 7 and IAS 32 - Financial Instruments

On 21 March 2023, the IASB published the ED "Amendments to the Classification and Measurement of Financial Instruments - Proposed amendments to IFRS 9 and IFRS 7" following the Post Implementation Review (PIR) project, concluded in December 2022, on classification and measurement requirements for financial instruments, not finding any fundamental critical issues with regard to the clarity or adequacy of the objectives of the standard's requirements, without prejudice to certain issues such as financial assets with ESG-linked features and cash received via electronic transfer as settlement for a financial asset or liability. With regard to financial assets with ESG features, on

21 March 2023 the IASB issued ED 2023/2 in which it proposed some clarifications on the general principles of the applicable SPPI test and also provided some application examples. On 5 May, the EFRAG expressed its favourable Endorsement Advice, and the final version of the amendments is expected in the first half of 2024. During 2023, the IASB also issued the "Request for Information Post-implementation Review of IFRS 9 Financial Instruments-Impairment" on 30 May, in consultation until 27 September, to gather market feedback on the provisions on expected credit loss and ED 2023/5 "Financial instruments with characteristics of equity (Amendments to IAS 32, IFRS 7 and IAS 1)" on 29 November, in consultation until March 2024, on the requirements for the classification of financial instruments.

Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates

On 21 August 2023, the IASB published the amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates". Since IAS 21 establishes the exchange rate that a company should use to convert the foreign currency transactions of an investee, without providing additional provisions on the exchange rate to be used in the absence of an exchange rate observable in the market, the amendments proposed by the IASB provide indications in this sense, and also establish the cases in which one currency cannot be converted into another, while at the same time requiring a specific additional disclosure to be provided in the notes to the financial statements. On 9 January 2024, EFRAG expressed a favourable opinion in its "Endorsement Advice". The amendments are expected to enter into force as of 1 January 2025, with the option of early application.

The accounting standards and the most significant criteria used in drawing up the Consolidated Financial Statements are set out below.

The paragraph numbers are the same as those of the corresponding items in the Statement of Financial Position and Income Statement, which are laid out in accordance with ISVAP Regulation no. 7/2007, as amended.

Statement of Financial Position

Assets

1 Intangible assets - IAS 38

In accordance with the provisions of IAS 38, the only intangible assets that may be capitalised are those that can be identified and controlled by the company and from which the company will derive future financial benefits.

The following assets are recognised as intangible assets with a finite life:
- goodwill paid for the acquisition of Non-Life and Life portfolios: the value of the policies acquired is calculated by estimating the present value of the future cash flows of the existing policies. The Group amortises this value throughout the expected average residual life. This valuation is reviewed annually;
- costs incurred for the acquisition of software licences, amortised over three years;
- trademarks acquired within a business combination;
- costs incurred for consultancy on major projects for the development and implementation of IT systems, including customisation of the corresponding software, amortised over five or ten years according to its estimated useful life.

Projects under development are not amortised until the year in which they are first used.

Goodwill paid when companies are acquired or merged is also included among intangible assets, as already mentioned in the previous paragraph Basis of consolidation (also provisionally, determined on the basis of IFRS 3). As this goodwill has an indefinite useful life, it is not amortised, but it is tested for impairment at least once a year, or each time there is any indication of impairment; durable impairments are recognised in the income statement and cannot be reversed in subsequent years.

2 Property, plant and equipment - IAS 16 and IFRS 16

The item includes properties used for business purposes, plant, other machines and equipment owned by the Group and rights of use acquired through lease contracts for the use of a tangible asset, except for contracts with a duration equal to or less than 12 months or referring to assets of a modest unit value.

For recognising and measuring this category of assets the Group has adopted the cost model, which systematically depreciates the asset's depreciable amount over its useful life. With reference to property, plant and equipment deriving from right of use recognition, as envisaged in IFRS 16, the initial recognition value corresponds with the present value of future payments to the lessor over the contractual duration of the lease, also including amounts due to the lessor for the exercise of any purchase option on the asset if such exercise is considered reasonably certain.
Depreciation, which is carried out each year on a straight-line basis, begins when the asset is available and ready for use and ends when the asset has come to the end of its useful life (which in the case of property is estimated at 33.4 years). In the case of wholly-owned properties (land and buildings) depreciation is carried out only on the building.

Consolidated real estate companies include in the carrying amount the borrowing costs incurred for loans specifically for acquiring and renovating property, if this can be justified.

The costs of improvements and conversions are capitalised if they result in an increase in the useful life or the carrying amount of the assets.

Assets that suffer impairment losses are written down.
The carrying amount of property acquired as a result of business combinations is reassessed on the basis of the current value on the date of acquisition.

3 Insurance assets – IFRS 17

3.1 Insurance contracts issued that are assets

This item includes insurance contracts issued as defined and governed by IFRS 17 - insurance and reinsurance contracts, and investment contracts issued with discretionary participation features - belonging to groups of contracts (UoA) whose net positions at year end constitute assets. Please refer to the comments to item 3 Insurance liabilities - IFRS 17 for additional information on the recognition and measurement criteria adopted with regard to insurance contracts.

3.2 Reinsurance contracts held that are assets

This item includes reinsurance contracts held defined and governed by IFRS 17, belonging to groups of contracts (UoA) whose net positions at year end constitute assets.

Classification of reinsurance contracts held
The Group generally applies the same recognition and measurement criteria used for insurance contracts issued without direct participation features to reinsurance contracts held that transfer a significant risk, as defined and governed by IFRS 17, illustrated below in the note on item 3 Insurance liabilities - IFRS 17, to which reference is made. In particular, reinsurance contracts held can be recognised in accordance with the BBA and PAA accounting models. Similarly to the underlying insurance contracts, the PAA is generally used for short-term reinsurance coverage, while contracts with long-term coverage are measured with the BBA. It should be noted that since the specific features of the treaties may influence their respective classification, each reinsurance contract is subject to a detailed analysis by the Group in order to identify the corresponding appropriate accounting treatment.
In addition, the valuation of reinsurance contracts held adopts assumptions consistent with those used to estimate the present value of future cash flows of the underlying insurance contracts, integrating an adjustment for the risk of default of the reinsurer measured at each reporting date, the effect of which is recognised in the income statement. The trend of the valuation models is the same as the underlying insurance contracts except for the concept of CSM, which is replaced by that of "net cost/net gain" which, in any case, is deferred and released to the Income Statement during the coverage period, in line with the provision of reinsurance services.

4 Investments

4.1 Investment property - IAS 40 and IFRS 16

This item includes property or rights of use (IFRS 16) held either to earn rental income or for capital appreciation or for both.
Investment property is recognised by applying the cost method, as allowed by IAS 40 (an alternative to the fair value method).
If the final recoverable amount of property is estimated to be less than the carrying amount (or zero) it is depreciated annually on a straight-line basis, based on the recoverable amount and the estimated useful life (33.4 years).
If the recoverable amount of the property is estimated to exceed the carrying amount, no depreciation is applied. In the case of wholly-owned properties (land and buildings) depreciation is carried out only on the building.

The costs of improvements and conversions are capitalised if they result in an increase in the carrying amount, the useful life or the profitability of the assets.

Assets that suffer impairment losses are written down. The market value is determined at least once a year by means of expert appraisals conducted by outside companies.

The carrying amount of property acquired as a result of business combinations is reassessed on the basis of the current value on the date of acquisition.

4.2 Investments in associates and interests in joint ventures - IAS 28 and IFRS 11

This item includes investments in associates as defined in IAS 28, which are measured using the equity method or at cost.

Financial instruments - IAS 32 - IFRS 7, 9 and 13

Recognition date

The Group generally records financial transactions on the basis of the settlement date (value date), with reference to the financial instruments included in items 4. Investments and 4. Financial liabilities and on the basis of the transaction (trading) date for the financial instruments recognised in other items of the statement of financial position.

Reclassifications of financial assets – IFRS 9

With reference to debt securities, reclassifications among other categories of financial assets are limited to cases in which there is a change to the business model for financial asset management and forward-looking recognition is applied, i.e. without adjusting any economic component recognised previously. The reclassification of equity instruments is not permitted.

Derivatives

Derivatives are initially recognised at the purchase cost representing the fair value and subsequently measured at fair value. Information on how the fair value is determined is provided in the section "Fair value measurement criteria – IFRS 13".

Derivatives may be acquired for "trading" or "hedging" purposes. For hedging transactions, the accounting standards envisage cumbersome and complex rules, with the preparation of specific documentation, to assess the effectiveness of the hedge from the time it is activated and throughout its entire term (hedge accounting). Please note that the Group has exercised the right, afforded by IFRS 9, to continue to recognise hedging transactions according to the accounting model envisaged by the previous IAS 39.
All derivative financial instruments are classified under "Financial assets at fair value through profit or loss - Held-for-trading financial assets" and "Financial liabilities at fair value through profit or loss - Held-for-trading financial liabilities".

Accounting of structured bonds issued by special purpose vehicles (SPVs)

The Group invests in notes issued by SPVs with rather similar purposes and management methods as those that characterise investments in structured and unstructured bonds, made as part of the ordinary financial management of resources derived from normal business. This financial management is characterised, in relation to the Group's business sector, by a special degree of complexity, which requires, under certain circumstances, the subscription of financial assets with specific characteristics (e.g. in terms of maturity, creditworthiness and payoff) that are not always easy to find on the financial markets. The investment opportunities offered via SPVs also make it possible, owing to their specific nature, to expand the range of financial investments available.

The Unipol Group classifies and records the bonds issued by SPVs based on the instructions provided in IFRS 9, deeming the circumstance that they have been issued by SPVs irrelevant, in consideration of the fact that the SPV is, in fact, considered merely a technical instrument through which to structure complex financial instruments whose risk/return profile is essentially evaluated by jointly taking into consideration the contracts that govern the notes issued by the SPV, the associated derivative contracts (generally swap agreements) and any other contractual clauses such as financial guarantee or similar clauses, or yet other "ancillary" clauses which may, in theory, make provision, when given conditions are satisfied, for the liquidation of the securities. The SPVs whose bonds are held by the Unipol Group in fact, consistently replicate, with the arranger, the positions they assume with noteholders, as the risks or returns of the transaction cannot be retained within it.

Therefore, investments in notes issued by SPVs are accounted for on the basis of IFRS 9, with the same criteria applied for investments in structured and unstructured bonds, with particular regard to the SPPI test. In fact, an entity must only consolidate an SPV in the event the entity exercises control over it pursuant to IFRS 10, paragraphs 6 and 7.

The Unipol Group, with regard to bonds issued by SPVs in the portfolio at 31 December 2023, does not exercise any form of control over the SPVs, in the sense that it is not able to govern the management process of the SPVs (which, in fact, is defined by the arrangers of the investment transaction in which the Group participates by subscribing the notes and other relevant contracts) and does not obtain any benefits from the SPVs other than those strictly dependent on the formally subscribed financial instrument. The Group holds the notes issued by the SPV and can only dispose of these autonomously, as it does not have the power to dispose of the financial instruments held by the vehicle. It is reasonable to infer, from this, that the Group holds no form of control of the SPVs pursuant to IFRS 10.

In cases where, through the SPV internal segments, which segregate the risks and benefits of issues, the majority of said risks and benefits are transferred to the Unipol Group, the consolidation of the segments would lead to the need to replace the debt securities issued by the SPV and subscribed by the Group with a financial asset which, in terms of the associated risks and returns, exactly replicates the financial profile of the notes cancelled as a result of the consolidation.
In fact, the segments consistently replicate, with the arranger, the positions the latter assume with noteholders, as the risks or benefits of the transaction cannot be retained within it. The result is that the financial asset to be recognised due to the consolidation of the segments would have, substantively speaking and therefore for the purposes of classification and measurement pursuant to IFRS 9, characteristics identical to those of the notes cancelled as a result of the consolidation of said segment; the result being that, in the case of consolidation of segments in which the risks/benefits of the asset pertain fully to the Unipol Group, there would be no substantive effects on the accounting representation of the transaction, essentially confirming the fact that, in effect, the SPVs are technical instruments for realising an investment in financial assets with characteristics which are, for all intents and purposes, equivalent to those of the notes issued by the SPV itself and segregated in the segment.

Impairment

In order to quantify impairment, financial assets (other than those purchased or originated which, as of the initial recognition date, show objective evidence of impairment "Purchased or Originated Credit Impaired assets" or "POCI") recognised in the categories Financial assets at amortised cost and Financial assets at fair value through other comprehensive income are classified in three stages (credit rating):
Stage 1: financial assets qualified as "performing", for which a significant increase in credit risk has not been recognised with respect to the initial recognition date;
Stage 2: financial assets qualified as "performing", for which a significant increase in credit rating has been recognised with respect to the initial recognition date;
Stage 3: impaired financial assets.

With reference to POCI, the amortised cost and the relative impairment adjustments are calculated in a specific manner on the basis of an effective interest rate adjusted for the credit risk determined by taking initial expected losses into account in estimated future flows.

The IFRS 9 impairment model is based both on objective (quantitative) and qualitative criteria to determine the significant increase of credit risk used to classify the individual financial assets in Stage 1 or Stage 2. Specifically, the Unipol Group recognises in Stage 2 any situations of non-payment for at least 30 days from the reporting date and any exposures whose rating assigned to the security has been specifically downgraded (in terms of the number of notches). As regards downgrading, it is noted that, in defining a significant increase in credit risk, the option is exercised to exclude a portion of the securities portfolio, which is characterised by a low credit risk (i.e., "Low credit risk exemption"). Specifically, that option is applied to debt securities with "investment grade" ratings. All exposures for which there is objective evidence of loss are classified in Stage 3.

Different modalities to measure value adjustments were defined for each Stage, based on the concept of "Expected Loss" or "Expected Credit Losses" (ECL), and, specifically:

- whenever it is deemed that the credit risk of the instrument has significantly increased after initial recognition (Stage 2) and for loans in Stage 3, an estimate of the "lifetime" ECL is applied (determination of possible losses over the entire residual life of the instrument);
- for instruments classified in Stage 1 or, in any event, on instruments maturing within the year, an estimate of the ECL deriving from possible default events within 12 months is applied.

In the risk parameters used to calculate the ECL, measurement models of expected losses include the Point-in-Time risk measures and the Forward looking risk measures on the future dynamics of macro-economic factors on which the lifetime expected loss depends.

4.3 Financial assets at amortised cost - IFRS 9

This financial statements item includes financial assets that meet both the following conditions:

- the financial asset is held within the context of a new business model that has the objective to collect contractual cash flows (HTC - Held to Collect);
- contractual terms of financial assets generate, at predetermined maturity, cash flows representing only principal and interest on the residual capital that meet the Solely Payments of Principal and Interest (SPPI) condition.

The initial recognition of these financial assets is carried out when the Group becomes a party in the contractual terms of the financial instrument, which usually coincides with the date of settlement. The value of the initial recognition is equal to the fair value of the financial instrument, which generally corresponds to the related purchase cost, including directly chargeable transaction costs or income.

After the initial recognition, these assets are measured at amortised cost by using the effective interest method, as well as net of impairment loss.

4.4 Financial assets at fair value through other comprehensive income (FVOCI) - IFRS 9

Debt securities or loans, fulfilling both conditions, are recognised in this category:

- the financial assets are held within the context of a new business model that has the objective to both collect contractual cash flows and sell financial assets (HTCS - Held to Collect & Sell), and;
- contractual terms of financial assets generate, at predetermined maturity, cash flows representing only principal and interest on the residual capital that meet the SPPI condition.

The initial recognition of these financial assets is carried out at the date in which the Group becomes a party in the contractual terms of the financial instrument, which usually coincides with the date of settlement. The value of the initial recognition is equal to the fair value of the instrument, which generally corresponds to the related purchase cost, including transaction costs or income that are directly chargeable to the same.

After the initial recognition, these assets continue to be measured at fair value. The interest component resulting from the application of the amortised cost method, as well as impairment losses resulting from the measurement of credit risk, are included in the income statement, while gains and losses resulting from changes in fair value are recognised directly in Shareholders' equity under "Gains or losses on financial assets (other than equity instruments) at fair value through other comprehensive income".
In the event the asset is cancelled, accrued gains and losses due to changes in fair value are recognised through profit or loss.
As regards details on determining of impairment losses, reference is made to the previous section on "Impairment".

Equity instruments that meet the following conditions are also classified under the category Financial assets at fair value through other comprehensive income:

- they are not equity investments in subsidiaries, associates or jointly controlled entities;
- they are not held for trading nor represent a potential consideration for a business combination, pursuant to IFRS 3;
- an irrevocable option was exercised for their designation at fair value through other comprehensive income.

Any gains or losses consequent to the change in fair value are disclosed directly in Shareholders' equity under the item "Gains or losses on equity instruments at fair value through other comprehensive income".
Specifically, the accounting of equity instruments, classified under category FVOCI, is different from the one applicable to debt securities classified under the same category, for the following reasons:

- the impairment requirements of IFRS 9 are not applicable to equity instruments;
- all exchange rate differences are recognised in the OCI reserve;
- the values recorded in OCI (Other Comprehensive Income) are never reclassified to income statement (not even for cancellation/netting);
- only dividends are recognised through profit or loss.

4.5 Financial assets at fair value through profit or loss - IFRS 9

Investments in this category are recognised at fair value and the differences (positive or negative) between fair value and carrying amount are recognised through profit or loss.
Information on how the fair value is determined is provided in the section "Fair value measurement criteria – IFRS 13".

There are three further sub-items:

- held-for-trading financial assets, which includes debt securities and equity instruments, mainly listed, credit positions in derivative contracts and structured financial instruments where the embedded derivative would have to be separated if they were classified in a different category;
- financial assets to be recognised at fair value through profit or loss, mainly consisting of assets linked to financial liabilities measured at fair value such as investments related to policies issued by insurance companies where the investment risk is borne by the policyholders and those arising from pension fund management;
- financial assets mandatorily measured at fair value through profit or loss (FVTPL): this category includes all financial assets that do not meet the classification criteria at amortised cost or fair value, with changes recognised in comprehensive income statement (FVOCI), that are not financial assets designated at fair value or held-for-trading financial assets[57].

The initial recognition of such financial assets is carried out at the date in which the entity becomes a party of the contractual terms related to the financial instruments, usually coinciding with the settlement date for the debt securities and equity instruments, and at the subscription date for derivatives, for a value equal to the fair value of the financial instrument, without considering transaction costs or income that are directly recognised in the income statement.
After the initial recognition, these assets are measured at fair value and changes in value are recognised in the income statement.

[57] Definitions and accounting methods envisaged in IFRS 9 for financial assets at fair value and held-for-trading financial assets (sub-items 4.6.1 and 4.6.2 in the Consolidated Statement of Financial Position) are substantially consistent with those already envisaged in IAS 39.

5 Other financial assets

The item includes financial assets not included in the item "Investments", such as trade receivables and tax receivables. These assets are recognised at their nominal value and subsequently measured at their estimated realisable value.
Other financial assets include, inter alia, receivables deriving from insurance and reinsurance transactions not included, in application of the provisions of IFRS 17, in the cash flows taken into account for the calculation of Insurance assets and liabilities and tax receivables.

6 Other assets

6.1 Non-current assets or assets of a disposal group held for sale - IFRS 5

This item includes Non-current assets held for sale and any discontinued operations as defined by IFRS 5.

Assets held for sale are recognised at the carrying amount or fair value, whichever is the lower, less costs to sell.
If an investment in a subsidiary consolidated using the line-by-line method is to be sold within the time limit set by IFRS 5, all the assets of the company to be sold are reclassified as "Non-current assets or assets of a disposal group held for sale" in the consolidated statement of financial position (item 6.1 of the Assets) and the liabilities are similarly reclassified under the single item "Liabilities associated with disposal groups held for sale" (item 6.1 of the Liabilities). Both items appear in the consolidated financial statements net of intragroup transactions with the company to be sold.

If a group continues to operate in the business of the company to be sold, income statement items relating to the assets held for sale or disposal groups are recognised in accordance with the normal rules of consolidation on a line-by-line basis.

6.2 Current tax assets and deferred tax assets - IAS 12

The item includes current and deferred tax assets, defined and governed by IAS 12.
In particular, deferred tax assets are calculated on the deductible temporary differences between the carrying amounts and the amounts for tax purposes of the assets and liabilities of the individual consolidated companies and on the consolidation adjustments. If there are any tax losses, deferred tax assets are also recognised provided there is a probability that taxable income for which they can be used will be available in future.
Deferred taxes are based on the tax rates applied at the end of the year or on the rates that are expected to be applied in the future according to the information available at the end of the financial year.

If assets are revalued solely for tax purposes and relate neither to a revaluation of the carrying amount for a previous year nor to one that is to be carried out in a subsequent year, the tax effects of the adjustment for tax purposes must be recognised in the income statement.

Deferred tax assets and liabilities, distinguished by type of tax, are offset at the level of single Group company or at the consolidated level, within the limits of the scope of the tax consolidation agreement set up by Unipol.

6.3 Other assets

The item includes assets not attributable to other statement of financial position asset items.
This item includes, inter alia, prepayments and accrued income and deferred commission expense connected to investment contracts not falling within the scope of application of IFRS 17, as these are additional costs incurred to acquire the contract and amortised on a straight-line basis over the whole life of the contract. As recommended by Bank of Italy/Consob/IVASS document no. 9 of the Coordination Group on the application of IAS/IFRS, this item also includes tax credits relating to tax subsidies (such as the *ecobonus* and the *sismabonus*) acquired from third parties (direct beneficiaries or previous purchasers) and recoverable by offsetting future payments according to methods and timing established in the reference regulation.

7 Cash and cash equivalents - IAS 7

Cash and cash equivalents include cash on hand, cash in current accounts available on demand, and term deposits for periods not exceeding 15 days.

Liabilities

1 Shareholders' equity - IAS 32

1.1 Share capital

The item includes the share capital of the consolidating company.

1.2 Other equity instruments

This item includes perpetual regulatory capital instruments issued by the Parent that qualify as Restricted Tier 1, which do not envisage in any case any obligation on the part of the issuer to reimburse the principal or interest to subscribers (without prejudice to cases of liquidation or the exercise of the right to early redemption by the issuer). These instruments are recognised at the issue value, net of issue expenses and the relative tax benefits. In line with this classification, coupon payments to subscribers are recognised, similar to what takes place for the payment of dividends, as a direct reduction from the equity reserves. Note that similar perpetual capital instruments issued by subsidiaries (if not held by the Parent and therefore eliminated in the consolidation process) are recognised in item 1.2.1 Share capital and reserves attributable to non-controlling interests.

1.3 Capital reserves

This item includes in particular the share premium reserve of the company that carries out the consolidation. It includes the direct costs of issuing equity instruments, net of tax, and any commission income, net of tax, received for the sale of option rights not exercised by shareholders.

1.4 Income-related and other equity reserves

In addition to the income-related and other reserves of the consolidating company, this item includes in particular gains or losses arising from the first-time application of IAS/IFRS (IFRS 1), gains or losses resulting from changes in accounting standards or accounting estimates (IAS 8), provisions arising from equity-settled share-based payment transactions (IFRS 2) and consolidation reserves.

1.5 Treasury shares

This item includes the equity instruments of the undertaking that draws up the consolidated financial statements owned by the undertaking itself and the consolidated companies. The item was negative. The gains or losses resulting from their subsequent sale are recognised as changes in shareholders' equity.

1.6 Valuation reserves

The Valuation reserves include the exchange rate differences from translation to be charged to shareholders' equity pursuant to IAS 21, whether they arise from transactions in foreign currency or from conversion into the currency of presentation of the financial statements stated in foreign currency.
This item includes, inter alia, gains or losses on cash flow hedges, revaluation reserves of property, plant and equipment and intangible assets and gains or losses on financial assets at fair value through other comprehensive income.

This item also includes the valuation reserves relating to insurance contracts issued and reinsurance contracts held with regard to the impacts deriving from financial variables, as well as the share of valuation reserves of equity investments valued using the equity method.

2 Provisions for risks and charges - IAS 37 and IFRS 9

Provisions are made for risks and charges only when they are deemed necessary to meet an obligation arising from a past event and when it is likely that the amount of resources required can be reliably estimated.
The item mainly consisted of provisions for litigation, various disputes, charges relating to the sales network, provisions for salary policies and personnel leaving-incentive schemes.

3 Insurance liabilities – IFRS 17

Classification of insurance contracts

Insurance contracts according to IFRS 17 are those contracts whereby the issuer assumes significant insurance risk and agrees to compensate a beneficiary in the event of an uncertain adverse event concerning the policyholder.
An insurance risk is significant if and only if the insured event could cause the issuer to pay additional amounts that are significant in any scenario with economic substance.
The uncertainty, on the other hand, concerns the occurrence of the insured event, the timing of the insured event, as well as the amount that must be paid to the policyholder.

Specifically, the Group applies IFRS 17 to all products featuring significant insurance risk and to investments contracts with discretionary participation features. Based on that criterion, the scope of application included Non-Life contracts and, with reference to the Life business, all products in class I, IV and V and a limited portion of products in class III, where they contain a significant insurance risk higher than the investment risk.

In detail, as for the Non-Life segment, all the policies in the portfolio were classified as insurance contracts.
As regards the Life segment, the principal criteria used for classifying Life products as insurance policies were:

- the presence of a significant insurance risk, i.e. the reasonable possibility that the occurrence of the insured event would give rise to the payment of significant "additional benefits" compared with those that would have been payable if the insured event had not taken place. The criteria for identifying the presence of significant insurance risk are structured as follows:
  - above 10% the contract is an insurance contract;
  - under 5% the contract is a financial contract;
  - between 5% and 10% specific product analyses are carried out;
- the presence of options or guarantees, such as the coefficient of conversion into a guaranteed rate annuity.

Direct participation contracts are those insurance contracts whose cash flows are dependent on the underlying assets and which therefore establish:

- that the policyholder obtains a return linked to a group of clearly identified underlying assets;
- that the issuer expects to recognise a significant share of the returns generated by the fair value of the underlying assets;
- that a significant share of the cash flows that the issuer expects to pay to the policyholder will change based on changes in the fair value of the underlying assets.

Contracts with discretionary participation features (DPF), on the other hand, establish the right to receive, in addition to the basic benefits provided by the guarantee, additional services:

- that they may represent a significant share of the total contractual benefits;
- the amount and timing of which are at the discretion of the Company;
- that they are contractually defined on the basis of:
  - the performance of a group of contracts;
  - realised and/or unrealised returns on a specific group of assets managed by the issuer;
  - the profit or loss of the Company issuing the contract.

In particular, contracts subject to revaluation and linked to segregated funds were classified as investment products with DPF and were therefore measured and recognised as insurance contracts.

Investment contracts are those contracts characterised by the presence of an investment component (deposit), defined as the amount that the company pays to the policyholder even if the insured event does not take place. If they do not include significant insurance risk, they fall within the scope of application of IFRS 9 "Financial instruments".

The following types of contract were classified as investment contracts with no DPFs according to the rules of IFRS 9:

- index-linked, where the sum insured in the event of death corresponds to the value of the asset plus a small percentage;
- unit-linked, where the sum insured in the event of death corresponds to the NAV plus a small percentage;
- pension funds with guaranteed benefits at contractual maturity or when predefined events occur for which the guarantee is considered insignificant with respect to a pure investment product.

In the case of unit-linked products the loading and the acquisition commissions for the asset management service are recognised and amortised separately over the life of the contract. In the case of index-linked policies, which are not managed over time but only administered, these deferments were not necessary.

Without prejudice to any contractual amendments taking place subsequent to the issue, a contract classified as an insurance contract continues to be an insurance contract until terminated, whereas under certain circumstances an investment contract may be subsequently classified as an insurance contract.

Separation of components

Although, based on a general legal-economic principle, a contract should not be separated in order to correctly reflect its "economic substance", an insurance policy may contain various non-insurance components, such as:

- embedded derivatives, to the extent that they meet certain criteria;
- investment components;
- distinct service components, such as the obligation to provide a non-insurance service or good

These different components must be measured separately from the host contract, as well as accounted for distinctly pursuant to IFRS 9 (for embedded derivatives and investment components) or IFRS 15 (for non-insurance goods/services).
With regard to investment components, which IFRS 17 defines as the amounts that an insurance contract requires the entity to reimburse to the policyholder in all circumstances, regardless of whether or not an insured event occurs, the Group has identified this component by determining the amount that it would be required to reimburse to the policyholder in all scenarios with an impact on commercial substance.
After separating any non-insurance components, the Group applies IFRS 17 to all of the remaining components of the "host" insurance contract.

Method of aggregating groups of contracts

For the purpose of aggregating insurance contracts, the concept of portfolio ("contracts subject to similar risks and managed together") set out in the standard, was interpreted by the Group as follows:

- with regard to contracts in the Non-Life business, the Ministerial Class and the Solvency II Line of Business were considered;
- with regard to the products in the Life business relating to revaluable products, the single segregated fund to which the revaluation of the benefits for the contracting party is linked and, on an aggregate level, class III products containing significant insurance risk, were considered;
- for the insurance rates in the Life business not linked to segregated funds, the portfolios were identified based on the type of risk (e.g., Term Life Insurance policies, with specific funding of assets) and underwriting method (individual and collective).

For the purpose of identifying the unit of account, i.e., the level of aggregation, also defined based on the level of expected profitability of the contracts, to which the accounting criteria set out in the standard are applied, the Group includes in the same UOA all contracts issued during each financial year (period 1/1 – 31/12, corresponding to the "annual cohort" concept).

The Group applies the option set out in Regulation (EU) 2021/2036, which permits, for contracts with direct participation features that are specifically intergenerationally mutualised (identified within the scope of the Unipol Group as revaluable Life products linked to segregated funds), not applying the breakdown of UOAs into annual cohorts of issue.

Valuation models for groups of contracts

By virtue of the provisions of IFRS 17, the entity is required to apply one of the following valuation models to each group of insurance contracts:

A. the Building Block Approach (BBA), also known as the "general model";
B. the Premium Allocation Approach (PAA), which constitutes an optional and simplified valuation model adopted when contacts offer insurance coverage of less than or equal to 12 months or when it represents a good approximation of the BBA for contracts with a longer duration;
C. the Variable Fee Approach (VFA), which is the mandatory model to be used for the measurement of direct participation contracts.

Please recall that the classification of contracts based on the valuation model adopted, described in greater detail below, is carried out by the Group exclusively at the time of initial recognition on the basis of the contractual terms and economic context existing at that date and cannot be subsequently revised except in the event of contractual amendments.

Building Block Approach "BBA" (also General Measurement Model "GMM")

The BBA is a standard model that provides for the separate accounting for the components of insurance liabilities/assets, comprised of the present value of expected future cash flows, the explicit adjustment for risk and the CSM, constantly adjusted based on the market conditions, specifically:

- the changes in the present value of cash flows deriving from changes in the discount rate used result in an equivalent adjustment of the present value of cash flows with an offsetting entry in the Income Statement or, as an option, in the Comprehensive Income Statement, as described in more detail in the section Adoption of options to reduce accounting mismatches – OCI option;
- the changes in the estimated liabilities relating to future services result in an adjustment to the CSM;
- the changes observed in the expected cash flows for the period (recognised under revenue from insurance services) and those actually incurred in the period (recognised under insurance service expenses), instead, impact the Income Statement for the year.

Premium Allocation Approach "PAA"

The PAA is an optional and simplified model applicable to contracts with coverage equal to or less than 12 months and, only under specific conditions, also to contracts with a longer duration. This model provides for the recognition of a single liability ("Liability for Remaining Coverage" or LRC) without explicitly distinguishing between the relative components identified in the previous sections, different to the BBA. Generally, at the reporting date, the LRC in the PAA corresponds to the amount of the premiums initially received from the policyholder net of acquisition costs. The LRC is also recognised in the Income Statement according to systematic logic on a time basis or, if significantly different, based on the expected risk distribution pattern in the contractual coverage period. In any case, the BBA valuation model remains applicable for the measurement of liabilities for incurred claims (LIC).
It should be noted that the Group, also taking into consideration the scope of insurance contracts to which this valuation model has been applied, relies on the option, established in par. 56 of IFRS 17, not to adjust the LRC to reflect the time value of money. On the other hand, the Group does not rely on the option established by IFRS 17 par. 59 b), if specific conditions are met, not to adjust FCFs for the time value of money in order to determine the LIC. Lastly, it should be noted that the Group does not make use of the option established by Art. 59 a) of IFRS 17 to recognise the cash flows associated with the acquisition of insurance contracts as costs when they are incurred. The economic burden of these acquisition costs is therefore reversed to the income statement in line with the period during which the insurance services are provided.

Variable Fee Approach "VFA"

The Variable Fee Approach ("VFA") is a mandatory accounting model that constitutes a variation of the BBA applicable to cases of insurance contracts with direct participation and investment contracts with discretionary participation features which require that the policyholder obtain from the insurance company remuneration based on a substantial share of the returns of a portfolio of clearly identifiable financial assets. This valuation model does not include contracts without direct participation as well as reinsurance policies

issued and held. Under this approach, the CSM substantially represents the fee for the financial management service provided by the insurer which must be recognised in the Income Statement over the term of the service.
On initial recognition, there is valuation consistency between the general BBA model and the VFA (with the exception of groups of insurance contracts that do not apply the annual cohort requirement). On the other hand, in the subsequent valuation phase, different from that set out for the BBA, any changes in the estimate of the CSM that derive from the performance of the underlying financial assets and therefore are due primarily to changes in fair value that have an impact on fees for the management service, result in a change in the CSM without generating direct impacts on the Income Statement or Comprehensive Income Statement. Finally, in the VFA, financial charges on the CSM are calculated at the market rate (and not at the locked-in rate). In summary, the CSM does not explicitly accrue any interest but is adjusted in each period by an amount equal to the difference between the change in the fair value of the assets and the change in fulfilment cash flows due to the effect of the time value of money, financial risks and the changes that have affected it.
For insurance and reinsurance contracts taken out since the transition date, the Group generally applies the following accounting models:

- the PAA for all Non-Life contracts with coverage of up to 12 months;
- the VFA for insurance contracts with direct participation features and investment contracts with discretionary participation features (mainly comprised of revaluable policies linked to segregated funds);
- the BBA for all insurance contracts not included in the above categories, i.e., mainly for multi-annual Non-Life and Life policies other than those to which the VFA is applied.

By virtue of the principle of consistency, these accounting models were also applied to contracts signed prior to the transition date, with the exception of Non-Life business, accounted for on the basis of:

- the BBA if the fair value approach has been applied to them as a transition method;
- the PAA if the transition took place with the modified retrospective approach.

Estimates of future cash flows

Consistent with the accounting standards applied, for the estimation of future cash flows, which IFRS 17 defines as cash flows that are expected to arise with the fulfilment of the insurance contract, the Group adopts all reasonable and available information at the reporting date.
Specifically, the cash flows attributable to the group of insurance contracts include, for example, the premiums of policyholders, the payment of claims (including those reported and all future claims for which there is a substantive obligation to provide services net of recoveries), expenses and commissions and costs relating to investment activities carried out for the benefit of policyholders (including investment return services). In addition, the cash flows deriving from the acquisition or underwriting of a group of insurance contracts must be directly attributable to the portfolio of insurance contracts to which the group in question belongs.
Depending on the type of services provided, the other costs incurred for the fulfilment of the contracts could also include:

- management, maintenance and claims administration expenses;
- the costs that the Group will need to incur to provide investment services;
- income taxes and any other charges specifically borne by policyholders.

Calculating discount rates

To determine the discount rate to apply to future cash flows, in the absence of regulatory provisions on the matter, the Group applies a bottom-up approach. This approach provides for the identification of a “risk free” curve adjusted on the basis of a factor (“Illiquidity Premium”) that expresses the illiquidity characteristics of insurance contracts. To identify the risk free curve, the Group has adopted a methodology similar to the one used in the area of prudential supervision. The Illiquidity Premium is determined using an approach analogous to that designed in the context of the revision of the Solvency II standard formula, but using the characteristics of the real asset portfolio underlying insurance liabilities. In other words, the Illiquidity Premium is differentiated based on the liquidity characteristics of the cash flows being discounted, distinguishing, for example, between flows that are dependent on the returns of a portfolio of underlying financial assets and those that are not.

The weighted average discount rates adopted at the end of December 2023 and 2022 are summarised below.

Discount rates (zero coupon rate) for cash flows not dependent on underlying assets

Years	31/12/2023	31/12/2022
1	3.68%	3.62%
2	3.02%	3.74%
3	2.77%	3.65%
4	2.68%	3.60%
5	2.65%	3.58%
10	2.72%	3.54%
15	2.80%	3.47%
20	2.73%	3.21%
30	2.80%	3.09%

Discount rates (zero coupon rate) for cash flows dependent on underlying assets

Years	31/12/2023	31/12/2022
1	3.87%	3.79%
2	3.20%	3.91%
3	2.95%	3.82%
4	2.86%	3.77%
5	2.83%	3.74%
10	2.90%	3.71%
15	2.98%	3.64%
20	2.91%	3.38%
30	2.94%	3.22%

Calculation of the adjustment for non-financial risks – RA

The Group has adopted a method of determining the Risk Adjustment based on metrics derived from the Solvency II framework based on the probability distributions of the set of risks to which the cash flows are subject, also taking into account the diversification benefits existing between the different UOAs. In particular, the diversification effect is applied between the insurance portfolios of the same entity, but not between different sectors or between legal entities. With reference to the confidence level on the basis of which the amount of the Risk Adjustment is determined, the Group has generally adopted a level equal to the 75th percentile which may be supplemented with a prudential buffer up to the 98th percentile in the event of situations of particular uncertainty in the reference context.

Contractual Service Margin – CSM

Please recall that, based on the BBA general accounting model, the "Contractual Service Margin" (CSM) is the difference between the cash flows due to the company (i.e., premiums) and the aggregate contract charges undertaken, including risk adjustment. If the CSM is positive, it will be suspended under liabilities with the aim of recognising it in the Income Statement throughout the entire insurance coverage period.
If the CSM is negative, on initial recognition or even subsequently in the event of adverse changes in expected profitability, the implicit loss deriving from the insurance contract cannot be deferred and will need to be recognised in the Income Statement. Specifically, at each subsequent reporting period, the CSM must be adjusted due to changes in expected future cash flows caused, for example, by changes in technical assumptions (death, morbidity, longevity, redemptions, expenses, future premiums, etc.) or the financial interest deriving from the locked-in discount rate used on initial recognition to determine the present value of estimated cash flows.
Specifically, the CSM will be gradually recognised in the Income Statement under the item "Insurance revenue" during the insurance coverage period due to a particular calculation mechanism, introduced by IFRS 17, which aims to reflect the insurance services provided by the company on the basis of "coverage units".
In this regard, to determine the coverage units of the entire Non-Life business, the Unipol Group has chosen to use a method based on "incurred undiscounted" claims in order to best represent the risk exposure of the UOAs.
On the other hand, as regards the Life Business, the CSM is released through the Coverage Units determined on the basis of insured capital and any correction to take into account the actual margins achieved during the period.

Adoption of options to reduce accounting mismatches – OCI option

The Group has adopted the options to reduce accounting mismatches deriving from the methods of valuation of liabilities and assets subject to IFRS 17 and/or IFRS 9. Specifically, the options set out in paragraphs 88, 89 and 90 of IFRS 17 allow for recognising as an offsetting entry in the Comprehensive Income Statement, rather than in the Income Statement, a portion of the finance income or expenses relating to insurance contracts. That option makes it possible:

- with regard to contracts accounted for using the BBA or PAA, to recognise changes in insurance assets and liabilities deriving from changes in the discount rates as an offsetting entry in the Comprehensive Income Statement, recording in the Separate Income Statement only the effects of capitalising cash flows at the same discount rate applied at initial recognition (the so-called "locked-in" rate);
- with regard to contracts accounted for using the VFA, to eliminate the net financial profitability recognised in the Income Statement deriving from the assets underlying the insurance contracts and from the revaluation of insurance liabilities ("mirroring").

Derecognition of insurance contracts

Pursuant to IFRS 17, an insurance contract is removed from the group of contracts to which it belongs in the event of its expiry, transfer or amendment of conditions so that a new contract can be recognised in a new group.
In terms of accounting impacts, the derecognition of insurance contracts entails the adjustment of the respective FCF and CSM of the group of contracts, in line with the reasons underlying the derecognition, without generating a direct and immediate effect on the Income Statement (unless the group of contracts becomes onerous or is extinguished).

Classification of insurance liabilities

IFRS 17 calls for the identification of two separate insurance liabilities based on when the insured event takes place:

- the Liability for remaining coverage (LRC), i.e. the liability that quantifies the issuer's obligation to provide coverage for insured events that have not yet taken place , which includes discounted expected flows, adjusted for the economic value of time and risk, the cash flows relating to future services and the expected profit (CSM Contractual Service Margin) of the group of contracts at that date, then suspended in the balance sheet and released according to the coverage units;
- the Liability for incurred claims (LIC), i.e. the liability that quantifies the issuer's obligation to compensate for events that have already occurred and which includes the discounted expected cash flows, adjusted for the economic value of time and risk as well as the cash flows relating to past services.

3.1 Insurance contracts issued that are liabilities

This item includes insurance contracts issued as defined and governed by IFRS 17 - insurance and reinsurance contracts, and investment contracts issued with discretionary participation features - belonging to groups of contracts (UoA) whose net positions at year end constitute liabilities.

3.2 Reinsurance contracts held that are liabilities

This item includes reinsurance contracts held defined and governed by IFRS 17, belonging to groups of contracts (UoA) whose net positions at year end constitute liabilities.

4 Financial liabilities - IFRS 9

This item includes the financial liabilities at fair value through profit or loss and the financial liabilities at amortised cost pursuant to IFRS 9.

4.1 Financial liabilities at fair value through profit or loss

The financial liabilities in this category are subdivided into two further sub-items:

- held-for-trading financial liabilities, which include negative items on derivatives;
- financial liabilities to be measured at fair value through profit or loss, which include the financial liabilities related to contracts issued by insurance companies where the investment risk is borne by the policyholders, when the insurance risk is not significant, and where there is no discretionary participation feature.

4.2 Financial liabilities at amortised cost

This item includes debt securities issued, financial liabilities for future payments to lessors following the recognition of right of use on property, plant and equipment in application of IFRS 16 and other loans obtained.

5 Payables

The item Payables includes:
- payables deriving from insurance and reinsurance transactions not included, in application of the provisions of IFRS 17, in the cash flows taken into account for the calculation of Insurance assets and liabilities;
- Other payables, such as trade payables, payables for policyholders' tax due, payables for post-employment benefits, sundry tax payables and social security charges payable.

Payables are recognised at their nominal value.

Employee benefits - IAS 19

Post-employment benefits accrued by 31 December 2006 that were not transferred to external bodies in accordance with the provisions of Italian Legislative Decree 252/05 on supplementary pension schemes come under the category of employee benefits classified as a defined benefits plan. The amount due to employees is therefore calculated using actuarial techniques and discounted at the reporting date, using the "Projected unit credit method" (a method based on benefits accrued in proportion to length of employment).
The same method is used to establish the effects of other defined benefits for employees for the post-employment period.

Actuarial gains and losses relating to obligations deriving from defined benefit plans are recorded under Other comprehensive income (expense).
Future cash flows are discounted on the basis of the market yield curve, recorded at the end of the year, for corporate bonds issued by issuers with high credit standing.

The service cost and net interest are recognised in the Income statement.

Net interest is calculated by applying to the net value of liabilities for defined benefits existing at the start of the year the one-year interest rate taken from the yield curve used to discount the liability at the end of the previous year.

6 Other liabilities

6.1 Liabilities associated with disposal groups held for sale - IFRS 5

Please see above for the corresponding asset item.

6.2 Tax liabilities - IAS 12

The item includes tax payables for current taxes as well as deferred tax liabilities, which are recognised whenever there is a taxable temporary difference, except in the cases provided for in paragraph 15 of IAS 12.
Deferred tax liabilities must be measured using the tax rates that are expected to apply during the year in which the tax liability will be paid off, based on the ruling tax rates (and tax legislation) or those in force at the reporting date. If tax rates change, despite being prior year items, the deferred taxes recalculated in accordance with the new rates are recognised under Income tax in the income statement or under equity reserves to which the temporary variations in question apply.

With regard to the offsetting of deferred tax assets and liabilities, reference should be made to the previous paragraph "6.2 Current tax assets and deferred tax assets - IAS 12" in the section on Assets.

6.3 Other liabilities

The item includes non-financial liabilities which by their nature cannot be classified under other liability items.
The item includes, inter alia, accrued expense and deferred income, liabilities relating to defined benefits and other long-term benefits for employees and deferred commission income relating to investment contracts without discretionary participation in profits, therefore not falling within the scope of scope of application of IFRS 17.

Income Statement

1. Insurance revenue from insurance contracts issued - IFRS 17

Revenues from insurance contracts issued consist of the fees due to the Company for the insurance services it provides, which pursuant to IFRS 17 are recognised in the income statement in proportion to the share of services provided in the reference period.
The methods whereby fees are reflected in the item "Insurance revenue" vary depending on the accounting model applied. With regard to the general BBA model (and the relative VFA variant), a value is recognised under insurance revenue, corresponding to the benefits that the Group had estimated to provide in the same period and incorporated into the estimate of the LRC at the beginning of the period (or initial recognition in the case of new contracts), plus the related risk adjustment and the share of the margin on contractual services rendered during the period. In detail, the portion of the fee allocated to revenue in the income statement incorporates:

- the estimated expenses for insurance services in the period, i.e. for claims and related expenses expected in the period and measured on the basis of estimates at the beginning of the period;
- the adjustment for non-financial risk;
- the release of the contractual service margin in relation to the insurance coverage provided in the period (coverage unit); and
- any additional amounts received and not incorporated in the initial estimates in relation to the services for the current period or previous years, such as experience adjustments for premiums received relating to current or past services.

On the other hand, with regard to contracts valued according to the Premium Allocation Approach ("PAA"), the recognition of insurance revenue, therefore the release of the LRC, must be carried out in relation to the distribution of insurance risk over the life of the contracts; in particular, the distribution can be carried out:

- *pro-rata temporis* if a linear risk trend is assumed during the coverage; or
- in the opposite case, on the basis of the different identified and expected distribution of insurance risk during the coverage period.

2. Insurance service expenses from insurance contracts issued – IFRS 17

The item includes expenses actually incurred in the period deriving from insurance contracts issued and relating to claims occurring during the year (net of investment components) and other expenses directly attributable to the contracts, estimated losses and the respective changes in relation to groups of onerous insurance contracts and the amortisation of expenses for the acquisition of insurance contracts issued.
It also includes the management expenses of investments underlying the insurance contracts to which the VFA is applied.
With regard to groups of insurance contracts with direct participation features and investment contracts with DPF, this item includes changes in the amount of the share of the fair value pertaining to the company that do not change the CSM.
Any positive or negative balance is also included among other technical charges and other technical income connected with insurance contracts issued, for the part of these charges and income not included in FCFs.

3. Insurance revenue from reinsurance contracts held – IFRS 17

This item includes the amount recovered from reinsurers such as, for example, the amount of expenses and losses recovered on the underlying insurance contracts, as well as the positive balance between write-backs and value adjustments connected with the expected losses deriving from the reinsurer's risk of default.

4. Insurance service expenses from reinsurance contracts held – IFRS 17

The item includes the share of premiums ceded for the year, net of the amounts expected to be received from reinsurers not associated with claims relating to the underlying insurance contracts.
Lastly, it includes the negative balance between write-backs and value adjustments connected with expected losses deriving from the reinsurer's risk of default and the positive or negative balance between other technical charges and other technical income connected with reinsurance, for the part of these charges and income not included in Fulfilment Cash Flows (FCFs).

6. Gains/losses on financial assets and liabilities at fair value through profit or loss

This item includes realised gains and losses, interest, dividends, charges and positive and negative changes in value of financial assets and liabilities at fair value through profit or loss.

In particular, the item includes profits and losses relating to non-hedging derivative contracts, other than those included under interest. Income deriving from units of UCITS - Undertakings for Collective Investment - is also incorporated.

7. Gains/losses on investments in associates and interests in joint ventures

This item includes gains and losses on investments in associates and interests in joint ventures recognised in the corresponding asset item.

8. Gains/losses on other financial assets and liabilities and investment property

This item includes gains and losses on investment property, equity investments and financial instruments not measured at fair value through profit or loss.
Specifically, gains mainly include other investment income, including dividends and rental income from investment property, and realised gains on the sale of financial assets or liabilities and investment property.
As regards losses, on the other hand, these include other investment expense, costs relating to investment property such as condominium expenses and maintenance expenses that do not increase the value of the investment property, losses realised as a result of the derecognition of financial assets or liabilities and investment property, amortisation/depreciation and impairment losses.

8.1 and 8.2 Interest income/expense calculated with the effective interest method

These items include interest income and expense, as well as income and similar charges relating, respectively, to financial assets at amortised cost, financial assets at fair value through other comprehensive income (Asset items 4.3 and 4.4) and financial liabilities at amortised cost (Liability item 4.2).

8.3 Other gains/losses

The item includes dividends on equity instruments in the portfolio, including those designated at fair value through other comprehensive income, other than equity investments measured at equity, as well as those relating to "Discontinued operations".
The item also includes income and charges deriving from the third party use of investment property, and, in particular, condominium expenses and maintenance and repair costs not added to their value.

8.4 Realised gains/losses

The item includes realised gains and losses from the sale of a financial asset at amortised cost or at fair value through other comprehensive income, as well as investment property.

8.5 Unrealised gains/losses

This item includes positive changes deriving from the reversal of impairment and the subsequent valuation of investment property measured at fair value, hedging instruments and financial assets and liabilities subject to hedging, other than equity instruments designated at fair value through other comprehensive income, and negative changes deriving from depreciation, impairment and the

measurement subsequent to the initial recognition of investment property measured at fair value, hedging instruments and financial assets and liabilities subject to hedging, other than equity instruments at fair value through other comprehensive income.
The item also includes value adjustments and write-backs connected to changes in credit risk of financial assets at amortised cost and FVOCI, as well as value adjustments/write-backs on other financial assets (item 5) and on financial assets included in "cash and cash equivalents" (item 7) in the Statement of Financial Position.

10. Net finance expenses/income relating to insurance contracts issued - IFRS 17

The item includes changes in the estimated value of insurance contracts issued due to changes in the time value of money and financial risks, net of those recognised in the statement of comprehensive income.

11. Net finance income/expenses relating to reinsurance contracts held – IFRS 17

Net financial income or charges deriving from insurance and reinsurance contracts are presented in the Group Income Statement with a distinction between insurance contracts issued and reinsurance contracts held.
Specifically, the items include changes in the estimated value of groups of contracts deriving from financial risks, such as:
(i) the effect of the time value of money and the relative changes;
(ii) the effect of financial risk and the relative changes (i.e. changes in the discount rate, exchange rate, time value of options and guarantees).

The Unipol Group has relied on the option established by IFRS 17 ("FVOCI Option") to recognise the effects of the change in market rates on the value of insurance liabilities and assets as a balancing entry to items of other comprehensive income, thus reducing Income Statement volatility.

Taking into account the above accounting option, financial income/charges relating to insurance and reinsurance contracts are systematically recognised in the income statement according to different methods based on the accounting model applied; in particular:
- for groups of contracts accounted for according to the general BBA model, financial income/charges are released to the income statement on the basis of the same interest rate used to discount future cash flows at initial recognition, the so-called "locked-in" interest rate;
- for groups of contracts accounted for according to the PAA model, financial income/charges are released to the income statement on the basis of a locked-in interest rate that corresponds to the interest rate originally used to discount LIC future cash flows, or the market rate of the year in which the claims occur;
- lastly, for groups of insurance contracts with direct participation features accounted for according to the VFA, since the Group generally holds the underlying items, the financial income/charges included in the Income Statement correspond exactly to the accounting return for the period of the underlying items.

13. Other revenue/costs

This item includes the net balance of revenue and costs from the sale of goods, the provision of services other than those of an insurance and financial nature and the use by third parties of the company's property, plant and equipment other than investment property and other assets. Also included are exchange rate differences to be recognised in the income statement pursuant to IAS 21, as well as realised gains relating to property, plant, equipment and intangible assets, other than investment property and "Discontinued operations".

14. Operating expenses

14.1 Investment management expenses

The item includes personnel expenses and overheads directly or indirectly relating to the management of financial instruments, investment property and equity investments. This item does not include expenses calculated by the company in order to estimate insurance assets and liabilities such as, for example, the management costs of investments relating to insurance contracts accounted for on the basis of the VFA.

14.2 Other administrative expenses

The item includes personnel expenses and overheads not included in the calculation of insurance liabilities and assets and not allocated to insurance contract acquisition costs and investment management expenses.
The item includes, in particular, overheads and personnel expenses incurred for the acquisition and administration of investment contracts issued by the company without discretionary participation features and not falling within the scope of application of IFRS 17.

15. Net provisions for risks and charges

The item includes the provisions and any releases to the income statement of item 2 "Provisions for risks and charges" under statement of financial position liabilities. Provisions deriving from commitments and financial guarantees issued are also included.

16. Net impairment losses/reversals on property, plant and equipment

The item includes impairment losses, depreciation and write-backs relating to property, plant and equipment, other than in relation to investment property, including those relating to assets granted under operating leases and rights of use acquired through leases and for the use of property, plant and equipment.
The item also includes the results of the valuations of property, plant and equipment classified as "Non-current assets or assets of a disposal group held for sale" pursuant to IFRS 5.

17. Net impairment losses/reversals on intangible assets

The item includes impairment losses, amortisation and write-backs relating to intangible assets, including those relating to assets granted under operating leases and rights of use acquired through leases and for the use of intangible assets.
The item also includes the results of the valuations of property, plant and equipment classified as "Non-current assets or assets of a disposal group held for sale" pursuant to IFRS 5.

18. Other operating expenses/income

The item includes costs and revenues not attributable to other items indicated previously.

20. Income tax

Pursuant to Art. 117 et seq. of Italian Presidential Decree 917/1986, for the three years 2021-2022-2023, the Parent Unipol has adopted the IRES tax consolidation regime, as consolidating company, with UnipolSai and other subsidiaries meeting the legal requirements participating as consolidated companies. Unipol has signed an agreement with these companies regulating the economic and financial aspects governing the regime in question, recognising in its financial position the effects of the transfer of the IRES taxable income of the consolidated companies, calculated pursuant to the law, keeping into account the applicable consolidation adjustments and the tax credits accrued.

Tax for the year is calculated according to current tax regulations and recognised among costs for the year on an accrual basis and represents:

- the charges/income for current taxes;
- the amounts of deferred tax assets and liabilities arising during the year and usable in future years;
- for the portion due for the year, the deduction of deferred tax assets and liabilities generated in previous years.

Deferred tax assets and liabilities are calculated on the basis of the temporary differences (arisen or deducted during the year) between the profit (loss) for the year and the taxable income and on the consolidation adjustments. In respect of tax losses prior to the applicable period of tax consolidation, deferred tax assets are recognised to the extent in which said losses can be reasonably used against future IRES-taxable income. IRAP for the year is also recognised under Income tax.

22. Profit (loss) from discontinued operations

The item includes:

- profit and loss from discontinued operations, as defined by IFRS 5, net of tax effects; and
- the capital gain or capital loss, net of tax effects, recognised following the fair value measurement net of costs to sell, or disposal of assets in the group of assets held for sale that constitute the discontinued operations.

Foreign currency transactions - IAS 21

Items expressed in foreign currencies are treated in accordance with the principles of multicurrency accounting.
Monetary elements in foreign currency (units of currency owned and assets or liabilities that must be received or paid in a fixed or ascertainable number of units of currency) are translated using the exchange rate applicable at the end of the year.
Non-monetary elements measured at historical cost in foreign currency are translated using the exchange rate applicable on the date of the transaction.
Non-monetary elements measured at fair value in a foreign currency are translated using the exchange rates applicable on the date on which the fair value is determined.
Exchange rate differences arising from the settlement of monetary elements are recognised in the income statement. Exchange rate differences arising when non-monetary elements are measured are allocated to the profit (or loss) for the year or to other comprehensive income (expense) depending on whether the profit (or loss) to which they relate is recognised in the profit (loss) for the year or in other comprehensive income (expense), respectively.

Share-based payments - IFRS 2

The Group pays additional benefits to senior executives under a closed share-based compensation plan under which Unipol Ordinary shares and UnipolSai Ordinary shares are granted if specific targets are achieved (Performance shares). As laid down by IFRS 2 – Share-based payments, these plans form part of the beneficiaries' remuneration. The charge must be recognised through profit or loss, with a balancing item recognised directly in shareholders' equity (Reserve arising from equity-settled share-based payment), on the basis of the fair value of the instruments allocated on the grant date, the charge being spread over the period provided for in the scheme.

Earnings per share - IAS 33

Basic earnings per share are calculated by dividing the profit allocated to holders of ordinary shares in the Parent Unipol by the weighted average number of ordinary shares outstanding during the year.
Diluted earnings per share are calculated by dividing the profit allocated to holders of ordinary shares in the Parent Unipol by the weighted average number of any additional ordinary shares that would be outstanding if all the potential ordinary shares with dilutive effect were converted. If the result is negative, the loss (basic and diluted) per share is calculated.

Use of estimates

The application of certain accounting standards implies significant elements of judgment based on estimates and assumptions which are uncertain at the time they are formulated.
It is believed that the assumptions made are appropriate and, therefore, that the financial statements have been drafted clearly and give a true and fair view of the statement of financial position, income statement and statement of cash flows.

In order to formulate reliable estimates and assumptions, reference has been made to past experience, and to other factors considered reasonable for the case in question, based on all available information. However, we cannot exclude that changes in these estimates and assumptions may have a significant effect on the statement of financial position and income statement as well as on the potential assets and liabilities reported in the financial statements for disclosure purposes, if different elements emerge with respect to those considered originally.

As required by IFRS 17, the Group formulates and uses judgments and estimates that have a very significant impact on the amounts recognised for the classification and measurement of insurance contracts as well as their corresponding level of aggregation. In detail, the most significant judgments concern the data used, the assumptions and the estimation techniques taken into consideration to project future cash flows and reflect underlying uncertainties at the reporting date. In more technical terms, the main assumptions adopted that could lead to substantial changes in the estimate of future cash flows concern estimates of payments for claims and the associated settlement expenses, mortality and longevity rates, the conduct of policyholders (due to terminations and redemptions), the percentages of participation in the returns and general costs directly attributable to the contract.

The use of estimates is also relevant in relation to mainly:

- the measurement of assets and liabilities at fair value (particularly for level 2 and 3 financial instruments);
- the quantification of the adjustment for the impairment of financial assets classified in the FVOCI and amortised cost categories;
- the analyses targeted at identifying any impairment of intangible assets (e.g. goodwill) booked to the financial statements (impairment test);
- the quantification of provisions for risks and charges and provisions for employee benefits.

For information on the methods used to determine the items in question and the main risk factors, please refer to the sections containing a description of the measurement criteria.

2. Notes to the Financial Statements

Consolidation scope

The Unipol Group's Consolidated Financial Statements at 31 December 2023 have been drawn up by combining the figures of the Parent Unipol and those of the 67 direct and indirect subsidiaries (IFRS 10).

There are no jointly-controlled interests.

Associates, in which the investment percentage ranges between 20% and 50% (15 companies), are measured using the equity method (IAS 28) or maintained at the carrying amount. At 31 December 2022, a total of 21 associates and subsidiaries were considered immaterial.

The changes to the consolidation scope and the lists of equity investments in subsidiaries and associates are shown below.

Changes in the consolidation scope compared with 31 December 2022 and other transactions

On 3 April 2023, UnipolSai Assicurazioni SpA acquired 100% of the share capital of Società e Salute SpA. The company, which operates in the private healthcare segment under the brand Centro Medico Santagostino, holds a 100% interest in Santagostino Servizi e Prodotti Srl, specialised in the sale of sanitary items such as eyewear and hearing aids.

On 30 May 2023, the company Tenute del Cerro Wines Srl was established, wholly owned by UnipolSai Assicurazioni SpA, which will be responsible for marketing the wines of Tenute del Cerro and those of other producers.

On 1 June 2023, the partial, non-proportional asymmetric demerger of Promorest in favour of UnipolSai Finance SpA took effect.

On 22 June 2023, Linear SpA established the limited liability company LinearNext Srl, wholly owned by Linear itself, to be entrusted with the mandate for the distribution of "LinearNext" insurance policies.

In execution of the Framework Agreement signed on 28 March 2023 between UnipolSai Assicurazioni SpA and UnipolRental SpA, on the one hand, and BPER Banca SpA and SIFÀ Società Italiana Flotte Aziendali SpA on the other, the merger deed was signed on 22 June for the merger by incorporation of SIFÀ Società Italiana Flotte Aziendali SpA into UnipolRental SpA, with legal, tax and accounting effect from 1 July 2023.

On 27 June 2023, with legal effect from 3 July, the deed of merger of Anton Maria Valsalva Srl into Centri Medici Dyadea Srl was signed.

On 3 August 2023, UnipolSai Assicurazioni SpA participated in the establishment of Cronos Vita SpA, the corporate vehicle for the bail-out of the policyholders of the insurance company Eurovita SpA. In order to provide the investee with the resources necessary to purchase the Eurovita insurance business unit, completed at the end of October 2023, UnipolSai made payments in the form of share capital to Cronos Vita for a total of €49.5m, compared to an equity investment of 22.5% at 31 December 2023.

On 30 November, the purchase and sale contract for the equity investments was executed, signed on 7 July 2023 by Unicredit SpA and UnipolSai Assicurazioni SpA, relating to the transfer of the entire equity investment held in Incontra Assicurazioni SpA by UnipolSai Assicurazioni SpA to Unicredit SpA.

On 14 December 2023, UnipolSai Assicurazioni SpA and UnipolRe Dac, in execution of the respective resolutions dated 28 September and 20 March 2023, signed the deed for the cross-border merger by incorporation of UnipolRe Dac into UnipolSai Assicurazioni SpA, with statutory, accounting and tax effects from 31 December 2023. Prior to the effective date of the merger, UnipolSai had directly acquired 100% of UnipolRe Dac share capital, having received it in assignment as a result of the voluntary liquidation procedure of UnipolSai Nederland Bv, which was cancelled from the Dutch Chamber of Commerce register with effect from 19 December 2023.

On 14 December 2023, the deed for the merger by incorporation of Centri Medici Dyadea Srl into Società e Salute SpA was signed with legal and accounting effects from 1 January 2024.

On 29 December 2023, on conclusion of the voluntary liquidation process launched on 23 October 2023, the companies Garibaldi SCA and Isola SCA were cancelled from the Luxembourg Register of Commerce and Companies.

Equity investments in wholly-owned subsidiaries

Name	Country of registered office	Country of operations (1)	Method (2)	Business activity (3)	Type of relationship (4)	% Direct holding	% Total participating interest (5)	% Votes available at ordinary General Meetings (6)	% Consolidation
Arca Assicurazioni SpA	086 - Italy		G	1	1	98.12%	53.02%		100.00%
Arca Direct Assicurazioni Srl	086 - Italy		G	11	1	100.00%	54.04%		100.00%
Arca Inlinea Scarl	086 - Italy		G	11	1	100.00%	53.63%		100.00%
Arca Sistemi Scarl	086 - Italy		G	11	1	100.00%	53.86%		100.00%
Arca Vita International Dac	040 - Ireland		G	2	1	100.00%	54.04%		100.00%
Arca Vita SpA	086 - Italy		G	1	1	63.39%	54.04%		100.00%
Athens R.E. Fund	086 - Italy		G	10	1	89.59%	76.37%		100.00%
BeRebel SpA	086 - Italy		G	11	1	100.00%	85.24%		100.00%
BIM Vita SpA	086 - Italy		G	1	1	50.00%	42.62%		100.00%
Cambiomarcia Srl	086 - Italy		G	11	1	100.00%	85.24%		100.00%
Casa di Cura Villa Donatello - SpA	086 - Italy		G	11	1	100.00%	85.24%		100.00%
Centri Medici Dyadea Srl	086 - Italy		G	11	1	100.00%	85.24%		100.00%
Centro Oncologico Fiorentino Casa di Cura Villanova Srl in Liquidazione	086 - Italy		G	11	1	100.00%	85.24%		100.00%
Compagnia Assicuratrice Linear SpA	086 - Italy		G	1	1	100.00%	85.24%		100.00%
Consorzio Castello	086 - Italy		G	10	1	99.57%	84.88%		100.00%
Consorzio tra Proprietari Centro Commerciale Porta Marcolfa	086 - Italy		G	11	1	68.46%	58.36%		100.00%
DaVinci Healthcare Srl	086 - Italy		G	11	1	77.06%	65.69%		100.00%
Ddor Auto - Limited Liability Company	289 - Serbia		G	3	1	100.00%	85.24%		100.00%
Ddor Novi Sad	289 - Serbia		G	3	1	100.00%	85.24%		100.00%
Ddor Re	289 - Serbia		G	6	1	100.00%	85.24%		100.00%
Finsai International Sa	092 - Luxembourg		G	11	1	100.00%	85.24%		100.00%
Florence Centro di Chirurgia Ambulatoriale Srl	086 - Italy		G	11	1	100.00%	85.24%		100.00%
Fondazione Unipolis	086 - Italy		G	11	1	100.00%	85.24%		100.00%
Fondo Emporion	086 - Italy		G	10	1	100.00%	85.24%		100.00%
Fondo Landev	086 - Italy		G	10	1	100.00%	85.24%		100.00%
Fondo Oikos	086 - Italy		G	10	1	100.00%	85.24%		100.00%
Gratia et Salus Srl	086 - Italy		G	11	1	100.00%	85.24%		100.00%
Gruppo UNA SpA	086 - Italy		G	11	1	100.00%	85.24%		100.00%
I.Car Srl	086 - Italy		G	11	1	100.00%	85.24%		100.00%
Immobiliare C.S. Srl	086 - Italy		G	10	1	100.00%	85.24%		100.00%
IRMA Srl	086 - Italy		G	11	1	100.00%	85.24%		100.00%
Ital H&R Srl	086 - Italy		G	11	1	100.00%	85.24%		100.00%
Leithà Srl	086 - Italy		G	11	1	100.00%	85.24%		100.00%
LinearNext Srl	086 - Italy		G	11	1	100.00%	85.24%		100.00%
Marina di Loano SpA	086 - Italy		G	10	1	100.00%	85.24%		100.00%
Meridiano Secondo Srl	086 - Italy		G	10	1	100.00%	85.24%		100.00%
Midi Srl	086 - Italy		G	10	1	100.00%	85.24%		100.00%
Nuove Iniziative Toscane - Societa' a Responsabilita' Limitata	086 - Italy		G	10	1	100.00%	85.24%		100.00%
Nuove Terme Petriolo Srl	086 - Italy		G	11	1	100.00%	76.37%		100.00%
Santagostino Servizi e Prodotti Srl	086 - Italy		G	11	1	100.00%	85.24%		100.00%
Siat-Societa' Italiana Assicurazioni e Riassicurazioni - per Azioni	086 - Italy		G	1	1	94.69%	80.72%		100.00%
Società e Salute SpA	086 - Italy		G	11	1	100.00%	85.24%		100.00%

Name	Country of registered office	Country of operations (1)	Method (2)	Business activity (3)	Type of relationship (4)	% Direct holding	% Total participating interest (5)	% Votes available at ordinary General Meetings (6)	% Consolidation
Tantosvago Srl	086 - Italy		G	11	1	75.00%	63.93%		100.00%
Tenute del Cerro SpA - Societa' Agricola	086 - Italy		G	11	1	100.00%	85.24%		100.00%
Tenute del Cerro Wines Srl	086 - Italy		G	11	1	100.00%	85.24%		100.00%
Tikal R.E. Fund	086 - Italy		G	10	1	100.00%	85.24%		100.00%
UniAssiTeam Srl	086 - Italy		G	11	1	65.00%	55.41%		100.00%
Unicasa Italia SpA	086 - Italy		G	11	1	70.00%	59.67%		100.00%
Unipol Finance Srl	086 - Italy		G	9	1	100.00%	100.00%		100.00%
Unipol Investment SpA	086 - Italy		G	9	1	100.00%	100.00%		100.00%
UnipolAssistance Scrl	086 - Italy		G	11	1	100.00%	85.12%		100.00%
UnipolGlass Srl	086 - Italy		G	11	1	70.00%	59.67%		100.00%
UnipolHome SpA	086 - Italy		G	11	1	100.00%	85.24%		100.00%
UnipolPart I SpA	086 - Italy		G	9	1	100.00%	100.00%		100.00%
UnipolPay SpA	086 - Italy		G	11	1	100.00%	85.24%		100.00%
UnipolReC SpA	086 - Italy		G	11	1	100.00%	97.82%		100.00%
UnipolRental SpA	086 - Italy		G	11	1	80.01%	68.21%		100.00%
UnipolSai Assicurazioni SpA	086 - Italy		G	1	1	85.24%	85.24%	91.86%	100.00%
UnipolSai Finance SpA	086 - Italy		G	9	1	100.00%	85.24%		100.00%
UnipolSai Investimenti Sgr SpA	086 - Italy		G	8	1	100.00%	92.77%		100.00%
UnipolSai Motor Partner Srl	086 - Italy		G	11	1	100.00%	85.24%		100.00%
UnipolSai Servizi Previdenziali Srl	086 - Italy		G	11	1	100.00%	85.24%		100.00%
UnipolService SpA	086 - Italy		G	11	1	100.00%	85.24%		100.00%
UnipolTech SpA	086 - Italy		G	11	1	100.00%	85.24%		100.00%
Unisalute Servizi Srl	086 - Italy		G	11	1	100.00%	84.39%		100.00%
UniSalute SpA	086 - Italy		G	1	1	98.99%	84.39%		100.00%
WelBee SpA	086 - Italy		G	11	1	100.00%	85.24%		100.00%

(1) This disclosure is required only if the country of operations is different from the country of the registered office

(2) Consolidation method: G=on a line-by-line basis; U=on a line-by-line basis as per unitary management

(3) 1 = Italian insurance companies; 2 = EU insurance companies; 3 = Non-EU insurance companies; 4 = insurance holding companies; 4.1 = mixed financial holding companies. 5 = EU reinsurance companies; 6 = Non-EU reinsurance companies; 7 = banks; 8 = asset management companies; 9 = other holding companies; 10 = real estate companies; 11 = other companies;

(4) Type of relationship:

1 = majority of voting rights at ordinary shareholders' meetings

2 = dominant influence at ordinary shareholders' meetings

3 = agreements with other shareholders

4 = other forms of control

5 = unitary management pursuant to Art. 96, paragraph 1 of "Legislative Decree 209/2005"

6 = unitary management pursuant to Art. 96, paragraph 2 of "Legislative Decree 209/2005"

(5) The product of investment relations concerning all companies positioned in the investment chain.

(6) Availability of votes at ordinary shareholders' meetings, distinguishing between actual votes and potential votes. The availability of votes is indicated only if different from the direct shareholding.

Equity investments in wholly-owned subsidiaries with material non-controlling interests: non-controlling interests, availability of non-controlling votes, dividends distributed to non-controlling interests, profit (loss) for the year and shareholders' equity of non-controlling interests

Amounts in €m

Name	% Non-controlling interests	% Votes available to non-controlling interests at ordinary General Meetings	Dividends distributed to non-controlling interests	Consolidated profit (loss) attributable to non-controlling interests	Shareholders' Equity attributable to non-controlling interests
UnipolSai Assicurazioni	14.76%	8.14%	67	169	1,741

Equity investments with significant third-party interests: accounting information

Amounts in €m

Name	Investments	Other assets	Cash and cash equivalents	Insurance liabilities	Financial liabilities	Shareholders 'equity	Total revenue	Pre-tax profit (loss) from continuing operations	Profit (loss) from continuing operations after taxes	Profit (loss) from discontinued operations after taxes	Profit (loss) for the year (1)	Other income items net of taxes (2)	**Comprehensive Income Statement (3) = (1) + (2)**
1. UnipolSai Assicurazioni	61,960	12,184	978	51,200	13,571	7,309	11,250	1,019	766		766	314	1,080

Equity investments in wholly-owned subsidiaries - other information

Information about business combinations

Acquisition of Società e Salute SpA

On 3 April 2023, UnipolSai Assicurazioni SpA acquired 100% of the share capital of Società e Salute SpA, which operates in the healthcare sector under the brand name "Centro Medico Santagostino" which, in turn, holds 100% of the share capital of Santagostino Servizi e Prodotti Srl. Below are the values of the assets and liabilities acquired determined on the basis of the financial statements of Società e Salute and its subsidiary Santagostino Servizi e Prodotti Srl at 31 March 2023.

Amounts in €k

	31/03/2023
Intangible assets	1,952
Property, plant and equipment	40,951
Investments	390
Other financial assets	1,792
Other assets	2,784
Cash anda cash equivalents	4,917
Provisions for risks and charges	(446)
Financial liabilities	(38,308)
Payables	(13,333)
Other liabilities	(24)
Total Net identifiable assets	**675**

On the basis of these values, the difference between the acquisition cost (equal to €105.4m corresponding to the total amount due to the seller including the best estimate of future price adjustment) and the net identifiable assets led to the recognition of goodwill for €104.7m.

Merger by incorporation of SIFÀ Società Italiana Flotte Aziendali SpA into UnipolRental SpA

On 1 July 2023, the legal effects entered into force for the merger by incorporation of SIFÀ Società Italiana Flotte Aziendali SpA, a member of the BPER Group operating in the long-term rental business, into UnipolRental SpA, the merger deed for which was signed on 22 June 2023.
As a result of the merger, the share capital of the merging entity UnipolRental SpA increased from €25,000,000.00 to €31,244,899.00 through the issue of 6,244,899 new ordinary shares with a nominal value of €1 each, assigned to the sole shareholder of the Merged Entity and, therefore, the share capital of UnipolRental SpA, divided into 31,244,899 ordinary shares with a nominal value of €1 each, is broken down between the two shareholders as follows:

- UnipolSai Assicurazioni SpA, holder of 25,000,000 ordinary shares, representing 80.013% of the share capital;
- BPER Banca SpA, holder of 6,244,899 ordinary shares, representing 19.987% of the share capital.

The values of the assets and liabilities acquired of SIFÀ Società Italiana Flotte Aziendali SpA at 1 July 2023, are reported below.
UnipolSai and BPER have mutually agreed a call and put option on the UnipolRental shares held by BPER.

Amounts in €k

	1/7/2023
Intangible assets	10,273
Property, plant and equipment	625,307
Investments	4,091
Other financial assets	58,028
Other assets	33,145
Cash anda cash equivalents	86
Provisions for risks and charges	(1,555)
Financial liabilities	(622,192)
Payables	(111,313)
Other liabilities	(4,248)
Total Net identifiable assets	**(8,377)**

On the basis of these values, the difference between the acquisition cost on the basis of the UnipolRental shares issued in connection with the merger by incorporation (equal to €50m) and the net identifiable assets led to the recognition of goodwill for €58.4m.

Disclosure on structured entities

The Unipol Group is not exposed to changes deriving from the performance of unconsolidated structured entities. The Unipol Group has promoted transactions with the following structured entities:

- Azzurro RE II DAC is an Irish special purpose vehicle (SPV) that issued a CAT BOND on the ILS (Insurance Linked Securities) markets of €100,000,000 to cover UnipolSai earthquake risks in Italy and neighbouring countries with a 3.5-year maturity (07/2020-01/2024). During 2023, the Group paid the special purpose vehicle a total of €5m as payment of the annual premium relating to the aforementioned reinsurance cover;
- Mercurio Fleet 2022 Srl is an Italian SPV established in accordance with the provisions of Italian regulations on securitisations. The SPV was set up to guarantee the necessary funding to UnipolRental to cover its operating needs. This company is financed through a senior bond with an origination value of €520m, increased by a further €330m in September 2023. As collateral, the bond has an asset allocation established ad hoc, consisting of contracts and vehicles of the UnipolRental fleet. The segregated assets constitute assets allocated exclusively to repay the SPV loan and the receivables and vehicles remain under the legal ownership and in the financial statements of UnipolRental. During the year, the Group incurred a net expense to the entity of €27m, mainly due to interest expense of €29m, partially offset by financial income of €2m as remuneration of the liquidity reserve left available to the SPV. During the year, UnipolRental transferred to Mercurio Fleet 2022 Srl, against the contractual agreements relating to the aforementioned loan, cash for €479m. It should be noted that this amount, corresponding to the collections made on the assets subject to segregation, is returned to UnipolRental on a monthly basis by Mercurio Fleet 2022 Srl, net of the financial and administrative charges contractually envisaged as part of the securitization operation.

The aforementioned SPVs are not consolidated as the Unipol Group does not have control of the entity nor is it exposed to their significant variable returns.

Carrying amount of assets and liabilities of structured entities and maximum exposure to the risk of loss

Amounts in €m

Name of the structured entity/ Financial statement items	Revenue received by the structured entity in the reference year	Carrying amount (at the date of transfer) of assets transferred to the structured entity in the reference year	Carrying amount of assets recognised in the financial statements and relating to the structured entity	Corresponding asset item in the statement of financial position	Carrying amount of liabilities recognised in the financial statements and relating to the structured entity	Corresponding liability item in the statement of financial position	**Maximum exposure to the risk of loss**
Azzurro RE II DAC series 2020-01		5					
Mercurio Fleet 2022 SRL	2	479					

Disclosure on transfers between portfolios of financial assets

During the year, there were no transfers between portfolios of financial assets following a change in the business model.

Fair Value Disclosure

IFRS 13 provides guidelines to the measurement at fair value of financial instruments and non-financial assets and liabilities already required or permitted by other accounting standards (IFRS). This standard:

a) defines fair value;
b) groups into a single accounting standard the rules for measuring fair value;
c) enriches financial statement information.

The standard defines fair value as the sale price of an asset based on an ordinary transaction or the transfer price of a liability in an ordinary transaction on the main reference market at terms applicable at the measurement date (exit price).
Fair value measurement assumes that the transaction relating to the sale of assets or transfer of liabilities can take place:

- on the main listing market;
- if there is no listing market, on the market most advantageous for the assets and liabilities to be measured.

When a market price is not observable, the measurement methods which maximise the use of observable parameters and minimise the use of non-observable parameters must mainly be used.
IFRS 13 also defines a fair value hierarchy based on the level of observability of the inputs contained in measurement techniques used to measure fair value.

IFRS 13 governs the fair value measurement and the associated disclosure also for assets and liabilities not measured at fair value on a recurring basis in the statement of financial position. For these assets and liabilities, fair value is calculated for financial statement disclosure purposes. Also note that, as these assets and liabilities are not typically traded, their fair value is largely based on the use of internal parameters that cannot be directly observed in the market, with the sole exception of listed securities classified as Financial assets at amortised cost.

Fair value measurement criteria

The table below summarises the methods to calculate the fair value for the different macro categories of financial instruments, receivables and property.

		Mark to Market	Mark to Model and other
Financial Instruments	**Bonds**	CBBT contributor - Bloomberg Other contributor - Bloomberg	Mark to Model Counterparty valuation
	Listed shares and investments, ETFs	Reference market	
	Unlisted shares and investments		DCF DDM Multiples
	Listed derivatives	Reference market	
	OTC derivatives		Mark to Model
	UCITS	Net Asset Value	
Receivables			Trade receivables (Mark to Model) Other receivables (carrying amount)
Property			Appraisal value

In compliance with IFRS 13, the market price is used to determine the fair value of financial instruments, in the case of instruments traded in liquid and active markets (Mark to Market).

"Liquid and active market" means:
a) the regulated market in which the instrument subject to measurement is traded and regularly listed;
b) the multilateral trading system (MTF) in which the instrument subject to measurement is traded or regularly listed;
c) listings and transactions performed on a regular basis, i.e. high-frequency transactions with a low bid/offer spread, by an authorised intermediary (hereinafter "contributor").

In the absence of available prices on a liquid active market, valuation methods are used which maximise the use of observable parameters and minimise the use of non-observable parameters. These methods can be summarised in Mark to Model valuations, valuations by counterparty or valuations at the carrying amount in connection with some non-financial asset categories.

Mark to Market valuations

With reference to shares, listed investments, ETFs and listed derivatives, the Mark to Market valuation corresponds to the official valuation price of the market.

For bonds, the sources used for the Mark to Market valuation of financial assets and liabilities are as follows:
a) the primary source is the CBBT price provided by data provider Bloomberg;
b) where the price referred to the previous point is unavailable, an internal scoring model is used, which makes it possible to select liquid and active contributors on the basis of pre-defined parameters.

For UCITS the Net Asset Value is the source used.

Mark to Model valuations

The Group uses valuation methods (Mark to Model) in line with the methods generally used by the market.

The objective of the models used to calculate the fair value is to obtain a value for the financial instrument consistent with the assumptions that market participants would use to quote a price, assumptions that also concern the risk inherent in a particular valuation technique and/or in the inputs used. To ensure the correct Mark to Model valuation of each category of instrument, adequate and consistent valuation models must be defined beforehand as well as reference market parameters.

The list of the main models used within the Unipol Group for Mark to Model pricing of financial instruments is provided below:

Securities and interest rate derivatives:

- Discounted cash flows;
- Black;
- Black-Derman-Toy;
- Hull & White 1, 2 factors;
- Libor Market Model;
- Longstaff & Schwartz;
- Kirk.

Securities and inflation derivatives:

- Discounted cash flows;
- Jarrow-Yildirim.

Securities and share, index and exchange rate derivatives:

- Discounted cash flows;
- Black-Scholes.

Securities and credit derivatives:

- Discounted cash flows;
- Hazard rate models.

The main observable market parameters used to perform Mark to Model valuations are as follows:

- interest rate curves for reference currency;
- interest rate volatility surface for reference currency;
- CDS spread or Asset Swap spread curves of the issuer;
- inflation curves for reference currency;
- reference exchange rates;
- exchange rate volatility surface;
- share or index volatility surface;
- share reference prices;
- reference inflation curves.

The main non-observable market parameters used to perform Mark to Model valuations are as follows:

- correlation matrices between exchange rates and risk factors;
- historical volatility;
- benchmark spread curves constructed to assess bonds of issuers for which the prices of the bonds issued or CDS curves are unavailable;
- credit risk parameters such as the recovery rate;
- delinquency or default rates and prepayment curves for ABS-type financial instruments.

With reference to bonds in those cases when, even on the basis of the results of the Scoring Model, it is not possible to measure an instrument using the Mark to Market method, the fair value is obtained on the basis of Mark to Model type valuations. The different valuation models referred to above are chosen according to the instrument characteristics.

For OTC derivative contracts, the models used are consistent with the risk factor underlying the contract. The fair value of OTC interest rate derivatives and OTC inflation-linked derivatives is calculated on the basis of Mark to Model type valuations, acknowledging the rules set in IFRS 13.
As regards derivatives on which a collateralisation agreement is provided (Credit Support Annex) between the companies of the Unipol Group and the authorised market counterparties, the EONIA (Euro OverNight Index Average) discount curve is used.
As regards uncollateralised derivatives, CVA (Credit Valuation Adjustment) and DVA (Debit Valuation Adjustment) adjustments are made. It should be noted that, at 31 December 2023, almost all derivative positions represented collateralised contracts for which CSA agreements are in place with the counterparties involved in the trading.

As regards unlisted shares and investments for which a market price or an appraisal by an independent expert is not available, the valuations are performed mainly on the basis of (i) equity methods, (ii) methods based on the discounting of future profit or cash flows, i.e. Discounted Cash Flow (DCF) or Dividend Discount Model (DDM), (the so-called "excess capital" version) (iii) if applicable, methods based on market multiples.

As regards unlisted UCITS, Private Equity Funds and Hedge Funds, the fair value is calculated as the Net Asset Value (NAV) at the financial statement date provided directly by the fund managers. The NAV is constructed on the basis of stringent valuation policies defined by the fund and is based on valuation of the underlying assets using updated inputs and more appropriate measurement approaches. Based on these considerations and taking into account sector market practices, this value was used to express the instrument's fair value.

The carrying amount is used for other loans.

With reference to properties, the fair value is measured on the basis of the appraisal value provided by independent experts, in compliance with current legal provisions.

Counterparty valuations

For financial assets and liabilities which do not fall into the categories of instruments valued on a Mark to Market basis and for which there are no consistent and validated valuation models available for the purposes of measuring fair value, the valuations provided by the counterparties that could be contacted to liquidate the position are used.

Unique characteristics of the fair value measurement for structured bonds and SPV structured bonds

Bond issues that incorporate a derivative contract which modifies the cash flows generated by the host contract are considered structured bonds. The measurement of structured bonds requires the representation and separate valuation of the host contract and of embedded derivative contracts.
The measurement of structured bonds makes use of models consistent with the breakdown into elementary components (host contract and embedded derivatives) and with the risk factor underlying said contract.

For structured bonds, the valuation of elementary components follows the criteria defined above for the calculation of fair value, which makes provision for use of Mark to Market valuation if available, or of the Mark to Model approach or counterparty price in the case in which the Mark to Market-type price is not available.
Bonds issued by a Special Purpose Vehicle secured by collateral and whose flows paid are generated by an interest rate swap contract in place between the vehicle and the swap counterparty (usually the arranger of the transaction) are considered SPV structured bonds.
The measurement of SPV structured bonds requires the representation and separate valuation of the following elements:
- collateral issue of the vehicle;
- interest rate swap agreement between the vehicle and arranger;
- any other optional components or CDS agreements included in the vehicle.

For SPV structured bonds the valuation of collateral follows the criteria defined previously for the calculation of the fair value, which makes provision for the use of the Mark to Market approach if available, or the Mark to Model approach or the counterparty price in the case in which the Mark to Market type price is not available.
The valuation of the interest rate swap agreement provides for the discounting of future cash flows on the basis of the different discount curves, based on the existence or not of a collateralisation agreement (Credit Support Annex) between the vehicle and swap counterparty. In particular, if the derivative contract is collateralised using available securities included in the SPV's assets, the future cash flows of the interest rate swap agreement are discounted using the EONIA discount curve; while if there is no collateralisation agreement, use is made of CVA (Credit Valuation Adjustment), DVA (Debit Valuation Adjustment) and FVA (Funding Valuation Adjustment), as appropriate.

Criteria for determining the fair value hierarchies

Assets and liabilities measured at fair value are classified on the basis of the hierarchy defined by IFRS 13. This classification establishes a fair value hierarchy based on the degree of discretionary power used, giving priority to the use of observable market parameters, as these are representative of the assumptions that market participants would use in the pricing of assets and liabilities.

Assets and liabilities are classified on the basis of the criterion used to determine fair value (Mark to Market, Mark to Model, Counterparty) and on the basis of the observability of the parameters used, in the case of the Mark to Model valuation:
- Level 1: this category includes assets and liabilities valued on a Mark to Market basis, with CBBT price source and with contributor prices that meet the minimum requirements to ensure that these prices can be used in active markets;
- Level 2: this category includes assets and liabilities valued on a Mark to Market basis, but which cannot be classified in the previous category, and assets the fair value of which is obtained with a consistent pricing model with observable market parameter inputs;
- Level 3: this category includes assets and liabilities for which the variability of the estimate of the pricing model may be significant due to the complexity of the pay-off or, if a consistent and validated model is available, the parameters needed for the valuation are not observable. This category also includes bonds which do not meet the requirements defined in the scoring test (see the paragraph "Mark to Market valuations") and for which a Mark to Model valuation is not possible. Lastly, this category also includes loans and investment property.

Fair value measurement on a recurring basis

Process for fair value measurement on a recurring basis
The measurement of financial instruments is a preliminary activity for risk monitoring, integrated asset and liability management and the drafting of the financial statements for the year.
The fair value measurement of financial instruments on a recurring basis is structured into different stages and is carried out, in compliance with the principles of separateness, independence and responsibility of the departments, at the same time, and independently, by the Finance Department and the Risk Management Department of Unipol Gruppo, using the measurement criteria defined in the previous paragraph.
When the independent valuations of financial assets and liabilities have been carried out by the two Departments involved in the pricing process, a check is performed for significant deviations, which refer to deviations of more than 3% in terms of absolute value. In the event of deviations of more than 3%, the reasons for the differences identified are analysed and, when the outcomes of the comparison are known, the price to be used for financial statement valuation purposes is determined.

Fair value measurement on a recurring basis through non-observable parameters (Level 3)
The classification of financial assets and liabilities at Level 3 adheres to a prudential approach; this category mainly includes the following types of financial instruments:
- unlisted equity instruments or investments for which a market price or an appraisal drafted by an independent expert is not available; valuations are performed on the basis of the methods indicated previously;
- shares in private equity funds, hedge funds and unlisted UCITS units for which information on the financial instruments held in the relative portfolios is not available and which could, as such, include financial instruments valued on a Mark to Model basis using non-observable parameters;
- bonds valued on a Mark to Model basis using non-observable parameters (correlations, benchmark spread curves, recovery rate);
- bonds valued with a counterparty price on a Mark to Model basis using non-observable parameters;
- ABS type bonds for which a Mark to Market valuation is not available;

- derivative instruments valued on a Mark to Model basis using non-observable parameters (correlations, volatility, dividend estimates);
- bonds which do not meet the requirements defined in the scoring test (see the paragraph "Mark to Market valuations") and for which a Mark to Model valuation is not possible.

Fair value measurement on a non-recurring basis in compliance with the disclosure requirements of other standards

Consistent with the provisions of IFRS 13, fair value is measured also for assets and liabilities not measured at fair value on a recurring basis in the statement of financial position and when the disclosure on fair value has to be provided in the Notes to the financial statements in compliance with other international accounting standards. Since these assets and liabilities are usually not exchanged, the calculation of their fair value is based primarily on the use of internal parameters not directly observable on the market. This category mainly includes the following types of financial instruments:
- bond issues valued on a Mark to Market basis (level 1);
- bond issues and loans valued on a Mark to Model basis using non-observable parameters (benchmark spread curves) (level 3);
- short-term payables with a duration of less than 18 months and Certificates of Deposit at amortised cost (level 3);
- impaired loans and receivables from bank customers measured at amortised cost, net of analytical valuations (level 3);
- other receivables valued at carrying amount (level 3);
- investment property valued on the basis of the appraisal value determined by independent experts in compliance with the provisions of the applicable legislation. The approach to assigning appraisal mandates is based on the non-exclusive assignment of assets; there is usually a three-year rotation in the assignment of experts.

Fair value measurement on a recurring basis

The table below shows a comparison between the assets and liabilities measured at fair value on a recurring basis.

Assets and liabilities at fair value on a recurring basis: breakdown by fair value level

Amounts in €m

	Level 1		Level 2		Level 3		Total	
	31/12/2023	31/12/2022	**31/12/2023**	31/12/2022	**31/12/2023**	31/12/2022	**31/12/2023**	31/12/2022
Assets and liabilities at fair value								
Financial assets at fair value through OCI	37,469	34,972	2,617	2,207	611	523	40,697	37,702
Financial assets at fair value through profit or loss:	12,459	12,162	214	394	3,738	3,414	16,412	15,970
held for trading	7	9	44	215	22	57	72	281
at fair value through profit or loss	10,578	8,692			101	93	10,679	8,786
mandatorily at fair value	1,874	3,461	171	178	3,616	3,264	5,661	6,903
Investment property								
Property, plant and equipment								
Intangible assets								
Total	49,928	47,135	2,832	2,601	4,349	3,936	57,109	53,672
Financial liabilities at fair value through profit or loss:	9	7	80	142	10,418	8,573	10,507	8,723
held for trading	9	7	80	142	5	5	95	155
at fair value through profit or loss					10,412	8,568	10,412	8,568
Total	9	7	80	142	10,418	8,573	10,507	8,723

Details of changes in Level 3 financial assets and liabilities in the same period are shown below.

Yearly changes in Level 3 financial assets and liabilities at fair value on a recurring basis

Amounts in €m

	Financial assets at fair value through OCI	Financial assets at fair value through profit or loss: held for trading	Financial assets at fair value through profit or loss: at fair value through profit or loss	Financial assets at fair value through profit or loss: mandatorily at fair value	Investment property	Property, plant and equipment	Intangible assets	Financial liabilities at fair value through profit or loss: held for trading	Financial liabilities at fair value through profit or loss: at fair value through profit or loss
1. Opening balance	**523**	**57**	**93**	**3,264**				**5**	**8,568**
2. Increases	**90**		**14**	**680**				**1**	**1,844**
Acquisitions	80		10	474					
Gains recognised through:									
2.2.1 Profit and Loss			4	206					
of which gains									
of which losses									
2.2.2 Other Comprehensive Income	11								
Transfers to other levels									
Other increasing changes								1	1,844
3. Decreasee	**(2)**	**(36)**	**(6)**	**(328)**				**(1)**	
3.1 Sales									
Repayments			(6)	(177)					
Losses recognised through:									
3.3.1 Profit and Loss				(150)				(1)	
of which losses									
of which gains									
3.3.2 Other Comprehensive Income	(2)								
Transfers to other levels									
Other decreasing		(36)		(1)					
4. Closing balance	**611**	**22**	**101**	**3,616**				**5**	**10,412**

The transfers from Level 1 to Level 2, which occurred during the reference period, were irrelevant.

Analysis and stress testing of non-observable parameters (Level 3)

The table below shows, for Level 3 financial assets and liabilities measured at fair value, the effects of the change in the non-observable parameters used in the fair value measurement.
With reference to "assets at fair value on a recurring basis" and belonging to Level 3, the stress test of non-observable parameters is performed with reference to financial instruments valued on a Mark to Model basis and on which the measurement is carried out through one or more non-observable parameters.

The portion of securities subject to analysis had a market value of €363m at 31 December 2023.

The non-observable parameters subject to a shock are benchmark spread curves constructed to assess bonds of issuers for which the prices of the bonds issued or Credit Default Swap curves are unavailable.

The following table shows the results of the shocks:

Amounts in €m

		Curve Spread		
Fair Value				
Shock	+10 bps	-10 bps	+50 bps	-50 bps
Fair Value delta	**(2.90)**	**2.96**	**(13.34)**	**13.64**
Fair Value delta %	*(0.83)*	*0.84*	*(3.80)*	*3.89*

Fair value measurement on a non-recurring basis

IFRS 13 governs fair value measurement and the associated disclosure also for assets and liabilities not measured at fair value on a recurring basis.
For these assets and liabilities, fair value is calculated only for the purpose of market disclosure requirements. Furthermore, since these assets and liabilities are not typically traded, their fair value is largely based on the use of internal parameters that cannot be directly observed in the market, with the sole exception of listed securities classified as Financial assets at amortised cost.

Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value level

Amounts in €m

	Carrying amount		Level 1		Level 2		Level 3		**Total**	
	31/12/2023	31/12/2022	**31/12/2023**	31/12/2022	**31/12/2023**	31/12/2022	**31/12/2023**	31/12/2022	**31/12/2023**	31/12/2022
Assets										
Financial assets at amortised cost	1,857	1,866	91	56	965	910	771	797	1,828	1,763
Investments in associates and j-v	2,656	1,608	1,375	538			97	92	1,472	629
Investment property	2,302	2,282					2,720	2,645	2,720	2,645
Non-current assets or assets of a disposal group held for sale	133	514								
Total assets	**6,948**	**6,270**	**1,466**	**593**	**965**	**910**	**3,588**	**3,533**	**6,019**	**5,036**
Liabilities										
Financial liabilities at amortised cost	5,016	4,616	3,693	3,602			1,301	872	4,993	4,474
Liabilities associated with disposal groups held for sale		360								
Total liabilities	**5,016**	**4,976**	**3,693**	**3,602**			**1,301**	**872**	**4,993**	**4,474**

Disclosure on "day one profit/loss"

During the period, the Group did not recognise profits or losses at the date of initial recognition of financial assets and liabilities as there is no evidence that the value recognised to the counterparty at the time of the transaction differed from the fair value of the underlying financial instrument.

Notes to the Statement of Financial Position

Comments and further information on the items in the statement of financial position and the changes that took place compared to balances at 31 December of the previous year are given below (the numbering of the notes relates to the mandatory layout for the preparation of the statement of financial position).

In application of IFRS 5, assets and liabilities held for sale are shown respectively under items 6.1 in Assets and 6.1 under Liabilities. As regards Non-current assets or assets of a disposal group held for sale, please refer to Chapter 4 Other information, paragraph 4.5, for more information on their composition and measurement criteria.

ASSETS

1. Intangible assets

Intangible assets: breakdown of assets

Amounts in €m

Assets/Values			**31/12/2023**		31/12/2022	
			Fixed period	**Indefinite period**	Fixed period	Indefinite period
A.1	**Goodwill**			**1,883**		**1,719**
A.1.1	attributable to the owners of the Parent			1,770		1,630
A.1.2	attributable to non-controlling interests			113		89
A.2	**Other intangible assets**		**602**		**517**	
	of which software		562		483	
A.2.1	Assets measured at cost:		602		517	
	a)	Internally generated intangible assets				
	b)	Other assets	602		517	
A.2.2	Assets measured at restated value:					
	a)	Internally generated intangible assets				
	b)	Other assets				
Total			**602**	**1,883**	**517**	**1,719**

Goodwill

The change in Goodwill is attributable to the consolidation difference, provisionally determined as permitted by IFRS 3, arising from the merger by incorporation of SIFÀ Società Italiana Flotte Aziendali SpA into UnipolRental SpA. Please refer to the Consolidation scope, "Information about business combinations" section, of these Notes for further details of the accounting method for the aforementioned transactions.

Goodwill with an indefinite useful life recorded in the financial statements was tested for impairment in accordance with the procedure specifically approved by Unipol's Board of Directors. For information on the criteria used for testing purposes, please refer to Chapter 3.11 "Analysis of recoverability of goodwill with indefinite useful life (impairment test)".

Other intangible assets

The item, totalling €602m (€517m in 2022), is composed primarily of costs incurred for purchasing software, licences, consultancy and software customisations for €562m (€483m in 2022) and other intangible assets for €40m (€34m at 31/12/2022).
Research and development costs incurred by the Group and charged to the income statement in 2023, deriving from Leithà operations, amounted to €16m.

Intangible assets: annual changes

Amounts in €m

		Goodwill	Other intangible assets: internally generated		Other intangible assets: other		Total
			FIN	INDEF	FIN	INDEF	
A.	**Opening balances**	**1,719**			**517**		**2,236**
A.1	Total net impairment losses						
A.2	**Net opening balances**	**1,719**			**517**		**2,236**
B.	**Increases**	**163**			**207**		**370**
B.1	Purchases	163			207		370
	of which from	163			3		167
B.2	Increases in internal intangible assets						
B.3	Write-backs						
B.4	Positive changes in restated value						
	- Comprehensive Income Statement						
	- Income Statement						
B.5	Positive exchange rate differences						
B.6	Other changes						
C.	**Decreases**				**(122)**		**(122)**
C.1	Sales						
C.2	Value adjustments				(122)		(122)
	- Depreciation/amortisation				(122)		(122)
	- Write-downs						
	+ Comprehensive Income Statement						
	+ Income Statement						
C.3	Negative changes in restated value						
	- Comprehensive Income Statement						
	- Income Statement						
C.4	Transfers to non-current assets held for sale						
C.5	Negative exchange rate differences						
C.6	Other changes						
D.	**Net closing balances**	**1,883**			**602**		**2,485**
D.1	Total net value adjustments						
E.	**Gross closing balances**	**1,883**			**602**		**2,485**
F.	**Measurement at cost**	**1,883**			**602**		**2,485**

2. Property, plant and equipment

At 31 December 2023, Property, plant and equipment, net of accumulated depreciation, amounted to €4,187m (€2,868m in 2022): the breakdown is shown below.

Property, plant and equipment: breakdown of assets

Amounts in €m

Assets/Values	Assets for own use				Inventories from IAS 2	
	At cost		At restated value			
	31/12/2023	31/12/2022	**31/12/2023**	31/12/2022	**31/12/2023**	31/12/2022
1. Owned assets	**4,011**	**2,743**			**46**	**41**
a) land	63	63				
b) buildings	1,397	1,432				
c) office furniture and machines	96	86				
d) plant and equipment	197	152				
e) other assets	2,257	1,010			46	41
2. Rights of use acquired through leasing	**130**	**84**				
a) land						
b) buildings	106	74				
c) office furniture and machines						
d) plant and equipment	22	8				
e) other assets	1	1				
Total	**4,141**	**2,827**			**46**	**41**

Property, plant and equipment for own use: annual changes

Amounts in €m

	Land	Buildings	Office furniture and machines	Plant and equipment	Other tangible assets	Total
A. Opening gross balances	**71**	**2,099**	**441**	**160**	**1,624**	**4,395**
A.1 Accumulated depreciation and impairment	(8)	(592)	(355)		(572)	(1,527)
A.2 Net opening balances	**63**	**1,507**	**86**	**160**	**1,052**	**2,868**
B. Increases:		**97**	**36**	**102**	**1,610**	**1,845**
B.1 Purchases		46	36	102	1,610	1,794
of which from business combinations		19	6	26	666	718
B.2 Expenses for capitalised improvements		44				44
B.3 Write-backs						
B.4 Positive changes in the restated amount charged to:						
a) Comprehensive Income Statement						
b) Income Statement						
B.5 Positive exchange rate differences						
B.6 Transfers from investment property		7				7
B.7 Other changes						
C. Decreases:		**(100)**	**(25)**	**(42)**	**(359)**	**(526)**
C.1 Sales		(6)	(1)	(14)	(73)	(94)
C.2 Depreciation		(55)	(24)	(28)	(285)	(392)
C.3 Value adjustments for impairment charged to:					(1)	(1)
a) Comprehensive Income Statement						
b) Income Statement					(1)	(1)
C.4 Negative changes in the restated amount charged to:						
a) Comprehensive Income Statement						
b) Income Statement						
C.5 Negative exchange rate differences						
C.6 Transfers to:		(39)				(39)
a) investment property		(35)				(35)
b) non-current assets or assets of a disposal group held for sale		(4)				(4)
C.7 Other changes						
D. Net closing balances	**63**	**1,504**	**96**	**219**	**2,304**	**4,187**
D.1 Accumulated depreciation and impairment	(8)	(631)	(383)	(297)	(934)	(2,253)
D.2 Gross closing balances	**71**	**2,135**	**480**	**516**	**3,238**	**6,440**
E. Measurement at cost	63	1,504	96	219	2,304	4,187

The current value of properties for own use, €1,849m, was based on independent expert appraisals.
The main increase in property, plant and equipment is due to the item Movable assets entered in public registers, in relation to UnipolRental activities during the year.

3. Insurance assets

Asset item 3.2 and liability item 3.2 - reinsurance contracts held that are assets and liabilities

This section provides information on the reinsurance contracts held that are assets and liabilities (asset item 3.2 and liability item 3.2) that are composed as follows:

	Items/Basis of aggregation	**BBA**	**PAA**	**Total**	**BBA**	**PAA**	**Total**
		31/12/2023	**31/12/2023**	**31/12/2023**	**31/12/2022**	**31/12/2022**	**31/12/2022**
1	Reinsurance classifiable as assets	185	875	1,060	241	685	926
2	Reinsurance transfers classifiable as liabilities	(22)	(70)	(92)	(16)	(117)	(133)
3	**Net assets on the balance sheet**	**163**	**804**	**968**	**225**	**568**	**793**
	of which Life segment		**3**	**3**		**(4)**	**(4)**
	of which Non-Life segment	**163**	**802**	**965**	**225**	**572**	**796**

Changes in the carrying amount of reinsurance contracts held - GMM - assets for residual coverage and for claims incurred

NON-LIFE SEGMENT

Amounts in €m

Items/Breakdown of carrying amount	Assets for residual coverage 31/12/2023		Assets for claims incurred 31/12/2023	**Total 31/12/2023**	Assets for residual coverage 31/12/2022		Assets for claims incurred 31/12/2022	Total 31/12/2022
	Net of the loss recovery component	Loss recovery component			Net of the loss recovery component	Loss recovery component		
A. Initial carrying amount								
1. Reinsurance contracts held that are assets	92		150	241	114		222	336
2. Reinsurance contracts held that are liabilities	(4)		(12)	(16)	(4)		(12)	(16)
3. Net carrying amount as at 1 January	87		138	225	110		210	320
B. Economic effects of reinsurance contracts held	(88)		14	(74)	(52)	(1)	13	(41)
1. Cost of reinsurance	(88)			(88)	(52)			(52)
2. Claims and other costs recovered			59	59			56	56
3. Changes in assets for claims incurred			(45)	(45)			(46)	(46)
4. Reinsurance contracts held covering onerous contracts						(1)		(1)
4.1 Revenue associated with the recognition of onerous underlying insurance contracts						1		1
4.2 Releases of the loss recovery component other than changes in cash flows from reinsurance contracts held						(1)		(1)
4.3 Changes in cash flows from reinsurance contracts held resulting from the onerous underlying insurance contracts								
5. Effects of the change of the risk of default by reinsurers			1	1			2	2
6. Total								
C. Insurance service result (Total B)	(88)		14	(74)	(52)	(1)	13	(41)
D. Net finance income/expenses	1		9	10	(2)		(24)	(26)
1. Relating to reinsurance contracts held	1		9	10	(2)		(24)	(26)
1.1. Recorded in the Income Statement							(1)	(1)
1.2. Recorded in the Comprehensive Income Statement	1		9	10	(2)		(23)	(25)
2. Effects associated with changes in exchange rates								
3. Total	1		9	10	(2)		(24)	(26)
E. Investment components								
F. Total amount recorded in the Income Statement and in the Comprehensive Income Statement (C+D+E)	(87)		23	(64)	(55)	(1)	(11)	(67)
G. Other changes			(1)	(1)	(1)	1	(2)	(2)
H. Cash movements	50		(47)	3	33		(59)	(26)
1. Premiums paid net of amounts not related to claims recovered from reinsurers	50			50	33			33
2. Amount of claims recovered from reinsurers			(47)	(47)			(59)	(59)
I. Net carrying amount as at 31 December (A.3+F+G+H)	50		113	163	87		138	225
L. Final carrying amount								
1. Reinsurance contracts held that are assets	61		125	185	92		150	241
2. Reinsurance contracts held that are liabilities	(11)		(11)	(22)	(4)		(12)	(16)
3. Net carrying amount as at 31 December	50		113	163	87		138	225

Changes in the carrying amount of reinsurance contracts held - PAA - assets for residual coverage and for claims incurred

LIFE SEGMENT

Amounts in €m

Items/Breakdown of carrying amount	Assets for residual coverage 31/12/2023		Assets for claims incurred 31/12/2023		Total	Assets for residual coverage 31/12/2022		Assets for claims incurred 31/12/2022		Total
	Net of the loss recovery component	Loss recovery component	Present value of cash flows	Adjustment for non-financial risks	31/12/2023	Net of the loss recovery component	Loss recovery component	Present value of cash flows	Adjustment for non-financial risks	31/12/2022
A. Initial carrying amount										
1. Reinsurance contracts held that are assets	9		13		22	12		(2)		10
2. Reinsurance contracts held that are liabilities			(25)		(25)	1		(13)		(12)
3. Net carrying amount as at 1 January	**9**		**(12)**		**(4)**	**13**		**(15)**		**(2)**
B. Economic effects of reinsurance contracts held	(20)		13		(6)	(20)		13		(7)
1. Cost of reinsurance	(20)				(20)	(20)				(20)
2. Claims and other costs recovered			13		13			13		13
3. Changes in assets for claims incurred			1		1					
4. Reinsurance contracts held covering onerous contracts										
4.1 Revenue associated with the recognition of onerous underlying insurance contracts										
4.2 Releases of the loss recovery component other than changes in cash flows from reinsurance contracts held										
4.3 Changes in cash flows from reinsurance contracts held resulting from the onerous underlying insurance contracts										
5. Effects of the change of the risk of default by reinsurers										
C. Insurance service result (Total B)	**(20)**		**13**		**(6)**	**(20)**		**13**		**(7)**
D. Net finance income/expenses										
1. Relating to reinsurance contracts held										
1.1. Recorded in the Income Statement										
1.2. Recorded in the Comprehensive Income Statement										
3. Total										
E. Investment components										
F. Total amount recorded in the Income Statement and in the Comprehensive Income Statement (C+D+E)	**(20)**		**13**		**(6)**	**(20)**		**13**		**(7)**
G. Other changes						**(1)**				**(1)**
H. Cash movements	**21**		**(9)**		**12**	**17**		**(11)**		**6**
1. Premiums paid net of amounts not related to claims recovered from reinsurers	20				20	16		(11)		5
2. Amount of claims recovered from reinsurers	2		(9)		(8)	1				1
I. Net carrying amount as at 31 December (A.3+F+G+H)	**11**		**(8)**		**3**	**9**		**(12)**		**(4)**
L. Final carrying amount										
1. Reinsurance contracts held that are assets	12		13		24	9		13		22
2. Reinsurance contracts held that are liabilities	(1)		(21)		(22)			(25)		(25)
3. Net carrying amount as at 31 December	**11**		**(8)**		**3**	**9**		**(12)**		**(4)**

NON-LIFE SEGMENT

Amounts in €m

Items/Breakdown of carrying amount	Assets for residual coverage 31/12/2023		Assets for claims incurred 31/12/2023		Total	Assets for residual coverage 31/12/2022		Assets for claims incurred 31/12/2022		Total
	Net of the loss recovery component	Loss recovery component	Present value of cash flows	Adjustment for non-financial risks	31/12/2023	Net of the loss recovery component	Loss recovery component	Present value of cash flows	Adjustment for non-financial risks	31/12/2022
A. Initial carrying amount										
1. Reinsurance contracts held that are assets	313		329	21	663	398		266	19	683
2. Reinsurance contracts held that are liabilities	(72)		(19)		(91)	(58)		(1)		(59)
3. Net carrying amount as at 1 January	**241**		**310**	**20**	**572**	**340**		**265**	**19**	**624**
B. Economic effects of reinsurance contracts held	(289)		604	5	321	(286)	(1)	164	2	(121)
1. Cost of reinsurance	(289)				(289)	(286)				(286)
2. Claims and other costs recovered			196		196			92		92
3. Changes in assets for claims incurred			412	5	416			75	2	77
4. Reinsurance contracts held covering onerous contracts							(1)			(1)
4.1 Revenue associated with the recognition of onerous underlying insurance contracts							9			9
4.2 Releases of the loss recovery component other than changes in cash flows from reinsurance contracts held							(9)			(9)
4.3 Changes in cash flows from reinsurance contracts held resulting from the onerous underlying insurance contracts							(1)			(1)
5. Effects of the change of the risk of default by reinsurers			(3)		(3)			(3)		(3)
C. Insurance service result (Total B)	**(289)**		**604**	**5**	**321**	**(286)**	**(1)**	**164**	**2**	**(121)**
D. Net finance income/expenses			**4**		**4**	**1**		**(7)**	**(1)**	**(7)**
1. Relating to reinsurance contracts held			6	1	6			(9)	(1)	(10)
1.1. Recorded in the Income Statement			3		4			(1)		(1)
1.2. Recorded in the Comprehensive Income Statement			3		3			(8)	(1)	(9)
3. Total			(1)		(2)	1		2		3
E. Investment components										
F. Total amount recorded in the Income Statement and in the Comprehensive Income Statement (C+D+E)	**(289)**		**609**	**5**	**325**	**(286)**	**(1)**	**156**	**2**	**(128)**
G. Other changes	**3**		**(15)**		**(12)**	**(79)**	**1**	**(14)**		**(92)**
H. Cash movements	**157**		**(240)**		**(83)**	**265**		**(97)**		**167**
1. Premiums paid net of amounts not related to claims recovered from reinsurers	154				154	265				265
2. Amount of claims recovered from reinsurers	3		(240)		(237)			(97)		(98)
I. Net carrying amount as at 31 December (A.3+F+G+H)	**112**		**665**	**25**	**802**	**241**		**310**	**20**	**572**
L. Final carrying amount										
1. Reinsurance contracts held that are assets	140		686	24	850	313		329	21	663
2. Reinsurance contracts held that are liabilities	(28)		(21)	1	(48)	(72)		(19)		(91)
3. Net carrying amount as at 31 December	**112**		**665**	**25**	**802**	**241**		**310**	**20**	**572**

Changes in the carrying amount of reinsurance contracts held by features underlying measurement

Amounts in €m

NON-LIFE SEGMENT

Features underlying the measurement of the book value of reinsurance transfers

Items/Features underlying measurement	**Present value of cash flows 31/12/2023**	**Adjustment for non-financial risks 31/12/2023**	**Contractual service margin 31/12/2023**	**Total 31/12/2023**	Present value of cash flows 31/12/2022	Adjustment for non-financial risks 31/12/2022	Contractual service margin 31/12/2022	Total 31/12/2022
A. Initial book value								
1. Reinsurance classifiable as assets	183	7	51	241	265	11	59	336
2. Reinsurance transfers classifiable as liabilities	(16)			(16)	(16)			(16)
3. Net value of financial statements as at 1 January	167	7	51	225	248	11	60	320
B. Changes in current services	(18)	(1)	(67)	(86)	(22)	(1)	(21)	(44)
1. Contractual service margin recorded in the income statement			(67)	(67)			(21)	(21)
2. Change for non-financial risks past due		(1)		(1)		(1)		(1)
3. Changes related to experience	(18)			(18)	(22)			(22)
C. Changes relating to future services	(23)	(1)	24		(12)		11	(1)
1. Changes in estimates that modify the Contractual service margin	(20)	(1)	21		(10)		10	
2. Effects of contracts recognised during the year	(2)		2		(2)		3	1
3. Adjustment of the Contractual service margin connected with recoveries relating to the initial recognition of onerous underlying insurance contracts								
4. Releases of the loss recovery component other than changes in cash flows from reinsurance contracts							(1)	(1)
5. Changes in cash flows from reinsurance transfers from the underlying onerous insurance contracts								
D. Changes relating to past services								
1. adjustments to assets for claims incurred	12	(1)		11	6	(3)		2
E. Effects of changes in the default risk of reinsurers	1			1	2			2
F. Result of insurance services (B + C + D + E)	(28)	(3)	(43)	(74)	(26)	(5)	(10)	(41)
G. Financial revenues/costs	10			10	(25)	(1)		(26)
1. Reinsurance transfers	10			10	(25)	(1)		(26)
1.1 Recorded in the Income Statement					(1)			(1)
1.2. Recorded in the Comprehensive Income Statement	10			10	(24)	(1)		(25)
2. Effects associated with changes in exchange rates								
H. Total amount recorded in the Income Statement and in the Comprehensive Income Statement (F + G)	(18)	(2)	(43)	(64)	(51)	(6)	(10)	(67)
I. Other changes	(2)	1		(1)	(4)	1	1	(2)
L. Cash movements	3			3	(26)			(26)
1. Premiums paid net of amounts not related to claims recovered from reinsurers	50			50	33			33
2. Amounts recovered from reinsurers	(47)			(47)	(59)			(59)
M. Net value of financial statements as at the reporting date (A.3 + H + I + L)	150	6	7	163	167	7	51	225
N. Final book value								
1. Reinsurance classifiable as assets	173	5	7	185	183	7	51	241
2. Reinsurance transfers classifiable as liabilities	(23)	1		(22)	(16)			(16)
3. Net value of financial statements as at the reporting date	150	6	7	163	167	7	51	225

Changes in the contractual service margin of reinsurance contracts held broken down on the basis of existing contracts at the time of transition to IFRS 17

NON-LIFE SEGMENT

Amounts in €m

	31/12/2023					31/12/2022				
	New contracts and contracts measured at the transition date with the full retrospective approach	**Contracts measured at the transition date with the modified retrospective approach**	**Contracts measured at the transition date with the fair value approach**	**Contracts subject to carve-out**	**Total**	New contracts and contracts measured at the transition date with the full retrospective approach	Contracts measured at the transition date with the modified retrospective approach	Contracts measured at the transition date with the fair value approach	Contracts subject to carve-out	Total
Contractual service margin - Opening balances	**2**		**49**		**51**			**60**		**60**
Changes relating to current services	**(3)**		**(65)**		**(67)**	**(1)**		**(20)**		**(21)**
- Contractual service margin recognised in the income statement to reflect services	(3)		(65)		(67)	(1)		(20)		(21)
Changes relating to future services	**9**		**15**		**24**	**4**		**9**		**13**
- Changes in estimates that adjust the contractual service margin	6		15		21	1		9		10
- Effects of contracts initially recognised in the reference year	2				2	3				3
Finance income/expenses										
1. Relating to reinsurance contracts held										
2. Effects associated with changes in exchange rates										
3. Total										
Total changes recognised in the Income Statement and in the Comprehensive Income Statement	**6**		**(49)**		**(43)**	**2**		**(11)**		**(9)**
Contractual service margin - Closing balances	**8**		**(1)**		**7**	**2**		**49**		**51**

Features underlying the measurement of reinsurance contracts held, recorded in the year

NON-LIFE SEGMENT

Amounts in €m

Items/Groups of contracts	**Originated contracts 31/12/2023**			**Contracts acquired in business combinations 31/12/2023**			**Contracts transferred from third parties 31/12/2023**		
	Contracts without loss recovery component	**Contracts with loss recovery component**	**Total**	**Contracts without loss recovery component**	**Contracts with loss recovery component**	**Total**	**Contracts without loss recovery component**	**Contracts with loss recovery component**	**Total**
A. Estimate of the present value of future cash outflows of which: Cash flows associated with the acquisition of insurance contracts	(6)		(6)						
B. Estimate of the present value of future cash inflows	(4)		(4)						
C. Estimate of the net present value of future cash flows (A-B)	(2)		(2)						
D. Estimate of adjustment for non-financial risks									
E. Derecognition of previously recognised cash flows									
F. Contractual service margin	2		2						
G. Increase in reinsurance contract assets recorded during the year due to the recognition of new contracts (C+D+E+F)									

Amounts in €m

Items/Groups of contracts	Originated contracts 31/12/2022			Contracts acquired in business combinations 31/12/2022			Other contracts acquired 31/12/2022		
	Initial contracts without loss recovery component	Initial contracts with loss recovery component	Total	Initial contracts without loss recovery component	Initial contracts with loss recovery component	Total	Initial contracts without loss recovery component	Initial contracts with loss recovery component	Total
A. Estimate of the present value of future cash outflows	(4)	(1)	(6)						
B. Estimate of the present value of future cash inflows	(2)	(1)	(3)						
C. Estimate of the net present value of future cash flows (A-B)	(2)		(2)						
D. Estimate of adjustment for non-financial risks									
E. Derecognition of previously recognised cash flows									
F. Contractual service margin	2	1	3						
G. Increase in reinsurance contract assets recorded during the year due to the recognition of new contracts (C+D+E+F)			**1**						

Reinsurance contracts held - Contractual service margin broken down by expected timing of recognition in the income statement

Amounts in €m

	0-3 years	4-10 years	>10 years	Total
Non-Life Segment	7	1		7

4. Investments

At 31 December 2023, total Investments amounted to €63,924m (€59,428m at 31/12/2022) and are shown by type in the table below:

Amounts in €m

	31/12/2023	*% comp.*	31/12/2022	*% comp.*	*% var.*
Investment property	2,302	*3.6*	2,282	*3.8*	*0.9*
Investments in associates and interests in joint ventures	2,656	*4.2*	1,608	*2.7*	*65.2*
Financial assets at amortised cost	1,857	*2.9*	1,866	*3.1*	*(0.5)*
Financial assets at fair value through OCI	40,697	*63.7*	37,702	*63.4*	*7.9*
Financial assets at fair value through profit or loss	16,412	*25.7*	15,970	*26.9*	*2.8*
Held-for-trading financial assets	72	*0.1*	281	*0.5*	*(74.3)*
Financial assets at fair value	10,679	*16.7*	8,786	*14.8*	*21.5*
Other financial assets mandatorily at fair value	5,661	*8.9*	6,903	*11.6*	*(18.0)*
Total Investments	**63,924**	***100.0***	**59,428**	***100.0***	***7.6***

4.1 Investment property

At 31 December 2023, Investment property, net of related accumulated depreciation, amounted to €2,302m (€2,282m in 2022). The breakdown is provided below.

Investment property: breakdown of assets

Amounts in €m

Assets/Values	At cost		At fair value	
	31/12/2023	31/12/2022	**31/12/2023**	31/12/2022
1. Owned assets	2,296	2,279		
a) land	74	77		
b) buildings	2,222	2,203		
2. Rights of use acquired through leasing	5	3		
a) land				
b) buildings	5	3		
Total	**2,302**	**2,282**		

Investment property: annual changes

Amounts in €m

	Land	Buildings	Total
A. Opening gross balances	**120**	**2,994**	**3,114**
A.1 Accumulated depreciation and impairment	(44)	(788)	(832)
A.2 Net opening balances	**77**	**2,206**	**2,282**
B. Increases		167	167
B.1 Purchases		92	92
of which from business combinations			
B.2 Expenses for capitalised improvements		40	40
B.3 Positive changes in fair value			
B.4 Write-backs			
B.5 Positive exchange rate differences			
B.6 Transfers from properties for own use		35	35
B.7 Other changes			
C. Decreases	**(2)**	**(146)**	**(148)**
C.1 Sales	(2)	(65)	(68)
C.2 Depreciation		(53)	(53)
C.3 Negative changes in fair value			
C.4 Value adjustments for impairment		(15)	(15)
C.5 Negative exchange rate differences			
C.6 Transfers to		(13)	(13)
a) properties for own use		(7)	(7)
b) non-current assets or assets of a disposal group held for sale		(6)	(6)
C.7 Other changes			
D. Net closing balances	**74**	**2,227**	**2,302**
D.1 Accumulated depreciation and impairment	(46)	(839)	(885)
D.2 Gross closing balances	**120**	**3,066**	**3,186**
E. Measurement at fair value			

4.2 Investments in associates and interests in joint ventures

At 31 December 2023, Investments in subsidiaries, associates and interests in joint ventures amounted to €2,656m (€1,608m in 2022). The item includes the interest in the associate BPER Banca for €1,805m (€1,516m at 31/12/2022) and in Banca Popolare di Sondrio for €754m.

Equity investments: information on shareholding relationships

Name	Country of operations (1)	Country of registered office	Business activity (2)	Type of relationship (3)	% Direct holding	% Total participating interest (4)	% Votes available at ordinary General Meetings (5)
Associates							
Assicoop Bologna Metropolitana SpA		086 - Italy	11	b	49.19%	41.93%	
Assicoop Emilia Nord Srl		086 - Italy	11	b	50.00%	42.62%	
Assicoop Modena & Ferrara SpA		086 - Italy	11	b	43.75%	37.30%	
Assicoop Romagna Futura SpA		086 - Italy	11	b	50.00%	42.62%	
Assicoop Toscana SpA		086 - Italy	11	b	49.77%	42.42%	
Banca Popolare di Sondrio SpA		086 - Italy	7	b	19.88%	19.88%	
Borsetto Srl		086 - Italy	10	b	44.93%	38.30%	
BPER Banca SpA		086 - Italy	7	b	19.86%	19.86%	
Cronos Vita SpA		086 - Italy	1	b	22.50%	19.18%	
Ddor Garant		289 - Serbia	11	b	40.00%	34.10%	
Fin.Priv. Srl		086 - Italy	11	b	28.57%	24.35%	
Funivie del Piccolo San Bernardo SpA		086 - Italy	11	b	23.55%	20.07%	
Pegaso Finanziaria SpA		086 - Italy	9	b	45.00%	38.36%	
SCS Azioninnova SpA		086 - Italy	11	b	42.85%	36.53%	
Uci - Ufficio Centrale Italiano		086 - Italy	11	b	38.40%	32.72%	

(1) This disclosure is required only if the country of operations is different from the country of the registered office.
(2) 1=Italian insurers; 2=EU insurers; 3=non-EU insurers; 4=insurance holding companies; 4.1=mixed financial holding companies; 5=EU reinsurers; 6=non-EU reinsurers; 7=banks; 8=asset management companies; 9=other holding companies; 10=real estate companies; 11=other.
(3) b = associates; c = joint ventures.
(4) The product of investment relations concerning all companies positioned in an investment chain.
(5) Availability of votes at ordinary shareholders' meetings, distinguishing between actual votes and potential votes. The availability of votes is indicated only if different from the direct shareholding.

Significant investments: carrying amount, fair value and dividends received

Amounts in €m

Name	Type of relationship (1)	Book value	Fair value	Dividends received
Associates				
BPER Banca SpA	b	1,805	851	34
Banca Popolare di Sondrio SpA	b	754	524	
Total		2,559	1,375	34

(1) b= associates; c= joint venture

The Banca Popolare di Sondrio dividends received by UnipolSai in 2023 are not recognised as they predated the acquisition of significant influence over the investee.

Significant equity investments: accounting information

Amounts in €m

Name	Investments	Other assets	Cash and cash equivalents	Insurance liabilities	Financial liabilities	Total revenue	Impairment losses/reversals on property, plant and equipment and intangible assets	Pre-tax profit (loss) from continuing operations	Profit (loss) from continuing operations after taxes	Profit (loss) from discontinued operations after taxes	Profit (loss) for the year (1)	Other income items net of taxes (2)	**Comprehensive Income Statement (3) = (1) + (2)**
B. Associate													
1. BPER Banca SpA	120,138	11,905	10,086		127,089	6,934	(264)	1,725	1,552		1,552	123	1,642
2. Banca Popolare di Sondrio SpA	49,811	3,364	4,547		52,382	2,236	(72)	660	461		461	52	513

Significant equity investments: reconciliation of carrying amounts

Amounts in €m

Name	**31/12/2023**				31/12/2022			
	Carrying amount of the investment at the beginning of the year	**Total Group comprehensive income (+/-)**	**Dividends received during the year (-)**	**Carrying amount of the investment at the end of the year**	Carrying amount of the investment at the beginning of the year	Total Group comprehensive income (+/-)	Dividends received during the year (-)	Carrying amount of the investment at the end of the year
B. Associates								
1. BPER Banca SpA	1,516	323	34	1,805	1,208	325	17	1,516
2. Banca Popolare di Sondrio SpA		310		754				

Non-significant equity investments: accounting information

Amounts in €m

Name	Carrying amount of equity investments	Profit (loss) from continuing operations after taxes	Profit (loss) from discontinued operations after taxes	Profit (loss) for the year (1)	Other income items net of taxes (2)	Comprehensive Income Statement (3) = (1) + (2)
Associates						
31/12/2023	97	9		9	9	18
31/12/2022	91	6		6	(5)	2

The activity of the associate Cronos Vita, as specifically envisaged in the agreements between the parties involved in the bail-out of Eurovita policyholders, is limited to managing the run-off of the former Eurovita portfolio for the time strictly necessary (i) for the precise identification of the distinct business units making up the company complex to be assigned to the shareholder companies and (ii) the subsequent transfer of these units to them. In this context, it was considered that the investment held in Cronos Vita qualifies, from the acquisition date, as held for sale on the basis of the provisions of IFRS 5. In fact, from the outset, the intention was to sell the equity investment in order to acquire a business unit of the investee, to be identified according to criteria to be defined between the parties and characterised by a potentially different risk/reward profile, in the individual components, from that implicit in the investment.
As a result of the above classification, the equity investment held in Cronos Vita was measured at cost, as it was lower than the estimated realisable value net of costs to sell.
Also note in this regard that, as part of the transaction of UnipolSai and the other participating insurance companies, a pro rata guarantee was issued for the benefit of the banks that granted loans to the associate Cronos Vita to cover part of the early redemptions relating to policies associated with the segregated funds distributed by the banks and included in the business complex acquired by Cronos Vita in October 2023. This surety, which can be activated in the event of default by Cronos Vita, subordinate to a separate pledge by Cronos Vita

on assets included in the segregated funds portfolio, was issued by each of the shareholders of Cronos Vita in proportion to their percentage interest in the share capital. The maximum amount guaranteed by UnipolSai is €1,094m, calculated on the basis of the maximum amount of commitments to grant loans from the financial institutions. At the end of 2023, the loans already disbursed by financial institutions to Cronos Vita for these commitments amounted to €204m, insofar as the portion guaranteed by Unipol is concerned. The surety will become void when the business unit of the investee company assigned to each of the shareholder companies of Cronos Vita is transferred to them.

Note that the listed companies BPER Banca and Banca Popolare di Sondrio, in which the Unipol Group holds 19.85% and 19.72% of the share capital, respectively, were classified as associates as they are subject to influence by the Parent and, consequently, were consolidated using the equity method. It was considered that, despite holding a share of just under 20% of the voting rights that can be exercised at shareholders' meetings, the Unipol Group exercises significant influence given the distribution of the ownership structure of the two companies and the participation of shareholders in ordinary shareholders' meetings, the existence of significant transactions between the Unipol Group and the investees, as well as, with reference to the BPER Group, the appointment of certain members of the administrative body.

4.3 Financial assets at amortised cost

Financial assets at amortised cost: product breakdown, percentage composition and fair value hierarchy

	31/12/2023						31/12/2022					
	Carrying amount	**% comp.**	**L1**	**L2**	**L3**	**Total fair value**	Carrying amount	% comp.	L1	L2	L3	Total fair value
1) Debt securities	1,282	69.0	91	965	196	1,253	1,262	67.6	56	910	193	1,159
Government bonds	192	10.3					196	10.5				
a) listed	54	2.9					77	4.1				
b) unlisted	138	7.4					118	6.3				
Other debt securities	1,090	58.7					1,067	57.2				
a) listed	37	2.0					2	0.1				
b) unlisted	1,053	56.7					1,065	57.1				
2) Loans and receivables	575	31.0			575	575	604	32.4			604	604

Financial assets at amortised cost: product breakdown and credit risk stages

Amounts in €m

		31/12/2023			31/12/2022		
		First stage	Second stage	Third stage	First stage	Second stage	Third stage
Government bonds		192			197		
Other debt securities		1,090			1,065		
Loans and Receivables		575			604		
a)	to banks	49			52		
b)	to customers	526			552		
	- Mortgage loans						
	- Policy loans	10			12		
	- Other loans and receivables	515			540		
Total 31/12/2023		**1,857**			**1,866**		

Other loans and receivables include amounts due from agents as reimbursement of indemnities for €449m (€460m at 31/12/2022).

Financial assets at amortised cost: gross value and total value adjustments

Amounts in €m

	Gross value				Total value adjustments			
	First stage	Of which assets with low credit risk	Second stage	Third stage	First stage	Of which assets with low credit risk	Second stage	Third stage
Government bonds	192	19						
Other debt securities	1,094	976			(3)	(3)		
Loans and receivables	592			1	(17)			(1)
- banks	49							
- customers	543			1	(17)			(1)
Total 31/12/2023	1,878	995		1	(21)	(3)		(1)
Total 31/12/2022	1,887	1,084		1	(21)	(3)		(1)

4.4 Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income: product breakdown and percentage composition

Amounts in €m

	31/12/2023		31/12/2022	
	Book value	*% Comp.*	Book value	*% Comp.*
Equity instruments	1,522	*3.7*	2,112	*5.6*
a) listed	1,224	*3.0*	1,813	*4.8*
b) unlisted	298	*0.7*	299	*0.8*
Debt securities	39,176	*96.3*	35,590	*94.4*
Government bonds	25,814	*63.4*	24,393	*64.7*
a) listed	24,629	*60.5*	23,354	*61.9*
b) unlisted	1,185	*2.9*	1,039	*2.8*
Other debt securities	13,361	*32.8*	11,197	*29.7*
a) listed	11,615	*28.5*	9,821	*26.0*
b) unlisted	1,746	*4.3*	1,376	*3.6*
Other financial instruments				
Total	**40,697**	***100.0***	**37,702**	***100.0***

Financial assets at fair value through other comprehensive income: gross value and total value adjustments

Amounts in €m

	Gross value				Total value adjustments			
	First stage	Of which assets with low credit risk	Second stage	Third stage	First stage	Of which assets with low credit risk	Second stage	Third stage
Government bonds	25,838	25,588			(23)	(22)		
Other debt securities	13,213	11,238	197		(42)	(31)	(7)	
Other financial instruments								
Total 31/12/2023	39,051	36,826	197		(65)	(53)	(7)	
Total 31/12/2022	35,388	34,237	291		(77)	(64)	(12)	

4.5 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss: product breakdown and percentage composition

Amounts in €m

Items/Values	Held-for-trading financial assets				Financial assets at fair value through profit or loss				Other financial assets mandatorily at fair value			
	31/12/2023		31/12/2022		**31/12/2023**		31/12/2022		**31/12/2023**		31/12/2022	
	Book value	*% Comp.*	Book value	*% Comp.*	Book value	*% Comp.*	Book value	*% Comp.*	Book value	*% Comp.*	Book value	*% Comp.*
Equity instruments					157	*1.5*	132	*1.5*		*0.0*		*0.0*
a) listed					157	*1.5*	132	*1.5*				
b) unlisted										*0.0*		*0.0*
Treasury shares												
Own financial liabilities												
Other debt securities					5,357	*50.2*	4,061	*46.2*	1,532	*27.1*	2,768	*40.1*
a) listed					5,357	*50.2*	4,061	*46.2*	1,290	*22.8*	2,515	*36.4*
b) unlisted								*0.0*	242	*4.3*	252	*3.7*
UCITS units					4,861	*45.5*	4,316	*49.1*	4,128	*72.9*	4,135	*59.9*
Non-hedging derivatives	42	*58.7*	99	*35.3*								
Hedging derivatives	30	*41.3*	182	*64.7*								
Other financial instruments					304	*2.9*	277	*3.2*				
Total	**72**	***100.0***	**281**	***100.0***	**10,679**	***100.0***	**8,786**	***100.0***	**5,661**	***100.0***	**6,903**	***100.0***

Information on hedging transactions

Fair value hedges

Amounts in €m

Hedging instrument			
Line item in the statement of financial position including the hedging instruments	Nominal amount	Carrying amount [*]	Change in fair value
4.1 a) Financial liabilities held-for trading	218		

[*] value equal to zero, as the instruments are margined daily through a clearing broker

Hedged item				
Line item in the statement of financial position including the hedged instruments	Nominal amount	Carrying amount	Change in fair value	Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item recognised in the statement of financial position
4.4 Financial assets at fair value through OCI	218	153	1	(2)

Hedge ineffectiveness	
6 Gains/losses on financial assets and liabilities at fair value through profit or loss	
8.5 Unrealised gains/losses	1

During 2023, no new transactions were carried out concerning fair value hedging.
Outstanding fair value hedges concern fixed rate bonds held by Unipolsai, for which the interest rate risk was hedged through Interest Rate Swaps.

Positions existing at 31 December 2023

Existing positions at 31 December 2023 related to IRS contracts for a nominal value of €218.2m, to hedge fixed rate bond assets classified as FVOCI, with a hedged synthetic notional value of the same amount. At 31 December 2023, the fair value change relating to the hedged bonds came to a positive €1.3m, while the fair value change in IRSs amounted to a negative €0.1m, with a positive net economic effect of €1.2m, including the tax effect of €0.4m.

Positions closed at 31 December 2023

In relation to the hedges entered into through Interest Rate Swaps, note that during the year some contracts in place at 31 December 2022 for a nominal value of €975.0m to hedge bond assets were terminated early, for a synthetic notional value of €970.1m, classified as FVOCI. The fair value change in IRSs between 31 December 2022 and the closing date of the hedging instruments, was a positive €17.5m, offset by a negative change of €16.6m, booked through profit or loss based on the fair value change of the synthetic asset hedged during the same period. The hedged bonds were not sold.

Cash flow hedges

Amounts in €m

Hedging instrument					
Line item in the statement of financial position including the hedging instruments	Nominal amount	Carrying amount	Change in fair value	Balance in the cash flow hedge reserve	Hedging gains or (losses) of the reporting period that were recognised in other comprehensive income
4.1 a) Financial liabilities held-for trading	452	(77)	54	18	54

The objective of the existing hedges is to transform the interest rate on financial assets from a floating rate to a fixed rate, stabilising the cash flows.

Positions existing at 31 December 2023
These relate to:

- cash flow hedge on bonds classified as FVOCI through IRS for notional €451.5m (€588.5m at 31/12/2022).
  The cumulative effect on Shareholders' Equity in the Hedging reserve for gains or losses on cash flow hedges was a negative €18.5m (negative effect for €72.4m at 31/12/2022): net of tax, the negative impact was €12.8m (negative effect for €50.0m at 31/12/2022).

With regard to cash flow hedges on bonds recorded in the FVOCI portfolio, note that in the third quarter of 2023 a number hedging derivatives for a notional amount of €137m expired.

5. Other financial assets

Amounts in €m

	31/12/2023	31/12/2022	*% var.*
Receivables from intermediaries and companies	580	605	*(4.2)*
Other receivables	1,910	1,933	*(1.2)*
Total Other financial assets	**2,490**	**2,538**	***(1.9)***

The item Other receivables included, inter alia:

- tax receivables amounting to €1,346m (€1,348m at 31/12/2022);
- trade receivables amounting to €361m (€255m at 31/12/2022);
- payments made as cash collateral against derivative payables totalling €79m (€226m at 31/12/2022).

6. Other assets

Amounts in €m

	31/12/2023	31/12/2022	*% var.*
Non-current assets or assets of a disposal group held for sale	133	514	*(74.1)*
Deferred tax assets	701	1,143	*(38.7)*
Current tax assets	4	37	*(89.2)*
Other assets	2,593	1,483	*74.8*
Total other assets	**3,431**	**3,177**	*8.0*

6.1 Non-current assets or assets of a disposal group held for sale

Non-current assets or assets of a disposal group held for sale include assets primarily represented by investment properties and the investment held in Cronos Vita. For more information reference is made to paragraph 3.4 of these Notes to the financial statements.

6.2 Current tax assets and deferred tax assets

The item Deferred tax assets is shown net of the offsetting carried out, pursuant to IAS 12, with the corresponding taxes (IRES or IRAP) recorded in Deferred tax liabilities, as described in chapter "Main accounting standards".

6.3 Other assets

The item Other assets includes €2,164m in "Ecobonus" and "Sismabonus" tax credits, purchased from direct beneficiaries or their assignees, which can be recovered by offsetting them against future payments.

7. Cash and cash equivalents

At 31 December 2023, Cash and cash equivalents amounted to €1,818m (€1,798m at 31/12/2022).

LIABILITIES

1. Shareholders' equity

At 31 December 2023, Shareholders' equity amounted to €9,799m (€8,578m at 31/12/2022), recording a decrease in Shareholders' equity attributable to the owners of the Parent (€1,105m) and in non-controlling interests (€116m).

Shareholders' equity, excluding non-controlling interests, is composed as follows:

Amounts in €m

	31/12/2023	31/12/2022	*variation in amount*
Share capital	3,365	3,365	
Capital reserves	1,639	1,639	
Income-related and other equity reserves	1,756	1,395	*361*
(Treasury shares)	(4)	(5)	*1*
Valuation reserves	110	(57)	*167*
Reserve for foreign currency translation differences	3	3	
Gains/(losses) on financial assets at fair value through OCI	(802)	(2,081)	*1,279*
Financial revenues/(costs) relating to insurance/reinsurance contracts	903	2,070	*(1,167)*
Other gains or losses recognised directly in equity	6	(49)	*55*
Profit (loss) for the year	1,101	525	*576*
Total shareholders' equity attributable to the owners of the Parent	**7,967**	***6,862***	***1,105***

The main changes over the period were as follows:
- a decrease due to dividend distribution for €265m;
- an increase of €167m due to the positive change in valuation reserves;
- an increase of €81m deriving from gains from the sale of equity instruments measured at fair value through other comprehensive income;
- an increase of €1,101m as a result of the Group profit at 31 December 2023.

1.1 Share capital

"Share capital" and "Treasury shares": breakdown

At 31 December 2023, the Parent Unipol's fully paid-up share capital amounted to €3,365m, and was made up of 717,473,508 ordinary shares (unchanged compared to 31/12/2022).

At 31 December 2023, the treasury shares held directly or indirectly by Unipol totalled 928,678 (1,129,432 at 31/12/2022), of which 287,664 shares were held directly and 641,014 shares held by the following subsidiaries:

- UnipolSai Assicurazioni held 556,950;
- SIAT held 24,443;
- UniSalute held 19,629;
- Linear Assicurazioni held 14,743;
- UnipolRental held 13,783;
- Leithà held 7,056;
- Arca Vita held 2,403;
- UnipolAssistance held 2,007.

During the year, 785,754 Unipol shares were allocated to Unipol Group Executives in implementation of the Share-based compensation plans.

Share capital - Number of shares of the parent: annual changes

Items/Types	Ordinary	Other
A. Shares at the beginning of the year	717,473,508	
- fully paid-up	717,473,508	
- not fully paid-up		
A.1 Treasury shares (-)	1,129,432	
A.2 Shares outstanding: opening balance	716,344,076	
B. Increases	785,754	
B.1 New issues		
- for a fee		
- business combinations		
- conversion of bonds		
- exercise of warrants		
- other		
- free of charge		
- for employees		
- for directors		
- other		
B.2 Sale of treasury shares	785,754	
B.3 Other changes		
C. Decreases	(585,000)	
C.1 Cancellation		
C.2 Purchase of treasury shares	(585,000)	
C.3 Sales of businesses		
C.4 Other changes		
D. Shares outstanding: closing balances	716,544,830	
D.1 Treasury shares (+)	928,678	
D.2 Shares at the end of the year	717,473,508	
- fully paid-up	717,473,508	
- not fully paid-up		

The increase in the number of shares included in item B.2 Sale of treasury shares was due to the assignment of shares during the year as part of the incentive plans for executive personnel described in more detail in section 3.8 Information on personnel.

1.7 Shareholders' equity attributable to non-controlling interests

The Shareholders' equity attributable to non-controlling interests amounted to €1,832m (€1,716m at 31/12/2022), composed of one perpetual regulatory capital instrument (Restricted Tier 1) for €496m issued by UnipolSai in 2020. The main changes over the period were as follows:

- a decrease of €98m for payment of dividends to third parties;
- an increase of €37m due to the positive change in valuation reserves attributable to non-controlling interests;
- an increase of €5m deriving from gains from the sale of equity instruments measured at fair value through other comprehensive income;
- a decrease of €25m net of taxes, to pay the coupon to holders of the Restricted Tier 1 capital instrument issued by UnipolSai;
- an increase of €230m due to profit attributable to non-controlling interests.

2. Provisions for risks and charges

The item "Provisions for risks and charges" totalled €552m at 31 December 2023 (€635 at 31/12/2022) and mainly consisted of provisions for litigation, various disputes, charges relating to the sales network, provisions for salary policies and personnel leaving-incentive schemes.

Ongoing disputes and contingent liabilities

Relations with the Tax Authorities

Unipol
The IRES and IRAP tax dispute for the 2005 and 2006 tax periods of the former Aurora Assicurazioni (merged by incorporation in 2007), pending before the Court of Cassation and pertaining mostly to findings relating to specific insurance provisions, received a judgment in favour of the company in January 2023 with referral, in relation to the grounds upheld, to the second instance Lombardy Court of Justice, with which the appeal for reinstatement was filed. In the third quarter of 2023, the Italian Revenue Agency reimbursed the amount paid on a provisional basis for a total of €11.8m.

UnipolSai/Siat
At the end of December 2023, tax demands and penalties were received for 2018 relating to the application of VAT on delegation fees for coinsurance transactions entered into with other companies in the insurance sector. Taking into account decisions already made for previous years, the companies will negotiate settlement agreements to finalise payments before the appeal deadline.

Arca Vita
The dispute is pending for 2013 and 2017 for IRES and IRAP purposes resulting from the notices of assessment issued following general inspections carried out by the Veneto Regional Department.
In October 2023, a settlement agreement was reached pursuant to Art. 15 of Italian Legislative Decree 218/97 on the IRES notice of assessment for 2017 relating to a finding on the deduction of a portion of a change in technical provisions.

UnipolRental
The dispute relating to the notices of assessment for stamp duty on vehicles for the years 2017-2019 issued by the Emilia Romagna Region was settled through judicial conciliation, with payment of a fractional amount with respect to the amount originally assessed for higher taxes, without the application of penalties.

Casa di cura Villa Donatello (beneficiary of the demerger of Villa Ragionieri)
In April, the dispute with the Florence Provincial Department of the Italian Revenue Agency was settled concerning the restatement of the tax value of the area underlying the healthcare complex in Florence. The tax value attributed to the area was redefined on the basis of a method agreed upon with the office.

UnipolGlass
The dispute relating to the notices of assessment issued for the years 2014 to 2017 for IRES, IRAP and VAT purposes, deriving from the Report on Findings of the Italian Tax Police of Turin drawn up in March 2018, is pending.

Consob sanction proceedings

By means of communications dated 19 April 2013, Consob commenced two separate sanction proceedings against Fondiaria-SAI and Milano Assicurazioni for charges relating to their respective 2010 consolidated financial statements.
Pursuant to Art. 187-septies, paragraph 1 of the Consolidated Law on Finance, Consob notified Ms. Jonella Ligresti and Mr. Emanuele Erbetta, for the offices held in Fondiaria-SAI at the time of the events, of the violation set forth in Art. 187-ter, paragraph 1, of the Consolidated Law on Finance. Fondiaria-SAI is also charged with this violation as a party bearing joint and several liability. It is also charged with the offence set forth in Art. 187-quinquies, paragraph 1, letter a), of the Consolidated Law on Finance for the aforementioned violation of Art. 187-ter, paragraph 1 of the Consolidated Law on Finance by Ms. Jonella Ligresti and Mr. Emanuele Erbetta, acting in the above mentioned capacities.

Consob also made the same charge against Milano Assicurazioni. In this regard, pursuant to Art. 187-septies, paragraph 1 of the Consolidated Law on Finance, the Commission charged Mr. Emanuele Erbetta, for the role he held in the subsidiary at the time of the events, with the violation established in Art. 187-ter, paragraph 1, of the Consolidated Law on Finance. Milano Assicurazioni is also charged with this violation as a party bearing joint and several liability. It is also charged with the offence set forth in Art. 187-quinquies, paragraph 1, letter a), of the Consolidated Law on Finance for the aforementioned violation of Art. 187-ter, paragraph 1 of the Consolidated Law on Finance by Mr. Emanuele Erbetta, acting in the above mentioned capacity.

Fondiaria-SAI and Milano Assicurazioni (currently UnipolSai), assisted by their lawyers, presented their conclusions, asking that the administrative penalties set out in Articles 187-ter, 187-quinquies and 187-septies of the Consolidated Law on Finance not be imposed on the companies. On 20 March 2014 the Consob issued a resolution whereby, not deeming that the parties' defences deserved to be accepted, it ordered:

- Jonella Ligresti to pay €250k and to be disqualified from office for four months;
- Emanuele Erbetta to pay €400k and to be disqualified from office for eight months;
- UnipolSai to pay €650k.

UnipolSai provided for the payment of the fines, and also filed an appeal against Ms. Ligresti. Mr. Erbetta directly paid the penalty imposed on him. In any case, UnipolSai challenged the decision before the Court of Appeal of Bologna, which rejected the appeal on 6 March 2015. The Company, assisted by its lawyers, challenged the decision before the Court of Cassation which, on 6 December 2018, rejected the appeal and confirmed the Consob sanctions.
In March 2019, the Company challenged the decision before the European Court of Human Rights (ECHR), asking for the cancellation of the sanction for the breach of the ne bis in idem principle, according to which a person should not be submitted to sanction or judicial proceedings several times for the same fact. The ECHR declared the appeal admissible but has not yet scheduled the hearing.

Antitrust Authority proceedings

On 26 November 2020, the Antitrust Authority notified UnipolSai Assicurazioni of the initiation of preliminary proceedings concerning MV TPL claims settlement, characterised by an alleged hindrance of the right of consumers to access the relevant deeds and the failure to specify the criteria for the quantification of damages in the phase of formulating the compensation offer. On 16 April 2021, the Antitrust Authority then notified the objective extension of these proceedings, claiming failure to comply with the terms of Art. 148 of the Private Insurance Code for the settlement/challenge of MV TPL claims.
UnipolSai deems these charges to be completely unfounded and, to protect its rights, has appointed its lawyers to represent it in the proceedings, which closed with a decision received by UnipolSai on 8 August 2022, whereby the Antitrust Authority imposed a penalty of €5m. Since UnipolSai does not deem the conclusions of the Authority to be acceptable in any way, it appealed against this decision before the Lazio Regional Administrative Court (TAR).
The case was suspended by order dated 13 September 2023 of the Lazio Regional Administrative Court, pending a ruling by the European Court of Justice, as part of another case, on a preliminary issue relevant to the Lazio Regional Administrative Court decision concerning the Antitrust Authority's failure to comply with the terms for launch of the investigation.

IVASS assessments

By notice served on the Company on 11 October 2021, IVASS ordered the initiation of inspections intended, in relation to MV TPL underwriting and settlement processes, to ascertain the adoption of recent regulatory provisions, respect for the CARD agreement and the related governance and control aspects. After the inspections, which were completed on 21 January 2022, IVASS, with an inspection report notified on 22 June 2022, formulated some findings, to which UnipolSai replied with a note of 4 August 2022 containing its considerations in relation to the findings, also representing, against a "partially favourable" opinion on the results of the assessments conducted, the implementation of specific improvement actions to further refine and perfect certain processes. At present, the final decisions of IVASS have not yet been disclosed.
By letter sent to Unipol Gruppo SpA (also the "Company") on 15 May 2023, IVASS announced the start of a tax inspection of the Company to verify the operations of the Unipol Gruppo corporate governance system, also in its capacity as ultimate Italian parent company, including relations with the subsidiaries and the role played by the latter, with particular reference to UnipolSai Assicurazioni SpA, in the context of group corporate governance (the "Governance Inspection").

By letter sent to Unipol Gruppo SpA (also the "Company") on 2 October 2023, IVASS announced the start of new tax inspections of the Company - separate from the Governance Inspection - to verify the management and coordination activities carried out with respect to

the Group companies in relation to Non-Life and Life reserving, as well as the control and monitoring activities carried out as ultimate Italian parent company (the "Reserving Inspection").
By a subsequent letter sent to the Company on 16 January 2024, IVASS ordered an expansion of the Reserving Inspection activities, specifically establishing that the inspections under way at Unipol Gruppo SpA should be extended to verification of the pre-emptive recovery plan pursuant to IVASS Regulation no. 38/2018 (Articles 83 and 84).

Ongoing disputes with investors

Writs of summons by shareholders of La Fondiaria Assicurazioni (takeover bid legal cases)

From 2003 onwards, a number of La Fondiaria Assicurazioni shareholders initiated a series of legal proceedings claiming, albeit on different legal grounds and justifications, compensation for damages allegedly suffered due to failure to launch the takeover bid on Fondiaria shares by SAI Società Assicuratrice Industriale in 2002.
On the whole, 16 proceedings were brought against the Company; 14 of these were settled at various degrees and stages of the proceeding, while one was extinguished when the first instance court's decision handed down in favour of the Company became definitive, as the opposing party failed to appeal it.
At 31 December 2023, only one case was still pending before the Court of Cassation, following the decision issued by the Milan Court of Appeal after resumption by the plaintiff. An appropriate provision has been allocated to cover this pending dispute.

Other ongoing proceedings

UnipolSai Assicurazioni SpA has for some time been a party in legal proceedings referring to events occurring during the previous management of Fondiaria-SAI and Milano Assicurazioni. As described in greater detail in the financial statements of previous years, the criminal proceedings were all settled with acquittal or dismissal. Two civil proceedings also ended with final judgments for the acquittal of UnipolSai with respect to all compensation claims.

At 31 December 2023, five civil proceedings were still pending, lodged by several investors which, in brief, claimed that they had purchased and subscribed Fondiaria-SAI shares as they were prompted by the information in the prospectuses published by Fondiaria-SAI on 24 June 2011 and 12 July 2012 in relation to the increases in share capital under option resolved by the company on 14 May 2011, 22 June 2011 and 19 March 2012 respectively, and in the financial statements of Fondiaria-SAI relating to the years 2007-2012. UnipolSai (formerly Fondiaria-SAI) appeared in all civil proceedings and disputed the plaintiffs' claims.

Specifically, on 18 May 2017 the Court of Milan partially upheld the compensation claims of one shareholder. The Company appealed against the sentence before the Milan Court of Appeal, which only partially accepted the appeal. The Company therefore appealed against the sentence before the Court of Cassation, which has not yet scheduled the hearing for the discussion of the case.
The Court of Rome, with a sentence published on 12 May 2020, vice versa fully rejected the compensation claims submitted by another investor with respect to the share capital increases noted above. The sentence was challenged before the Court of Appeal of Rome which, with a judgment dated 2 May 2022, rejected the investor's appeal in full, confirming the first instance judgment. The shareholder first served the Company with a summons for revocation of the judgment of the Rome Court of Appeal (hearing scheduled for 25 April 2024 for admission of the facts) and subsequently challenged the judgment before the Court of Cassation, for which a discussion hearing is still pending.
In another case pending on the same issues, the Court of Milan accepted the compensation claims of another investor, with a judgment dated 20 March 2019. The judgment, following an appeal by the Company, was fully reversed by the Court of Appeal of Milan with a judgment dated 22 October 2020. The opposing party has appealed to the Court of Cassation, which has not yet scheduled a hearing.
On 15 February 2021, the Court of Milan partially upheld the compensation claims of other shareholders. After being appealed by the Company, the judgment was overruled in full by the Milan Court of Appeal with a judgment dated 14 April 2023.
The appeal judgment has been challenged by the opposing parties before the Court of Cassation, which has not yet scheduled a hearing.
Two other judgments, which relate to the same issues, are still pending before the Court of Milan, which has set a hearing for closing arguments for 21 May 2024.
Provisions deemed suitable were made in relation to the disputes with investors described above.

Commitments deriving from the sale of Unipol Banca

As part of arrangements relating to the sale to BPER Banca of the entire equity investment in Unipol Banca, Unipol Gruppo and UnipolSai committed, inter alia, to indemnifying BPER Banca - on a pro-rata basis in relation to the interest transferred - for losses deriving from specifically identified dispute counterclaims of the Unipol Banca Group outstanding at 31 March 2019 (the "Losses from Dispute Counterclaims"), provided that such losses are effectively and definitively incurred and within the limits and to the extent they exceed, net of tax relief, the related provisions specifically allocated in the consolidated statement of financial position of the Unipol Banca Group at 31 March 2019 (€10m). Similarly, the acquirer BPER is committed to paying an amount to the sellers for any excess of the aforementioned provisions over and above the Losses from Dispute Counterclaims. Provisions deemed suitable were allocated against the commitments described above.

Commitments deriving from the sale of a non-performing loan portfolio by UnipolReC to AMCO

The agreement for the sale to AMCO of the entire portfolio of non-performing loans held by UnipolReC, finalised in 2022, envisages the release by UnipolReC of specific representations and warranties relating to the loans sold, as well as the assumption of related indemnity obligations, in line with market practices for comparable transactions.
The representations and warranties provided by UnipolReC under the aforementioned contract have the following characteristics:
i. will expire after 18 months from the date of sale of the loans (14 December 2022);
ii. are considered the sole remedy in relations between the Parties and therefore exclude the application of additional or different remedial action.
Provisions deemed suitable were allocated against the commitments described above.

3. Insurance liabilities

Liability item 3.1 and asset item 3.1 – Insurance contracts issued that are liabilities and assets

This section provides information on the insurance contracts issued that are liabilities and assets (liability item 3.1 and asset item 3.1) that are composed as follows:

Amounts in €m

Items/Basis of aggregation	VFA 31/12/2023	BBA 31/12/2023	PAA 31/12/2023	Total 31/12/2023	VFA 31/12/2022	BBA 31/12/2022	PAA 31/12/2022	Total 31/12/2022
1. Insurance contracts issued that are liabilities	37,419	6,466	7,223	51,108	34,388	7,835	4,972	47,194
2. Insurance contracts issued that are assets		(51)	(12)	(63)		(29)	(25)	(54)
3. Net liabilities on the balance sheet	37,419	6,415	7,211	51,045	34,388	7,806	4,947	47,141
of which Life segment	37,419	123	1	37,544	34,388	114	2	34,503
Contracts issued with direct participation features - Life segment	37,419			37,419	34,388			34,388
Contracts issued without direct participation features - Life segment		123	1	125		114	2	116
of which Non-Life segment		6,291	7,210	13,501		7,692	4,945	12,637
Contracts issued without direct participation features - Non-Life		2,533	3,995	6,529		3,494	3,001	6,496
Contracts issued without direct participation features - Non-Life Non-MV segment		3,758	3,215	6,973		4,198	1,944	6,142

Changes in the carrying amount of insurance contracts issued - GMM or VFA - liabilities for residual coverage and for claims incurred

LIFE SEGMENT - Insurance contracts issued with direct participation features and Investment contracts issued with discretionary participation features

Amounts in €m

	Liabilities for residual coverage		Liabilities for claims incurred	Total	Liabilities for residual coverage		Liabilities for claims incurred	Total
	Net of loss	Loss		31/12/2023	Net of loss	Loss		31/12/2022
A. Initial carrying amount								
1. Insurance contracts issued that are liabilities	34,119	5	263	34,388	41,345	3	280	41,628
2. Insurance contracts issued that are assets								
3. Net carrying amount as at 1 January	34,119	5	263	34,388	41,345	3	280	41,628
B. Insurance revenue	(476)			(476)	(423)			(423)
C. Insurance service expenses	13	2	295	310	5	2	245	252
1. Claims incurred and other directly attributable costs			295	295			246	246
2. Changes in liability for claims incurred							(1)	(1)
3. Losses and related recoveries on onerous contracts		2		2		2		2
4. Amortisation of contract acquisition costs	13			13	5			5
D. Insurance service result (B+C)	(463)	2	295	(166)	(418)	2	245	(170)
E. Net finance expenses/income	3,083			3,083	(7,231)			(7,231)
1. Relating to insurance contracts issued	3,083			3,083	(7,232)			(7,232)
1.1 Recorded in the Income Statement	1,216			1,216	909			909
1.2 Recorded in the Comprehensive Income Statement	1,867			1,867	(8,141)			(8,141)
2. Effects associated with changes in exchange rates					1			1
F. Investment components	(3,636)		3,636		(2,643)		2,643	
G. Total amount recorded in the Income Statement and in the Comprehensive Income	(1,016)	2	3,931	2,917	(10,293)	2	2,889	(7,402)
H. Other changes	35			35	(19)		1	(18)
I. Cash movements	3,999		(3,920)	79	3,086		(2,906)	180
1. Premiums received	4,067			4,067	3,142			3,142
2. Payments associated with contract acquisition costs	(67)			(67)	(56)			(56)
3. Claims paid and other cash outflows			(3,920)	(3,920)			(2,906)	(2,906)
L. Net carrying amount as at 31 December (A.3+G+H+I)	37,137	7	275	37,419	34,119	5	263	34,388
M. Final carrying amount								
1. Insurance contracts issued that are liabilities	37,137	7	275	37,419	34,119	5	263	34,388
2. Insurance contracts issued that are assets								
3. Net carrying amount as at 31 December	37,137	7	275	37,419	34,119	5	263	34,388

LIFE SEGMENT - Insurance contracts issued without direct participation features

Amounts in €m

	Liabilities for residual coverage		Liabilities for claims incurred	Total	Liabilities for residual coverage		Liabilities for claims incurred	Total
	Net of loss	Loss		31/12/2023	Net of loss	Loss		31/12/2022
A. Initial carrying amount								
1. Insurance contracts issued that are liabilities	102		38	141	86		36	121
2. Insurance contracts issued that are assets	(49)		23	(27)	(81)		23	(58)
3. Net carrying amount as at 1 January	53		61	114	4		59	63
B. Insurance revenue	(147)			(147)	(126)			(126)
C. Insurance service expenses	10		55	66	5		64	69
1. Claims incurred and other directly attributable costs			60	60			61	61
2. Changes in liability for claims incurred			(5)	(5)			3	3
3. Losses and related recoveries on onerous contracts								
4. Amortisation of contract acquisition costs	10			10	5			5
D. Insurance service result (B+C)	(136)		55	(81)	(121)		64	(56)
E. Net finance expenses/income	(11)			(11)	23			23
1. Relating to insurance contracts issued	(11)			(11)	23			23
1.1 Recorded in the Income Statement	1			1				
1.2 Recorded in the Comprehensive Income Statement	(12)			(12)	23			23
2. Effects associated with changes in exchange rates								
F. Investment components	(10)		10		(1)		1	
G. Total amount recorded in the Income Statement and in the Comprehensive Income Statement (D+E+F)	(157)		66	(92)	(99)		65	(34)
H. Other changes								
I. Cash movements	164		(62)	101	147		(62)	85
1. Premiums received	215			215	200			200
2. Payments associated with contract acquisition costs	(52)			(52)	(53)			(53)
3. Claims paid and other cash outflows			(62)	(62)			(62)	(62)
L. Net carrying amount as at 31 December (A.3+G+H+I)	59		64	123	53		61	114
M. Final carrying amount								
1. Insurance contracts issued that are liabilities	134		39	173	102		38	141
2. Insurance contracts issued that are assets	(75)		26	(49)	(49)		23	(27)
3. Net carrying amount as at 31 December	59		64	123	53		61	114

NON-LIFE MOTOR SEGMENT - Insurance contracts issued without direct participation features

Amounts in €m

	Liabilities for residual coverage		Liabilities for claims incurred	Total	Liabilities for residual coverage		Liabilities for claims incurred	Total
	Net of loss	Loss		31/12/2023	Net of loss	Loss		31/12/2022
A. Initial carrying amount								
1. Insurance contracts issued that are liabilities	226	1	3,267	3,494	1,490		4,542	6,031
2. Insurance contracts issued that are assets								
3. Net carrying amount as at 1 January	226	1	3,267	3,494	1,490		4,542	6,031
B. Insurance revenue	(179)			(179)	(1,711)			(1,711)
C. Insurance service expenses	12	5	(137)	(119)	61	1	1,129	1,191
1. Claims incurred and other directly attributable costs			911	911			2,127	2,127
2. Changes in liability for claims incurred			(1,048)	(1,048)			(998)	(998)
3. Losses and related recoveries on onerous contracts		5		5		1		1
4. Amortisation of contract acquisition costs	12			12	61			61
D. Insurance service result (B+C)	(167)	5	(137)	(298)	(1,650)	1	1,129	(520)
E. Net finance expenses/income	7		111	118	(13)		(277)	(290)
1. Relating to insurance contracts issued	7		111	118	(13)		(277)	(290)
1.1 Recorded in the Income Statement	1		1	2	(4)		(16)	(20)
1.2 Recorded in the Comprehensive Income Statement	6		110	116	(8)		(261)	(269)
2. Effects associated with changes in exchange rates								
F. Investment components								
G. Total amount recorded in the Income Statement and in the Comprehensive Income Statement (D+E+F)	(159)	5	(26)	(180)	(1,663)	1	852	(810)
H. Other changes								1
I. Cash movements	130		(911)	(781)	399		(2,127)	(1,727)
1. Premiums received	166			166	469			469
2. Payments associated with contract acquisition costs	(36)			(36)	(69)			(69)
3. Claims paid and other cash outflows			(911)	(911)			(2,127)	(2,127)
L. Net carrying amount as at 31 December (A.3+G+H+I)	197	7	2,330	2,533	226	1	3,267	3,494
M. Final carrying amount								
1. Insurance contracts issued that are liabilities	197	7	2,330	2,533	226	1	3,267	3,494
2. Insurance contracts issued that are assets								
3. Net carrying amount as at 31 December	197	7	2,330	2,533	226	1	3,267	3,494

NON-LIFE NON-MV SEGMENT - Insurance contracts issued without direct participation features

Amounts in €m

	Liabilities for residual coverage		Liabilities for claims incurred	Total	Liabilities for residual coverage		Liabilities for claims incurred	Total
	Net of loss	Loss		31/12/2023	Net of loss	Loss		31/12/2022
A. Initial carrying amount								
1. Insurance contracts issued that are liabilities	788	18	3,393	4,199	1,607		3,990	5,597
2. Insurance contracts issued that are assets	(2)			(2)				
3. Net carrying amount as at 1 January	786	18	3,394	4,198	1,607		3,990	5,597
B. Insurance revenue	(1,145)			(1,145)	(2,033)			(2,033)
C. Insurance service expenses	183	13	742	938	244	20	1,394	1,658
1. Claims incurred and other directly attributable costs			1,252	1,252			1,637	1,637
2. Changes in liability for claims incurred			(510)	(510)			(243)	(243)
3. Losses and related recoveries on onerous contracts		13		13		20		20
4. Amortisation of contract acquisition costs	183			183	244			244
D. Insurance service result (B+C)	(962)	13	742	(207)	(1,789)	20	1,394	(375)
E. Net finance expenses/income	58	1	136	195	(69)		(351)	(419)
1. Relating to insurance contracts issued	58	1	136	195	(69)		(351)	(419)
1.1 Recorded in the Income Statement	11	1	3	14	(6)		(15)	(21)
1.2 Recorded in the Comprehensive Income Statement	48		133	181	(62)		(336)	(398)
2. Effects associated with changes in exchange rates								
F. Investment components								
G. Total amount recorded in the Income Statement and in the Comprehensive Income Statement (D+E+F)	(904)	14	878	(12)	(1,858)	20	1,044	(795)
H. Other changes	(74)	1	(1)	(73)	(85)	(2)	(2)	(89)
I. Cash movements	897		(1,252)	(355)	1,122		(1,637)	(516)
1. Premiums received	1,179			1,179	1,490			1,490
2. Payments associated with contract acquisition costs	(282)			(282)	(369)			(369)
3. Claims paid and other cash outflows			(1,252)	(1,252)			(1,637)	(1,637)
L. Net carrying amount as at 31 December (A.3+G+H+I)	706	33	3,019	3,758	786	18	3,394	4,198
M. Final carrying amount								
1. Insurance contracts issued that are liabilities	708	33	3,019	3,760	788	18	3,393	4,199
2. Insurance contracts issued that are assets	(2)			(2)	(2)			(2)
3. Net carrying amount as at 31 December	706	33	3,019	3,758	786	18	3,394	4,198

Changes in the carrying amount of insurance contracts issued - PAA - liabilities for residual coverage and for claims incurred

LIFE SEGMENT

Amounts in €m

Items/Breakdown of carrying amount	Liabilities for residual coverage		Liabilities for claims incurred		Total	Liabilities for residual coverage		Liabilities for claims incurred		Total
	Net of loss	Loss	Present value of cash flows	Adjustment for non-financial risks	31/12/2023	Net of loss	Loss	Present value of cash flows	Adjustment for non-financial risks	31/12/2022
A. Initial carrying amount										
1. Insurance contracts issued that are liabilities	1		1		2			1		1
2. Insurance contracts issued that are assets										
3. Net carrying amount as at 1 January	**1**		**1**		**2**			**1**		**1**
B. Insurance revenue										
C. Insurance service expenses								**1**		**1**
1. Claims incurred and other directly attributable costs								1		1
2. Changes in liability for claims incurred										
3. Losses and related recoveries on onerous contracts										
4. Amortisation of contract acquisition costs										
D. Insurance service result (B+C)								**1**		
E. Finance expenses/income										
1. Relating to insurance contracts issued										
1.1 Recorded in the Income Statement										
1.2 Recorded in the Comprehensive Income Statement										
2. Effects associated with changes in exchange rates										
F. Investment components										
G. Total amount of changes recorded in the Income Statement								**1**		
H. Other changes										
I. Cash movements						**1**		**(1)**		
1. Premiums received						1				1
2. Payments associated with contract acquisition costs										
3. Claims paid and other cash outflows								(1)		(1)
L. Net carrying amount as at 31 December (A.3+G+H+I)			**1**		**1**	**1**		**1**		**2**
M. Final carrying amount										
1. Insurance contracts issued that are liabilities			1		1	1		1		2
2. Insurance contracts issued that are assets										
3. Net carrying amount as at 31 December			1		1	1		1		2

NON-LIFE MOTOR SEGMENT

Amounts in €m

Items/Breakdown of carrying amount	Liabilities for residual coverage		Liabilities for claims incurred		Total	Liabilities for residual coverage		Liabilities for claims incurred		Total
	Net of loss	Loss	Present value of cash flows	Adjustment for non-financial risks	31/12/2023	Net of loss	Loss	Present value of cash flows	Adjustment for non-financial risks	31/12/2022
A. Initial carrying amount										
1. Insurance contracts issued that are liabilities	1,267	48	1,520	166	3,001	165	25	746	83	1,020
2. Insurance contracts issued that are assets										
3. Net carrying amount as at 1 January	**1,267**	**48**	**1,520**	**166**	**3,001**	**165**	**25**	**746**	**83**	**1,019**
B. Insurance revenue	**(3,991)**				**(3,991)**	**(2,150)**				**(2,150)**
C. Insurance service expenses	**704**	**(31)**	**3,366**	**108**	**4,147**	**369**	**23**	**1,835**	**93**	**2,321**
1. Claims incurred and other directly attributable costs			2,282		2,282			980		980
2. Changes in liability for claims incurred			1,084	108	1,192			855	93	948
3. Losses and related recoveries on onerous contracts		(31)			(31)		23			23
4. Amortisation of contract acquisition costs	704				704	369				369
D. Insurance service result (B+C)	**(3,287)**	**(31)**	**3,366**	**108**	**156**	**(1,780)**	**23**	**1,835**	**93**	**171**
E. Finance expenses/income	**(1)**		**88**	**8**	**96**	**(5)**		**(80)**	**(10)**	**(95)**
1. Relating to insurance contracts issued			87	8	95			(62)	(8)	(70)
1.1 Recorded in the Income Statement			56	4	60			(1)		(1)
1.2 Recorded in the Comprehensive Income Statement			31	4	34			(61)	(8)	(68)
2. Effects associated with changes in exchange rates	(1)		1	1	1	(5)		(18)	(2)	(25)
F. Investment components										
G. Total amount of changes recorded in the Income Statement	**(3,288)**	**(31)**	**3,454**	**116**	**252**	**(1,785)**	**23**	**1,754**	**84**	**77**
H. Other changes	**1**		**2**		**3**	**18**		**(1)**		**17**
I. Cash movements	**3,021**		**(2,282)**		**739**	**2,868**		**(980)**		**1,889**
1. Premiums received	3,700				3,700	3,535				3,535
2. Payments associated with contract acquisition costs	(679)				(679)	(667)				(667)
3. Claims paid and other cash outflows			(2,282)		(2,282)			(980)		(980)
L. Net carrying amount as at 31 December (A.3+G+H+I)	**1,002**	**17**	**2,694**	**283**	**3,995**	**1,267**	**48**	**1,520**	**166**	**3,001**
M. Final carrying amount										
1. Insurance contracts issued that are liabilities	1,002	17	2,694	283	3,996	1,267	48	1,520	166	3,001
2. Insurance contracts issued that are assets										
3. Net carrying amount as at 31 December	1,002	17	2,694	283	3,995	1,267	48	1,520	166	3,001

NON-LIFE NON-MV SEGMENT

Amounts in €

Items/Breakdown of carrying amount	Liabilities for residual coverage		Liabilities for claims incurred		Total	Liabilities for residual coverage		Liabilities for claims incurred		Total
	Net of loss	Loss	Present value of cash flows	Adjustment for non-financial risks	31/12/2023	Net of loss	Loss	Present value of cash flows	Adjustment for non-financial risks	31/12/2022
A. Initial carrying amount										
1. Insurance contracts issued that are liabilities	696	66	1,152	56	1,969	409	17	903	48	1,376
2. Insurance contracts issued that are assets	(26)		1		(25)	(20)				(20)
3. Net carrying amount as at 1 January	**670**	**66**	**1,153**	**56**	**1,944**	**389**	**17**	**903**	**48**	**1,356**
B. Insurance revenue	**(3,632)**				**(3,632)**	**(2,106)**				**(2,106)**
C. Insurance service expenses	**978**	**21**	**2,986**	**78**	**4,063**	**527**	**49**	**1,218**	**20**	**1,815**
1. Claims incurred and other directly attributable costs			1,703		1,703			920	11	931
2. Changes in liability for claims incurred			1,283	78	1,361			298	9	307
3. Losses and related recoveries on onerous contracts		21			21		49			49
4. Amortisation of contract acquisition costs	978				978	527				527
D. Insurance service result (B+C)	**(2,654)**	**21**	**2,986**	**78**	**431**	**(1,578)**	**49**	**1,218**	**20**	**(291)**
E. Finance expenses/income			**30**	**2**	**32**	**(2)**		**(28)**	**(1)**	**(30)**
1. Relating to insurance contracts issued			34	2	37			(29)	(1)	(31)
1.1 Recorded in the Income Statement			23	2	25			(2)		(3)
1.2 Recorded in the Comprehensive Income			12		12			(27)	(1)	(28)
2. Effects associated with changes in exchange rates			(4)		(4)	(2)		2		
F. Investment components										
G. Total amount of changes recorded in the Income	**(2,655)**	**21**	**3,016**	**80**	**463**	**(1,580)**	**49**	**1,191**	**19**	**(321)**
H. Other changes	**64**		**(4)**		**59**	**(242)**		**(20)**	**(12)**	**(274)**
I. Cash movements	**2,451**		**(1,703)**		**748**	**2,103**		**(920)**		**1,183**
1. Premiums received	3,370				3,370	2,932				2,932
2. Payments associated with contract acquisition costs	(918)				(918)	(829)				(829)
3. Claims paid and other cash outflows			(1,703)		(1,703)			(920)		(920)
L. Net carrying amount as at 31 December (A.3+G+H+I)	**530**	**87**	**2,462**	**136**	**3,215**	**670**	**66**	**1,153**	**56**	**1,944**
M. Final carrying amount										
1. Insurance contracts issued that are liabilities	543	87	2,460	136	3,226	696	66	1,152	56	1,969
2. Insurance contracts issued that are assets	(13)		2		(12)	(26)		1		(25)
3. Net carrying amount as at 31 December	530	87	2,462	136	3,215	670	66	1,153	56	1,944

Changes in the carrying amount of insurance contracts issued, broken down by features underlying measurement

Amounts in €m

LIFE SEGMENT - Insurance contracts issued with direct participation features and Investment contracts issued with discretionary participation features

	Features underlying the measurement of the book value of insurance contracts issued							
Items/Features underlying measurement	**Present value of cash flows 31/12/2023**	**Adjustment for non-financial risks 31/12/2023**	**Contractual service margin 31/12/2023**	**Total 31/12/2023**	Present value of cash flows 31/12/2022	Adjustment for non-financial risks 31/12/2022	Contractual service margin 31/12/2022	Total 31/12/2022
A. Initial book value								
1. Insurance contracts issued that are liabilities	32,254	146	1,988	34,388	39,610	130	1,889	41,628
2. Insurance contracts issued that are assets								
3. Net book value as at 1 January	32,253	146	1,988	34,388	39,610	130	1,889	41,628
B. Changes in current services	9	(13)	(174)	(178)	10	(11)	(171)	(173)
1. Contractual service margin recorded in the income statement			(174)	(174)			(171)	(171)
2. Change for non-financial risks past due		(13)		(13)		(11)		(11)
3. Changes related to experience	9			9	10			10
C. Changes relating to future services	(171)	18	154	2	(296)	28	271	2
1. Changes in the Contractual service margin	20	5	(25)		(214)	19	196	
2. Losses on groups of onerous contracts and related recoveries	2			2	2			2
3. Effects of the contracts initially recognised in the reference year	(193)	14	179	(1)	(84)	9	75	
D. Changes relating to past services	10			10				
1. Adjustments to liabilities for claims incurred	10			10				
2. Changes related to experience								
E. Result of insurance services (B + C + D)	(152)	5	(19)	(166)	(286)	17	99	(170)
F. Financial costs/revenues	3,083			3,083	(7,231)			(7,231)
1. Relating to insurance contracts issued	3,083			3,083	(7,232)			(7,232)
1.1 Recorded in the Income Statement	1,216			1,216	909			909
1.2 Recorded in the Comprehensive Income Statement	1,867			1,867	(8,141)			(8,141)
2. Effects associated with changes in exchange rates					1			1
G. Total amount of changes recorded in the Income Statement and in the Comprehensive Income Statement (E + F)	2,932	5	(19)	2,917	(7,518)	17	99	(7,402)
H. Other changes	35			35	(18)			(18)
I. Cash movements	79			79	180			180
1. Premiums received	4,067			4,067	3,142			3,142
2. Payments associated with contract acquisition costs	(67)			(67)	(56)			(56)
3. Claims paid and other cash outflows	(3,920)			(3,920)	(2,906)			(2,906)
L. Net book value as at the reporting date (A.3 + G + H + I)	35,299	151	1,968	37,419	32,253	146	1,988	34,388
M. Final book value								
1. Insurance contracts issued that are liabilities	35,299	151	1,968	37,419	32,254	146	1,988	34,388
2. Insurance contracts issued that are assets								
3. Net book value as at the reporting date	35,299	151	1,968	37,419	32,253	146	1,988	34,388

Amounts in €m

LIFE SEGMENT - Insurance contracts issued without direct participation features

Features underlying the measurement of the book value of insurance contracts issued

Items/Features underlying measurement	**Present value of cash flows 31/12/2023**	**Adjustment for non-financial risks 31/12/2023**	**Contractual service margin 31/12/2023**	**Total 31/12/2023**	Present value of cash flows 31/12/2022	Adjustment for non-financial risks 31/12/2022	Contractual service margin 31/12/2022	Total 31/12/2022
A. Initial book value								
1. Insurance contracts issued that are liabilities	21	2	117	141	22	4	96	121
2. Insurance contracts issued that are assets	(189)	2	160	(27)	(210)	4	148	(58)
3. Net book value as at 1 January	(168)	5	277	114	(188)	8	244	63
B. Changes in current services	(6)	(1)	(59)	(66)	7	(1)	(51)	(45)
1. Contractual service margin recorded in the income statement			(59)	(59)			(51)	(51)
2. Change for non-financial risks past due		(1)		(1)		(1)		(1)
3. Changes related to experience	(6)			(6)	7			7
C. Changes relating to future services	(108)	2	106		(83)	(2)	86	
1. Changes in the Contractual service margin	(39)	2	37		(10)	(3)	13	
2. Losses on groups of onerous contracts and related recoveries								
3. Effects of the contracts initially recognised in the reference year	(69)	1	68		(74)	1	73	
D. Changes relating to past services	(14)			(14)	(12)			(12)
1. Adjustments to liabilities for claims incurred	(14)			(14)	(12)			(12)
2. Changes related to experience								
E. Result of insurance services (B + C + D)	(129)	2	46	(81)	(88)	(3)	35	(56)
F. Financial costs/revenues	(14)		3	(11)	24		(1)	23
1. Relating to insurance contracts issued	(14)		3	(11)	24		(1)	23
1.1 Recorded in the Income Statement	(2)		3	1	1		(1)	
1.2 Recorded in the Comprehensive Income Statement	(12)			(12)	23			23
2. Effects associated with changes in exchange rates								
G. Total amount of changes recorded in the Income Statement and in the Comprehensive Income Statement (E + F)	(143)	2	49	(92)	(64)	(3)	34	(34)
H. Other changes								
I. Cash movements	101			101	85			85
1. Premiums received	215			215	200			200
2. Payments associated with contract acquisition costs	(52)			(52)	(53)			(53)
3. Claims paid and other cash outflows	(62)			(62)	(62)			(62)
L. Net book value as at the reporting date (A.3 + G + H + I)	(209)	6	326	123	(168)	5	277	114
M. Final book value								
1. Insurance contracts issued that are liabilities	64	4	105	173	21	2	117	141
2. Insurance contracts issued that are assets	(273)	3	221	(49)	(189)	2	160	(27)
3. Net book value as at the reporting date	(209)	6	326	123	(168)	5	277	114

Amounts in €m

NON-LIFE MOTOR SEGMENT - Insurance contracts issued without direct participation features

Features underlying the measurement of the book value of insurance contracts issued

Items/Features underlying measurement	Present value of cash flows 31/12/2023	Adjustment for non-financial risks 31/12/2023	Contractual service margin 31/12/2023	Total 31/12/2023	Present value of cash flows 31/12/2022	Adjustment for non-financial risks 31/12/2022	Contractual service margin 31/12/2022	Total 31/12/2022
A. Initial book value								
1. Insurance contracts issued that are liabilities	3,012	338	144	3,494	5,233	524	275	6,031
2. Insurance contracts issued that are assets								
3. Net book value as at 1 January	3,012	338	144	3,494	5,233	524	275	6,031
B. Changes in current services	64	(4)	(99)	(39)	118	(75)	(103)	(60)
1. Contractual service margin recorded in the income statement			(99)	(99)			(103)	(103)
2. Change for non-financial risks past due		(4)		(4)		(75)		(75)
3. Changes related to experience	64			64	118			118
C. Changes relating to future services	(13)	4	15	5	23	4	(26)	1
1. Changes in the Contractual service margin	(17)	2	15		25	1	(26)	
2. Losses on groups of onerous contracts and related recoveries	5			5	1			1
3. Effects of the contracts initially recognised in the reference year	(1)	2	1	1	(2)	3		
D. Changes relating to past services	(133)	(131)		(265)	(375)	(86)		(461)
1. Adjustments to liabilities for claims incurred	(133)	(131)		(265)	(375)	(86)		(461)
2. Changes related to experience								
E. Result of insurance services (B + C + D)	(83)	(131)	(84)	(298)	(234)	(157)	(129)	(520)
F. Financial costs/revenues	104	13		118	(260)	(29)	(1)	(290)
1. Relating to insurance contracts issued	104	13		118	(260)	(29)	(1)	(290)
1.1 Recorded in the Income Statement	2			2	(18)	(2)	(1)	(20)
1.2 Recorded in the Comprehensive Income Statement	103	13		116	(242)	(27)		(269)
2. Effects associated with changes in exchange rates								
G. Total amount of changes recorded in the Income Statement and in the Comprehensive Income Statement (E + F)	21	(118)	(83)	(180)	(494)	(185)	(130)	(810)
H. Other changes								1
I. Cash movements	(781)			(781)	(1,727)			(1,727)
1. Premiums received	166			166	469			469
2. Payments associated with contract acquisition costs	(36)			(36)	(69)			(69)
3. Claims paid and other cash outflows	(911)			(911)	(2,127)			(2,127)
L. Net book value as at the reporting date (A.3 + G + H + I)	2,252	221	61	2,533	3,012	338	144	3,494
M. Final book value								
1. Insurance contracts issued that are liabilities	2,252	221	61	2,533	3,012	338	144	3,494
2. Insurance contracts issued that are assets								
3. Net book value as at the reporting date	2,252	221	61	2,533	3,012	338	144	3,494

Amounts in €m

NON-LIFE NON-MV SEGMENT - Insurance contracts issued without direct participation features

Features underlying the measurement of the book value of insurance contracts issued

Items/Features underlying measurement	Present value of cash flows 31/12/2023	Adjustment for non-financial risks 31/12/2023	Contractual service margin 31/12/2023	Total 31/12/2023	Present value of cash flows 31/12/2022	Adjustment for non-financial risks 31/12/2022	Contractual service margin 31/12/2022	Total 31/12/2022
A. Initial book value								
1. Insurance contracts issued that are liabilities	3,305	258	636	4,199	4,340	400	857	5,597
2. Insurance contracts issued that are assets	(4)		2	(2)				
3. Net book value as at 1 January	3,302	258	638	4,198	4,340	400	857	5,597
B. Changes in current services	436	(34)	(388)	14	195	(95)	(347)	(248)
1. Contractual service margin recorded in the income statement			(388)	(388)			(347)	(347)
2. Change for non-financial risks past due		(34)		(34)		(95)		(95)
3. Changes related to experience	436			436	195			195
C. Changes relating to future services	(267)	29	251	13	(190)	38	171	20
1. Changes in the Contractual service margin	(142)	2	140		(96)	13	83	
2. Losses on groups of onerous contracts and related recoveries	(10)			(10)	(12)			(12)
3. Effects of the contracts initially recognised in the reference year	(115)	28	110	24	(81)	26	88	32
D. Changes relating to past services	(210)	(24)		(234)	(89)	(58)		(147)
1. Adjustments to liabilities for claims incurred	(210)	(24)		(234)	(89)	(58)		(147)
2. Changes related to experience								
E. Result of insurance services (B + C + D)	(41)	(29)	(137)	(207)	(84)	(115)	(176)	(375)
F. Financial costs/revenues	179	13	4	195	(389)	(27)	(3)	(419)
1. Relating to insurance contracts issued	179	13	4	195	(389)	(27)	(3)	(419)
1.1 Recorded in the Income Statement	9	1	4	14	(17)	(1)	(3)	(21)
1.2 Recorded in the Comprehensive Income Statement	169	12		181	(373)	(26)		(398)
2. Effects associated with changes in exchange rates								
G. Total amount of changes recorded in the Income Statement and in the Comprehensive Income Statement (E + F)	138	(16)	(133)	(12)	(473)	(142)	(180)	(795)
H. Other changes	(35)	4	(41)	(73)	(50)		(39)	(89)
I. Cash movements	(355)			(355)	(516)			(516)
1. Premiums received	1,179			1,179	1,490			1,490
2. Payments associated with contract acquisition costs	(282)			(282)	(369)			(369)
3. Claims paid and other cash outflows	(1,252)			(1,252)	(1,637)			(1,637)
L. Net book value as at the reporting date (A.3 + G + H + I)	3,049	246	463	3,758	3,302	258	638	4,198
M. Final book value								
1. Insurance contracts issued that are liabilities	3,051	246	463	3,760	3,305	258	636	4,199
2. Insurance contracts issued that are assets	(2)			(2)	(4)		2	(2)
3. Net book value as at the reporting date	3,049	246	463	3,758	3,302	258	638	4,198

Changes in the insurance revenue and the contractual service margin of insurance contracts issued, broken down on the basis of existing contracts at the time of transition to IFRS 17

LIFE SEGMENT - Insurance contracts issued with direct participation features and Investment contracts issued with discretionary participation features

Amounts in €m

	31/12/2023					31/12/2022				
	New contracts and contracts measured at the transition date with the full retrospective approach	Contracts measured at the transition date with the modified retrospective approach	Contracts measured at the transition date with the fair value approach	Contracts subject to carve-out	Total	New contracts and contracts measured at the transition date with the full retrospective approach	Contracts measured at the transition date with the modified retrospective approach	Contracts measured at the transition date with the fair value approach	Contracts subject to carve-out	Total
Insurance revenue	1		5	471	**476**	1		6	415	423
Contractual service margin - Opening balances			1	1,987	**1,988**			1	1,888	1,889
Changes relating to current services				(174)	(174)				(171)	(171)
Contractual service margin recognised in the income statement to reflect services provided				(174)	(174)				(171)	(171)
Changes relating to future services				154	154				271	271
- Changes in estimates that adjust the contractual service margin				(25)	(25)	7			189	196
- Effects of contracts initially recognised in the reference year				179	179	(7)			82	75
Finance income/expenses										
1. Relating to insurance contracts issued										
2. Effects associated with changes in exchange rates										
3. Total										
Total changes recognised in the Income Statement and in the Comprehensive Income Statement				(19)	(19)				100	99
Other movements										
Contractual service margin - Closing balances				**1,968**	**1,968**			1	1,987	1,988

LIFE SEGMENT - Insurance contracts issued without direct participation features

Amounts in €m

	31/12/2023					31/12/2022				
	New contracts and contracts measured at the transition date with the full retrospective approach	Contracts measured at the transition date with the modified retrospective approach	Contracts measured at the transition date with the fair value approach	Contracts subject to carve-out	Total	New contracts and contracts measured at the transition date with the	Contracts measured at the transition date with the modified retrospectiv e approach	Contracts measured at the transition date with the fair value approach	Contracts subject to carve-out	Total
Insurance revenue	62	81	4		147	39	83	4		126
Contractual service margin - Opening balances	60	210	7		277		235	9		244
Changes relating to current services	(25)	(33)	(1)		(59)	(17)	(33)	(1)		(51)
Contractual service margin recognised in the income statement to reflect services provided	(25)	(33)	(1)		(59)	(17)	(33)	(1)		(51)
Changes relating to future services	93	15	(2)		106	77	9			86
- Changes in estimates that adjust the contractual service margin	25	15	(2)		37	4	9			13
- Effects of contracts initially recognised in the reference year	68				68	73				73
Finance income/expenses										
1. Relating to insurance contracts issued	3				3		(1)			(1)
2. Effects associated with changes in exchange rates										
3. Total	3				3		(1)			(1)
Total changes recognised in the Income Statement and in the Comprehensive Income Statement	70	(18)	(3)		49	60	(25)	(1)		34
Other movements										
Contractual service margin - Closing balances	130	192	4		326	60	210	7		277

NON-LIFE MOTOR SEGMENT - Insurance contracts issued without direct participation features

Amounts in €m

	31/12/2023					31/12/2022				
	New contracts and contracts measured at the transition date with the full retrospective approach	Contracts measured at the transition date with the modified retrospective approach	Contracts measured at the transition date with the fair value approach	Contracts subject to carve-out	Total	New contracts and contracts measured at the transition date with the full retrospective approach	Contracts measured at the transition date with the modified retrospective approach	Contracts measured at the transition date with the fair value approach	Contracts subject to carve-out	Total
Insurance revenue	3,968	59	142		**4,170**	1,934	221	1,706		3,861
Contractual service margin - Opening balances	8		137		**144**			275		275
Changes relating to current services	(4)		(95)		(99)	(1)		(102)		(103)
Contractual service margin recognised in the income statement to reflect services provided	(4)		(95)		(99)	(1)		(102)		(103)
Changes relating to future services	3		12		15	8		(35)		(26)
- Changes in estimates that adjust the contractual service margin	2		12		15	8		(35)		(26)
- Effects of contracts initially recognised in the reference year	1				1					
Finance income/expenses										
1. Relating to insurance contracts issued								(1)		(1)
2. Effects associated with changes in exchange rates										
3. Total								(1)		(1)
Total changes recognised in the Income Statement and in the Comprehensive Income Statement	(1)		(83)		(83)	8		(138)		(130)
Other movements										
Contractual service margin - Closing balances	7		54		61	8		137		144

NON-LIFE NON-MV SEGMENT - Insurance contracts issued without direct participation features

Amounts in €m

	31/12/2023					31/12/2022				
	New contracts and contracts measured at the transition date with the full retrospective approach	Contracts measured at the transition date with the modified retrospective approach	Contracts measured at the transition date with the fair value approach	Contracts subject to carve-out	Total	New contracts and contracts measured at the transition date with the full retrospective approach	Contracts measured at the transition date with the modified retrospective approach	Contracts measured at the transition date with the fair value approach	Contracts subject to carve-out	Total
Insurance revenue	3,795	301	681		**4,778**	1,623	640	1,876		4,138
Contractual service margin - Opening balances	53		584		**638**			857		857
Changes relating to current services	(66)		(322)		(388)	(19)		(328)		(347)
Contractual service margin recognised in the income statement to reflect services provided	(66)		(322)		(388)	(19)		(328)		(347)
Changes relating to future services	183		68		251	112		59		171
- Changes in estimates that adjust the contractual service margin	73		68		140	25		59		83
- Effects of contracts initially recognised in the reference year	110				110	88				88
Finance income/expenses										
1. Relating to insurance contracts 2. Effects associated with changes in	4				4			(3)		(3)
3. Total	4				4			(3)		(3)
Total changes recognised in the	121		(255)		(133)	93		(272)		(180)
Other movements	(41)				(41)	(39)				(39)
Contractual service margin - Closing balances	133		330		**463**	53		584		638

Features underlying the measurement of the insurance contracts issued, recorded in the financial year

LIFE SEGMENT - Insurance contracts issued with direct participation features and Investment contracts issued with discretionary participation features

Amounts in €m

Items/Groups of contracts	Originated contracts			Contracts acquired in business combinations			Contracts transferred from third parties		
	31/12/2023			31/12/2023			31/12/2023		
	Onerous contracts	Non-onerous contracts	Total	Onerous contracts	Non-onerous contracts	Total	Onerous contracts	Non-onerous contracts	Total
A. Estimate of the present value of future cash outflows									
1. Contract acquisition costs		39	40						
2. Amount of claims and other directly attributable costs	19	2,898	2,917						
3. Total	19	2,938	2,957						
B. Estimate of the present value of future cash inflows	17	3,133	3,150						
C. Estimate of the net present value of future cash flows (A-B)	2	(196)	(193)						
D. Estimate of adjustment for non-financial risks	(3)	17	14						
E. Derecognition of previously recognised assets against cash flows associated with insurance contracts issued									
F. Contractual service margin		179	179						
G. Increase included in liability for insurance contracts issued during the year (C+D+E+F)	(1)		(1)						

Amounts in €m

Items/Groups of contracts	Originated contracts			Contracts acquired in business combinations			Contracts transferred from third parties		
	31/12/2022			31/12/2022			31/12/2022		
	Onerous contracts	Non-onerous contracts	Total	Onerous contracts	Non-onerous contracts	Total	Onerous contracts	Non-onerous contracts	Total
A. Estimate of the present value of future cash outflows									
1. Contract acquisition costs		31	31						
2. Amount of claims and other directly attributable costs	30	2,130	2,160						
3. Total	31	2,161	2,191						
B. Estimate of the present value of future cash inflows	31	2,245	2,276						
C. Estimate of the net present value of future cash flows (A-B)		(84)	(84)						
D. Estimate of adjustment for non-financial risks		9	9						
E. Derecognition of previously recognised assets against cash flows associated with insurance contracts issued									
F. Contractual service margin		75	75						
G. Increase included in liability for insurance contracts issued during the year (C+D+E+F)									

LIFE SEGMENT - Insurance contracts issued without direct participation features

Amounts in €m

Items/Groups of contracts	Originated contracts			Contracts acquired in business combinations			Contracts transferred from third parties		
	31/12/2023			31/12/2023			31/12/2023		
	Onerous contracts	Non-onerous contracts	Total	Onerous contracts	Non-onerous contracts	Total	Onerous contracts	Non-onerous contracts	Total
A. Estimate of the present value of future cash outflows									
1. Contract acquisition costs		42	42						
2. Amount of claims and other directly attributable costs		93	93						
3. Total		**135**	**135**						
B. Estimate of the present value of future cash inflows		204	204						
C. Estimate of the net present value of future cash flows (A-B)		(69)	(69)						
D. Estimate of adjustment for non-financial risks		1	1						
E. Derecognition of previously recognised assets against cash flows associated with insurance contracts issued									
F. Contractual service margin		68	68						
G. Increase included in liability for insurance contracts issued during the year (C+D+E+F)									

Amounts in €m

Items/Groups of contracts	Originated contracts			Contracts acquired in business combinations			Contracts transferred from third parties		
	31/12/2022			31/12/2022			31/12/2022		
	Onerous contracts	Non-onerous contracts	Total	Onerous contracts	Non-onerous contracts	Total	Onerous contracts	Non-onerous contracts	Total
A. Estimate of the present value of future cash outflows									
1. Contract acquisition costs	4	32	36						
2. Amount of claims and other directly attributable costs	22	76	98						
3. Total	**26**	**108**	**134**						
B. Estimate of the present value of future cash inflows	26	181	207						
C. Estimate of the net present value of future cash flows (A-B)		(73)	(74)						
D. Estimate of adjustment for non-financial risks		1	1						
E. Derecognition of previously recognised assets against cash flows associated with insurance contracts issued									
F. Contractual service margin		73	73						
G. Increase included in liability for insurance contracts issued during the year (C+D+E+F)									

NON-LIFE MOTOR SEGMENT - Insurance contracts issued without direct participation features

Amounts in €m

Items/Groups of contracts	Originated contracts 31/12/2023			Contracts acquired in business combinations 31/12/2023			Contracts transferred from third parties 31/12/2023		
	Onerous contracts	Non-onerous contracts	Total	Onerous contracts	Non-onerous contracts	Total	Onerous contracts	Non-onerous contracts	Total
A. Estimate of the present value of future cash outflows									
1. Contract acquisition costs	3	4	7						
2. Amount of claims and other directly attributable costs	15	10	26						
3. Total	**19**	**14**	**32**						
B. Estimate of the present value of future cash inflows	19	15	34						
C. Estimate of the net present value of future cash flows (A-B)		(1)	(1)						
D. Estimate of adjustment for non-financial risks	1	1	2						
E. Derecognition of previously recognised assets against cash flows associated with insurance contracts issued									
F. Contractual service margin		1	1						
G. Increase included in liability for insurance contracts issued during the year (C+D+E+F)	1		1						

Amounts in €m

Items/Groups of contracts	Originated contracts 31/12/2022			Contracts acquired in business combinations 31/12/2022			Contracts transferred from third parties 31/12/2022		
	Onerous contracts	Non-onerous contracts	Total	Onerous contracts	Non-onerous contracts	Total	Onerous contracts	Non-onerous contracts	Total
A. Estimate of the present value of future cash outflows									
1. Contract acquisition costs	10	2	12						
2. Amount of claims and other directly attributable costs	40	7	47						
3. Total	**50**	**9**	**59**						
B. Estimate of the present value of future cash inflows	51	10	61						
C. Estimate of the net present value of future cash flows (A-B)	(2)	(1)	(2)						
D. Estimate of adjustment for non-financial risks	2	1	3						
E. Derecognition of previously recognised assets against cash flows associated with insurance contracts issued									
F. Contractual service margin									
G. Increase included in liability for insurance contracts issued during the year (C+D+E+F)									

NON-LIFE NON-MV SEGMENT - Insurance contracts issued without direct participation features

Amounts in €m

Items/Groups of contracts	Originated contracts			Contracts acquired in business combinations			Contracts transferred from third parties		
	31/12/2023			31/12/2023			31/12/2023		
	Onerous contracts	Non-onerous contracts	Total	Onerous contracts	Non-onerous contracts	Total	Onerous contracts	Non-onerous contracts	Total
A. Estimate of the present value of future cash outflows									
1. Contract acquisition costs	63	170	233						
2. Amount of claims and other directly attributable costs	153	399	553						
3. Total	216	569	786						
B. Estimate of the present value of future cash inflows	207	693	900						
C. Estimate of the net present value of future cash flows (A-B)	9	(124)	(115)						
D. Estimate of adjustment for non-financial risks	15	13	28						
E. Derecognition of previously recognised assets against cash flows associated with insurance contracts issued									
F. Contractual service margin		110	110						
G. Increase included in liability for insurance contracts issued during the year (C+D+E+F)	24		24						

Amounts in €m

Items/Groups of contracts	Originated contracts			Contracts acquired in business combinations			Contracts transferred from third parties		
	31/12/2022			31/12/2022			31/12/2022		
	Onerous contracts	Non-onerous contracts	Total	Onerous contracts	Non-onerous contracts	Total	Onerous contracts	Non-onerous contracts	Total
A. Estimate of the present value of future cash outflows									
1. Contract acquisition costs	69	141	210						
2. Amount of claims and other directly attributable costs	202	279	481						
3. Total	271	420	691						
B. Estimate of the present value of future cash inflows	255	517	772						
C. Estimate of the net present value of future cash flows (A-B)	16	(97)	(81)						
D. Estimate of adjustment for non-financial risks	16	10	26						
E. Derecognition of previously recognised assets against cash flows associated with insurance contracts issued									
F. Contractual service margin		88	88						
G. Increase included in liability for insurance contracts issued during the year (C+D+E+F)	32		32						

Insurance contracts issued - Contractual service margin broken down by expected timing of realease to the income statement

Amounts in €m

	0-3 years	4-6 years	>6 years	Total
Life Segment	597	459	1,239	2,295
	0-3 years	4-10 years	>10 years	Totale
Non-Life Segment	492	27	5	524

Insurance contracts issued - Development of claims gross of reinsurance (Non-Life segment)

Amounts in €m

Claims/Time bands	Year T-9	Year T-8	Year T-7	Year T-6	Year T-5	Year T-4	Year T-3	Year T-2	YearT-1	Year T	Total
A. Cumulative claims paid and other directly attributable costs paid											
1 At the end of the year of occurrence	2,318	1,996	2,077	2,242	2,261	2,405	1,944	2,144	2,340	2,689	
2. One year later	4,034	3,497	3,602	3,876	3,963	4,163	3,332	3,715	3,962		
3. Two years later	4,613	3,977	4,122	4,399	4,524	4,682	3,721	4,222			
4. Three years later	4,864	4,198	4,364	4,619	4,758	4,905	3,882				
5. Four years later	5,022	4,324	4,485	4,741	4,878	5,042					
6. Five years later	5,127	4,404	4,564	4,823	4,970						
7. Six years later	5,198	4,464	4,626	4,877							
8. Seven years later	5,252	4,502	4,664								
9. Eight years later	5,284	4,532									
10. Nine years later	5,310										
Total cumulative claims paid and other directly attributable costs paid (Total A)	5,310	4,532	4,664	4,877	4,970	5,042	3,882	4,222	3,962	2,689	44,149
B. Estimate of the ultimate cost of cumulative claims (amount gross of reinsurance and not discounted)											
1 At the end of the year of occurrence									5,718	6,932	
2. One year later								5,239	5,652		
3. Two years later							4,644	5,195			
4. Three years later						5,597	4,591				
5. Four years later					5,413	5,542					
6. Five years later				5,198	5,370						
7. Six years later			4,921	5,157							
8. Seven years later		4,704	4,889								
9. Eight years later	5,485	4,684									
10. Nine years later	5,473										
Estimate of the ultimate cost of gross cumulative claims not discounted at the reporting date (Total B)	5,473	4,684	4,889	5,157	5,370	5,542	4,591	5,195	5,652	6,932	53,484
C. Liabilities for claims incurred, gross not discounted - year of occurrence from T to T-9 (Total B – Total A)	163	152	225	280	400	500	709	973	1,690	4,243	9,335
D. Liabilities for claims incurred, gross not discounted - years prior to T-9											1,483
E. Discounting effect											(706)
F. Effect of adjustment for non-financial risks											811
G. Liabilities for claims incurred gross of insurance contracts issued											10,923

Insurance contracts issued - Development of claims net of reinsurance (Non-Life segment)

Amounts in €m

Claims/Time bands	Year T-9	Year T-8	Year T-7	Year T-6	Year T-5	Year T-4	Year T-3	Year T-2	Year T -1	Year T	Total
A. Cumulative claims paid and other directly attributable costs paid net of reinsurance											
1 At the end of the year of occurrence	2,274	1,961	2,045	2,159	2,208	2,310	1,914	2,111	2,310	2,602	
2. One year later	3,914	3,451	3,497	3,719	3,814	3,934	3,228	3,634	3,867		
3. Two years later	4,460	3,922	4,000	4,184	4,297	4,423	3,585	4,086			
4. Three years later	4,736	4,133	4,236	4,398	4,517	4,635	3,737				
5. Four years later	4,890	4,252	4,353	4,511	4,629	4,753					
6. Five years later	4,991	4,327	4,428	4,591	4,717						
7. Six years later	5,059	4,384	4,489	4,641							
8. Seven years later	5,109	4,421	4,525								
9. Eight years later	5,140	4,451									
10. Nine years later	5,165										
Total cumulative claims paid and other directly attributable costs paid net of reinsurance (Total A)	5,165	4,451	4,525	4,641	4,717	4,753	3,737	4,086	3,867	2,602	42,545
B. Estimate of the ultimate cost of cumulative claims (amount net of reinsurance and not discounted)											
1 At the end of the year of occurrence									5,511	6,271	
2. One year later								5,066	5,457		
3. Two years later							4,470	5,011			
4. Three years later						5,283	4,407				
5. Four years later					5,124	5,223					
6. Five years later				4,947	5,086						
7. Six years later			4,767	4,903							
8. Seven years later		4,615	4,730								
9. Eight years later	5,331	4,590									
10. Nine years later	5,321										
Estimate of the ultimate cost of net cumulative claims not discounted at the reporting date (Total B)	5,321	4,590	4,730	4,903	5,086	5,223	4,407	5,011	5,457	6,271	51,000
C. Liabilities for claims incurred, net not discounted - year of occurrence from T to T-9 (Total B – Total A)	156	139	205	261	370	470	670	925	1,590	3,669	8,456
D. Liabilities for claims incurred, net not discounted - years prior to T-9											1,402
E. Discounting effect											(653)
F. Effect of adjustment for non-financial risks											781
G. Liabilities for claims incurred net of insurance contracts issued											9,985

It should be noted that the amount reported under item G Liabilities for claims incurred, net of insurance contracts issued, does not include, for an amount of €134 million, the deposits received for reinsurance transfers.
It is also specified that the extrapolation of judgments of adequacy or inadequacy of the reserves, from the results of the following table, must be done with the utmost caution, in particular with reference to their use as input for actuarial models such as the Chain Ladder.

4. Financial liabilities

Financial liabilities at 31 December 2023 totalled €15,523m (€13,339m at 31/12/2022).

4.1 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss: product breakdown and percentage composition

Amounts in €m

Items/Values	Financial liabilities held-for trading				Financial liabilities at fair value				Total			
	31/12/2023		31/12/2022		**31/12/2023**		31/12/2022		**31/12/2023**		31/12/2022	
	Book value	% Comp	Book value	% Comp	Book value	% Comp	Book value	% Comp	Book value	% Comp	Book value	% Comp
Liabilities from financial contracts issued in accordance with IFRS 9:					10,412	100.0	8,568	100.0	10,412	99.1	8,568	98.2
a) From contracts with services linked to indexes and UCITS units					10,361	99.5	4,184	48.8	10,361	98.6	4,184	48.0
b) Pension fund					51	0.5	4,384	51.2	51	0.5	4,384	50.3
c) Other financial contracts issued												
Non-hedging derivatives	9	9.0	3	1.7					9	0.1	3	0.0
Hedging derivatives	86	91.0	152	98.3					86	0.8	152	1.7
Other financial liabilities												
Total	**95**	**100.0**	**155**	**100.0**	**10,412**	**100.0**	**8,568**	**100.0**	**10,507**	**100.0**	**8,723**	**100.0**

Information on hedging transactions

Please refer to the comments on asset item 4.5.

4.2 Financial liabilities at amortised cost

Financial liabilities at amortised cost: product breakdown, percentage composition and fair value hierarchy

Amounts in €m

Items/Values	**31/12/2023**						31/12/2022					
	Book	% Comp	L1	L2	L3	Total Fair	Book	% Comp	L1	L2	L3	Total Fair
Liabilities												
Equity instruments												
Subordinated	1,287	25.7	1,284			1,284	1,367	29.6	1,260		81	1,341
Debt securities issued	2,433	48.5	2,409		5	2,414	2,458	53.2	2,342			2,342
Other loans obtained	1,296	25.8			1,296	1,296	791	17.1			791	791
a) from banks	261	5.2					196	4.3				
b) from customers	1,035	20.6					595	12.9				
Total	**5,016**	**100.0**	**3,693**		**1,301**	**4,993**	**4,616**	**100.0**	**3,602**		**872**	**4,474**

Details of **Subordinated liabilities** are shown in the table below:

Issuer	Nominal amount outstanding	Subord. level	Year of maturity	call	Rate	L/NL
UnipolSai	€750.0m	tier I	in perpetuity	every 3 months from 18/06/2024	fixed rate 5,75% (*)	Q
UnipolSai	€500.0m	tier II	2028		fixed rate 3,875%	Q

(*) from June 2024 floating rate of 3M Euribor + 518 b.p.

The subordinated liabilities issued by UnipolSai Assicurazioni SpA amounted to €1,287m and relate for €1,250m to hybrid bonds.

Debt securities issued amounted to €2,433m. They refer for €2,428m to securities issued by Unipol and for €5m to securities issued by the subsidiary Società e Salute SpA.
The debt securities issued by Unipol relate to three senior bonds, listed on the Luxembourg Stock Exchange, with a total nominal value of €2,402m:

- €1,000m nominal value, 3% fixed rate, 10-year duration, maturity in 2025;
- €500m nominal value, 3.5% fixed rate, 10-year duration, maturity in 2027;
- €902m nominal value, 3.25% fixed rate, 10-year duration, maturity in 2030.

Other loans, amounting to €1,296m (€791m at 31/12/2022), mainly referred to:

- loans taken out, for the purchase of real estate and improvements, by the Athens R.E. Closed Real Estate Fund for €140m and the Tikal Closed Real Estate Fund for €99m;
- loans taken out by UnipolRental from banks and other lenders for a total of €908m.

The item also includes the financial liabilities deriving from the present value of future lease payments due on lease agreements accounted for on the basis of IFRS 16 for a total of €137m.

5. Payables

Amounts in €m

	31/12/2023	31/12/2022	*% var.*
Payables to intermediaries and companies	207	195	*6.49*
Policyholders' tax due	159	168	*(5.36)*
Sundry tax payables	50	42	*18.17*
Trade payables	553	464	*19.22*
Post-employment benefits	41	46	*(11.09)*
Social security charges payable	43	44	*(3.26)*
Sundry payables	93	377	*(75.31)*
Total payables	**1,146**	***1,336***	***(14.20)***

6. Other liabilities

Amounts in €m

	31/12/2023	31/12/2022	% var.
Current tax liabilities	17	13	*30.8*
Deferred tax liabilities	89	376	*(76.3)*
Liabilities associated with disposal groups held for sale		360	*(100.0)*
Accrued expense and deferred income	60	63	*(4.4)*
Other liabilities	1,072	998	*7.4*
Total other liabilities	**1,238**	**1,810**	***(31.6)***

La voce Passività fiscali differite è esposta al netto delle compensazioni effettuate, ai sensi dello IAS 12, con le corrispondenti imposte (IRES o IRAP) iscritte nelle attività fiscali differite.

The item Deferred tax liabilities is shown net of the offsetting carried out, pursuant to IAS 12, with the corresponding taxes (IRES or IRAP) recorded in Deferred tax assets.

Notes to the Income Statement

Comments and further information on the items in the income statement and the variations that took place compared with the previous year are given below (the numbering of the notes relates to the mandatory layout for the preparation of the income statement).

1. Insurance revenue from insurance contracts issued

2. Insurance service expenses from insurance contracts issued

3. Insurance revenue from reinsurance contracts held

4. Insurance service expenses from reinsurance contracts held

Insurance revenue and costs from insurance contracts issued – Breakdown

Amounts in €m

Items/Business combination basis	Basis A1 31/12/2023	Basis A2 31/12/2023	Basis A3 31/12/2023	Basis A4 31/12/2023	**Total 31/12/2023**	Basis A1 31/12/2022	Basis A2 31/12/2022	Basis A3 31/12/2022	Basis A4 31/12/2022	**Total 31/12/2022**
A. Insurance revenues from insurance contracts issued, valued on the basis of GMM and VFA										
A.1 Amounts associated with changes in liabilities for residual coverage	467	136	167	962	1,732	418	121	1,650	1,789	3,978
1. Claims incurred and other costs for expected insurance services	280	76	64	540	960	236	69	1,472	1,347	3,123
2. Changes in the adjustment for non-financial risks	13	1	4	34	52	11	1	75	95	182
3. Contractual service margin recorded in the income statement for services provided	174	59	99	388	720	171	51	103	347	673
4. Other amounts										
A.2 Acquisition costs of recovered insurance contracts	9	10	12	183	215	5	5	61	244	315
A.3 Total insurance revenues from insurance contracts issued, valued on the basis of GMM and VFA	476	147	179	1,145	1,947	423	126	1,711	2,033	4,293
A.4 Total insurance revenues from insurance contracts issued valued on the basis of PAA					7,624					4,256
Life segment										
Non-life segment - Motor					3,991					2,150
Non-life segment - Non-MV					3,632					2,106
A.5 Total insurance revenues from insurance contracts issued	476	147	179	1,145	9,571	423	126	1,711	2,033	8,549
B. Costs for insurance services from insurance contracts issued under GMM and VFA										
1. Claims incurred and other directly attributable costs	(295)	(60)	(911)	(1,252)	(2,519)	(246)	(61)	(2,127)	(1,637)	(4,072)
2. Changes in liability for claims incurred		5	1,048	510	1,563	1	(3)	998	243	1,239
3. Losses on onerous contracts and recovery of these losses	(2)		(5)	(13)	(20)	(2)		(1)	(20)	(23)
4. Amortisation of insurance contract acquisition costs	(13)	(10)	(12)	(183)	(219)	(5)	(5)	(61)	(244)	(315)
5. Other amounts										
B.6 Total costs for insurance services from insurance contracts issued under GMM and VFA	(310)	(66)	119	(938)	(1,195)	(252)	(69)	(1,191)	(1,658)	(3,171)
B.7 Total insurance costs from insurance contracts issued, valued on the basis of PAA					(8,210)					(4,136)
- Life segment										(1)
- Non-life segment - Motor					(4,147)					(2,321)
- Non-life segment - Non-MV					(4,063)					(1,815)
C. Total net costs/revenues from insurance contracts issued (A.5 + B.6 + B.7)	**166**	**81**	**298**	**207**	**166**	**170**	**56**	**520**	**375**	**1,242**

Basis of aggregation 1 = Insurance contracts issued with direct participation features and investment contracts issued with discretionary participation features - Life segment
Basis of aggregation 2 = Insurance contracts issued without direct participation features - Life segment
Basis of aggregation 3 = Insurance contracts issued without direct participation features - Non-Life MV segment
Basis of aggregation 4 = Insurance contracts issued without direct participation features - Non-Life Non-MV segment

Insurance costs and revenue from reinsurance contracts held – Breakdown

Amounts in €m

Items/Business combination basis	Basis A1 31/12/2023	Basis A2 31/12/2023	Total 31/12/2023	Basis A1 31/12/2022	Basis A2 31/12/2022	Total 31/12/2022
A. Allocation of premiums paid relating to reinsurance transfers valued on the basis of GMM		(88)	(88)		(53)	(53)
A.1 Amounts associated with changes in assets by residual coverage		(88)	(88)		(53)	(53)
1. Amount of claims and other expected recoverable costs		(20)	(20)		(30)	(30)
2. Changes in the adjustment for non-financial risks		(1)	(1)		(1)	(1)
3. Contractual service margin recorded in the income statement for services received		(67)	(67)		(21)	(21)
4. Other amounts						
A.2 Other directly attributable costs specific to reinsurance transfers						
A.3 Allocation of premiums paid relating to reinsurance transfers valued on the basis of PAA	(20)	(288)	(308)	(20)	(286)	(306)
B. Total reinsurance transfers costs (A.1 + A.2 + A.3)	(20)	(377)	(396)	(20)	(338)	(358)
C. Effects of changes in the risk of default by reinsurers		(2)	(2)			
D. Amount of claims and other expenses recovered	13	255	267	13	148	161
E. Changes in assets due to claims incurred	1	371	372		30	31
F. Other recoveries					(1)	(1)
G. Total net costs/revenues from reinsurance (B + C + D + E + F)	**(6)**	**247**	**240**	**(7)**	**(162)**	**(168)**

Basis A.1 = Life segment
Basis A.2 = Non-Life segment

Breakdown of costs for insurance and other services

Amounts in €m

Costs/Business combination basis	31/12/2023							31/12/2022						
	Basis A1 – with DFP	Basis A2 – without DFP	Basis A1 + Basis A2	Basis A3	Basis A4	Basis A3 + Basis A4	Other	Basis A1 – with DFP	Basis A2 – without DFP	Basis A1 + Basis A2	Basis A3	Basis A4	Basis A3 + Basis A4	Other
Costs attributed to the acquisition of insurance contracts	(13)	(10)	(24)	(716)	(1,161)	(1,877)		(5)	(5)	(10)	(431)	(771)	(1,202)	
Other directly attributable costs	(297)	(55)	(352)	(3,312)	(3,840)	(7,152)		(248)	(65)	(313)	(3,081)	(2,701)	(5,783)	
Investment management			(6)			(47)	(22)			(15)			(49)	(28)
Other costs			(81)			(571)	(312)			(186)			(846)	(216)
Total	**(310)**	**(66)**	**(463)**	**(4,028)**	**(5,001)**	**(9,647)**	**(334)**	**(252)**	**(70)**	**(523)**	**(3,512)**	**(3,473)**	**(7,880)**	**(244)**

Basis A1 – with DPF = Insurance contracts issued with direct participation features – Life segment
Basis A2 – without DPF = Insurance contracts issued without direct participation features – Life segment
Basis A1 + Basis A2 = Life segment
Basis A3 = Insurance contracts issued without direct participation features – Non-Life segment – MV
Basis A4 = Insurance contracts issued without direct participation features – Non-Life segment – Non-MV
Basis A3 + Basis A4 = Non-Life segment

6. Gains/losses on financial assets and liabilities at fair value through profit or loss

Amounts in €m

	31/12/2023	31/12/2022	*% var.*
Net gains/losses::			
on other financial assets mandatorily at fair value	438	(380)	*n.s.*
on financial assets/liabilities at fair value through profit or loss	32	42	*(22.7)*
Total net gains/losses	**470**	***(338)***	***n.s.***

7. Gains/losses on investments in associates and interests in joint ventures

At 31 December 2023, these amounted to €641m and include the contribution of the consolidation at equity of BPER Banca for €309m and of Banca Popolare di Sondrio for €289m, of which €267m referring to the badwill from the initial consolidation using the equity method. Note that the figure at 31 December 2022 (€348m) included €318m deriving from the pro rata consolidation of BPER Banca's result, of which €166m from the badwill arising from the acquisition of CARIGE and €41m from the change in the Unipol Group's equity investment in BPER Banca.

8. Gains/losses on other financial assets and liabilities and investment property

Gains on other financial assets and liabilities and investment property

Amounts in €m

	31/12/2023	31/12/2022	*% var.*
Interests			
on financial assets at amotised cost	139	70	*97.7*
on financial assets at fair value through OCI	1,314	1,354	*(3.0)*
Other income			
from investment property	122	105	*15.7*
from financial assets at fair value through OCI	101	86	*17.2*
Realised gains			
on investment property	15	2	*n.s.*
on financial assets at amortised cost		14	*(99.7)*
on financial assets at fair value through OCI	57	295	*(80.8)*
on financial liabilities at amortised cost	2	6	*(68.2)*
Unrealised gains and reversals of impairment losses			
on financial assets at fair value through OCI	29	5	*501.5*
on other financial liabilities	3	(2)	*(236.3)*
Total	**1,781**	**1,937**	***(8.1)***

Losses on other financial assets and liabilities and investment property

Amounts in €m

	31/12/2023	31/12/2022	*% var.*
Interests:			
on other financial liabilities	(186)	(152)	*22.4*
Other charges:			
from investment property	(52)	(30)	*73.0*
from financial assets at amortised cost			*(99.3)*
from financial assets at fair value through OCI	(2)	(1)	*160.5*
from other financial liabilities	(8)	(8)	*8.5*
Realised losses:			
on investment property	(1)	(6)	*(87.9)*
on financial assets at amortised cost		(48)	*(100.1)*
on financial assets at fair value through OCI	(82)	(302)	*(72.8)*
Unrealised losses and impairment losses:			
on investment property	(67)	(73)	*(8.0)*
on financial assets at amortised cost		(8)	*(95.0)*
on financial assets at fair value through OCI	(48)	(304)	*(84.2)*
on other financial assets	(7)	(10)	*(25.8)*
on other financial liabilities			*(484.5)*
Total	**(455)**	**(942)**	***(51.7)***

The Unrealised losses and impairment losses relating to investment property refer to depreciation for €53m and impairment for €15m (at 31/12/2022, they referred to depreciation for €51m and impairment for €22m).

8.5 Unrealised gains/losses

Value adjustments/write-backs for credit risk

Amounts in €m

	Value adjustments				Write-backs			
	First stage	Of which assets with low credit risk	Second stage	Third stage	First stage	Of which assets with low credit risk	Second stage	Third stage
Government bonds	(1)	(1)			7	7		
Other debt securities	(11)	(8)	(1)	(7)	7	4	2	
Loans and receivables	(4)			(7)	1			3
- banks								
- customers	(4)			(7)	1			3
Total 31/12/2023	(15)	(9)	(1)	(14)	15	10	2	3
Total 31/12/2022	(43)	(30)	(11)	(8)	6	5		5

10. Net finance expenses/income relating to insurance contracts issued

The item includes net expenses of €1,286m (-€838m at 31/12/2022) and relate:

- for €1,216m (€909m at 31/12/2022) to net costs due to the application of the option to reduce to zero the net financial profitability recognised in the Income Statement arising from the assets underlying insurance contracts accounted for using the VFA method ("mirroring");
- for the remainder, equal to net expenses of €70m (net income of €72m at 31/12/2022), to the effects of the capitalisation of the cash flows accounted for with the BBA or PAA at the locked-in rate and to the effects of exchange rate adjustments. The significant change is attributable to the progressive increase in the locked-in discount rates applicable in the period in question compared to those of the previous year.

Net finance expenses and income relating to insurance contracts issued

Amounts in €m

Items/Basis of aggregation	Basis A1 31/12/2023	Basis A2 31/12/2023	Basis A3 31/12/2023	Total 31/12/2023	Basis A1 31/12/2022	Basis A2 31/12/2022	Basis A3 31/12/2022	Total 31/12/2022
1. Interest accrued	26	(1)	(101)	(76)			45	45
2. Effects of changes in interest rates and other financial assumptions								
3. Changes in the fair value of assets underlying contracts measured under the VFA	(1,216)			(1,216)	(909)			(909)
4. Effects of the change in exchange rates			4	4	(1)		26	26
5. Other			1	2			1	1
6. Total net finance income/expenses relating to insurance contracts issued, recognised in the income statement	(1,190)	(1)	(96)	(1,286)	(910)		72	(838)

Basis A1 = Insurance contracts issued with direct participation features – Life segment - VFA
Basis A2 = Insurance contracts issued without direct participation features – Life segment - BBA
Basis A3 = Insurance contracts issued without direct participation features – Non-Life segment – BBA/PAA

As mentioned previously, the Group has adopted options that make it possible to limit accounting mismatches deriving from the method of valuation of assets and liabilities subject to IFRS 17 and/or IFRS 9. As a result, in addition to net finance expenses and income relating to insurance contracts issued and recognised in the income statement shown in the table above, net expenses of €1,526m were recognised in the statement of comprehensive income.

11. Net finance income/expenses relating to reinsurance contracts held

Net finance expenses relating to reinsurance contracts held came to €3m (net expenses of €2m at 31/12/2022).

Net finance income and expenses relating to reinsurance contracts held

Amounts in €m

Items/Basis of aggregation	Basis A1 31/12/2023	Basis A2 31/12/2023	Total 31/12/2023	Basis A1 31/12/2022	Basis A2 31/12/2022	Total 31/12/2022
1. Interest accrued		4	4		(2)	(2)
2. Effects of changes in interest rates and other financial assumptions						
3. Effects of the change in exchange rates		(3)	(3)		2	2
4. Other	(1)	(3)	(3)		(1)	(2)
5. Total net finance income/expenses relating to reinsurance contracts held	(1)	(2)	(3)		(1)	(2)

Basis A1 = Life segment
Basis A2 = Non-Life segment

As mentioned previously, the Group has adopted options that make it possible to limit accounting mismatches deriving from the method of valuation of assets and liabilities subject to IFRS 17 and/or IFRS 9. As a result, in addition to net finance income and expenses relating to reinsurance contracts held and recognised in the income statement shown in the table above, net income of €14m was recognised in the statement of comprehensive income.

Insurance operations - Net financial result of investments broken down by Life and Non-Life segments

Amounts in €m

Items/Operating segments	Life segment		Non-Life segment	Total	Life segment		Non-Life segment	Total
	31/12/2023	Of which DPF	31/12/2023	31/12/2023	31/12/2022	Of which DPF	31/12/2022	31/12/2022
A. FINANCIAL RESULT OF INVESTMENTS	3,905	3,057	1,288	8,249	(8,263)	(7,234)	(1,207)	(16,705)
A.1 Interest income from financial assets at amortised cost and at fair value through other comprehensive income	1,032	970	397	2,398	1,062	1,012	338	2,412
A.2 Net gains/losses on assets at fair value through profit or loss	828	174	246	1,248	(1,194)	(260)	9	(1,444)
A.3 Net value adjustments/write-backs for credit risk	(3)	4	(6)	(5)	(26)	(25)	(19)	(70)
A.4 Other net income/costs	77	42	185	303	183	180	(276)	87
A.5 Net capital gains/losses on financial assets at fair value through other comprehensive income	1,970	1,867	467	4,304	(8,289)	(8,141)	(1,260)	(17,690)
B NET CHANGE IN INVESTMENT CONTRACTS ISSUED IFRS 9	(614)			(614)	866			866
C. NET FINANCIAL RESULT - OTHER	3,290	3,057	1,288	7,634	(7,397)	(7,234)	(1,207)	(15,839)
of which: recognised in the Income Statement	1,320	1,190	821	3,330	892	907	53	1,851
of which: recognised in the Comprehensive Income Statement	1,970	1,867	467	4,304	(8,289)	(8,141)	(1,260)	(17,690)

Insurance operations - Summary of economic results broken down by Life and Non-Life segments

Amounts in €m

Summary of results/Operating segments	31/12/2023			31/12/2022		
	Life segment	Non-Life segment	Total	Life segment	Non-Life segment	Total
A. Financial results	217	863	1,080	(7,361)	859	(6,502)
A.1 Amounts recognised in the Income Statement	128	723	851	(19)	123	105
1. Total net financial result of investments	1,320	821	2,140	892	53	944
2. Net finance income/expenses relating to insurance contracts	(1,192)	(97)	(1,289)	(910)	71	(840)
3. Total	128	723	851	(19)	123	105
A2. Amounts recognised in the Comprehensive Income Statement	89	140	229	(7,343)	736	(6,607)
1. Total net financial result of investments	1,970	467	2,437	(8,289)	(1,260)	(9,549)
2. Net finance income/expenses relating to insurance contracts	(1,881)	(327)	(2,208)	946	1,996	2,942
3. Total	89	140	229	(7,343)	736	(6,607)
B. Net insurance and financial result	624	1,615	2,238	(5,900)	1,593	(4,306)
1. Net insurance service result	407	751	1,158	1,462	734	2,196
2. Total net financial result of investments	3,290	1,288	4,578	(7,397)	(1,207)	(8,604)
3. Net financial result of insurance contracts	(3,073)	(424)	(3,498)	36	2,067	2,102
4. Total	624	1,615	2,238	(5,900)	1,593	(4,306)

The breakdown of the fair value of the net assets underlying insurance contracts with direct participation features and investment contracts with discretionary participation features is provided below.

Amounts in €m

Category	**31/12/2023**	31/12/2022
Government bonds	21,048	19,804
Corporate bonds	10,051	8,578
Equity instruments	145	164
Investment funds/UCITS	2,547	2,393
Property	1,213	1,205
Structured bonds	77	73
Cash and cash equivalents	184	165
Tax receivables	894	577
Derivatives	(65)	(129)
TOTAL	**36,092**	**32,829**

13. Other revenue/costs

Amounts in €m

	31/12/2023	31/12/2022	*% var.*
Exchange rate differences	(11)	(3)	*315.5*
Extraordinary gains	20	17	*18.8*
Other income	1,529	1,104	*38.5*
Other costs	(443)	(603)	*(26.6)*
Total Other revenue/costs	**1,096**	**516**	***112.5***

14. Operating expenses

These amounted to €564m (€482m at 31/12/2022), of which €75m relating to investment management expenses (€92m at 31/12/2022) and €489m relating to other administrative expenses not included in the calculation of insurance liabilities and assets and not allocated to insurance contract acquisition costs and investment management expenses (€390m at 31/12/2022).

16. Net impairment losses/reversals on property, plant and equipment

These amounted to €377m (€285m at 31/12/2022) and mainly relate to depreciation of property, plant and equipment.

17. Net impairment losses/reversals on intangible assets

These amounted to €133m (€98m at 31/12/2022) and relate to amortisation of intangible assets.

20. Income tax

In accordance with the provisions of IAS 12 the following table shows, at consolidated level, the deferred taxes utilised and accrued.

Amounts in €m

	31/12/2023			31/12/2022		
	Ires	Irap	Total	Ires	Irap	Total
Current taxes	**124**	**41**	**164**	**4**	**22**	**26**
Deferred assets and liabilities:	**61**	**9**	**70**	**148**	**27**	**175**
Use of deferred tax assets	231	21	252	171	15	185
Use of deferred tax liabilities	(21)		(21)	(41)	(7)	(48)
Provisions for deferred tax assets	(277)	(48)	(325)	(144)	(24)	(169)
Provisions for deferred tax liabilities	128	36	163	162	44	206
Total	**184**	**50**	**234**	**151**	**49**	**200**

Against pre-tax profit of €1,565m, taxes for the period of €234m were recorded. The overall tax rate was 14.9% (22.9% at 31/12/2022). The actual tax rate for the year was affected by the following:

- for -2.1%, equal to €33m (-1.9% or €16m at 31/12/2022), against adjustments to taxes pertaining to previous years;
- for -6.4%, equal to €100m (-2% or €18m at 31/12/2022), by the net benefits deriving from permanent differences between the tax base determined according to tax regulations and the pre-tax result (e.g. dividends, ACE benefits), including a benefit of -4.1%, equal to €64m, again in terms of lower tax, related to consolidation adjustments on the change in the Unipol Group's equity investment in BPER Banca and the badwill recognised as a result of the initial consolidation at equity of the investment in Banca Popolare di Sondrio;
- for -5.2%, equal to €82m (-8.1% or €71m at 31/12/2022), related to the positive result contributed by the companies measured using the equity method such as, in particular, BPER Banca and Banca Popolare di Sondrio;
- for +1.3%, equal to €20m (+0.7% or €6m at 31/12/2022) due to the non-allocation of deferred tax assets against the tax loss due to the negative results achieved by the merged entity UnipolRe Dac.

The following statement illustrates the breakdown of deferred tax assets and liabilities recognised, with separate indication of offsetting performed for adjusted financial statements presentation purposes.

Amounts in €m

	31/12/2023			31/12/2022		
	Total	Ires/Corp. tax	Irap	Total	Ires/Corp. tax	Irap
DEFERRED TAX ASSETS						
Intangible assets and property, plant and equipment	503	465	38	298	254	44
Insurance Assets	403	348	56	433	364	69
Investment property	72	63	10	73	63	10
Financial instruments	404	320	85	879	692	187
Sundry receivables and other assets	65	58	8	101	90	11
Provisions	255	226	29	270	239	31
Insurance liabilities	43	39	4	47	47	1
Financial liabilities				7	4	2
Payables and other liabilities	15	15		11	11	1
Other deferred tax assets	27	24	4	293	293	1
Netting as required by IAS 12	(1,089)	(920)	(169)	(1,269)	(1,000)	(270)
Total deferred tax assets	**701**	**637**	**64**	**1,143**	**1,056**	**86**
DEFERRED TAX LIABILITIES						
Intangible assets and property, plant and equipment	(111)	(93)	(18)	135	113	23
Insurance Assets						
Investment property	(16)	(13)	(3)	9	5	3
Financial instruments	(255)	(200)	(55)	123	100	23
Sundry receivables and other assets				1	1	
Provisions	(21)	(17)	(4)	18	14	4
Insurance liabilities	(754)	(585)	(169)	1,347	1,048	299
Financial liabilities	(1)	(1)		4	2	2
Payables and other liabilities	(3)	(3)		2	2	
Other deferred tax liabilities	(17)	(10)	(8)	8	7	1
Netting as required by IAS 12				(1,269)	(1,000)	(270)
Total deferred tax liabilities	**(1,178)**	**(920)**	**(258)**	**376**	**292**	**84**

Net tax assets are deemed to be recoverable on the basis of the provisional plans of Group companies.

Application of the Global Minimum Tax (GloBe)

In application of Regulation (EU) 2023/2468 with which the European Commission implemented the IASB amendments to IAS 12, including the introduction of a temporary exception to the recognition of deferred taxes in relation to the application of Pillar Two provisions, note the following.

Italian Legislative Decree no. 209 of 27 December 2023, implementing the reform on international taxation, envisaged the introduction for Italy of a global minimum tax regime from 1 January 2024.

Title II of the aforementioned Legislative Decree contains provisions for the implementation of Law no. 111 of 9 August 2023, transposing Council Directive (EU) no. 2022/2523 of 14 December 2022, aimed at ensuring a global minimum level of taxation for large multinational enterprise groups and large-scale domestic groups in the European Union.

The aforementioned Directive transposes the main core of the global Pillar Two agreement reached at the OECD/G20. To this end, a coordinated system of rules has been devised to ensure that large groups of companies are subject to a minimum tax level of at least 15% in relation to each of the countries in which these groups operate and generate income.

The objective of the Global Minimum Tax is to achieve a level of competitive parity between companies at global level, stop the race to the bottom of tax rates and promote efficient decisions on investments and business locations.
In order to guarantee a minimum tax level for multinational or domestic enterprise groups based on the OECD common approach taken up by the EU, Art. 9, paragraph 1, of Italian Legislative Decree no. 209/2023 states that the minimum tax level can be achieved through the application of a top-up tax (TUT) if the effective tax rate (ETR) in each jurisdiction is below 15%. The top-up tax will be collected through:

- the Income Inclusion Rule (IIR) minimum top-up tax, payable by Italy-based parent companies (typically the parent or ultimate parent) of multinational or domestic groups in relation to their group companies subject to low taxation;
- the Undertaxed Profits Rule (UTPR) minimum top-up tax, payable by one or more companies of an Italy-based multinational group in relation to group companies subject to low taxation when all or part of the equivalent top-up tax in other countries has not been applied;
- the Qualified Domestic Minimum Top-Up Tax (QDMTT), due in relation to companies of an Italy-based multinational or domestic group subject to low taxation.

The entry into force of the GloBE rules will have a substantial impact on business groups, mitigated by the transitional safe harbours (or "Simplified schemes" in the definition of Art. 39 of the Legislative Decree) introduced by the OECD to exclude certain jurisdictions in which a group operates from the scope of application of the GloBE rules. In this regard, two types of safe harbour can be identified:

- Transitional Safe Harbour for country-by-country reporting (CbCR): this safe harbour temporarily excludes multinationals operating in low-risk jurisdictions from the introduction of a top-up tax.
- Permanent Safe Harbour for simplified calculations: this safe harbour permanently allows a multinational to reduce the number of complex calculations required and instead perform simplified calculations.

From a taxpayer perspective, pursuant to Art. 10 of the Legislative Decree, the Unipol Group is subject to provisions relating to the Global Minimum Tax since its consolidated revenues have exceeded €750m in at least two of the four years prior to the year under review.
As the regulation was not in force at the reporting date, no current taxes were recognised.
Outside Italy, in 2023 the Unipol Group operated in Serbia, Ireland, the Netherlands and Luxembourg.

For EU countries, the Group entities will be subject to the Qualified Domestic Minimum Top-Up Tax (QDMTT), unless the aforementioned transitional safe harbour rules apply. In this case, no top-up tax will be payable by the Group in the countries concerned.
Art. 56 of the Legislative Decree[58] also envisages the elimination of top-up taxes in the first five years of business start-up of a multinational group (to be verified on the basis of the group's international projection level and the value of fixed assets). At present, the actual scope of application of the aforementioned provision has yet to be clarified.
Taking into account information known or that can be reasonably estimated at year end - although such information has thus far not reflected all the specific provisions of the Pillar II legislation related to the location and operations of all the Group companies in all the individual jurisdictions in which the Group operates - and considering that at year end certain information was not yet known or could not be reasonably estimated, the Unipol Group's Pillar II income tax exposure at year end, also on the basis of the simplified system (the transitional safe harbour from country-by-country reporting), was considered immaterial.
In particular, on the basis of information already known or that can be reasonably estimated:

- with regard to most Group entities located in jurisdictions satisfying at least one of the three tests envisaged in the transitional safe harbours from country-by-country reporting, the conditions for the elimination of Pillar II taxes are met, and
- for the remaining Group entities located in jurisdictions that do not satisfy any of the three tests envisaged in the transitional safe harbours from country-by-country reporting, the exposure is immaterial as the effective taxation level in these jurisdictions is approximately the minimum 15% or the profit in these jurisdictions is low compared to the Group's total profits.

With the support of external consultants, the Group is organising and preparing for the Pillar II-related obligations, also in order to manage the exposure in subsequent periods, through the creation of suitable systems and procedures to:

- identify, locate and characterise all Group companies, also on a continuous basis, for the purpose of Pillar II legislation, and

[58] "Reference country" means the country in which the companies of the multinational group have the highest total value of tangible assets in the year in which the multinational group falls within the scope of this Title for the first time. The total value of tangible assets in a country corresponds to the sum of the net carrying amounts of all tangible assets of all companies in the multinational group that are located in that country.

- include the simplified tests (transitional safe harbours from country-by-country reporting) for each material jurisdiction, in order to receive the related benefits in terms of reduced compliance costs and elimination of Pillar II taxes, and
- carry out complete and detailed calculations of the relevant quantities required by Pillar II legislation for any jurisdictions that do not pass any of the aforementioned tests.

3. Other Information

3.1 Information relating to the actual or potential effects of netting agreements

In order to allow an evaluation of the actual or potential effects of netting agreements on the Unipol Group, the information relating to the financial instruments involved in master netting arrangements is reported below, which at 31 December 2023 consisted exclusively of derivative instruments.
With reference to derivatives, the ISDA Master agreements which regulate transactions in such instruments, make provision, in the cases of the insolvency of one of the contractual parties, for the offsetting between receivables and payables including any cash deposits or financial instruments pledged as guarantee.

Financial assets

Amounts in €m

Type	Gross amount (A)	Total financial liabilities offset in the financial statements (B)	Net total financial assets recognised in the financial statements (C)= (A) - (B)	Related amounts not subject to offsetting in the financial statements		Net total
				Financial instruments (D)	Cash deposits received as guarantees (E)	(F)=(C)-(D)-(E)
Derivative transactions (1)	104		104	83	21	
Repurchase agreements (2)						
Securities lending						
Other						
Total	**104**		**104**	**83**	**21**	

Financial liabilities

Amounts in €m

Type	Gross amount (A)	Total financial assets offset in the financial statements (B)	Net total financial liabilities recognised in the financial statements (C)= (A) - (B)	Related amounts not subject to offsetting in the financial statements		Net total
				Financial instruments (D)	Cash deposits given as guarantees (E)	(F)=(C)-(D)-(E)
Derivative transactions (1)	110		110	24	79	6
Repurchase agreements (2)						
Securities lending						
Other						
Total	**110**		**110**	**24**	**79**	**6**

(1) The amounts indicated include the fair value in the financial statements of the derivatives involved in the offsetting agreements and any cash deposits given or received as guarantee.

(2) The amounts indicated include the financial receivable/payable relating to the repurchase agreement and the value of the financial asset involved in the forward purchase.

3.2 Earnings/(loss) per share

Amounts in €m

	31/12/2023	31/12/2022
Profit/loss allocated to ordinary shares (€m)	1,101	525
Weighted average of shares outstanding during the year (no./m)	716	715
Basic and diluted earnings (loss) per share (€ per share)	**1.54**	**0.73**

3.3 Dividends

The Unipol Shareholders' Meeting held on 28 April 2023, in view of the Parent Unipol's positive financial result at 31 December 2022 amounting to €363m (as shown in the financial statements drawn up in accordance with national accounting standards), resolved, taking into account treasury shares held, to distribute dividends for a total of approximately €265m, corresponding to € 0.37 per share.

The Shareholders' Meeting also set the dividend payment date for 24 May 2023 (ex-dividend date 22/5/2023 and record date 23/5/2023).

3.4 Non-current assets or assets of a disposal group held for sale and discontinued operations

At 31 December 2023, reclassifications carried out in application of IFRS 5 to Asset item 6.1 amounted to €133m, of which €83m related to properties held for sale and €50m relating to the equity investment in Cronos Vita Assicurazioni (€514m at 31/12/2022, of which €100m related to properties held for sale and €415m relating to assets held by the company Incontra Assicurazioni, sold during the current year); liabilities reclassified to item 6.1 Liabilities associated with disposal groups held for sale were eliminated following the disposal of the investment in Incontra Assicurazioni (€360m at 31/12/2022, referring entirely to Incontra Assicurazioni).
Note that the sale of the investment in Incontra Assicurazioni was finalised on 30 November 2023: the contribution to the 2023 economic result amounted to €48m including consolidation of the investee's profit for the period and the economic effects of the sale (realised capital gain and reversal of OCI reserves existing at the date of sale).

3.5 Transactions with related parties

Unipol Gruppo provides the following services to the subsidiary UnipolReC:
- Governance (services supporting internal control, risk management and compliance);
- Anti-money laundering and Anti-terrorism.

UnipolSai Assicurazioni provides the following services to companies of the Group:
- Governance (services supporting internal control, risk management, compliance and the Actuarial Function Validation);
- Finance;
- Innovation;
- Communications and Media Relations;
- Anti-money laundering and Anti-terrorism;
- 231 support;
- Institutional Relations;
- Assessment of investments;
- Human resources and industrial relations (personnel administration, external selection, development and remuneration systems, welfare initiatives, personnel management, trade union relations, employee disputes, employee welfare, safety);
- Organisation;
- Training;
- Legal and corporate (corporate affairs, group legal register management, anti-fraud, institutional response, legal insurance consulting, privacy consulting and support, general legal and disputes, corporate legal, complaints, management of investments);
- Claims settlement;
- Insurance (distribution network regulations, MV portfolio management, reinsurance, product marketing, MV tariff setting, development and maintenance of MV products, general class tariff setting, development and maintenance of general class products, technical actuarial coordination, Life bancassurance, first level assistance to agencies, local assistance to agencies, final user test and manuals, Non-Life management and knowledge management services, CRM, targeting and campaign management);
- IT services;
- Actuarial Function Calculation;
- Administration (accounting, tax, administrative and financial statements services);
- Management control;
- Purchase of goods and services (including real estate) and general services;
- Services for the management of Whistleblowing reports;
- Sustainability;
- Real estate (coordination of urban planning processes, value added services, operational management of property sales and purchases, property leasing services, project management, logistics and real estate services, facility management, tax and duty property management, property management).

UniSalute provides the following services:
- Managing addressing services, providing medical advice and assistance by telephone, making bookings, managing and settling claims relating to specific guarantees/products on behalf of UnipolSai;
- Policyholder record updating services and administrative services associated with the payment of health policy claims for UnipolSai.

The services provided by UniSalute to its subsidiary UniSalute Servizi mainly concerned the following areas:
- Administration and management control;
- Complaints, regulations and tenders;
- IT services;
- Digital marketing and Communications;
- Supplier Network Management and Medical Coordination;
- Human resource monitoring and Training;
- Collective Operating Centre - Assistance Class 18 and LTC case management.

SIAT performs the following services in favour of UnipolSai:
- Technical assistance in the negotiation and stipulation of transport and aviation contracts;
- Portfolio services for agreements in the transport sector;

- Administrative support in the relationships with insurance counterparties;
- Management of development projects in the Transport sector.

UnipolService provides car repair services for certain Group companies, while **UnipolGlass** provides glass repair services.

UnipolSai Servizi Previdenziali performs administrative management of open pension funds on behalf of a number of Group companies.

UnipolRe DAC, merged into UnipolSai at 31 December 2023, carried out administrative and accounting services for inwards and outwards reinsurance with reference to treaties in run-off on behalf of UnipolSai.

UnipolSai Investimenti SGR administered, on behalf of UnipolSai, the units of real estate funds owned by UnipolSai. However, this service is no longer provided from 1 April 2023 as the activity was insourced to UnipolSai and, consequently, the contract with the asset management company was terminated.

UnipolTech guarantees competitiveness to the Group insurance companies through continuous technological innovation and the evolution of ITC and mobile payment services. In particular:
- manages the electronic boxes, designed and continuously innovated internally and complete with proprietary software associated with MV, Motorcycle and Fleet policies, confirming the Unipol Group as market leader. The electronic boxes are directly linked to the service centre (TSP) in order to guarantee security and assistance insurance services through a complex data analysis based on crash recognition and reconstruction, roadside assistance and theft up to value added services such as private emergency calls, plus the VASs available on the mobile app;
- supports UnipolSai in identifying IoT technology and leading partners in the market for the provision of safety and security services linked to home, store and commercial business insurance policies (smart home);
- develops electronic devices associated with insurance policies for pet protection;
- has launched the development of technological solutions that integrate telematics and electronic toll payments with a view to insurance offer distinctiveness.

The Company has developed products and services that are offered through the UnipolSai agency network, the UnipolSai multi-channel system and on the free market such as:
- Qshino, the product that offers an anti-abandonment device service for child car seats as required by Italian Law no. 117 of 1 October 2018, which makes their use compulsory;
- UnipolMove, an electronic motorway toll payment service that was made available to all Group customers and others from March 2022, after the Company received European Electronic Toll Service accreditation (first company at national and European level) for light and heavy vehicles.

To supplement the electronic toll service, it continues to support UnipolSai in the development of mobile payment solutions to offer customers an integrated model of distinctive services, complementary to the insurance business. The first services available on the UnipolSai and UnipolMove Apps offer the opportunity to pay car parking fees, "blue line" parking slips, for access to certain Limited Traffic Zones (such as Milan Area C), fines and road tax, as well as fuel. From 2023, it also joined the MaaS (Mobility as a Service) NRRP calls for proposals and offers integrated payment services for micro-mobility and public transport, complementary to cars, in the cities of Rome and Milan.
fuel.

Leithà designs, develops and provides to Group companies services, applications, data-intensive components and innovative, high-tech tools based primarily on Artificial Intelligence, Machine Learning, Process Automation and Computer Vision solutions. It also studies and analyses data in support of the development of new insurance solutions (both in actuarial and product application distribution terms), processes and business development. This includes the necessary preparatory and instrumental activities for the implementation of commissioned research projects and the development of operating system software, operating systems, applications and database management concerning and functional to such projects.

The main project areas covered include:
- development of software supporting the reconstruction and settlement of claims;
- software development to support tariff underwriting;
- development of solutions for real-time claims management;

- support for tariff sophistication processes through data enrichment and machine learning modelling;
- tariff optimisation;
- natural events and weather alert services;
- reinsurance support;
- communication tools for the agency network;
- smartphone telematics;
- scientific communication activities through collaboration with important European projects and research centres (e.g., ADA - ADaptation in Agriculture and development of the E3CI - European Extreme Events Climate Index, NRRP National Recovery and Resilience Plan).

UnipolAssistance provides the following services for the Companies of the Consortium and to non-insurance third parties:
- organisation, provision and 24/7 management of services provided by the Class 18 assistance insurance coverage, by taking the action requested and managing relations with professionals and independent suppliers to which the material execution of the action is assigned, also including settlement of the related remuneration. Analogous activities are also provided to Consortium members not in the insurance business.

As part of the Tourism claims management solely for consortium members carrying out insurance activities, in addition to the provision of normal Assistance services, at the request of an individual consortium member UnipolAssistance can advance medical expense payments on behalf of that member.
- contact centre activities for customers or prospects, specialists and agencies of the Group, whose services consist of:
  - providing front and back office services to existing or potential customers at all stages of relations with Group companies and their respective sales networks, or to any intermediaries acting on their behalf (brokers, banks);
  - providing after-sales services on policy statuses or on any transactions that can be made on existing policies;
  - providing support services to the agency network in relations with customers, potential customers and insurance consortium members;
  - providing front-office support services in pre-sales and after-sales to the agency network in relations with customers, potential customers and non-insurance consortium members;
  - providing contact centre services dedicated to opening claims and related information requests.

Arca Vita provides the following services to its subsidiaries:
- human resource management and development, organisation, corporate affairs, purchasing, legal services and complaints, secretariat and general services, security and privacy, administration, life planning in favour of subsidiaries;
- real estate and property unit leases in favour of several Group companies.

An agreement with Arca Vita International is also in place regarding the licence for use of the "Arca Vita International" trademark owned by Arca Vita.

Arca Inlinea provides sales support services to Arca Assicurazioni, Arca Vita and Arca Vita International and call centre services in favour of UniSalute.

Arca Sistemi provides the following services primarily in favour of the Companies participating in the consortium:
- IT system design, development and management;
- alternative storage design, development and management.

In addition, Arca Sistemi provides IT services to UniSalute.

Arca Direct Assicurazioni has insurance brokerage agreements in place with Arca Vita, Arca Assicurazioni and UnipolSai.

UnipolRental provides medium/long-term vehicle rental services to Group companies.

Cambiomarcia provides services and a digital platform dedicated to the sale of ex-rental vehicles of UnipolRental on the B2C channel (Business to Consumer) and provides electric bicycles to several Group companies.

UnipolHome provides repair services to UnipolSai for insurance products that include this solution.

Welbee designs, develops and provides welfare plans for UnipolSai employees, made available through a digital platform, which focus primarily on flexible benefits in the welfare and health sectors.

Tantosvago provides Welbee with content services and corporate welfare experiences; in addition, the company designs, develops and provides incentive, loyalty and prize competition programmes for UnipolSai.

UniSalute Servizi provides remote assistance services on behalf of UniSalute.

Moreover, it is noted that the Group companies conduct the following regular transactions with each other:
- reinsurance and coinsurance;
- leasing of property and other tangible assets;
- agency mandates;
- brokerage of collections and payments;
- secondment of personnel;
- training project management.

There is also a partnership agreement between **UnipolSai** and **UnipolTech** with the aim of strengthening their reciprocal positions in the reference markets: in this sense, the agreement calls for advertising on the UnipolSai website and App, and in particular through the agency network as well, the services offered by UnipolTech.

No atypical or unusual transactions were carried out in the execution of these services.

Fees are mainly calculated on the basis of the external costs incurred, for example the costs of products and services acquired from suppliers, and the costs resulting from activities carried out directly, i.e. generated by their own staff, and taking account of:
- performance targets set for the provision of the service to the company;
- strategic investments required to ensure the agreed levels of service.

The following elements are specifically taken into consideration:
- personnel costs;
- operating costs (logistics, etc.);
- general costs (IT, consultancy, etc.).

As regards services rendered by Leithà, the consideration was determined to the extent equal to costs, as previously defined, to which a mark-up was applied, which is the operating margin for the service rendered.

The costs for financing activities are calculated by applying a fee on managed volumes. The services provided by UniSalute (except for operating services provided to UniSalute Servizi for which the costs are split), UniSalute Servizi, UnipolService, UnipolSai Investimenti SGR and UnipolRe involve fixed prices.

Both the Parent **Unipol** and its subsidiaries, including **UnipolSai**, **Arca Vita** and **Arca Assicurazioni**, second their staff to other Group companies to optimise the synergies within the Group.

It should be noted that, in accordance with Art. 2497 et seq. of the Italian Civil Code, none of the shareholders of the Parent Unipol exercises management and coordination activities over the Company.

Tax regime for taxation of group income (so-called “tax consolidation”)

The Parent Unipol exercised the Group joint tax consolidation option governed by Title II, Chapter II, Section II of Italian Presidential Decree 917/86 (the Consolidated Income Tax Act, Articles 117 et seq.) as consolidating entity, jointly with the companies belonging to the Unipol Group meeting the established regulatory requirements over time. The option has a three-year duration and is renewed automatically unless cancelled.

Unipol VAT Group

Unipol Gruppo and the subsidiaries for which there are economic, financial and organisational restrictions exercised the option of establishment of the Unipol VAT Group pursuant to Art. 70-bis et seq. of Italian Presidential Decree no. 633/1972 and Ministerial Decree of 6 April 2018. Initially valid for the three-year period 2019-2021, the option renews each year until cancelled.

The following table shows transactions with related parties (associates and others) carried out during 2023, as laid down in IAS 24 and in Consob Communication DEM/6064293/2006. It should be noted that the application scope of the Procedure to perform transactions with related parties, adopted pursuant to Consob Regulation no. 17221 of 12 March 2010, as amended, also includes some counterparties that are included, on a voluntary basis, pursuant to Art. 4 thereof, including the company Coop Alleanza 3.0 Società Cooperativa (shown, together with other items, in the following table under item "Others").

Transactions with subsidiaries have not been recognised since in drawing up the Consolidated Financial Statements transactions among Group companies consolidated using the line-by-line method have been eliminated as part of the normal consolidation process.

Amounts in €m

Information on transactions with related parties

	Associates	Others	**Total**	*% inc. (1)*	*% inc. (2)*
Financial assets at amortised cost	25		25	*0.0*	*1.6*
Financial assets at fair value through OCI	87		87	*0.1*	*5.7*
Other financial assets	76		76	*0.1*	*4.9*
Other assets	13		13	*0.0*	*0.8*
Cash and cash equivalents	1,691		1,691	*2.1*	*110.0*
TOTAL ASSETS	**1,891**		**1,891**	**2.4**	**123.0**
Financial liabilities at amortised cost	113		113	*0.1*	*7.4*
Payables	88		88	*0.1*	*5.7*
OTHER LIABILITIES	5		5	*0.0*	*0.3*
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**210**		**210**	**0.3**	**13.7**
Insurance service expenses from insurance contracts issued	(136)		(136)	*(8.7)*	*(8.8)*
Interest income calculated with the effective interest method	3		3	*0.2*	*0.2*
Other income/Charges	21		21	*1.3*	*1.4*
Other revenue/costs	56		56	*3.6*	*3.6*
Operating expenses:	(11)	(1)	(12)	*(0.8)*	*(0.8)*

(1) Percentage based on total assets in the consolidated statement of financial position recognised under shareholders' equity, and on pre-tax profit/(loss) for income statement items.
(2) Percentage on total net cash flow from operating activities mentioned in the statement of cash flows.

Financial assets at amortised cost with associates included €11m of time deposits above 15 days held by the companies of the Group with BPER Banca, €8m relating to receivables from insurance brokerage agencies for agents' reimbursements and €6m of interest-free loans disbursed by UnipolSai to the associate Borsetto.
Financial assets at fair value through other comprehensive income from associates and others related to the subscription of listed debt securities issued by BPER Banca and Banca Popolare di Sondrio, subscribed by Group companies.
The item Other financial assets from associates mainly included €42m in receivables from insurance brokerage agencies for commissions and €23m in receivables from Finitalia for premiums it had advanced for the service concerning the split payment of policies.
Other assets included current accounts, temporarily unavailable, that UnipolSai has opened with BPER Banca.
Cash and cash equivalents included the balances of current accounts opened by Group companies with BPER Banca and Banca Popolare di Sondrio.
The item Financial liabilities at amortised cost due to associates related to loans and mortgages disbursed by BPER Banca and Banca Popolare di Sondrio to Group companies.

Payables included payables for commissions due to BPER Banca for the placement of insurance products, in addition to payables for other services rendered.
Other liabilities refer to invoices to be received.
Insurance service expenses from insurance contracts issued included costs for commissions paid to insurance brokerage agencies (€106m) and commissions paid to BPER Banca for the placement of insurance policies issued by Group companies (€25m).
The item Other revenue/costs includes interest income accrued on current accounts opened by Group companies with BPER Banca and Banca Popolare di Sondrio.
Operating expenses include the costs of managing banking relations with BPER Banca.

Please also note that the contributions payable by the Unipol Group companies paid in the course of 2023 to Unipol Group employee and executive pension funds amounted to €26m.

Remuneration for 2023 due to the Directors, Statutory Auditors and Key Managers of the Parent for carrying out their duties in Unipol and in other consolidated companies amounted to €15.5m, details of which are as follows:

	Amounts in €m
Directors and General Manager	11.6
Statutory auditors	0.3
Other Key Managers (*)	3.7

(*) mainly includes compensation of employees.

The remuneration of the General Manager and the Key Managers relating to benefits granted under the Share-based compensation plans (performance shares), is duly represented in the Remuneration Report, prepared according to Art. 123-*ter* of the Consolidated Law on Finance and made available, pursuant to current regulations, on the Company website.
In 2023 the companies in the Group paid Unipol and UnipolSai the sum of €1.7m as remuneration for the activities carried out by the General Manager and the Key Managers, eliminated during the consolidation process.

3.6 Information on public funds received

With reference to the regulation on the transparency of public funds introduced by Art. 1, paragraphs 125 and 125-bis of Italian Law 124/2017 and subsequent amendments and supplements, note that the Group collected the following contributions and subsidies subject to the mandatory disclosure in the notes to the financial statements pursuant to the above-cited regulation:

Recipient	Name of disbursing party	Amount collected (€)	Reason
Tenute del Cerro SpA	ARTEA	58,559	Contributions to the Tuscany Region vineyard restructuring
Tenute del Cerro SpA	AGEA	40,713	Contributions to the Umbria Region vineyard restructuring
Tenute del Cerro SpA	ARTEA	60,049	Contributions to Tuscany Region Rural Development Plan
Tenute del Cerro SpA	AGEA	193,828	Contributions to Umbria Region Rural Development Plan
Tenute del Cerro SpA	INVITALIA	1,536,000	Contributions to Agro-industrial Development Contracts
Tenute del Cerro SpA	ARTEA	299,077	Contributions to Community Agricultural Policy 2022/2023
Tenute del Cerro SpA	AGEA	53,001	Contribution to promotional expenses incurred in foreign countries
Tenute del Cerro SpA	AGEA	16,927	Individual Insurance Plan Contribution
Tenute del Cerro SpA	RETE OMEGA	27,045	Contributions to Umbria Region Rural Development Plan

For the sake of comprehensiveness, although such grants are excluded from the transparency obligations established in the regulations cited, any Aid measures and the relative individual Aid granted and recorded in the system by the Granting Authorities directly or indirectly benefitting each of the Group companies are published in the National Register of State Aid, open to the public for consultation on the relative website in the transparency section.

3.7 Share-based compensation plans

The Unipol Group pays variable benefits (long-term incentives) to the General Manager, Key Managers and other senior executives under closed three-year, share-based compensation plans by which Unipol and UnipolSai shares (performance shares) are granted if specific targets of profitability, creation of value for shareholders and ESG Sustainability are achieved.

The 2019-2021 Performance share-based compensation plans, if the prerequisites were met, envisaged for short-term incentives the assignment of UnipolSai and Unipol shares in the year following the year of accrual. With regard to long-term incentives, if the prerequisites were met, it envisaged the assignment of UnipolSai and Unipol shares in at least three annual tranches starting from 2023.
The 2022-2024 Performance share-based compensation plans, if the prerequisites are met, envisages the assignment of the same shares in at least three annual tranches with effect from 2026.
On 2 January 2023, 1,417,994 UnipolSai shares and 783,877 Unipol shares were granted to eligible executives as a long-term incentive for the 2019-21 financial year.
In addition, on 31 May 2023, 3,671 UnipolSai shares and 1,876 Unipol shares were granted to eligible executives, as a short-term incentive for the years 2020 and 2022.

The Information Documents, prepared pursuant to Art. 114-bis of the Consolidated Law on Finance and Art. 84-bis of Consob Issuer's Regulation no. 11971/1999, are available on the respective websites, in the Governance/Shareholders meetings section.

3.8 Non-recurring significant transactions and events

There are no significant non-recurring events or transactions to be reported during the year aside from those reported among the main events of the period.

3.9 Atypical and/or unusual positions or transactions

In 2023 there were no atypical and/or unusual transactions that, because of their significance, importance, nature of the counterparties involved in the transaction, transfer pricing procedures, or occurrence close to the end of the year, could give rise to doubts relating to: the accuracy and completeness of the information in these Consolidated Financial Statements, a conflict of interest, the safeguarding of the company's assets or the protection of non-controlling shareholders.

3.10 Analysis of recoverability of goodwill with indefinite useful life (impairment test)

As in previous years, in accordance with IAS 36.10, which provides for the Impairment of Intangible Assets that have an indefinite useful life, the impairment test was carried out on the goodwill recognised in the consolidated financial statements with reference to subsidiaries.

In determining the parameters used for the assessments, the criteria adopted were aligned with market practice, taking as a reference, for these and for the economic/financial projections, expected developments in the reference economic scenario and the influence of the effect of climate change, albeit with the uncertainty characterising developments and considering that the effects will likely be appreciable, especially in the long term. In particular, the following should be noted: (i) the increase in the discount rate compared to the previous year, following the trends recorded in 2023 in the various components that lead to its determination and (ii) the increase of the g-rate, taking into account updated macroeconomic scenario estimates, as well as the estimated impact of climate factors.

With respect to this scenario, appropriate Sensitivity Analyses were also developed to test the stability of the recoverable amount of goodwill if there was a variation in the main parameters used in the tests.

During the year, some operations were completed, resulting in the recognition of goodwill: please refer to the "Information about business combinations" section for a description of the individual operations.

The CGU structure did not change compared to the previous year. Consequently, the CGUs to which the residual goodwill was allocated, impairment tested at 31 December 2023, were:

- Non-Life CGU: UnipolSai Assicurazioni - Non-Life
- Life CGU: UnipolSai Assicurazioni - Life

With regard to the valuation methods adopted for estimating the recoverable amount of goodwill, please note that, following the introduction of the accounting standard IFRS 17, which is more oriented towards the estimate of balance sheet items based on prospective flows, in consideration of the availability of economic-financial projections also for the Life segment, it was deemed appropriate to adopt a methodology of the Dividend Discount Model (DDM) type in the "excess capital" version also to verify the recoverability of the goodwill allocated to the Life CGU, similarly to what was done for the Non-Life CGU, rather than use the Appraisal Value methodology adopted last year.
In relation to the parameters used, an update was carried out at the end of 2023.

The impairment testing of the Non-Life CGU was performed measuring the recoverable amount of UnipolSai Assicurazioni - Non-Life goodwill using the "excess capital" version of a DDM (Dividend Discount Model).

The impairment testing of the Life CGU was performed measuring the recoverable amount of UnipolSai Assicurazioni-Life goodwill using the "excess capital" version of a DDM (Dividend Discount Model).

The results obtained from application of the impairment procedure show that there is no need to make any value adjustments to the goodwill of the Non-Life CGU and the Life CGU recorded in the consolidated financial statements at 31 December 2023.

Non-Life CGU/Life CGU	
Valuation method used	The method used was an "excess capital" type of DDM (Dividend Discount Model) and focused on the future cash flows theoretically available for shareholders, without drawing on the assets needed to support the expected growth and in accordance with the capital requirements imposed by the Supervisory Authority on capital requirements. According to this method the value of the economic capital is the sum of the current value of potential future cash flows and the current terminal value.
Net profits used	The above net profits were considered.
Projection period	Five prospective flows were considered.
Non-Life discount rate	A discount rate of 10.06% was used, broken down as follows: - risk-free rate: 4.38% - beta coefficient: 0.94 - risk premium: 5.40% - specific risk premium: 0.60% The average figure for the 10-year Long-Term Treasury Bond for the last three months (October-December) 2023 was used for the risk-free rate. A 2-year adjusted Beta coefficient for a sample of companies listed on the European market operating in the Non-Life segment. The risk premium was defined by taking into account the estimates for this benchmark from leading contributors. An additional specific risk component was considered to take into account, within the Non-Life CGU, the presence of companies operating in diversified sectors.
Life discount rate	A discount rate of 10.55% was used, broken down as follows: - risk-free rate: 4.38% - beta coefficient: 1.14 - risk premium: 5.40% The average figure for the 10-year Long-Term Treasury Bond for the last three months (October-December) 2023 was used for the risk-free rate. A 2-year adjusted Beta coefficient for a sample of companies listed on the European market operating in the Life segment. The risk premium was defined by taking into account the estimates for this benchmark from leading contributors.
Long term growth rate (*g* factor)	The g-rate was 1.5% (1.2% the previous year) taking into account the updated macroeconomic scenario net of the estimated impact of climatic factors.

Below are the **results of the impairment tests** along with the relevant **sensitivity analyses**:

Amounts in €m

	Pro-rata recoverable amount (a)	Goodwill to be tested (b)	Excess
Non-Life CGU	1,501	1,000	501
Life CGU	308	117	190
Total	**1,808**	**1,117**	**691**

(a): Recoverable amount obtained as the difference between the pro-rata value of the CGU and the pro-rata Adjusted Shareholders' equity
(b): Goodwill allocated net of goodwill included in the Shareholders' equity

Parameters used - Non-Life

Risk Free	4.38%
Beta	0.94
Risk premium	5.40%
Specific risk premium	0.60%
Discounting rate	10.06%
Range	*9.56% - 10.56%*
Pass	*0.25%*
g factor	1.50%
Range	*1% - 2%*
Pass	*0.25%*

Parameters used - Life

Risk Free	4.38%
Beta	1.14
Risk premium	5.40%
Discounting rate	10.55%
Range	*10.05% - 11.05%*
Pass	*0.25%*
g factor	1.50%
Range	*1% - 2%*
Pass	*0.25%*

Amounts in €m

		Sensitivity (Value range)					
		Min			Max		
CGU	Recoverable Amount - Goodwill Delta	Value	g	Discounting rate	Value	g	Discounting rate
UnipolSai Assicurazioni - Non-Life	501	258	1.00%	10.56%	799	2.00%	9.56%

Amounts in €m

				Recoverable Amount - Goodwill Delta = 0			
	Recoverable Amount - Goodwill Delta	Sensitivity (Value range)		Hp. 1 (g rate = that used for impairment)		Hp. 2 (g rate assumed to be 0),	
CGU		Min	Max	g	Discounting rate	g	Discounting rate
UnipolSai Assicurazioni - Non-Life	501	258	799	1.50%	11.34%	0%	11.18%

Amounts in €m

		Sensitivity (Value range)					
		Min			Max		
CGU	Recoverable Amount - Goodwill Delta	Value	g	Discounting rate	Value	g	Discounting rate
UnipolSai Assicurazioni - -Life	190	115	2.00%	11.05%	269	1.00%	10.05%

Amounts in €m

				Recoverable Amount - Goodwill Delta = 0			
	Recoverable Amount - Goodwill Delta	Sensitivity (Value range)		Hp. 1 (g rate = that used for impairment)		Hp. 2 (g rate assumed to be 0),	
CGU		Min	Max	g	Discounting rate	g	Discounting rate
UnipolSai Assicurazioni - Life	190	115	269	1.50%	12.24%	0%	12.62%

3.11 Details of other consolidated comprehensive income

Amounts in €m

	Items	31/12/2023	31/12/2022
1	**Profit (Loss) for the period**	**1,331**	**675**
2	**Other income items net of taxes not reclassified to profit or loss**	**67**	**(20)**
2.1	Portion of valuation reserves of equity investments valued at equity	5	41
2.2	Change in the revaluation reserve for intangible assets		
2.3	Change in the revaluation reserve for property, plant and equipment		
2.4	Financial revenues or costs relating to insurance contracts issued	(32)	19
2.5	Gains and losses on non-current assets or disposal groups held for sale		
2.6	Actuarial gains and losses and adjustments relating to defined benefit plans	(8)	17
2.7	Gains or losses on equity instruments at fair value through OCI	133	(121)
	a) change in fair value	101	(109)
	b) transfers to other shareholders' equity components	32	(12)
2.8	Reserve deriving from variation on credit risk on financial liabilities at fair value through profit or loss		
	a) change in fair value		
	b) transfers to other shareholders' equity components		
2.9	Altre variazioni:		
	a) change in fair value (hedged instrument)		
	b) change in fair value (hedging instrument)		
	c) other changes in fair value		
2.10	Income taxes relating to other revenue components without reclassification in the Income Statement	(30)	25
3	**Other income items net of taxes reclassified to profit or loss**	**129**	**(503)**
3.1	Change in the reserve for foreign currency translation differences		
	a) changes in value		
	b) reclassification in the Income Statement		
	c) other changes		
3.2	Gains or losses on financial assets (other than equity instruments) at fair value through OCI	2,279	(9,575)
	a) changes in fair value	1,909	(9,294)
	b) reclassification in the Income Statement	370	(281)
	- credit risk adjustments	(29)	47
	- gains/losses on sale	399	(328)
	c) other changes		
3.3	Gains or losses on cash flow hedges	54	102
	a) changes in fair value	54	102
	b) reclassification in the Income Statement		
	c) other changes		
3.4	Gains or losses on hedges of a net investment in foreign operations		
	a) changes in fair value		
	b) reclassification in the Income Statement		
	c) other changes		
3.5	Portion of valuation reserves of equity-accounted investments:	26	(71)
	a) changes in fair value	33	(70)
	b) reclassification in the Income Statement	(4)	(2)
	- impairment losses		(2)
	- gains/losses on sale	(4)	
	c) other changes	(3)	
3.6	Financial revenues or costs relating to insurance contracts issued	(2,196)	8,865
	a) changes in fair value	(2,196)	8,865
	b) reclassification in the Income Statement		
	c) other changes		

Amounts in €m

	Items	**31/12/2023**	31/12/2022
3.7	Financial revenues or costs relating to reinsurance transfers	19	(42)
	a) changes in fair value	19	(42)
	b) reclassification in the Income Statement		
	c) other changes		
3.8	Gains and losses on non-current assets or disposal groups held for sale		
	a) changes in fair value		
	b) reclassification in the Income Statement		
	c) other changes		
3.9	Other items:		
	a) changes in fair value		
	b) reclassification in the Income Statement		
	c) other changes		
3.10	Income taxes relating to other revenue components with reclassification in the Income Statement	(53)	219
4	TOTAL OF OTHER COMPONENTS OF THE COMPREHENSIVE INCOME STATEMENT (Sum of items 2.1 to 3.10)	**196**	**(523)**
5	TOTAL CONSOLIDATED COMPREHENSIVE INCOME (Items 1 + 4)	**1,529**	**153**
5.1	of which: attributable to the owners of the Parent	1,268	93
5.2	of which: attributable to non-controlling interests	261	60

3.12 Information by operating segment

Statement of financial position by business segment

		NON-LIFE BUISINESS		LIFE BUSINESS	
	Asset items	31/12/2023	31/12/2022	31/12/2023	31/12/2022
1	INTANGIBLE ASSETS	2,099	1,858	361	355
2	PROPERTY, PLANT AND EQUIPMENT	3,269	1,970	202	239
3	INSURANCE ASSETS	1,049	931	74	49
3.1	Insurance contracts issued that are assets	13	27	49	27
3.2	Reinsurance transfers classifiable as assets	1,036	904	24	22
4	INVESTIMENTS	12,910	13,641	48,270	43,155
4.1	Investment property	411	424	924	887
4.2	Investments in associates and interests in joint ventures	1,140	752	121	1
4.3	Financial assets at amortised cost	1,581	1,582	414	410
4.4	Financial assets at fair value through OCI	7,724	7,279	32,458	29,565
4.5	Financial assets at fair value through profit or loss	2,054	3,603	14,353	12,292
5	OTHER FINANCIAL ASSETS	1,711	1,634	642	771
6	OTHER ASSETS	1,826	1,542	1,276	1,237
7	CASH AND CASH EQUIVALENTS	441	402	399	350
TOTAL ASSETS		23,305	21,978	51,223	46,155
1	SHAREHOLDERS' EQUITY	4,995	4,780	2,056	1,578
2	PROVISIONS FOR RISKS AND CHARGES	473	545	24	30
3	INSURANCE LIABILITIES	13,585	12,771	37,615	34,556
3.1	Insurance contracts issued that are liabilities	13,515	12,663	37,593	34,530
3.2	Reinsurance transfers classifiable as liabilities	70	108	22	25
4	FINANCIAL LIABILITIES	2,301	1,483	11,188	9,392
4.1	Financial liabilities at fair value through profit or loss	21	17	10,486	8,706
4.2	Financial liabilities at amortised cost	2,280	1,466	702	687
5	PAYABLES	953	1,038	172	201
6	OTHER LIABILITIES	997	1,359	168	399
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		23,305	21,978	51,223	46,155

Amounts in €m

HOLDING AND OTHER BUSINESSES		INTERSEGMENT ELIMINATIONS		TOTAL	
31/12/2023	31/12/2022	**31/12/2023**	31/12/2022	**31/12/2023**	31/12/2022
25	**24**			**2,485**	**2,236**
717	**660**			**4,187**	**2,868**
				1,123	**980**
				63	54
				1,060	926
3,497	**2,911**	**(752)**	**(279)**	**63,924**	**59,428**
966	971			2,302	2,282
1,395	854			2,656	1,608
614	153	(752)	(279)	1,857	1,866
516	858			40,697	37,702
5	74			16,412	15,970
397	**347**	**(260)**	**(214)**	**2,490**	**2,538**
335	**401**	**(5)**	**(3)**	**3,431**	**3,177**
938	**1,046**	**40**		**1,818**	**1,798**
5,908	**5,388**	**(978)**	**(497)**	**79,458**	**73,025**
2,747	**2,221**			**9,799**	**8,578**
54	**60**			**552**	**635**
				51,200	**47,327**
				51,108	47,194
				92	133
2,795	**2,742**	**(761)**	**(279)**	**15,523**	**13,339**
				10,507	8,723
2,795	2,742	(761)	(279)	5,016	4,616
260	**294**	**(239)**	**(197)**	**1,146**	**1,336**
52	**71**	**22**	**(21)**	**1,238**	**1,810**
5,908	**5,388**	**(978)**	**(497)**	**79,458**	**73,025**

Income statement by business segment

	Items	NON-LIFE BUISINESS 31/12/2023	NON-LIFE BUISINESS 31/12/2022	LIFE BUSINESS 31/12/2023	LIFE BUSINESS 31/12/2022
1	Insurance revenues from insurance contracts issued	8,947	8,000	623	549
2	Insurance service expenses from insurance contracts issued	(9,029)	(6,985)	(376)	(322)
3	Insurance revenue from reinsurance contracts held	623	177	13	13
4	Insurance service expenses from reinsurance contracts held	(377)	(338)	(20)	(20)
5	**Result of insurance services**	**165**	**854**	**241**	**220**
6	Gains/losses on financial assets and liabilities at fair value through profit or loss	246	9	213	(328)
7	Gains/losses on investments in associates and interests in joint ventures	266	138	46	10
8	Gain/losses on other financial assets and liabilities and investment property	309	(95)	1,060	1,209
9	**Balance on investments**	**821**	**53**	**1,320**	**892**
10	Net financial costs/revenues relating to insurance contracts issued	(96)	72	(1,191)	(910)
11	Net financial revenues/costs relating to reinsurance transfers	(2)	(1)	(1)	0
12	**Net financial result**	**723**	**123**	**128**	**(19)**
13	Other revenue/costs	679	252	70	14
14	Operating expenses:	(226)	(186)	(40)	(53)
15	Altri oneri/proventi	(446)	(312)	(24)	(26)
Pre-tax Profit/(Loss)for the period		**896**	**731**	**375**	**136**

Amounts in €m

HOLDING AND OTHER BUSINESSES		INTERSEGMENT ELIMINATIONS		TOTAL	
31/12/2023	31/12/2022	**31/12/2023**	31/12/2022	**31/12/2023**	31/12/2022
				9,571	8,549
				(9,405)	(7,307)
				637	190
				(396)	(358)
				407	**1,074**
11	(20)			470	(338)
328	200			641	348
1	(78)	(44)	(42)	1,326	996
340	**102**	**(44)**	**(42)**	**2,437**	**1,006**
				(1,286)	(838)
				(3)	(2)
340	**102**	**(44)**	**(42)**	**1,148**	**166**
317	222	30	28	1,096	516
(313)	(257)	14	14	(564)	(482)
(50)	(59)			(522)	(399)
294	**8**			**1,565**	**875**

3.13 Risk Report 2023 of the Unipol Group

The Risk Report aims to provide an overview of the risk management system, the internal risk assessment and solvency assessment process and the Unipol Group risk profile, in compliance with the principles of the European Solvency II regulations.

Activities by the competent corporate organisations of the Group were carried out in 2023 in compliance with Solvency II regulations and the supervisory provisions issued by IVASS.

Internal Control and Risk Management System

The Unipol Group's Risk Management structure and process are part of the wider internal control and risk management system already illustrated in the Annual Integrated Report, to which reference is made.

The principles and processes of the System as a whole are governed by the following Group policies: "Risk Management Policy", "Current and Forward-looking Own Risk and Solvency Assessment Policy", "Operational Risk Management Policy" and "Group-level Risk Concentration Policy".
The policies setting the principles and guidelines below are an integral part of this System: (i) management of specific risk factors (e.g. the Investment Policy with regard to market and liquidity risks, and the Credit Policy), (ii) risk management as part of a specific process, (iii) risk mitigation and (iv) risk measurement model management.

The risk identification, assessment and monitoring processes are performed on an ongoing basis, to take into account any changes in their nature, business volumes and market context, and any insurgence of new risks or changes in existing risks.
These processes are carried out using methods that guarantee an integrated approach at Group level. The Parent ensures that the risk management policy is implemented consistently and continuously within the entire Group, taking into account the risks of each company included in the scope of supervision of the Group and their mutual interdependencies.

Risk Appetite and Risk Appetite Framework

The Risk Management System adopted by the Group is inspired by an enterprise risk management logic. This means that is based on the consideration, with an integrated approach, of all the current and prospective risks the Group is exposed to, assessing the impact these risks may have on the achievement of the strategic objectives and replies on a fundamental element, i.e. the Risk Appetite.
In quantitative terms, the Group's Risk Appetite is determined in general on the basis of the following elements:
- capital at risk;
- capital adequacy;
- liquidity ratios.

Quality objectives are also defined in reference to compliance, emerging, strategic, reputational, ESG (Environmental, Social and Governance), business continuity and IT risks.

The Risk Appetite is formalised in the Risk Appetite Statement, which indicates the risks that the Group and/or individual company intends to assume or avoid, sets the quantitative limits and the qualitative criteria to be taken into account for the management of unquantified risks.

The Risk Appetite forms part of a reference framework - the Risk Appetite Framework (RAF). The RAF is defined in strict compliance and prompt reconciliation with the business model, the Strategic Plan, the Own Risk and Solvency Assessment ("ORSA") process and the Internal Capital Adequacy Assessment Process ("ICAAP"), the budget, company organisation and the internal control system.

The RAF defines the Risk Appetite and other components ensuring its management, both in normal and stress conditions.

These components are:
- Risk Capacity;
- Risk Tolerance;
- Risk Limits (or operational risk limits);
- Risk Profile.

The activity to set the RAF components is dynamic over time, and reflects the risk management objectives associated with the objectives of the Strategic Plan. Verification is performed annually as part of the process of assigning Budget objectives. Further analyses for preventive control of the Risk Appetite, and capital adequacy in particular, are performed when studying extraordinary transactions (such as mergers, acquisitions, disposals).

The RAF is broken down into several analysis macro areas with the aim of guaranteeing continuous monitoring of risk trends and capital adequacy. The main analysis macro areas are:
- individual type of risk, overall risk and capital adequacy;
- individual companies and group.

The Group RAF takes into account the specific operations and related risk profiles of each company in the Group, in such a way as to be integrated and consistent.

The ORSA process

Under their own risk management systems, Unipol and the companies that fall within the scope of the current and forward-looking own risk and solvency assessment policy use the ORSA to assess the effectiveness of the risk management system and its capital adequacy as well as liquidity governance and management.

The ORSA process allows the analysis of the current and forward-looking risk profiles of the Group and the insurance companies in the Group, based on strategy, market scenarios and business development.

The risk management process

The risk management process involves the following steps:
- risk identification;
- current and forward-looking assessment of risk exposure;
- risk monitoring and reporting;
- risk mitigation.

The process is performed in compliance with the Risk Appetite Framework.

Risk identification

Risk identification consists in identifying the risks considered significant, i.e. those with consequences capable of compromising the solvency or reputation of the Group, or constitute a serious obstacle to achieving strategic objectives. These risks are classified according to a methodology that takes into consideration the Group structure, the specific nature of the types of business managed by the various operating Companies and the classifications proposed by Italian and European supervisory regulations.

The categories of risk identified are as follows:
- Technical-Insurance underwriting risks (Non-Life and Health);
- Technical-Insurance underwriting risks (Life);
- Market risk;
- Credit risk;
- Liquidity risk;
- Asset Liability Management ("ALM") risks;

- Operational risk;
- Compliance risk;
- Emerging risks;
- Strategic risk;
- Reputational risk;
- ESG (Environmental, Social and Governance) risks;
- Other risks.

This identification and its constant updating are the result of meticulous and continuous activity performed through:
- continuous monitoring of business operations;
- continuous monitoring of the reference regulatory framework;
- the exercise of Profit and Loss attribution that compares profit and loss recorded at year end with those estimated by the Internal Model, in order to verify whether it correctly represents all risk factors.

An assessment is performed at least annually to verify that the risks identified actually represent the risk profile of the Group and its companies.

Current and forward looking assessment of risk exposure

At least annually and in any event every time circumstances arise that could significantly alter the risk profile, the Group assesses the risks to which the insurance group and the individual companies are exposed, at present and prospectively, documenting the methods used and the related results. In the Current and Forward-looking Own Risk and Solvency Assessment Policy, the process for the current and forward-looking assessment of risks is also defined, including risks deriving from companies included in the scope of Group supervision and taking into account the risk interdependencies.
The current and forward-looking assessment also includes stress testing to verify the company's vulnerability to extreme but plausible events.

Current assessment of risks
The current assessment of risks identified is performed through methods envisaged in regulations and best practices as regards risks for which measurement is not regulated or defined by high-level principles.

Forward-looking assessment of risks
The ORSA process is used to support operational and strategic decisions. The Group defines and implements procedures that are commensurate with the nature, scope and complexity of the business activities and enable it to identify and assess accurately the risks to which the Group or individual Company is or could be exposed in the short and long term.

Stress test, reverse stress test and sensitivity analyses

The Group and each subsidiary Company conduct stress test, reverse stress test and sensitivity analyses at least annually, in compliance with requirements of the national Supervisory Authority regulations. To this end, the Group has adopted:
- a stress test framework that begins with analysis of the key risk factors, envisaging the definition of a set of stress tests:
  - general (i.e. applying to the Group and to all Group Companies) or specific (i.e. applying to individual Companies);
  - which consist in the application of shocks to individual risk factors (e.g. interest rates) or contextual shocks to multiple groups of risk factors (i.e. scenario analysis);
  - which concern financial variables and/or technical-insurance variables.

  In the analysis framework, with particular reference to climate risks, the Group and the Companies:
  - assess the materiality of exposure to climate risks in the short, medium and long term through qualitative and/or quantitative analyses;
  - in cases where exposures to climate risks are considered material, they assess the impacts of events associated with climate change, including through calibration and stress test exercises or scenario analyses.

- a sensitivity analysis framework for the main financial figures of interest, in order to assess the solvency of the Group and the Companies in alternative economic scenarios;
- a set of reverse stress test exercises to identify loss scenarios that could put the Company's solvency in difficulty.

With reference to the stress scenarios, as part of the 2023 ORSA Report, the Chief Risk Officer assessed, among others, the impacts of:

- a geopolitical scenario that envisages the occurrence of shocks with multiple economic-financial variables at the same time as shocks with technical-insurance variables. In this scenario, the possible impacts associated with persistent worsening of the macroeconomic scenario are assessed, also due to the inflationary dynamics linked to geopolitical tensions and consequent critical global supply chain issues, and high interest rates dependent on policies adopted by central banks to reduce inflation to their long-term targets;
- an adverse financial scenario, characterised by an increase in interest rates, combined with an early mass settlement of part of the Life portfolio;
- a scenario that envisages an increase in inflation and a same-time unfavourable change in the Combined Ratio both on the claims provisions of previous years and on the cost of claims and expenses for the current year;
- a scenario that assesses the impacts of a series of natural catastrophic events of a different nature (e.g. earthquakes, floods and storms) on a global scale, resulting in significant claims costs for the Group companies, a decrease in reinsurance capacity also due to the default of a big reinsurance market player and the destruction of infrastructures in which the Group invests;
- stress scenarios relating to climate risks: (1) "Climate change hot house world (3°C+)", in which the possible impacts of climate change are assessed in a scenario over a time horizon from 2050 to 2065, characterised by an increase in average temperatures of more than 3°C; (2) "Climate change - Paris Agreement Alignment (+1.5°C)", which assesses the possible impacts of climate change in a scenario over a time horizon up to 2035 characterised by an increase in average temperatures of less than 1.5°C, in line with the objectives defined in the Paris Agreement, with particular reference to transition risk and physical risk. The analysis of climate change impact on physical risks consists of five levels: (1) identification of the business lines characterised by direct or indirect climate change impacts; (2) "climate change so far" monitoring analysis; (3) impact analysis on the scenarios indicated above; (4) analysis of the different "IPCC-RCP scenario/time horizon" combinations available for the most significant acute physical risks (flood and convective storms), (5) long-term analysis for chronic risks (sea level rise) and acute risks currently considered secondary perils (forest fires, drought). As instead regards the assessment of the climate change impact on transition risks, the Group quantifies the losses in value of financial investments for the different asset classes (bonds, shares, funds, etc.), originating from the shocks, segmented by business sector (NACE), calibrated on the basis of scenarios outlined by the Network for Greening the Financial System (NGFS). In addition, with particular reference to the assessment of Transition Risk relating to Properties, their redevelopment cost was estimated using a model that, in relation to the actual or estimated carbon footprint of each building, defines which energy efficiency measures to be applied in terms of the lowest marginal abatement cost (the maximum reduction of emissions at the lowest cost) and estimates the implementation costs and energy cost savings arising from implementation of these measures.

Risk monitoring and reporting

In order to ensure prompt and constant monitoring of the evolution of the Risk Profile and compliance at the different levels of company responsibility with the defined Risk Appetite, a reporting system was implemented based on the principles of completeness, promptness and disclosure efficiency.
This system guarantees that the quality and quantity of information provided is commensurate with the needs of the various recipients and with the complexity of the business managed, in order for it to be used as a strategic and operating tool in assessing the potential impact of decisions on the company's risk profile and solvency.
In relation to the recipients, reporting is divided into "internal" and "external". "Internal" reporting is addressed to the bodies and internal structures of the Group and its companies, with the aim of steering strategic and business decisions and verifying sustainability over time. "External" reporting is directed to Supervisory Authorities and the market and meets the disclosure and transparency requirements of regulations in force.

With regard to internal reporting, in consideration of the recipients of the various requirements and uses, two types of reporting are provided:

- strategic reporting on risk management, containing information important in supporting strategic decisions;
- operational reporting on risk management with an adequate granularity in supporting business operations.

As part of the strategic reporting, the following are provided to the Board of Directors, the Control and Risk Committee and Top Management:

- annually:
  - the proposal for approval of the Risk Appetite (Risk Appetite Statement)[59];
  - the Audit report on the compliance of company operations with the Statistical Information Policy, prepared pursuant to IVASS Regulation no. 36/2017;
  - the Audit report on the valuation of assets and liabilities other than technical provisions pursuant to IVASS Regulation no. 34/2017;
  - monitoring pursuant to the Reinsurance and other risk mitigation techniques policy;
  - the results of stress testing;
- quarterly:
  - a report with the results of controls performed on observance of the Risk Appetite for the current year (Risk Appetite Monitoring);
  - a report with the results of controls performed on observance of the operational risk limits defined in the specific risk management policies;
  - a report on the monitoring of significant risk concentrations at Group level;
  - a report on the monitoring of indicators represented in the "Pre-emptive recovery plan";
  - a report on the monitoring of intra-group transactions.

Risk escalation and mitigation process

As part of the quarterly monitoring of indicators defined in the Risk Appetite Statement, performed by the Chief Risk Officer for the Board of Directors, any failure to comply with one of the limits defined in the Risk Appetite Statement triggers the escalation process described below:

- with reference to indicators relating to Capital at Risk and based on reporting from the Chief Risk Officer to the Unipol Gruppo Control and Risk Committee[60], or that of UnipolSai if it is UnipolSai that fails to comply with the limits, the Board of Directors assesses whether to approve a new Risk Appetite level or decide on action to be taken to restore the defined Risk Appetite level;
- with reference to the capital adequacy ratios:
  - in the event of failure to comply with the Risk Appetite limit, the Board of Directors of the Parent or of the Company that has not complied with the limit assesses the adoption of actions to be taken to restore the Risk Appetite level;
  - in the event of failure to comply with the Risk Tolerance limit, the Board of Directors of the Parent or of UnipolSai or that of the Group Company concerned, after reviewing the non-binding opinion expressed by the Group's Risk Committee for actions with an impact on capital adequacy and/or liquidity and after informing the Control and Risk Committee of the Parent[61] or of UnipolSai, approves the proposal of contingency actions to be activated, establishing the timeframes within which they must be carried out, also informing the Board of Statutory Auditors;
  - in the event of failure to comply with the Risk Capacity limit, the Board of Directors of the Parent or of UnipolSai or that of the Group Company concerned, after reviewing the non-binding opinion expressed by the Group's Risk Committee and after informing the Control and Risk Committee of the Parent[62] or of UnipolSai on the remediation measures identified, approves the proposal of the remediation measures to be taken, establishing the timeframes within which they must be carried out, also informing the Board of Statutory Auditors.

In order to mitigate existing or prospective levels of risk not in line with the defined risk objectives, the following measures can be adopted:

a) **Financial hedges**: these measures may take the form of hedging transactions on the market using financial derivatives. The Investment Policy defines the principles for the use and management of hedging instruments.

b) **Reinsurance**: transfers part of the underwriting risk outside the Group, providing more possibility for business growth, both by proportionally reducing the amounts at risk (e.g. proportional treaties) and by limiting even further the amounts of major claims (e.g.

[59] In reference to the Parent, at consolidated level and at individual company level.
[60] Activities carried out for the other companies subject to pre-emptive or ordinary governance.
[61] Activities carried out for the other companies subject to pre-emptive or ordinary governance.
[62] Activities carried out for the other companies subject to pre-emptive or ordinary governance.

non-proportional treaties). The "Reinsurance and Other Risk Mitigation Techniques Policy" defines the guidelines on reinsurance cover management.

c) **Guarantees held as a hedge against credit risks**: the main type of guarantee available on exposures to reinsurers is represented by deposits with the Group for the risks ceded and retroceded that are generally moved (placed and repaid) annually or half-yearly. Their duration largely depends on the specific nature of the underlying insurance benefits and on the actual duration of the reinsurance agreements, which are renegotiated at the end of each year. For exposures to reinsurers the Group also makes use of a limited number of guarantees consisting mainly of Letters of credit and Securities. Collateral deposited by the counterparties for operating in derivatives under CSA-type (Credit Support Annex)[63] agreements is also used as guarantees on credit risks. If the Internal Model for measuring risks includes mitigation techniques, their compatibility and constant updating in line with performance must be guaranteed.
d) **Management action**: corrective action to be applied if certain events occur, such as the restructuring of assets and/or liabilities under management or the disposal of assets and/or liabilities (position closures).
e) **Operational risk mitigation actions**: mitigation plans with the aim of preventing or mitigating the effects should a risk event occur. The implementation of mitigation plans is based on decisions made on an ongoing basis during the entire operational risk monitoring phase.
f) **Emergency and contingency plans**: extraordinary ex ante measures to be activated if certain catastrophes or emergency events should occur, such as those envisaged in the Pre-emptive Recovery Plan of the Insurance Group, Business Continuity Plan and Disaster Recovery Plan which respectively define the measures/actions to be adopted at Group and/or Company level to restore the financial position of the Group and/or a Group company in specific scenarios of financial difficulty and severe macro-economic stress, and govern operating procedures for declaring a crisis situation arising from catastrophes and managing the effects.
g) **Strategic, emerging and reputational risk mitigation actions**: mitigation plans with the aim of preventing or mitigating the effects deriving from the occurrence of specific strategic risks, economic losses caused by reputational damages or deriving from new risks not yet monitored or mapped.

Partial Internal Model

The Unipol Group and the subsidiaries UnipolSai Assicurazioni and Arca Vita are authorised by IVASS to use the Partial Internal Model to calculate the solvency capital requirement.

The Partial Internal Model is used to assess the following risk factors, as well as in the aggregation process:

- Non-Life and Health Underwriting Risks;
- Life Underwriting risks;
- Market risk;
- Credit risk.

There is a plan for the extension of the Partial Internal Model to include all measurable risk modules and reach a Full Internal Model type configuration.

Note that in the first quarter of 2024, IVASS authorised the Group to apply a risk assessment model change with reference to Non-Life and Health Underwriting Risks, Life Underwriting Risks and, as part of the Market and Credit Risks, to spread risk.

The methodology adopted for the assessment of Non-Life and Health underwriting risks (represented by the sub-modules: premium risk, reserve risk, catastrophe risk and lapse risk) calls for the use of internal models for the premium and reserve sub-modules as well as, in the context of catastrophe risks, for earthquake risk and the integration of a probability distribution function calibrated on the basis of the results of the Standard Formula for other risks. The aggregation of risks is calibrated by also taking into account information available on the Italian insurance market.

Life underwriting risk (mortality/longevity risk, lapse risk and expense risk) is measured using the Partial Internal Model based on the Least Square Monte Carlo approach, consistent with the principles indicated in Solvency II regulations, which allow calculation of the

[63] The CSA requires the delivery of a collateral asset when the value of the contract exceeds the set threshold.

Probability Distribution Forecast in relation to Life risk factors. Catastrophe risk, in addition to the Life underwriting risks relating to Unit-Linked and Pension Fund products, are assessed using the Standard Formula.

The **market risk** of the securities portfolio, for which the investment risk is not borne by the policyholders, is measured using the Partial Internal Model that adopts a Monte Carlo VaR approach. As part of the Internal Market Model, Life liabilities are replicated through cash flows with a maturity equivalent to Life provisions run-off for the guaranteed component and polynomial functions (the Least Square Monte Carlo approach) to represent the Future Discretionary Benefits component. Market risk of the securities portfolio for which investment risk is borne by policyholders and concentration risk are assessed using the Market Wide Standard Formula.

Credit risk is measured using the Partial Internal Model that adopts a CreditRisk+ approach.
This model makes it possible to measure the risk of default relating to bank counterparties, concerning exposures deriving from available liquidity and financial risk mitigation through derivative contracts, insurance and reinsurance exposures and bonds on which spread risk is calculated. Furthermore, the model allows the risk of default deriving from exposures to intermediaries and policyholders to be measured.

The risk aggregation process, adopted by the Group according to the methods defined in the Partial Internal Model, calls for a bottom-up approach and may be broken down into two phases:

- aggregation of the risk sub-modules which make up Market risks, Non-Life and Health Underwriting risks, Life Underwriting risks and Credit risks so as to obtain the Probability Distribution Forecast ("PDF") of each risk module;
- aggregation of the risk modules of Market risks, Non-Life and Health Underwriting risks, Life Underwriting risks and Credit risks in order to calculate the Basic SCR.

The aggregation of the sub-modules involves three distinct approaches:

- joint sampling of risk factors;
- aggregation by means of the Var-Covar method (with a posteriori determination of the PDF);
- aggregation of multiple marginal distributions through coupling functions.

Market Wide Standard Formula

For Group companies other than UnipolSai Assicurazioni and Arca Vita, risk is measured using the Market Wide Standard Formula.

Below is additional information on the measurement methods and the main results for each risk at 31 December 2023.

Financial risks

The Investment Policy establishes guidelines for investment activities, the type of assets considered suitable for investment and the breakdown of the medium/long-term investment portfolio, taking into account the risk profile of liabilities held to ensure integrated asset and liability management. It also defines the limits for underwriting and related monitoring methods in such a way as to ensure that total exposure is in line with the risk appetite expressed in the Group's strategic objectives, thus guaranteeing adequate portfolio diversification.

Market risk

Market risk refers to all risks which have the effect of diminishing investments of a financial or real estate nature as a result of adverse trends in the relevant market variables. The market risk modules are:

- Interest rate risk;
- Equity risk;
- Real estate risk;
- Exchange rate risk;
- Spread risk.

In the Partial Internal Model, the Value at Risk method is used to measure the market risk, calculated over a 1-year time period and with a confidence interval of 99.5%. In addition, sensitivity and stress test measurements are determined for each risk factor.

Interest rate risk for ALM purposes is quantified in terms of duration mismatch. The assets falling under the calculation of the duration mismatch include securities, cash, receivables and properties; the liabilities include the financial liabilities and technical provisions. The market value is used for financial assets and liabilities, whilst best estimates are used for the technical provisions. The duration mismatch is calculated as the difference between the duration of assets and the duration of liabilities weighted for the assets value, considering the adjusting effect of the derivatives.
At 31 December 2023 the duration mismatch for Life business stood at -0.52 and at +0.42 for Non-Life business.

Equity risk is the risk connected with a potential variation in the value of share assets, as a result of market volatility of the reference indexes.

Real estate risk is the risk connected with the occurrence of losses as a result of unfavourable changes in the market value of real estate assets.
The assets falling under the calculation of real estate risk include real estate funds, directly-owned properties and direct and indirect investments in real estate projects.
In particular, with reference to directly-owned properties, the value used to calculate the risk (fair value) is that deriving from the estimate made by independent experts.

Exchange rate risk for ALM purposes is defined as the risk of a possible variation in the value of financial statement assets and liabilities and the Net Asset Value as a result of unfavourable changes in exchange rates. Based on the Investment Policy, the total exposure to non-Euro currencies, net of currency hedging, must be limited to 3% of total investments.
The Unipol Group's exposure to exchange rate risk was not significant at 31 December 2023.

Spread risk is the risk connected with a variation in the value of bond assets following a change in spreads representing the credit rating of individual issuers. In light of the policies and processes adopted to monitor and manage liquidity risk and the objective difficulty in quantifying the default risk of government bonds issued by European Union Member States, spread risk on government bonds has been excluded from the measurement of the market SCR based on the Partial Internal Model. It is not included because of:

- the nature of the business of the insurance companies, characterised by primarily buy and hold type long-term investment strategies and restrictions regarding the matching of liabilities expressed in terms of ALM;
- the objective difficulty of quantifying the probability of default and loss given default of developed countries, which represent the reference investment area for government bonds for risk measurement purposes.

The assessment of spread risk on government bonds is included within Pillar II risks and the relative measurement is carried out based on a stress testing type approach.

Liquidity risk

Liquidity risk is the risk of not having the liquid resources necessary to meet the assumed obligations, in the financial statements and off-balance sheet, pertaining to their business, without undergoing economic losses deriving from forced sales of assets in case of adverse scenarios.
The liquid resources functional for the core business deriving from cash and cash equivalents, from the sale of securities that can be swiftly turned into cash and from any financing activities.
The main principles on which the liquidity risk management model within the Unipol Group is based may be summarised as follows:

- punctual measurement of the contractual and forecast cash flows on different maturity dates;
- definition and approval of the liquidity risk tolerance in terms of "survival time" in ordinary and stress conditions;
- managing structural liquidity by keeping a balance between maturities of medium-term assets and liabilities in order to avoid critical situations in the short-term liquidity positions;
- managing short-term liquidity in order to have the necessary liquidity to fulfil short-term commitments, both foreseeable and unforeseeable, deriving from any stress scenarios, by keeping a suitable balance between cash in-flows and outflows;
- defining and periodically applying stress scenarios relating to the technical and financial variables in order to verify the ability of the individual Companies and of the Group as a whole to address these situations;
- maintaining an adequate amount of assets that can be swiftly turned into cash on the market, or able to be financed with repurchase agreements, so as to avoid significant economic impact if adverse scenarios should occur.

With reference to contracts falling within the scope of application of IFRS 17, the composition of the net undiscounted cash flows deriving from insurance contracts issued and from reinsurance contracts held that are liabilities broken down by expiry time bands, or in detail for each of the five years after the reporting date and, in aggregate, in the period after the first 5 years, is provided below. The analysis excludes the components of insurance liabilities referring to the contractual service margin and the adjustment for non-financial risks and the entire amount of assets and liabilities for residual coverage deriving from contracts accounted for according to the PAA.

Amounts in €m

Net contractual cash outflows/(inflows) Year	Insurance contracts issued that are liabilities	Reinsurance contracts held that are liabilities
2024	6,234	135
2025	5,153	(13)
2026	4,392	(10)
2027	3,794	(7)
2028	3,647	(6)
Esercizi successivi	33,913	(17)
TOTAL	**57,134**	**81**

It should be noted that the contractual flows referring to 2024 include €493m in net outflows attributable to the balance of current statement of financial position items relating to relations with policyholders and reinsurers, consisting mainly of receivables from policyholders for premiums to be collected and deposits received from reinsurers.

It should also be noted that amounts payable on demand, mainly relating to revaluable Life contracts linked to segregated funds, totalled €35,386m. This amount was calculated assuming that all policyholders who have the right to do so will exercise the right of early surrender at the reporting date, with resulting determination of the amount due to policyholders on the basis of the conditions set forth in the contract, and therefore, for example, net of any penalties. The methods for calculating the early surrender value therefore differ from those underlying the amounts shown in the table of non-discounted contractual cash flows, which are instead determined in line with the expected distribution over time of future cash flows.

Credit risk

Credit risk (or Counterparty Default Risk) identifies the risk that a debtor or guarantor under an enforcement order may wholly or partially fail to honour its accrued monetary commitment to the Parent or one of the Group companies.
Credit risk therefore reflects the potential losses from an unexpected default by counterparties and debtors of the insurance and reinsurance companies in the next twelve months.
As part of the Group's credit risk assessment, from FY23 a change in methodology was applied, expanding the scope of calculation of the internal model to exposures in bonds for which Spread Risk is assessed.
Therefore, default risk also includes, in addition to the exposures to securities indicated above, risk mitigation contracts, e.g. reinsurance agreements, securitisations and derivatives, in addition to other credit exposure not included among the financial risks (credit spread risk).

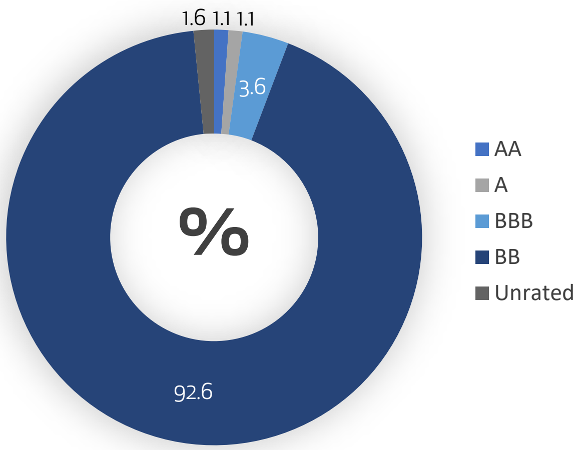
Credit risk management is defined in the Credit Policy which describes the roles and responsibilities of the parties involved, the risk assessment and mitigation principles, and the operational limits monitored.
In relation to credit risk, the Risk Management Department monitors compliance with the limits defined in the Group Credit Policy and prepares reports to the administrative bodies, Top Management and the operating structures on developments in this risk.

In the insurance sector, credit risk is mainly found in exposures to banks, to the Bond classes of the Group's insurance companies and to outwards reinsurance. Note that as part of the risk measurement system, the Bond classes are included under Non-Life underwriting risk and the related exposures are also monitored as part of credit risk.

Banks
Existing exposure to banks refers to deposited liquidity and exposures in OTC hedging derivatives. In particular, the derivatives exposure considered for risk management and monitoring purposes is equal to the sum of market values, if positive, of the current individual contracts and takes into account any risk mitigation arrangements (collateralisation) covered in the CSAs signed with individual counterparties.

The following table shows the distribution of Unipol Group exposures to banks, broken down by rating class, recognised at 31 December 2023.

Receivables from banks by rating class

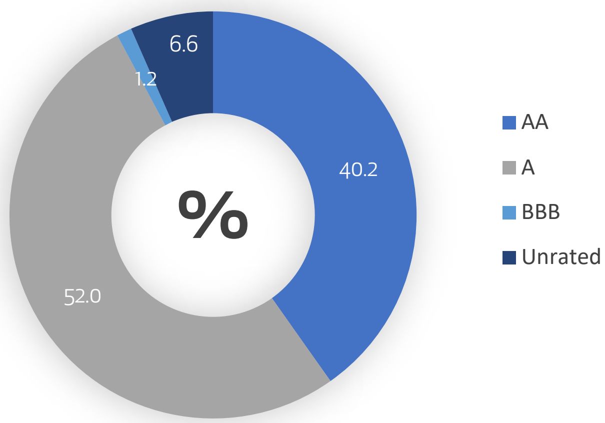


Bond classes of the insurance companies in the Group
This risk is calculated within the technical insurance risks (see relevant section) and monitored by the Bond and Credit Assignment Committee.

Outwards reinsurance
In this area, the existing exposure to credit risk is divided into:
- liquid receivables already due arising out of the bordereaux sent to the reinsurer listing the balances on each policy during the period and those still outstanding;
- potential estimated receivables for the provisions borne by the reinsurer (which will become due at the time of the payment to the policyholder and for the relative amounts). The exposure for provisions is always deemed to be net of any deposits retained or other collateral guarantees (e.g. Banking LOC, reinsurers' and Parent's commitment, etc.).

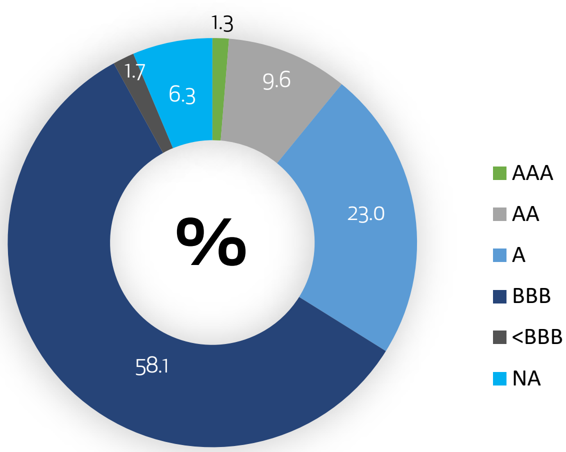
The following table shows the distribution of Unipol Group exposure to reinsurers, broken down by rating class, recognised at 31 December 2023 net of intragroup reinsurance.

Receivables and reserves from reinsurers by rating class



Debt security Issuer Risk
The credit risk of debt securities is monitored within market risk based on credit spread volatility. The following table shows the distribution of the Unipol Group's bond portfolio, insurance business and holding business, broken down by rating class (figures at 31/12/2023).

Breakdown of debt securities by rating class



Sensitivities

To monitor the sensitivity to risk factors and important events, the Group carried out some sensitivity analyses. Sensitivity analyses on the main economic-financial factors of interest are carried out at least once a year and allow the Company to assess the impact on shareholders' equity set forth in its Market Consistent Balance Sheet (MCBS) established by the SII regulations of changes in the main risk factors to which it is exposed. The sensitivity analyses carried out are listed below, with their description and the results of the analyses in question.

	Impact with respect to central scenario	Impact on MCBS *Amounts in €m*
Sensitivities: Upward shift in rate curve	interest rate: +100 bps	130
Sensitivities: Downward shift in rate curve	interest rate: -100 bps	-213
Sensitivities: Surrender frequencies	+100% of surrender tables	-350
Sensitivities: Combined ratio (net of reinsurance)	combined ratio: +100 bps	-59
Sensitivities: Combined Ratio (gross of reinsurance)	combined ratio: +100 bps	-65

It should be noted that, as indicated, the sensitivity analyses were developed within the Solvency II framework, which differs from that in force for the preparation of the consolidated financial statements for (prudential purposes rather than reporting on economic-financial performance) and the resulting calculation metrics. Among the most significant differences, it should be noted that shareholders' equity determined according to international accounting standards tends to be less volatile than shareholders' equity according to the MCBS, in relation to the capacity to absorb the volatility inherent in the mechanisms for determining the CSM with reference to the contracts measured according to the BBA or VFA or the LRC complex with reference to those measured according to the PAA.

Interest rates curve sensitivity analysis

To analyse the impact of a (upward/downward) shock to the yield curve, two sensitivity analyses were carried out on the dynamics of the interest rates curve, more precisely, two single financial factor analyses assessing the impact of an upward and downward parallel shift of the entire yield curve (Euro, Serbia, and rest of the world), a shift respectively equal to +100 bps and -100 bps.

Surrender frequency sensitivities

To analyse the impact of a shock deriving from the increase in surrender frequencies of the Life portfolio, a sensitivity analysis was carried out in which an increase of +100 bps in the surrender tables was assessed.

Combined ratio sensitivities

With reference to Non-Life technical insurance variables, a sensitivity analysis was developed which consists in an unfavourable change in the combined ratio, such as to determine a significant loss in the income statement of each Group company. In particular, these were two single technical factor analyses in which the impact (gross and net of reinsurance) of a +100 bps increase in the combined ratio was assessed.

Information relating to exposure to sovereign debt securities

In accordance with Consob Communication DEM/11070007 of 5 August 2011 and ESMA document 2011/397 of 25 November 2011, relating to information to be provided in annual and interim financial reports on listed companies' exposures to Sovereign debt securities and current trends in international markets, details are provided of Sovereign exposures (i.e. bonds issued by central and local governments and by government organisations and loans granted to them) held by the Unipol Group at 31 December 2023.

	Balance at 31 December 2023		
Amounts in €m	Nominal value	Carrying amount	Market value
Italy	**19,989**	**17,756**	**17,756**
Financial assets at fair value through OCI	19,940	17,711	17,711
Financial assets at fair value through profit or loss	40	41	41
Financial assets at amortised cost	9	4	4
Spain	**3,723**	**3,249**	**3,251**
Financial assets at fair value through OCI	3,575	3,098	3,098
Financial assets at fair value through profit or loss	20	22	22
Financial assets at amortised cost	128	128	131
France	**2,190**	**1,475**	**1,475**
Financial assets at fair value through OCI	2,190	1,475	1,475
Germany	**508**	**278**	**278**
Financial assets at fair value through OCI	508	278	278
Portugal	**369**	**371**	**371**
Financial assets at fair value through OCI	369	371	371
Belgium	**330**	**237**	**237**
Financial assets at fair value through OCI	330	237	237
Great Britain	**306**	**300**	**300**
Financial assets at fair value through OCI	306	300	300
Ireland	**246**	**225**	**225**
Financial assets at fair value through OCI	246	225	225
Slovenia	**207**	**191**	**191**
Financial assets at fair value through OCI	207	191	191
Netherlands	**147**	**145**	**145**
Financial assets at fair value through OCI	147	145	145
Israel	**109**	**103**	**103**
Financial assets at fair value through OCI	109	103	103
Romania	**104**	**87**	**87**
Financial assets at fair value through OCI	104	87	87
Serbia	**102**	**99**	**98**
Financial assets at fair value through OCI	43	39	39
Financial assets at amortised cost	59	60	59
Mexico	**99**	**75**	**75**
Financial assets at fair value through OCI	99	75	75
Slovakia	**98**	**82**	**82**
Financial assets at fair value through OCI	98	82	82

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	Balance at 31 December 2023		
Amounts in €m	Nominal value	Carrying amount	Market value
Cyprus	**88**	**78**	**78**
Financial assets at fair value through OCI	88	78	78
China	**84**	**70**	**70**
Financial assets at fair value through OCI	84	70	70
Chile	**83**	**73**	**73**
Financial assets at fair value through OCI	83	73	73
Latvia	**66**	**56**	**56**
Financial assets at fair value through OCI	66	56	56
Hong Kong	**50**	**34**	**34**
Financial assets at fair value through OCI	50	34	34
Turkey	**50**	**43**	**43**
Financial assets at fair value through OCI	50	43	43
Peru	**31**	**24**	**24**
Financial assets at fair value through OCI	31	24	24
Austria	**29**	**26**	**26**
Financial assets at fair value through OCI	26	23	23
Financial assets at fair value through profit or loss	3	3	3
USA	**23**	**23**	**23**
Financial assets at fair value through OCI	23	23	23
South Korea	**20**	**18**	**18**
Financial assets at fair value through OCI	20	18	18
Poland	**18**	**18**	**18**
Financial assets at fair value through OCI	18	18	18
Croatia	**16**	**16**	**16**
Financial assets at fair value through OCI	16	16	16
Lithuania	**16**	**15**	**15**
Financial assets at fair value through OCI	16	15	15
Greece	**10**	**9**	**9**
Financial assets at fair value through OCI	10	9	9
TOTAL	**29,107**	**25,172**	**25,174**

The carrying amount of the sovereign exposures represented by debt securities at 31 December 2023 totalled €25,172.1m, 71% of which (71% in 2022) was concentrated on securities issued by the Italian State. Moreover, the bonds issued by the Italian State account for 32% of total investments of the Unipol Group.

Technical-insurance risks

Risks relating to Life portfolios

With regard to risk assessment relating to the Life portfolio, the guidelines of the underwriting and reserving activities are defined in the "Underwriting Policy - Life Business" and in the "Reserving Policy - Life Business".

The Underwriting Policy defines the guidelines addressing underwriting activities and the related risk management, governing the assumption principles and logic of Unipol Group insurance companies based in Italy and operating in the Life business.

The Reserving Policy defines the guidelines addressing reserving activities for direct business and the related risk management, governing the reserving principles and logic of Unipol Group insurance companies based in Italy and operating in the Life business, in compliance with national and international accounting standards and the Solvency II prudential supervisory system.
Technical-insurance risks relating to Life business underwriting are divided into:

- mortality risk: associated with an unfavourable change in demographic bases resulting from experience (higher death rate) compared to those used in determining the tariff;
- longevity risk: associated with an unfavourable change in demographic bases resulting from experience (lower death rate) compared to those used in determining the tariff;
- lapse risk: associated with adverse changes in the level or volatility of the incidence of surrenders, withdrawals, mass early settlements and terminations in premium payments;
- expense risk: associated with adverse changes in the value of expense linked to policies compared to the values used to determine the tariff;
- catastrophe risk: deriving from an unforeseeable event, the consequence of which is to affect multiple individuals at the same time, generating a number of claims for amounts significantly higher than expected.

The options included in the tariffs that can affect the assessment of risks present in the portfolio are monitored. The most significant of these are illustrated below.

<u>Surrender</u>
This option allows the customer to surrender the contract and receive the surrender value (does not apply to the pure-risk tariffs and annuities currently being distributed). Depending on the contract type, more or less significant penalties can be applied, often based on claim seniority.

<u>Conversion to annuity</u>
In individual products where the benefit is expressed in the form of capital, there is often the option to accept disbursement as an annuity. Among the individual policies portfolio there are products for which the conversion ratios are determined at the time of issue of the contract and others, the majority of which (generally those issued after 2000) with the amount of the annuity determined only at the time of the option. In this case the demographic risk is considerably mitigated.
In the supplementary pensions segment, especially collective, the ratios are often associated with each sum paid in, but the risk is mitigated by the frequency at which the offer conditions can be reviewed.

<u>Maturity deferment</u>
The portfolio includes individual term life products (not "whole-life") that in many cases provide the option to extend the validity of the contract after its original maturity date. During maturity deferment the payment of further premiums is not normally allowed.
The conditions applied during deferment vary according to the contractual terms, and continuation of the contract's financial guarantees or the application of those used at the time of the option can be granted. Depending on the conditions, even the duration of the maturity deferment can be determined or extended year by year.
The impact on the portfolio of exercising the maturity deferment option is not particularly significant at present.

Risks relating to Non-Life portfolios

With regard to risk assessment relating to the Non-Life portfolio, the reference guidelines are contained in the "Reserving Policy - Non-Life Business" and the "Reinsurance and Other Risk Mitigation Techniques Policy".

The Underwriting Policy defines the guidelines addressing underwriting activities and the related risk management, governing the assumption principles and logic of Unipol Group insurance companies based in Italy and operating in the Non-Life business.

The Reserving Policy defines the guidelines addressing reserving activities and the related risk management, governing the reserving principles and logic of Unipol Group insurance companies based in Italy and operating in the Non-Life business, in compliance with national and international accounting standards and the Solvency II prudential supervisory system.

The Reinsurance and Other Risk Mitigation Techniques Policy aims to define the guidelines on outwards reinsurance and other techniques for mitigating risk.

During 2023 the Non-Life underwriting risks were calculated using the Non-Life Partial Internal Model, consistent with the standards of Solvency II.

For the assessment of Non-Life and Health underwriting risks, the Non-Life Internal Model was adopted, characterised by the following modelling approaches:

- Premium risk is modelled using a Collective Risk Model (CRM), which separately treats attritional claims and large claims. In particular, attritional claims are modelled as an aggregate from estimation of the first two moments of frequency distribution and cost of claims, from which the median and standard deviation of the total portfolio claims cost distribution are obtained. Large claims are instead analytically modelled on the basis of frequency distribution and cost of claims. In both cases, calibration of the model is based on Group internal data. For segments to which the aforementioned models do not apply, a benchmark bootstrap is used, starting from a distribution characterised by volatility such as to reproduce - at line level - a capital load consistent with that produced by the Standard Formula;
- Reserve risk is modelled through stochastic reserving models based on triangles of claims paid or, for segments to which the aforementioned models do not apply, through a benchmark bootstrap, starting from a distribution characterised by volatility such as to reproduce - at line level - a capital load consistent with that produced by the Standard Formula;
- With reference to Catastrophe risk, the Group adopts one of the main global models for the analytical assessment of such risk. This tool consists of three modules:
  - Hazard, which assesses the uncertainty associated with the possibility of an earthquake occurring in a given area (frequency) and the uncertainty relating to its magnitude (intensity). The following chance variables are modelled in this module:
    - location (uncertainty associated with determining the possible point of origin of the event);
    - frequency (period of recurrence of the events);
    - intensity (the severity of the event in terms of energy released);
  - Vulnerability, which assesses the seismic vulnerability of different types of insurable assets to a seismic event of a given intensity. The assessment is based on specific parameters such as the type of building (residential, commercial, etc.), the construction quality, the number of floors in the building and the type of assets present;
  - Financial, which identifies the economic loss to the insurance company (in terms of deductibles, the sum insured, reinsurance cover, etc.).

  In 2023, in addition to help in calculating risk capital, this tool also provided support to the Group in the Underwriting and Pricing processes and in defining the reinsurance strategy.

As regards the other perils, a simplified approach was adopted based on integration into the Group simulation model of the methods envisaged by the Standard Formula;

- Lapse Risk is measured through a simplified model based on integration into the simulation model of the company of the methods envisaged by the Standard Formula;
- Risk aggregation is carried out using a hierarchical dependence model calibrated through an informed expert judgment process based on quantitative and qualitative analyses that use internal data and the Italian insurance market.

With reference to other Catastrophe Risks, the assessments were performed using the standardised scenario approach proposed by EIOPA, in which the following events are taken into consideration:
- natural disasters such as flood and hail;
- man-made disasters such as large-scale fires and acts of terrorism;
- "health" risks, such as the risk of a pandemic.

Consistent with the internal model expansion plan relating to catastrophe risks, in the course of the last two years, the licences of the Italy Flooding and Italy Severe Convective Storm (SCS) models were acquired from a leading software house specialised in catastrophe modelling.

Operational risks

In order to ensure a complete analysis of company risks, the Unipol Group has an "Operational Risk Management Policy", updated annually, and has drafted a framework to identify, measure, monitor and manage Operational Risk. This term means "*the risk of losses deriving from the inadequacy or malfunctioning of processes, human resources or systems, or from external events*". Based on the Operational Risk Management framework, relations and reciprocal impacts between operational and other risks are also considered, with the objective of understanding the direct and indirect effects of events linked to operational risk. In particular, the analysis schemes adopted are aimed at understanding, based on a causal approach, the risk factors, events and effects, both financial and non-financial, and the impacts these can have on the Group's solvency and on the achievement of the objectives set.

Within the Group governance structure, the monitoring of Operational Risks is entrusted to the Operational Risks function of the Risk Management Department. The objectives assigned to this unit, within the internal control system, are aimed at ensuring the Group's assets are safeguarded and at adequate risk control.
Operational risk identification consists in gathering as much information as possible about the risk event, its possible causes and effects with a view to increasing awareness of the specific exposure of the various company areas. In addition, this activity also aims to assess the adequacy of controls and identify the best management solutions for any critical situations.

The operational risk identification essentially involves carrying out two separate processes:
- Loss Data Collection ("LDC") with a backward-looking approach: LDC is a process that aims to analyse and quantify historic operational risk events. External loss data is also collected, which helps to enhance the wealth of information on how operational risk can arise in comparable companies.
- Collection of expert opinions through the Risk Self Assessment process ("RSA") with a forward-looking approach: the data collected through the RSA includes an estimate of the potential economic impact of the risk event and an estimate of the related expected annual occurrence frequency.

The organisational model for operational risk governance and control envisages a network of analysts in a number of UnipolSai Assicurazioni SpA Divisions and the main Group companies which, after following a specific training course on operational risk management, provide support to the Risk Management Department in identifying operational risk and monitoring this risk within their own areas of operations.

Operational risk assessment is performed annually by the main Group Companies.

2023 saw the continuation of development activities on the internal model for operational risk assessment and measurement, to determine the distribution of operating losses on a scenario-based approach, taking into account the risk events identified and quantitative information gathered through risk self-assessment.

Standard compliance risk

With regard to Standard compliance risk, the Unipol Group's compliance risk management process is transversal and comprises organisational and operating monitoring activities carried out by resources from the various corporate functions. The Compliance Function is tasked with assessing whether the organisation and the internal corporate procedures are suitable to reach the objective of preventing this risk, according to a risk-based approach.

Emerging risks, strategic risk and reputational risk

With regard to emerging risks, strategic risk and reputational risk, within the dedicated structure present within the Risk Management Department, a dedicated Observatory was created at Group level, called "Reputational & Emerging Risk Observatory", whose key elements are the involvement of an interfunctional Technical Panel and of all the main Business Departments, the use of a consolidated predictive model and methodologies based on futures studies to ensure a forward-looking view of the medium/long-term in order to anticipate the risks and future opportunities, and a holistic approach aimed at grasping and governing the interconnections, both in reading the external context for an integrated vision of the different emerging macro trends (social, technological, political and environmental), and in the internal response for a unified view of the different corporate areas and of the different steps of the value chain.
The purpose of the Observatory is to assure effective monitoring of emerging risks, strategic risk and reputational risk, verifying the constant alignment between stakeholders' expectations and the Group's responses and anticipating the most significant phenomena to catch new business opportunities and prepare for emerging risks.

A structured process was developed within the Observatory for the assessment and prioritisation of the main emerging risk areas, identified on the basis of the systemic analysis of macrotrends regarding changes in the external context, currently present in the Observatory's Radar. The process calls for the involvement of a composite panel of external experts to assess emerging risks, on the basis of an "outside-in" perspective, in terms of probability, impact, reference time horizon and level of interconnection with other risks, and the assessment, on the basis of an "inside-out" perspective, of the level of exposure and degree of readiness with respect to emerging risks identified as priorities.

Strategic risk is controlled at Group level through the monitoring of Strategic Plan drivers to verify any deviation from the defined scenarios, also using long-term scenario analyses carried out within the Observatory and involving interfunctional teams, using methodologies based on strategic foresight and on anticipation, with the aim of strengthening the resilience of Group strategy to future possibilities in an external context characterised by accelerating change and growing levels of complexity and uncertainty.

With specific reference to the reputational risk, within the frame of the Observatory, a Reputation Management framework was developed at the Group level, which operates in the dual mode of construction and protection of the reputational capital, through two work sites that rely on dedicated corporate competencies and structures in a path of constant mutual alignment, under the joint leadership of the "Corporate Communication and Media Relations" and "Risk Management" functions, with the goal of stably integrating these assets in the strategic planning processes. In the light of the "Opening New Ways" 2022-2024 Strategic Plan, the reputational scorecard and the reputational risk scenario map of the Group were updated on the basis of external and internal sources and in particular a cycle of interviews with the Group's Top Management. Assessment of the reputational risk scenarios identified was also carried out on two fronts:
- external, involving a representative sample of the General Public stakeholder, for assessment of the impact on reputation and on business;
- internal, involving the Group's Top Management, for assessment of the probability of occurrence.

The level of awareness reached within the Group on the growing importance of reputation as leverage for business and distinctive market positioning in 2019 led to the definition of an integrated governance model for Reputation, operational from 2020, which envisages the set-up of corporate bodies dedicated to the proactive management of the Group's reputation in terms of both building and protection, such as the Operational Reputation Management Team and the Reputation Network, and the launch of a widespread system for reporting reputational warnings involving all the Group managers.

ESG risks

The ESG (Environmental, Social and Governance) risks are integrated into the ERM Framework and the Group policies system.

As part of the ERM Framework, the Group identifies and monitors the ESG risk factors focusing on risks emerging on environmental, social and governance aspects and in terms of potential impact on the main categories of actual risk.

ESG risk monitoring is outlined in the individual risk categories, in such a way as to ensure management at all stages of the value creation process and mitigating any reputational risks associated with ESG risks as they arise. These controls, also designed to prevent exposure concentration to areas and/or sectors significantly exposed to ESG risks, are defined in the management policies for each risk category, where material.

Starting from the process of prioritising emerging risks conducted as part of the Reputational & Emerging Risk Observatory, a structured framework was developed to assess exposure to emerging ESG risks identified as priority through the estimation of exposures to the main categories of actual risk.

Within the scope of ESG risks, a particular focus is dedicated to climate risks, specifically with regard to underwriting and investment activities.

The Group has mapped the risks and opportunities linked to the climate, prepared in accordance with the taxonomy defined by the Task Force on Climate-related Financial Disclosure. This map includes both physical and transition risks. As regards the impact of climate change on physical and transition risks, specific stress test analyses have been implemented and integrated into the Group's stress test framework.

As regards the ESG risks generated, a dedicated KRI dashboard has been developed, making it possible to monitor the risk level of each area - environmental, social and governance - while integrating oversight and listening indicators in order to combine the "inside-out" with the "outside-in" view.

Concentration risk

The Group has adopted the "Group-level Risk Concentration Policy" in accordance with the provisions of IVASS Regulation no. 30 of 26 October 2016 on the supervision of intragroup transactions and risk concentrations.

With specific reference to the purpose and contents of the Policy, note that it:

- illustrates the criteria and methods adopted, for each risk category (Non-Life and Health underwriting risks, Life underwriting risks, Market risk and Credit risk), to identify and measure the exposures, concentrations, their mitigation and operating limits, also through reference to other corporate policies on risk management;
- illustrates the methods by which the risk concentrations are considered in assessing the Group's risk profile;
- defines the limits and types of risk concentrations material to annual reporting to IVASS;
- defines the limits and types of risk concentrations in any event subject to monthly reporting to the Supervisory Authority.

The results of monitoring carried out on the risk concentrations significant at Group level and on concentrations to be reported in any event are submitted quarterly to the Board of Directors of the company for examination.

Other supervised companies

Note that, on 1 August 2019, UnipolReC began activities as financial intermediary, registered in the Single Register of Financial Intermediaries pursuant to Art. 106 of the Consolidated Law on Banking ("TUB"), as authorised by the Bank of Italy by Provision of 2 July 2019. During 2022, the Company launched a competitive procedure to assess the opportunity of selling the entire residual loan portfolio. As a result of this process, on 5 August 2022, the Company's Board of Directors approved a transaction ("the Transaction") for the without recourse factoring of all non-performing loans to AMCO - Asset Management Company SpA ("AMCO") finalised on 14 December 2022. On 7 February 2023, the Board of Directors of UnipolReC acknowledged that the aforementioned sale reflects the non-strategic nature of financial intermediation activities for the Unipol Group and therefore deemed it no longer appropriate to continue financial intermediary activities pursuant to Art. 106 of the Consolidated Law on Banking and, among other things, approved the proposal to adopt a new corporate purpose, with consequent waiver of the exercise of reserved activity pursuant to Art. 106 of the Consolidated Law on Banking. The request for cancellation of UnipolReC from the Register of financial intermediaries (Art. 106, Consolidated Law on Banking) took effect from 11 December 2023. During 2023, with reference to Pillar I risk measurement, in compliance with the provisions of Bank of Italy Circular no. 288 of 3 April 2015, standardised approaches were adopted for credit risks and the basic approach for operational risk.
In line with their class 3 allocation, the indications and approaches defined in the aforementioned Circular were adopted for Pillar II risks. In particular, given its business model, the material Pillar II risks for UnipolReC were considered to be represented by i) interest rate risk

from non-trading activities (the "Interest Rate risk"), ii) residual risk, iii) liquidity risk, iv) standard compliance risk, v) reputational and strategic risk and, lastly, vi) risk associated with belonging to the Group[64].
In compliance with the aforementioned regulations and the provisions of the Current and Forward-looking Own Risk and Solvency Assessment Policy, the company conducts the ICAAP on an annual basis.
The current and forward-looking assessment, both under ordinary and stress conditions performed as part of the ICAAP, was an integral part of the risk management system and the decision-making process of the company, in line with the other corporate planning and control processes such as i) strategic and budget planning, ii) Risk Appetite definition and iii) risk monitoring and mitigation.
In the Risk Appetite Statement, as defined in the Group Risk Management Policy, risk targets and any tolerance levels were identified in accordance with the timing and business objectives set in the Budget and with the assessment methods defined for ICAAP purposes.
Also through the use of updated final figures, the ICAAP verified the capital adequacy of the predefined objectives with the Budget and the Risk Appetite.

After obtaining Bank of Italy authorisation to operate as an E-Money Institution (IMEL), UnipolPay SpA was entered in the Chamber of Commerce Register of Companies on 5 July 2021. The Company was entered in the register pursuant to Article 114-quater of the Consolidated Law on Banking (TUB) from the same date and began operations in February 2022.
On the basis of reference regulations (mainly the Bank of Italy Provision of 17 May 2016, as amended - Supervisory provisions for payment institutes and e-money institutes), as well as Policies adopted by the Company, as part of the Unipol Group management policies, the Risk Management Function was mainly engaged in the following activities, among others:

- collaboration in the definition and review of governance policies and the risk management process, as well as the related detection and control procedures with ongoing verification of adequacy;
- coordination of the process for assessing and defining the risk appetite and related tolerance levels, and preparation of the Risk Appetite Statement ("RAS");
- quarterly monitoring of the RAS limits;
- Risk Self-Assessment on operational risks in relation to 2022 with involvement of the Risk Champion and Risk Owners and consequent compilation of the Bank of Italy form "Payment services: results of the operational and security risks assessment";
- collaboration with the Working Group for compliance with the EBA Guidelines on ICT and security risk management (EBA/GL/2019/04);
- collaboration with the Working Group for the assessment of possible impacts of the Bank of Italy Expectations with regard to the integration of climate and environmental risks into the business strategies, oversight and governance systems, risk management and disclosure;
- support for preparation of the Business Continuity Plan;
- operating loss data collection.

For the Company, regulations impose a total capital requirement that the institution must hold in relation to payment services provided and the issue of e-money.

Bologna, 21 March 2024

The Board of Director

[64] On finalisation of the factoring of receivables to Amco, UnipolReC no longer considered the Interest Rate risk and Residual risk to be material.

4

SUMMARY OF FEES FOR THE YEAR FOR SERVICES PROVIDED BY THE INDEPENDENT AUDITORS

Summary of fees for the year for services provided by the Independent Auditors (Art. 149-duodecies of Issuer's Regulation)

Amounts in €k

Type of services	Provider of the service	Recipient	Fees (*)
Legally-required audit	EY SpA	Unipol SpA	181
Attestation services	EY SpA	Unipol SpA	
Other professional services	EY SpA	Unipol SpA	110
Total Unipol Gruppo			**291**
Legally-required audit	EY SpA	Subsidiaries	2,559
Legally-required audit	Ernst & Young Ireland Unlimited Company - Ireland	Subsidiaries	100
Legally-required audit	Ernst & Young DOO - Serbia	Subsidiaries	98
Legally-required audit	Ernst & Young Société Anonyme - Luxembourg	Subsidiaries	9
Attestation services	EY SpA	Subsidiaries	491
Other professional services	EY SpA	Subsidiaries	276
Other professional services	Ernst & Young Ireland Unlimited Company - Ireland	Subsidiaries	24
Total subsidiaries			**3,558**
Grand total			**3,849**

(*) the fees do not include any non-deductible VAT or charged back expenses

5

STATEMENT ON THE CONSOLIDATED FINANCIAL STATEMENTS

In accordance with art. 81-Ter of Consob regulation no. 11971/1999

Statement on the Consolidated Financial Statements

Unipol GRUPPO

STATEMENT ON THE INTEGRATED CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH ART. 81-ter, CONSOB REGULATION No. 11971 OF 14 MAY 1999 AND SUBSEQUENT AMENDMENTS AND ADDITIONS

1. The undersigned, Matteo Laterza, as General Manager, and Luca Zaccherini, as Manager in charge of financial reporting of Unipol Gruppo S.p.A., hereby certify, also taking into account the provisions of Art. 154-bis, paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998:
   - the adequacy in relation to the characteristics of the company and
   - the effective application,

   of the administrative and accounting procedures for the preparation of the **integrated consolidated financial statements** for the period 1 January 2023 - 31 December 2023.
2. The assessment of the adequacy of the administrative and accounting procedures, for preparing the integrated consolidated financial statements at 31 December 2023, is based on a process defined by Unipol Gruppo S.p.A., inspired by the COSO Framework (Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organisations of the Treadway Commission), internationally recognised as the reference standards for the implementation and evaluation of internal control systems.
3. It is also certified that:

   3.1. the integrated consolidated financial statements at 31 December 2023:

   - were prepared in compliance with the International Accounting Standards recognised in the European Community in accordance with the Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002, the Legislative Decree no. 38/2005, the Legislative Decree no. 209/2005 and the applicable IVASS measures, regulations and circulars;
   - correspond to the book results and accounting records;
   - are suitable to provide a true and fair view of the equity, economic and financial situation of the issuer and of the consolidated companies;

   3.2. the management report includes a reliable analysis of the performance and of the operating result, and of the situation of the issuer and of the consolidated companies, together with a description of the main risks and uncertainties to which they are exposed.

Bologna, 21 March 2024

The General Manager	The Manager in charge of financial reporting
Matteo Laterza	*Luca Zaccherini*

(signed on the original)

Unipol Gruppo S.p.A.

Sede Legale: via Stalingrado, 45 - 40128 Bologna (Italia) - unipol@pec.unipol.it - tel. +39 051 5076111 - fax +39 051 5076666
Capitale sociale i.v. Euro 3.365.292.408,03 - Registro delle Imprese di Bologna, C.F. 00284160371 - P. IVA 03740811207 - R.E.A. 160304
Capogruppo del Gruppo Assicurativo Unipol iscritto all'Albo delle società capogruppo al n. 046

www.unipol.it

Unipol Gruppo S.p.A.

Registered Office
Via Stalingrado, 45
40128 Bologna (Italy)
unipol@pec.unipol.it
tel. +39 051 5076111
fax +39 051 5076666

Share capital
€3,365,292,408.03 fully paid-up
Bologna Register of Companies
Tax No. 00284160371
VAT No. 03740811207
R.E.A. No. 160304

Parent company of the Unipol Insurance Group
entered in the Register of the parent companies
at No. 046

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Unipol Gruppo S.p.A.
Registered Office
Via Stalingrado, 45
40128 Bologna (Italy)