UnipolSai ASSICURAZIONI

2023 Consolidated Financial Statements

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UnipolSai Assicurazioni
Consolidated Financial Statements
2023

The official document containing the 2023 Consolidated Financial Statements, accompanied by the Management Report, 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.unipolsai.com).
This document in PDF format provides the text of the 2023 Consolidated Financial Statements, accompanied by the related Management Report, 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

Contents

Company bodies

BOARD OF DIRECTORS	CHAIRMAN	Carlo Cimbri	
	VICE CHAIRMAN	Fabio Cerchiai	
	CHIEF EXECUTIVE OFFICER	Matteo Laterza	
	DIRECTORS	Bernabò Bocca Stefano Caselli Mara Anna Rita Caverni Giusella Dolores Finocchiaro Rossella Locatelli Maria Paola Merloni	Jean Francois Mossino Milo Pacchioni Paolo Pietro Silvio Peveraro Daniela Preite Elisabetta Righini Antonio Rizzi
	SECRETARY OF THE BOARD OF DIRECTORS	Alessandro Nerdi	
BOARD OF STATUTORY AUDITORS	CHAIRMAN	Cesare Conti	
	STATUTORY AUDITORS	Silvia Bocci Angelo Mario Giudici	
	ALTERNATE AUDITORS	Sara Fornasiero Luciana Ravicini Roberto Tieghi	
MANAGER IN CHARGE OF FINANCIAL REPORTING		Luca Zaccherini	
INDEPENDENT AUDITORS		EY SpA	

Introduction

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 **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 8.0% 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 due to tensions in the real estate market and lower exports, not fully offset by the expansion in domestic demand. 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 growth 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.

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 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).

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, increasing the two main monetary policy rates (refi and deposit rate) by 200 basis points. 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.

Declining inflation rates and expectations of a less restrictive monetary policy by the Fed as well as the ECB led to a reduction in interest rates, particularly on long maturities.

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.

2023 ended favourably for international stock markets. The **Eurostoxx 50** index, which refers to the Euro Area indexes, showed an increase of 19.2% in 2023 compared to the end of 2022. The **FTSE Mib index**, referring to Italian listed companies, recorded an increase of 28% in the same period. The **DAX** index, referring to German listed companies, finally closed 2023 up 20.3% compared to December 2022.

In the United States, the **S&P 500** index instead closed 2023 ahead by 24.2% compared to the values at the end of 2022. International stock markets also saw a sharp rise in 2023: the **Nikkei** stock index, referring to listed companies in Japan, closed 2023 with growth of 28.2% compared to December 2022, while the **Morgan Stanley Emerging Markets** index, referring to emerging markets, recorded a more limited increase in 2023 of 7.0%.

The narrowing of interest rate spreads between the United States and the Euro Area favoured the depreciation of 3% of the US dollar against the Euro, with the Euro/USD exchange rate closing 2023 at USD 1.10 to the Euro against USD 1.07 at the end of 2022.

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, for premium values in excess of €38bn.

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 segment premiums reached €14.9bn, up by 7.4% (Health +12.7%, Property +8.0% and General TPL +8.2%) compared to the same period of 2022.

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, for 2023 Ania estimates total premiums of roughly €91bn, down by around 4.0% compared to the end of 2022, due to the decline in Class III premiums (-31%) and partly offset by the Class I trend (+9%). Vice versa, premiums in Class VI are expected to increase (+21%), while Class V (-28%) and Class IV (-4.3%) are expected to see a decline.

The estimated breakdown of premiums across Life distribution channels at the end of 2023 should remain strongly biased towards the banking channel, with an estimated share of total premiums of 60.4%, while the share of the financial advisors channel and the Direct and broker channels declined to around 12.1% and 11.8%, respectively, in favour of the agents channel, which is expected to account for roughly 15.8% of premiums.

Pension funds

In 2023, on the basis of Assogestioni data, net deposits of **assets under management** (mutual funds, individual asset management, collective and individual pension plans) amounted to -€47.8bn, of which -€16bn referring to collective management (open and closed funds) and -€31.7bn in net deposits for portfolio management.

The management of **pension assets**, with net deposits of roughly €4bn at 30 September 2023, was up sharply compared to the €1.7bn of net deposits recorded in the same period of the previous year. Asset management referring to pension funds (pension funds and individual pension plans) therefore amounted to €105.2bn at 30 September 2023, equal to 4.7% of total assets under management.

In 2023, existing positions with **supplementary pension schemes**, reported by Covip, increased by 410 thousand units compared to the end of 2022. The 4% increase recorded at the end of the year confirms the upward trend observed in recent periods. In December 2023, there were therefore 10.7m existing positions, of which 7.9m held by employees (73.6%).

In line with the sector trend, in December 2023 **occupational funds** recorded growth of 5.5% compared to December 2022, with 211k more positions, for a total of 4m positions at the end of the year, and contributions up by 7.7%. The main growth driver was linked to the contribution of contractual enrolments, particularly in the construction sector fund (for about 88k positions), where workers join through the payment of a modest contribution from the employer, and, in the public sector, the activation of automatic registration for new public employees (for approximately 16k positions). Market pension schemes were also up compared to the end of 2022, with an increase in existing positions of open funds (+5.9%) and "new" Personal Pension Funds (PiPs) (+2.2%) and an increase in contributions of 7.4% and 2.3%, respectively. The latest data available for pre-existing pension funds, updated as at September 2023, showed an increase in the number of positions of 1.2% compared to December 2022, corresponding to roughly 8k.

In December 2023, the resources allocated to **supplementary pension benefits** were up by 8.2% compared to December 2022, i.e. equal to approximately €223bn compared to €206bn recorded in December 2022, due to stock price increases linked to the performance of the financial markets and the overall increase in contributions. The recovery in share prices had a positive impact on the returns of all types of pension schemes with higher values for portfolios with more equity exposure. The net return over a 10-year horizon was 2.4% for occupational funds, 2.5% for open funds, 2.7% for "new" unit-linked PiPs and 1.8% as regards the segregated fund component of "new" PiPs. All returns with a 10-year horizon were in line with or slightly higher than the revaluation threshold of post-employment benefits, equal to approximately 2.4%.

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 (net of inflation, prices were down by around 4%). The decline in sales and the reduced availability of household spending is holding back price growth. Amongst the large cities, Bari (-1.5%), Venice (-1.4%) and Catania (-0.4%) still showed a drop in prices, while 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 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. The decline was greater in the production sector (-10.5%), followed by offices (-3.5%), which were affected by the sharp drop in corporate investments, and stores (-2.2%), which in the first half of the year benefited from the period of expansion of tourist services.

The decline in sales of non-residential properties had more marked effects on store and office price trends than those observed for homes. Indeed, on average in the 13 major cities store prices increased by 1.0% and office prices by 0.2%. Moreover, the growth in rents was still modest, but for offices (+0.9%) it was higher than that of prices, leading to a rise in yields (with cap rates at 5.2% and a total return of 5.4%), while for stores it was lower than prices (+0.8%) leading to a fall in yields (cap rates at 7.3% and total returns at 8.3%).

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.

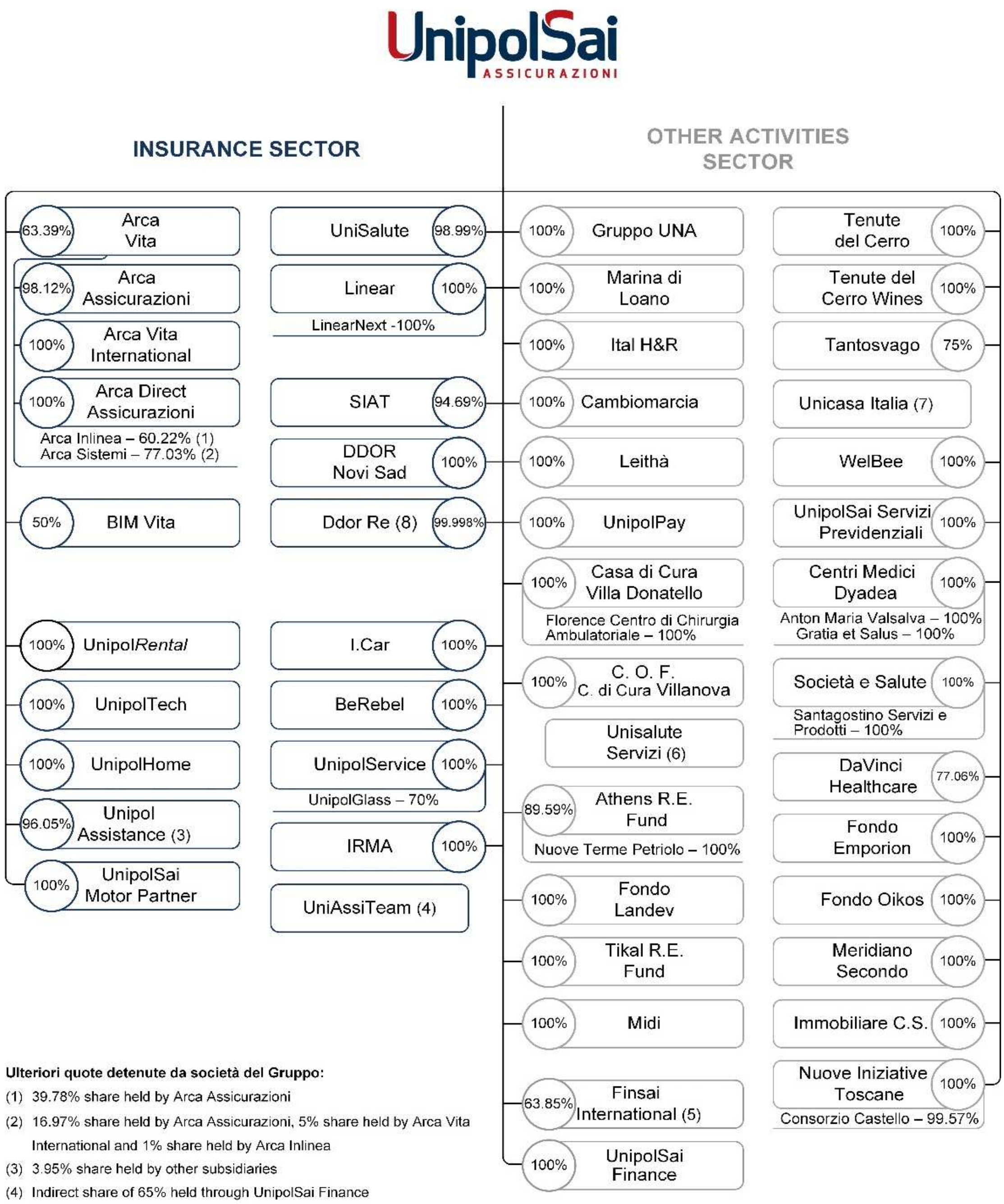
The Consolidated financial statements of UnipolSai Assicurazioni SpA are subject to audit by the independent auditors EY SpA, the company tasked with performing the legally-required audit of the consolidated financial statements for the 2021/2029 period.

With respect to the obligations laid out by Italian Legislative Decree no. 254 of 30 December 2016, on the communication of non-financial and diversity information by certain large undertakings and groups, please note that the UnipolSai Group is not subject to this obligation as one of the cases of exemption and equivalence laid out in Art. 6, paragraph 2 applies to it, given that it is a subsidiary company included within the Consolidated Non-Financial Statement prepared by the Unipol Group.

Consolidation Scope at 31 December 2023

(line-by-line method - direct holding out of total share capital)

For more details see the chapter "Consolidation Scope"



Ulteriori quote detenute da società del Gruppo:

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

1 MANAGEMENT REPORT

1 Management Report

Group highlights

Amounts in €m

	31/12/2023	31/12/2022
Non-Life direct insurance premiums	8,651	8,304
% variation	*4.2*	*10.3*
Life direct insurance premiums	6,409	5,341
% variation	*20.0*	*(6.5)*
of which Life investment products	2,237	2,170
% variation	*3.1*	*84.3*
Direct insurance premiums	15,060	13,645
% variation	*10.4*	*2.4*
Result of insurance services	407	1,074
% variation	*(62.1)*	*n.a.*
Net financial result	592	(53)
% variation	*n.s.*	*n.a.*
Consolidated profit (loss)	766	466
% variation	*64.4*	*n.a.*
Balance on the statement of comprehensive income	1,080	11
Investments and cash and cash equivalents	64,443	59,941
% variation	*7.5*	*n.a.*
Insurance liabilities	51,200	47,327
% variation	*8.2*	*n.a.*
CSM Life business	2,295	2,265
% variation	*1.3*	*n.a.*
Financial liabilities	13,571	10,894
% variation	*24.6*	*n.a.*
Non-current assets or assets of a disposal group held for salea	133	514
Liabilities associated with disposal groups held for sale		360
Shareholders' Equity attributable to the owners of the Parent	7,026	6,458
variazione %	*8.8*	*n.a.*
Solvency ratio	313	288
No. Staff	12,387	12,315

Alternative performance indicators[1]

Alternative performance indicators	classes	31/12/2023
Loss ratio	Non-Life	71.5%
Expense ratio	Non-Life	26.7%
Combined ratio	Non-Life	98.2%
Premium retention ratio	Non-Life	94.4%
Premium retention ratio	Life	99.5%
Premium retention ratio	Total	96.0%
Life New business CSM	Life	248

[1] 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).

Management Report

Information on significant events during the year

Optimisation of the Group structure as part of the "Opening New Ways" 2022-2024 Strategic Plan

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.

UniSalute initiatives in the field of dissemination of health culture

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.

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 company 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.

Dyadea: two new medical centres

The network of **Dyadea** healthcare facilities was enriched during **June 2023** with two new Medical Centres: the first at the Interporto Bologna hub and the second in Monza (MB). The positioning of the Unipol Group in the private healthcare sector is therefore expanded, in line with the Beyond Insurance Enrichment guideline of the **"Opening New Ways" 2022-2024 Strategic Plan.**

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.

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 Unipol*Rental*, 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 Unipol*Rental*, 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 Unipol*Rental*'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.

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.

Establishment of LinearNext

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.

Disposal of the equity investment in Incontra Assicurazioni

On 7 July 2023, the contract relating to the sale to Unicredit SpA of the equity investment held by UnipolSai in Incontra Assicurazioni, equal to 51% of the share capital, was executed. The transaction, which was planned as part of the 2022-2024 Strategic Plan, the projections of which already took this sale into account, was completed on 30 November 2023, with the sale by UnipolSai of all shares held for an equivalent value of €58,532,700: taking into account the net proceeds from the sale, equal to €23m, and the final profit recorded prior to the sale, the contribution of Incontra to the consolidated economic result for 2023 was €48m. There are no price adjustment mechanisms. At the same time, UnipolSai acquired shares of UnipolAssistance Scrl from Incontra Assicurazioni for a nominal amount of €774, corresponding to 0.15% of the share capital, for an equivalent value of €3,963.87.

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.

Repayment of subordinated liabilities

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.

Moody's changed UnipolSai's outlook from negative to stable

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.

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.

Advertising and Sponsorships

Partnership renewed between UnipolSai and Ducati Corse

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.

UnipolSai advertising campaign is back

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 Title Sponsor of the top basketball championship

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.

UnipolSai and the World Swimming Championships

At the **Aquatics World Championships**, which ended on **31 July 2023** in Japan, the Italian athletes of the **Italian Swimming Federation**, of which **UnipolSai** is the **main sponsor**, won 14 medals; this is one of the most significant results achieved at a world championship by the Italian national team, although it did not meet the record set in Budapest 2022. Indeed, in this twentieth edition of the world championships, the Italian Swimming Federation is the only delegation that managed to place a swimmer on the podium in every discipline, with eight also qualifying for the 2024 Paris Olympics.

Dominate The Water: swimming and marine protection with UnipolSai

In **August 2023**, the **Dominate the Water** swimming event circuit was held, for which **UnipolSai** is the **main partner**. This is a two-day open water competition aimed at raising awareness around sea protection, with competition formats for all ages and degrees of preparation. DTW was founded with the desire to safeguard the marine environment by promoting open water swimming, which is still not very popular in Italy, combining sport, sea protection and the promotion of local areas with the development of a real green economy.

Recognitions

UnipolSai ranks first in Brand Finance's insurance brands

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*".

Insurance Awards 2023 - Chief Executive Officer of UnipolSai Insurer of the Year

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.

UnipolTech and BeRebel win prizes at NC Awards 2023

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.

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.

UnipolSai recognised by Standard Ethics as one of the best examples of sustainability

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.

UnipolSai awarded in the "Business Sustainability" category of the Think Awards

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.

Unisalute awarded at the Health Insurance Summit Awards

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.

Creation of value for shareholders: UnipolSai one of the top companies in the world

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**. TSR is a measure widely used in the financial sector to assess the overall return on investment in the shares of a listed company over time. It is a full representation of the economic benefits that can be obtained by shareholders and includes two key components: on one hand, the change in the share price in a given time window (capital gain) and, on the other, the amount of dividends distributed by the company in the same time interval (dividend yield). 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.

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 UnipolSai Group closed 2023 with a **consolidated net profit** of €766m. In 2022, the Group recorded a consolidated net profit of €651m, determined according to the previous accounting standards, which reflected extraordinary expenses of approximately €137m after taxes (normalised profit of €789m).
The 2022 results were negatively affected by the allocation of the solidarity fund for employees for a pre-tax value of €199m, of which Non-Life €178m and Life €20m. The final balance for 2022, restated for comparative purposes in application of the new standards, would have been €466m (normalised result of €604m).

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, benefitting from the merger by incorporation of the company 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.
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).

The **Non-Life pre-tax profit** was €671m, compared to €711m in 2022 determined using the previous accounting standards (normalised profit of €889m), and the 2022 profit of €596m recalculated according to the new accounting standards (normalised profit of €775m).

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).
The parent 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 €333m, compared to €275m in 2022 determined using the previous accounting standards (normalised profit of €295m), or €138m recalculated according to the new accounting standards (normalised profit of €158m).

In 2023, the **Other Businesses** sector benefited from the positive performance of the hotel sector represented by the UNA Group, which crowns a year of recovery in tourist flows, and the MICE segment (conferences, business trips, etc.), achieving turnover of over €200m and a net profit of €25m.

The **pre-tax profit** of the **Other Businesses** sector came to €16m compared to a pre-tax loss of -€65m at 31 December 2022 according to the previous accounting standards and -€42m recalculated with the new accounting standards.

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 3.2%, of which 3.3% linked to the coupons and dividends component.

At 31 December 2023, **consolidated shareholders' equity** amounted to €7,307m (€6,733m at 31/12/2022, recalculated according to the accounting standards currently in force), of which €7,026m 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 **individual solvency ratio** at 31 December 2023 was 313% (288% at 31/12/2022), net of expected dividends.

Salient aspects of business operations

The Consolidated Financial Statements of the UnipolSai Group at 31 December 2023 closed with a **net profit of €766m** (profit of €466m at 31/12/2022: please recall that the result was negatively affected by the allocation of the solidarity fund for employees in the amount, net of the related tax effect, of €137m, of which €123m in the Non-Life business and €14m in the Life business), net of taxes for the period of €253m.

The **Insurance sector** contributed €754m to consolidated net profit (€500m at 31/12/2022), of which €514m related to Non-Life business (€416m at 31/12/2022), and €239m related to Life business (€84m at 31/12/2022).
The **Other Businesses sector** recorded a profit of €13m (loss of -€34m at 31/12/2022).

Other important 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 **loss ratio** in the Non-Life segment was 71.5%;

- the **expense ratio** in the Non-Life segment was 26.7%;

- the **combined ratio** in the Non-Life segment was 98.2%;

- the **comprehensive income** was €1,080m (income of €10m at 31/12/2022, highly affected by the negative performance of debt securities measured at fair value through other comprehensive income);

- **investments and cash and cash equivalents** amounted to €64,443m (€59,941m at 31/12/2022);

- **insurance liabilities** and **financial liabilities** amounted to €64,771m (€58,221m at 31/12/2022).

A summary of the Consolidated Operating Income Statement at 31 December 2023 is illustrated below, broken down by business segment: Insurance (Non-Life and Life) and Other Businesses, compared with the data at 31 December 2022.

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**	*680*	*(38)*	*n.s.*	*1,311*	*923*	*42.1*	*1,991*	*885*	*125.1*
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)	**583**	**33**	***n.s.***	**120**	**13**	***n.s.***	**702**	**45**	***n.s.***
Other revenue/costs	9	(244)	*n.s.*	6	(64)	*n.s.*	16	(308)	*n.s.*
Profit(Loss) before tax and interest expense on financial liabilities	**757**	**643**	***17.7***	**367**	**168**	***118.5***	**1,124**	**811**	***38.6***
interest expense on financial liabilities	(86)	(46)	*85.4*	(34)	(30)	*12.8*	(120)	(77)	*56.7*
Pre-tax Profit/(Loss)for the period	**671**	**596**	***12.5***	**333**	**138**	***141.6***	**1,004**	**734**	***36.7***
Income taxes	(157)	(181)	*(13.3)*	(94)	(53)	*75.5*	(250)	(234)	*7.0*
Profit (Loss) from discontinued operations									
Consolidated Profit (Loss)	**514**	**416**	***23.7***	**239**	**84**	***183.4***	**754**	**500**	***50.7***
Consolidated Profit (Loss) attributable to the owners of the Parent									
Consolidated Profit (Loss) attributable to non-controlling interests									

* excluding interest expense on financial liabilities

Amounts in €m

Other Businesses			Intersegment eliminations		Total		
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)*
62	*21*	*n.s.*	*(46)*	*(44)*	*2,007*	*863*	*132.6*
					(1,289)	*(840)*	*53.5*
62	21	*n.s.*	(46)	(44)	718	23	*n.s.*
(36)	(60)	*(39.2)*	42	40	20	(329)	*n.s.*
26	(39)	*n.s.*	(4)	(3)	1,145	768	*49.1*
(10)	(2)	*n.s.*	4	3	(126)	(76)	*66.4*
16	(42)	*n.s.*			1,019	692	*47.3*
(3)	8	*n.s.*			(253)	(226)	*11.9*
13	(34)	*n.s.*			766	466	*64.4*
					700	418	
					66	48	

Insurance Sector

The Group's insurance business closed the period with a **pre-tax profit of €754m** (profit of €500m at 31/12/2022), of which €514m relating to Non-Life business (€416m at 31/12/2022) and €239m relating to the Life business (€84m at 31/12/2022). It should be noted that the result at 31 December 2022 was negatively affected by the allocation of the solidarity fund for employees on the amount, net of the related tax effect, of €137m (of which Non-Life €123m and Life €14m).

Investments and cash and cash equivalents of the Insurance sector, including properties for own use, totalled €62,507m at 31 December 2023 (€58,152m at 31/12/2022), of which €13,654m in the Non-Life business (€14,390m at 31/12/2022) and €48,853m in the Life business (€43,762m 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 (€10,870m at 31/12/2022), of which €2,301m in the Non-Life business (€1,477m 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%).

Total premiums

Amounts in €m

	31/12/2023	*% comp.*	31/12/2022	*% comp.*	*% var.*
Non-Life direct premiums	8,651		8,304		*4.2*
Non-Life indirect premiums	145		198		*(26.8)*
Total Non-Life premiums	8,796	*57.8*	8,502	*61.4*	*3.5*
Life direct premiums	4,172		3,170		*31.6*
Life indirect premiums					*6.5*
Total Life premiums	4,172	*27.4*	3,171	*22.9*	*31.6*
Total Life investment products	2,237	*14.7*	2,170	*15.7*	*3.1*
Total Life premium income	6,410	*42.2*	5,341	*38.6*	*20.0*
Overall premium income	**15,205**	***100.0***	**13,843**	***100.0***	***9.8***

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

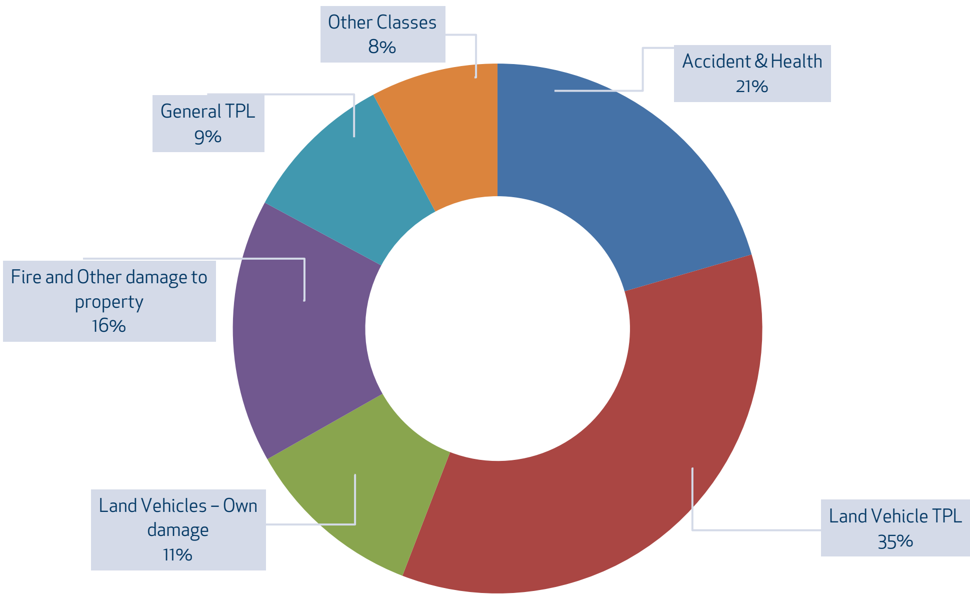
Total Non-Life premiums (direct and indirect) at 31 December 2023 were €8,796m (€8,502m at 31/12/2022, +3.5%). **Direct business** premiums alone amounted to €8,651m (€8,304m at 31/12/2022, +4.2%).

The breakdown of direct business for the main classes and the changes with respect to 31 December 2022 are shown in the following table:

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	*35.4*	2,994	*36.1*	*2.2*
Land Vehicle Hulls (class 3)	947	*10.9*	894	*10.8*	*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	*20.5*	1,650	*19.9*	*7.4*
Fire and Other damage to property (classes 8 and 9)	1,392	*16.1*	1,322	*15.9*	*5.3*
General TPL (class 13)	807	*9.3*	771	*9.3*	*4.6*
Other classes	674	*7.8*	674	*8.1*	*(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***

% breakdown of Non-Life direct business premiums



In 2023, the direct premiums of the UnipolSai Group amounted to €8,651m (+4.2%). Premiums in the MV TPL class amounted to €3,059m (+2.2%). The Land Vehicle Hulls class was also up, with premiums equal to €947m; income in the Non-MV segment was up, with premiums totalling €4,645m (+5.2%).

Non-Life claims

The **loss ratio** net of reinsurance 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.

	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[2] 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.

The **expense ratio** in the Non-Life segment was 26.7%.

The **combined ratio** at 31 December 2023 was 98.2%.

[2] 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.

Information about the main insurance companies in the Group - Non-Life business

The performance of the main Group companies at 31 December 2023 is summarised in the following table:

Amounts in €m

	Premiums written	% Var.	Investments	Insurance Liabilities
NON-LIFE INSURANCE SECTOR				
UNIPOLSAI ASSICURAZIONI SpA	7,440	3.3	14,781	12,140
ARCA ASSICURAZIONI SpA	272	10.9	455	307
DDOR NOVI SAD ADO	114	10.6	102	81
COMPAGNIA ASSICURATRICE LINEAR SpA	216	12.2	382	317
UNISALUTE SpA	796	29.6	668	503
SIAT SpA	192	11.3	162	303

The direct premiums of **UnipolSai**, the Group's main company, stood at €6,952m (€6,883m at 31/12/2022, +1.0%), of which €3,701m in MV business (€3,621m at 31/12/2022, +2.2%) and €3,250m in Non-MV business (€3,263m at 31/12/2022, roughly -0.4%).
Also considering indirect business, premiums acquired at 31 December 2023 amounted to €7,440m (+3.3%).

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 be 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 S.p.A. 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.

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.

Life business

Total Life premiums (direct and indirect) were €6,410m (€5,341m at 31/12/2022, +20%).

The **direct premiums**, which represent almost all of the premiums, are broken down as follows:

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 Investment products (IAS 39)	2,237		2,170		*22.2*

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.

Information about the main insurance companies in the Group - Life business

The performance of the main Group companies at 31 December 2023 is summarised in the following table:

Amounts in €m

	Premiums written	% Var.	Investments	Insurance Liabilities
LIFE INSURANCE SECTOR				
UNIPOLSAI ASSICURAZIONI SpA	3,811	12.3	34,044	25,587
of which Investment products	1,936	58.6		
ARCA VITA SpA + AVI	2,554	34.8	14,804	11,570
of which Investment products	292	(51.0)		
BIM VITA SpA	25	(29.8)	564	421
of which Investment products	9	(35.6)		

UnipolSai collected direct premiums totalling €1,875m (€2,172m at 31/12/2022, -13.7%) in addition to financial products amounting to €1,936m (€1,221m at 31/12/2022).

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).

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).

Reinsurance

UnipolSai 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.

Other Businesses Sector

The key income statement figures regarding the Other Businesses sector are provided below:

Amounts in €m

	31/12/2023	31/12/2022	var.%
Gains/losses on investments in associates and interests in joint ventures	5	5	*11.5*
Gain/losses on other financial assets and liabilities and investment property	47	13	*n.s.*
Net financial result	**52**	**18**	***183.5***
Other revenue	429	264	*62.5*
Other costs (*)	(465)	(324)	*43.7*
Pre-tax Profit (Loss) for the period	**16**	**(42)**	***n.s.***

(*) 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

Pre-tax profit at 31 December 2023 amounted to €16m (-€42m at 31/12/2022).
The items Other revenue and Other costs include, aside from economic components characteristic of companies operating in the hotel and healthcare sector specified in more detail below, also revenue and costs for secondment of personnel and for services provided to and received from companies of the Group belonging to other sectors, eliminated during the consolidation process.

At 31 December 2023, the Investments and cash and cash equivalents of the Other Businesses sector (including properties for own use for €585m) were €2,085m (€1,977m at 31/12/2022).

Financial liabilities amounted to €271m (€212m at 31/12/2022).

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 management

Investments and cash and cash equivalents

At 31 December 2023, the Group's **Investments and cash and cash equivalents** totalled €64,443m (€59,941m at 31/12/2022), with the following breakdown by business segment:

Amounts in €m

	31/12/2023	*comp.%*	31/12/2022	*comp.%*	*var.%*
Insurance sector	62,507	*97.0*	58,152	*97.0*	*7.5*
Other businesses sector	2,085	*3.2*	1,977	*3.3*	*5.5*
Intersegment eliminations	(150)	*(0.2)*	(188)	*(0.3)*	*(20.2)*
Total Investments and cash and cash equivalentsquide	64,443	*100.0*	59,941	*100.0*	*7.5*

The breakdown by investment category is as follows:

Amounts in €m

	31/12/2023	*% comp.*	31/12/2022	*% comp.*	*% var.*
INVESTMENTS					
Property (*)	3,869	*6.0*	3,852	*6.4*	*0.4*
Investments in associates and interests in joint ventures	170	*0.3*	162	*0.3*	*4.9*
Financial assets at amortised cost	2,149	*3.3*	2,076	*3.5*	*3.5*
Debt securities	1,282	*2.0*	1,262	*2.1*	*1.5*
Other loans and receivables	868	*1.3*	814	*1.4*	*6.6*
Financial assets at fair value through OCI	40,867	*63.4*	37,126	*61.9*	*10.1*
Financial assets at fair value through profit or loss	16,410	*25.5*	15,899	*26.5*	*3.2*
Held-for-trading financial assets	72	*0.1*	281	*0.5*	*(74.4)*
Financial assets at fair value	10,679	*16.6*	8,786	*14.7*	*21.5*
Other financial assets mandatorily at fair value	5,659	*8.8*	6,832	*11.4*	*(17.2)*
Cash and cash equivalents	978	*1.5*	826	*1.4*	*18.4*
Total Investments and Cash and cash equivalents	64,443	*100.0*	59,941	*100.0*	*7.5*

(*) including properties for own use

Transactions carried out in 2023

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 €401m 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.

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 Group's overall portfolio duration of 5.57 years was up compared to the end of 2022 (5.28 years). With reference to the Group insurance portfolio, the Non-Life duration was 2.97 years (*2.62* years at the end of 2022); the Life duration was 6.48 years (6.33 years at the end of 2022). 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 63.7% of the bond portfolio whilst the corporate component accounted for the remaining 36.3%, split into 26.5% financial and 9.8% industrial credit.

92.2% of the bond portfolio was invested in securities with ratings of BBB- or higher. 10.1% 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 43.1% 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	18	*0.9*	(3)	*(0.3)*	*n.s.*
Gains/losses on investments in associates and interests in joint ventures	38	*1.9*	15	*1.6*	*158.5*
Net gains on financial assets recognised at amortised cost	138	*7.1*	61	*6.8*	*125.7*
Net gains on financial assets at fair value through OCI (*)	1,356	*69.3*	1,361	*151.7*	*(0.4)*
Net gains on financial assets at fair value through profit or loss (**)	406	*20.8*	(537)	*(59.9)*	*n.s.*
Total net gains on investments	**1,955**	***100.0***	**897**	***100.0***	***118.0***
Net losses on other financial liabilities at amortised cost	(128)		(78)		*65.7*
Total net losses on financial liabilities	**(128)**		**(78)**		***65.7***
Total net gains (***)	**1,827**		**819**		***123.0***
Net gains on financial assets at fair value(****)	668		(899)		*n.s.*
Net losses on financial liabilities at fair value(****)	(614)		866		*n.s.*
Total net gains on financial instruments at fair value (****)	**54**		**(33)**		***n.s.***
Balance on investments	**1,881**		**786**		***139.2***
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	**592**		**(54)**		***n.s.***

(*) excluding measurement of financial instruments at fair value through OCI 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 measurement of financial instruments at fair value through OCI 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 for which investment risk is borne by customers (index-and unit-linked) and arising from pension fund management

Shareholders' equity

Shareholders' equity, excluding non-controlling interests, breaks down as follows:

Amounts in €m

	31/12/2023	31/12/2022	*var. in amount*
Share capital	2,031	2,031	
Other equity instruments	496	496	
Capital reserves	347	347	
Income-related and other equity reserves	3,240	3,260	*(20)*
Treasury shares (-)	(3)	(3)	
Valuation reserves	215	(91)	*306*
Profit (loss) for the year attributable to the owners of the Parent (+/-)	700	418	*282*
Total shareholders' equity attributable to the owners of the Parent	**7,026**	**6,458**	***568***

Movements in shareholders' equity recognised during the year with respect to 31 December 2022 are set out in the attached statement of changes in shareholders' equity.
The main changes in the Group's shareholders' equity were as follows:
- a decrease due to dividend distribution to shareholders for €453m;
- a decrease, amounting to €25m net of related tax effects, due to the payment of the coupon to the holders of the restricted tier 1 capital instrument classified under Other equity instruments;
- an increase due to the positive change in valuation reserves of €306m;
- an increase of €32m deriving from realised gains from the sale of equity instruments measured at fair value through other comprehensive income;
- an increase of €700m for Group profit of the period.

Shareholders' equity attributable to non-controlling interests amounted to €281m (€275m at 31/12/2022).

Treasury shares and shares of the holding company

At 31 December 2023, the treasury shares held by UnipolSai and its subsidiaries totalled 1,087,879 (1,162,312 at 31/12/2022), of which 947,782 shares were directly held.
The changes during the year referred to the following transactions:
- in execution of the Performance share-based compensation plans for the executive personnel of UnipolSai and its subsidiaries, 920,762 UnipolSai shares were granted in January in execution of the 2019-21 Long-Term Incentive Compensation Plan and 3,671 UnipolSai shares in execution of the Short-Term Incentive Compensation Plan for the years 2020 and 2022 in May;
- purchase of 850k UnipolSai shares.

At 31 December 2023, UnipolSai held a total of 641,014 shares (651,889 at 31/12/2022) issued by the holding company Unipol Gruppo SpA, of which 556,950 directly and the remainder indirectly through the following subsidiaries: SIAT (24,443), UniSalute (19,629), Linear (14,743), UnipolRental (13,783), Leithà (7,056), Arca Vita (2,403) and UnipolAssistance (2,007).
The changes during the year referred to the following transactions:
- in execution of the Performance share-based compensation plans for the executive personnel of UnipolSai and its subsidiaries, 508,999 Unipol shares were granted in January in execution of the 2019-21 Long-Term Incentive Compensation Plan and 1,876 Unipol shares in execution of the Short-Term Incentive Compensation Plan for the years 2020 and 2022 in May;
- purchase of 500k Unipol shares.

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

In compliance with Consob communication no. 6064293 of 28 July 2006, the reconciliation between the Group result for the year and shareholders' equity is provided below, along with the corresponding figures for the Parent:

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	5,715	624	6,339
IAS/IFRS adjustments to the Parent's financial statements	1,367	(26)	1,341
Differences between net carrying amount and shareholders'equity and profit (loss) for the year of consolidated investments, of which:	(1,068)	320	(748)
- Translation reserve	*4*		*4*
- Gains or losses on available-for-sale financial assets	*(443)*		*(443)*
- Financial revenues or costs relating to insurance contracts issued and to reinsurance transfers	*334*		*334*
- Other gains or losses recognised directly in equity	*25*		*25*
Consolidation differences	396		396
Companies measured using the equity method	36	13	49
Intercompany elimination of dividends	166	(166)	
Other adjustments	(70)		(70)
Consolidated Shareholders' equity	6,541	766	7,307
Non-controlling interests	215	66	281
Shareholders' equity attributable to the owners of the Parent	6,326	700	7,026

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 €13,571m (€10,894m 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	3,064	2,171	*41.1*
Subordinated liabilities	1,287	1,367	*(5.8)*
Other	1,777	804	*121.0*
Total financial liabilities	13,571	10,894	*24.6*
Total	64,771	58,221	*11.3*

UnipolSai 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.

The situation is summarised in the following table, which shows an increase in debt of approximately €893m.

Amounts in €m

	31/12/2023	31/12/2022	var. in amount
Subordinated liabilities	1,287	1,367	*(80)*
Payables to banks and other lenders	1,776	803	*973*
Total debt	3,063	2,170	*893*

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.

Payables to banks and other lenders, amounting to €1,776m (€803m at 31/12/2022), are primarily related to loans taken out for the acquisition of real estate and for improvement works, by the Athens R.E. Closed Real Estate Fund for €140m and by the Tikal Closed Real Estate Fund for €99m, as well as loans taken out by UnipolRental from banks and other lenders for a total of €1,370m. 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

Sustainability

The sustainability guidance function is performed by the Board of Directors, which approves Policies that define the Group's ESG (Environmental, Social and Governance) commitments, the Integrated Three-Year Strategic Plan and the Sustainability Report. Since 2022, the Board has been supported by the Appointments, Governance and Sustainability Board Committee established within UnipolSai, which performs propositional, advisory, investigation and support functions for the Board of Directors with regard to ESG topics, coordinating – for the areas of competence – the policies, processes, initiatives and activities designed to monitor and promote the efforts of the Company for the pursuit of sustainable success. The implementation of the strategies is supported by the Sustainability Function, which reports to the Chief Executive Officer.

Sustainability is integrated within the strategies and activities of the Group, which pursues the objectives of creating shared value, support for sustainable development and the prevention and mitigation of ESG risks.
The commitments made in the Unipol Gruppo Code of Ethics are concretely expressed in the Sustainability Policy, which outlines strategies for pursuing the objectives of Sustainable Success and the management of ESG risks and impacts, in line with the overall system for the management of the risks and impacts generated by the Group as a result of its activities and business relationships. In 2023, the Policy was enhanced with two new annexes: the "**Guidelines on Human Rights**", which aim to define and develop a structured approach on the issue, in order to identify, monitor and manage impacts on human rights in all their forms, and the "**Anti-Corruption Guidelines**", which aim to organically provide the reference anti-corruption principles for the Unipol Group Companies.

ESG risk and impact monitoring is then operationally broken down into Business policies, namely:

- the **Risk Management Policy** calls for the identification and monitoring of ESG risk factors within the risk management framework, i) with a view to focusing emerging risks on environmental, social and governance aspects and ii) in terms of impact on the main current risk categories (Non-Life and Health underwriting risks, Life underwriting risks, market, credit, liquidity and ALM risks, operational, strategic and reputational risks;
- the **Underwriting Policies - Non-Life Business and Life Business** introduce the assessment of the ESG performance of current and potential customers as an element for preventing and mitigating ESG risks; for the application of this approach, in 2023 the scope of the structured process for identifying parties with high potential to generate negative ESG impacts was extended in the Non-Life sector, which at year-end was applied to 22 of the most sold standard products dedicated to businesses;
- the **Investment policy** promotes the integration of ESG factors within decision-making processes relating to investments, through screening of ESG performance linked to strategies for the exclusion of companies and countries on the basis of conduct or business sector. In 2023, the Guidelines for responsible investment activities, an annex to the Policy that deals with these issues, were subject to an overall update and adaptation to take into account the evolution of the external and internal context on the topic;
- the **Outsourcing and supplier selection policy** requires an assessment of proper and responsible management requirements in supplier selection criteria, asking suppliers to respect the **Supplier Code of Conduct** for responsible procurement. 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.

UnipolSai believes that the opportunities and well-being of the customers and people who work with the Group on a daily basis are the necessary conditions for its market development capacity and its sustainable success. Therefore, in the "Opening New Ways" 2022-2024 Strategic Plan, in relation to each of the five strategic guidelines, ESG objectives are identified and integrated, i.e. lines of action that, starting from opportunities linked to social, environmental and governance aspects, are aimed at generating positive impacts for stakeholders and society as well and contributing to sustainable development.

The main actions implemented in 2023 to meet these objectives include:

- **evolution of the Life & Health offer from a Life-Cycle perspective**, offering insurance solutions and assistance services designed to meet the specific needs that arise in the different periods of life, identifying solutions that respond to the change over time in the needs of individuals and, together, of society;

- **approach to sustainable MV insurance**, with the distribution of MV policies with a device that make it possible to monitor vehicle use, the kilometres travelled and the driving style and support customers in reducing their environmental impacts, inviting them to set goals for themselves for reducing their CO_2 emissions (Smart Drive) or offsetting CO2 emissions with a monthly contribution (BeRebel);
- **enhancement of the Property offer** in a synergistic and integrated manner, offering services that provide reliable support to homeowners, intervening with a responsible conduct **approach in critical supply chains**, for example by structuring the UnipolHome craftsmen network;
- pursuit of the **Climate Strategy**, which affirms the way the Group handles climate-related risks and opportunities, contributing to the achievement of the Paris Agreement target of limiting global warming to 1.5°C, with a reduction in direct and indirect impacts.

In support of this latter objective, in June 2023 the Board of Directors of the holding company Unipol Gruppo - in line with the Target Setting Protocol of the Net-Zero Asset Owner Alliance which it joined in 2022 - approved the interim sustainability targets for 2030 for its financial investments portfolio (with the commitment to reduce the carbon intensity of its directly managed portfolios of listed equities and publicly traded corporate bonds by 50% by 2030 compared to 30/09/2022).
In this manner, the Group is committed to contributing to the achievement of the UN 2030 Agenda Goals 3 (Good health and well-being), 8 (Decent work and economic growth), 11 (Sustainable cities and communities), 12 (Responsible production and consumption) and 13 (Climate action).

The sustainability indicators aimed at monitoring compliance with the commitments made include:
(i) the increase in premiums for the sale of **products with a social and environmental impact**, with the aim of reaching 30% of the corresponding product families at the end of 2024; the result at the end of 2023 was 27.6%;
(ii) the increase in **thematic investments**, from €862m to €1,300m over the course of the Plan; the target was reached and exceeded in 2023, coming to €1,439.3m;
(iii) the maintenance of **reputational performance** with the General Public higher than the average of the financial-insurance sector; in 2023, Unipol's reputational index was 77.6/100, almost ten points higher than the industry average.

The role of non-financial factors amongst long-term variable remuneration criteria was strengthened significantly, to support the adoption of integrated thinking in the managerial structure; in the 2022-2024 period, these factors account for 20% of the long-term variable remuneration, considering the following objectives:

- reduction of Scope 1 and 2 greenhouse gas emissions of Unipol Group's business properties, in line with climate science-based objectives;
- increase in the amount of thematic investments in support of the UN 2030 Agenda;
- containment at the end of the Three-Year Accrual Period of the gender pay gap on the Unipol Group scope under a threshold value.

During the year, social initiatives continued as well: insurance education through the UnipolEos project and with FEduf (Foundation for Financial Education and Savings) for schools, the campaigns with Legambiente ("Bellezza Italia") and the initiatives to support a widespread culture of respect for women. In the stakeholder engagement and management activities of the Unipol Regional Councils (CRU), in 2023 the new administrations of some CRUs in both the North West and Central Italy became fully operational, and the stakeholder engagement and management activities of the Councils were able to successfully involve new organisations and reactivate the participation of those already present. Also during the year, important projects launched in the previous year were completed; the **CreAree** project recorded a qualitative and quantitative leap in quality, committing new resources, new partners and new sustainable development objectives at local level, for internal and marginal areas, and at national level, i.e. for the entire CRU network.

At international level, the holding company Unipol has signed on to the United Nations Global Compact, the Principles for Responsible Investing (UN PRI) and, as of 2021, the Principles for Sustainable Insurance (PSI), the global framework on sustainability in the insurance sector promoted by the United Nations Environmental Programme Finance Initiative (UNEP FI).

Human Resources

The total number of Group employees at 31 December 2023 was 12,387 (+72 compared with 2022).

	31/12/2023	31/12/2022	variation
Total number of UnipolSai Group employees	12,387	12,315	72
of which on a fixed-term contract	706	534	172
Full Time Equivalent – FTE	11,884	11,775	109

This includes 204 seasonal staff of Gruppo UNA at 31 December 2023 (173 at 31/12/2022), and foreign company employees (1,301) include 505 agents.

The increase of 72 compared to 31 December 2022 was due, net of transfers to fixed-term contracts or changes due to seasonal work that began and ended during the year, to 1,647 entries and 1,609 departures and 34 cases of incoming intra-group mobility from a company outside the UnipolSai scope.

Group sales network

At 31 December 2023, 2,236 agencies were in operation, of which 1,991 of UnipolSai (at 31/12/2022, the agencies were 2,361, of which 2,117 of UnipolSai), with 3,700 agents (3,914 at 31/12/2022).

The leading bancassurance companies of the Group placed their products through the following sales networks:
- Arca Assicurazioni, Arca Vita and Arca Vita International primarily through BPER Banca SpA and Banca Popolare di Sondrio SpA;
- BIM Vita through the branches of Banca Investis and of Finint Private Bank (formerly Banca Consulia) and solely with regard to post-sale activities, of Cassa di Risparmio di Fermo.

In 2023, consolidation and optimisation actions continued, with the aim of building a network of agencies to manage more consistent portfolios, with highly skilled specialist structures that guarantee the development of all the business ecosystems.

The Group's commercial action in 2023 was mainly characterised by the **implementation of sales campaigns**, incentives and tenders aimed at supporting the rise in the average MV TPL premium, the reform aimed at **improving the quality of the portfolio in the General classes** and the **new Health and Life business**, particularly in the Protection (TCM and LTC) and Investment segments and, moreover, the consolidation of the **omnichannel sales** method. This sales method was developed on products to insure 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. Lastly, please recall the further development of the **UnipolSai website** and **App**, which made it possible to manage, increase and improve the services offered to customers registered in the Reserved Area, with relative access to the Customer App, and the signing of the new **UnipolSai 3.0 Agreement** with the agency network, which introduces, among its main new features, an innovative system for the distribution of commissions between the channels, MV commissions linked to specific parameters and a new incentive system for Health.

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.

IT services

During 2023, activities were structured according to the areas set forth in the Strategic Plan and, in particular, along 3 lines of action.

Insurance Core Business Digitalisation and Process Automation:
The development activities of the new "NEW CORE - Single Product" platform continued and as of November, as planned, the first release of the new system on the Vehicle, Home and Family protection areas was released into production on an initial group of pilot agencies, while activities continue in order to complete the platform and create the remaining areas that will be released over the coming year.
The creation of the new "Individual Life FE" was completed, which simplifies after-sales activities in the agency, and the roll-out began across the network.
As part of the Multi-channel and Hybrid Sales channel, a new sales channel was activated through the Contact Centre, the Customer Experience was optimised for the placement of Pet, Travel and Home products and new functions were integrated for the sale and management of the UnipolMove electronic toll payment service.
On the AI front, the new CHIARA chatbot was released on the APP and WEB to support the Home product, created using new "Generative AI" technologies, and a new framework began being introduced for the development and monitoring of AI projects.

Evolution of technological platforms:
The new agency infrastructure (Next Gen Agency) was rolled out, which is based on the intensive use of internet connections and devices owned by agencies to support Network digitalisation and mobility.
Technological upgrading activities were completed, which led to the replacement of IBM mainframes with new Z16 hosts and another 50 software products with new, more modern solutions that made it possible to improve the technologies used as well as reduce operating costs.
The process of extending the use of the Cloud set forth in the Strategic Plan continued, and framework agreements were signed with Google and AWS.

Integration and development of new ecosystems and Cybersecurity:
The new UNIPORT Platform for Bancassurance was designed and built in 9 months, to support the sale of insurance products in the branch and on digital channels (Web and App), integrated with bank systems and processes. The first digital product, UniSalute Sorriso, was released on the BPER APP.
In the Cybersecurity area, migration to the new Microsoft "extended detection and response" platform was completed: new security event detection and management functions were introduced, supported by AI algorithms.

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 UnipolSai, either directly or through its subsidiaries.

*The Procedure is published in the "Corporate Governance/Related Party Transactions" section of UnipolSai 's website (**www.unipolsai.com**).*
With regard to the execution of Transactions with Related Parties qualified as of "Major Signifigance", the Board of Directors of the Company approved, in compliance with the Procedure:
- on 23 March 2023, an industrial project (the "**Industrial Project**" or the "**Transaction**") in the long-term rental business ("**LTR**") with BPER Banca SpA ("**BPER**" or the "**Bank**"), to be carried out through:
  i) the merger by incorporation of SIFA' Società Italiana Flotte Aziendali SpA ("**SIFÀ**") - an entity wholly-owned by the Bank - into UnipolRental SpA ("**Unipol*Rental***"), with the assignment to BPER

of a minority interest of 19.987% of the share capital of the company resulting from the merger (the "**Combined Entity**"), in exchange for the shares held in SIFÀ (the "**Merger**"), also with the provision of certain exit mechanisms in favour of UnipolSai and/or BPER in relation to the investment held by the latter in the Combined Entity after the completion of the Merger;

ii) business collaboration agreement between the Combined Entity, on one hand, and BPER on the other, effective as of the effective date of the Merger and with a duration of twenty years, for the referral, through the network of bank branches and more generally through the commercial channels of the BPER Group, of LTR products and services linked to the related long-term rental contracts proposed by UnipolRental (the "**Referral Agreement**");

iii) the disbursement, at the effective date of the Merger, of a loan for up to €100m by BPER in favour of the Combined Entity, in order to refinance part of the debt of SIFÀ outstanding at 1 July 2023, the effective date of the Merger (the "**Effective Date of the Merger**").

In addition, in order to meet the obligation to extinguish the outstanding debt of SIFÀ with respect to BPER at the Effective Date of the Merger, undertaken by UnipolRental as part of the Transaction, in the same context the Board of Directors of the Company approved, in accordance with the Procedure, insofar as it is responsible, two loans in favour of the Combined Entity for up to €150m and €450m from UnipolSai and Unipol Gruppo SpA ("**Unipol Gruppo**"), respectively, with a view to the efficient management of their respective financial situations (the "**Intercompany Loans**").

The Industrial Project and the Intercompany Loans were reviewed in advance by the Company's Related Party Transactions Committee (the "**RPT Committee**"), which issued its favourable opinion. 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*).

The Transaction was finalised on 22 June 2023 with the signing of the Merger deed, with legal effect as of 1 July 2023, as a result of which the share capital of UnipolRental is 80.013% held by UnipolSai, while the remainder is held by BPER. On the same date, the Referral Agreement and the above-mentioned loan agreements were also signed, the amounts of which were disbursed in full on 4 July 2023;

- on 10 August 2023:

i) the granting by the Company of an interest-bearing unsecured loan for up to €450m (the "**August 2023 Loan**") in favour of Unipol*Rental*, of which €350m has been disbursed;

ii) the modification from annual to half-yearly of the frequency of calculation and payment of interest on Intercompany Loans disbursed on 4 July 2023 by UnipolSai and Unipol Gruppo, with financial aspects substantially unchanged and without prejudice to all other parameters, with a view to being consistent with the August 2023 Loan and improving UnipolRental liquidity management efficiency (the "**Amendment to Intercompany Loans**").

The August 2023 Loan and the Amendment to Intercompany Loans were reviewed in advance by the RPT Committee, which issued its favourable opinion. On 11 August 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*).

Lastly, please note that in 2023, UnipolSai did not approve, or carry out, directly or through subsidiaries, any additional Related Party Transactions qualified as of "Major Significance", or which significantly influenced the financial position or results of the Company, pursuant to Art. 5, paragraph 8 of the CONSOB Regulation.

As regards the disclosure required by IAS 24, please refer to paragraph 3.6 - Transactions with related parties in the Notes to the financial statements.

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 the Art. 123-bis, Italian Legislative Decree 58 of 24 February 1998 as amended is included in the Annual Report on corporate governance and ownership structures, approved by the Board of Directors and published together with the management report.

The Annual Report on Corporate Governance and Ownership Structures is available in the "Governance/Corporate Governance System/Annual Report" Section on the Company's website (www.unipolsai.com).

Statement pursuant to Art. 2.6.2, paragraph 8 of the Regulation governing markets organised and managed by Borsa Italiana SpA

Pursuant to the requirements set forth in Art. 2.6.2, paragraph 8 of the Regulation governing markets organised and managed by Borsa Italiana SpA with reference to subsidiaries subject to the management and coordination of another company, it is hereby stated that the conditions set forth in Art. 16 of Consob Regulation no. 20249/2017 exist for UnipolSai SpA.

Significant events after the reporting period and business outlook

Significant events after the reporting period

Group corporate rationalisation project

On 16 February 2024, the Board of Directors of UnipolSai Assicurazioni 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 S.r.l., UnipolPart I S.p.A. and Unipol Investment S.p.A., 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 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.

Merger by incorporation of Centri Medici Dyadea Srl into Società e Salute SpA

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

DDOR joins the Ogyre community

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.

UnipolSai and Ducati Corse together in the MotoGP challenge

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**.

Trade union agreement relating to the Supplementary Corporate Agreement

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.

Recognitions

<u>MF Insurance Awards 2024</u>
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.

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

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CONSOLIDATED FINANCIAL STATEMENTS AT 31.12.2023

TABLES OF CONSOLIDATED FINANCIAL STATEMENTS

2 Tables of Consolidated Financial Statements

Statement of financial position

Assets

Amounts in €m

	Asset items		31/12/2023	31/12/2022
1.	INTANGIBLE ASSETS		1,367	1,119
	of which: goodwill		765	602
2.	PROPERTY, PLANT AND EQUIPMENT		4,124	2,791
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		61,960	57,622
4.1	Investment property		2,364	2,359
4.2	Investments in associates and interests in joint ventures		170	162
4.3	Financial assets at amortised cost		2,149	2,076
4.4	Financial assets at fair value through OCI		40,867	37,126
4.5	Financial assets at fair value through profit or loss		16,410	15,899
	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	5,659	6,832
5.	OTHER FINANCIAL ASSETS		2,433	2,470
6.	OTHER ASSETS		3,136	2,888
6.1	Non-current assets or assets of a disposal group held for sale		133	514
6.2	Tax assets		411	892
	a)	current	3	36
	b)	deferred	408	856
6.3	Other assets		2,592	1,482
7	CASH AND CASH EQUIVALENTS		978	826
	TOTAL ASSETS		75,121	68,696

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**	**7,307**	**6,733**
1.1	Share capital	2,031	2,031
1.2	Other equity instruments	496	496
1.3	Capital reserves	347	347
1.4	Income-related and other equity reserves	3,240	3,260
1.5	Treasury shares (-)	(3)	(3)
1.6	Valuation reserves	215	(91)
1.7	Shareholders' equity attributable to non-controlling interests (+/-)	215	227
1.8	Profit (loss) for the year attributable to the owners of the Parent (+/-)	700	418
1.9	Profit (loss) for the year attributable to non-controlling interests (+/-)	66	48
2.	**PROVISIONS FOR RISKS AND CHARGES**	**519**	**596**
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**	**13,571**	**10,894**
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	3,064	2,171
5.	**PAYABLES**	**1,273**	**1,353**
6.	**OTHER LIABILITIES**	**1,251**	**1,793**
6.1	Liabilities associated with disposal groups held for sale		360
6.2	Tax liabilities	105	388
	a) current	16	12
	b) deferred	89	376
6.3	Other liabilities	1,146	1,045
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**75,121**	**68,696**

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	460	(318)
7.	Gains/losses on investments in associates and interests in joint ventures	38	15
8.	Gain/losses on other financial assets and liabilities and investment property	1,383	1,090
8.1	- Interest income calculated with the effective interest method	1,434	1,401
8.2	- Interest expense	(126)	(76)
8.3	- Other income/Charges	172	160
8.4	- Realised gains/losses	2	(11)
8.5	- Unrealised gains/losses	(99)	(384)
	of which: Related to impaired financial assets	(10)	(3)
9.	**Balance on investments**	**1,881**	**787**
10.	Net finance expenses/income relating to insurance contracts issued	(1,286)	(838)
11.	Net finance income/expenses relating to reinsurance contracts held	(3)	(2)
12.	**Net financial result**	**592**	**(53)**
13.	**Other revenue/costs**	**1,059**	**476**
14.	**Operating expenses:**	**(520)**	**(436)**
14.1	- Investment management expenses	(74)	(91)
14.2	- Other administrative expenses	(446)	(345)
15.	**Net provisions for risks and charges**	(10)	11
16.	**Net impairment losses/reversals on property, plant and equipment**	(375)	(282)
17.	**Net impairment losses/reversals on intangible assets**	(133)	(97)
	of which: Value adjustments to goodwill		
18.	**Other operating expenses/income**	(1)	(1)
19.	**Pre-tax Profit (Loss) for the period**	**1,019**	**692**
20.	Income taxes	(253)	(226)
21.	**Profit (Loss) for the year after taxes**	**766**	**466**
22.	Profit (Loss) from discontinued operations		
23.	**Consolidated Profit (Loss)**	**766**	**466**
	of which: attributable to the owners of the Parent	700	418
	of which: attributable to non-controlling interests	66	48

Comprehensive income statement

Amounts in €m

	Items	31/12/2023	31/12/2022
1	**Profit (Loss) for the period**	766	466
2	**Other income items net of taxes not reclassified to profit or loss**	237	(31)
2.1	Portion of valuation reserves of equity investments valued at equity	9	17
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	(6)	11
2.7	Gains or losses on equity instruments at fair value through OCI	256	(71)
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**	77	(425)
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	1,551	(6,596)
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	1	(23)
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)	314	(456)
5	TOTAL CONSOLIDATED COMPREHENSIVE INCOME (EXPENSE) (Voce 1+4)	1,080	11
5.1	**of which: attributable to the owners of the Parent**	1,006	(16)
5.2	**of which: attributable to non-controlling interests**	74	27

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	2,031	496	347	3,396	(1)	358	723	7,077	275	7,352
of which: Changes to opening balance				33		(916)		(888)	5	(883)
Allocation of profit (loss) for the year 2021										
Reserves				159			(159)			
Dividends and other allocations				(25)			(564)	(562)	(26)	(588)
Changes during the year										
Issuance of new shares										
Purchase of treasury shares					(2)			(2)		(2)
Changes in investments										
Comprehensive Income Statement						(455)	466	(16)	27	11
Other changes				(37)				(37)		(37)
Balance at 31.12.2022	2,031	496	347	3,493	(3)	(97)	466	6,458	275	6,733
Balance at 1.1.2023	2,031	496	347	3,493	(3)	(97)	466	6,458	275	6,733
of which: Changes to opening balance										
Allocation of profit (loss) for the year 2022										
Reserves				290			(290)			
Dividends and other allocations				(333)			(176)	(477)	(31)	(509)
Changes during the year										
Issuance of new shares										
Purchase of treasury shares										
Changes in investments										
Comprehensive Income Statement						314	766	1,006	74	1,080
Other changes				2				39	(37)	2
Balance at 31.12.2023	2,031	496	347	3,453	(3)	217	766	7,026	281	7,307

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 (+/-)	766	466
- 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 (-/+)	(1,699)	1,831
- Other non-monetary gains and losses on financial instruments, investment property and investments (+/-)	(725)	247
- Net provisions for risks and charges (+/-)	(77)	174
- Interest income. dividends, interest expense. taxes (+/-)	(2,404)	(3,354)
- Other adjustments (+/-)	841	(1,043)
- interest income collected (+)	1,013	984
- dividends collected (+)	218	213
- interest expense paid (-)	(130)	(100)
- paid taxes (-)	(97)	(156)
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 (+/-)		
- Other financial instruments and liabilities at fair value through profit or loss (+/-)	1,599	1,008
- Other financial instruments and liabilities (+/-)	284	257
Total net cash flow generated by/used for operating activities	**2,314**	**2,526**
Net cash flows generated by/used for:	(+/-)	(+/-)
- Sale/purchase of investment property (+/-)	(24)	(266)
- Sale/purchase of investments in associates and joint ventures (+/-)	(49)	(74)
- Dividends collected on equity investments (+)	166	167
- Sale/purchase of financial assets measured at amortised cost (+/-)	(16)	119
- Sale/purchase of financial assets measured at fair value through other comprehensive income (+/-)	(703)	(1,441)
- Sale/purchase of property, plant and equipment and intangible assets (+/-)	(1,293)	(817)
- Sale/purchase of subsidiaries and business units (+/-)	(114)	(96)
- Other net cash flows from investing activities (+/-)	63	24
Total net cash flow generated by/used for investing activities	**(1,970)**	**(2,384)**
Net cash flows generated by/used for:	(+/-)	(+/-)
- Issues/purchases of equity instruments (+/-)		(25)
- Issues/purchases of treasury shares (+/-)		(2)
- Distribution of dividends and other purposes (-)	(509)	(564)
- Sale/purchase of non-controlling interests (+/-)		
- Issues/purchases of subordinated liabilities and participating financial instruments (+/-)	(80)	(80)
- Issues/purchases of liabilities measured at amortised cost (+/-)	392	472
Total net cash flow generated by/used for financing activities	**(197)**	**(199)**
NET CASH FLOW GENERATED/USED DURING THE YEAR	**148**	**(55)**

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	830	885
Total net cash flow generated/used during the year	148	(55)
Cash and cash equivalents: effect of exchange rate changes		
Cash and cash equivalents at 30 June	**978**	**830**

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 UnipolSai Group, consisting of UnipolSai SpA ("UnipolSai") 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 UnipolSai 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.

UnipolSai is a joint-stock company, has its registered office in Bologna (Italy) at via Stalingrado 45 and is listed on the Milan Stock Exchange.

The UnipolSai 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 on 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 UnipolSai 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 UnipolSai are subject to audit by the independent auditors EY S.p.A., 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 associate Pegaso Finanziaria SpA closes its financial year on 30 June and prepares interim financial statements in reference to the reporting date for 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 UnipolSai 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 UnipolSai Group. 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 (Building Block Approach – BBA), it is necessary to identify the “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. 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. Please recall that, 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 UnipolSai Group

A brief analysis is provided below of the main choices made by the UnipolSai 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.

<u>Scope of application</u>

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.

<u>Level of aggregation</u>

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 UnipolSai 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 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, on the basis of the information available at the transition date, 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 required 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 UnipolSai Group

A brief examination of the activities carried out in relation to the main areas of impact is provided below.

<u>Classification and measurement of financial instruments</u>

Classification and measurement of financial assets (credits and debt securities) was defined by the UnipolSai 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 previous categories Available-for-sale financial assets and Loans and receivables, which did not passed 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 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 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	Available-for-sale financial assets	Financial assets at fair value through profit or loss	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	4.5	4.6	5.1	5.2	5.3	6.1	6.2	6.3	6.4	6.5	7.	
1.	INTANGIBLE ASSETS	963	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	963
2.	PROPERTY, PLANT AND EQUIPMENT	-	2,431	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	-	2,436
3.1	Insurance contracts issued that are assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.2	Reinsurance contracts held that are assets	-	-	831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	831
4.1	Investment property	-	-	-	2,156	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,156
4.2	Investments in associates and interests in joint ventures	-	-	-	-	176	-	-	-	-	-	-	-	-	-	-	-	-	-	176
4.3	Financial assets at amortised cost	-	-	-	-	-	66	2,484	-	-	-	-	-	-	-	-	-	-	-	2,550
4.4	Financial assets at fair value through OCI	-	-	-	-	-	301	2,457	42,556	2	-	-	-	-	-	-	-	-	-	45,316
4.5 a)	Held-for-trading assets at FVPL	-	-	-	-	-	-	-	-	145	-	-	-	-	-	-	-	-	-	145
4.5 b)	Assets at FVPL	-	-	-	-	-	-	-	-	8,345	-	-	-	-	-	-	-	-	-	8,345
4.5 c)	Other assets mandatorily at FVPL	-	-	-	-	-	-	304	7,879	82	-	-	-	-	-	-	-	-	-	8,265
5.	OTHER FINANCIAL ASSETS	-	-	-	-	-	-	-	-	-	1,398	205	1,822	-	-	-	-	-	-	3,425
6.1	Non-current assets or assets of a disposal group held for sale	-	-	-	-	-	-	-	-	-	-	-	-	133	-	-	-	-	-	133
6.2 a)	Current tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9	-	-	9
6.2 b)	Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	108	-	-	-	108
6.3	Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	100	-	-	616	-	716
7.	CASH AND CASH EQUIVALENTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	885	885
	Total	963	2,431	831	2,156	176	367	5,245	50,435	8,574	1,398	205	1,822	133	100	108	9	621	885	**76,459**

	1/1/2022 (previous presentation) / 1/1/2022 (new presentation)	GSE - Share capital	GSE - Other equity instruments	GSE - Capital reserves	GSE - Income-related and other equity reserves	GSE - (Treasury shares)	GSE - Reserve for foreign currency translation differences	GSE - Gains or losses on available-for-sale financial assets	GSE - Other gains or losses recognised directly in equity	Profit (loss) for the year attributable to the owners of the Parent	NCI - Share capital and reserves attributable to non-controlling interests	NCI - Gains or losses recognised directly in equity	Profit (loss) for the year attributable to non-controlling interests	Total
		1.1.1	1.1.2	1.1.3	1.1.4	1.1.5	1.1.6	1.1.7	1.1.8	1.1.9	1.2.1	1.2.2	1.2.3	
1.1	Share capital	2,031	-	-	-	-	-	-	-	-	-	-	-	2,031
1.2	Other equity instruments	-	496	-	-	-	-	-	-	-	-	-	-	496
1.3	Capital reserves	-	-	347	-	-	-	-	-	-	-	-	-	347
1.4	Income-related and other equity reserves	-	-	-	3,146	-	-	-	-	688	-	-	-	3,835
1.5	Treasury shares (-)	-	-	-	-	(1)	-	-	-	-	-	-	-	(1)
1.6	Valuation reserves	-	-	-	-	-	4	1,285	(34)	-	-	-	-	1,256
1.7	Shareholders' Equity attributable to non-controlling interests (+/-)	-	-	-	-	-	-	-	-	-	217	18	35	270
1.8	Profit (loss) for the year attributable to the Parent (+/-)	-	-	-	-	-	-	-	-	-	-	-	-	-
1.9	Profit (loss) for the year attributable to non-controlling interests (+/-)	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Shareholders' Equity	2,031	496	347	3,146	(1)	4	1,285	(34)	688	217	18	35	**8,234**

	1/1/2022 (previous presentation) / 1/1/2022 (new presentation)	PROVISIONS	TECHNICAL PROVISIONS	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Payables arising from direct insurance business	Payables arising from reinsurance business	Other payables	Liabilities associated with disposal groups held for sale	Deferred tax liabilities	Current tax liabilities	Other liabilities	Total
		2.	3.	4.1	4.2	5.1	5.2	5.3	6.1	6.2	6.3	6.4	
2.	PROVISIONS FOR RISKS AND CHARGES	422	-	-	-	-	-	-	-	-	-	-	422
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	-	-	445	-	-	-	-	-	-	-	-	445
4.1 b)	Financial liabilities at FVPL	-	-	5,911	-	-	-	-	-	-	-	-	5,911
4.2	Financial liabilities at amortised cost	-	-	-	2,055	-	-	-	-	-	-	-	2,055
5.	PAYABLES	-	-	-	-	188	104	900	-	-	-	-	1,192
6.1	Liabilities associated with disposal groups held for sale	-	-	-	-	-	-	-	3	-	-	-	3
6.2 a)	Current tax liabilities	-	-	-	-	-	-	-	-	-	39	-	39
6.2 b)	Deferred tax liabilities	-	-	-	-	-	-	-	-	108	-	-	108
6.3	Other liabilities	-	-	-	-	-	-	-	-	-	-	922	922
	Total liabilities	422	57,128	6,356	2,055	188	104	900	3	108	39	922	**68,226**

Total Shareholders' Equity and Liabilities 76,459

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	Available-for-sale financial assets	Financial assets at fair value through profit or loss	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	4.5	4.6	5.1	5.2	5.3	6.1	6.2	6.3	6.4	6.5	7.	
1.	**INTANGIBLE ASSETS**	1,143	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,143
2.	**PROPERTY, PLANT AND EQUIPMENT**	-	2,784	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	-	2,789
3.1	Insurance contracts issued that are assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.2	Reinsurance contracts held that are assets	-	-	762	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	762
4.1	Investment property	-	-	-	2,359	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,359
4.2	Investments in associates and interests in joint ventures	-	-	-	-	162	-	-	-	-	-	-	-	-	-	-	-	-	-	162
4.3	Financial assets at amortised cost	-	-	-	-	-	64	2,134	16	-	-	-	-	-	-	-	-	-	-	2,213
4.4	Financial assets at fair value through OCI	-	-	-	-	-	302	2,479	34,719	-	-	-	-	-	-	-	-	-	-	37,500
4.5 a)	Held-for-trading assets at FVPL	-	-	-	-	-	-	-	-	284	-	-	-	-	-	-	-	-	-	284
4.5 b)	Assets at FVPL	-	-	-	-	-	-	-	-	8,786	-	-	-	-	-	-	-	-	-	8,786
4.5 c)	Other assets mandatorily at FVPL	-	-	-	-	-	-	281	6,548	52	-	-	-	-	-	-	-	-	-	6,881
5.	**OTHER FINANCIAL ASSETS**	-	-	-	-	-	-	-	-	-	1,416	192	1,864	-	-	-	-	-	-	3,472
6.1	Non-current assets or assets of a disposal group held for sale	-	-	-	-	-	-	-	-	-	-	-	-	533	-	-	-	-	-	533
6.2 a)	Current tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36	-	-	36
6.2 b)	Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	885	-	-	-	885
6.3	Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	102	-	-	1,478	-	1,580
7.	**CASH AND CASH EQUIVALENTS**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	826	826
	Total	1,143	2,784	762	2,359	162	366	4,894	41,283	9,121	1,416	192	1,864	533	102	885	36	1,483	826	70,211

	31/12/2022 (previous presentation) / 31/12/2022 (new presentation)	GSE - Share capital	GSE - Other equity instruments	GSE - Capital reserves	GSE - Income-related and other equity reserves	GSE - (Treasury shares)	GSE - Reserve for foreign currency translation differences	GSE - Gains or losses on available-for-sale financial assets	GSE - Other gains or losses recognised directly in equity	Profit (loss) for the year attributable to the owners of the Parent	NCI - Share capital and reserves attributable to non-controlling interests	NCI - Gains or losses recognised directly in equity	Profit (loss) for the year attributable to non-controlling interests	Total
		1.1.1	1.1.2	1.1.3	1.1.4	1.1.5	1.1.6	1.1.7	1.1.8	1.1.9	1.2.1	1.2.2	1.2.3	
1.1	Share capital	2,031	-	-	-	-	-	-	-	-	-	-	-	2,031
1.2	Other equity instruments	-	496	-	-	-	-	-	-	-	-	-	-	496
1.3	Capital reserves	-	-	347	-	-	-	-	-	-	-	-	-	347
1.4	Income-related and other equity reserves	-	-	-	3,236	-	-	-	-	-	-	-	-	3,236
1.5	Treasury shares (-)	-	-	-	-	(3)	-	-	-	-	-	-	-	(3)
1.6	Valuation reserves	-	-	-	-	-	4	(1,129)	(11)	-	-	-	-	(1,136)
1.7	Shareholders' Equity attributable to non-controlling interests (+/-)	-	-	-	-	-	-	-	-	-	225	(36)	-	189
1.8	Profit (loss) for the year attributable to the Parent (+/-)	-	-	-	-	-	-	-	-	597	-	-	-	597
1.9	Profit (loss) for the year attributable to non-controlling interests (+/-)	-	-	-	-	-	-	-	-	-	-	-	55	55
	Total Shareholders' Equity	2,031	496	347	3,236	(3)	4	(1,129)	(11)	597	225	(36)	55	**5,813**

	31/12/2022 (previous presentation) / 31/12/2022 (new presentation)	PROVISIONS	TECHNICAL PROVISIONS	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Payables arising from direct insurance business	Payables arising from reinsurance business	Other payables	Liabilities associated with disposal groups held for sale	Deferred tax liabilities	Current tax liabilities	Other liabilities	Total
		2.	3.	4.1	4.2	5.1	5.2	5.3	6.1	6.2	6.3	6.4	
2.	PROVISIONS FOR RISKS AND CHARGES	596	-	-	-	-	-	-	-	-	-	-	596
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	-	-	-	2,303	-	-	-	-	-	-	-	2,303
5.	PAYABLES	-	-	-	-	198	144	1,156	-	-	-	-	1,498
6.1	Liabilities associated with disposal groups held for sale	-	-	-	-	-	-	-	388	-	-	-	388
6.2 a)	Current tax liabilities	-	-	-	-	-	-	-	-	-	12	-	12
6.2 b)	Deferred tax liabilities	-	-	-	-	-	-	-	-	1	-	-	1
6.3	Other liabilities	-	-	-	-	-	-	-	-	-	-	995	995
	Total liabilities	596	51,766	6,839	2,303	198	144	1,156	388	1	12	995	**64,398**

Total Shareholders' Equity and Liabilities **70,211**

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)	Gross premiums earned 1.1.1	Earned premiums ceded to reinsurers 1.1.2	Commission income 1.2	Gains and losses on financial instruments at FVPL 1.3	Gains on investments in subs, ass, and interests in JV 1.4	Interest income 1.5.1	Other income 1.5.2	Realised gains 1.5.3	Unrealised gains 1.5.4	Other revenue 1.6	Charges relating to claims - Amounts paid and chan. tech. prov. 2.1.1	Charges relating to claims - Reinsurers' share 2.1.2	Commission expense 2.2	Losses on investments in subs. ass. and interests in JV 2.3	Interest expense 2.4.1	Other charges 2.4.2	Realised losses 2.4.3	Unrealised losses 2.4.4	Commissions and other acquisition costs 2.5.1	Investment management expenses 2.5.2	Other administrative expenses 2.5.3	Other costs 2.6	Taxes 3.	Profit (Loss) from discontinued operations 4	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	-	-	-	(313)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(313)
7.	Gains/losses on investments in associates and interests in joint ventures	-	-	-	-	23	-	-	-	-	-	-	-	-	(8)	-	-	-	-	-	-	-	-	-	-	15
8.1	Interest income calculated with the effective interest method	-	-	-	-	-	1,508	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,508
8.2	Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(80)	-	-	-	-	-	-	-	-	-	(80)
8.3	Other gains/losses	-	-	-	-	-	-	345	-	-	-	-	-	-	-	-	(32)	-	-	-	-	-	-	-	-	314
8.4	Realised gains/losses	-	-	-	-	-	-	-	467	-	-	-	-	-	-	-	-	(413)	-	-	-	-	-	-	-	54
8.5	Unrealised gains/losses	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	(347)	-	-	-	(9)	-	-	(355)
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	-	-	5	-	-	-	1,112	-	-	(89)	-	-	-	-	-	-	-	-	(767)	-	-	310
14.1	Investment management expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(135)	-	-	-	-	(135)
14.2	Other administrative expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(747)	-	-	-	(747)
15.	Net provisions for risks and charges	-	-	-	-	-	-	-	-	-	10	-	-	-	-	-	-	-	-	-	-	-	1	-	-	11
16.	Net impairment losses/reversals on property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(282)	-	-	(282)
17.	Net impairment losses/reversals on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(41)	-	-	(41)
18.	Other operating expenses/income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.	Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(269)	-	(269)
22.	Profit (Loss) from discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	11,907	(541)	49	(313)	23	1,512	345	467	1	1,154	(8,783)	183	(89)	(8)	(80)	(32)	(413)	(347)	(1,887)	(135)	(747)	(1,347)	(269)	-	**651**

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	963	-	(38)	-	925
2.	PROPERTY, PLANT AND EQUIPMENT	2,436	-	-	-	2,436
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	66,953	457	(124)	-	67,286
4.1	Investment property	2,156	-	-	-	2,156
4.2	Investments in associates and interests in joint ventures	176	-	-	-	176
4.3	Financial assets at amortised cost	2,550	(5)	(124)	-	2,422
4.4	Financial assets at fair value through OCI	45,316	480	-	-	45,796
4.5 a)	Held-for-trading assets at FVPL	145	(13)	-	-	133
4.5 b)	Assets at FVPL	8,345	-	-	-	8,345
4.5 c)	Other assets mandatorily at FVPL	8,265	(6)	-	-	8,259
5.	OTHER FINANCIAL ASSETS	3,425	-	(987)	-	2,438
6.	OTHER ASSETS	965	-	(96)	310	1,180
6.1	Non-current assets or assets of a disposal group held for sale	133	-	-	-	132
6.2 a)	Current tax assets	9	-	-	-	9
6.2 b)	Deferred tax assets	108	-	-	310	418
6.3	Other assets	716	-	(95)	-	620
7.	CASH AND CASH EQUIVALENTS	885	-	-	-	885
	TOTAL ASSETS	76,459	457	(968)	310	76,258

		1/1/2022 Reclassified	IFRS 9 transition effect	IFRS 17 transition effect	Tax effect	1/1/2022 Restated
1.	SHAREHOLDERS' EQUITY	8,234	470	(1,731)	378	7,352
1.1	Share capital	2,031	-	-	-	2,031
1.2	Other equity instruments	496	-	-	-	496
1.3	Capital reserves	347	-	-	-	347
1.4	Income-related and other equity reserves	3,835	430	(383)	(22)	3,859
1.5	Treasury shares (-)	(1)	-	-	-	(1)
1.6	Valuation reserves	1,256	36	(1,352)	403	343
1.7	Shareholders' Equity attributable to non-controlling interests (+/-)	270	4	4	(3)	275
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	422	-	-	-	422
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	8,411	(13)	2,090	-	10,488
4.1 a)	Held-for-trading financial liabilities at FVPL	445	(13)	-	-	432
4.1 b)	Financial liabilities at FVPL	5,911	-	2,220	-	8,131
4.2	Financial liabilities at amortised cost	2,055	-	(131)	-	1,924
5.	PAYABLES	1,192	-	(113)	-	1,079
6.	OTHER LIABILITIES	1,072	-	53	(69)	1,056
6.1	Liabilities associated with disposal groups held for sale	3	-	-	-	3
6.2 a)	Current tax liabilities	39	-	-	-	39
6.2 b)	Deferred tax liabilities	108	-	-	(69)	39
6.3	Other liabilities	922	-	53	-	975
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	76,459	457	(968)	310	76,258

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	1,143	-	(24)	-	1,119
2.	PROPERTY, PLANT AND EQUIPMENT	2,789	-	1	-	2,791
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	58,186	(431)	(133)	-	57,622
4.1	Investment property	2,359	-	-	-	2,359
4.2	Investments in associates and interests in joint ventures	162	-	-	-	162
4.3	Financial assets at amortised cost	2,213	(4)	(133)	-	2,076
4.4	Financial assets at fair value through OCI	37,500	(374)	-	-	37,126
4.5 a)	Held-for-trading assets at FVPL	284	(3)	-	-	281
4.5 b)	Assets at FVPL	8,786	-	-	-	8,786
4.5 c)	Other assets mandatorily at FVPL	6,881	(49)	-	-	6,832
5.	OTHER FINANCIAL ASSETS	3,472	-	(1,001)	-	2,470
6.	OTHER ASSETS	3,034	-	(116)	(29)	2,888
6.1	Non-current assets or assets of a disposal group held for sale	533	-	(18)	-	514
6.2 a)	Current tax assets	36	-	-	-	36
6.2 b)	Deferred tax assets	885	-	-	(29)	856
6.3	Other assets	1,580	-	(98)	-	1,482
7.	CASH AND CASH EQUIVALENTS	826	-	-	-	826
	TOTAL ASSETS	70,211	(431)	(1,055)	(29)	68,696

		31/12/2022 Reclassified	IFRS 9 transition effect	IFRS 17 transition effect	Tax effect	31/12/2022 Restated
1.	SHAREHOLDERS' EQUITY	5,813	(426)	1,752	(404)	6,733
1.1	Share capital	2,031	-	-	-	2,031
1.2	Other equity instruments	496	-	-	-	496
1.3	Capital reserves	347	-	-	-	347
1.4	Income-related and other equity reserves	3,236	427	(383)	(20)	3,260
1.5	Treasury shares (-)	(3)	-	-	-	(3)
1.6	Valuation reserves	(1,136)	(132)	1,586	(409)	(91)
1.7	Shareholders' Equity attributable to non-controlling interests (+/-)	189	(23)	80	(18)	227
1.8	Profit (loss) for the year attributable to the Parent (+/-)	597	(686)	468	40	418
1.9	Profit (loss) for the year attributable to non-controlling interests (+/-)	55	(11)	1	4	48
2.	PROVISIONS FOR RISKS AND CHARGES	596	-	-	-	596
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	9,142	-	1,752	-	10,894
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	2,303	-	(132)	-	2,171
5.	PAYABLES	1,498	-	(144)	-	1,353
6.	OTHER LIABILITIES	1,397	(5)	27	376	1,793
6.1	Liabilities associated with disposal groups held for sale	388	-	(28)	-	360
6.2 a)	Current tax liabilities	12	-	-	-	12
6.2 b)	Deferred tax liabilities	1	-	-	376	376
6.3	Other liabilities	995	(5)	55	-	1,045
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	70,211	(431)	(1,053)	(28)	68,696

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	(313)	(347)	342	-	(318)
7.	Gains/losses on investments in associates and interests in joint ventures	15	-	-	-	15
8.1	Interest income calculated with the effective interest method	1,508	(107)	-	-	1,401
8.2	Interest expense	(80)	4	-	-	(76)
8.3	Other gains/losses	314	(154)	-	-	160
8.4	Realised gains/losses	54	(65)	-	-	(11)
8.5	Unrealised gains/losses	(355)	(29)	-	-	(384)
9.	**Investment result**	**1,142**	**(697)**	**342**	**-**	**787**
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**	**1,191**	**(697)**	**(548)**	**-**	**(53)**
13.	**Other revenue/costs**	**310**	**-**	**163**	**-**	**476**
14.1	**Investment management expenses**	**(135)**	**-**	**44**	**-**	**(91)**
14.2	**Other administrative expenses**	**(747)**	**-**	**402**	**-**	**(345)**
15.	**Net provisions for risks and charges**	**11**	**-**	**-**	**-**	**11**
16.	**Net impairment losses/reversals on property, plant and equipment**	**(282)**	**-**	**-**	**-**	**(282)**
17.	**Net impairment losses/reversals on intangible assets**	**(41)**	**-**	**(56)**	**-**	**(97)**
18.	**Other operating expenses/income**	**-**	**-**	**-**	**-**	**(1)**
19.	**Pre-tax profit (loss) for the year**	**920**	**(697)**	**467**	**-**	**692**
20.	**Taxes**	**(269)**	**-**	**-**	**43**	**(226)**
21.	**Profit (Loss) for the year after taxes**	**651**	**(697)**	**467**	**43**	**466**
22.	**Profit (Loss) from discontinued operations**	**-**	**-**	**-**	**-**	**-**
23.	**Consolidated profit (loss)**	**651**	**(697)**	**467**	**43**	**466**
	of which attributable to the Parent	*597*	*(686)*	*465*	*39*	*418*
	of which attributable to non-controlling interests	*55*	*(11)*	*1*	*3*	*48*

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	8,234	651	(2,446)	(627)	5,813
Impact of IFRS 9 application	470	(697)	(198)	-	(426)
Impact of IFRS 17 application of which:	(1,731)	467	3,017	-	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	43	(830)	-	(404)
Total adjustments	**(883)**	**(188)**	**1,990**	**-**	**921**
Data restated	**7,352**	**466**	**(456)**	**(627)**	**6,733**

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 €7,352m, was €883m lower than the €8,234m 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 €470m, 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 €651m to €466m, against a negative impact of €697m resulting from the application of IFRS 9, a positive impact of €467m resulting from the application of IFRS 17, and the related positive deferred tax effects of €43m. 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 €2,446m to €456m 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 €921m on shareholders' equity at 31 December 2022 deriving from the 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 (€426m) 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 UnipolSai 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 UnipolSai 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 UnipolSai 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 UnipolSai 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 UnipolSai 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 UnipolSai 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 the income statement (not even for cancellation/netting); only dividends are recognised in the income statement.

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[3].

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.

3 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.

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

For the 2021-2023 three-year period, UnipolSai has opted for the Group tax regime regulated by Art. 117 et seq. of Italian Presidential Decree no. 917/86, under the tax consolidating company Unipol Gruppo, together with its own subsidiaries that meet the regulatory requirements.
An agreement was signed between the consolidating company and the respective consolidated companies, regulating the financial and procedural aspects governing the option in question.

Tax for the year is calculated according to current tax regulations and recognised among costs for the year. It 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.
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 - for UnipolSai Ordinary shares only - recognised directly in 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 UnipolSai 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 UnipolSai 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 UnipolSai Group's Consolidated Financial Statements at 31 December 2023 were drawn up by combining the figures of UnipolSai and those for the 61 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, there were 20 associated companies.

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%	62.20%		100.00%
Arca Direct Assicurazioni Srl	086 - Italy		G	11	1	100.00%	63.39%		100.00%
Arca Inlinea Scarl	086 - Italy		G	11	1	100.00%	62.92%		100.00%
Arca Sistemi Scarl	086 - Italy		G	11	1	100.00%	63.19%		100.00%
Arca Vita International Dac	040 - Ireland		G	2	1	100.00%	63.39%		100.00%
Arca Vita SpA	086 - Italy		G	1	1	63.39%	63.39%		100.00%
Athens R.E. Fund	086 - Italy		G	10	1	89.59%	89.59%		100.00%
BeRebel SpA	086 - Italy		G	11	1	100.00%	100.00%		100.00%
BIM Vita SpA	086 - Italy		G	1	1	50.00%	50.00%		100.00%
Cambiomarcia Srl	086 - Italy		G	11	1	100.00%	100.00%		100.00%
Casa di Cura Villa Donatello - SpA	086 - Italy		G	11	1	100.00%	100.00%		100.00%
Centri Medici Dyadea Srl	086 - Italy		G	11	1	100.00%	100.00%		100.00%
Centro Oncologico Fiorentino Casa di Cura Villanova Srl in Liquidazione	086 - Italy		G	11	1	100.00%	100.00%		100.00%
Compagnia Assicuratrice Linear SpA	086 - Italy		G	1	1	100.00%	100.00%		100.00%
Consorzio Castello	086 - Italy		G	10	1	99.57%	99.57%		100.00%
Consorzio tra Proprietari Centro Commerciale Porta Marcolfa	086 - Italy		G	11	1	68.46%	68.46%		100.00%
DaVinci Healthcare Srl	086 - Italy		G	11	1	77.06%	77.06%		100.00%
Ddor Auto - Limited Liability Company	289 - Serbia		G	3	1	100.00%	100.00%		100.00%
Ddor Novi Sad	289 - Serbia		G	3	1	100.00%	100.00%		100.00%
Ddor Re	289 - Serbia		G	6	1	100.00%	100.00%		100.00%
Finsai International Sa	092 - Luxembourg		G	11	1	100.00%	100.00%		100.00%
Florence Centro di Chirurgia Ambulatoriale Srl	086 - Italy		G	11	1	100.00%	100.00%		100.00%
Fondazione Unipolis	086 - Italy		G	11	1	100.00%	100.00%		100.00%
Fondo Emporion	086 - Italy		G	10	1	100.00%	100.00%		100.00%
Fondo Landev	086 - Italy		G	10	1	100.00%	100.00%		100.00%
Fondo Oikos	086 - Italy		G	10	1	100.00%	100.00%		100.00%
Gratia et Salus Srl	086 - Italy		G	11	1	100.00%	100.00%		100.00%
Gruppo UNA SpA	086 - Italy		G	11	1	100.00%	100.00%		100.00%
I.Car Srl	086 - Italy		G	11	1	100.00%	100.00%		100.00%
Immobiliare C.S. Srl	086 - Italy		G	10	1	100.00%	100.00%		100.00%
IRMA Srl	086 - Italy		G	11	1	100.00%	100.00%		100.00%
Ital H&R Srl	086 - Italy		G	11	1	100.00%	100.00%		100.00%
Leithà Srl	086 - Italy		G	11	1	100.00%	100.00%		100.00%
LinearNext Srl	086 - Italy		G	11	1	100.00%	100.00%		100.00%
Marina di Loano SpA	086 - Italy		G	10	1	100.00%	100.00%		100.00%
Meridiano Secondo Srl	086 - Italy		G	10	1	100.00%	100.00%		100.00%
Midi Srl	086 - Italy		G	10	1	100.00%	100.00%		100.00%
Nuove Iniziative Toscane - Societa' a Responsabilita' Limitata	086 - Italy		G	10	1	100.00%	100.00%		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
Nuove Terme Petriolo Srl	086 - Italy		G	11	1	100.00%	89.59%		100.00%
Santagostino Servizi e Prodotti Srl	086 - Italy		G	11	1	100.00%	100.00%		100.00%
Siat-Societa' Italiana Assicurazioni e Riassicurazioni - per Azioni	086 - Italy		G	1	1	94.69%	94.69%		100.00%
Società e Salute SpA	086 - Italy		G	11	1	100.00%	100.00%		100.00%
Tantosvago Srl	086 - Italy		G	11	1	75.00%	75.00%		100.00%
Tenute del Cerro SpA - Societa' Agricola	086 - Italy		G	11	1	100.00%	100.00%		100.00%
Tenute del Cerro Wines Srl	086 - Italy		G	11	1	100.00%	100.00%		100.00%
Tikal R.E. Fund	086 - Italy		G	10	1	100.00%	100.00%		100.00%
UniAssiTeam Srl	086 - Italy		G	11	1	65.00%	65.00%		100.00%
Unicasa Italia SpA	086 - Italy		G	11	1	70.00%	70.00%		100.00%
UnipolAssistance Scrl	086 - Italy		G	11	1	100.00%	99.86%		100.00%
UnipolGlass Srl	086 - Italy		G	11	1	70.00%	70.00%		100.00%
UnipolHome SpA	086 - Italy		G	11	1	100.00%	100.00%		100.00%
UnipolPay SpA	086 - Italy		G	11	1	100.00%	100.00%		100.00%
UnipolRental SpA	086 - Italy		G	11	1	100.00%	80.01%		100.00%
UnipolSai Finance SpA	086 - Italy		G	9	1	100.00%	100.00%		100.00%
UnipolSai Motor Partner Srl	086 - Italy		G	11	1	100.00%	100.00%		100.00%
UnipolSai Servizi Previdenziali Srl	086 - Italy		G	11	1	100.00%	100.00%		100.00%
UnipolService SpA	086 - Italy		G	11	1	100.00%	100.00%		100.00%
UnipolTech SpA	086 - Italy		G	11	1	100.00%	100.00%		100.00%
Unisalute Servizi Srl	086 - Italy		G	11	1	100.00%	98.99%		100.00%
UniSalute SpA	086 - Italy		G	1	1	98.99%	98.99%		100.00%
WelBee SpA	086 - Italy		G	11	1	100.00%	100.00%		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	Dividends distributed to non-controlling interests	Consolidated profit (loss) attributable to non-controlling	Shareholders' Equity attributable to non-controlling interests
Arca Vita	36.61%		17	47	230

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. Arca Vita	15,138	333	117	11,877	2,895	618	493	181	127		127	16	142

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

	31/3/2023
Intangible assets	1,952
Property, plant and equipment	40,951
Investments	390
Other financial assets	1,792
Other assets	2,784
Cash and 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 and 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 UnipolSai Group is not exposed to changes deriving from the performance of unconsolidated structured entities. The UnipolSai 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 UnipolSai 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	Correspondin g 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:
- the regulated market in which the instrument subject to measurement is traded and regularly listed;
- the multilateral trading system (MTF) in which the instrument subject to measurement is traded or regularly listed;
- 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:
- the primary source is the CBBT price provided by data provider Bloomberg;
- 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 UnipolSai 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 UnipolSai 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, broken down by fair value hierarchy level.

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		37,649	34,972	2,607	2,207	611	523	40,867	37,126
Financial assets at fair value through profit or loss		12,457	12,162	214	394	3,738	3,414	16,410	15,899
a)	Held-for-trading financial assets	7	9	44	215	22	57	72	281
b)	Financial assets at fair value	10,578	8,692			101	93	10,679	8,786
c)	Other financial assets mandatorily at fair value	1,872	3,461	171	178	3,616	3,264	5,659	6,832
Investment property									
Property, plant and equipment									
Intangible assets									
Total		50,106	47,135	2,822	2,601	4,349	3,936	57,277	53,025
Financial liabilities at fair value through profit or loss		9	7	80	142	10,418	8,573	10,507	8,723
a)	Held for trading financial liabilities	9	7	80	142	5	5	95	155
b)	Financial liabilities 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			Investment property	Property,	Intangible	Financial liabilities at fair value through profit or loss	
			held for trading	at fair value through profit or loss	mandatorily at fair value		plant and equipment	assets	held for trading	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
2.1	Acquisitions	80		10	474					
2.2	Gains recognised through:									
	2.2.1 Profit and Loss			4	206					
	of which gains									
	of which losses									
	2.2.2 Other Comprehensive Income	11								
2.3	Transfers to other levels									
2.4	Other increasing changes								1	1,844
3.	Decreasee	(2)	(36)	(6)	(328)				(1)	
3.1	Sales									
3.2	Repayments			(6)	(177)					
3.3	Losses recognised through:									
	3.3.1 Profit and Loss				(150)				(1)	
	of which losses									
	of which gains									
	3.3.2 Other Comprehensive Income	(2)								
3.4	Transfers to other levels									
3.5	Other decreasing changes		(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	**(3.00)**	**3.06**	**(13.60)**	**13.89**
Fair Value delta %	*(0.83)*	*0.84*	*(3.75)*	*3.83*

Fair value measurement on a non-recurring basis

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.
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	2,149	2,076	91	56	965	910	1,064	1,007	2,120	1,973
Investments in associates and j-v	170	162					170	162	170	162
Investment property	2,364	2,359					2,802	2,749	2,802	2,749
Non-current assets or assets of a disposal group held for sale	133	514								
Total assets	4,816	5,111	91	56	965	910	4,036	3,918	5,092	4,883
Liabilities										
Financial liabilities at amortised cost	3,064	2,171	1,284	1,260			1,777	885	3,060	2,145
Liabilities associated with disposal groups held for sale		360								
Total Liabilities	3,064	2,531	1,284	1,260			1,777	885	3,060	2,145

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			765		602
A.1.1	attributable to the owners of the Parent			765		602
A.1.2	attributable to non-controlling interests					
A.2	Other intangible assets		602		517	
	of which software		562		482	
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	765	517	602

Goodwill

The change in Goodwill is attributable to the consolidation difference, provisionally determined as permitted by IFRS 3, arising from the acquisition of the subsidiary Società e Salute SpA and the acquisition, via merger by incorporation, of SIFÀ Società Italiana Flotte Aziendali SpA by 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, and on the allocation of this goodwill to the CGUs, please refer to Chapter 3.10 "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 the customisation of software programmes for €562m (€482m in 2022) and other intangible assets for €40m (€35m 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**	602			517		1,119
A.1	Total net impairment losses						
A.2	**Net opening balances**	602			517		1,119
B.	**Increases**	163			207		370
B.1	Purchases	163			207		370
	of which from business combinations	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**	765			602		1,367
D.1	Total net value adjustments						
E.	**Gross closing balances**	765			602		1,367
F.	**Measurement at cost**	765			602		1,367

2. Property, plant and equipment

At 31 December 2023, Property, plant and equipment, net of accumulated depreciation, amounted to €4,124m (€2,791m 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	**3,948**	**2,666**			**46**	**41**
a) land	63	63				
b) buildings	1,335	1,355				
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**	**85**				
a) land						
b) buildings	106	74				
c) office furniture and machines						
d) plant and equipment	22	8				
e) other assets	1	2				
Total	**4,078**	**2,750**			**46**	**41**

Property, plant and equipment for own use: annual changes

Amounts in €m

	Land	Buildings	Office furniture	Plant and equipment	Other tangible	Total
A. Opening gross balances	71	1,981	438	427	1,624	4,542
A.1 Accumulated depreciation and impairment	(8)	(551)	(352)	(268)	(572)	(1,751)
A.2 Net opening balances	63	1,430	86	160	1,052	2,791
B. Increases:		106	36	102	1,610	1,854
B.1 Purchases		44	36	102	1,610	1,792
of which from business combinations		19	6	26	614	666
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		18				18
B.7 Other changes						
C. Decreases:		(94)	(25)	(42)	(359)	(520)
C.1 Sales		(6)	(1)	(14)	(73)	(94)
C.2 Depreciation		(52)	(24)	(28)	(285)	(389)
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:		(36)				(36)
a) investment property		(32)				(32)
b) non-current assets or assets of a disposal group held for sale		(4)				(4)
C.7 Other changes						
D. Net closing balances	63	1,442	96	219	2,304	4,124
D.1 Accumulated depreciation and impairment	(8)	(593)	(381)	(381)	(934)	(2,297)
D.2 Gross closing balances	71	2,035	477	600	3,238	6,421
E. Measurement at cost	63	1,442	96	219	2,304	4,124

The current value of properties for own use, €1,766m, 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, and the merger of SIFÀ Società Italiana Flotte Aziendali SpA into UnipolRental.

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:

Amounts in €m

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								
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		Totale 31/12/2023	Assets for residual coverage 31/12/2022		Assets for claims incurred 31/12/2022		Totale 31/12/2022
	Net of the loss recovery component	Loss recovery component	Present value of cash flows	Adjustment for non-financial risks		Net of the loss recovery component	Loss recovery component	Present value of cash flows	Adjustment for non-financial risks	
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										
6. Total	(20)		13		(6)	(20)		13		(7)
C. Insurance service result (Total B)										
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	(20)		13		(6)	(20)		13		(7)
F. Total amount recorded in the Income						(1)				(1)
G. Other changes	21		(9)		12	17		(11)		6
H. Cash movements	20				20	16		(11)		5
1. Premiums paid net of amounts not related	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		Totale 31/12/2023	Assets for residual coverage 31/12/2022		Assets for claims incurred 31/12/2022		Totale 31/12/2022
	Net of the loss recovery component	Loss recovery component	Present value of cash flows	Adjustment for non-financial risks		Net of the loss recovery component	Loss recovery component	Present value of cash flows	Adjustment for non-financial risks	
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)
6. Total	(289)		604	5	321	(286)	(1)	164	2	(121)
C. Insurance service result (Total B)			4		4	1		(7)	(1)	(7)
D. Net finance income/expenses			6	1	6			(9)	(1)	(10)
1. Relating to reinsurance contracts held			3		4			(1)		(1)
1.1. Recorded in the Income Statement			3		3			(8)	(1)	(9)
1.2. Recorded in the Comprehensive Income Statement			(1)		(2)	1		2		3
3. Total										
E. Investment components	(289)		609	5	325	(286)	(1)	156	2	(128)
F. Total amount recorded in the Income	3		(15)		(12)	(79)	1	(14)		(92)
G. Other changes	157		(240)		(83)	265		(97)		167
H. Cash movements	154				154	265				265
1. Premiums paid net of amounts not related	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

NON-LIFE SEGMENT

Amounts in €m

Items/Features underlying measurement	Features underlying the measurement of the book value of reinsurance transfers							
	Present value of cash flows	Adjustment for non-financial risks	Contractual service margin	Total	Present value of cash flows	Adjustment for non-financial risks	Contractual service margin	Total
	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2022	31/12/2022	31/12/2022	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 received	(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	(6)		(6)						
of which: Cash flows associated with the acquisition of insurance contracts									
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)						
of which: Cash flows associated with the acquisition of insurance contracts									
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 €61,960m (€57,622m 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	2,364	*3.8*	2,359	*4.1*	*0.2*
Investments in associates and interests in joint ventures	170	*0.3*	162	*0.3*	*4.6*
Financial assets at amortised cost	2,149	*3.5*	2,076	*3.6*	*3.5*
Financial assets at fair value through OCI	40,867	*66.0*	37,126	*64.4*	*10.1*
Financial assets at fair value through profit or loss	16,410	*26.5*	15,898	*27.6*	*3.2*
Held-for-trading financial assets	72	*0.1*	281	*0.5*	*(74.2)*
Financial assets at fair value	10,679	*17.2*	8,786	*15.2*	*21.5*
Other financial assets mandatorily at fair value	5,659	*9.1*	6,832	*11.9*	*(17.2)*
Total Investiments	61,960	*100.0*	57,622	*100.0*	*7.5*

4.1 Investment property

At 31 December 2023, Investment property, net of the related accumulated depreciation, amounted to €2,364m (€2,359m in 2022): the breakdown is shown 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	31/12/202
1. Owned assets	2,359	2,356		
a) land	74	77		
b) buildings	2,284	2,280		
2. Rights of use acquired through leasing	5	3		
a) land				
b) buildings	5	3		
Total	2,364	2,359		

Investment property: annual changes

Amounts in €m

	Land	Buildings	Total
A. Opening gross balances	120	3,113	3,233
A.1 Accumulated depreciation and impairment	(44)	(830)	(874)
A.2 Net opening balances	77	2,282	2,359
B. Increases		164	164
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		32	32
B.7 Other changes			
C. Decreases	(2)	(157)	(159)
C.1 Sales	(2)	(66)	(68)
C.2 Depreciation		(52)	(52)
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		(24)	(24)
a) properties for own use		(18)	(18)
b) non-current assets or assets of a disposal group held for sale		(6)	(6)
C.7 Other changes			
D. Net closing balances	74	2,290	2,364
D.1 Accumulated depreciation and impairment	(46)	(878)	(924)
D.2 Gross closing balances	120	3,168	3,288
E. Measurement at fair value			

4.2 Investments in associates and interests in joint ventures

At 31 December 2023, Investments in associates and interests in joint ventures amounted to €170m (€162m at 31/12/2022).

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%	49.19%	
Assicoop Emilia Nord Srl		086 - Italy	11	b	50.00%	50.00%	
Assicoop Modena & Ferrara SpA		086 - Italy	11	b	43.75%	43.75%	
Assicoop Romagna Futura SpA		086 - Italy	11	b	50.00%	50.00%	
Assicoop Toscana SpA		086 - Italy	11	b	49.77%	49.77%	
Borsetto Srl		086 - Italy	10	b	44.93%	44.93%	
Cronos Vita SpA		086 - Italy	1	b	22.50%	22.50%	
Ddor Garant		289 - Serbia	11	b	40.00%	40.00%	
Fin.Priv. Srl		086 - Italy	11	b	28.57%	28.57%	
Funivie del Piccolo San Bernardo SpA		086 - Italy	11	b	23.55%	23.55%	
Pegaso Finanziaria SpA		086 - Italy	9	b	45.00%	45.00%	
SCS Azioninnova SpA		086 - Italy	11	b	42.85%	42.85%	
Uci - Ufficio Centrale Italiano		086 - Italy	11	b	38.40%	38.38%	
UnipolReC SpA		086 - Italy	11	b	14.76%	14.76%	
UnipolSai Investimenti Sgr SpA		086 - Italy	8	b	49.00%	49.00%	

(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.

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)
Società collegate						
31/12/2023	170	9		9	9	18
31/12/2022	162	2		2	(5)	(4)

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.

4.3 Financial assets at amortised cost

Financial assets at amortised cost: product breakdown, percentage composition and fair value hierarchy

Amounts in €m

	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	59.6	91	965	196	1,253	1,262	60.8	56	910	193	1,159
Government bonds	192	8.9					196	9.4				
a) listed	54	2.5					77	3.7				
b) unlisted	138	6.4					118	5.7				
Other debt securities	1,090	50.7					1,067	51.4				
a) listed	37	1.7					2	0.1				
b) unlisted	1,053	49.0					1,065	51.3				
2) Loans and receivables	868	40.4			868	868	814	39.2			814	814

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	868			814		
a) to banks	49			52		
b) to customers	818			762		
- Mortgage loans						
- Policy loans	10			12		
- Other loans and receivables	808			750		
Total	2,149			2,076		

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	1,093	976			(3)	(3)		
Loans and receivables	885			1	(17)			(1)
- banks	49							
- customers	835			1	(17)			(1)
Total 31/12/2023	2,170	995		1	(21)	(3)		(1)
Total 31/12/2022	2,097	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	2,174	*5.3*	2,186	*5.9*
a) listed	1,876	*4.6*	1,887	*5.1*
b) unlisted	298	*0.7*	299	*0.8*
Debt securities	38,693	*94.7*	34,940	*94.1*
Government bonds	25,649	*62.8*	24,034	*64.7*
a) listed	24,464	*59.9*	22,994	*61.9*
b) unlisted	1,185	*2.9*	1,039	*2.8*
Other debt securities	13,044	*31.9*	10,906	*29.4*
a) listed	11,309	*27.7*	9,530	*25.7*
b) unlisted	1,736	*4.2*	1,376	*3.7*
Other financial instruments				
Total	40,867	*100.0*	37,126	*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	Second stage	Third stage	First stage	Of which assets with low credit	Second stage	Third stage
Government bonds	25,672	25,423			(23)	(22)		
Other debt securities	12,895	10,976	197		(41)	(30)	(7)	
Other financial								
Total 31/12/2023	38,567	36,398	197		(64)	(53)	(7)	
Total 31/12/2022	34,745	33,650	281		(75)	(63)	(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*	3	*0.1*	3	*0.0*
a) listed					157	*1.5*	132	*1.5*	3	*0.1*	3	*0.0*
b) unlisted												
Treasury shares												
Own financial liabilities												
Other debt securities					5,357	*50.2*	4,061	*46.2*	1,527	*27.0*	2,753	*40.3*
a) listed					5,357	*50.2*	4,061	*46.2*	1,285	*22.7*	2,501	*36.6*
b) unlisted								*0.0*	242	*4.3*	252	*3.7*
UCITS units					4,861	*45.5*	4,316	*49.1*	4,128	*73.0*	4,076	*59.7*
Non-hedging derivatives	42	*58.7*	99	*35.2*								
Hedging derivatives	30	*41.3*	182	*64.8*								
Other financial instruments					304	*2.9*	277	*3.2*				
Total	72	*100.0*	281	*100.0*	10,679	*100.0*	8,786	*100.0*	5,659	*100.0*	6,832	*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

Line item in the statement of financial position including the hedging instruments	Hedging instrument				
	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	1,853	1,866	*(0.7)*
Total Other financial assets	**2,433**	**2,470**	***(1.5)***

The item Other receivables included, inter alia:
- tax receivables amounting to €1,165m (€1,116m at 31/12/2022);
- trade receivables amounting to €360m (€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	408	856	*(52.3)*
Current tax assets	3	36	*(91.7)*
Other assets	2,592	1,482	*74.9*
Total other assets	3,136	2,888	*8.6*

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 €978m (€826m at 31/12/2022).

LIABILITIES

1. Shareholders' equity

Shareholders' equity, excluding non-controlling interests, is composed as follows:

Amounts in €m

	31/12/2023	31/12/2022	*variation in amount*
Share capital	2,031	2,031	
Other equity instruments	496	496	
Capital reserves	347	347	
Income-related and other equity reserves	3,240	3,260	*(20)*
(Treasury shares)	(3)	(3)	
Valuation reserves	215	(91)	*306*
Reserve for foreign currency translation differences	4	4	
Gains/(losses) on financial assets at fair value through OCI	(837)	(2,470)	*1,633*
Financial revenues/(costs) relating to insurance/reinsurance contracts	1,059	2,428	*(1,369)*
Other gains or losses recognised directly in equity	(11)	(53)	*42*
Profit (loss) for the year	700	418	*282*
Total shareholders' equity attributable to the owners of the Parent	7,026	6,458	*568*

Movements in shareholders' equity recognised during the year with respect to 31 December 2022 are set out in the attached statement of changes in shareholders' equity.
The main changes in the Group's shareholders' equity were as follows:

- a decrease due to dividend distribution to shareholders for €453m;
- a decrease, amounting to €25m net of related tax effects, due to the payment of the coupon to the holders of the restricted tier 1 capital instrument classified under Other equity instruments;
- an increase due to the positive change in valuation reserves of €306m;
- an increase of €32m deriving from realised gains from the sale of equity instruments measured at fair value through other comprehensive income;
- an increase of €700m for Group profit of the period.

1.1 Share capital

"Share capital" and "Treasury shares": breakdown

At 31 December 2023, the Parent UnipolSai's fully paid-up share capital amounted to €2,031m, and was made up of 2,829,717,372 ordinary shares (unchanged compared to 31/12/2022).

At 31 December 2023, the treasury shares held directly or indirectly by UnipolSai totalled 1,087,879 (1,162,312 at 31/12/2022), of which 947,782 shares were held directly and 140,097 shares held by the following subsidiaries:

- SIAT held 51,687;
- UniSalute held 40,077;
- UnipolRental held 23,498;
- Leithà held 14,843;
- Arca Vita held 6,537;
- UnipolAssistance held 3,455.

During the year, 924,433 UnipolSai shares were allocated to UnipolSai 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	2,829,717,372	
- fully paid-up	2,829,717,372	
- not fully paid-up		
A.1 Treasury shares (-)	1,162,312	
A.2 Shares outstanding: opening balance	2,828,555,060	
B. Increases	924,433	
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	924,433	
B.3 Other changes		
C. Decreases	(850,000)	
C.1 Cancellation		
C.2 Purchase of treasury shares	(850,000)	
C.3 Sales of businesses		
C.4 Other changes		
D. Shares outstanding: closing balances	2,828,629,493	
D.1 Treasury shares (+)	1,087,879	
D.2 Shares at the end of the year	2,829,717,372	
- fully paid-up	2,829,717,372	
- 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

Shareholders' equity attributable to non-controlling interests amounted to €281m (€275m at 31/12/2022).
The main changes over the year related to:
- a decrease of €31m for payment of dividends to third parties;
- an increase of €66m due to profit attributable to non-controlling interests.

2. Provisions for risks and charges

The item "Provisions for risks and charges" totalled €519m at 31 December 2023 (€596m 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

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 Notes to the Income 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.

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.

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	BBA	PAA	Total	VFA	BBA	PAA	Total
	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2022	31/12/2022	31/12/2022	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 Motor segment		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 Statement (D+E+F)	**(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**	**(3,908)**	**34,119**	**5**	**263**	**(2,782)**
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**	**4,197**	**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 and in the Comprehensive Income Statement (D+E+F)								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	1,020
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 and in the Comprehensive Income Statement (D+E+F)	**(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 Statement			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 Statement and in the Comprehensive Income Statement (D+E+F)	(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

Items/Features underlying measurement	Features underlying the measurement of the book value of insurance contracts issued							
	Present value of cash flows	Adjustment for non-financial risks	Contractual service margin	Total 31/12/2023	Present value of cash flows	Adjustment for non-financial risks	Contractual service margin	Total 31/12/2022
	31/12/2023	31/12/2023	31/12/2023		31/12/2022	31/12/2022	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				
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

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
	Features underlying the measurement of the book value of insurance contracts issued							
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)
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

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 31/12/2022	Contractual service margin 31/12/2022	Total 31/12/2022
	Features underlying the measurement of the book value of insurance contracts issued							
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)
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	Adjustment for non-financial risks	Contractual service margin	Total 31/12/2023	Present value of cash flows	Adjustment for non-financial risks	Contractual service margin	Total 31/12/2022
	31/12/2023	31/12/2023	31/12/2023		31/12/2022	31/12/2022	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)
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 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	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 issued	4				4			(3)		(3)
2. Effects associated with changes in exchange rates										
3. Total	4				4			(3)		(3)
Total changes recognised in the Income Statement and in the Comprehensive Income Statement	121		(255)		(133)	93		(272)		(180)
Other movements										
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 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		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)						

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		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 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		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)									

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	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						

Items/Groups of contracts	Originated contracts 31/12/2022			Contracts acquired in business 31/12/2022			Contracts transferred from third 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 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	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						

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	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 release 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	Total
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	Year T-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, were €13,571m (€10,894m 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					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 value	% Comp	L1	L2	L3	Total Fair	Book value	% Comp	L1	L2	L3	Total Fair
Liabilities												
Equity instruments												
Subordinated liabilities	1,287	42.0	1,284			1,284	1,367	63.0	1,260		81	1,341
Debt securities issued	5	0.2			5	5						
Other loans obtained	1,772	57.8			1,772	1,772	804	37.0			804	804
a) from banks	261	8.5					196	9.0				
b) from customers	1,511	49.3					608	28.0				
Total	3,064	100.0	1,284		1,777	3,060	2,171	100.0	1,260		885	2,145

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.

Other loans, amounting to €1,772m (€804m 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 €1,370m.

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	*6.5*
Policyholders' tax due	159	168	*(5.4)*
Sundry tax payables	49	42	*18.5*
Trade payables	553	463	*19.4*
Post-employment benefits	41	46	*(11.1)*
Social security charges payable	42	44	*(3.1)*
Sundry payables	222	397	*(44.1)*
Total payables	1,273	1,353	*(5.9)*

6. Other liabilities

Amounts in €m

	31/12/2023	31/12/2022	% var.
Current tax liabilities	16	12	*33.3*
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	1,086	983	*10.5*
Total other liabilities	1,251	1,794	*(30.3)*

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	Basis A2	Basis A3	Basis A4	Total	Basis A1	Basis A2	Basis A3	Basis A4	Total
	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2022	31/12/2022	31/12/2022	31/12/2022	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	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	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	Basis A2	Total	Basis A1	Basis A2	Total
	31/12/2023	31/12/2023	31/12/2023	31/12/2022	31/12/2022	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 expenses			(6)			(47)	(22)			(15)			(49)	(27)
Other costs			(81)			(571)	(291)			(186)			(846)	(182)
Total	**(310)**	**(66)**	**(463)**	**(4,028)**	**(5,001)**	**(9,647)**	**(312)**	**(252)**	**(70)**	**(523)**	**(3,512)**	**(3,473)**	**(7,880)**	**(209)**

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	428	(361)	*n.s.*
on financial assets/liabilities at fair value through profit or loss	32	42	*(23.9)*
Total net gains/losses	460	(318)	*n.s.*

7. Gains/losses on investments in associates and interests in joint ventures

At 31 December 2023, they amounted to €38m (€15m at 31/12/2022).

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	148	72	*106.1*
on financial assets at fair value through OCI	1,285	1,329	*(3.3)*
Other income			
from investment property	123	107	*15.6*
from financial assets at fair value through OCI	103	85	*21.0*
Realised gains			
on investment property	15	2	*n.s.*
on financial assets at amortised cost			*(83.1)*
on financial assets at fair value through OCI	56	293	*(80.8)*
on financial liabilities at amortised cost			
Unrealised gains and reversals of impairment losses			
on financial assets at fair value through OCI	29	5	*508.4*
on other financial liabilities	1	2	*(26.8)*
Total	1,762	1,896	*(7.1)*

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	(126)	(76)	*66.4*
Other charges:			
from investment property	(51)	(29)	*73.0*
from financial assets at amortised cost			*(99.3)*
from financial assets at fair value through OCI	(2)	(1)	*123.2*
from other financial liabilities	(2)	(2)	*34.5*
Realised losses:			
on investment property	(1)	(6)	*(88.0)*
on financial assets at fair value through OCI	(69)	(301)	*(77.3)*
Unrealised losses and impairment losses:			
on investment property	(70)	(76)	*(8.8)*
on financial assets at fair value through OCI	(48)	(302)	*(84.2)*
on other financial assets	(7)	(10)	*(25.8)*
on other financial liabilities	(4)	(3)	*58.5*
Total	(379)	(806)	*(53.0)*

The Unrealised losses and impairment losses relating to investment property refer to depreciation for €52m and impairment for €15m (at 31/12/2022, they referred to depreciation for €51m and impairment for €23m).

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	(10)	(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	(42)	(30)	(10)	(8)	6	6		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	3,890	3,057	1,265	5,155	(8,262)	(7,234)	(1,332)	(9,594)
A.1 Interest income from financial assets at amortised cost and at fair value through other comprehensive income	1,032	970	397	1,428	1,062	1,012	338	1,401
A.2 Net gains/losses on assets at fair value through profit or loss	828	174	246	1,074	(1,194)	(260)	9	(1,185)
A.3 Net value adjustments/write-backs for credit risk	(3)	4	(6)	(9)	(26)	(25)	(19)	(46)
A.4 Other net income/costs	34	42	(42)	(8)	184	180	(412)	(228)
A.5 Net capital gains/losses on financial assets at fair value through other comprehensive income	1,999	1,867	670	2,669	(8,289)	(8,141)	(1,247)	(9,536)
B NET CHANGE IN INVESTMENT CONTRACTS ISSUED IFRS 9	(614)			(614)	866			866
C. NET FINANCIAL RESULT - OTHER	3,276	3,057	1,265	4,540	(7,396)	(7,234)	(1,332)	(8,728)
of which: recognised in the Income Statement	1,277	1,190	594	1,871	893	907	(84)	808
of which: recognised in the Comprehensive Income Statement	1,999	1,867	670	2,669	(8,289)	(8,141)	(1,247)	(9,536)

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	203	840	1,043	(8,183)	(1,318)	(9,500)
A.1 Amounts recognised in the Income Statement	86	497	582	(18)	(14)	(31)
1. Total net financial result of investments	1,277	594	1,871	893	(84)	808
2. Net finance income/expenses relating to insurance contracts	(1,191)	(97)	(1,289)	(910)	71	(840)
3. Total	86	497	582	(18)	(14)	(31)
A2. Amounts recognised in the Comprehensive Income Statement	117	343	461	(8,165)	(1,304)	(9,469)
1. Total net financial result of investments	1,999	670	2,669	(8,289)	(1,247)	(9,536)
2. Net finance income/expenses relating to insurance contracts	(1,881)	(327)	(2,208)	123	(57)	67
3. Total	117	343	461	(8,165)	(1,304)	(9,469)
B. Net insurance and financial result	610	1,592	2,202	(6,721)	(584)	(7,305)
1. Net insurance service result	407	752	1,159	1,461	734	2,195
2. Total net financial result of investments	3,276	1,265	4,540	(7,396)	(1,332)	(8,728)
3. Net financial result of insurance contracts	(3,073)	(424)	(3,497)	(787)	14	(773)
4. Total	610	1,592	2,202	(6,721)	(584)	(7,305)

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	(10)	(4)	*136.7*
Extraordinary gains	18	16	*13.2*
Other income	1,522	1,091	*39.5*
Other costs	(471)	(626)	*(24.8)*
Total Other revenue/costs	**1,059**	**476**	***122.4***

14. Operating expenses

These amounted to €520m (€436m at 31/12/2022), of which €74m relating to investment management expenses (€91m at 31/12/2022) and €446m 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 (€345m at 31/12/2022).

16. Net impairment losses/reversals on property, plant and equipment

These amounted to €375m (€282m 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 (€97m 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	194	39	233	69	21	90
Deferred assets and liabilities:	12	9	20	110	27	136
Use of deferred tax assets	175	21	195	127	14	141
Use of deferred tax liabilities	(14)		(14)	(41)	(7)	(48)
Provisions for deferred tax assets	(276)	(48)	(324)	(136)	(24)	(160)
Provisions for deferred tax liabilities	127	36	163	159	44	203
Total	205	48	253	178	48	226

Against pre-tax profit of €1,019m, taxes for the period of €253m were recorded. The overall tax rate was 24.8% (32.7% at 31/12/2022).
The actual tax rate for the year was affected by the following:

- for -2%, equal to €20m (-2.9% or €20m at 31/12/2022), against adjustments to taxes pertaining to previous years;
- for -3.8%, equal to €39m (-1.7% or €12m at 31/12/2022), due to net benefits deriving from permanent differences between the tax base determined on the basis of tax regulations and the pre-tax result (e.g. dividends, ACE benefits);
- for +2%, equal to €20m (+0.9% 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	284	246	38	298	254	44
Insurance Assets	403	348	56	433	364	69
Investment property	72	63	10	73	63	10
Financial instruments	353	280	74	888	697	191
Sundry receivables and other assets	54	47	6	81	73	8
Provisions	242	213	29	257	226	31
Insurance liabilities	43	39	4	47	47	1
Financial liabilities				7	4	2
Payables and other liabilities	14	14		9	9	1
Other deferred tax assets	26	22	4	26	26	1
Netting as required by IAS 12	(1,084)	(915)	(169)	(1,263)	(993)	(270)
Total deferred tax assets	408	357	51	856	768	88
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	(253)	(198)	(55)	118	96	23
Sundry receivables and other assets				1	1	
Provisions	(18)	(14)	(4)	18	14	4
Insurance liabilities	(754)	(585)	(169)	1,348	1,049	299
Financial liabilities	(1)	(1)		4	2	2
Payables and other liabilities	(3)	(3)		2	2	
Other deferred tax liabilities	(17)	(10)	(8)	6	5	1
Netting as required by IAS 12				(1,263)	(993)	(270)
Total deferred tax liabilities	(1,173)	(915)	(258)	377	293	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[4] 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:

[4] “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.

- identify, locate and characterise all Group companies, also on a continuous basis, for the purpose of Pillar II legislation, and
- 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 UnipolSai 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 (F)=(C)-(D)-(E)
				Financial instruments (D)	Cash deposits received as guarantees (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 (F)=(C)-(D)-(E)
				Financial instruments (D)	Cash deposits given as guarantees (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

Amounts in €m	31/12/2023	31/12/2022
Profit/loss allocated to ordinary shares (€m)	676	394
Weighted average of shares outstanding during the year (no./m)	2,828	2,827
Basic and diluted earnings (loss) per share (€ per share)	0.24	0.14

3.3 Dividends

The UnipolSai SpA Shareholders' Meeting held on 27 April 2023, in view of the positive financial result at 31 December 2022 amounting to €145m (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 €453m, corresponding to € 0.19 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

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.

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.

Unipol, **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.

The Parent Unipol exercised the Group 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 Gruppo and the subsidiaries for which there are economic, financial and organisational restrictions established by regulations in force exercised the joint option of establishment of the Unipol VAT Group pursuant to Arts. 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 (holding company, 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 for related party transactions, 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.

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.

Information on transactions with related parties

Amounts in €m

	Holding company	Associates and Others	Total	*% inc. (1)*	*% inc. (2)*
Financial assets at amortised cost	293	25	318	*0.4*	*12.6*
Financial assets at fair value through OCI		84	84	*0.1*	*3.3*
Other financial assets	126	74	200	*0.3*	*7.9*
Other assets		13	13	*0.0*	*0.5*
Cash and cash equivalents		851	851	*1.2*	*33.7*
TOTAL ASSETS	418	1,045	1,463	*2.0*	*57.9*
Financial liabilities at amortised cost	476	113	589	*0.8*	*23.3*
Payables	115	103	218	*0.3*	*8.6*
Other liabilities	11	6	17	*0.0*	*0.7*
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	602	226	828	*1.1*	*32.8*
Insurance service expenses from insurance contracts issued	(16)	(136)	(152)	*(17.4)*	*(6.0)*
Interest income calculated with the effective interest method	10	3	13	*1.5*	*0.5*
Interest expense	(17)	(3)	(20)	*(2.3)*	*(0.8)*
Other income/Charges	1	11	12	*1.4*	*0.5*
Other revenue/costs	7	39	46	*5.3*	*1.8*
Operating expenses:	(2)	(11)	(13)	*(1.5)*	*(0.5)*

(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.

The item Financial assets at amortised cost from the holding company relates to the receivable due to some subsidiaries from the holding company Unipol as part of the centralised cash pooling agreement, for the purpose of centralising at Unipol the management of the available funds of the non-insurance companies of the Unipol Group.
Financial assets at amortised cost with associates and others 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.
Available-for-sale financial assets and Financial assets at fair value through other comprehensive income from associates and others relate to the subscription of listed debt securities issued by BPER Banca and Banca Popolare di Sondrio subscribed by Group companies.
Other financial assets from the holding company comprised amounts related to the tax consolidation and for services rendered.
The item Other financial assets from associates and others 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 to the holding company included the loan of €450m granted by Unipol to UnipolRental as part of the acquisition and merger by incorporation of Sifà in addition to the payable of some subsidiaries to Unipol Gruppo as part of the above-mentioned cash pooling agreement.
The item Financial liabilities at amortised cost to associates and others related to loans and mortgages disbursed by BPER Banca and Banca Popolare di Sondrio to Group companies.

Payables comprised: as for relations with the holding company, the payable for IRES of the companies participating in the tax consolidation and the payable for Unipol staff seconded to Group companies; as regards relations with associates and others, payables for commissions to be paid to BPER Banca for the placement of insurance products in addition to payables for other services rendered.
Other liabilities to the holding company essentially referred to the liabilities of the Incentive Plans for Unipol Executives seconded to UnipolSai; Other liabilities to associates and others referred 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).
Interest income and expense from the holding company referred to the above-mentioned centralised cash pooling agreement; interest income from associates and others related to interest on securities issued by BPER Banca and subscribed by Group companies.
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 UnipolSai for carrying out their duties within the Company and in other consolidated companies amounted to €17.0m, details of which are as follows:

	Amounts in €m
Directors and General Manager	4.2
Statutory Auditors	0.4
Other Key Managers (*)	12.4

(*) The amount mainly comprises compensation of employees and it includes the amount paid to Unipol Gruppo as consideration for the secondment of some Key Managers.

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 €1.9m as remuneration for the activities carried out by the Chairman, the Chief Executive Officer, 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:

Amounts in €m

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 Information on personnel

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.

Trade union relations

As part of the 2022-2024 Business Plan implementation activities, on 18 October 2022 and 25 October 2022 trade union agreements were signed (for the companies UnipolSai Assicurazioni SpA, UniSalute SpA, Arca Assicurazioni SpA and Siat Assicurazioni SpA) 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 Business 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 plans, the Group Supplementary Corporate Agreement of 8 June 2021 expired on 31 December 2021 and has not experienced any regulatory or economic modifications in the meantime.

Training

The **Academy** adopts a development and training strategy based on three main dimensions: **Business**, to support reorganisations and projects, **Culture**, to promote digital transformation and **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 and abilities of the various company professionals.
In parallel, training courses dedicated to the **key insurance business occupations** are provided to strengthen and enhance current skills and capabilities with the emerging skills of the future, with methods alternating between theory and case studies, on the job training and project work.
Overall, the training offer included the delivery of more than 1,000 courses, involving network employees and collaborators.

Among the initiatives for employees, the professional development programme continued for a group of Officers and Middle Managers, with the aim of strengthening skills and ensuring managerial continuity within the Group. This is a rolling programme that is divided into two distinct paths, one for Mid-Term successors and the other for Potential to be developed in the medium-long term.

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 newsletters personalised by profile, one-to-one interviews and focus groups and a training course dedicated to Digital Champions as promoters of digital change.
Training activities continued throughout the year on technical, technological, commercial and managerial aspects as well as on mandatory and regulatory courses. In particular, basic and refresher training courses on safety continue and it is worth noting the resumption of courses and practical tests for jobs with medium-high risks. With a view to the evolution of operating models, specialised IT courses are offered that support the goal of digital transformation, such as "Business Continuity Management System", "IFRS17 and IFRS9", "Actuarial Technique and Risk Management", "Machine Learning" and "Sustainable Real Estate Framework".

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.
In line with employee training, Sales Network training activities were based on training projects that included managerial development with specialised courses such as IMA5, or with programmes aimed at "generational turnover in the Agency" and training for the new position of "Omnichannel Contact Person".
In addition to training projects, the hybrid courses aimed at the network include "Focus Impresa" for the distribution of the new product aimed at Small and Medium-sized Enterprises. The training involved asynchronous activities aimed at the networks and synchronous activities for colleagues in the Sales Department.
Amongst the online courses aimed at the network, the "Code of Ethics and Charter of Values: updates" is particularly significant, which makes it possible to engage in various situations in which it is essential to act in an ethical manner.

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 the UnipolSai Consolidated Financial Statements.

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	Allocation of goodwill	Recoverable amount (a)	Excess
Non-Life CGU	561	2,321	1,760
Life CGU	204	565	361
Total	**765**	**2,887**	**2,121**

(a) Recoverable value obtained as the difference between CGU Value and Adjusted 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	*0.3%*
g factor	1.5%
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	*0.3%*
g factor	1.5%
Range	*1% - 2%*
Pass	*0.25%*

	Amounts in €m	Sensitivity (Value range)					
		Min			Max		
CGU	Recoverable Amount - Goodwill Delta	Amount	g	ke	Amount	g	ke
UnipolSai Non-Life	1,760	1,476	1.00%	10.56%	2,110	2.00%	9.56%

	Amounts in €m	Sensitivity (Value range)					
		Min			Max		
CGU	Recoverable Amount - Goodwill Delta	Amount	g	ke	Amount	g	ke
UnipolSai Life	361	272	2.00%	11.05%	453	1.00%	10.05%

3.11 Details of other consolidated comprehensive income

Amounts in €m

	Items	31/12/2023	31/12/2022
1	**Profit (Loss) for the period**	**766**	**466**
2	**Other income items net of taxes not reclassified to profit or loss**	**237**	**(31)**
2.1	Portion of valuation reserves of equity investments valued at equity	9	18
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	(7)	15
2.7	Gains or losses on equity instruments at fair value through OCI	371	(102)
	a) change in fair value	323	(89)
	b) transfers to other shareholders' equity components	48	(13)
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	(104)	21
3	**Other income items net of taxes reclassified to profit or loss**	**77**	**(425)**
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	2,243	(9,535)
	a) changes in fair value	1,827	(9,197)
	b) reclassification in the Income Statement	415	(338)
	- credit risk adjustments	(27)	46
	- gains/losses on sale	442	(384)
	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:		(23)
	a) changes in fair value		(23)
	b) reclassification in the Income Statement		
	- impairment losses		
	- gains/losses on sale		
	c) other changes		
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	(43)	208
4	TOTAL OF OTHER COMPONENTS OF THE COMPREHENSIVE INCOME STATEMENT (Sum of items 2.1 to 3.10)	314	(456)
5	TOTAL CONSOLIDATED COMPREHENSIVE INCOME (Items 1 + 4)	1,080	11
5.1	**of which: attributable to the owners of the Parent**	1,006	(16)
5.2	**of which: attributable to non-controlling interests**	74	27

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	1,099	858	243	237
2	PROPERTY, PLANT AND EQUIPMENT	3,225	1,921	194	224
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	12,481	13,274	48,266	43,194
4.1	Investment property	455	472	932	901
4.2	Investments in associates and interests in joint ventures	97	87	26	25
4.3	Financial assets at amortised cost	1,581	1,576	414	410
4.4	Financial assets at fair value through OCI	8,292	7,532	32,542	29,565
4.5	Financial assets at fair value through profit or loss	2,057	3,606	14,353	12,292
5	OTHER FINANCIAL ASSETS	1,711	1,634	642	771
6	OTHER ASSETS	1,784	1,563	1,267	1,237
7	CASH AND CASH EQUIVALENTS	441	402	399	350
TOTAL ASSETS		21,791	20,583	51,085	46,062
1	SHAREHOLDERS' EQUITY	3,463	3,379	1,919	1,485
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	1,477	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	1,460	702	687
5	PAYABLES	953	1,038	172	201
6	ALTRI ELEMENTI DEL PASSIVO	1,015	1,373	168	399
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		21,791	20,583	51,085	46,062

Amounts in €m

OTHER BUSINESSES		INTERSEGMENT ELIMINATIONS		TOTAL	
31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
25	23			1,367	1,119
705	645			4,124	2,791
				1,123	980
				63	54
				1,060	926
1,402	1,343	(189)	(188)	61,960	57,622
977	985			2,364	2,359
47	50			170	162
344	278	(189)	(188)	2,149	2,076
33	29			40,867	37,126
				16,410	15,899
123	100	(44)	(34)	2,433	2,470
91	92	(5)	(3)	3,136	2,888
98	74	40		978	826
2,443	2,277	(198)	(226)	75,121	68,696
1,927	1,871			7,307	6,733
22	22			519	596
				51,200	47,327
				51,108	47,194
				92	133
271	212	(189)	(188)	13,571	10,894
				10,507	8,723
271	212	(189)	(188)	3,064	2,171
183	137	(35)	(22)	1,273	1,353
41	35	25	(15)	1,251	1,793
2,443	2,277	(198)	(226)	75,121	68,696

Income statement by business segment

		NON-LIFE BUSINESS		LIFE BUSINESS	
	Items	31/12/2023	31/12/2022	31/12/2023	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	29	(2)	4	12
8	Gain/losses on other financial assets and liabilities and investment property	319	(91)	1,060	1,208
9	**Balance on investments**	**594**	**(84)**	**1,277**	**893**
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)	
12	**Net financial result**	**497**	**(14)**	**86**	**(18)**
13	Other revenue/costs	679	252	70	14
14	Operating expenses:	(226)	(186)	(40)	(53)
15	Altri oneri/proventi	(444)	(310)	(24)	(25)
Pre-tax Profit/(Loss)for the period		**671**	**596**	**333**	**138**

Amounts in €m

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**
				460	(318)
5	5			38	15
47	13	(42)	(40)	1,383	1,090
52	**18**	**(42)**	**(40)**	**1,881**	**787**
				(1,286)	(838)
				(3)	(2)
52	**18**	**(42)**	**(40)**	**592**	**(53)**
268	170	42	40	1,059	476
(255)	(198)			(520)	(436)
(49)	(33)			(519)	(369)
16	**(42)**			**1,019**	**692**

3.13 Risk Report

The Risk Report aims to provide an overview of the risk management system, the internal risk assessment and solvency assessment process and the UnipolSai Group risk profile, in compliance with the principles of the European Solvency II regulations.

Activities by the competent corporate structures 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

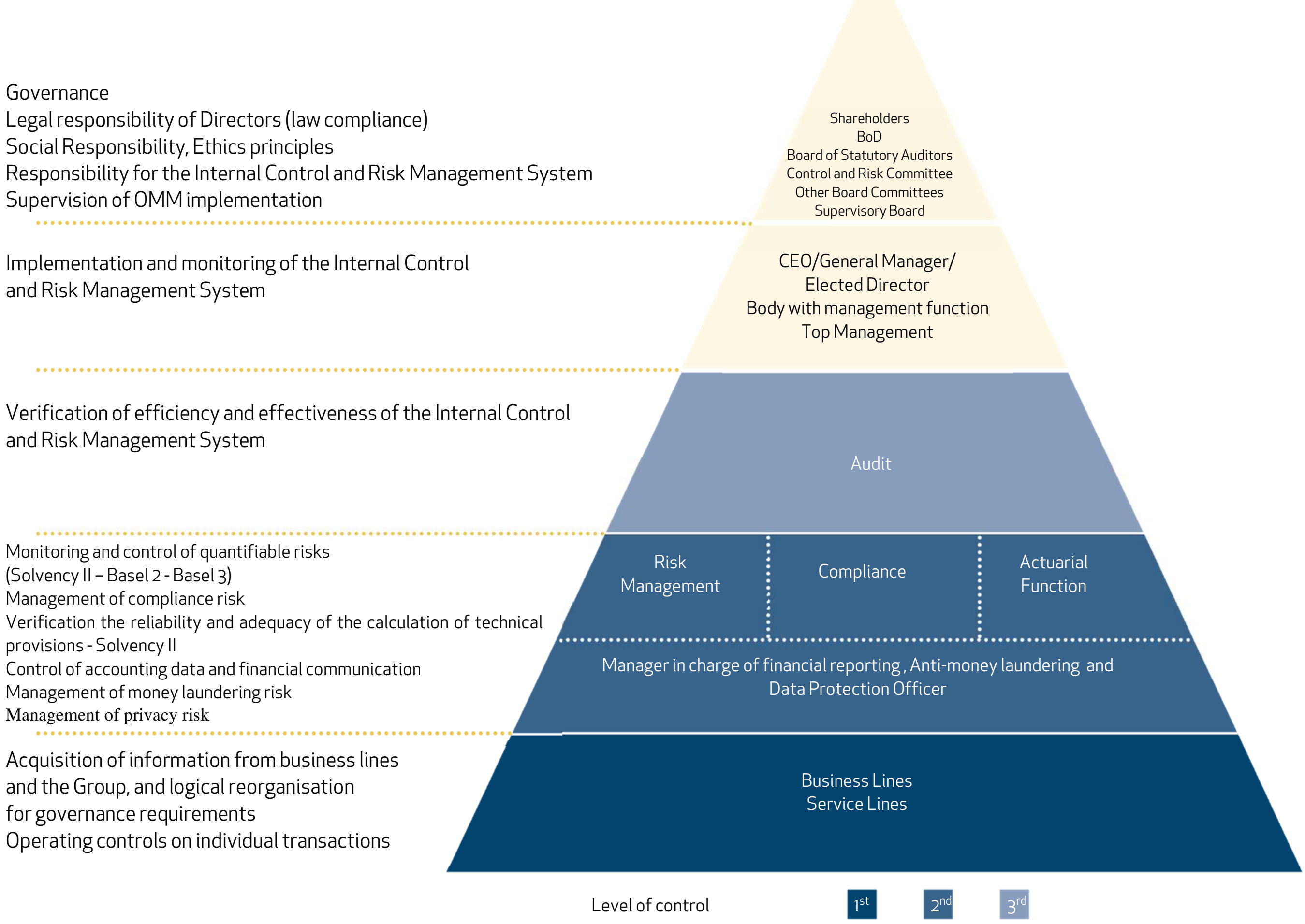
The Unipol Group and the UnipolSai Group's Risk Management structure and process are part of the wider internal control and risk management system which operates according to several levels:

- line controls (so-called "first-level controls"), aimed at ensuring transactions are carried out correctly. 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. The operating structures are the primary bodies responsible for the risk management process and must ensure compliance with the adopted procedures for implementing the process and compliance with the established risk tolerance level;
- risk and compliance controls (so-called "second-level controls"), which aim to ensure, among other things:
  - the correct implementation of the risk management process;
  - the implementation of activities assigned to them by the risk management process;
  - the observance of the operational limits assigned to the different functions;
  - the compliance of company operations with the regulations, including internal regulations;
  - the reliability and adequacy of the calculation of Solvency II technical provisions.

The departments responsible for these controls are separate from the operating functions; they help define the risk governance policies and the risk management policy;

- internal review (so-called "third-level controls"), verification of the completeness, functionality and adequacy of the Internal Control and Risk Management System (including the first- and second-level controls) and that business operations comply with the System.

By way of a non-exhaustive example, the Risk and Control Governance model adopted in the Unipol Group is shown below.



Within UnipolSai:

- The **Board of Directors**, in observance of and consistent with the policies and guidelines of the Parent, with the support of the Control and Risk Committee, defines the guidelines of the Internal Control and Risk Management System in order to contribute to the Company's sustainable success, so as to ensure that the main risks facing the Company and its subsidiaries are correctly identified, and adequately measured, managed and monitored, consistent with the Company's strategies. It assesses - at least once a year- the current and future adequacy of the internal control and risk management system with respect to the features of the Company and its subsidiaries and to the risk appetite set as well as the effectiveness of said system.
- The **Control and Risk Committee** plays a propositional, advisory, investigative and support role to the Board of Directors in relation to the definition of the guidelines of the Internal Control and Risk Management System.
- The **Chief Executive Officer** identifies the main corporate risks of the Company and its subsidiaries, taking into account the features of the activities carried out, regularly presenting them for review to the Board of Directors.
- The **Top Management** is responsible for the overall implementation, maintenance and monitoring of the Internal control and risk management system, in line with the directives of the Board of Directors and in compliance with the roles and duties assigned to it, and in accordance with guidance issued by the Parent.
- The **Key Functions**: pursuant to applicable industry legislation, the Company's organisational structure requires that the Key Functions (Audit, Risk Management[5], Compliance and Actuarial Function) report directly to the Board of Directors.

[5] The key Risk Management Function of UnipolSai is known as the *Chief Risk Officer*.

- The **Chief Risk Officer** supports the Board of Directors, the General Manager and Top Management in the evaluation of the adequacy and effectiveness of the Risk Management System and reports its conclusions to said bodies, highlighting any deficiencies and suggesting ways of resolving them. The Chief Risk Officer carries out this work as part of the process of "Own Risk and Solvency Assessment" (ORSA), ensuring that the work carried out by the various company departments dealing with risk management is coordinated. This does not exempt the individual operating departments from their specific responsibilities for managing the risks relating to their own work since the departments themselves must have the necessary tools and expertise.
  Within the Risk management system, the Chief Risk Officer is in charge of continuously identifying, measuring, assessing and monitoring the current and prospective risks at the individual and aggregated level that the Company is or may be exposed to and their correlations.
  In this respect, the Chief Risk Officer also contributes to the dissemination of a risk culture extended to the entire Group.

Organisational Oversight Mechanisms: Company Committees

Some internal company committees have been set up within UnipolSai to support the Chief Executive Officer in implementing and monitoring the policies on guidelines, coordination and operating strategy laid down by the Board of Directors.

Risk Management System

The Internal control and risk management system (hereinafter, the "System") is defined in the Group Directives on the corporate governance system ("Directives") - adopted by the UnipolSai Board of Directors most recently on 11 November 2021 - which define, inter alia, the role and responsibilities of the parties involved in the internal control and risk management system. The Directives are complemented by the Key Function Policies - approved at the same board meeting.
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. 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.
A risk management process is defined within the Risk management system to allow for risk identification, measurement, monitoring and mitigation.
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 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: the Risk Appetite.
In quantitative terms, Risk Appetite is generally determined 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 Company intends to assume or avoid, sets their 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, 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 ORSA process

Under its own risk management systems, the Group uses the ORSA process to assess the effectiveness of the risk management system and its capital adequacy as well as liquidity governance and management.
The internal ORSA assessment process allows the analysis of the current and forward-looking risk profile of the Group, based on strategy, market scenarios and business development; in addition, the ORSA is an assessment element to support operational and strategic decisions.

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 and of the Company, 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;
- Standard 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 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.

<u>Current assessment of risks</u>
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.

<u>Forward-looking assessment of risks</u>
The Own Risk Solvency Assessment (ORSA) 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:
  - a proposal for approval of the Risk Appetite (Risk Appetite Statement)[6];
  - 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 indicators represented in the "Pre-emptive recovery plan".

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 defined thresholds 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 Control and Risk Committee, 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 UnipolSai or that 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 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, 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;

[6] In reference to the Parent, at consolidated level and at individual company level.

- in the event of failure to comply with the Risk Capacity limit, the Board of Directors 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 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. 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 comprises 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)[7] 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, UnipolSai Assicurazioni and Arca Vita are authorised by IVASS to use the Partial Internal Model to calculate the Group and individual 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.

[7] The CSA requires the delivery of a collateral asset when the value of the contract exceeds the set threshold.

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 by the Group 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 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 measured using the Market Wide Standard Formula.

The table in the following paragraph analyses the main sensitivities to market risk factors.

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.

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.
For the UnipolSai Group, at 31 December 2023 the duration mismatch for Life business stood at -0.52, while it was +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 UnipolSai Group's exposure to currency 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 UnipolSai 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)
Subsequent years	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.

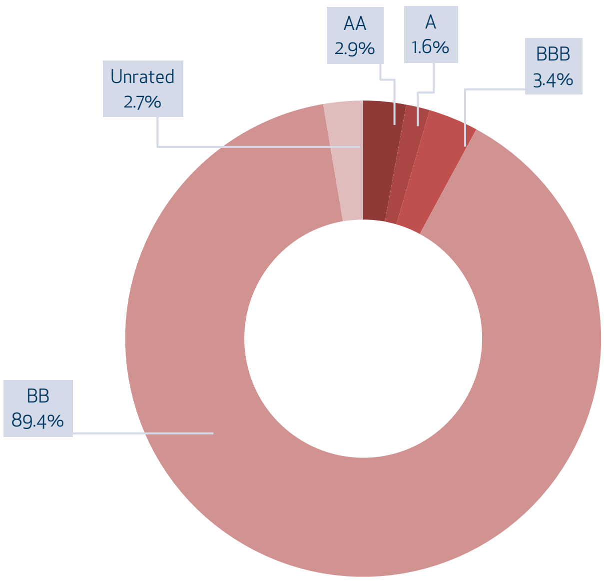
It should also be noted that amounts payable on demand, mainly relating to revaluable Life contracts linked to segregated funds, totalled €35,386m. This amount was calculated assuming that all policyholders who have the right to do so will exercise the right of early surrender at the reporting date, 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 to 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 any other credit exposure not included in financial risks (credit spread risk). Credit risk management is defined in the Credit Policy, which describes the roles and responsibilities of the players 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 body, Top Management and the operating structures on developments in this risk.

Within the scope of the UnipolSai Group, the credit risk is mainly in the exposures to banks, in the insurance and outwards reinsurance areas.

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 UnipolSai exposures to banks, broken down by rating class, recognised at 31 December 2023.

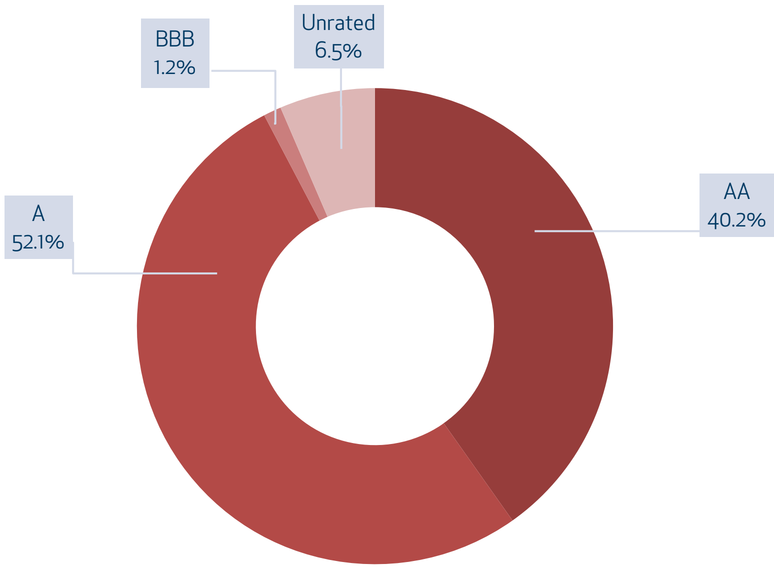


Bond classes of the insurance companies in the Group
This risk is calculated within the technical-insurance risks (see relevant section) and monitored by the Bond and Credit Assignment Committee.

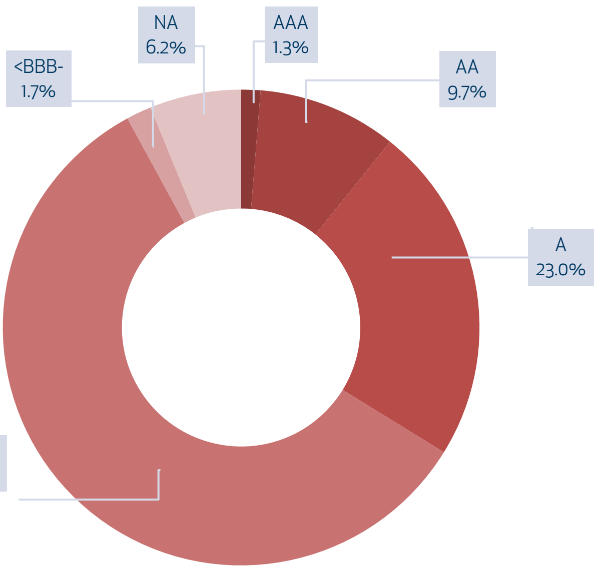
Outwards reinsurance
In this area, the existing exposure to credit risk is divided into:
- liquid receivables already due arising out of the bordereaux sent to the reinsurer listing the balances on each policy during the period and those still outstanding;
- potential estimated receivables for the provisions 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.).

Provided below is the table showing the distribution of UnipolSai Group exposure to reinsurers, broken down by rating class, recognised at 31 December 2023 net of intragroup reinsurance.



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 UnipolSai Group's bond portfolio, Insurance business and Real Estate and Other Businesses, broken down by rating class (figures at 31/12/2023).



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	93
Sensitivities: Downward shift in rate curve	interest rate: -100 bps	-174
Sensitivities: Surrender frequencies	+100% of surrender tables	-348
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 UnipolSai Group at 31 December 2023, broken down by type of portfolio, nominal value, carrying amount and fair value.

Amounts in €m	Balance at 31 December 2023		
	Nominal value	Carrying amount	Market value
Italy	**19,814**	**17,591**	**17,591**
Financial assets at fair value through OCI	19,765	17,546	17,546
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
Cyprus	**88**	**78**	**78**
Financial assets at fair value through OCI	88	78	78

	Balance at 31 December 2023		
Amounts in €m	Nominal value	Carrying amount	Market value
Chile	**83**	**73**	**73**
Financial assets at fair value through OCI	83	73	73
China	**84**	**70**	**70**
Financial assets at fair value through OCI	84	70	70
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	**28,932**	**25,007**	**25,009**

The carrying amount of the sovereign exposures represented by debt securities at 31 December 2023 totalled €25,006.8m, 70%, 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 UnipolSai Group.

Technical-insurance risks

Risks relating to Life portfolios

The guidelines of the underwriting and reserving activities of the Life business 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 UnipolSai 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 UnipolSai 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.

Surrender
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.

Conversion to annuity
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 products 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.

Maturity deferment
The portfolio includes individual term life products (not "whole-life") that often provided 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 "Underwriting Policy - Non-Life Business", "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 UnipolSai 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 UnipolSai Group insurance companies based in Italy and operating in the Non-Life business, in compliance with national and international accounting standards and the new 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:
  - <u>Hazard</u>, 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:
    - <u>location (uncertainty associated with determining the possible point of origin of the event);</u>
    - <u>frequency (period of recurrence of the events);</u>
    - <u>intensity</u> (the severity of the event in terms of energy released);
  - <u>Vulnerability</u>, 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;
  - <u>Financial</u>, 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

The Framework of Operational Risk Management

In order to ensure a complete analysis of company risks, the UnipolSai 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 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.

At Group level, 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

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, at Group level, 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.

Capital management

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 targets 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, free cash flow and risk appetite, identifying and documenting any situations in which the postponement or cancellation of distributions from an element of own funds could arise;
- outlining the dividend distribution process for the definition of procedures to ensure sound and efficient capital management, considering that the growth and profitability targets 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.

Bologna, 21 March 2024

The Board of Directors

4

STATEMENT ON THE CONSOLIDATED FINANCIAL STATEMENTS

In accordance with art. 81-Ter of CONSOB Regulation no. 11971/1999

STATEMENT ON THE 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 Chief Executive Officer and Luca Zaccherini, as Manager in charge of financial reporting of Unipolsai Assicurazioni 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 **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 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 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 38/2005, the Legislative Decree 209/2005 and 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 Chief Executive Officer

Matteo Laterza

The Manager in charge

of financial reporting

Luca Zaccherini

(signed on the original)

UnipolSai Assicurazioni S.p.A.

Sede Legale: via Stalingrado, 45 - 40128 Bologna (Italia) - unipolsaiassicurazioni@pec.unipol.it - tel. +39 051 5077111 - fax +39 051 7096584
Capitale sociale i.v. Euro 2.031.456.338,00 - Registro delle Imprese di Bologna, C.F. 00818570012 - P. IVA 03740811207 - R.E.A. 511469
Società soggetta all'attività di direzione e coordinamento di Unipol Gruppo S.p.A., iscritta all'Albo Imprese di Assicurazione
e riassicurazione Sez. I al n. 1.00006 e facente parte del Gruppo Assicurativo Unipol iscritto all'Albo delle società capogruppo al n. 046

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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	UnipolSai SpA	1,580
Attestation services	EY SpA	UnipolSai SpA	460
Other professional services	EY SpA	UnipolSai SpA	249
Total UnipolSai			**2,289**
Legally-required audit	EY SpA	Subsidiaries	874
Legally-required audit	Ernst & Young Ireland Unlimited Company - Ireland	Subsidiaries	76
Legally-required audit	Ernst & Young DOO - Serbia	Subsidiaries	98
Legally-required audit	Ernst & Young Société Anonyme - Luxembourg	Subsidiaries	9
Attestation services	EY SpA	Subsidiaries	23
Other professional services	EY SpA	Subsidiaries	27
Other professional services	Ernst & Young Ireland Unlimited Company - Ireland	Subsidiaries	24
Total subsidiaries			**1,131**
Grand total			**3,420**

(*) fees do not include any non-deductible VAT nor charged back expenses

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INDEPENDENT AUDITOR'S REPORT

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EY S.p.A.
Via Meravigli, 12
20123 Milano

Tel: +39 02 722121
Fax: +39 02 722122037
ey.com

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010, article 10 of Regulation (EU) n. 537/2014 and article 102 of Legislative Decree n. 209, dated 7 September 2005

(Translation from the original Italian text)

To the Shareholders of
UnipolSai Assicurazioni S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of UnipolSai Assicurazioni S.p.A. and its subsidiaries (the "UnipolSai Group"), which comprise the statement of financial position as at December 31, 2023, the income statement, the comprehensive income statement, the statement of changes in shareholders' equity, the statement of cash flows for the year then ended, and the notes to the financial statements, including material accounting policy information.
In our opinion, the consolidated financial statements give a true and fair view of the financial position of the UnipolSai Group as at December 31, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and the Regulation issued to implement article 90 of Legislative Decree dated 7 September 2005, n. 209.

Basis for Opinion

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

Key Audit Matters

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

EY S.p.A.
Sede Legale: Via Meravigli, 12 – 20123 Milano
Sede Secondaria: Via Lombardia, 31 – 00187 Roma
Capitale Sociale Euro 2.600.000,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. di Milano 606158 - P.IVA 00891231003
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998

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We identified the following key audit matters:

Key Audit Matters	Audit Responses
Valuation of unlisted financial investments	
The consolidated financial statements as at 31 December 2023 include Eur 2.822 million and Eur 4.349 million of financial investments categorized respectively as level 2 and level 3 of the fair value hierarchy stated by 'IFRS13 – Fair Value Measurement'. For these instruments, in absence of a liquid and active market, in order to determine the fair value, Group adopts valuation methods which aim to maximize the use of observable parameters and to minimize the use of unobservable parameters. These valuation methods require the use of judgment by management when choosing the assumptions to be applied, such as, for example interest rate curves, historical volatilities, credit spreads and inflation curves. For these reasons, we considered this aspect a key audit matter. The financial statements information relating to unlisted financial investments is reported in the notes to the financial statements in chapter "1. Basis of presentation" in section "Main accounting standards" and in chapter "2. Notes to the Financial Statements" in section "Fair Value Disclosure".	The audit response included several procedures, the most relevant of which are outlined below: • an understanding of management process regarding determination of the fair value and of the related key controls, as well as the testing of these controls; • comparison of the methodologies and of the parameters used with market practices; • independent repricing of a sample of investments, in order to test the reasonableness of fair value at the balance sheet date. We also involved valuation specialists to assist us in performing our audit procedures. Finally, we assessed the adequacy of the disclosures provided in the notes to the financial statements.
Initial application of "IFRS 17 - Insurance Contracts"	
On January 1, 2023, for the recognition, measurement, presentation, and disclosure of insurance contracts, the Group adopted IFRS 17 - Insurance Contracts, replacing IFRS 4 - Insurance Contracts. The transition date to IFRS 17 is January 1, 2022, due to the requirement to present a restated comparative period. At the time of the adoption of IFRS 17, the Group also applied for the first time IFRS 9 - Financial Instruments, replacing IAS 39 - Financial Instruments, as its introduction had been deferred by exercising the temporary exemption provided by IFRS 4.	The audit response included several procedures, the most relevant of which are outlined below: • understanding and identifying the new processes and related controls as well as the information technology infrastructure, including actuarial engines, introduced following the application of the new accounting standard; • analysis of the appropriateness of the methodological choices adopted by the Group and their compliance with the new accounting standard, as well as verification of their application; • analysis of the evaluations carried out by the

At the transition date, the shareholders' equity decreased overall by Eur -883 million as a result of:

- the recognition of the contractual service margin (CSM), amounting to Eur -3.203 million;
- the adjustment for non-financial risk recognised within the liabilities related to insurance contracts, amounting to Eur - 1.162 million;
- the difference, amounting to Euro 2.773 million, between the best estimate of discounted cash flows requested by IFRS 17 and the technical provisions at ultimate cost previously provided by IFRS 4;
- the derecognition of intangible assets and deferred acquisition costs previously recorded for Eur -138 million;
- the recognition of the effects related to the application of IFRS 9, amounting to Eur 470 million;
- tax effects amounting to Eur 378 million.

The transition process to IFRS 17 involves a high degree of complexity of the models, of the methodological choices made and in the development of the assumptions used for the recognition of the CSM at the date of the first application, in particular, for the groups of contracts for which the Group adopted the Fair Value Approach at transition.

Accordingly, we have considered the initial application of IFRS 17 as a key audit matter.

The financial statements information relating to the effects of the transition to IFRS 17 - Insurance Contracts is reported in the notes to the financial statements in chapter "1. Basis of presentation" in section "Main accounting standards" in paragraph "New accounting standards".

Group for the selection of the measurement model of insurance contracts (General Measurement Model, Premium Allocation Approach, Variable Fee Approach) adopted for each group of insurance contracts;

- analysis of the evaluations carried out by the Group for the selection of the transition method (Full retrospective, Modified retrospective or Fair Value approach) adopted for each group of insurance contracts and verification of the models developed for their application;
- analysis of the reasonableness of the main operational and financial assumptions used for the estimation of future cash flows and the adjustment for non-financial risk at the transition date, also through the development of sensitivity analyses;
- verification of the CSM accounted for at the transition date, also through an independent reperforming of the actuarial calculation procedures for a sample of insurance contracts;
- verification of the accounting entries made at the transition date.

We also involved experts in statistical-actuarial matters to assist us in performing our audit procedures.
Finally, we assessed the adequacy of the disclosures provided in the notes to the financial statements.

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Estimation of the liability for incurred claims related to insurance contracts whose liability for remaining coverage is measured according to the Premium Allocation Approach (PAA)

As at December 31, 2023, the liability for incurred claims related to insurance contracts whose liability for remaining coverage is measured according to the Premium Allocation Approach (PAA), amounts to Eur 5.574 billion and represents the present value of the Group's obligation to meet valid claims for insured events that have already occurred, including events that have occurred but for which the claim has not yet been reported and the adjustment for non-financial risk.

The estimation of the liability for incurred claims is a complex process that requires the use of statistical-actuarial methodologies and calculation models, which also involve a high degree of subjectivity in the selection of assumptions. Among these, we consider as the most significant the estimation of the cost of incurred claims, including also the cost of claims that have occurred but have not yet been reported, and of the related expenses, and the estimation of the discount rate. This is further highlighted in groups of contracts characterized by long-tails, such as for example Motor Vehicle TPL and General TPL classes, which represent the main business activities of the Group and in the estimation of future cash flows connected to catastrophic events that are usually of less frequency but higher severity.

Accordingly, we have considered this matter as a key audit matter.
The financial statements information relating to the liability for incurred claims is reported in the notes to the financial statements in chapter "1. Basis of presentation" in section "Main accounting standards" in paragraph "3 Insurance liabilities – IFRS 17" and in section "Notes to the Statement of Financial Position" in paragraph "3. Insurance liabilities".

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

- understanding of the process for estimating the liability for incurred claims adopted by the Group and the related key controls, as well as the testing of these controls; these procedures were carried out with reference to the controls over completeness, accuracy and appropriateness of data related to the group of contracts used to calculate the liability for incurred claims;
- examination of the appropriateness of the methodologies and the reasonableness of the assumptions used for the estimation of the cost of incurred claims, including also the cost of claims incurred but not yet reported, and the related expenses, as well as the discount rate applied;
- analysis of movement of the balance sheet value and comparative analyses through the calculation of appropriate indicators and verification of their intrinsic consistency also in relation to expected values;
- verification, for a sample of groups of contracts deemed significant, that the amount of the estimation of the liability for incurred claims is included in an acceptable range of values, also through an independent reperforming of the actuarial procedures.

We also involved experts in statistical-actuarial matters to assist us in performing our audit procedures.
Finally, we assessed the adequacy of the disclosures provided in the notes to the financial statements.

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Estimation of the liability for remaining coverage related to insurance contracts measured according to the Variable Fee Approach (VFA) and General Measurement Model (GMM)

As at December 31, 2023, the liability for remaining coverage related to insurance contracts measured according to the Variable Fee Approach (VFA) and General Measurement Model (GMM), amounts to Eur 38,223 million and includes the present value of expected future cash flows, the adjustment for non-financial risk, and the contractual service margin.

The estimation of the liability for remaining coverage requires the use of statistical-actuarial methodologies and models characterized by the presence of numerous aspects that require the application of a high level of subjectivity. Among these, we consider as the most significant the estimation of assumptions about lapses and additional payments, the estimation of financial assumptions, as well as the definition of coverage units to determine the release of the contractual service margin.

Furthermore, for insurance contracts with direct participation features, it is also required to estimate the financial flows derived from the underlying investments.

Accordingly, we have considered this matter as a key audit matter.
The financial statements information relating to the liability for remaining coverage is reported in the notes to the financial statements in chapter "1. Basis of presentation" in section "Main accounting standards" in paragraph "3 Insurance liabilities - IFRS 17" and in section "Notes to the Statement of Financial Position" in paragraph "3. Insurance liabilities".

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

- understanding of the process for estimating the liability for remaining coverage adopted by the Group and the related key controls, as well as the testing of these controls; these procedures were carried out with reference to the controls over completeness, accuracy and appropriateness of data related to the group of contracts used to calculate the liability for remaining coverage;
- examination of the appropriateness of the methodologies and the reasonableness of the operating and financial assumptions used for the estimation of the expected future cash flows;
- examination of the appropriateness of the methodologies used for the definition of the coverage units to determine the release of the contractual service margin to the income statement;
- verification of the reasonableness of the estimation of the financial flows derived from the underlying investments;
- analysis of movement of the balance sheet value and verification of their intrinsic consistency also in relation to expected values;
- verification, for a sample of groups of contracts deemed significant, of the reasonableness of the estimation of the liability for remaining coverage, also through an independent reperforming (also through sensitivity analyses) of the actuarial procedures.

We also involved experts in statistical-actuarial matters to assist us in performing our audit procedures.
Finally, we assessed the adequacy of the disclosures provided in the notes to the financial statements.

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Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements, that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the Regulation issued to implement article 90 of the Legislative Decree dated 7 September 2005, n. 209, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
The Directors are responsible for assessing the UnipolSai Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company UnipolSai Assicurazioni S.p.A. or to cease operations, or have no realistic alternative but to do so.
The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the UnipolSai Group's financial reporting process.

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

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

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the UnipolSai Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the UnipolSai Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the UnipolSai Group to cease to continue as a going concern;

- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the UnipolSai Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the UnipolSai Group audit. We remain solely responsible for our audit opinion.

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

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated with them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

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

Additional information pursuant to article 10 of Regulation (EU) n. 537/2014

The shareholders of UnipolSai Assicurazioni S.p.A., in the general meeting held on April 17, 2019, engaged us to perform the audits of the separated and consolidated financial statements for each of the years ending December 31, 2021 to December 31, 2029.
We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of Regulation (EU) n. 537/2014, and that we have remained independent of UnipolSai Assicurazioni S.p.A. in conducting the audit.
We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the Regulation (EU) n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) n. 815/2019

The Directors of UnipolSai Assicurazioni S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) n. 815/2019 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the "Delegated Regulation") to the consolidated financial statements, to be included in the annual financial report.
We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the consolidated financial statements as at December 31, 2023 with the provisions of the Delegated Regulation.
In our opinion, the consolidated financial statements as at December 31, 2023 have been prepared in the XHTML format and have been marked-up, in all material aspects, in compliance with the provisions of the Delegated Regulation.

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Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of UnipolSai Assicurazioni S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of UnipolSai Group as at December 31, 2023, including their consistency with the related consolidated financial statements and their compliance with the applicable laws and regulations.
We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the consolidated financial statements of UnipolSai Group as at December 31, 2023 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.
In our opinion, the Report on Operations and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the consolidated financial statements of UnipolSai Group as at December 31, 2023 and comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Exemption from preparation of the non-financial information

As described in the management report, the Directors of UnipolSai Assicurazioni S.p.A. have made use of the exemption from the preparation of the non-financial information pursuant to art. 6 paragraph 2 of Legislative Decree n. 254, dated 30 December 2016.

Milan, 28th March 2024

EY S.p.A.
Signed by: Paolo Ancona, Auditor

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

UnipolSai Assicurazioni S.p.A.

Registered Office
Via Stalingrado, 45
40128 Bologna (Italy)
unipolsaiassicurazioni@pec.unipol.it
tel. +39 051 5077111
fax +39 051 7096584

Share capital
€ 2,031,456,338.00 fully paid-up
Bologna Register of Companies
Tax No. 00818570012
VAT No. 03740811207
R.E.A. No. 511469

A company subject
to management and coordination
by Unipol Gruppo S.p.A.,
entered in Section I of the Insurance
and Reinsurance Companies List
at No. 1.00006
and a member of the
Unipol Insurance Group,
entered in the Register of
the parent companies – No. 046

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unipolsai.it

UnipolSai Assicurazioni S.p.A.
Registered Office
Via Stalingrado, 45
40128 Bologna (Italy)