UnipolSai
ASSICURAZIONI

2022
Consolidated Financial Statements

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UnipolSai Assicurazioni

Consolidated Financial Statements

2022

The official document containing the 2022 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 2022 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

CREATING INNOVATION
OPENING NEW WAYS

With the 2022 Annual Report, Unipol completes the first year of its 'Opening New Ways' Strategic Plan; even in a macroeconomic context influenced by the international geopolitical crisis and rising inflation, the Group has achieved and confirmed the ambitious goals set out in the Plan thanks to its strong positioning built over time and its truly distinctive assets.

A new path rooted in a bed of tradition and innovation, of results and experimentation, consolidating the Group's evolution from insurance leader to a leader in the Mobility, Welfare and Property ecosystems with further strengthening in bancassurance.

We want to continue to map out a history of insight and vision, to anticipate changes and understand all the needs of those who rely on us, building and shaping innovative and valuable solutions, piece by piece.

An arrow pointing to the future to indicate the direction we have chosen to follow, to continue being pioneers in what we do, forerunners of the new ways we wish to open.

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 2022, global GDP was estimated to have grown by 3.1% compared to +6.1% in 2021. The slowdown in economic growth was affected in particular by the intensification of inflationary pressures that had initially emerged with the reopening of production activities after the most acute phase of the pandemic and later exacerbated by the conflict between Russia and Ukraine. Another factor that led to the slowdown was the decline in global trade, mainly due to supply chain disruptions and China's "zero-Covid" policy.

In the **United States**, GDP increased by 2.1% in 2022, compared to +5.9% in 2021. However, in the first and second quarters, the reduction in trade with China led the US into recession. In fact, in the first quarter, GDP fell by 0.4% compared to the previous quarter, while in the second quarter it decreased by 0.1% compared to the first quarter. During the third quarter, on the other hand, there was a return to growth (+0.8% compared to the second quarter), which continued in the fourth quarter as well (+0.7% compared to the third quarter), mainly due to the recovery in trade and the growth in private consumption. The good economic performance was also reflected in the labour market, with an average unemployment rate of 3.7% in 2022 (5.4% in 2021). Growth occurred despite the negative effects of the sharp increase in the inflation rate, which in 2022 averaged 8.0%, prompting the Fed to adopt a highly restrictive monetary policy, raising interest rates and starting a process of downsizing its bond portfolio.

In **China**, GDP grew by 3.0% in 2022, a figure significantly lower, by 6.1%, than in 2021, mainly due to the low level of domestic demand deriving in turn from the "zero-Covid" policy, entailing restrictions on mobility and economic activity aimed at containing the Covid-19 pandemic. In this context, the average unemployment rate in 2022 was 5.6%, while the average annual inflation rate was 2%. In addition, in 2022 the Chinese economy grew less than the emerging countries bloc, which achieved estimated growth of 3.6%.

In **Japan**, average estimated GDP growth for 2022 was 1.3%. Japanese growth was negatively affected (especially in the first and third quarter) by trends in global trade and uncertain epidemic development. In this context, the unemployment rate remained stable at an average of 2.6% per year, while the inflation rate rose to 2.5%, a value higher than the 2021 deflation (-0.2%), but this did not change the Bank of Japan's expansionary monetary policy tone.

In the **Euro Area**, GDP rose by 3.4% in 2022 (+5.3% in 2021). After the growth in the first and second quarters (+0.6% and +0.8% on the respective previous quarters), the GDP growth rate in the third quarter (+0.3% on the second quarter) and in the fourth quarter (+0.1% on the third quarter) decreased mainly due to the effects of the energy crisis, in turn a consequence of the war between Russia and Ukraine. The energy crisis has, in fact, led to a sharp increase in the inflation rate, equal to an annual average of 8.4%, thus prompting the ECB to adopt a restrictive monetary policy characterised by rising policy rates and the interruption of its bond buying programmes (Quantitative easing). Despite the economic slowdown, the labour market continued to improve during the year, with an average unemployment rate of 6.7% in 2022 compared to 7.7% in 2021.

Italian GDP grew by 3.9% in 2022. After a first quarter of weak growth (+0.1% compared to the previous quarter), the GDP trend improved in the second quarter (+1.1% compared to the first quarter) and the third quarter (+0.5% compared to the second quarter) thanks to the positive results of consumption and investments. During the fourth quarter, however, GDP fell by 0.1% due to the sharp increase in the inflation rate, as a result of the energy crisis and, in particular, Italy's strong exposure to natural gas imports. In fact, while the average annual inflation rate was 8.2% (a value comparable to that of the Euro Area), during the year it increased to an average of 12.3% in the fourth quarter. Despite a slowdown in the cycle and inflationary pressures, the unemployment rate averaged 8.1%, down sharply compared to 2021 when it was 9.5%.

Financial markets

In 2022, the main central banks adopted restrictive policies in order to contain inflationary pressures in the Eurozone. The **Fed** has raised the Fed funds rate by 425 basis points since the beginning of the year, also embarking upon a process of downsizing the portfolio of securities purchased during the various quantitative easing programmes. Likewise, the **ECB** again raised monetary policy rates, bringing the deposit rate back into positive territory (to 2% at the end of 2022, from -0.5% at the end of 2021) and the main refinancing operations rate (refi) to 2.5% at the end of 2022, after a long period of expansionary policies. The ECB also interrupted its bond buying programme and made its targeted refinancing operations (TLTRO-III) more restrictive.
The restrictive action of the ECB drove up all European interest rate curves, especially on long maturities. The 3-month Euribor rate closed 2022 with a sharp rise to 2.13%, up by around 270 basis points compared to the figures at the end of 2021, while the 10-year Swap rate increased during the same period by roughly 290 basis points, closing 2022 at 3.20%.

The expectation of a more restrictive ECB monetary policy also supported government interest rates in the main Euro Area countries. In Germany, the **10-year Bund** closed 2022 at 2.54%, up by around 270 basis points on the values at the end of 2021, whilst in Italy the **10-year BTP** closed 2022 at 4.65%, up 346 basis points. The 10-year spread between Italian and German rates was therefore 211 basis points at the end of 2022, up by 76 basis points compared to the end of 2021.

2022 ended negatively for the European stock markets. The **Eurostoxx 50** index, referring to the Euro Area indexes, showed a reduction of 11.7% in 2022 compared to the values at the end of 2021. The **FTSE Mib** index, referring to Italian listed companies, recorded a decline of 13.3% in the same period. Lastly, the **DAX** index, referring to German listed companies, closed 2022 down by 12.3% compared to December 2021.
The Fed's restrictive approach has had a significant impact on US stock indexes. In fact, the **S&P 500** index closed 2022 down by 19.4% compared to the values at the end of 2021. The expansion of interest rate spreads between the United States and the Euro Area favoured the appreciation of the US dollar against the euro, with the **euro/dollar exchange** rate closing 2022 at 1.07 dollars to the euro compared to 1.13 at the end of 2021.
International stock markets also saw a sharp decline in 2022: the **Nikkei** stock index, referring to listed companies in Japan, closed 2022 with a loss of 9.37% compared to December 2021, while the **Morgan Stanley Emerging Markets** index, referring to emerging markets, recorded an even more significant decline in 2022 of -22.4%.

Insurance Sector

The final figures reported for the third quarter of 2022 show premiums in the Italian and non-EU direct business **insurance market** of approximately €94.9bn, down 7.4% compared to the third quarter of 2021. These economic trends would translate into a decline for 2022 of around 8.0% compared to the previous year, with total premiums close to €129bn.

In the third quarter of 2022, Italian and non-EU direct premiums for the **Non-Life** business increased by 4.8% compared to the same quarter of 2021. Therefore, 2022 is expected to close with growth of approximately 4.4% compared to 2021, with premiums expected to exceed €35.5bn.

In the **MV** sector, consisting of the MV TPL, Marine Vessels TPL and Land Vehicle Hulls classes, premiums are forecast to be down by 0.4% compared to the same period of the previous year, penalised by the expected negative performance of **MV TPL + Marine Vessels TPL (-1.6%)**, while an expansionary trend is expected in the **Land Vehicle Hulls** component (+3.7%). The decline in MV TPL premiums is partly explained by the decrease in the **average MV TPL premium**, which **decreased by 2.8%** to €310 compared to €319 in the previous year (ANIA figure for the third quarter of 2022), consistent with **ISTAT** values **down** by **0.2%**. With regard to the **Non-Life Non-MV** classes, at the end of 2022 the segment should record an **increase** of approximately **8.2%** (Health +11.6%, Property +7.6%, General TPL +9.5%).
During 2022, the **MV** sector **agency channel** is expected to record premiums **up** by approximately **0.2%** compared to 2021 and an **overall weight** of approximately **83.6%**, while a significant reduction is expected in the **Direct channel (-3.4%)** and **Brokers (-4.4%)**, with a milder contraction in the **banking channel (-1.5%)**.
In the **Non-MV** sector on the other hand, premiums are expected to increase across all channels. The most significant increase in premiums is expected from the **banking channel (+21.3%)**, followed by the **broker channel (+9.8%)**: for the **agency channel**, growth should be **5.7%**.

Italian and Non-EU Direct **Life** premiums, according to ANIA estimates, should **decrease** in 2022 by around **11%** compared to the end of 2021, due to the reduction in **Class III (-27.4%)** and **Class I (-2.7%)** premiums. On the other hand, premiums for **Classes IV, V and VI** should increase (**+25.0%, +7.5% and +33.4%**, respectively), reaching approximately €4.7bn in total (**+24.6%**).

The breakdown of Life business premiums by distribution channel in **2022** should remain strongly skewed towards the **banking channel**, with a share of **57%** of total premiums (despite a reduction in premiums of approximately **8.5%**, in line with the contraction seen in the entire sector). The other channels should reach a share close to **14%**, with the **Broker** and **Direct** channels bucking the trend, with premiums up by **0.3%**.

Pension funds

In 2022, net deposits of **assets under management** (mutual funds, individual asset management, collective and individual pension plans) amounted to around €19.8bn, of which €15.5bn referring to collective management (open and closed funds) and €4.3bn in net deposits for portfolio management.
In the third quarter of 2022, net deposits of **pension assets** amounted to approximately €1.7bn, down sharply compared to the €2.2bn of net deposits recorded in the same quarter of the previous year. The assets managed by pension funds and individual pension plans therefore amounted to €99.2bn at the end of the third quarter of 2022 and represented 4.5% of total assets under management, down by 2.5% compared to the second quarter of 2022, continuing with the negative trend observed during the year.
In 2022, existing positions with **supplementary pension schemes**, reported by Covip, increased by 564 thousand units compared to the end of 2021. The 5.8% increase recorded at the end of the year confirms the upward trend observed in recent periods. In December 2022, there were therefore 10.3m existing positions, of which 7.5m held by employees (73.1%).
In December 2022, Covip recorded growth of 10.1% for **occupational funds**, with 349k more positions, for a total of €3.8m at year end, for which contributions were up by 4.5%. This growth is sustained, in particular, by the contribution of contractual enrolments, both in the private sector, which provides for nearly automatic subscription by new hires, incentivised by a minimum employer contribution (which contributed about 200k positions), and in the public sector, with the introduction of automatic registration for new public employees (about 80k positions). Market pension schemes were also up compared to the end of 2021, with an increase in existing positions of open funds (+6.1%) and "new" Personal Pension Funds (PiPs) (+2.3%) and an increase in contributions of 7.8% and 2.0% on an annual basis. The latest data available for pre-existing pension funds, based on the data available as at September 2022, show an increase in the number of positions of 4.0%.
The resources allocated to **supplementary pension benefits** were down by 3.6% at the end of 2022, i.e. equal to approximately €205bn compared to €213bn recorded in December 2021, due to capital losses linked to the performance of the financial markets and despite the overall increase in contributions. As regards yields at the end of 2022, there was a net one-year return of -9.8% for occupational funds, -10.7% for open funds and -11.5% for "new" unit-linked PiPs, while a slightly positive return was recorded for the segregated fund component of "new" PiPs (1.1%). Segregated fund assets are accounted for at historical cost and not at market values and the returns largely depend on the coupons collected on the securities held. All one-year returns are significantly below the revaluation threshold of post-employment benefits which, driven by strong inflationary pressure, recorded a return of approximately 8.3% at the end of 2022.

Real Estate market

According to the Italian Tax Authorities Real Estate Market Observatory, in 2022 the growth in **home sales** has slowed down to 5.8%, after the exceptional figure of 2021 (+34.2%), due to both tax incentives for renovations and stricter credit access conditions. In fact, due to the sudden hike in ECB policy rates and the resulting increase in the cost of credit for households, after more than 400k sales were made in the first half of 2022, an initial decline was observed in the second half of the year (-2.4% on the first half).
As reported by Nomisma, for the 13 major cities, prices of existing homes further increased by 2.8% in 2022, after growth of 1.0% recorded in 2021. Growth was widespread in all Italian cities, with particularly positive performance in Milan (5.8%), Bologna (4.3%), Rome (3.8%) and Florence (3.7%). Rents, up by 1.1% in 2022, did not show the same expansionary drive as prices, lowering cap rates and the overall attractiveness of the market. Furthermore, given high inflation, the home price growth rate is lower than the average growth in the consumption deflator (on average equal to 7.0%), again entailing a decline in home values in real terms.

In 2022, sales in the **non-residential sector** also recorded a slowdown in growth to +7.1% (+38.2% in 2021). Overall, in 2022, growth was highest for the production sector (+12.1%), followed by offices (+8.1%) and lastly by stores (+5.1%).
The recovery had less positive repercussions on the prices of non-residential properties than those observed for homes. In fact, the office price cycle, which had started its expansionary phase in the second half of 2020 after declining for 24 half-year periods, was reversed in the second half of 2022, recording a drop compared to the first half of the year, while that of stores has continued to decline for the last 28 half-year periods. Therefore, in 2022, both office and store prices recorded zero growth compared to 2021. However, price dispersion was high amongst the major Italian cities in 2022: prices were still down in Catania (-1.7%), Genoa (-0.7%), Venice (-0.6%), Padua (-0.3%) and Turin (-0.2%) as regards offices and in Palermo (-1.2%), Genoa (-1.0%), Padua (-0.8%), Catania (-0.7%) and Florence (-0.6%) for stores. On the other hand, sustained growth rates were observed in Milan for both segments (+2.3% for offices and +3.1% for stores). In addition, on average in the 13 major cities, in 2022 office cap rates were up compared to 2021 thanks to a growth, albeit modest, in rents (+0.2%) while, for stores and homes, the drop in rents (-0.8%) led to a reduction in cap rates.

Main regulatory developments

In 2022, the reference regulatory framework for the sectors in which the Group carries on business saw numerous innovations.

Relevant regulations for the insurance sector

The main regulatory change for the insurance sector was IVASS Measure no. 121/2022, which modified the financial statement layouts contained in ISVAP Regulation no. 7/2007 to adjust domestic regulations to the provisions of Regulation (EU) 2021/2036 on IFRS 17, which applies to accounting periods from 1 January 2023 onwards. IFRS 17 is profoundly discontinuous with respect to IFRS 4 in terms of the methods for measuring and recognising profits from insurance contracts, especially in the Life business, introducing a market-consistent approach inspired by Solvency II and valuation methodologies based on embedded value, also in order to increase the transparency and comparability of accounting information.

On 14 December 2022, Regulation (EU) 2022/2554 on digital operational resilience for the financial sector (DORA) was approved, which introduces harmonised requirements for companies operating in the financial sector (including insurance companies) in terms of the overall management of ICT risk, ICT system resilience testing and management, classification and reporting of ICT incidents. In essence, 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, alternative investment fund managers and ICT service providers. 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, which will be obliged to comply with the provisions of DORA and have a stable presence in the European Union. DORA enters into force on 16 January 2023 and will apply from 17 January 2025.

At the level of primary Italian legislation, on 8 August 2022 Italian Legislative Decree no. 114/2022 was published in the Official Gazette. It contains the implementing provisions for Regulation (EU) 2019/1238 on a pan-European Personal Pension Product (PEPP), which represents a new type of personal pension product intended for residents in the European Economic Area, envisaging the option for a taxpayer changing their country of residence to pay contributions to a sub-account in the new country of residence or to continue paying contributions to the sub-account of the previous country of residence (portability of the PEPP). While the European Regulation sets forth the general rules relating to the authorisation phase, the investment policy and the portability of the PEPP at European level, Italian Legislative Decree no. 114/2022 identifies the competent national authorities, establishes the conditions relating to the phase of accumulation and disbursement of benefits and defines the tax treatment applicable to the national PEPP sub-accounts. In particular, note that, unlike other pension products, the PEPP Regulation envisages the option of disbursement of the accumulated capital in a lump sum, but Italian Legislative Decree no. 114/2022 does not allow post-employment benefits (TFR) to be paid into the PEPP.

With regard to secondary legislation, in 2022 insurance sector policymakers paid particular attention to issues related to the relaunch of Life products and the enhancement of value for money, i.e. the costs-benefits ratio (in terms of insurance benefit and financial return) that the policyholder can expect from the insurance contract. In particular, following a 2021 Supervisory Statement on value for money, on 31 October 2022 EIOPA published a document on the methodology for the assessment of value for money in the unit-linked policies market, in which the Authority recommends that companies, inter alia, carefully assess the risks linked to inflation as part of product development and adequately value the biometric risk component contained in unit-linked policies, also in order to differentiate them from other investment instruments.

At domestic level, on 11 March 2022 IVASS officially began work on an overall reform of Life product regulations, publishing a draft Regulation for consultation that aims to align the asset allocation rules for linked policies with the similar Bank of Italy regulations on UCITS, in order to overcome certain procedural limitations and rigidities to which insurance companies are subject in the engineering of linked products and in the choice of underlying assets pursuant to ISVAP Circular no. 474/2002. In addition, on the same date, IVASS published a Discussion Document with which it submits proposals to the market so that insurance companies can better value the demographic guarantee element (biometric risk) in Class III products, as well as options regarding the terms and conditions under which insurance companies could propose to policyholders any changes to the rule for determining the average rate of return for the segregated funds to which the contracts are linked, envisaging application of the profit provision, which is allowed by regulations in force only for new contracts and not for existing contracts.

Also note that, on 30 August 2022, IVASS approved **IVASS Regulation no. 52** relating to the implementation of provisions on the temporary suspension of capital losses for non-durable securities following Decree Law 73/22, which stated that insurance companies, in compliance with specific conditions set out in the Regulation that include the need to establish an undistributable equity reserve, should have the right for 2022 to value short-term securities at their recognition value in the financial statements for the previous year rather than according to the respective realisable value (if lower than the purchase cost). IVASS Regulation no. 52 was further amended, with resolution 127/2023 introducing, by virtue of the provisions of Decree Law no. 176 of 18 November 2022, the right to determine the amount of the undistributable reserve to be allocated by deducting the portion, attributable to policyholders, deriving from not writing down the securities. Note that, within the Group, Arca Vita S.p.A. availed itself of the option envisaged in the aforementioned Regulation with reference to the 2022 financial statements.

Lastly, on 11 July 2022 the Official Gazette published **MISE Regulation no. 88/2022 on the requirements and eligibility criteria for the duties of corporate officer pursuant to Art. 76 of the Private Insurance Code**. MISE Regulation no. 88/2022 replaces the previous Ministerial Decree no. 220/2011 and implements the provisions of Art. 76 of the Private Insurance Code, introducing new requirements (which the related body must assess according to strict parameters) relating to formal independence and limits to the accumulation of offices, in addition to those already envisaged with regard to integrity and professionalism. Furthermore, MISE Regulation no. 88/2022 introduces eligibility criteria (for the assessment of which the related body has a certain degree of discretion) in relation to fairness, expertise, independence of judgment, time availability and the ideal collective composition of the body. Overall, the reform measures substantially align with the corresponding banking regulations dictated by MEF Decree no. 169/2020 and aim to increase the quality of corporate officers, also by encouraging turnover and the addition of new specific skills.

Tax regulations

In 2022, the following regulatory measures were issued:

- Decree Law no. 4 of 27 January 2022 (Sostegni-ter Decree) containing "Urgent measures to support businesses and economic operators, employment, health and local services in relation to the Covid-19 emergency, as well as to contain the effects of price increases in the energy sector", converted to Law no. 25 of 28 March 2022. In particular, this decree introduced restrictive measures to the circulation of tax credits such as bonuses linked to construction works and anti-Covid emergency measures.
- Decree Law no. 17 of 1 March 2022 containing "Urgent measures to contain the costs of electricity and natural gas, for the development of renewable energies and for the relaunch of industrial policies" (Energy or Ukraine Decree) converted to Law no. 34 of 27 April 2022. Note the provision that deferred the deduction for IRES and IRAP purposes of 12% of the total write-downs and impairment losses on receivables of credit and financial institutions and insurance companies envisaged for the current tax period at 31 December 2022, to the tax period at 31 December 2023 and the three periods thereafter on a straight-line basis, in addition to the granting of tax credits to businesses for purchases of electricity and natural gas.
- Decree Law no. 21 of 21 March 2022 containing "Urgent measures to counter the economic effects of the Ukrainian crisis" (Ukraine-bis Decree) converted to Law no. 51 of 20 May 2022. Through this measure, tax credits are recognised for purchases of both electricity and natural gas in the second quarter of 2022 by companies (other than those defined as energy-intensive and gas-intensive already subsidised by Decree no. 17/2022, the Ukraine Decree), usable by the company or transferable in full to other parties including financial intermediaries and insurance companies.
- Decree Law no. 50 of 17 May 2022 containing "Urgent measures on national energy policies, business productivity and investment attraction, as well as on social policies and the Ukrainian crisis" (Aid Decree) converted to Law no. 91 of 15 July 2022. Among the provisions of interest, note the changes introduced to the assignment of receivables deriving from building bonuses to correct the "bottleneck" at the beginning of the year attributed to their circulation by Decree Law no. 4/2022 (Sostegni-ter Decree).
- Decree Law no. 73 of 21 June 2022 containing "Urgent measures on tax simplifications and the issue of work permits, State Treasury and additional financial and social provisions" (Simplification Decree) converted to Law no. 122 of 4 August 2022. The Decree contains numerous measures to simplify tax obligations for companies, including by extending the relative terms.

- Decree Law no. 115 of 9 August 2022 containing "Urgent measures relating to energy, water emergency, social and industrial policies" (Aid-bis Decree) converted to Law no. 142 of 21 September 2022. Among the provisions of interest, note the extension to the third quarter of 2022 of the granting of tax credits for the purchase of both electricity and natural gas by companies (other than those defined as energy-intensive or gas-intensive), usable by the company or transferable in full to other parties including financial intermediaries and insurance companies.
- Decree Law no. 144 of 23 September 2022 containing "Additional urgent measures on national energy policy, business productivity, social policies and for the implementation of the NRRP" (Aid-ter Decree) converted to Law no. 175 of 17 November 2022. Among the provisions of interest, note the extension to include October and November 2022 of the granting of tax credits for the purchase of both electricity and natural gas by companies (other than those defined as energy-intensive or gas-intensive) in the same manner as in the previous Aid Decrees.
- Decree Law no. 176 of 18 November 2022 containing "Urgent support measures in the energy and public finance sector" (Aid-quater Decree). Among the provisions of interest, note the decrease in the percentage deduction on the Superbonus to 90% instead of 110% (with specific exceptions), in addition to extension of the possibility of paying for use of the credit in instalments over 10 years. The granting of tax credits for the purchase of both electricity and natural gas by companies (other than those defined as energy-intensive or gas-intensive) is extended to December 2022 in the same manner as in the previous Aid Decrees.
- Decree Law no. 198 of 29 December 2022 containing "Urgent provisions on legal deadlines" (Milleproroghe Decree) envisaging numerous provisions for the extension of tax obligations and return deadlines.
- Law no. 197 of 29 December 2022 containing "State budget for the financial year 2023 and long-term budget for the three-year period 2023-2025" (Budget Law 2023). The provisions of interest include:
  - the increase to 0.50% from 2023 of the withdrawal on Life business mathematical provisions;
  - the introduction, for policyholders of Class I and Class V life policies, of the possibility of releasing the related returns, based on a 14% substitute tax rate applied to the value of the mathematical provision for these policies at 31 December 2022, net of the relative premiums;
  - the introduction of numerous provisions for the settlement of existing or potential disputes with the Tax Authorities (Tax Peace).

Other regulations

On 16 December 2022, the Corporate Sustainability Reporting Directive (CSRD) was published in the Official Journal of the EU. The CSRD aims to harmonise the disclosure of sustainability information by companies, so that financial companies, investors and the general public receive transparent, comparable and reliable information. In doing so, the Commission aspires to create a series of rules that over time will place sustainability reporting on the same level as financial reporting. To this end, the CSRD introduces some changes compared to the previous Non-Financial Reporting Directive (NFRD), including an extension of the scope of disclosure obligations to all large undertakings and listed companies (with the exception of micro-businesses listed on the stock exchange) and the introduction of the obligation to certify sustainability information. Furthermore, the CSRD specifies in greater detail the information that companies must report and requires them to disclose the information in compliance with mandatory EU principles on sustainability reporting (EU sustainability reporting standards), also establishing that all information must be published in the management reports drawn up by companies and disseminated in machine-readable digital format. The directive enters into force on 5 January 2023 and must be transposed into Member State laws by the end of 2024.
Also note that, on 25 July 2022, Regulation (EU) 2022/1288 was published, in force from 1 January 2023 on regulatory technical standards (RTS), which specify in particular the methodologies and presentation of information relating to sustainability indicators.
On 31 March 2022 the International Sustainability Standards Board (ISSB) issued the Exposure Draft (ED) "Climate-related Disclosures" on sustainability reporting, which remained in consultation until July 2022 and is currently being examined by the ISSB for the preparation of the final version of the standard.

Lastly, in February 2022, the European Commission adopted a proposal for a directive on corporate sustainability due diligence (CSDD), which aims to promote more responsible conduct by large corporates and regulated financial undertakings with respect to violations of human rights (such as child labour and the exploitation of workers) and environmental damage (such as pollution and biodiversity loss) that occur along the entire value chain. To this end, the Commission proposal introduces common due diligence obligations to ensure that companies identify, prevent and end or mitigate the actual or potential negative effects on human rights and the environment deriving from their activities, the operations of subsidiaries and the operations along the value chain carried out by parties with which the company has consolidated business relationships. In the proposed directive, the violation of due diligence obligations entails civil liability of the company and the related obligation to provide compensation for damages that can be identified, avoided or mitigated with adequate due diligence measures.

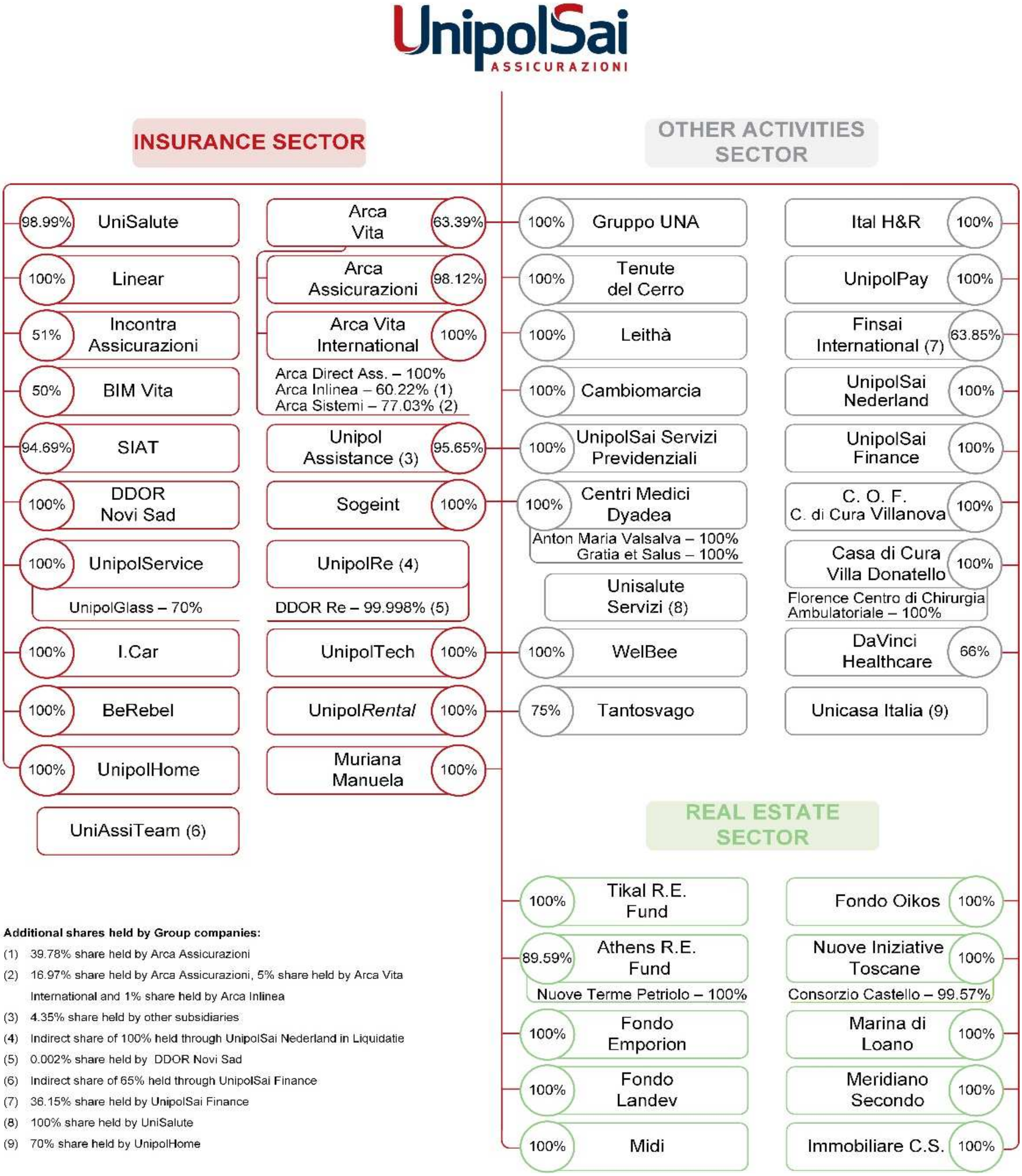
The Consolidated financial statements of UnipolSai Assicurazioni SpA are subject to an audit by independent auditors EY SpA, the company tasked with performing the legally-required audit of the consolidated financial statements for the 2021/2029 period.

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 2022

(direct holding out of total share capital)

For more details see the table appended to the Notes "Consolidation Scope"



Additional shares held by Group companies:

(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) 4.35% share held by other subsidiaries
(4) Indirect share of 100% held through UnipolSai Nederland in Liquidatie
(5) 0.002% share held by DDOR Novi Sad
(6) Indirect share of 65% held through UnipolSai Finance
(7) 36.15% share held by UnipolSai Finance
(8) 100% share held by UniSalute
(9) 70% share held by UnipolHome

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MANAGEMENT REPORT

Group highlights

Amounts in €m	31/12/2022	31/12/2021
Non-Life direct insurance premiums	8,304	7,943
% variation	*4.5*	*0.8*
Life direct insurance premiums	5,341	5,386
% variation	*(0.8)*	*24.4*
of which Life investment products	1,831	1,272
% variation	*44.0*	*123.4*
Direct insurance premiums	13,645	13,329
% variation	*2.4*	*9.2*
Net gains on financial instruments (*)	1,531	1,496
% variation	*2.3*	*9.1*
Consolidated profit (loss)	651	723
% variation	*(9.9)*	*(15.2)*
Balance on the statement of comprehensive income	(1,794)	678
% variation	*n.s.*	*(32.3)*
Investments and cash and cash equivalents	60,504	69,339
% variation	*(12.7)*	*0.8*
Technical provisions	51,766	57,128
% variation	*(9.4)*	*(1.0)*
Financial liabilities	9,142	8,411
% variation	*8.7*	*19.2*
Shareholders' Equity attributable to the owners of the Parent	5,569	7,964
% variation	*(30.1)*	*1.1*
UnipolSai Assicurazioni SpA Solvency ratio - Partial Internal Model	288%	326%
No. Staff	12,315	11,881

(*) 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

Alternative performance indicators[1]

	classes	31/12/2022	31/12/2021
Loss ratio - direct business (including OTI ratio)	Non-Life	62.2%	64.0%
Expense ratio (calculated on written premiums) - direct business	Non-Life	28.8%	28.5%
Combined ratio - direct business (including OTI ratio)	Non-Life	91.0%	92.5%
Loss ratio - net of reinsurance	Non-Life	65.2%	67.1%
Expense ratio (calculated on premiums earned) - net of reinsurance	Non-Life	28.7%	27.9%
Combined ratio - net of reinsurance (*)	Non-Life	93.8%	95.0%
Premium retention ratio	Non-Life	93.8%	94.4%
Premium retention ratio	Life	99.5%	99.6%
Premium retention ratio	Total	95.5%	96.1%
Group pro-rata APE (amounts in €m)	Life	562	548
Expense ratio - direct business	Life	6.4%	5.1%
Expense ratio - net of reinsurance	Life	6.3%	5.0%

(*) with expense ratio calculated on premiums earned

[1] These indicators are not defined by accounting rules; rather, they are calculated based on economic-financial procedures used in the sector.
Loss ratio: primary indicator of the cost-effectiveness of operations of an insurance company in the Non-Life sector. This is the ratio of the cost of claims for the period to premiums for the period.
OTI (Other Technical Items) ratio: ratio of the sum of the balance of other technical charges/income and the change in other technical provisions to net premiums for the period.
Expense ratio: percentage indicator of the ratio of total operating expenses to premiums written as far as direct business is concerned, and the premiums as far as retained business, net of reinsurance, is concerned.
Combined ratio: indicator that measures the balance of Non-Life technical management, represented by the sum of the loss ratio and the expense ratio.
APE – Annual Premium Equivalent: the new Life business expressed in APE is a measurement of the volume of business relating to new policies and corresponds to the sum of periodic premiums of new products and one tenth of single premiums. This indicator is used to assess the business along with the in force value and the Life new business value of the Group.
The premium retention ratio is the ratio of premiums retained (total direct and indirect premiums net of premiums ceded) to total direct and indirect premiums. Investment products are not included in calculating this ratio.

Management Report

Significant events during the year

Covid-19

After two years characterised by major repercussions related to the spread from February 2020 of the Covid-19 pandemic, in 2022, also thanks to the success of the vaccination campaign, a substantial return to normal was possible in the dynamics of social life and production activities.
With reference to the Non-Life insurance business, and in particular MV TPL, a return of road traffic to the levels of 2019 was therefore seen, with a consequent gradual recovery in the frequency of claims even if at levels lower than the pre-Covid period.
In the Non-Life Non-MV classes, the commercial drive by our sales networks along with the economic recovery in 2022 made it possible to considerably increase business.
As concerns the Life business, over the last few years the pandemic had no particular consequences in terms of premium trends or managed volumes.

Russia-Ukraine conflict

In the initial months of 2022, the international spotlight was dominated by the worsening of the conflict between Russia and Ukraine, which transformed into a large-scale war following Russia's invasion of Ukrainian territory. Aside from the heavy price in terms of human life and refugees, the effects of the conflict and the ensuing economic and financial sanctions imposed on Russia by the international community have had a considerable impact on the global economy. Some of the main impacts of the conflict are greater difficulty in the procurement of raw materials, with additional significant increases in the relative prices, and the risk of an already stressed supply chain becoming even more compromised.
This had repercussions on the cost of claims trend which, from the second half of 2022, saw significant increases in the average cost of claims settled with particular regard to MV TPL business. These increases, together with resumption of the frequency following the exit from the Covid emergency, led to the need for tariff adjustments to restore the technical balance of the class.
The ongoing conflict has also fuelled financial market tensions, with sharp declines in the international stock markets in the first part of the year, which then saw a partial recovery towards the end of 2022.
There was also a marked increase in interest rates deriving from the context of high inflation produced by sanctions on the export of raw materials of which Russia is an important producer and the response of central banks that have raised the cost of money on several occasions.
All this had repercussions on the Group's financial investments which, on the one hand, marked a significant deterioration in the net balance between implicit capital gains and losses, but on the other hand, thanks to the reinvestment of the flows produced, recorded better forward-looking profitability.
However, the Group does not carry out relevant economic activities in the area concerned by the conflict, does not hold, except to an extremely marginal extent, financial investments in securities of Russian or Ukrainian issuers, and is not a contractual party to any significant financial transactions with parties or entities subject to the international sanctions.

"Opening New Ways": 2022-2024 strategies

On 12 May 2022, the Board of Directors of UnipolSai approved the "Opening New Ways" 2022-2024 Strategic Plan. The new Strategic Plan is being unveiled within a macroeconomic context influenced by the international geopolitical crisis triggered by the conflict in Ukraine: a scenario characterised by a slowing economy, rising inflation due to a further acceleration in energy and food commodity prices, high financial market volatility and the expectation of higher interest rates. Despite this situation, the insurance market is expected to grow over the 2022-2024 three-year period.

In the sustainability area, UnipolSai will contribute to achieving the Sustainable Development Goals of the UN 2030 Agenda.

As in the past, the Group's strategies aim to create value for all its stakeholders based on the following distinctive assets:

- Brand equity and high reputation as key elements to building customer loyalty;
- Large customer base with a high level of engagement;
- Integrated data and analytics along the entire insurance value chain and in support of Beyond Insurance initiatives;
- Integrated and distinctive Motor Model, a key element of market leadership in MV TPL;
- Integrated Health Model as a key element for further development of the Group's leadership;
- Central nature of the Agency Network in the development of Group strategies;
- Banking networks with high growth potential in terms of insurance penetration of their customer base.

By leveraging the distinctive assets, the Strategic Plan is broken down across five strategic areas:

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

Convinced that the opportunities and well-being of customers and the people who interact with UnipolSai every day are necessary conditions for market development capacity and for the sustainable success of the Group, in relation to each of the strategic areas the Plan identifies and integrates ESG objectives, i.e. lines of action that, starting from opportunities linked to social, environmental and governance aspects, aim to generate positive impacts for stakeholders and society as well and contribute to sustainable development.

Expansion of the Group scope in the Beyond Insurance Enrichment area

In the wake of the Beyond Insurance Enrichment area outlined by the "Opening New Ways" 2022-2024 Strategic Plan, in 2022, the first year of the plan, the following companies were acquired or established for the development of the Mobility, Property and Welfare ecosystems.

Acquisition of I.Car Srl

On 13 January 2022, UnipolSai acquired 100% of I.Car Srl share capital at the estimated total price of €77m and 100% of Muriana Manuela Srl share capital for €3m. The acquisition of these two companies, operating in the vehicle anti-theft system sector and insurance brokerage sector, respectively, is consistent with development of the Mobility Ecosystem undertaken by the Group in recent years.

Establishment of UnipolHome S.p.A.

On 20 January 2022, UnipolHome S.p.A., a wholly-owned subsidiary of UnipolSai, was established with the aim of integrating the Group's insurance offer into the *Property* ecosystem sector. In particular, the company aims on one hand to create and coordinate a network of craftsmen through a digital platform to manage the provision of direct compensation for damages relating to claims on insured properties, with potential expansion in the activity of property maintenance, and on the other hand to enter the condominium management market, also by acquiring already specialised companies, and possibly act as a business procurer with reference to energy market services.

On 1 July and 26 October 2022, UnipolSai, at the request of the subsidiary, made capital contributions of €2.7m and €2.6m, respectively, to provide UnipolHome with the financial resources required to implement the Craftsmen Network Platform and acquire a controlling interest in Unicasa Italia SpA, a company operating in the area of condominium administration.

Acquisition of Tantosvago Srl
On 6 July 2022 and 26 October 2022, through acquisitions of shares and the subscription of a reserved share capital increase, UnipolSai acquired an overall equity investment amounting to 75% of the share capital of the company Tantosvago at a total price of €15.9m. The investment sale agreement also calls for a system of option calls on all of the interests of the non-controlling shareholders, exercisable by UnipolSai within contractually defined time windows at a price to be defined on the basis of specific future profitability and debt parameters of the company, and a separate right of the non-controlling shareholders to sell their interests to UnipolSai, provided UnipolSai has not previously exercised the option call.
Tantosvago is active in the flexible benefits market (or the goods and services that a company can provide within the welfare plan for its employees), with the role of aggregator, holding the technology and the know-how to proceed with the acquisition and aggregation of individual products/services provided by various suppliers (such as insurance companies, healthcare facilities, gyms, travel agencies, training organisations) within a digital catalogue of services set up to be integrated within dedicated platforms.

Establishment of Welbee SpA
Also on 6 July 2022, the company Welbee was established, a wholly-owned subsidiary of UnipolSai, with a view to performing platform provider activities in the flexible benefits market, in the welfare and healthcare sectors, within the framework of the Beyond Insurance Enrichment strategic area defined in the 2022-2024 Strategic Plan.

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 transaction, that is part of the *Beyond Insurance Enrichment* strategic area of the "*Opening New Ways*" 2022-2024 Strategic Plan, constitutes a significant component of the welfare ecosystem, concerning the development and direct management of a network of health centres. Indeed, Santagostino Medical Centres, with its 34 offices, is one of the main operators in Lombardy, particularly in the Milan area; it relies on the collaboration of around 1,300 doctors, with a service offering aimed at guaranteeing a high quality patient experience at accessible conditions and with reduced waiting times, also thanks to technological innovation, which is one of the distinctive factors of the company. It is expected that, after obtaining the necessary authorisations, the transaction will be completed by the end of April 2023.

Other minor acquisitions
Also with the aim of developing the Welfare ecosystem, in 2022 equity investments were acquired in the following companies operating in the healthcare field:

- Anton Maria Valsalva Srl, a company that manages the multi-specialty health centre of the same name in Imola;
- Gratia et Salus Srl, a company that manages medical clinics specialised in occupational medicine;
- DaVinci Healthcare Srl, a company that manages telemedicine services.

Termination of the agreement with Intesa Sanpaolo SpA

10 February 2022 saw the conclusion of the mutually agreed termination of the agreement signed on 17 February 2020 between UnipolSai and Intesa Sanpaolo SpA in the broader context of Intesa Sanpaolo's launch of a public exchange offer on 100% of UBI Banca SpA shares and the related acquisition of business units referring to one or more insurance company investees of UBI Banca. This termination was the result of the assessment, agreed between the parties, of the transaction no longer being convenient and of mutual interest, taking into account the implementation costs and complexities.

Early repayment of loan disbursed by UnipolSai to Unipol Gruppo maturing in 2024

On 1 March 2022, exercising the contractually envisaged right to early repayment, Unipol arranged full repayment of the €300m loan disbursed by UnipolSai on 1 March 2019, granted as part of the sale to Unipol of the shareholding in Unipol Banca SpA and in UnipolReC SpA.

UnipolMove marketing launch

After being the first company at national and European level to obtain accreditation for the European electronic toll service, in March 2022 UnipolMove began marketing the electronic motorway toll payment service to all Group customers.

Sale of the UnipolReC loan portfolio en bloc

In May 2022, as a result of the interest formally expressed by some operators in the sector for the acquisition of the portfolio of non-performing loans held by the investee UnipolReC (the "Portfolio"), a competitive selection process was launched for a buyer to be identified among the major market players.
As part of this process, at the end of the due diligence phase carried out with reference to the accounting situation at 31 March 2022, as a result of the binding offers received, the proposal of the company AMCO was selected, received on 2 August, and which provided for the sale en bloc without recourse of the Portfolio, for an amount of €307m, corresponding to 11.9% of the Gross Book Value at 31 March 2022, equal to €2.6bn. The sale was finalised on 14 December 2022 after obtaining Bank of Italy authorisation. Possible compensation in favour of the buyer was envisaged in the sale agreements if certain conditions were met, with respect to which the appropriate provisions were recognised in the financial statements of UnipolReC at 31 December 2022, which closed with a loss of €52m.

Moody's raises UnipolSai's rating to "Baa2" and later changes the outlook

On 24 May 2022, the Moody's rating agency upgraded the Insurer Financial Strength Rating (IFSR) of UnipolSai Assicurazioni SpA from "Baa3" to "Baa2", i.e. one notch above Italy's rating (Baa3/Stable outlook). As a result, the ratings of the debt issues all improved as follows:

- the rating of the subordinated bonds of UnipolSai Assicurazioni SpA increased by one notch to "Ba1";
- the rating of the RT1 perpetual subordinated bond of UnipolSai Assicurazioni SpA increased by two notches to "Ba2 (hyb)".

The rating agency initially maintained the outlook of the above-mentioned ratings at "stable".
In its decision, the Moody's Committee recognised the improvement of the Group's credit profile and increased resilience in the face of potential stress scenarios, particularly with reference to Italian government bonds. The Agency also recognised the validity of the strategy, a very strong market position and distribution capacity and the improvement in the financial profile, particularly as regards profitability and capital strength, with a solvency ratio less sensitive to market fluctuations.

Subsequently, on 9 August 2022 Moody's confirmed the Insurance Financial Strength Rating of UnipolSai Assicurazioni SpA at "Baa2", lowering its outlook from "Stable" to "Negative" after the similar action carried out on Italy's rating.

In its decision, the Moody's Committee considered the high exposure of UnipolSai's assets and liabilities to the country.
The debt issue ratings are also confirmed:

- the subordinated bonds of UnipolSai Assicurazioni are confirmed at "Ba1";
- the RT1 perpetual subordinated bond of UnipolSai Assicurazioni is confirmed at "Ba2 (hyb)".

Exercise of the put option on the equity investment in Incontra Assicurazioni

On 1 July 2022, UnipolSai received formal termination from UniCredit SpA of the shareholders' agreement signed on 30 October 2017 between the two parties in relation to the company Incontra Assicurazioni SpA (the "Agreement").
Following this termination, on 29 July 2022, UnipolSai exercised the put option due to it on the basis of the Agreement, concerning the equity investment held in Incontra Assicurazioni, equal to 51% of its share capital (the "Equity Investment"). Pursuant to the Agreement, UnipolSai and UniCredit have 14 months (subject to legal authorisations) to finalise the transfer of the Equity Investment. The Agreement requires the definition of the sale price of the Equity Investment to be made by an expert identified by the parties or, in the absence of an agreement, by the President of the Court of Milan from among investment banks and international consulting firms. The expert must proceed with their determinations in application of the methodologies defined in the Agreement.

Completion of a securitisation transaction by Unipol*Rental*

In November 2022, Unipol*Rental* was the first in Italy among long-term rental operators to complete an innovative securitisation transaction. The transaction was carried out through the granting by a special purpose vehicle of a loan pursuant to Art. 7, par. 1, lett. (a) of Law 130, the repayment of which is guaranteed by special-purpose assets set aside pursuant to Art. 4-bis of Decree Law 162/2019 ("Milleproroghe" Decree), which includes the car rental contracts held by Unipol*Rental*, as well as the vehicles underlying such contracts. The transaction, in which a leading investment bank acted as Arranger and disburser of the Senior Loan to the vehicle company, leverages a guarantee established on the core company assets (long-term rental contracts and the vehicle fleet) and has the primary goal of supporting the company's Strategic Plan. The net liquidity acquired at closing amounted to €481m, against debt of €520m and sums withheld by the lender as an accessory guarantee of €39m.

Renewal of bancassurance agreement with BPER and Banca Popolare di Sondrio

On 22 December 2022, UnipolSai signed agreements for renewal of the bancassurance partnership with BPER Banca SpA ("BPER") and Banca Popolare di Sondrio SpA ("BPSO") relating to the distribution of Life and Non-Life insurance products of Arca Vita SpA ("Arca Vita"), Arca Assicurazioni SpA ("Arca Assicurazioni") and Arca Vita International DAC ("Arca International"). When these agreements were renewed, the distribution by the above-mentioned banks of the "health" insurance products of UniSalute SpA ("UniSalute") was also governed by autonomous agreements that were also entered into.
The agreements make it possible to continue the partnership with BPER and BPSO for a period of 5 years starting from 1 January 2023, at terms substantially aligned with those expiring at the end of December 2022.
As BPER qualifies as a related party of UnipolSai, the signing of the agreements is a transaction of "greater relevance" for it, pursuant to the Regulation adopted by CONSOB with resolution no. 17221 of 12 March 2010, as amended ("RPT Regulation"), and the "Procedure for transactions with related parties" adopted by the UnipolSai Board of Directors ("RPT Procedure"). Therefore, the transaction was approved by the UnipolSai Board of Directors after obtaining the favourable opinion of the Related Party Transactions Committee regarding the interest of UnipolSai and its subsidiaries (specifically, Arca Vita, Arca Assicurazioni, Arca International and UniSalute) in the completion of the transaction as well as the cost effectiveness and substantial fairness of the relative conditions.
For additional information on the transaction, please refer to the information document drawn up by UnipolSai pursuant to and for the purposes of Article 5 of the RPT Regulation, as well as Article 14 of the RPT Procedure, made available to the public, on 22 December 2022, at the headquarters of UnipolSai, on the authorised storage mechanism eMarket Storage (www.emarketstorage.com), and on the website of UnipolSai (www.unipolsai.com - "Governance/Related-Party Transactions" section).

UnipolSai's support for the populations struck by the Marche flood

On 21 September 2022, UnipolSai launched a structured and integrated plan of actions in favour of populations affected by the September floods in the Marche 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.

UnipolSai and Linear: partnership with Pedius

In February 2022, UnipolSai and Linear announced the launch of the roadside assistance service as part of the Pedius app, which integrates functions for the hearing impaired and all individuals who cannot, temporarily or permanently, communicate verbally, transforming into a voice message any text entered and thereby removing communication barriers through the use of voice recognition and synthesis technologies.

Dyadea inaugurates the first paediatric hub

Since 20 June 2022, the first paediatric hub dedicated to patients aged 0 to 14 years has been in operation at the Dyadea Medical Centres in Bologna. The hub is coordinated by a paediatrician and will include a team of professionals consisting of 27 physicians covering 21 specialities to meet all healthcare needs, the only private multi-disciplinary paediatric hub in Bologna which is also equipped to handle emergencies.

Trade union agreement regarding Personnel and access to the Solidarity Fund

In October 2022, UnipolSai and the other Italian subsidiary insurance companies signed trade union agreements on voluntary early retirement arrangements for the employees of those companies that meet pension requirements by 2027. In view of preliminary enrolments by potential members of the pre-retirement plan, a charge of €199m (€137m net of taxes) was recognised at Group level.
Please also note that during the 2020-2021 two-year period, trade union agreements were entered into in relation to mutually agreed termination of employment contracts for executive personnel meeting pension requirements by 31 December 2024. These personnel will receive a cheque paid by the company that is equivalent to the future pension, until the state pension requirements are met. The mutually agreed termination of contract involved 12 executives in 2022.

UnipolSai one of the founding members of Bologna Tecnopolo

UnipolSai Assicurazioni is one of the founding members of "Tecnopolo" (National HPC, BigData and Quantum Computing Centre), established in September 2022 with the triple purpose of building a supercomputing infrastructure unique in Italy, to aggregate research and innovation resources in strategic sectors for the country and becoming the national reference platform for scientific and business initiatives.

Agreement with Snam for an ESG insurance programme

In October 2022, Snam and UnipolSai entered into an agreement for the creation of a third-party liability policy that takes into account the ESG (Environment, Social and Governance) objectives of the San Donato Milanese company.
Through the insurance agreement with Snam, UnipolSai recognises the significance of policies and actions linked to sustainability in the pricing of risk, but above all rewards the policyholder's commitment to risk prevention with a view to creating shared value.
With this in mind, the UnipolSai Third Party Liability policy provides for a reduction in the annual premium of Snam Rete Gas upon the achievement of certain objectives regarding the reduction of methane emissions that contribute to the abatement of the company's "*Scope 1*" emissions, thanks to investments made in modernising and monitoring gas network infrastructure.
Through this initiative, UnipolSai aims to reward Snam's ability to implement actions intended to reduce environmental risks, as an example of a virtuous company in the Italian landscape. Indeed, companies that translate ESG (Environment, Social and Governance) values into concrete actions can obtain more advantageous insurance coverage by virtue of their ability to reduce the operational risks associated with their business.
By developing different investment formats linked to specific environmental or social results, this initiative makes a significant contribution to the development of the first ESG-Linked insurance instruments that generate savings for companies capable of demonstrating their achievement of the United Nations 2030 Agenda Sustainable Development Goals.

Advertising and Sponsorships

Partnership between UnipolSai and Ducati Corse
8 March 2022 saw the renewal, for the sixth consecutive year, of the partnership between UnipolSai and the Borgo Panigale team for the 2022 MotoGP World Championship.

UnipolSai and the World Swimming Championships
At the World Championships in Budapest, which ended on 3 July 2022, the Italian athletes on the Italian Swimming Federation's National Team, of which UnipolSai is the main sponsor, won 22 medals, setting the new all-time record for medals won at the World Championships.

UnipolSai Davis Cup Regional Partner
In September, one of the four groups of the final round of the 2022 Davis Cup was held in Bologna, with the support of the Unipol Group as Regional Partner.

UnipolSai Title Sponsor of the top basketball championship
Again for the 2022/2023 season, which began in September, UnipolSai is supporting the Serie A Basketball League as Title Sponsor of the LBA Championship and Presenting Sponsor of the Final Eight of the Italian Cup and Super Cup.

Recognitions

MF Insurance Awards 2022
At the insurance excellence awards night on 24 February 2022, UnipolSai, UniSalute and Arca Vita received different recognitions in the "Companies of Value" category. Added to these was the Special ESG Insurance Elite Award for the best Standard Ethics sustainability rating for an Italian insurance company which went to UnipolSai.

Best Phygital Brand
On 31 March 2022, as part of the Best Brands 2022 programme, UnipolSai came in third in the “Best Phygital Brands” ranking. This initiative, in its seventh edition this year, ranks the best Italian Brands according to the Best Brands research conducted by GfK and Serviceplan Italia in collaboration with traditional partners Rai Pubblicità, 24ORE System, IGP Decaux and ADC Group and with the support of UPA.

Brand Finance Ranking: UnipolSai one of the strongest brands
According to the latest Brand Finance ranking, dated 9 May 2022, the UnipolSai brand is growing and ranked second after Ferrari in terms of brand strength.

Italy Protection Forum Awards 2022
During May 2022 the Italy Protection Forum Awards were held, recognising insurance sector companies based on their insurance protection and market personality. UnipolSai received a recognition for its agency network, thanks to its excellent health insurance performance and, in Non-Life protection, with the “Agricoltura e Servizi” product. An additional award was received by UnipolSai for the growth capacity of the agency network in the Long Term Care offer. Incontra Assicurazioni was also rewarded for the enhancement of ESG issues, to the benefit of customers' well-being.

Milano Verticale - UNA Esperienze wins at the Italian Mission Awards 2022
In May 2022, the iconic Milan urban design hotel once again won the "Best business hotel for business travellers" award at the ninth edition of the Italian Mission Awards, an event dedicated to leading operators in the business travel sector at national and international level.

Health & Medmal Insurance Awards
On 21 September 2022, at the Health & Medmal Insurance Awards, the annual event that recognises Italian excellence in the area of private healthcare operators, UniSalute received awards for *“Evolution of Leadership through the offer of retail and SME solutions in the Healthcare sector accessed through Unipol Group agencies and partner banks”* and for *“Excellence in the digital offer of health policies”.* Incontra Assicurazioni also received the award *“For the brilliant commercial performance achieved thanks to the mix of coverage quality and support for customers”.*

Milano Verticale - UNA Esperienze awarded at the World Travel Awards

In September 2022, the Milan urban design hotel was recognised as *"Italy's Leading Lifestyle Hotel 2022"* during the 29th edition of the *World Travel Awards*, the most prestigious, sought-after and comprehensive programme of awards in the global travel and tourism sector.

2022 European Mission Awards

In October 2022, at the first edition of the 2022 European Mission Awards, Gruppo UNA was recognised in the "*Best In-House Safe & Clean Programme for Business Travellers*" category. The recognition was due to its *UNAsafe* protocol, thanks to which Gruppo UNA was one of the first operators to offer high service standards in terms of health and safety, thus allowing business travel to resume in full compliance with post-pandemic requirements.

UnipolMove wins gold at the NC Digital Awards

At the NC Digital Awards ceremony held in October 2022, in the "*Integrated Digital Campaign - Travel, Transport and Tourism*" category, the UnipolMove communication campaign was awarded first prize by more than 50 industry experts amongst the most important companies in Italy.
Also thanks to this campaign, which had omnichannel planning across the main means of communication, with a particular focus on the entire digital area, UnipolMove achieved 19% spontaneous awareness, 30% solicited awareness and over 410,000 devices sold in less than ten months in 2022.

UnipolSai, Unipol*Rental* and UniSalute amongst the "2023 Service Champions"

On 21 November 2022, the data of the largest survey on the service level offered by companies in Italy, named "*Best in Italy - 2023 Service Champions*", were published in La Repubblica-Affari & Finanza. UnipolSai and UniSalute ranked among the top positions in the "Insurance" category and Unipol*Rental* was among the leaders in the "*long-term car rental/company fleet rental*" category.

Insurance Connect Awards

On 30 November 2022, at the *Insurance Connect Awards*, UnipolSai won the following: *Innovation Award*, for capably innovating its business model by creating diversified ecosystems; *Art and Culture Award*, for its strong commitment to the enhancement of artistic heritage and for support to the world of art and museum activities in Italy; *Award for the Best Sustainability Strategy*, thanks to the partnership with Snam for the development of ESG-linked insurance products.

Operating performance

In 2022, the UnipolSai Group achieved results in line with the objectives of the 2022-2024 Strategic Plan, with a **consolidated net profit** of €651m compared to €723m in the previous year.

Net of the extraordinary components that characterised the 2021 and 2022 results, including the recognition of a solidarity fund for the early retirement of approximately 900 employees accounted for in the final quarter of last year, the 2022 **normalised net profit** of €789m is significantly higher than the 2021 normalised profit of €596m. In particular, it should be noted that the 2021 results were positively influenced, for €33m (€42m before taxes), by the effects of the agreement relating to the settlement on the liability actions lodged against former directors and statutory auditors of Fondiaria-Sai and Milano Assicurazioni and the tax realignment of certain goodwill and real estate for €94m.
On the other hand, the 2022 results were negatively impacted, for €137m (€199m before taxes), by the recognition of a solidarity fund for the early retirement of approximately 900 employees.

At 31 December 2022, **direct insurance premiums**, gross of reinsurance, stood at €13,645m, up (+2.4%) compared to €13,329m at 31 December 2021.

Non-Life direct premiums, amounting to €8,304m, recorded significant growth (+4.5%) compared to €7,943m at 31 December 2021.
UnipolSai, which recorded Non-Life premiums of €6,883m (+2.4%), and the other Group companies contributed to this amount. In particular, UniSalute achieved premiums of €574m (+10.6%) and Arca Assicurazioni reported premiums of €245m (+29.1%), confirming the strategic nature of the relationship with the banking partners through which the Group's products are distributed.

The MV segment was up by 1.3% compared to the previous year, recording premiums of €3,888m. 2022 was characterised by a gradual recovery in the claims frequency after the Covid-19 pandemic, accompanied by a significant increase in the average cost of claims due, in particular, to the pressure of inflation on vehicle repair costs. The Group’s MV premiums were positive, thanks to both the increase in the customer portfolio and the sale of accessory guarantees (“Land Vehicle Hulls” classes), which recorded 5.6% growth in premiums.
The performance of the Non-MV segment was very positive, with premiums of €4,416m and growth of 7.6% compared to 31 December 2021. All of the Group's main sales channels and business units contributed to this result, particularly those in the Welfare ecosystem.

With reference to the **Non-Life segment**, all of the Ecosystems business lines showed positive performance in terms of premiums. In particular, the Mobility ecosystem recorded €4,237m in premiums (+1.8%) and was further consolidated through the continuous growth of Unipol*Rental*, the Group's long-term rental company, and UnipolMove, the new electronic toll system. In particular, despite unfavourable automotive market trends caused by supply chain disruptions, in 2022 Unipol*Rental* recorded a significant increase in contracts acquired (approximately 78k compared to approximately 60k at the end of 2021), also thanks to the excellent commercial results achieved by UnipolSai agencies. The total number of vehicles registered at 31 December 2022 was 23,377, compared to 14,438 in the same period of last year.
In 2022, the Welfare Ecosystem reported €1,650m in premiums (+11.0%), with a significant increase in the Health Class (+17.3%), while the Property Ecosystem, with premiums of €2,417m, grew by 5.4%.

The combined ratio of direct business was 91.0% at 31 December 2022 (93.8% net of reinsurance), compared to 92.5% at 31 December 2021 (95.0% net of reinsurance). The direct business loss ratio was 62.2% (compared to 64.0% in 2021), while the direct business expense ratio stood at 28.8% (compared to 28.5% at 31/12/2021), affected by a production mix more oriented towards products with a higher commission rate, but also with higher margins.

The Non-Life pre-tax profit amounted to €711m, compared to €752m in the previous year; excluding non-recurring components, the 2022 profit, equal to €889m, is significantly higher than the €730m recorded in 2021.

In the **Life segment**, the Group achieved direct premiums of €5,341m, substantially in line (-0.8%) with the €5,386m recorded in 2021, in an unfavourable market context characterised by high levels of inflation, high financial market volatility and rising interest rates. In this scenario, Italian households have focused more on supporting growing current expenses, driving down demand for Life policies. The funding mix was mainly oriented towards multisegment products, in keeping with a strategy aimed at reducing capital absorption and containing the guaranteed minimum rate (at the end of 2022, 47% of the reserves had a guaranteed rate of zero).

UnipolSai's direct premiums rose to €3,392m (+18.2% compared to 2021), benefitting from the recognition in the third quarter of new pension fund management mandates, while in the bancassurance channel, Arca Vita together with its subsidiary Arca Vita International recorded direct premiums of €1,894m (-21.8% compared to 2021).

The Life pre-tax profit was €275m, compared to €218m in 2021 (the normalised results were €295m and €210m, respectively). This growth was due to the improvement in both technical and financial margins, favoured by the context of rising current and prospective interest rates.

With regard to the **real estate** sector, the investments made in 2022 favoured prestigious locations and the completion of a new office building in Piazza Gae Aulenti in Milan.

As regards the **other sectors** in which the Group operates, the hotel sector recorded a significant recovery starting from the summer season, closing in the black after two years penalised by the effects of the Covid-19 pandemic.

The pre-tax result of the Real Estate and Other Businesses sectors was loss of €65m (loss of €75m at 31/12/2021). Net of extraordinary components, the normalised results came to -€65m in 2022 and -€87m in 2021.

Financial management benefitted from the increase in the profitability of new investments, focusing on investment grade securities with a good coupon profile, with a simultaneous improvement in terms of diversification and the overall risk-return profile.
The Group's insurance financial investment portfolio obtained a return of 3.2% of invested assets (3.1% at 31/12/2021), thanks to the excellent contribution of the coupons and dividends component.

At 31 December 2022, consolidated **shareholders' equity** amounted to €5,813m (€8,234m at 31/12/2021) of which €5,569m attributable to the owners of the Parent. The change during the period was affected by the reduction in the market values of the bonds and shares in the portfolio.

The individual **Solvency ratio** of UnipolSai at 31 December 2022 was 288% (326% at the end of 2021), while the consolidated Solvency ratio based on economic capital was 274% (284% at 31/12/2021).

Salient aspects of business operations

The UnipolSai Group's Consolidated Financial Statements at 31 December 2022 closed with a **net profit of €651m** (€723m at 31/12/2021), net of taxation for the year 2022 of €269m. Net of non-recurring transactions carried out in the two years compared, the profit at 31 December 2022 would have been €789m versus a profit of €596m at 31 December 2021.

The **Insurance sector** contributed €709m to consolidated net profit (€793m at 31/12/2021), of which €523m related to Non-Life business (€618m at 31/12/2021), and €186m related to Life business (€175m at 31/12/2021). Net of the non-recurring transactions carried out in the two periods being compared, the results are:
- Insurance sector: €847m at 31 December 2022 and €676m at 31 December 2021;
- Non-Life business: €646m at 31 December 2022 and €522m at 31 December 2021;
- Life business: €200m at 31 December 2022 and €154m at 31 December 2021.

The results of the other sectors in which the Group carries out business are as follows:
- the **Other Businesses sector** recorded a -€12m loss (-€7m at 31/12/2021; -€8m net of non-recurring transactions);
- the **Real Estate sector** recorded a -€46m loss (-€63m at 31/12/2021; -€72m net of non-recurring transactions).

Among the other important factors that marked the performance of the Group, note the following:

- **direct insurance premiums**, gross of reinsurance, totalled €13,645m (€13,329m in 2021, +2.4%). Non-Life direct premiums amounted to €8,304m (€7,943m in 2021, +4.5%) and Life direct premiums €5,341m (€5,386m in 2021, -0.8%), €1,831m of which related to investment products (€1,272m in 2021);

- **premiums earned**, net of reinsurance, were €11,366m (€11,879m in 2021, -4.3%), of which €7,875m from the Non-Life business (€7,780m in 2021, +1.2%) and €3,491m from the Life business (€4,098m in 2021, -14.8%);

- **net charges relating to claims**, net of reinsurance, were €8,975m (€9,737m in 2021, -7.8%), of which €5,031m in the Non-Life business (€5,095m in 2021, -1.3%) and €3,944m in the Life business (€4,642m in 2021, -15%), including €375m of net losses on financial assets and liabilities at fair value (net gains of €72m in 2021);

- the **loss ratio** of direct Non-Life business was 62.2% (64.0% in 2021);

- **operating expenses** were €2,769m (€2,611m in 2021). In the Non-Life business they amounted to €2,306m (€2,222m in 2021), in the Life business €266m (€254m in 2021), in the Other Businesses sector €172m (€111m in 2021) and in the Real Estate sector €38m (€35m in 2021);

- the **combined ratio** of direct Non-Life business was 91% (92.5% in 2021);

- **net gains on investments and financial income** from financial assets and liabilities (excluding net gains on financial assets and liabilities at fair value relating to Life business) amounted to €1,531m (€1,496m in 2021);

- **taxes** for the year represented a net expense of €269m (€172m in 2021). The tax rate for 2022 was 29.2% (19.2% in 2021);

- net of the €55m profit attributable to non-controlling interests, the **profit attributable to the owners of the Parent** at 31 December 2022 was €597m (€688m at 31/12/2021);

- **comprehensive income** was a negative €1,794m (€678m in 2021), influenced by the decrease in the reserve for gains or losses on available-for-sale financial assets for €2,468m (decrease of €12m in 2021);

- **investments and cash and cash equivalents** amounted to €60,504m (€69,339m at 31/12/2021) after reclassifying, pursuant to IFRS 5, under assets held for sale €533m, of which €433m relating to assets held by the subsidiary Incontra Assicurazioni and €100m relating to properties for which the owner Companies have started disposal activities or for which the related preliminary sales contracts have already been signed (€133m at 31/12/2021);

- **technical provisions** and **financial liabilities** amounted to €60,908m (€65,540m in 2021).

A summary of the Consolidated Operating Income Statement at 31 December 2022 is illustrated below, broken down by business segment: Insurance (Non-Life and Life), Other Businesses and Real Estate, compared with the data at 31 December 2021.

Condensed Consolidated Operating Income Statement broken down by business segment

Amounts in €m	NON-LIFE BUSINESS			LIFE BUSINESS			INSURANCE SECTOR		
	Dec-2022	Dec-2021	*% var.*	Dec-2022	Dec-2021	*% var.*	Dec-2022	Dec-2021	*% var.*
Net premiums	7,875	7,780	*1.2*	3,491	4,098	*(14.8)*	11,366	11,879	*(4.3)*
Net commission income	(51)	(1)	*n.s.*	11	11	*7.7*	(40)	9	*n.s.*
Financial income/expenses (**)	452	458	*(1.4)*	1,102	1,072	*2.8*	1,554	1,530	*1.6*
Net interest income	*360*	*288*		*1,075*	*1,000*		*1,434*	*1,288*	
Other income and charges	*130*	*86*		*86*	*58*		*216*	*145*	
Realised gains and losses	*58*	*89*		*(46)*	*(6)*		*12*	*83*	
Unrealised gains and losses	*(96)*	*(5)*		*(13)*	*20*		*(109)*	*15*	
Net charges relating to claims	(5,031)	(5,095)	*(1.3)*	(3,944)	(4,642)	*(15.0)*	(8,975)	(9,737)	*(7.8)*
Operating expenses	(2,306)	(2,222)	*3.8*	(266)	(254)	*4.7*	(2,572)	(2,476)	*3.9*
Commissions and other acquisition expenses	*(1,769)*	*(1,741)*	*1.6*	*(118)*	*(116)*	*1.9*	*(1,887)*	*(1,857)*	*1.6*
Other expenses	*(537)*	*(481)*	*11.7*	*(148)*	*(139)*	*7.1*	*(686)*	*(620)*	*10.6*
Other income/charges	(228)	(168)	*(36.0)*	(119)	(67)	*(78.8)*	(347)	(234)	*(48.2)*
Pre-tax profit (loss)	**711**	**752**	*(5.5)*	**275**	**218**	*26.2*	**985**	**970**	*1.6*
Income taxes	(188)	(134)	*39.9*	(88)	(43)	*107.1*	(276)	(177)	*56.1*
Profit (loss) from discontinued operations									
Consolidated profit (loss)	**523**	**618**	*(15.4)*	**186**	**175**	*6.5*	**709**	**793**	*(10.6)*
Profit (loss) attributable to the Group									
Profit (loss) attributable to non-controlling interests									

(*) The Real Estate sector only includes real estate companies controlled by UnipolSai.
(**) Excluding assets and liabilities at fair value relating to insurance contracts issued by insurance companies where the investment risk is borne by policyholders and arising from pension fund management

OTHER BUSINESSES SECTOR			REAL ESTATE SECTOR (*)			Inter-segment eliminations		TOTAL CONSOLIDATED		
Dec-2022	Dec-2021	% var.	Dec-2022	Dec-2021	% var.	Dec-2022	Dec-2021	Dec-2022	Dec-2021	% var.
								11,366	11,879	(4.3)
								(40)	9	n.s.
(2)	8	n.s.	(7)	(29)	n.s.	(15)	(14)	1,531	1,496	2.3
3	3		(2)	(2)				1,435	1,289	
5	6		58	49		(15)	(14)	265	186	
(4)			(6)					2	83	
(6)			(57)	(76)				(172)	(62)	
								(8,975)	(9,737)	(7.8)
(172)	(111)	54.6	(38)	(35)	9.5	14	11	(2,769)	(2,611)	6.0
								(1,887)	(1,857)	1.6
(172)	(111)	54.6	(38)	(35)	9.5	14	11	(882)	(754)	16.9
155	91	69.9	(2)		n.s.	1	3	(193)	(140)	(37.5)
(18)	(11)	(61.8)	(47)	(64)	26.0			920	895	2.8
6	4	41.8	2	1	57.5			(269)	(172)	56.4
(12)	(7)	(74.0)	(46)	(63)	27.3			651	723	(9.9)
								597	688	
								55	35	

Insurance Sector

The Group's insurance business closed the period with a **profit of €709m** (€793m at 31/12/2021), of which €523m relating to the Non-Life sector (€618m at 31/12/2021) and €186m relating to the Life sector (€175m at 31/12/2021). Net of the non-recurring transactions carried out in the two periods being compared, the results are:

- Insurance sector: €847m at 31 December 2022 and €676m at 31 December 2021;
- Non-Life business: €646m at 31 December 2022 and €522m at 31 December 2021;
- Life business: €200m at 31 December 2022 and €154m at 31 December 2021.

Investments and cash and cash equivalents of the Insurance sector, including properties for own use, at 31 December 2022 totalled €57,625m (€66,676m at 31/12/2021), of which €14,563m in the Non-Life business (€16,363m at 31/12/2021) and €43,062m in the Life business (€50,313m at 31/12/2021).

Financial liabilities amounted to €9,052m (€8,372m at 31/12/2021), of which €1,590m in the Non-Life business (€1,429m at 31/12/2021) and €7,462m in the Life business (€6,943m at 31/12/2021). The change relates to the increase in liabilities relating to contracts with risk borne by policyholders.

Total premiums (direct and indirect premiums and investment products) at 31 December 2022 amounted to €13,843m (€13,600m at 31/12/2021, +1.8%).
Life premiums amounted to €5,341m (€5,386m at 31/12/2021, -0.8%) and Non-Life premiums totalled €8,502m (€8,214m at 31/12/2021, +3.5%).

All Non-Life premiums of the Group insurance companies are classified under insurance premiums, as they meet the requirements of the IFRS 4 standard (presence of significant insurance risk).
As for Life premiums, investment products at 31 December 2022, for €1,831m, related to Class III (Unit- and Index-Linked policies) and Class VI (pension funds).

Total premiums

Amounts in €m	31/12/2022	% comp.	31/12/2021	% comp.	% var.
Non-Life direct premiums	8,304		7,943		*4.5*
Non-Life indirect premiums	198		271		*(27.0)*
Total Non-Life premiums	**8,502**	***61.4***	**8,214**	***60.4***	***3.5***
Life direct premiums	3,510		4,114		*(14.7)*
Life indirect premiums					*(11.7)*
Total Life premiums	**3,510**	***25.4***	**4,114**	***30.3***	***(14.7)***
Total Life investment products	1,831	*13.2*	1,272	*9.4*	*44.0*
Total Life business	**5,341**	***38.6***	**5,386**	***39.6***	***(0.8)***
Overall total	**13,843**	***100.0***	**13,600**	***100.0***	***1.8***

Direct premiums amounted to €13,645m (€13,329m at 31/12/2021, +2.4%), of which Non-Life premiums totalled €8,304m and Life premiums €5,341m.

Amounts in €m	31/12/2022	*% comp.*	31/12/2021	*% comp.*	*% var.*
Non-Life direct premiums	8,304	*60.9*	7,943	*59.6*	*4.5*
Life direct premiums	5,341	*39.1*	5,386	*40.4*	*(0.8)*
Total direct premiums	**13,645**	***100.0***	**13,329**	***100.0***	***2.4***

Non-Life and Life **indirect premiums** totalled €199m at 31 December 2022 (€272m in 2021, -26.9%), €198m of which referred to premiums from Non-Life business (€271m in 2021, -27%) and €0.3m to the Life business (€0.3m at 31/12/2021, -11.7%).

Amounts in €m	31/12/2022	*% comp.*	31/12/2021	*% comp.*	*% var.*
Non-Life indirect premiums	198	*99.9*	271	*99.9*	*(27.0)*
Life indirect premiums		*0.1*		*0.1*	*(11.7)*
Total indirect premiums	**199**	***100.0***	**272**	***100.0***	*(26.9)*

Group **premiums ceded** totalled €543m (€479m in 2021, +13.4%), €524m of which from Non-Life premiums ceded (€463m in 2021, +13.2%) and €19m from Life premiums ceded (€16m at 31/12/2021, +20.2%).

Amounts in €m	31/12/2022	*% comp.*	31/12/2021	*% comp.*	*% var.*
Non-Life premiums ceded	524	*96.5*	463	*96.7*	*13.2*
Retention ratio - Non-Life business (%)	*93.8%*		*94.4%*		
Life premiums ceded	19	*3.5*	16	*3.3*	*20.2*
Retention ratio - Life business (%)	*99.5%*		*99.6%*		
Total premiums ceded	**543**	***100.0***	**479**	***100.0***	***13.4***
Overall retention ratio (%)	*95.5%*		*96.1%*		

The retention ratio is the ratio of premiums retained (total direct and indirect premiums net of premiums ceded) to total direct and indirect premiums. In calculating the ratio, investment products are not considered.

At 31 December 2022, the technical result of premiums ceded was positive for reinsurers in the Non-Life as well as the Life business.

Non-Life business

Total Non-Life premiums (direct and indirect) at 31 December 2022 were €8,502m (€8,214m at 31/12/2021, +3.5%).

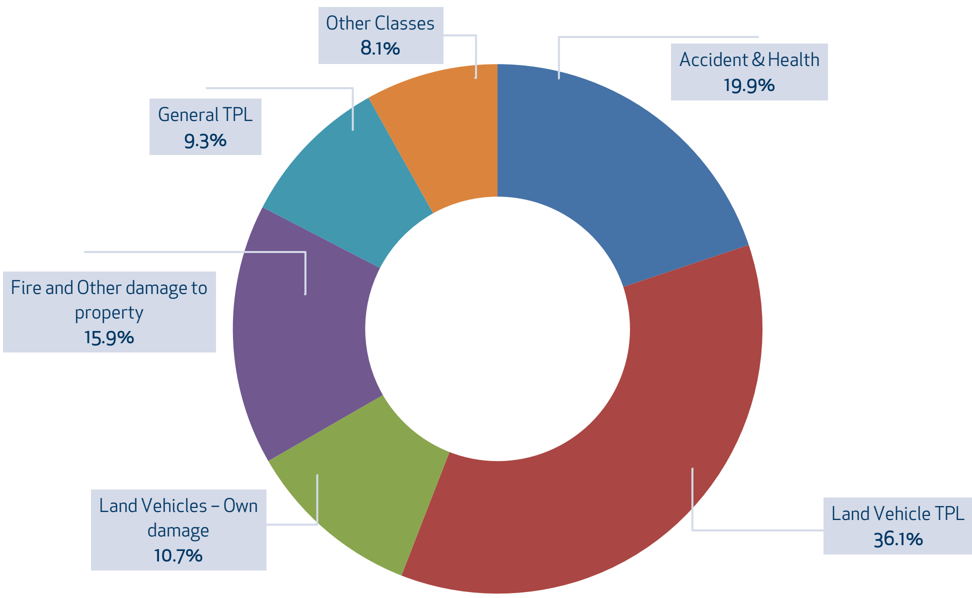
Direct business premiums alone amounted to €8,304m (€7,943m at 31/12/2021, +4.5%). **Indirect business** premiums were €198m (€271m at 31/12/2021, -27%).

The breakdown for the main classes and the changes with respect to 31 December 2021 are shown in the following table:

Non-Life business direct premiums

Amounts in €m	31/12/2022	*% comp.*	31/12/2021	*% comp.*	*% var.*
Motor vehicles - TPL and sea, lake and river (classes 10 and 12)	2,994		2,992		*0.1*
Land Vehicle Hulls (class 3)	894		846		*5.6*
Total premiums - Motor vehicles	**3,888**	*46.8*	**3,838**	*48.3*	*1.3*
Accident & Health (classes 1 and 2)	1,650		1,486		*11.0*
Fire and Other damage to property (classes 8 and 9)	1,322		1,277		*3.5*
General TPL (class 13)	771		723		*6.7*
Other classes	674		619		*8.9*
Total premiums - Non-Motor vehicles	**4,416**	*53.2*	**4,105**	*51.7*	*7.6*
Total Non-Life direct premiums	**8,304**	*100.0*	**7,943**	*100.0*	*4.5*

% breakdown of Non-Life direct business premiums



Premiums in the MV TPL business, still concerned by strong rate competition, were €2,994m, in line with 2021. Growth was reported in the Land Vehicle Hulls business with premiums equal to €894m (+5.6%), while premiums in the Non-MV segment were up, totalling €4,416m (+7.6%).

Non-Life claims

In 2022, there was a gradual recovery in the claims frequency after the Covid-19 pandemic: this situation was accompanied by an even more significant increase in the average cost of claims due to the pressure of inflation on vehicle repair costs and recent regulatory adjustments of the reference values of losses for minor injuries and family member losses. The year 2022 was characterised by very different inflationary dynamics compared to the past, marking discontinuity with respect to the trend of the last decade. The rise in inflation was driven by the increase in energy costs due to the onset of the war between Russia and Ukraine, accentuated by its continuation, as well as by supply chain slowdowns and the scarcity of raw materials and electronic components, sectors already in crisis after the blocks imposed during the pandemic period were lifted.

The net profit (loss) of the claims experience for the main businesses is provided in the following table:

Amounts in €m	Net breakdown at 31/12/2022	Net breakdown at 31/12/2021
MV TPL	243	97
Land Vehicle Hulls	11	6
General TPL	276	76
Other Classes	239	157
Total	**769**	**336**

The **claim ratio** (loss ratio of only direct business for the Non-Life business), including the OTI ratio, stood at 62.2% (64% in 2021).

The number of claims reported, without considering the MV TPL class, fell by 2.5%. The table with the changes by class is provided below.

Number of claims reported (excluding MV TPL)

	31/12/2022	31/12/2021	% var.
Land Vehicle Hulls (Class 3)	353,804	334,746	*5.7*
Accident (Class 1)	103,128	95,738	*7.7*
Health (Class 2)	4,235,328	4,437,135	*(4.5)*
Fire and Other damage to Property (Classes 8 and 9)	282,821	294,333	*(3.9)*
General TPL (Class 13)	86,476	86,384	*0.1*
Other classes	518,298	477,413	*8.6*
Total	**5,579,855**	**5,725,749**	***(2.5)***

As regards the MV TPL class, where the CARD[2] agreement is applied, in 2022 cases reported relating to "fault" claims (Non-Card, Debtor Card or Natural Card) totalled 543,525, up by 5.9% (513,079 in 2021).

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

Claims reported that present at least a Debtor Card claims handling numbered 314,205, up by 5.7% compared to the same period in the previous year.
Handler Card claims were 388,145 (including 82,467 Natural Card claims, i.e. claims between policyholders at the same company), up by 4% compared to the previous year. The settlement rate in 2022 was 78.7%, down from the same period of last year (79.4%).
The weight of cases to which the Card agreement may be applied (both Handler Card and Debtor Card claims) out of total cases (Non-Card + Handler Card + Debtor Card) in 2022 was equal to 82.7% (83.3% in 2021).
The average cost (amount paid plus amount reserved) for claims reported and handled (including claims reported late) increased by 4.3% in 2022 (-0.9% in 2021). The average cost of the amount paid out rose by 5% (-1.2% in 2021).

Expense ratio of the Non-Life direct business was 28.8% (28.5% at 31/12/2021).

The combined ratio of direct Non-Life business was 91% (92.5% in 2021).

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

The performance of the main Group insurance companies at 31 December 2022 is summarised in the following table:

Amounts in €m	Premiums written	*% Var.*	Investments	Gross Technical Provisions	Technical Provisions - Reinsurers' share
NON-LIFE INSURANCE SECTOR					
UNIPOLSAI ASSICURAZIONI SpA	7,200	*2.8*	14,730	12,604	499
ARCA ASSICURAZIONI SpA	245	*29.1*	407	298	52
DDOR NOVI SAD ADO	103	*11.7*	100	94	3
INCONTRA ASSICURAZIONI SpA	154	*41.4*	306	352	114
COMPAGNIA ASSICURATRICE LINEAR SpA	193	*3.8*	384	294	10
UNISALUTE SpA	614	*11.1*	543	456	181
SIAT SpA	173	*14.4*	135	288	196

UnipolSai, the Group's main company, had direct premiums of €6,883m (€6,721m at 31/12/2021, +2.4%), of which €3,621m in the MV classes (€3,583m at 31/12/2021, +1.1%) and €3,263m in the Non-MV classes (€3,138m at 31/12/2021, +4.0%). Also considering indirect business, premiums acquired during the year amounted to roughly €7,200m (€7,004m at 31/12/2021).

In particular, in the MV sector, thanks to the portfolio development actions launched in March the MV TPL class recorded a recovery in the collection trend already starting from the second quarter of 2022, which led to a substantially nil change in premiums at year-end, in sharp contrast to the significant drops recorded in previous years. The number of individual policy contracts at the end of 2022 also showed basically no change, mainly due to new business relaunch actions. The growth recorded in the company car fleets segment, consistent with market trends, which reward innovative vehicle use methods such as long-term rental and car sharing, made it possible to record a slight increase in the overall portfolio. On the other hand, as already mentioned above, during 2022 a series of factors negatively affected this class's technical KPIs, such as the increase in the circulation of vehicles, inflation trends and the updating of the MISE Tables relating to minor injuries and amendments made by the Court of Milan on the mechanisms for quantifying family member losses on claims with fatalities.

For the Land Vehicle Hulls class, premium growth was recorded once again in 2022, due in particular to the individual policy development trend. The increase in the number of contracts in the portfolio as well as the recovery in the average premium, driven by tariff changes made particularly on several significant guarantees, such as Natural Events, were amongst the main factors impacting premium growth.

Also in 2022, actions were put into place to improve the efficiency of settlement processes for MV claims. For example, the Black Box project continued, which was launched in partnership with UnipolTech, aiming to improve the effectiveness of the boxes and increase the available dataset. With a view to the evolution of the electronic settlement process and the innovative use of the information provided by the Black Box, on the Unico platform, renewed in 2021, the predictive models for the dynamics of the claim were perfected, in order to improve the verification, by the adjuster, of consistency between what was declared and the actual dynamics of the event.
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. Prototype of a Digital Amicable Accident Notification (CAI) released to facilitate the customer's user experience at their time of greatest need, in addition to reducing claim investigation timing.
In 2022, activities continued for the 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.
The booking process also continued to be optimised for visits at the Medical Report Centre (Centro Perizia Medica, CPM), a service provided to the claimant who has suffered modest injuries (MV, Accident or General TPL) and that provides the option of a legal-medical visit directly at the offices of the Company in order to reach an immediate settlement, improving the customer contact service and introducing the use of a digital agenda for booking medical visits. 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 Medical Booking Services (Servizi di Prenotazione Medica, SPM), for which 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. At the end of 2022, geographical coverage was guaranteed by 73 CPMs and 322 SPMs.
Actions were also taken to optimise the management of claims with injuries by implementing various tools and procedures, which strengthened data use to identify injury type/severity and optimise the injury management and provisioning process. The MV Territorial Settlement network was also reorganised, with the creation as of May 2022 of a pool of adjusters specialised in the management of claims with injuries.
These topics were addressed during the meetings held for the Agency Change Management project, which evolved the UnipolSai-agency relationship model in order to perfect claims management in the agency and improve the adoption of the MV Settlement Model. As of 30 June 2022, the project reached maturity, involving all agencies, with important signs of improvement in performance.

In the Non-MV segment, premium growth was widespread across all classes, with the exception of Railway Rolling Stock and Marine Vessels, which were down.

As regards the General classes, particularly with reference to General Classes (GC) Direct Repair, as mentioned above, the project set forth in the Strategic Plan for the creation of a network of UnipolSai 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 UnipolSai. The ultimate goal of this action is to achieve benefits in terms of cost and service on Property settlement. UnipolHome, with a network of trusted repair specialists, will gradually take over the following activities throughout the country:

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

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 the Company's reputation.

Arca Assicurazioni achieved a net profit at 31 December 2022 of €40.8m (€30.5m at 31/12/2021), recording direct premiums for €245.4m (+29.1%), with a significant increase in the Non-MV classes (+35%) and in the MV segment (+7.8%). The breakdown of the portfolio among the distribution channels is almost totally focused on the banking channel which, at 31 December 2022, recorded 99% of the total Non-Life premiums (in line with 2021). Overall, the banking channel recorded a 29.2% increase in premiums compared to the previous year, with premiums written totalling approximately €243.0m.

DDOR Novi Sad recorded a €0.3m loss (Non-Life and Life segments) at 31 December 2022 (profit of €6m at 31/12/2021), even following growth in premiums (Non-Life and Life segments), from €110.5m at the end of 2021 (of which €92.2m in the Non-Life segment) to €121.7m at 31 December 2022 (of which roughly €103m in the Non-Life segment). With regard to the technical result of the Non-Life segment, it should be noted that the MV TPL class (which represents approximately 28% of total premiums), whose rate is set by the Serbian regulatory authority, was negatively affected by inflationary pressures that increased the current claim generation cost by 18%. In addition, it is worth noting that the technical result of the Life segment was in turn negatively affected by late one-off claims in the bancassurance business. Finally, uncertainties still loom over the Serbian economy due to the geopolitical and macroeconomic tensions triggered by the conflict in Ukraine and rising energy costs, which have driven up prices, pressures that have added to inflation, which is already high in and of itself. The company continues to be a sector leader, with Non-Life premium growth of 11.7% and Life premium growth of 2.1%.

Incontra Assicurazioni recorded a roughly €31m profit at 31 December 2022 (profit of €15.6m at 31/12/2021), with premiums equal to €154.4m, up compared to the previous year (€109.2m in 2021, +41.4%), mainly concentrated in the Health and Pecuniary Losses classes (65% and 17%, respectively, of the total gross premiums written). The loss ratio remained at very low levels (equal to 20%, compared to 24% in 2021). At 31 December 2022, the volume of total investments reached €306m (€277m at 31/12/2021), almost entirely concentrated in available-for-sale financial assets, while gross technical provisions amounted to €352m (€342m at 31/12/2021).

Linear, a company specialised in direct sales (online and call centre) of MV products, in 2022 generated a profit of €10.2m, down compared to 31 December 2021 (€13.2m) due to the increase in the total cost of claims (amount paid plus amount reserved) during the year and the rise in the loss ratio. Total gross premiums at €192.6m were up compared to 2021 (€185.5m). The partnership for the sale of Home Assistance insurance with Hera, an Italian multiutility based in Bologna, generated premiums written for €1.9m in 2022 (€2.5m at 31/12/2021). The contribution of the product "Poste Guidare Sicuri LN", placed through the Poste Italiane network, was also positive, recording premiums of around €7.3m (€3.1m at 31/12/2021). At the end of 2022, there were close to 698k contracts in the portfolio (+3.5%), thus confirming the portfolio development experienced in recent years.

SIAT recorded a roughly €5.4m profit in 2022 (€4.6m at 31/12/2021) with total gross premiums (direct and indirect) up and amounting to around €173m (€151.2m in 2021). The increase is mainly attributable to the Hulls and Goods sectors. In particular: for the Hulls segment, the increase is essentially due to both extra premiums collected as a result of the continuing war between Russia and Ukraine and the appreciation of the dollar compared to last year, which generated a positive effect on business in foreign currency, while in the Goods segment the increase was due to the underwriting of new business, digital development and the increase in the value of raw materials and the resulting increase in premiums relating to commodities policies.

UniSalute confirms its leadership in the Healthcare segment, increasing direct premiums by 10.6% (7.5% at 31/12/2021). Total premiums (including indirect business) amounted to €614.3m (€553.0m at 31/12/2021), up by 11.1%. In terms of claims, the number of claims reported declined by 7.3%, from 3,944,808 in 2021 to 3,656,308 in the period under review. The decrease can be attributed to the Health class and is due primarily to the extraordinary nature of 2021 figures, which were impacted by Covid coverage that no longer existed in 2022. 2022 posted a profit of €64.1m, up compared to €44.7m at the end of 2021.

New products

In the MV TPL and Land Vehicle Hulls segment, the "UnipolMove" device has been marketed since March 2022, which is UnipolSai's new electronic toll collection offer which establishes no restrictions in the case of withdrawal and is easy to use with a dedicated app. Through their reserved area on the website or the app, customers can check their movements, manage the offer and receive assistance. The offer also provides free insurance coverage against theft or loss of the device and, in the coming months, it will be possible to purchase an additional range of Land Vehicle Hulls guarantees.
During the period, MV rates were adjusted as of 1 March 2022, with a revision of the discounts applied to new vehicle sector policies through the installation of Unibox, with a view to improving especially competitiveness with customers who use their vehicles to a limited extent.
To further promote the marketing of policies with Unibox, with an initiative that concluded on 31 October 2022, the cost of the fee was reduced by €10 for new installations of all types of devices. The initiative concerned both new policies and new installations on policies in the portfolio that had not yet opted for a device. Starting from November 2022, the new "time-based" tariff option was implemented to replace the previous "mileage-based" approach, thus modifying the variable subject to detection by Unibox (from the number of kilometres recalibrated according to road types and time of day to time, measured in hours of travel). This option offers advantages to the customer such as a reduction of the premium both when signing the contract and when calculating the renewal premium, in the latter case verifying how long the vehicle was actually used.
For Land Vehicle Hulls, the "real value" tariff option was introduced, which reduces the premium for the coverages concerned (Fire, Theft and Robbery, Natural Events, Sociopolitical Events, Collision and Comprehensive) by changing the criteria for determining the loss amount: the commercial value of the vehicle at the time of the accident is considered in the event of a total loss and the depreciation from use of the spare parts in the event of a partial loss.

The "Full Assistance" guarantee was also integrated, with a particular focus on electric vehicles, providing for,
- assistance in the event of flat electric batteries under covered events;
- the introduction in the "Vehicle and policyholder transport" benefit of transport to the nearest compatible charging station, up to 50 km away, for only one event per insurance year;
- the new "Charging station search" service.

During 2022, the new "BeReBel Motor Vehicles" product was launched, resulting from the partnership between BeReBel and Linear. This is an innovative product for MV TPL, Other MV risks and Land Vehicle Hulls insurance, with monthly payment and mileage pricing, that involves the installation of the "*RebelBot*" satellite device. It is managed with the help of the new Linear target platform and distribution takes place via an app.

In the Non-MV segment, the year 2022 was characterised by the following activities:
- the new monthly premium payment system by splitting the policy premium into monthly payments that are automatically debited via SEPA Direct Debit (SDD), credit card or debit card, which can be used for new policies, replacements or changes at the expiry of the policy;
- the elimination of the Assistance Plus guarantee, when applicable, for the Assistance Section (except for the UnipolSai Cane&Gatto product).

Activities to impede and prevent insurance fraud relating to civil liability deriving from motor vehicle traffic (MV TPL)

Preventing and impeding insurance fraud are consolidated activities and an integral aspect of the core business. The results of these activities not only make positive impacts directly on the financial statements of the Group companies, but also generate deterrent effects on the proliferation of offences, with consequent benefits for the customers as well.

Decree Law no. 1/2012, converted with amendments by Law no. 27 of 24 March 2012, envisages that insurance companies are required to provide an estimate of the reduced charges for claims arising from verification of fraud in their Management Report or in the Notes to the Financial Statements annexed to the annual financial statements and to publish it on their websites or using another appropriate form of disclosure.

Pursuant to and in accordance with Art. 30, paragraph 2 of Decree Law no. 1/2012, the estimate of the reduction of charges for claims arising from this activity totals approximately €20m.

This estimate consists of the sum of provisions/forecasts of expense for claims to be investigated for antifraud purposes that were settled without follow-up in 2022, regardless of the year when they are generated.

Lastly, it should be noted that following the indications received from IVASS, there was a revision of the extraction indicators of claims without follow-up and the reasons for closure used by the settlement network for anti-fraud purposes: for the year 2022 this revision generated a reduction in the volume of claims belonging to that category and, as a result, the relative estimated reduction in charges (approximately €39m at 31/12/2021).

Life business

Total Life premiums (direct and indirect) were €5,341m (€5,386m at 31/12/2021, -0.8%).

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

Life business direct premiums

Amounts in €m	31/12/2022	*% comp.*	31/12/2021	*% comp.*	*% var.*
Total premiums					
I – Whole and term Life insurance	2,878	*53.9*	3,449	*64.0*	*(16.6)*
III - Unit-linked/index-linked policies	946	*17.7*	1,119	*20.8*	*(15.5)*
IV - Health	14	*0.3*	9	*0.2*	*63.2*
V - Capitalisation insurance	199	*3.7*	224	*4.1*	*(10.9)*
VI - Pension funds	1,304	*24.4*	585	*10.9*	*122.8*
Total Life business direct premiums	5,341	*100.0*	5,386	*100.0*	*(0.8)*
of which Premiums (IFRS 4) I – Whole and term Life insurance	2,878	*82.0*	3,449	*83.8*	*(16.6)*
III - Unit-linked/index-linked policies	79	*2.3*	34	*0.8*	*136.5*
IV - Health	14	*0.4*	9	*0.2*	*63.2*
V - Capitalisation insurance	199	*5.7*	224	*5.5*	*(10.9)*
VI - Pension Funds	339	*9.7*	399	*9.7*	*(15.0)*
Total Life business premiums	3,510	*100.0*	4,114	*100.0*	*(14.7)*
of which Investment products (IAS 39) III - Unit-linked/index-linked policies	866	*47.3*	1,086	*85.4*	*(20.2)*
VI - Pension funds	965	*52.7*	186	*14.6*	*n.s.*
Total Life investment products	1,831	*100.0*	1,272	*100.0*	*44.0*

New business in terms of APE, net of non-controlling interests, amounted to €562m at 31 December 2022 (€548m at 31/12/2021).

Pension Funds

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

UnipolSai Assicurazioni managed a total of 23 **Occupational Pension Fund** mandates at 31 December 2022 (18 of them for accounts "with guaranteed capital and/or minimum return"). At the same date, resources under management totalled €4,390m (€3,811m of which with guaranteed capital). At 31 December 2021, UnipolSai managed a total of 21 Occupational Pension Fund mandates (17 of which "with guaranteed capital and/or minimum return"; resources under management totalled €4,032m (of which €3,389m with guaranteed capital).

As regards **Open Pension Funds**, at 31 December 2022 the UnipolSai Group managed 2 open pension funds (UnipolSai Previdenza FPA and Fondo Pensione Aperto BIM Vita) that at that date had a total of 41,103 members and total assets of €881m. At 31 December 2021, the Open Pension Funds managed total assets of €963m and a total of 41,370 members.

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

The performance of the main Group companies at 31 December 2022 is summarised in the following table:

Amounts in €m	Premiums written (*)	*% Var.*	Investments	Gross Technical Provisions	Technical Provisions - Reinsurers' share
LIFE INSURANCE SECTOR					
UNIPOLSAI ASSICURAZIONI SpA	2,172	*(10.1)*	31,775	26,899	14
ARCA VITA & ARCA VITA INTERNATIONAL	1,299	*(20.3)*	12,584	9,828	9
BIM VITA SpA	21	*(58.8)*	581	466	

(*) excluding financial products

UnipolSai collected a total of direct premiums amounting to €2,172m (€2,416m at 31/12/2021, roughly -10%) in addition to financial products amounting to €1,221m (€454m at 31/12/2021, +169%).

The individual policy sector recorded a 7.7% decline compared to 31 December 2021. Please also note that in 2022 premiums for Class I and Class IV single-premium revaluable products were limited to customers that reinvested sums deriving from the benefits due from the Company on the basis of other insurance contracts.
Again in the individual sector, Class IV premiums continued to increase (+63.2%) which shows the constantly growing interest in products with long-term care coverage. Compared to the previous year, there was also a slight decrease in Class III premiums (–3.9%).

Collective policy premiums showed an increase compared to the same period of the previous year (+56.0%) due to the acquisition of the new Class VI pension funds (+123.4%).

The slight decrease in first-year premiums compared to the previous year (-1.4%) is mainly attributable to Class I premiums (-4.2%), while single premiums increased (+21.9%), particularly due to the increase in Class VI (+123.4%).
Periodic premiums (+5.3%) and single premiums (+21.9%) were up.

In the bancassurance channel, **Arca Vita** and its subsidiary **Arca Vita International** recorded premiums (including investment products) amounting to €1,894m (€2,423m at 31/12/2021). The volume of total investments reached the amount of €12,584m (€13,894m at 31/12/2021). The profit of Arca Vita, net of dividends collected from the subsidiaries, was €61.1m (up compared to €39.4m recognised at 31/12/2021), and that of Arca Vita International was €0.5m (€0.8m at 31/12/2021).

BIM Vita recorded a profit of €1.5m at the end of 2022, down compared to 31 December 2021 (€1.9m). Gross premiums written amounted to around €21m (down compared to around €51m at 31/12/2021). The volume of total investments reached the amount of €581m (€704m at 31/12/2021).

New products

During 2022, the Group renewed its offer of Multisegment products by modifying the GestiMix line products, UnipolSai Investimento GestiMix and UnipolSai Risparmio GestiMix. The main new features regard the introduction of new internal funds, with the replacement of the Segment 3 benchmark fund in favour of three flexible funds Valore Equilibrato, Valore Dinamico and MegaTrend, as well as an increase of the minimum investment in the Class III share from 20% to 30% of the invested capital.
The structure of the products calls for two investment profiles (Balanced and Dynamic) and the presence of a free managed balancing service, which enables customers to delegate the Company to make decisions for the allocation of their investment, within the minimum and maximum limits prescribed by the selected profile. With the update of the Gestimix products, changes were made to the cost structure, the surrender penalties and the death bonus. For the "UnipolSai Risparmio GestiMix" product, an update was also made of the financial guarantee for the component linked to segregated funds, offering a minimum benefit equal to the invested capital recognised on maturity, in the case of death or surrender only starting from the tenth anniversary of the contract start date. This change was made to make the financial guarantee of the Savings product consistent with that already provided for the Investment product. At the same time, the minimum contract duration was extended to 15 years.

Continuing with premium placement activities, to optimise flows and returns of the Segregated Funds, the Group updated the segregated fund underlying the "UnipolSai Investimento MixSostenibile" multisegment product.

Reinsurance

UnipolSai Group outwards reinsurance policy

With regard to the risks underwritten in the Non-Life business, the reinsurance strategy proposed the same cover structures in place in 2021, maximising the effectiveness of the most operational part of the main non-proportional treaties, which were renewed in 2022 in continuity with those expiring.

At Group level, the following cover was negotiated and acquired in 2022:

- excess of loss treaties for the protection of MV TPL, General TPL, Fire (by risk and by event), Land Vehicle Hulls weather, 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.

The risks underwritten in the Life business in 2022 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.

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. As regards Legal Expenses and part of Transport risks, these were instead ceded to specialised reinsurers and/or specialist Group companies.

Real Estate Sector

The main income statement figures for the Real Estate sector are summarised below:

Income Statement - Real Estate Sector

Amounts in €m	31/12/2022	31/12/2021	*% var.*
Gains on other financial instruments and investment property	80	68	*16.9*
Other revenue	41	37	*11.5*
Total revenue and income	**121**	**105**	***15.0***
Losses on other financial instruments and investment property	(86)	(97)	*(10.7)*
Operating expenses	(38)	(35)	*9.5*
Other costs	(43)	(37)	*16.8*
Total costs and expenses	**(168)**	**(169)**	***(0.4)***
Pre-tax profit (loss) for the year	**(47)**	**(64)**	***26.0***

The pre-tax result at 31 December 2022 was a loss of €47m (-€64m at 31/12/2021; -€72m net of non-recurring transactions).

Investments and cash and cash equivalents of the Real Estate sector (including business properties for own use) totalled €2,548m at 31 December 2022 (€2,344m at 31/12/2021), consisting mainly of Investment property and Properties for own use amounting to €2,428m (€2,216m at 31/12/2021).

Financial liabilities at 31 December 2022 totalled €222m (€202m at 31/12/2021).

Group real estate business[3]

During the year 2022, investments were made privileging high-value locations in Rome and Milan and the logistics sector. Specifically, in Rome, two properties were acquired (office and residential use) and in Milan an office property was acquired, while, with respect to the logistics sector, a property was acquired in Cavriglia (AR), near the A1 motorway. Two residential units and one for commercial use were also acquired in Rome.
Investment geographical diversification activities also continued, through the selective purchase of pan-European core funds, for €97m.
As concerns sales, around twenty properties (land and buildings) or units deemed unprofitable were sold.
Real estate asset renovation and development activities continued on more than 120 properties for around €123m. The sector was impacted by difficulties in obtaining raw materials and the resulting price increase, a trend that was accentuated in Italy by the tax incentives promoted by the government. In this scenario, the Russia-Ukraine conflict also had a negative impact, leading to a strong increase in energy prices.
As regards the main projects developed during the period, please note specifically that construction continued on a new elliptical-shaped multi-storey headquarters building in Piazza Gae Aulenti (Porta Nuova Garibaldi area). The building is roughly 125 metres tall, with 23 floors above ground and 3 floors underground, for a total surface area of 31,000 m2. The property was designed and built to receive the best certification in terms of energy and water saving and ecological quality of the spaces (Leed Platinum certification).

[3] The scope of the disclosure on Group real estate business also includes properties owned by the companies in sectors other than the Real Estate sector.

Other Businesses Sector

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

Income Statement - Other Businesses Sector

Amounts in €m	31/12/2022	31/12/2021	*% var.*
Income from investments in subsidiaries, associates and interests in joint ventures	5	6	*(13.9)*
Gains on other financial instruments and investment property	4	4	*18.2*
Other revenue	262	155	*69.3*
Total revenue and income	**272**	**164**	***65.1***
Losses on other financial instruments and investment property	(11)	(1)	*n.s.*
Operating expenses	(172)	(111)	*54.6*
Other costs	(107)	(64)	*68.4*
Total costs and expenses	**(290)**	**(176)**	***64.9***
Pre-tax profit (loss) for the year	**(18)**	**(11)**	***(61.8)***

The pre-tax result at 31 December 2022 was a loss of €18m (-€11m at 31/12/2021).

The items Other revenue and Other costs include 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 2022, Investments and cash and cash equivalents of the Other Businesses sector (including properties for own use of €162m) totalled €520m (€519m at 31/12/2021).

Financial liabilities amounted to €56m (€37m at 31/12/2021).

In 2022, the non-insurance diversified companies worked within a context of slow recovery, with several after-effects of the COVID-19 emergency influencing first quarter results, while starting from the second the effects on costs and revenues caused by the international scenario were seen. The structures worked with a view to the normalisation of activities, whenever possible, with a focus on cost curbing and respect for the economic and business plans developed.

As regards the hotel sector, after a very slow first four months of the year due to COVID restrictions, in continuity with the end of 2021, starting from May there was a gradual recovery that continued until the end of the year. The revenues of the subsidiary **Gruppo UNA** increased by approximately 123% compared to 31 December 2021 (from approximately €66.8m to around €149m). At 31 December, 31 facilities under direct management were open out of a total of 33. The period ended with a profit of approximately €1m.

As concerns agricultural activities, packaged wine sales of the company **Tenute del Cerro** recorded an increase of just under 1% compared to 31 December 2021, surpassing €9.4m, while total revenues rose from €10.7m to €11.3m, also as a result of the excellent performance of agri-tourism businesses. Despite good business trends, the period closed with a loss of €7.5m deriving substantially from capital losses on sales of land for a total of €4.4m and write-downs on land still in the portfolio of €5.2m.

Casa di Cura Villa Donatello closed 2022 with revenue of €40.5m, up by around 8.6% compared to 2021 (€37.3m). 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 loss of €1.5m (profit of €1m in the previous year).

Asset and financial management

Investments and cash and cash equivalents

At 31 December 2022, Group **Investments and cash and cash equivalents** totalled €60,504m (€69,339m at 31/12/2021), with the following breakdown by business segment:

Investments and cash and cash equivalents - Breakdown by business segment

Amounts in €m	31/12/2022	*% comp.*	31/12/2021	*% comp.*	*% var.*
Insurance	57,625	*95.2*	66,676	*96.2*	*(13.6)*
Other Businesses	520	*0.9*	519	*0.7*	*0.2*
Real Estate	2,548	*4.2*	2,344	*3.4*	*8.7*
Inter-segment eliminations	(188)	*(0.3)*	(200)	*(0.3)*	*(5.7)*
Total Investments and cash and cash equivalents (*)	60,504	*100.0*	69,339	*100.0*	*(12.7)*

(*) including properties for own use

The breakdown by investment category is as follows:

Amounts in €m	31/12/2022	*% comp.*	31/12/2021	*% comp.*	*% var.*
Property (*)	3,852	*6.4*	3,657	*5.3*	*5.3*
Investments in subsidiaries, associates and interests in joint ventures	162	*0.3*	176	*0.3*	*(8.0)*
Held-to-maturity investments	366	*0.6*	367	*0.5*	*(0.3)*
Loans and receivables	4,894	*8.1*	5,245	*7.6*	*(6.7)*
Debt securities	3,948	*6.5*	4,019	*5.8*	*(1.8)*
Deposits with ceding companies	114	*0.2*	106	*0.2*	*7.7*
Other loans and receivables	833	*1.4*	1,120	*1.6*	*(25.7)*
Available-for-sale financial assets	41,283	*68.2*	50,435	*72.7*	*(18.1)*
Financial assets at fair value through profit or loss	9,121	*15.1*	8,574	*12.4*	*6.4*
held for trading	336	*0.6*	230	*0.3*	*46.2*
at fair value through profit or loss	8,786	*14.5*	8,345	*12.0*	*5.3*
Cash and cash equivalents	826	*1.4*	885	*1.3*	*(6.7)*
Total Investments and cash and cash equivalents	60,504	*100.0*	69,339	*100.0*	*(12.7)*

(*) including properties for own uses

Transactions carried out in 2022[4]

In 2022, 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 operations 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 rising interest rates and persistent inflation.
The year was characterised by a restructuring of the exposure to government bonds and a reduction in exposure to Italian government bonds.
The non-government bond component recorded an increase in the Life segment and a reduction in the Non-Life segment during the year, concerning primarily financial issuers in the category of subordinated and corporate bonds to reduce the portfolio's risk profile, also in view of the now upcoming transition to the new IFRS 9 accounting standard.

Exposure to level 2 and 3 structured bonds remained essentially unchanged during 2022.

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

	31/12/2022			31/12/2021			variation	
Amounts in €m	Carrying amount	Market value	Implied +/-	Carrying amount	Market value	Implied +/-	Carrying amount	Market value
Structured securities - Level 1	14	14		40	40	1	(26)	(27)
Structured securities - Level 2	262	218	(43)	262	262			(44)
Structured securities - Level 3	2	1	(1)	2	1	(1)		
Total structured securities	277	233	(44)	303	303		(26)	(70)

Equity exposure rose in 2022 by €260m. Transactions concerned securities of issuers diversified in terms of both sector criteria and geographical factors, reducing the exposure to ETFs (Exchange Traded Funds) and privileging single stock acquisitions. Almost all equity instruments belong to the main share indexes of developed countries.
Strategies in options (calls and call spreads) at 3 and 5 years were also carried out, replicating the acquisition of the Eurostoxx50 index, for a total value of roughly €500m. This strategy makes it possible to benefit from any market increase over the next 4 years, limiting negative impacts to only the expense incurred for the acquisition of the premium.

Exposure to **alternative funds**, a category that includes Private Equity Funds, Hedge Funds and investments in Real Assets, amounted to €2,059m, an increase of approximately €486m compared to 31 December 2021.

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

The overall *duration* of the Group portfolio was 5.28 years, down compared to the end of 2021 (6.66 years). With reference to the Group insurance portfolio, the Non-Life duration was 2.62 years (*3.13* years at the end of 2021); the Life duration was 6.33 years (7.85 years at the end of 2021). The fixed rate and floating rate components of the bond portfolio amounted respectively to 91.1% and 8.9%. The government component accounted for approximately 63.8% of the bond portfolio whilst the corporate component accounted for the remaining 36.2%, split into 25.7% financial and 10.5% industrial credit.
88.5% of the bond portfolio was invested in securities with ratings equal or above BBB-. 10.6% of the total is positioned in classes AAA to AA-, while 19.1% of securities had an A rating. The exposure to securities in the BBB rating class was 58.8% and includes Italian government bonds, which make up 42.8% of the total bond portfolio.

[4] The scope of the disclosure on financial transactions, in terms of the breakdown of investments, does not include investments the risk of which is borne by the policyholders and customers and, in terms of companies, does not include the foreign companies DDOR and DDOR Re, the investment values of which are of little significance on the whole within the Group's overall portfolio.

Net gains on investments and financial income

The breakdown of net gains (losses) on investments and financial income is shown in the table below:

Net investment income

Amounts in €m	31/12/2022	*% comp.*	31/12/2021	*% comp.*	*% var.*
Investment property	(22)	*(1.3)*	25	*1.6*	*n.s.*
Gains/losses on investments in subsidiaries and associates and interests in joint ventures	15	*0.9*	11	*0.7*	*28.5*
Net gains on held-to-maturity investments	16	*1.0*	17	*1.1*	*(8.1)*
Net gains on loans and receivables	199	*12.3*	135	*8.5*	*47.5*
Net gains on available-for-sale financial assets (*)	1,595	*98.9*	1,417	*89.6*	*12.6*
Net gains on held-for-trading financial assets held for trading and at fair value through profit or loss (**)	(194)	*(12.0)*	(24)	*(1.5)*	*n.s.*
Balance of cash and cash equivalents	5	*0.3*	1	*0.1*	*n.s.*
Total net gains on financial assets, cash and cash equivalents	1,613	*100.0*	1,582	*100.0*	*2.0*
Net losses on other financial liabilities	(83)		(86)		*4.3*
Total net losses on financial liabilities	(83)		(86)		*4.3*
Total net gains (***)	1,531		1,496		*2.3*
Net gains on financial assets at fair value (****)	(925)		365		
Net losses on financial liabilities at fair value (****)	551		(293)		
Total net gains on financial instruments at fair value (****)	(375)		72		
Total net gains on investments and net financial income	1,156		1,568		*(26.3)*

(*) Excluding the valuations of financial assets available for sale subject to hedge accounting

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

(***) Excluding net gains and losses on financial instruments at fair value through profit or loss for which investment risk is borne by customers (index- and unit-linked) and arising from pension fund management

(****) Net gains and losses on financial instruments at fair value through profit or loss with investment risk borne by customers (index-and unit-linked) and arising from pension fund management.

At 31 December 2022, impairment losses were recognised in the Income Statement on financial instruments classified in the Available-for-sale asset category for €12m (€7m at 31/12/2021), in addition to net write-downs on investment property for €23m (net write-backs of €43m at 31/12/2021).

Shareholders' equity

Movements in shareholders' equity recognised during the year with respect to 31 December 2021 are set out in the attached Statement of changes in Shareholders' equity.

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

Amounts in €m	31/12/2022	31/12/2021	*var. in amount*
Share capital	2,031	2,031	
Other equity instruments	496	496	
Capital reserves	347	347	
Income-related and other equity reserves	3,236	3,146	*90*
(Treasury shares)	(3)	(1)	*(2)*
Reserve for foreign currency translation differences	4	4	
Gains/losses on available-for-sale financial assets	(1,129)	1,285	*(2,414)*
Other gains and losses recognised directly in equity	(11)	(34)	*22*
Profit (loss) for the year	597	688	*(92)*
Total shareholders' equity attributable to the owners of the Parent	**5,569**	**7,964**	***(2,395)***

The main changes in the year in the Group's shareholders' equity were as follows:
- a decrease of €537m due to dividend distribution on shares;
- a decrease due to remuneration, net of the relative tax benefits, of the perpetual regulatory capital instrument, recognised under Other equity instruments, for €25m;
- a decrease of €2,414m as a result of the fall in the reserve for gains and losses on available-for-sale financial assets, net of both the related tax liabilities and the portion attributable to the policyholders and charged to insurance liabilities;
- an increase of €17m due to the increase in the Cash flow hedge reserves;
- a decrease of €38m due to the effects of the recognition of financial liabilities commensurate with the current value of the exercise price on the put options granted to holders of non-controlling interests in some subsidiaries;
- an increase of €597m for Group profit for the period.

Shareholders' Equity attributable to non-controlling interests was €244m (€270m at 31/12/2021).

Treasury shares and shares of the holding company

At 31 December 2022, UnipolSai held a total of 1,162,312 ordinary treasury shares (336,768 at 31/12/2021), of which 988,160 directly and 174,152 indirectly through the following subsidiaries:
- SIAT held 59,475;
- UniSalute held 45,693;
- UnipolRental held 36,389;
- Leithà held 18,130;
- Arca Vita held 9,533;
- UnipolAssistance held 4,932.

The changes concerned the following transactions in execution of the Compensation plans based on financial instruments (performance share type) for the executive staff of UnipolSai and its subsidiaries:
- acquisition of a total of 1,800,000 UnipolSai shares by UnipolSai and its subsidiaries;
- assignment of 974,456 UnipolSai shares in implementation of the Short Term Incentive compensation plan based on financial instruments for the year 2021.

At 31 December 2022, UnipolSai held, directly or through its subsidiaries, a total of 651,889 shares issued by the holding company Unipol Gruppo SpA (196,248 at 31/12/2021).

During the year, 1,000,000 shares were assigned to Company executives and 544,359 shares as part of the compensation plans based on financial instruments (performance share type).

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

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

Amounts in €m	Share capital and reserves	Profit(loss) for the year	Shareholders' equity at 31/12/2022
Parent balances in accordance with Italian GAAP	**6,022**	**145**	**6,167**
IAS/IFRS adjustments to the Parent's financial statements	(236)	450	214
Differences between net carrying amount and shareholders'equity and profit (loss) for the year of consolidated investments, of which:	(1,118)	211	(907)
- Translation reserve	*4*		*4*
- Gains or losses on available-for-sale financial assets	*(192)*		*(192)*
- Other gains or losses recognised directly in equity	*(21)*		*(21)*
Consolidation differences	295		295
Companies measured using the equity method	21	10	31
Intercompany elimination of dividends	167	(167)	
Other adjustments	10	3	12
Consolidated Shareholders' equity	**5,161**	**651**	**5,813**
Non-controlling interests	189	55	244
Shareholders' equity attributable to the owners of the Parent	**4,972**	**597**	**5,569**

Technical provisions and financial liabilities

At 31 December 2022, Technical provisions amounted to €51,766m (€57,128m at 31/12/2021) and Financial liabilities amounted to €9,142m (€8,411m at 31/12/2021).

Technical provisions and financial liabilities

Amounts in €m	31/12/2022	31/12/2021	*% var.*
Non-Life technical provisions	14,538	14,715	*(1.2)*
Life technical provisions	37,229	42,413	*(12.2)*
Total technical provisions	**51,766**	**57,128**	***(9.4)***
Financial liabilities at fair value	**6,839**	**6,356**	***7.6***
Investment contracts - insurance companies	6,685	5,911	*13.1*
Other	155	445	*(65.3)*
Other financial liabilities	**2,303**	**2,055**	***12.1***
Subordinated liabilities	1,367	1,446	*(5.5)*
Other	935	609	*53.6*
Total financial liabilities	**9,142**	**8,411**	***8.7***
Total	**60,908**	**65,540**	***(7.1)***

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 statement:

Amounts in €m	31/12/2022	31/12/2021	*var. in amount*
Subordinated liabilities	1,367	1,446	*(79)*
Payables to banks and other lenders	802	478	*324*
Total debt	**2,169**	**1,924**	***245***

The subordinated liabilities issued by UnipolSai Assicurazioni SpA amounted to €1,367m and relate for €1,250m to hybrid bonds and for €80m to subordinated bonds. This item includes accrued interest for a total of €37m.

Other loans, amounting to €802m (€478m at 31/12/2021), mainly consisted of:
- loans taken out by the Athens R.E. Closed Real Estate Fund for €146m and the Tikal Closed Real Estate Fund for €37m;
- financial liabilities pertaining to Unipol*Rental* for €482m deriving from a securitisation of the cash flows expected from long-term rental contracts;
- other loans granted by third parties to Unipol*Rental* for a total of €29m;
- financial liabilities deriving from the present value of future lease payments due for lease agreements accounted for on the basis of IFRS 16 for a total of €89m.

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 business activities, pursuing the objective of creating shared value, support for sustainable development and the prevention and mitigation of ESG risks; this approach is developed based on the Unipol Group Charter of Values and Code of Ethics.
The commitments made in these documents are concretely expressed in the **Sustainability policy**, which outlines the strategies for pursuing sustainable success objectives and defines the Group's commitments for improving its sustainability results and managing and mitigating: (i) the ESG risks to which it is exposed, in line with the overall Group risk management system as well as (ii) the impacts on ESG factors generated by the Group as a result of its activities and business relationships. One of the main developments in 2022 includes the definition of "**The Unipol strategy on climate change**", which establishes the Group's commitments to dealing with the risks and taking advantage of the opportunities related to the climate, defining new medium/long-term targets for reducing its greenhouse gas emissions to support its decarbonisation process.
ESG risk monitoring is then operationally broken down into Business policies, namely:

- the **Risk management policy** specifically identifies the ESG risks to be monitored and managed, including them in the taxonomy of risks common to the entire Group and integrating them within the ERM Framework;
- 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 2022 the structured process for identifying parties with high potential to generate negative ESG impacts became fully operational in the Non-Life sector, integrating a summary assessment of the ESG performance of each party into the underwriting process (ESG Score);
- 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. To better support the application of commitments on sustainable finance and financial support to the transition, in 2022 a new ESG data and information provider (S&P Global) was selected;
- 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.

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 areas, 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 work areas identified in the Strategic Plan include:

- **evolution of the Healthcare offer from a Life-Cycle perspective,** identifying proposals that respond to changes over time in the needs of individuals and, together, of society;
- **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**;
- **a sustainable approach to MV insurance** which promotes behaviour that can support the goals of the Paris Agreement;

- **environmental qualification of** the claims management process with a view to circularity;
- strengthening of **the ESG component in the Life product offering**;
- 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.

To support this objective, in May 2022 the holding company Unipol joined the Net-Zero Asset Owner Alliance, a United Nations initiative which at the end of 2022 involved 84 institutional investors, thus committing to reducing the emissions of its investment portfolios to net zero greenhouse gas emissions by 2050 and acting to reduce greenhouse gas emissions through the engagement of investee companies.

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).

In order to monitor respect for the commitments assumed, three sustainability indicators have been shared with the market, which measure (i) the increase in premiums for the sale of **socially and environmentally impactful products** (with a view to reaching 30% of the corresponding product families at the end of 2024), (ii) the increase in **thematic investments**, bringing them from 862m to 1,300m in the course of the Plan and (iii) the maintenance of a **reputational performance** above the financial-insurance sector 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 Libera, and the initiatives to support a widespread culture of respect for women. The stakeholder engagement and management activities of the Unipol Regional Councils continued with an action to renew governance and involve new organisations active in the various communities. The **CreAree** project has also entered a new phase: on one hand, with the concrete launch of the projects identified, and on the other with the activation of training courses promoted by transversal working groups. These actions advanced and intensified the engagement of the stakeholders and partners involved in the development of internal areas and marginal communities.

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 2022 was 12,315 (+434 compared with 2021).

	31/12/2022	31/12/2021	*Variation*
Total number of UnipolSai Group employees	12,315	11,881	*434*
of which on a fixed-term contract	534	471	*63*
Full Time Equivalent - FTE	11,775	11,339	*436*

This includes 173 seasonal staff of Gruppo UNA at 31 December 2022 (53 at 31/12/2021), and foreign company employees (1,375) include 520 agents.

The increase of 434 compared to 31 December 2021 was due, net of transfers to fixed-term contracts or changes due to seasonal work that began and ended during the year, to 1,040 entries and 614 departures and 8 cases of incoming intra-group mobility from a company outside the UnipolSai scope.

Group sales network

At 31 December 2022, 2,361 agencies were in operation, of which 2,117 of UnipolSai (at 31/12/2021, the agencies were 2,442, of which 2,213 of UnipolSai), with 3,914 agents (4,093 at 31/12/2021). In 2022, 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 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 Banca Consulia and solely with regard to post-sale activities, of Cassa di Risparmio di Fermo;
- Incontra Assicurazioni through Unicredit Group.

As part of its Strategic Plan, the Group implemented consolidation and optimisation actions 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.

In 2022, the Group's commercial actions were characterised, on the one hand, by the simplification and **digitalisation of remote sale processes** and, on the other, by the development of processes to strengthen the active role of the agencies in customer relationships. The opportunities for agencies to operate digitally were expanded further, to guarantee the possibility for the network to provide prompt support to its customers, operating in full mobility as regards consulting, quote management, policy issue and payments. In particular, in 2022 the new **omnichannel sales** method was introduced: existing or potential customers can calculate a quote online (on the website and app) for various Non-Life covers and purchase the policy directly online, in any event with the option of contacting the agency for advice and finalisation of the contract. Similarly, agencies can issue a quote for such covers and make it available to the customer in the reserved area for subsequent purchase. In addition, a specific contact centre service takes care of potential customers who have completed the online quote process, to facilitate the conclusion of the contract.

IT services

During 2022, activities were structured according to the areas set forth in the Strategic Plan and, in particular, along 3 lines of action.

Process Automation and Insurance Core Business Digitalisation through the intensive use of robotisation, process automation and artificial intelligence technologies. In particular:
- a new system was created to manage the monthly splitting of MV and General Class policies and the entire payment management process was automated, integrating it with the platform developed for UnipolPay;
- a new system was created for the sale of UniSalute-brand health products in the Agency and at the BPER and Banca Popolare di Sondrio branches, integrating the systems of UnipolSai, UniSalute, Arca and BPER (UNISALUTE 2.0);
- the new MV and Property video appraisal system was activated as part of the "24H Settlement" programme and the new General Class ANTI-FRAUD model was released;
- the analyses were completed and developments were initiated for the insurance platform overhaul ("NEW CORE- SINGLE PRODUCT" project).

Omnichannel evolution and User Experience
Hybrid sales were extended to Home and UnipolMove products, in addition to Pet and Travel, and a new Data Driven Design (D3) approach was introduced to optimise the User Experience and product configuration with the intensive use of Digital Analytics.

App and Reserved Area registration with Digital Identity (SPID) was enabled to speed up the process and improve the quality of the data collected, and a Digital Workplace was created for the Claims Department, winner of the 2022 Intranet Italia Day.

Integration and development of new ecosystems and Cybersecurity
New IT platforms were created for the management of electronic toll collection (UnipolMove), payments (UnipolPay) and Property claim repairs (UnipolHome), the Cyber platforms were enhanced, new Threat Intelligence services were introduced (no incidents detected despite the increased number of cyber attacks identified, also connected to the international situation) and training and Cyber awareness initiatives were carried out.

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**") and updated most recently by the Company's Board of Directors on 23 June 2022 – 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 Significance", it should be noted that, as specified in the previous paragraph "Significant events during the year", in December 2022, UnipolSai signed agreements for the renewal of the partnership in the bancassurance area (the "**Renewal of Agreements**" or the "**Transaction**") with BPER Banca SpA, a related party of the Company, and Banca Popolare di Sondrio SpA concerning the distribution of insurance products in the Life and Non-Life segments of Arca Vita SpA, Arca Assicurazioni SpA and Arca Vita International DAC. In the context of the Renewal of Agreements, the distribution by the above-mentioned banks of the "health" insurance products of the subsidiary UniSalute SpA was also governed by autonomous agreements that were also entered into.
The Transaction was approved on 15 December 2022 by the Board of Directors of the Company, after obtaining the favourable opinion of the Related Party Transactions Committee.
For additional information on this matter, see the Information Document concerning Transactions of "Major Significance" with Related Parties, drawn up by UnipolSai pursuant to Art. 5 of the CONSOB Regulation as well as Art. 14 of the Procedure, posted on 22 December 2022 on the website www.unipolsai.com, in the "Governance/Related Party Transactions" section.

In 2022, UnipolSai did not approve, or carry out, directly or through subsidiaries, any related-party transactions qualified as of "Major Significance", or which significantly influenced the financial position or profit and loss of the companies, pursuant to Art. 5, paragraph 8 of the CONSOB Regulation.

As regards the disclosure required by IAS 24, please refer to paragraph 5.6 - 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

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.

Cancellation of the associated company Hotel Villaggio Città del Mare in liquidazione

On 2 February 2023, following the unanimous approval of the final liquidation financial statements by the ordinary Shareholders' Meeting, the associate Hotel Villaggio Città del Mare SpA in liquidazione was cancelled from the Register of Companies of Modena. No allocation was made as the final assets were equal to zero.

Application for 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 will be submitted for approval to an upcoming 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, as requested on 24 February 2023.

Insurance Awards 2023 - Matteo Laterza Insurer of the Year

On 7 February 2023, Matteo Laterza, 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.

Subscription of the share capital increase of the subsidiary DDOR Novi Sad

On 20 February 2023, the share capital increase of the subsidiary DDOR Novi Sad of RSD 587,497,887.08 (approximately €5m) resolved by the Shareholders' Meeting of 30 January was fully subscribed and paid up.

Capitalisation of several subsidiaries

On 26 January 2023, a further capital contribution of €15m was made to the subsidiary Meridiano Secondo for continuation of the work on real estate initiatives in progress.

On 23 February 2023, a capital contribution of €5m was made in favour of the subsidiary Cambiomarcia to complete the capital needs of a total €13m recorded by the company for 2022.

On 24 February 2023, an initial capital contribution of €9m was made in favour of the subsidiary UnipolPay as part of the funding envisaged in the Strategic Plan for 2023.

Merger by incorporation of UnipolRe Dac 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 to merge UnipolRe DAC into UnipolSai Assicurazioni. This merge, conditional upon the necessary authorisation, has no accounting effects on the consolidated financial statements as UnipolRe is a wholly-owned subsidiary.

Integration of SIFÀ into Unipol*Rental*

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 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 Unipol*Rental* SpA. This project is part of the "Beyond Insurance Enrichment" strategic area, more specifically the "Mobility" ecosystem, of the "Opening New Ways" 2022-2024 Strategic Plan and is aimed at creating an operator of national significance in the long-term rental sector. As a result of this merger, BPER will hold a 20% investment in the share capital of Unipol*Rental*.

Business outlook

The international macroeconomic forecasts for the year 2023 are characterised by extreme uncertainty, with positive effects generated by the drop in energy prices offset by the negative effects caused by the persistence of the conflict between Russia and Ukraine, sustained levels of inflation and the ensuing continuous interest rate hikes applied by the ECB, which will contribute towards limiting the development of the Eurozone economy. In Italy, after the decisive recovery seen in 2021 and 2022, GDP could record growth close to zero this year.

With reference to the financial markets, after a start to the year characterised by a generalised recovery in bond and equity prices, in March a phase of high volatility and declines began, linked to uncertainties about the capital strength and financial statements of some banking institutions, with fears of contagion risk and instability.

All of this reflects on the **Group's financial investments** and on the financial management which continues to be aimed, especially in the current highly volatile context, at the consistency of assets and liabilities and optimising the risk/return and liquidity profile of the portfolio, also in order to maintain an adequate level of solvency.

In 2023, the insurance business will be witnessing the evolution of important projects, envisaged in the 2022-2024 Strategic Plan and launched in 2022:

- UniSalute, leader in the Healthcare market, will distribute its products using all Group networks (both agents and bancassurance);
- UnipolSai will market its products with the possibility of monthly splitting of the premium at no additional cost to the customer.

In the Non-Life business, to combat the effects of inflation, we will aim to further strengthen our settlement specialisations thanks to the know-how gained by the Group in the area of telematics and a constant push to route MV claims to the UnipolService and UnipolGlass network, which offers excellent results in terms of the limitation of average repair costs.

In the Life business, considering the recovery in market interest rates, multisegment products were supported by the offer of traditional Class I products in order to favour the profitability of segregated funds.

In 2023, growth activities will continue in the Mobility ecosystem, where the commercial integration of the agency network with Unipol*Rental* continues with great success, in addition to the commercial expansion of UnipolMove, our device for the payment of motorway tolls and other services linked to mobility. Furthermore, in 2023, our offer will be enhanced with new services in the Welfare and Property ecosystems, which were strengthened during 2022 with new acquisitions.

The information currently available makes it possible to confirm, in the absence of currently unforeseeable events, also linked to the aggravation 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, 23 March 2023

The Board of Directors

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CONSOLIDATED FINANCIAL STATEMENTS AT 31.12.2022 TABLES OF CONSOLIDATED FINANCIAL STATEMENTS

Statement of Financial Position

Assets

	Amounts in €m	31/12/2022	31/12/2021
1	INTANGIBLE ASSETS	1,143.1	962.9
1.1	Goodwill	602.1	513.7
1.2	Other intangible assets	541.1	449.3
2	PROPERTY, PLANT AND EQUIPMENT	2,784.0	2,431.0
2.1	Property	1,492.9	1,500.8
2.2	Other tangible assets	1,291.2	930.2
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	761.6	831.3
4	INVESTMENTS	58,185.7	66,953.5
4.1	Investment property	2,359.1	2,155.8
4.2	Investments in subsidiaries, associates and interests in joint ventures	162.3	176.5
4.3	Held-to-maturity investments	365.7	366.7
4.4	Loans and receivables	4,894.1	5,245.1
4.5	Available-for-sale financial assets	41,283.0	50,435.0
4.6	Financial assets at fair value through profit or loss	9,121.4	8,574.3
5	SUNDRY RECEIVABLES	3,471.6	3,424.9
5.1	Receivables relating to direct insurance business	1,416.2	1,398.0
5.2	Receivables relating to reinsurance business	191.7	204.5
5.3	Other receivables	1,863.7	1,822.4
6	OTHER ASSETS	3,039.2	970.8
6.1	Non-current assets or assets of a disposal group held for sale	532.6	132.6
6.2	Deferred acquisition costs	102.1	100.1
6.3	Deferred tax assets	885.0	108.1
6.4	Current tax assets	36.3	9.1
6.5	Other assets	1,483.3	620.9
7	CASH AND CASH EQUIVALENTS	825.8	884.8
	TOTAL ASSETS	70,211.0	76,459.3

Statement of Financial Position

Shareholders' Equity and Liabilities

	Amounts in €m	31/12/2022	31/12/2021
1	SHAREHOLDERS' EQUITY	5,812.6	8,233.8
1.1	**attributable to the owners of the Parent**	**5,568.6**	**7,964.0**
1.1.1	Share capital	2,031.5	2,031.5
1.1.2	Other equity instruments	496.2	496.2
1.1.3	Capital reserves	346.8	346.8
1.1.4	Income-related and other equity reserves	3,236.4	3,146.1
1.1.5	(Treasury shares)	(2.8)	(0.7)
1.1.6	Reserve for foreign currency translation differences	4.1	3.9
1.1.7	Gains or losses on available-for-sale financial assets	(1,128.6)	1,285.4
1.1.8	Other gains or losses recognised directly in equity	(11.4)	(33.6)
1.1.9	Profit (loss) for the year attributable to the owners of the Parent	596.5	688.5
1.2	**attributable to non-controlling interests**	**244.0**	**269.8**
1.2.1	Share capital and reserves attributable to non-controlling interests	224.8	216.8
1.2.2	Gains or losses recorded directly in equity	(35.8)	18.3
1.2.3	Profit (loss) for the year attributable to non-controlling interests	54.9	34.8
2	PROVISIONS	595.9	422.0
3	TECHNICAL PROVISIONS	51,766.2	57,128.3
4	FINANCIAL LIABILITIES	9,142.0	8,411.2
4.1	Financial liabilities at fair value through profit or loss	6,839.1	6,356.4
4.2	Other financial liabilities	2,302.9	2,054.8
5	PAYABLES	1,497.6	1,191.5
5.1	Payables arising from direct insurance business	198.1	187.6
5.2	Payables arising from reinsurance business	143.7	104.5
5.3	Other payables	1,155.7	899.5
6	OTHER LIABILITIES	1,396.7	1,072.4
6.1	Liabilities associated with disposal groups	388.0	3.1
6.2	Deferred tax liabilities	0.8	107.6
6.3	Current tax liabilities	12.5	39.4
6.4	Other liabilities	995.5	922.3
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	70,211.0	76,459.3

Income Statement

		Amounts in €m	31/12/2022	31/12/2021
	1.1	Net premiums	11,365.6	11,878.5
	1.1.1	Gross premiums earned	11,906.9	12,349.1
	1.1.2	Earned premiums ceded to reinsurers	(541.3)	(470.6)
	1.2	Commission income	49.0	45.3
	1.3	Gains and losses on financial instruments at fair value through profit or loss	(312.9)	188.8
	1.4	Gains on investments in subsidiaries, associates and interests in joint ventures	22.7	13.0
	1.5	Gains on other financial instruments and investment property	2,325.0	1,860.2
	1.5.1	Interest income	1,512.3	1,368.1
	1.5.2	Other income	345.3	233.6
	1.5.3	Realised gains	466.7	238.5
	1.5.4	Unrealised gains	0.7	19.9
	1.6	Other revenue	1,154.4	935.1
1		TOTAL REVENUE AND INCOME	14,603.8	14,921.0
	2.1	Net charges relating to claims	(8,600.1)	(9,809.2)
	2.1.1	Amounts paid and changes in technical provisions	(8,782.8)	(9,992.1)
	2.1.2	Reinsurers' share	182.7	183.0
	2.2	Commission expenses	(88.6)	(36.4)
	2.3	Losses on investments in subsidiaries, associates and interests in joint ventures	(8.0)	(1.6)
	2.4	Losses on other financial instruments and investment property	(870.9)	(492.5)
	2.4.1	Interest expense	(80.0)	(82.2)
	2.4.2	Other charges	(31.6)	(27.8)
	2.4.3	Realised losses	(412.6)	(115.8)
	2.4.4	Unrealised losses	(346.7)	(266.8)
	2.5	Operating expenses	(2,768.8)	(2,611.0)
	2.5.1	Commissions and other acquisition costs	(1,886.6)	(1,856.6)
	2.5.2	Investment management expenses	(135.4)	(125.3)
	2.5.3	Other administrative expenses	(746.7)	(629.1)
	2.6	Other costs	(1,347.4)	(1,075.5)
2		TOTAL COSTS AND EXPENSES	(13,683.8)	(14,026.1)
		PRE-TAX PROFIT (LOSS) FOR THE YEAR	920.0	894.9
3		Income tax	(268.5)	(171.7)
		PROFIT (LOSS) FOR THE PERIOD AFTER TAXES	651.5	723.2
4		PROFIT (LOSS) FROM DISCONTINUED OPERATIONS		
		CONSOLIDATED PROFIT (LOSS)	651.5	723.2
		of which attributable to the owners of the Parent	596.5	688.5
		of which attributable to non-controlling interests	54.9	34.8

Comprehensive Income Statement

Amounts in €m	31/12/2022	31/12/2021
CONSOLIDATED PROFIT (LOSS)	651.5	723.2
Other income items net of taxes not reclassified to profit or loss	11.0	(0.8)
Change in the shareholders' equity of the investees	0.0	(0.0)
Change in the revaluation reserve for intangible assets	0.1	
Change in the revaluation reserve for property, plant and equipment		
Gains and losses on non-current assets or disposal groups held for sale		
Actuarial gains and losses and adjustments relating to defined benefit plans	10.9	0.4
Other items		(1.3)
Other income items net of taxes reclassified to profit or loss	(2,456.7)	(44.2)
Change in the reserve for foreign currency translation differences	0.2	(0.1)
Gains or losses on available-for-sale financial assets	(2,468.2)	(12.1)
Gains or losses on cash flow hedges	16.7	(42.1)
Gains or losses on hedges of a net investment in foreign operations		
Change in the shareholders' equity of the investees	(5.4)	10.1
Gains and losses on non-current assets or disposal groups held for sale		
Other items		
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE)	(2,445.7)	(45.0)
TOTAL CONSOLIDATED COMPREHENSIVE INCOME (EXPENSE)	(1,794.2)	678.2
of which attributable to the owners of the Parent	(1,795.1)	645.8
of which attributable to non-controlling interests	0.9	32.4

Statement of Changes in Shareholders' Equity

	Amounts in €m	Balance at 31/12/2020	Changes to closing balances	Amounts allocated	Adjustments from reclassif. to profit or loss	Transfers	Changes in investments	Balance at 31/12/2021
Shareholders' Equity attributable to the owners of the Parent	Share capital	2,031.5						2,031.5
	Other equity instruments	496.2						496.2
	Capital reserves	346.8						346.8
	Income-related and other equity reserves	2,889.2		256.9				3,146.1
	(Treasury shares)	(1.3)		0.5				(0.7)
	Profit (loss) for the year	820.0		406.0		(537.5)		688.5
	Other comprehensive income/(expense)	1,298.4		(190.5)	147.8			1,255.8
	Total attributable to the owners of the Parent	**7,880.8**		**472.9**	**147.8**	**(537.5)**		**7,964.0**
Shareholders' Equity attributable to non-controlling interests	Share capital and reserves attributable to non-controlling interests	209.5		7.2				216.8
	Profit (loss) for the year	33.1		27.5		(25.8)		34.8
	Other comprehensive income/(expense)	20.6		(6.3)	3.9			18.3
	Total attributable to non-controlling interests	**263.3**		**28.5**	**3.9**	**(25.8)**		**269.8**
Total		8,144.0		501.4	151.7	(563.4)		8,233.8

		Balance at 31/12/2021	Changes to closing balances	Amounts allocated	Adjustments from reclassif. to profit or loss	Transfers	Changes in investments	Balance at 31/12/2022
Shareholders' Equity attributable to the owners of the Parent	Share capital	2,031.5						2,031.5
	Other equity instruments	496.2						496.2
	Capital reserves	346.8						346.8
	Income-related and other equity reserves	3,146.1		122.2		(31.9)		3,236.4
	(Treasury shares)	(0.7)		(2.1)				(2.8)
	Profit (loss) for the year	688.5		445.5		(537.4)		596.5
	Other comprehensive income/(expense)	1,255.8		(1,874.7)	(516.9)			(1,135.9)
	Total attributable to the owners of the Parent	**7,964.0**		**(1,309.1)**	**(516.9)**	**(569.3)**		**5,568.6**
Shareholders' Equity attributable to non-controlling interests	Share capital and reserves attributable to non-controlling interests	216.8		8.0				224.8
	Profit (loss) for the year	34.8		46.7		(26.5)		54.9
	Other comprehensive income/(expense)	18.3		(48.2)	(5.8)			(35.8)
	Total attributable to non-controlling interests	**269.8**		**6.4**	**(5.8)**	**(26.5)**		**244.0**
Total		8,233.8		(1,302.7)	(522.8)	(595.8)		5,812.6

Statement of Cash Flows (indirect method)

Amounts in €m	31/12/2022	31/12/2021
Pre-tax profit (loss) for the year	920.0	894.9
Change in non-monetary items	2,250.7	364.5
Change in Non-Life premium provision	101.1	(20.2)
Change in claims provision and other Non-Life technical provisions	45.0	347.5
Change in mathematical provisions and other Life technical provisions	(5,184.6)	(902.0)
Change in deferred acquisition costs	(3.2)	(0.9)
Change in provisions	173.9	(15.7)
Non-monetary gains and losses on financial instruments, investment property and investments	918.1	(202.9)
Other changes	6,200.4	1,158.8
Change in receivables and payables generated by operating activities	(99.6)	(360.7)
Change in receivables and payables relating to direct insurance and reinsurance	13.6	16.3
Change in other receivables and payables	(113.2)	(377.0)
Paid taxes	(155.8)	(99.6)
Net cash flows generated by/used for monetary items from investing and financing activities	(697.2)	1,233.1
Liabilities from financial contracts issued by insurance companies	950.4	1,723.2
Payables to bank and interbank customers		
Loans and receivables from banks and interbank customers		
Other financial instruments at fair value through profit or loss	(1,647.7)	(490.1)
TOTAL NET CASH FLOW FROM OPERATING ACTIVITIES	2,218.1	2,032.2
Net cash flow generated by/used for investment property	(266.0)	24.2
Net cash flow generated by/used for investments in subsidiaries, associates and interests in joint ventures (*)	(73.8)	0.1
Net cash flow generated by/used for loans and receivables	(1,175.3)	(366.4)
Net cash flow generated by/used for held-to-maturity investments	3.5	56.7
Net cash flow generated by/used for available-for-sale financial assets	232.6	(184.2)
Net cash flow generated by/used for property, plant and equipment and intangible assets	(817.1)	(235.1)
Other net cash flows generated by/used for investing activities	24.2	96.8
TOTAL NET CASH FLOW GENERATED BY/USED FOR INVESTING ACTIVITIES	(2,071.8)	(607.9)
Net cash flow generated by/used for equity instruments attributable to the owners of the Parent	(24.5)	
Net cash flow generated by/used for treasury shares	(1.9)	0.8
Dividends distributed attributable to the owners of the Parent	(537.4)	(537.5)
Net cash flow generated by/used for share capital and reserves attributable to non-controlling interests	(26.5)	(25.8)
Net cash flow generated by/used for subordinated liabilities and equity instruments	(80.0)	(641.7)
Net cash flow generated by/used for other financial liabilities	469.2	(15.8)
TOTAL NET CASH FLOW GENERATED BY/USED FOR FINANCING ACTIVITIES	(201.1)	(1,220.0)
Effect of exchange rate gains/losses on cash and cash equivalents	0.0	(0.0)
CASH AND CASH EQUIVALENTS AT 1 JANUARY (**)	885.0	680.7
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(54.8)	204.3
CASH AND CASH EQUIVALENTS AT 31 DECEMBER (***)	830.2	885.0

(*) The 2022 figure includes the difference between the purchase price paid for I.Car, Muriana Manuela, Tanto Svago Srl, Anton Maria Valsalva Srl, Unicasa Italia S.p.A., Gratia et Salus Srl et DaVinci Healthcare Srl. and cash and cash equivalents transferred post-acquisition.
(**) Include cash and cash equivalents of non-current assets or those of a disposal group held for sale (2022: €0.2m; 2021: €0.1m).
(***) Include cash and cash equivalents of non-current assets or those of a disposal group held for sale (2022: €4.4m; 2021: €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, and in Ireland with UnipolRe, a professional reinsurance company.

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.

UnipolSai'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;
- Tables appended to the 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 of 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 re-stated and reclassified in order to provide homogeneous and consistent information.

The presentation currency is the euro and all the amounts shown in the financial statements and these notes are in €m, except when specifically indicated, rounded to one decimal place; therefore the sum of the individual amounts is not always identical to the total.

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

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. Consistent with the provisions of the Regulation, which starting this year has extended the information elements subject to the mark-up obligation, these consolidated financial statements contain the mark-up of numerical data contained in the statement of financial position, the income statement and the comprehensive income statement, the statement of changes in shareholders' equity and the statement of cash flows, as well as the information elements identified in Annex II of the regulation if they 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 XBRL 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.

Consolidation scope

The UnipolSai Group’s Consolidated Financial Statements at 31 December 2022 were drawn up by combining the figures of UnipolSai and those for the 58 direct and indirect subsidiaries (IFRS 10). At 31 December 2021 a total of 49 companies were consolidated on a line-by-line basis. Subsidiaries deemed to be too small to be of relevance are excluded from line-by-line consolidation.

There are no jointly-controlled interests.

Associates (20 companies), in which the investment percentage ranges between 20% and 50%, and subsidiaries considered immaterial (2 companies), are measured using the equity method (IAS 28) or maintained at the carrying amount. At 31 December 2021, a total of 21 associates and subsidiaries were considered immaterial.

Investments consolidated on a line-by-line basis and those measured using the equity method are listed in the tables showing the Consolidation scope and Details of unconsolidated investments, respectively, which are appended to these Notes.

Changes in the consolidation scope compared with 31 December 2021 and other transactions

Changes in the consolidation scope

The year 2022 was characterised by numerous entries of companies into the scope of consolidation in relation to the implementation of the guidelines of the 2022-2024 Strategic Plan aimed at the development of the Mobility, Welfare and Property ecosystems. The changes in the scope of consolidation during the year are described below.

On 13 January 2022, on obtaining authorisation from the Antitrust Authority, the proposed contract for the purchase by UnipolSai of 100% of I.Car Srl, active in the sector of anti-theft systems for vehicles, and 100% of the share capital of Muriana Manuela Srl (insurance intermediary) was executed.

On 20 January 2022, the deed of incorporation of the company UnipolHome SpA, wholly-owned by UnipolSai and intended, as part of the Property ecosystem, to achieve benefits in terms of cost and service for the settlement of insurance claims, was filed with the Register of Companies.

On 10 February 2022, UnipolSai Investimenti Sgr SpA, as the management company and in name and on behalf of the closed-end real estate investment fund Athens R.E. Fund, acquired 100% of the share capital of the sole member limited liability company Nuove Terme Petriolo Srl, owner of the concessions for the exploitation of a thermal establishment.

The company Welbee SpA, a wholly-owned subsidiary of UnipolSai, was established on 6 July 2022, with the aim of carrying out platform provider activities in the flexible benefits market, in the welfare and healthcare sectors, within the framework of the Beyond Insurance Enrichment strategic area of the 2022-2024 Strategic Plan.

On 6 July 2022, UnipolSai acquired an overall equity investment amounting to 68.865% of the share capital of the company Tantosvago Srl. As set forth in the agreement, on the same date, a share capital increase reserved to UnipolSai was also approved, subscribed and paid up, bringing the percentage of capital held to 75%. Tantosvago Srl is active in the flexible benefits market, or those goods and services that a company can provide within the welfare plan for its employees, with the role of aggregator - a company that holds the technology and the know-how to proceed with the acquisition and aggregation of individual products/services provided by various suppliers (such as insurance companies, healthcare facilities, gyms, travel agencies, training organisations) within a digital catalogue of services set up to be integrated within dedicated platforms.

On 3 August 2022, the Subsidiary Centri Medici Dyadea Srl completed the acquisition of the equity investment representing 100% of the share capital of Anton Maria Valsalva Srl, a company that manages a multi-specialty health centre located in Imola.

On 26 October, a UnipolHome SpA capital contribution was made for the acquisition of an equity investment representing 70% of the share capital of Unicasa Italia SpA, a company that provides integrated real estate services, specifically in the condominium administration sector, through a network of franchise administrators. The acquisition was completed on 27 October 2022.

On 14 November 2022, a further Centri Medici Dyadea Srl capital contribution was made for the acquisition of the 100% interest in the share capital of Gratia et Salus Srl, a company that manages a multi-specialty health centre located in Bologna specialised in occupational medicine.

On 30 November, the shareholders' meeting approved the final liquidation financial statements of the subsidiary Unica Lab Srl and the allotment activities set forth in the distribution plan were carried out. The closure of the liquidation meant that the company was struck off the Register of Companies on 16 December.

On 13 December 2022, UnipolSai acquired the entire equity investment held by UnipolRental SpA in Immobiliare C.S. Srl, representing 100% of the share capital, in order to centralise instrumental real estate companies, resulting in the operational and management simplification of the relative activities.

Following the exercise of the option set forth in the Investment Agreement signed with the Founding Shareholders of the company DaVinci Healthcare Srl, active in innovative telemedicine services, on 14 December 2022 UnipolSai acquired 26.09% of the share capital. Taking into account the shares previously acquired on 14 November 2022 through a share capital increase reserved for UnipolSai, amounting to 39.91%, the total investment held by UnipolSai in this company is now 66%.

Furthermore, on 7 April 2022 the wholly-owned subsidiary MNTTN SpA changed its company name to BeRebel SpA.

Capital transactions of investee companies

On 11 April 2022, a capital contribution of the subsidiary Meridiano Secondo of €15m was made against the request sent on 19 January 2021 for a total of €60m. This payment, originally planned for October 2021, was requested only in April 2022 due to delays in construction work on the Unipol Tower - the main work in progress of the subsidiary - resulting from tensions in the construction materials market and rules on social distancing at construction sites. On 25 August and 14 November 2022, two payments were made, of €15m and €18m, respectively, referring instead to the budget of the works planned for 2022.

On 16 June 2022, a capital contribution of €10m was made in favour of the subsidiary BeRebel SpA, aimed at supporting investment commitments relating to the hiring of resources, technological platform development and management and marketing activities for the construction of the app and the website.

On 23 September 2022, a capital contribution was made in favour of the subsidiary Cambiomarcia Srl of €8m to support the investment commitments relating to the development and evolution of the platforms for the Tenutabene, Cambiobike and Autostimo brands, the purchase of e-bike products for the 2023 season, national marketing campaigns and the expansion of the workforce.

Information about business combinations

Acquisition of I.Car Srl and Muriana Manuela Srl

On 13 January 2022, UnipolSai acquired 100% of I.Car Srl share capital at the price of €60m and 100% of Muriana Manuela Srl share capital for €3.3m. The two companies operate in the vehicle anti-theft system sector and insurance brokerage sector, respectively. On 1 June 2022, in application of the criteria set forth in the sale agreement, UnipolSai paid an additional €10m as a purchase price adjustment for I.Car. The I.Car price will be subject to subsequent integration through the payment of an additional variable tranche of around €7m, which will be determined on a definitive basis after approval of the I.Car financial statements for 2022.
The values of the assets and liabilities acquired, calculated on the accounting positions of those companies at 31 December 2021, are reported below:

Amounts in €m	31/12/2021
Other intangible assets	18.1
Property, plant and equipment	4.2
Other receivables	33.1
Other assets	0.7
Cash and cash equivalents	11.2
Provisions	-2.7
Other financial liabilities	-2.8
Other payables	-29.7
Other liabilities	-3.3
Total Net identifiable assets	**28.7**

The difference between the acquisition cost (estimated at €80m, inclusive of the future price integration) and the net identifiable assets led to the recognition of goodwill of €51.3m.

Acquisition of Tantosvago Srl

On 6 July 2022, UnipolSai acquired 68.87% of the share capital of Tantosvago Srl for a total of €11.7m. On the same date, the shareholders' meeting of Tantosvago approved a share capital increase reserved to UnipolSai in the amount of €4.2m, which was subscribed and paid up at that time. As a result of these transactions, UnipolSai now holds 75% of the share capital of Tantosvago. A price adjustment mechanism is also established on the basis of 2022 EBITDA, with a maximum outlay for UnipolSai of €6m.
Put and call option contracts were signed between UnipolSai and the sellers on the remaining 25%.
The values of the assets and liabilities acquired, calculated on the accounting positions of Tantosvago at 30 June 2022, are reported below:

Amounts in €m	30/06/2022
Other intangible assets	1.1
Available-for-sale financial assets	0.1
Other receivables	8.1
Other assets	0.1
Cash and cash equivalents	4.7
Other financial liabilities	-1.9
Other payables	-8
Other liabilities	-0.1
Total Net identifiable assets	**4.1**
Total Net identifiable assets attributable to the owners of the Parent	**3.1**

The difference between the acquisition cost (estimated at €20.1m, inclusive of the future price integration) and the net identifiable assets attributable to the owners of the Parent led to the recognition of goodwill of €18.1m.

Acquisition of Anton Maria Valsalva Srl

On 3 August 2022, Centri Medici Dyadea acquired 100% of the share capital of Anton Maria Valsalva Srl, a company that manages the multi-specialty health centre of the same name based in Imola, for a total of €4.3m.
The values of the assets and liabilities acquired, calculated on the accounting positions of Anton Maria Valsalva at 30 June 2022, are reported below:

Amounts in €k	30/06/2022
Other intangible assets	39.2
Property, plant and equipment	656.8
Other receivables	192.3
Other assets	82
Cash and cash equivalents	509.5
Other financial liabilities	-611.6
Other payables	-539.8
Other liabilities	-40.9
Total Net identifiable assets	**287.6**

The difference between the acquisition cost and the net identifiable assets led to the recognition of goodwill for €4.1m.

Acquisition of Unicasa Italia SpA

On 27 October 2022, UnipolHome acquired 70% of the share capital of Unicasa Italia SpA for a total of €2.6m.
On the remaining 30%, UnipolHome and the sellers signed put and call option contracts, the exercise prices of which will be determined on the basis of a multiple of EBITDA net of the NFP of the company calculated at 31 December 2027.
The values of the assets and liabilities acquired, calculated on the accounting positions of Unicasa Italia at 30 September 2022, are reported below:

Amounts in €k	30/09/2022
Other intangible assets	4.2
Other tangible assets	84.7
Loss and receivables	15.4
Other receivables	1,664.7
Other assets	43.0
Cash and cash equivalents	262.0
Provisions	(16.8)
Other financial liabilities	(244.1)
Other payables	(828.9)
Other liabilities	(154.0)
Total Net identifiable assets	**830.2**
Total Net identifiable assets attributable to the owners of the Parent	**581.2**

The difference between the acquisition cost and the net identifiable assets attributable to the owners of the Parent led to the recognition of goodwill for €2m.

Acquisition of Gratia et Salus Srl

On 14 November 2022, Centri Medici Dyadea acquired 100% of the share capital of Gratia et Salus Srl, for a total of €3.6m. A price adjustment mechanism is also established on the basis of the average 2022-2023-2024 EBITDA, with a maximum outlay for Centri Medici Dyadea of €1.7m which, based on the information available to date, is not expected to be disbursed.
The values of the assets and liabilities acquired, calculated on the accounting positions of Gratia et Salus at 31 October 2022, are reported below:

Amounts in €k	31/10/2022
Other intangible assets	132.2
Available-for-sale financial assets	1.0
Other receivables	293.0
Other assets	54.0
Cash and cash equivalents	526.4
Other payables	(321.8)
Other liabilities	(81.7)
Total Net identifiable assets	**603.2**

The difference between the acquisition cost (estimated at €3.6m) and the net identifiable assets attributable to the owners of the Parent led to the recognition of goodwill for €3m.

Acquisition of DaVinci Healthcare Srl

On 14 December, UnipolSai acquired 66% of DaVinci Healthcare Srl for a total outlay of €8.2m.
On the remaining 34%, UnipolSai and the sellers entered into put and call option contracts the exercise prices of which will be determined based on a multiple of the First Margin (referring to the most recent financial statements approved by the Company when the Option is exercised) net of the company's NFP (referring to the Option exercise date).
In the 2023/2024 period, two reserved share capital increases of €6m and €3m could be subscribed by UnipolSai, as a result of which UnipolSai would hold an interest of 77% (if only the first increase were carried out) and 79.4% (if both were carried out).
It should also be noted that, if the Company achieves the agreed results at 31 December 2024, UnipolSai has undertaken to pay an additional consideration on the shares acquired, as earn-out, up to a maximum of €4.8m.
The values of the assets and liabilities acquired, calculated on the accounting positions of DaVinci Healthcare at 31 December 2022, are reported below:

Amounts in €k	31/12/2022
Other intangible assets	891.4
Other tangible assets	18.7
Other receivables	467.8
Cash and cash equivalents	5,015.4
Other financial liabilities	(1,328.3)
Other payables	(364.7)
Total Net identifiable assets	**4,700.2**
Total Net identifiable assets attributable to the owners of the Parent	**3,102.2**

The difference between the acquisition cost (€13m inclusive of the estimated amount for the additional earn-out payment) and the net identifiable assets attributable to the owners of the Parent led to the recognition of goodwill for €9.9m.

It should be noted that, with reference to the acquisitions of Tantosvago Srl, Anton Maria Valsalva Srl, Unicasa Italia SpA, Gratia et Salus Srl and DaVinci Healthcare Srl, the values of the assets acquired and the liabilities assumed are still to be considered provisional and may be restated within 12 months of the acquisition, as set forth by IFRS 3.

Reporting date

The reporting date of the Consolidated Financial Statements is 31 December 2022, the date the Separate Financial Statements of UnipolSai 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 UnipolSai 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 with the exception of small subsidiaries, for which the equity method is used.

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 operates:

- Non-Life insurance business;
- Life insurance business;
- Real Estate business;
- Other Businesses.

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.

2. Main accounting standards

New accounting standards

The changes to the accounting standards previously in force are summarised below, whose application took effect from 1 January 2022, for which no accounting impacts worthy of note were recorded.

Amendments to IFRS 3, IAS 16, IAS 37 and Annual Improvements 2018-2020

Regulation (EU) 2021/1080 of 28 June 2021 endorsed several amendments to IAS/IFRS which include some limited amendments to three accounting standards, as well as improvements to a number of standards.
In particular:
• IFRS 3 "Business combinations": the reference present in IFRS 3 was updated to the new revised Conceptual Framework in order to resolve certain issues deriving from the distinction between the acquisition of a business and the acquisition of a group of assets. However, this specification does not make any amendment to the provisions of that standard;
• IAS 16 "Property, plant and equipment": prohibition of deducting from the cost of the asset the amount received from the sale of goods produced prior to when the asset is ready for use. These sales revenues and the relative costs should therefore be recognised in the income statement;
• IAS 37 "Provisions, contingent liabilities and contingent assets": a clarification has been included with respect to the cost items to be considered in order to evaluate whether a contract could be defined as onerous;
• Annual Improvements: slight amendments were made to IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS 9 "Financial instruments", IAS 41 "Agriculture" and to the illustrative examples accompanying IFRS 16 "Leases".

New accounting standards not yet in force

The documents published by the International Accounting Standards Board (IASB) 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.

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 changed the accounting representation of insurance contracts and financial instruments. As mentioned in previous years, due to the strict correlation between the two standards, starting from 2018 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 intends to adopt the option provided for by the "classification overlay" set forth in Regulation (EU) 2022/1491 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 2023. The most significant changes introduced by the above-mentioned standards are described below, along with a disclosure regarding the main accounting policies that the Group intends to adopt.

Note that, primarily referring to IFRS 17, the methodological and valuation approaches used and reported below could be subject to refinements, also pending the consolidation of the interpretations of specific issues and additional analyses that will be conducted for the actual application of the standard, starting with interim and annual financial statements referring to 2023.

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 were adopted by the IASB on 25 June 2020 and, afterwards, 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, partially adjusting what is set out in the version of the standard approved by the IASB, the possibility was introduced of not applying the grouping into annual cohorts of Life insurance contracts characterised by intergenerational mutualisation and cash flow consistency.

Main changes of IFRS 17

Very briefly, IFRS 17 will introduce the following updates:

a) change in aggregation criteria of insurance contracts: the new accounting model requires greater granularity in the grouping of insurance contracts with similar characteristics which constitute the basis for the quantification of financial and equity components ("Units of Account" - UOA).
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 (Risk Adjustment - RA): it must be estimated separately from the liability, in order to bear the uncertainty relating to the amount and timing of the cash flows deriving from non-financial risk when the entity will fulfil the insurance contracts for the expected cash flows for the fulfilment of the contractual obligations assumed.
d) recognition of the estimated profit that is implicit in the insurance contracts in portfolio: according to the General Accounting Model, as illustrated in more detail in point f) below, 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 suspended in liabilities with the purpose of recognising it in the Income Statement, distributing it over the entire period of the insurance coverage. 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 is fully recognised in profit and loss.
e) Profit or loss based on margins: a representation based on margins has been introduced, with the explicit representation of actual flows and estimated flows, which shows the:

   i. Insurance margin deriving from underwriting activities as the difference between:

   A. Insurance revenue, mainly comprised of:

   - the amount of charges for insurance services 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 charges for insurance services 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 attributed to the year;
   - the losses on onerous contracts and the related reversal.

ii. The net financial margin as the difference between the result of the investment in financial instruments and net financial costs/revenue 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 on the basis of market conditions, in particular:

- the changes in the present value of cash flows deriving from changes in the discounting 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 Other Comprehensive Income, as described in more detail 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 costs for insurance services), instead, impact the Income Statement for the year.

ii. Premium Allocation Approach ("PAA"): optional and simplified 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 between the relative components identified above, different to the BBA. The LRC is systematically recognised in the Income Statement on a temporal basis or, if significantly different, based on the expected pattern of risk distribution during the contractual coverage period. When the pro-rata temporis method is applicable, the methods for recognising revenues are similar to those applicable for the recognition of the "Provision for unearned premiums" on the basis of IFRS 4.

iii. Variable Fee Approach ("VFA"): a compulsory accounting approach that constitutes a variation of the BBA applicable to insurance contracts with direct participation (or 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 throughout the provision 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 criteria used to account for financial assets (IFRS 9) and insurance liabilities (IFRS 17), the "FVOCI Option" is provided, which makes it possible to recognise the effects of a change in market rates on the value of liabilities or assets linked to the fulfilment of the insurance contract ("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 complete information reported in the Income Statement and in the Statement of Financial Position, the impacts of insurance contracts on cash flows and the financial performance of the company must be presented, possibly in statements showing the changes that occurred during the year related to the individual components making up the insurance liabilities.

Implementation of IFRS 17 for the UnipolSai Group

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. Following long, extensive work of analysis, development and testing, during the second quarter of 2022, the parallel run phase was launched, which firstly involved UnipolSai and subsequently involved the other insurance companies of the Group.

The main choices of the UnipolSai Group

A brief examination of the activities carried out in relation to the main areas of impact concerning the application of IFRS 17 is provided below.

Scope of application

IFRS 17 is applied to all products featuring significant insurance risk and to insurance contracts with elements of direct participation. 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 relating to class III, where they contain, at the date of first time application of IFRS 17, a significant insurance risk higher than the investment risk. It should be noted that, due to this approach, all products relating to class VI (pension funds) will be excluded from the scope of insurance contracts.

Furthermore, to determine 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 are expected:

- inclusion in the estimate of initial net liabilities will also include a portion of the indirect acquisition costs, which, instead, are directly charged to the Income Statement when they are incurred, based on the provisions of IFRS 4;
- the possible onerousness on the issue of a UOA will be calculated considering a larger scope of cash flows, including all those for which the insurance company cannot modify the rate or benefits to align them with the risk assumed.

Method of aggregating groups of contracts

For the purpose of 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 was considered and, at aggregate level, the class III products containing significant insurance risk;
- 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 will include 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 on the basis of “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 IFRS 4.

It is also noted that the Group intends to apply the option set out in Reg. EU 2021/2036, which permits, for contracts with direct participation features that are specifically intergenerationally mutualised (identified within the scope of the UnipolSai Group as revaluable Life products linked to segregated funds), not applying the breakdown of UOA into annual cohorts of issue.

With regard to the aggregation criteria used under IFRS 4, the different level of granularity introduced by IFRS 17 could result in a higher possibility of recognising 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 binding rules on the matter, the Group intends to apply a bottom-up approach. This approach calls 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 will adopt a methodology similar to the one used in the area of prudential supervision. The Illiquidity Premium will be calculated using an approach proposed 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 will be 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 intends to adopt a methodology for determining the Risk Adjustment calculated using metrics derived from the Solvency II framework, based on the probability distribution of the set of risks to which cash flows are subject, and also considering the benefits of diversification existing between the various UOAs. In particular, the diversification effect will be 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 will be determined, in general the Group intends to adopt a level equal to the 75th percentile, which may be supplemented with a prudential buffer up to the 98th percentile in light of situations of particular uncertainty in the reference context.

Accounting approaches applied

For insurance contracts entered into as of the transition date, the Group will generally apply the following accounting approaches:

- the PAA for all Non-Life contracts with coverage of up to 12 months;
- The VFA for 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 long-term Non-Life and Life policies other than those that will be subject to the VFA.

These accounting approaches will be applied accordingly to contracts signed prior to the transition date as well, with the exception of Non-Life contracts, 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 misalignment

The Group will adopt the options to reduce accounting misalignment 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 through Other Comprehensive Income, rather than 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 through Other Comprehensive Income, recording in the Separate Income Statement only the effects of the capitalisation of cash flows at the same discount rate applied during the initial recognition phase (the "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. That approach makes it possible to move on from the shadow accounting practice set forth in IFRS 4, with the aim of reducing the existing accounting misalignment 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 must present the previous year's Statement of Financial Position and income statement for comparative purpose) 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 standard's provisions and the changes introduced to the existing accounting methods, the standard also provides the option, where it is not possible to fully retrospectively 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 carried out a detailed analysis on the transactional flows of the years prior to the transition date ("actual" flows), the cash flows ("expected" data) and the values, subject to the allocation processes, not directly attributable to the contracts. On the basis of these analyses, the information, especially relating to past years, was not fully available in the portfolio or could not be found except by making efforts deemed excessive, incurring 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 believes that there are well-justified reasons that make the full retrospective approach not applicable for the transition to IFRS 17 and, in line with the provisions of the same standard, has 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 trends and the possible repercussions on productivity, the fair value approach will mainly be adopted (applied in particular to contracts issued by UnipolSai) and the modified retrospective approach on a residual basis;
- for the Life business, the fair value approach will be applied mainly to the portion of contracts subject to revaluation relating to UOAs linked to (i) segregated funds of little significance or characterised by financial guarantees and levels of retained return not aligned with those of similar contracts marketed at the transition date, and (ii) portfolios of non-revaluable contracts linked to collective policies. The modified retrospective approach will be applied to the residual portion of insurance contracts, therefore consisting mainly of the UOAs linked to the remaining segregated accounts, as well as to the individual non-revaluable contracts.

As a result of the above, it is estimated that the fair value transition approach will affect approximately 89% of the Non-Life business existing at the transition date and 47% of the Life business; while the modified retrospective approach will be 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 influenced the selection of the accounting approach to be applied to the business existing at the transition date, with the PAA model reserved only to Non-Life business with transition according to the modified retrospective approach and with the application of the BBA to Non-Life business with transition according to the Fair Value approach.

It should also be noted that, for the same reasons that do not allow for the application of the full retrospective approach, in the application of the transition approaches the Group decided to adopt the following simplifications with respect to what is set forth for the application of the full retrospective approach:

- aggregation of all cohorts prior to the transition date in a single UOA;
- for contracts for which the BBA or PAA is applied, setting the amount cumulatively recognised under Other Comprehensive Income to zero, as a disaggregation of the effects on insurance liabilities and assets of the change in the discount rate compared to that of initial recognition;

- for contracts for which the VFA is applied, setting the cumulative amount of the Other Comprehensive Income referring to insurance liabilities equal to the corresponding value recognised in Other Comprehensive Income with reference to the financial instruments underlying the insurance liabilities.

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 aligned 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 the assumption of the risks underlying the portfolios ("Cost Of Capital" method), also defined starting from SII metrics and taking into consideration the actual capital endowment, in excess of the minimum regulatory capital held on average by insurance companies operating on the Italian market.

The CSM at the transition date will be determined as the difference between the FV and the present value of the expected future cash flows adjusted for the risk 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 IASB at end July 2014 and was endorsed by EU Regulation 2016/2067, which reformed provisions envisaged by IAS 39 on the following main issues:

- Classification and Measurement: classification categories were envisaged for financial assets, based on a business model and the characteristics of the contractual cash flows;
- Impairment: an incurred loss model is replaced by an expected loss model, with the introduction of a new concept of staging allocation;
- Hedge Accounting: thanks to this new model, hedge accounting is further aligned to risk management processes.

In particular, as regards Classification and Measurement, unlike in the IAS 39, which requires mainly the analysis of the type of financial asset or liability, as well as the related holding period, the IFRS 9 standard introduced classification criteria of financial instruments based on the measurement of the related business model, as well as the analysis of the characteristics of the contractual cash flows resulting from the instruments themselves, with the application of the so-called SPPI test, aimed at verifying the position of Solely Payments of Principal and Interest. Moreover, in view of measuring what business model should be assigned to the financial instrument, the IFRS 9 envisages more objective parameters, based on various requirements such as: performance, risk, remuneration and turnover.

The new regulations also revised some guidelines on the possible reassignment of the business model that must however be very uncommon and shall meet special conditions involving significant changes, both “internal” with respect to the company and “demonstrable” with respect to external parties.

Implementation of IFRS 9 for the UnipolSai Group

On completion of a process of analysis and implementation in the management, IT and accounting systems, the Group activated a parallel management and accounting environment aligned with the requirements of IFRS 9 for the entities that hold financial instruments. It is noted that, to ensure a more accurate application of the rules set out for the VFA, it was necessary to identify and autonomously manage a higher number of portfolios of financial assets than in the context of the current IAS 39. Specifically, a portfolio of financial instruments was activated for each portfolio to which the VFA is applied.

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.

Classification and measurement of financial instruments

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 interests accrued on the amount of capital to be returned (so-called SPPI Test – Solely Payment of Principle and Interest, supplemented by the Benchmark Test in the absence of a perfect correspondence between the periodical redefinition of the interest rate and the related tenor).

As regards the Group's securities portfolio subject to first-time adoption of IFRS 9, the following is noted:

- a slim portion of debt securities, classified under categories Available-for-sale financial assets and Loans and Receivables, which did not pass the SPPI test, was classified in the category Financial assets measured at fair value through Profit or Loss. Securities under this classification feature characteristics other than the measurement of credit risk and of time value of money;
- it has been deemed that the management model of the overall bond portfolio, performed by Group entities for which IFRS 9 is applied, can be mainly included within the HTCS "Held to Collect & Sell" business model. This model, in fact, has the target to collect both cash flows that are contractually envisaged by financial assets and those resulting from the sale of financial assets themselves. In light of both the changes in the regulatory context and of contractual terms related to financial assets under evaluation, which generate cash flows, at predetermined dates, representing only the repayment of the principal and the payment of interest accrued, most of the securities already in the IAS 39 portfolio at the date of transition (previously classified as IAS 39 Available-for-sale financial assets, Loans and Receivables and Held-to-maturity investments), with the only exception of securities that did not pass the SPPI test, will be classified as Financial assets measured at fair value through other comprehensive income (FVOCI);
- the residual portion of debt securities, managed using the HTC "Hold To Collect" business model, will be classified in the category of Financial assets measured at amortised cost;
- equity securities, which, due to their nature, do not pass the SPPI test, will generally be recognised in the category FVOCI, as permitted by the option granted by the standard for those instruments, with the exception of any investments held for trading, which will be recognised in the FVPL category;
- UCITS units, closed and open funds, whose cash flows do not pass the SPPI test and cannot be classified as equity instruments, will therefore be recognised under the FVTPL category. This category will also include portfolios of financial instruments of Group entities that are destined, in relation to significant corporate reorganisation transactions, to be subject to an in-depth review with a view to a different investment strategy resulting from such reorganisation;
- all financial assets included in the portfolios linked to investment products (e.g., unit-linked and pension funds without significant insurance risk) will be classified in the category FVPL, which also includes the related liabilities to underwriters.

Impairment model

The IFRS 9 impairment model is based on (quantitative) objective and quality criteria to determine the significant increase of credit risk used to classify the credit lines in Stage 1 or Stage 2. Specifically, the UnipolSai Group will recognise 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 will be 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 will be applied to debt securities with "investment grade" ratings.

All exposures that show objective evidence of loss will be 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.

Hedge Accounting

As regards Hedge Accounting, the Group will exercise the option to maintain the accounting model as envisaged by IAS 39.

Expected impacts deriving from the application of IFRS 17 and 9

Opening financial position (1/1/2022)

Impacts on shareholders' equity

The main decisive factors of the impacts on shareholders' equity deriving from the transition to IFRS 17 and 9 are shown below, based on the choices described above.

Non-Life business net insurance liabilities

The total value of Non-Life net insurance liabilities recognised in application of IFRS 4, understood as the aggregation of the items relating to the technical provisions of direct and indirect business, net of the portion retroceded to reinsurers and the relative intangible assets (i.e. commissions to be amortised and the residual value of the portfolios acquired in business combinations), is basically aligned with the corresponding net liabilities recognised in application of IFRS 17.
More specifically, in light of a negligible effect deriving from discounting due to the level of market rates at the date of initial application, the recognition of IFRS 17 liabilities referring to expected future profitability (CSM) and risk adjustment components should almost completely offset the positive difference existing between the total amount of the technical provisions recognised on the basis of IFRS 4 and the estimate of expected net cash flows allocated to the provision of future insurance services calculated on the basis of the forecasts of IFRS 17.

Life business net insurance liabilities

With reference to Life net insurance liabilities, understood as:

- in the context of IFRS 4, aggregations of the mathematical reserve and other reserves, including the reserve for shadow accounting, net of intangible assets for commissions to be amortised and the residual value of the portfolios acquired in business combinations, and;
- in the context of IFRS 17, aggregations of discounted future cash flows, risk adjustment and components of expected future profitability,

on the other hand, a negative impact on shareholders' equity is expected at the transition date.
The increase in net insurance liabilities deriving from the application of IFRS 17 is due to:

- the different calculation methods based, in the context of IFRS 17, on a "risk neutral" context similar, without prejudice to the differences in terms of discount rates and for the separate recognition of the margin for contractual services, to that adopted for the preparation of the MCBS in the SII area;
- the reclassification, pursuant to IFRS 17, under insurance liabilities, as representative of margins that will affect profits and shareholders' equity in future years, of any unrealised capital gains on the underlying

financial instruments, which will be retained by the companies. On the other hand, under IFRS 4, this portion of future margins is instead represented under the shareholders' equity reserves as the difference between the capital gains recognised on AFS securities included in the portfolios of the segregated funds and the share of these capital gains attributed to policyholders, as a result of the application the shadow accounting technique envisaged by the standard.

Financial instruments

The main effect of the application of IFRS 9 on shareholders' equity will be attributable to the portion of financial assets classified as loans and receivables under IAS 39 reclassified to the categories Financial assets measured at fair value through other comprehensive income (FVOCI) and FVPL. Taking into account the positive difference between the fair value and the amortised cost on this set of financial assets, the reclassification will result in an increase in shareholders' equity at the transition.

Taking into account all of the adjustments summarised above and the relative tax effects, it is estimated that the shareholders' equity at the transition date determined on the basis of these accounting standards is approximately 10% lower than that determined on the basis of the previous accounting standards.

Contractual service margin

The total amount of the contractual service margin at the transition date is estimated at approximately €3.2bn, gross of the relative tax effect, of which €1.1bn referring to the Non-Life business (largely relating to the contracts to which the fair value approach was applied and therefore accounted for according to the BBA), and €2.1bn to the Life business. It should be noted that, as mentioned above, most of the Non-Life insurance contracts entered into after the transition date will be accounted for with the PAA, which does not provide for the separate recognition of the CSM. Therefore, it is expected that the value of the CSM relating to the Non-Life business will tend to gradually decrease with the reversal to the Income Statement of the coverage units linked to the transition UOA.

FY 2022

Information is provided below on the main expected effects deriving from the application of IFRS 17 and 9 on the Consolidated Statement of Financial Position at 31 December 2022. It should be noted that this information is to be considered preliminary as, at the date of preparation of these consolidated financial statements, the process of producing the accounting data is still in progress.

Impacts on shareholders' equity

As previously noted, the introduction of an explicit discount rate to apply to all insurance liabilities/assets is one of the main changes introduced by the standard IFRS 17, as the calculation of technical provisions under the previous IFRS 4, with the exception of any additional provisions for Shadow Accounting and the LAT, is based on specific valuation methods set out in the national regulations of each of the Group companies. Considering that context, the classification of most of the Group's portfolio of financial assets based on fair value and the method of calculating the discount rates partially linked to the current rates of return of the asset portfolio, compared to the accounting situation governed by IFRS 4 and IAS 39, previously in force, the Group expects lower volatility in the total shareholders' equity in relation to fluctuations in market rates of return.

Impacts on profit (loss) for the year

The main expected impact on the profit for the year 2022 deriving from the adoption of the new accounting metrics is linked to the higher incidence, in the Group's portfolio, of financial instruments mandatorily classified at FVPL on the basis of IFRS 9 and not included in the portfolios of revaluable contracts accounted for using the VFA method. The reduction in the fair value of these instruments, particularly significant in 2022 as a result financial market performance, will have a negative impact on the profit for the period, only partially offset by an expected improvement in the Non-Life and Life insurance margin.

Amendments to IAS 1 - Classification of liabilities as current or non-current

On 23 January 2020, the IASB published the document “Classification of Liabilities as Current or Non-current (Amendments to IAS 1)” defining a more general approach for the classification of payables - and other liabilities - by providing several criteria for the distinction between “current” and “non-current”. Specifically, the classification should be based on the substantial right, existing at the end of the year, to defer (or otherwise) the payment 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 the above-mentioned amendments will enter into force for financial years beginning on or after 1 January 2024. On 22 December 2022, EFRAG issued the draft Endorsement Advice, the consultation of which ended on 1 March 2023.

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. The amendments are effective from 1 January 2023.

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. The amendments apply from 1 January 2023.

Amendments to IFRS 16 - Sale and leaseback transactions

On 21 September 2022, the IASB published the document “Lease Liability in a Sale and Leaseback”, which amends IFRS 16 “Leases”, clarifying 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. On 30 January 2023, EFRAG issued the Endorsement Advice, expressing a positive opinion on the matter. The amendment will be effective from 1 January 2024.

Update on the main activities of the IASB/Authority on accounting matters

IFRS 9 Post-Implementation Review
On 21 December 2022, the IASB published the Project Report and Feedback Statement, which concluded the Post-Implementation Review (PIR) on the classification and measurement requirements of IFRS 9. Specifically, the IASB did not identify any fundamental critical issues with regard to clarity or the adequacy of the objectives of the standard's requirements, as they are applicable consistently by entities without having to incur unexpected additional costs, without prejudice to some issues subject to a specific future standard setting project, such as financial instruments with sustainability characteristics (financial assets with ESG-linked features) and electronic cash transfers as settlement of a financial asset or liability, on which the publication of an Exposure Draft is currently expected in the course of 2023.

Non-Financial Reporting Standards and sustainability

As anticipated in the previous chapter on "Main regulatory developments", on 16 December 2022 Directive (EU) 2022/2464 (CSRD - Corporate Sustainability Reporting Directive) on sustainability reporting, already subject to accounting Directive (EU) 2013/34 as revised by Directive (EU) 2014/95 (NFRD - Non-Financial Reporting Directive). This regulation is applicable starting from 2024 only for companies that are public-interest entities (e.g. banks, insurance companies, listed companies) with more than 500 employees (while for the remaining entities, including listed SMEs, the provisions will be gradually applied until 2028). This disclosure, which must be both qualitative and quantitative in nature, both prospective and retrospective, must be included in the management report and drawn up in compliance with the European Sustainability Reporting Principles (ESRS) issued on 22 November 2022 by EFRAG (which must first be adopted by the EC through delegated acts by 30/06/2023 and, subsequently, subject to scrutiny by the EU Parliament and the Council). Similar to the provisions of the NFRD, the CSRD allows reporting to be provided only at consolidated level by the parent, thus exempting other group entities falling within the scope of subjects to which this regulation applies.

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.

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 developing and implementing IT systems, including personalisation of the relative software, amortised over five or ten years according to their 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 Technical provisions - Reinsurers' share - IFRS 4

This item includes reinsurers' liabilities arising from reinsurance contracts governed by IFRS 4.

4 Investments

4.1 Investment property - IAS 40

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 subsidiaries, associates and interests in joint ventures – IAS 28

This item includes investments in associates as defined in IAS 28 and investments in subsidiaries that because of their size are considered immaterial, which are measured using the equity method or at cost.

Financial assets – IAS 32 and 39 – IFRS 7 – IFRS 13

IAS 39 provides that debt and equity instruments, receivables, payables and derivatives must be classified according to the purposes for which they are held. The following categories are provided for:
- Held-to-maturity investments;
- Loans and receivables;
- Available-for-sale financial assets;
- Financial assets at fair value through profit or loss.

There is a specific standard for recognising and measuring each of these categories.

It should be mentioned that the Group recognises financial transactions on the value date.

With respect to financial instruments, for the purpose of the drawing up of its consolidated financial statements, starting from the 2018 Financial Statements the UnipolSai Group decided to avail itself of the deferral option in applying IFRS 9, as envisaged by the IASB, based on the deferral approach method.

As a consequence, except for certain financial entities consolidated at equity and for which the application of IFRS 9 is mandatory on a separate basis, all entities consolidated on a line-by-line basis or at equity continued to apply IAS 39 in drawing up their consolidated financial statements.

4.3 Held-to-maturity investments

Investments in securities held to maturity are recognised at amortised cost, net of any impairment losses.

This category includes bonds that the Group intends and is in a financial position to hold to maturity, for example most of the fixed-yield bonds acquired to match special Life tariffs.

If a substantial number of securities in this category are sold early (or reclassified), all the remaining securities must be reclassified as Available-for-sale financial assets and the category cannot be used for the next two financial years.

4.4 Loans and receivables

Receivables in this category consist of agreements for which the Group holds a right to the cash flows arising from the loan agreement. They are characterised by fixed or determinable payments and are not listed on an active market. This category also includes mortgages and loans provided to the insurance companies, reinsurers' deposits, loan repurchase agreements, term deposits exceeding 15 days, receivables for agents' reimbursements, unlisted debt securities not held for sale which the Group intends to hold for the foreseeable future, including bonds reclassified following application of IAS 39 paragraphs 50D and 50E.

In accordance with the provisions of IAS 39, loans and receivables must be initially recognised at their fair value, which corresponds to the amount granted including the transaction costs and the commissions and fees chargeable directly. Following the initial recognition receivables are measured at the amortised cost, which is represented by the initial carrying amount net of repayments, plus or minus any difference between the initial amount and the amount on maturity because of amortisation calculated in accordance with the criterion of effective interest method and less any impairment loss or reduction due to non-recoverability.
Applying the effective interest rate method enables the financial effect of a loan transaction to be spread evenly over its expected life, which makes financial sense. In fact, the effective interest rate is the rate that discounts all the future cash flows of the loan and establishes a present value corresponding to the amount granted including all the transaction costs and income pertaining to it. When the cash flows and the contractual term of the loan are being estimated, all the contractual terms that can affect the amounts and the maturity dates (for instance, early repayments and the various options that may be exercised) are taken into account but not the losses expected on the loan. Following initial recognition, for the whole life of the loan the amortised cost is determined by continuing to apply the effective interest rate fixed at the start of the transaction (original interest rate). This original interest rate does not vary over time and is also used in the case of any contractual amendments to the interest rate or events as a result of which the loan has in practice stopped bearing interest (for instance, due to insolvency proceedings).

The amortised cost method is applied only to loans with an original term of at least eighteen months, on the assumption that in the case of shorter loans the application of this method does not involve significant changes to the financial effect. Loans with a term of less than eighteen months and those that have no fixed maturity date and revocable loans are therefore measured at their historical cost.

On the reporting date for each set of annual or interim financial statements, the loans are assessed to identify those for which there is objective evidence of impairment due to events that have occurred after their initial recognition.

The original value of the loans is reinstated in subsequent years only in the event that the reasons that led to the impairment in question no longer exist. Impairment losses can be reversed up to an amount not exceeding the carrying amount that it would have been recognised if the amortised cost had been applied without prior impairment.

4.5 Available-for-sale financial assets

Investments classified as available-for-sale financial assets are measured at fair value. The differences with respect to the carrying amount must be recognised in the shareholders' equity in a specific reserve for unrealised gains/losses (net of tax). In the event of sale or impairment established as a result of impairment testing, unrealised gains or losses accumulated in shareholders' equity until that time are transferred to the income statement.

Information on how the fair value is determined is provided in the section "Fair value measurement criteria – IFRS 13".

The amortised cost of the debt securities in this category calculated using the effective rate of return is recognised in the income statement. The comparison with the fair value is made after the proportion of the amortised cost for the year has been recognised.

This category includes debt securities, equity securities, UCITS units, and investments deemed to be of strategic importance (less than 20% of the share capital, of commercial or corporate strategic importance).

Impairment policy for financial assets adopted by the Group

IAS 39, paragraph 58, provides for companies to carry out assessments on each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.
In order to determine whether a financial asset or a group of financial assets shows signs of impairment, a regular impairment test must be carried out.
Indicators of a possible impairment are, for instance, the issuer's significant financial difficulties, failure to pay the full amount of interest or principal, the possibility of the beneficiary becoming bankrupt or entering into another insolvency proceeding and the disappearance of an active market for the asset.
Pursuant to paragraph 61 of IAS 39, a "significant or prolonged" decline in the fair value of an equity instrument below its cost must be considered as "objective evidence of impairment".
IAS 39 does not define the two terms "significant" and "prolonged" but implies, partly on the basis of an IFRIC guideline, that their meaning should be left to the directors' judgement, whenever annual or interim financial statements must be prepared under IAS, provided that the meaning is determined in a reasonable manner and complies with paragraph 61 of IAS 39.

Without prejudice to the case of any investments in equity instruments qualified within the consolidated financial statements of the Parent Unipol as an equity investment in an associate, the Group has defined as "significant" a reduction of more than 50% in the market value of equity instruments classified as Available-for-sale (AFS) financial assets with respect to the initial recognised value and as "prolonged" the permanence of market value at levels below the initially recognised amount for more than 36 months.

Therefore, for equity instruments, the impairment test is carried out by selecting all the instruments to which at least one of the following conditions applies:

a) the market price has remained below the initially recognised amount for the last 36 months;
b) the impairment on the reporting date is more than 50% of the initial recognition amount.

The impairment of these instruments is deemed to be confirmed and the total change in fair value is recognised in the income statement, with elimination of gains or losses on the underlying available-for-sale financial assets. With reference to the equity instruments qualified within the consolidated financial statements of the Parent Unipol as an equity investment in an associate, the recognition of any impairment is evaluated on the basis of the economic/capital performance of the investee company, irrespective of the occurrence of the conditions applicable for all equity instruments.

For debt securities, whenever payment of a coupon or repayment of principal is late or missed and this is confirmed by the custodian bank, the Group Finance Department immediately notifies the Risk Management Department, so that the latter can carry out the assessments within its competence on the need to recognise an impairment on these instruments.

4.6 Financial assets at fair value through profit or loss

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 two 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.

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 IAS 39 sets out cumbersome and complex rules to assess, by preparing appropriate documentation, the effectiveness of the hedge from the time it is activated and throughout its entire term (hedge accounting).

All derivatives are placed in the category "Financial assets at fair value through profit or loss". .

Reclassifications of financial assets – IAS 39

If an available-for-sale financial asset is transferred to the held-to-maturity investments category, the fair value recognised on the date of transfer becomes its new cost or amortisable cost. Any previous gain or loss on this asset that has been recognised directly in equity is recognised through profit or loss throughout the remaining useful life of the investment held to maturity using the effective interest method.

If a financial asset is no longer held for sale or repurchased in the short term (although the financial asset may have been acquired or held mainly for sale or repurchase in the short term), it may be transferred from fair value through profit or loss if the following requirements are met:

- the circumstances are very unusual (IAS 39, paragraph 50B), or
- the asset to be reclassified would have come under "loans and receivables" (if the financial asset had not had to be classified as held for trading when initially recognised) and the entity has the intention and the ability to hold the financial asset for the foreseeable future or to maturity (IAS 39, paragraph 50D).

A financial asset classified as available for sale that would have come under loans and receivables (if it had not been designated as available for sale) may be transferred from "available for sale" to "loans and receivables" if the entity has the intention and the ability to hold the financial asset for the foreseeable future or to maturity (IAS 39, paragraph 50E).
If an entity reclassifies a financial asset from fair value through profit or loss or from "available for sale", it must reclassify the financial asset at its fair value on the date of reclassification and the gain or loss already recognised in the income statement must not be reversed. The fair value of the financial asset on the date of reclassification becomes its new cost or amortised cost (IAS 39, paragraphs 50C and 50F).

In the case of a financial asset reclassified from "available for sale", the previous gain or loss on the asset recognised directly in equity must be amortised in the income statement throughout the asset's remaining useful life using the effective interest method.

If the entity has reclassified a financial asset from fair value through profit or loss or from "available for sale", the following is some of the information that must be provided (IFRS 7):

- the amount reclassified from and to each category;
- for each year until it is derecognised, the carrying amount and the fair value of all financial assets reclassified during the current and preceding year;
- whether a financial asset was reclassified in accordance with paragraph 50B of IAS 39, however unusual the situation, and the facts and the circumstances of the unusual situation;

- for the financial year in which the financial asset was reclassified, the fair value gain or loss on the financial asset;
- for each year after reclassification (including the year in which the financial asset was reclassified) until the financial asset is derecognised, the fair value gain or loss that would have been recognised if the financial asset had not been reclassified.

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 Group classifies and records the bonds issued by SPVs based on the instructions provided in IAS 39, 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 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 IAS 39, with the same criteria applied for the investments in structured and unstructured bonds, with particular regard to the presence of embedded derivatives and valuations regarding any segregation.
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 Group, with regard to bonds issued by SPVs in the portfolio at 31 December 2022, 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 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 IAS 39, 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 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.

5 Sundry receivables

Sundry receivables are recognised at their nominal value and subsequently assessed at their estimated realisable value.

The item Sundry receivables includes receivables due within twelve months, in particular Receivables relating to direct insurance business, Receivables relating to reinsurance business and Other receivables, such as trade receivables 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" (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 Deferred acquisition costs

This item includes acquisition costs for multiyear insurance contracts, paid in advance and amortised on a straight-line basis over the maximum life of the contracts.

6.3 Deferred tax assets - IAS 12

This item includes deferred tax assets based 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 Gruppo.

6.4 Current tax assets - IAS 12

This item includes assets related to current taxation.

6.5 Other assets

Among other things, this item includes prepayments and accrued income and deferred commission expense for investment contracts with no discretionary participation feature, as these are additional costs incurred to acquire the contract, 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

1.1.1 Share capital

The item includes the share capital of the consolidating company.

1.1.2 Other equity instruments

This item includes perpetual regulatory capital instruments qualifiable as Restricted Tier 1 issued by the Parent, 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.

1.1.3 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.

1.1.4 Income-related and other equity reserves

In addition to the income-related and other equity 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), equalisation and catastrophe provisions eliminated under IFRS 4, provisions arising from equity-settled share-based payment transactions (IFRS 2) and consolidation reserves.

1.1.5 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.

1.1.6 Reserve for foreign currency translation differences

The item includes the exchange rate differences 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.

1.1.7 Gains or losses on available-for-sale financial assets

This item includes gains or losses on available-for-sale financial assets, net of tax and amounts pertaining to policyholders as a result of the application of shadow accounting.

1.1.8 Other gains or losses recognised directly in equity

This item includes, inter alia, gains or losses on cash flow hedges and the revaluation reserves of property, plant and equipment and intangible assets.

2 Provisions - IAS 37

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.

3 Technical provisions - IFRS 4

Classification of insurance contracts

According to IFRS 4 insurance contracts are contracts that transfer significant insurance risks. Such contracts may also transfer financial risks.
An insurance risk is significant if, and only if, there is a reasonable possibility that the occurrence of the insured event will cause a significant change in the current value of the insurer's net cash flows. Investment contracts are contracts that transfer financial risks but involve no significant insurance risks.
Some insurance and investment contracts may include discretionary participation features.

As for the Non-Life sector, all the policies in the portfolio are classified as insurance contracts.
As regards the Life sector, 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.

Some contracts provide for discretionary participation features (DPF) i.e. the policyholder's right to receive a benefit in addition to the guaranteed minimum. The benefit must fulfil specific contractual terms and represent a significant part of the total payments. 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.

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.

However, the following types of contract were classified as investment contracts with no DPFs. For this reason, according to paragraph 3 of IFRS 4, contracts of this type do not produce premiums but are measured and recognised in accordance with IAS 39:

- 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;
- mixed, where funding is specific and the technical rate is zero;
- capital redemption, where funding is specific and the technical rate is zero;
- pension funds with guaranteed benefits at contractual maturity or when predefined events occur for which the guarantee is considered significant 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 are not necessary.

Non-Life business technical provisions

Premium provision

The direct insurance premium provision is established analytically for each policy using the pro rata temporis method, as provided by paragraph 5 of Annex no. 15 to ISVAP Regulation no. 22 of 4 April 2008 (former ISVAP Regulation no. 16 of 4 March 2008 as amended), on the basis of the gross premiums written less acquisition commissions and the other acquisition costs that are chargeable directly, with the exception of risks included in the Credit class for contracts stipulated or renewed on or before 31 December 1991, for which the calculation criteria provided in Annex 15-bis to the same Regulation no. 22, as amended, apply. In the case of long-term contracts the amount of amortisation for the year is deducted.
Under certain conditions the premium provision also includes the premium provision for unexpired risks, calculated in accordance with the simplified method laid down in paragraph 6 of Annex no. 15 to ISVAP Regulation no. 22 of 4 April 2008, which is based on the expected loss ratio for the year, adjusted on a prospective basis.
The total amount allocated to this provision is sufficient to meet costs arising from the portion of risk pertaining to subsequent years.
The reinsurers' share of the premium provisions is calculated by applying to the premiums ceded the same criteria as those used for calculating the premium for direct insurance business provision.

Ageing provision

The ageing provision, intended to cover the deterioration of the risk as the age of the policyholders rises, is calculated on the basis of the flat-rate method provided for by Art. 44, paragraph 3 of Annex no. 15 of ISVAP Regulation no. 22 of 4 April 2008 as amended, to the extent of 10% of the gross premiums written of the year pertaining to contracts having the characteristics given under paragraph 43, paragraph 1 of the Annex.

Claims provision

The direct claims provision is ascertained analytically by estimating the presumed cost of all the claims outstanding at the end of the year and on the basis of prudent technical valuations carried out with reference to objective elements, in order to ensure that the total amount set aside is enough to meet the claims to be settled and the relative direct expenses and settlement expenses.
The figures ascertained in this way were analysed and checked by Head Office. Subsequently, in order to take account of all reasonably foreseeable future charges, actuarial-statistical methods are used to determine the final level of the claims provision.
The claims provision also includes the amounts set aside for claims incurred but not reported, based on past experience of IBNR for previous years.
The reinsurers' share of the claims provision reflects the sums recovered from them to meet the reserves, the amounts being laid down in the individual policies or in the contracts.

Provision arising from the adequacy test for Non-Life technical provisions

The Non-Life technical provisions have been subjected to the test provided for by IFRS 4 (Liability Adequacy Test - LAT).

In order to monitor the adequacy of the premium provision, the supplementary provision for Unexpired Risks is calculated for each individual company and class of business using the simplified method provided for in paragraph 6 of Annex no. 15 to ISVAP Regulation no. 22 of 4 April 2008. As claims for the year are measured at final cost and not discounted, future payment flows can be deemed to have implicitly taken place (LAT on the claims provision).

Life business technical provisions

The amount recognised is calculated in accordance with the provisions of Art. 36 of Italian Legislative Decree 209 of 7 September 2005 (Insurance Code) and Annex no. 16 of ISVAP Regulation no. 22 of 4 April 2008 (former ISVAP Regulation no. 21 of 28 March 2008, as amended).

Mathematical provisions

The mathematical provision for direct insurance is calculated analytically for each contract on the basis of pure premiums, with no deductions for policy acquisition costs, and by reference to the actuarial assumptions (technical interest rates, demographic models of death or disability) used to calculate the premiums on existing contracts. The mathematical provision includes the portion of pure premiums related to the premiums accrued during the year. It also includes all the revaluations made under the terms of the policy
and is never less than the surrender value. In accordance with the provisions of Art. 38 of Italian Legislative Decree 173/1997, technical provisions, which are set up to cover liabilities deriving from insurance policies where the yield is based on investments or indices for which the policyholder bears the risk, and provisions arising from pension fund management, are calculated by reference to commitments made under these policies and to the provisions of Art. 41 of Italian Legislative Decree 209 of 7 September 2005.

Under Art. 38, paragraph 3, of Italian Legislative Decree 173/1997, the mathematical provision includes provisions set up to hedge the risk of mortality in insurance contracts in Class III (as laid down in Art. 2, paragraph 1, of Italian Legislative Decree 209 of 7/9/2005), which provide a benefit should the insured party die during the term of the contract.
In the case of insurance contracts in Class III and VI the mathematical provision also includes the provisions set up to fund guaranteed benefits on maturity or when certain events occur (as laid down in Art. 2, paragraph 1, of Italian Legislative Decree 209 of 7/9/2005). The mathematical provision also includes an additional provision for demographic risk. To this regard, it was decided to add to the provisions to be set up to cover commitments undertaken with the policyholders, in compliance with Annex 14, paragraph 36 of ISVAP Regulation no. 22 of 4 April 2008 after having verified a variance between the demographic bases used to calculate the principals forming the annuities and table A62 prepared by ANIA.

Furthermore, an additional provision was set up to cover the possible variance between the expected rates of return on the assets held as a hedge against the technical provisions and commitments by way of levels of financial guarantees and adjustments made to the benefits provided under the policies.

As laid down in Art. 36, paragraph 3, of Italian Legislative Decree 209 of 7 September 2005, the provision for amounts payable includes the total amount needed to cover payment of benefits that have fallen due but not so far been paid, surrendered policies and claims not yet paid.

Other technical provisions consist almost entirely of amounts set aside for operating expenses and are calculated on the basis of the provisions of paragraph 17 of Annex 14 of ISVAP Regulation no. 22 of 4 April 2008.

The liability adequacy test required by IFRS 4 was also carried out to verify that the technical provisions are adequate to cover the present value of future cash flows related to insurance contracts.
The test was performed by projecting the cash flows and taking into account the following elements:
- guaranteed services by guarantee line, projected on the basis of contractual conditions;
- trend in the existing portfolio relating to recurring payment aspects, expiry of contracts, policyholder mortality and propensity to redemption;
- costs and revenues associated with portfolio management and liquidation.

Provision for shadow accounting

The shadow accounting technique set out in IFRS 4 enables the unrealised losses and/or gains on the underlying assets to be recognised as technical provisions for insurance or investment contracts that offer discretionary participation features as if they had been realised. This adjustment is recognised in the shareholders' equity or the income statement depending on whether the losses or gains in question are recognised in the shareholders' equity or the income statement.

Net losses are recognised in the provision for deferred financial liabilities to policyholders only after the guaranteed minimum has been reached, otherwise the company continues to bear them in full. Losses are quantified using a financial prospective method in line with Annex 14, paragraph 32 of ISVAP Regulation no. 22 of 4 April 2008, amended and supplemented by IVASS measure no. 53 of 6 December 2016.

Applying shadow accounting enables the value mismatch between technical provisions and related assets to be mitigated and is therefore deemed to be more representative of the economic substance of the transactions in question.

4 Financial liabilities - IAS 39

This item includes the financial liabilities at fair value through profit or loss and the financial liabilities measured at amortised cost.

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 relating 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 Other financial liabilities

This item includes deposits received from reinsurers, 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, other loans obtained and liabilities on Life policies with a financial content where the insurance risk is not significant and there is no discretionary participation feature (some types of product matched by specific funding).

5 Payables

Payables includes Payables arising from direct insurance business, Payables arising from reinsurance business and 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 benefit 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 - IFRS 5

Please see above for the corresponding asset item.

6.2 Deferred tax liabilities - IAS 12

Deferred tax liabilities 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 "6.3 Deferred tax assets - IAS 12" in the section on Assets.

6.3 Current tax liabilities

This item includes current tax payables.

6.4 Other liabilities

This item includes, inter alia, accrued expense and deferred income, accruals for commissions on premiums under collection and deferred commission income related to investment contracts with no discretionary participation feature required in advance for the contract-administration service or for the investment-management service, amortised on a straight-line basis over the life of the contract or, in the case of whole-life contracts, over the "expected" life of the contract.

Income Statement

1 Revenue and income

1.1 Net premiums

This item includes the premiums related to insurance contracts and financial instruments that include discretionary participation features, net of reinsurance.
Premiums are recognised at the time they are due. The total for the year is obtained by adding the premium provision.

1.2 Commission income

This item includes commission income for financial services provided. It includes fees pertaining to the year related to Life assurance contracts classified as financial liabilities. In the case of unit-linked policies, in particular, acquisition fees for the asset management service provided have been recognised and deferred throughout the term of the contract.

1.3 Gains and losses on financial instruments 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.

1.4 Gains on investments in subsidiaries, associates and interests in joint ventures

This item includes investments in subsidiaries, associates and interests in joint ventures recognised in the corresponding asset item.

1.5 Gains on other financial instruments and investment property

This item includes gains on investments that do not come under the previous two categories. It mainly includes interest income on Loans and receivables and on securities classified as available-for-sale financial assets and held to maturity, 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.

1.6 Other revenue

This item includes income arising from the sale of goods, the provision of services other than those of a financial nature and the use by third parties of the company's property, plant and equipment and other assets. It also includes other net technical income on insurance contracts, exchange rate differences allocated to the income statement as per IAS 21, realised gains and reversals of impairment losses on property, plant and equipment and other assets.

2 Costs and expenses

2.1 Net charges relating to claims

This item includes the amounts paid during the year for claims, matured policies and surrendered policies, as well as the amount of the changes in technical provisions related to contracts that fall within the scope of IFRS 4, net of amounts recovered and outwards reinsurance.

2.2 Commission expense

This item includes commission expense for financial services received. It includes commissions on Life assurance contracts classified as financial liabilities. In particular, acquisition commissions paid for the placement of unit-linked policies are amortised throughout the term of the contract to meet deferred acquisition loadings.

2.3 Losses on investments in subsidiaries, associates and interests in joint ventures

This item includes losses on investments in subsidiaries, associates and interests in joint ventures recognised in the corresponding asset item.

2.4 Losses on other financial instruments and investment property

This item includes losses from investment property and financial instruments other than investments and financial instruments classified as "Assets at fair value through profit or loss". It mainly includes interest expense on financial liabilities, 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, depreciation and impairment losses.

2.5 Operating expenses

This item includes commissions and other acquisition costs relating to insurance contracts, investment management expenses, other administrative expenses, and depreciation and amortisation (overheads and personnel expenses that are not allocated to losses relating to claims, insurance contract acquisition expenses or investment management expenses).

2.6 Other costs

This item mainly includes other net technical charges relating to insurance contracts, additional amounts set aside during the year, exchange rate differences to be allocated to the income statement under IAS 21, realised losses and depreciation and amortisation relating to property, plant and equipment and intangible assets, not allocated to other cost items.

3 Income tax for the year

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.

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 shareholders' equity (Reserve arising from equity-settled share-based payment), on the basis of the fair value of the instruments allocated on the grant date, the charge being spread over the period provided for in the scheme.

Earnings per share - IAS 33

Basic earnings per share are calculated by dividing the profit allocated to holders of ordinary shares in 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 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.

The estimates mainly concern:
- technical Life and Non-Life provisions;
- assets and liabilities measured at fair value (particularly for level 2 and 3 financial instruments);
- 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.

Fair value measurement criteria - IFRS 13

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. It should also be noted that since said assets and liabilities are not generally exchanged, the calculation of their fair value is based primarily on the use of internal parameters not directly observable on the market, with the sole exception of listed securities classified as “Held-to-maturity investments”.

Fair value measurement criteria

The table below summarises the methods to calculate the fair value for the different macro categories of financial instruments, receivables and property.

		Mark to Market	Mark to Model and other
Financial Instruments	Bonds	CBBT contributor - Bloomberg Other contributor - Bloomberg	Mark to Model Counterparty valuation
	Listed shares and investments, ETFs	Reference market	
	Unlisted shares and investments		DCF DDM Multiples
	Listed derivatives	Reference market	
	OTC derivatives		Mark to Model
	UCITS	Net Asset Value	
Receivables			Trade receivables (Mark to Model) Other receivables (carrying amount)
Property			Appraisal value

In compliance with IFRS 13, the market price is used to determine the fair value of financial instruments, in the case of instruments traded in liquid and active markets (Mark to Market).

"Liquid and active market" means:
a) the regulated market in which the instrument subject to measurement is traded and regularly listed;
b) the multilateral trading system (MTF) in which the instrument subject to measurement is traded or regularly listed;
c) listings and transactions performed on a regular basis, i.e. high-frequency transactions with a low bid/offer spread, by an authorised intermediary (hereinafter "contributor").

In the absence of available prices on a liquid active market, valuation methods are used which maximise the use of observable parameters and minimise the use of non-observable parameters. These methods can be summarised in Mark to Model valuations, valuations by counterparty or valuations at the carrying amount in connection with some non-financial asset categories.

Mark to Market valuations

With reference to shares, listed investments, ETFs and listed derivatives, the Mark to Market valuation corresponds to the official valuation price of the market.

For bonds, the sources used for the Mark to Market valuation of financial assets and liabilities are as follows:
- 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 2022, 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.

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 able to ensure that these prices can be applied to 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 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.

3. 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 5 Other information, paragraph 5.5, for more information on their composition and measurement criteria.

ASSETS

1. Intangible assets

Amounts in €m	31/12/2022	31/12/2021	*var. in amount*
Goodwill	602.1	513.7	*88.4*
resulting from business combinations	601.9	513.5	*88.4*
resulting from other	0.2	0.2	
Other intangible assets	541.1	449.3	*91.8*
portfolios acquired under business combinations	24.1	38.2	*(14.1)*
software and licenses	482.3	391.3	*90.9*
other intangible assets	34.7	19.7	*15.0*
Total intangible assets	1,143.1	962.9	*180.2*

1.1 Goodwill

At 31 December 2022, the item amounted to €602.1m (of which €397.5m relating to the Non-Life business and €204.5m to the Life business): the change is attributable to the consolidation difference deriving from the acquisition of the subsidiaries I.Car Srl, Muriana Manuela Srl, Tantosvago Srl, Anton Maria Valsalva Srl, Unicasa Italia SpA, Gratia et Salus Srl and DaVinci Healthcare Srl. Reference should be made to the Basis of presentation, "Information about business combinations" section, of these Notes for further details of the accounting method for those acquisitions.

Goodwill with an indefinite useful life recorded in the financial statements was tested for impairment in accordance with the procedure specifically approved by UnipolSai's Board of Directors. For information on the criteria used for the tests, please refer to paragraph 5.13 of Chapter 5 of this document, "Other information".

1.2 Other intangible assets

This item amounted to €541.1m (€449.3m in 2021) and consisted of:
- the residual value of the Life and Non-Life portfolios acquired from business combinations amounting to €24.1m (€38.2m in 2021), whose net change of €14.1m was due to the reduction caused by amortisation recognised on the values of the Non-Life (€6.2m) and Life (€7.9m) portfolios;
- costs incurred for purchasing software, licences, consultancy and the customisation of software programs for €482.3m (€391.3m in 2021);
- other intangible assets amounting to €34.7m (€19.7 m at 31/12/2021).

2. Property, plant and equipment

At 31 December 2022 Property, plant and equipment, net of accumulated depreciation, amounted to €2,784m (€2,431m in 2021), of which €1,492.9m for Properties for own use (€1,500.8m in 2021) and €1,291.2m for Other tangible assets (€930.2m in 2021).

Properties for own use

Amounts in €m	Gross carrying amount	Accumulated depreciation	Net carrying amount
Balance at 31/12/2021	**1,923.6**	**(422.8)**	**1,500.8**
Increases	43.9		43.9
Decreases	(9.8)		(9.8)
Depreciation for the year		(48.7)	(48.7)
Other changes in provisions		6.7	6.7
Balance at 31/12/2022	**1,957.6**	**(464.8)**	**1,492.9**

The increases refer to incremental expenses and to property leases recognised using the financial method pursuant to IFRS 16.
The decreases mainly refer to changes in intended use.

The current value of properties for own use, determined based on independent expert appraisals, was €1,713m.

Other tangible assets

Amounts in €m	Office furniture and machines	Movable assets entered in public registers	Plant and equipment	Other	Total
Balance at 31/12/2021	**417.5**	**1,178.5**	**401.4**	**21.0**	**2,018.4**
Increases	30.0	557.3	42.2	18.1	647.6
Decreases	(9.4)	(153.7)	(16.2)	(3.5)	(182.8)
Balance at 31/12/2022	**438.1**	**1,582.1**	**427.5**	**35.6**	**2,483.2**
Accumulated depreciation at 31/12/2021	**340.3**	**502.2**	**245.7**	**0.0**	**1,088.2**
Increases	21.6	176.3	33.7		231.6
Decreases	(9.5)	(106.5)	(11.8)	(0.0)	(127.8)
Accumulated depreciation at 31/12/2022	**352.5**	**572.0**	**267.5**	**0.0**	**1,192.1**
Net amount at 31/12/2021	**77.2**	**676.3**	**155.7**	**20.9**	**930.2**
Net amount at 31/12/2022	**85.6**	**1,010.1**	**159.9**	**35.5**	**1,291.2**

The main increase in property, plant and equipment is due to the item Movable assets entered in public registers, in relation to Unipol*Rental* activities during the year.

3. Technical provisions - Reinsurers' share

The balance of this item was €761.6m, down compared to 2021 (€831.3m). Details are set out in the appropriate appendix.

4. Investments

At 31 December 2022, total Investments (Investment property, Equity investments and Financial assets) amounted to €58,185.7m (€66,953.5m in 2021).

Amounts in €m	31/12/2022	*% comp.*	31/12/2021	*% comp.*	*% var.*
Investment property	2,359.1	*4.1*	2,155.8	*3.2*	*9.4*
Investments in subsidiaries, associates and interests in joint ventures	162.3	*0.3*	176.5	*0.3*	*(8.0)*
Financial assets (excluding those at fair value through profit or loss)	46,878.8	*80.6*	56,276.7	*84.1*	*(16.7)*
Held-to-maturity investments	365.7	*0.6*	366.7	*0.5*	*(0.3)*
Loans and receivables	4,894.1	*8.4*	5,245.1	*7.8*	*(6.7)*
Available-for-sale financial assets	41,283.0	*71.0*	50,435.0	*75.3*	*(18.1)*
Held-for-trading financial assets	335.9	*0.6*	229.8	*0.3*	*46.2*
Financial assets at fair value through profit or loss	8,785.5	*15.1*	8,344.5	*12.5*	*5.3*
Total Investments	58,185.7	*100.0*	66,953.5	*100.0*	*(13.1)*

4.1 Investment property

Amounts in €m	Gross carrying amount	Accumulated depreciation	Net carrying amount
Balance at 31/12/2021	2,545.4	(389.5)	2,155.8
Increases	275.5		275.5
Decreases	(32.2)		(32.2)
Trasfers to other categories	9.2		9.2
Depreciation for the year		(53.8)	(53.8)
Other changes in provisions		4.5	4.5
Balance at 31/12/2022	2,797.9	(438.8)	2,359.1

The increases refer primarily to purchases and incremental expenses. The decreases include write-downs for €22.7m.

The current value of Investment property, €2,748.6m, was based on independent expert appraisals.

4.2 Investments in subsidiaries, associates and interests in joint ventures

At 31 December 2022, investments in subsidiaries, associates and interests in joint ventures amounted to €162.3m (€176.5m in 2021).

Financial assets - items 4.3, 4.4, 4.5 and 4.6 (excluding Financial assets at fair value through profit or loss)

Amounts in €m	31/12/2022	*% comp.*	31/12/2021	*% comp.*	*% var.*
Held-to-maturity investments	**365.7**	*0.8*	**366.7**	*0.7*	*(0.3)*
Listed debt securities	365.7		366.7		*(0.3)*
Loans and receivables	**4,894.1**	*10.4*	**5,245.1**	*9.3*	*(6.7)*
Unlisted debt securities	3,947.6		4,018.9		*(1.8)*
Deposits with ceding companies	113.9		105.8		*7.7*
Other loans and receivables	832.6		1,120.4		*(25.7)*
Available-for-sale financial assets	**41,283.0**	*88.1*	**50,435.0**	*89.6*	*(18.1)*
Equity instruments at cost	4.5		4.4		*1.4*
Listed equity instruments at fair value	1,887.1		1,484.9		*27.1*
Unlisted equity instruments at fair value	294.9		201.5		*46.4*
Listed debt securities	34,650.7		44,315.2		*(21.8)*
Unlisted debt securities	371.8		462.0		*(19.5)*
UCITS units	4,074.0		3,967.0		*2.7*
Held-for-trading financial assets	**335.9**	*0.7*	**229.8**	*0.4*	*46.2*
Listed equity instruments at fair value	2.9		0.9		*n.s.*
Listed debt securities	50.3		80.5		*(37.6)*
Unlisted debt securities	0.1		0.2		*(62.8)*
UCITS units	2.0		1.9		*3.3*
Derivatives	280.7		146.3		*91.9*
Total financial assets	**46,878.8**	*100.0*	**56,276.7**	*100.0*	*(16.7)*

Details of Financial assets at fair value through profit or loss by investment type:

Amounts in €m	31/12/2022	*% comp.*	31/12/2021	*% comp.*	*% var.*
Financial assets at fair value through profit or loss	**8,785.5**	*100.0*	**8,344.5**	*100.0*	*5.3*
Listed equity instruments at fair value	131.7	*1.5*	155.0	*1.9*	*(15.0)*
Listed debt securities	4,060.6	*46.2*	3,206.1	*38.4*	*26.7*
Unlisted debt securities	0.0	*0.0*	0.3	*0.0*	*(100.0)*
UCITS units	4,316.2	*49.1*	4,266.5	*51.1*	*1.2*
Other financial assets	277.0	*3.2*	716.6	*8.6*	*(61.3)*

For information on fair value, reference should be made to paragraph 5.7 of Section 5 “Other information” of these Notes to the financial statements.

5. Sundry receivables

Amounts in €m	31/12/2022	*% comp.*	31/12/2021	*% comp.*	*% var.*
Receivables relating to direct insurance business	1,416.2	*40.8*	1,398.0	*40.8*	*1.3*
Receivables relating to reinsurance business	191.7	*5.5*	204.5	*6.0*	*(6.3)*
Other receivables	1,863.7	*53.7*	1,822.4	*53.2*	*2.3*
Total sundry receivables	**3,471.6**	***100.0***	**3,424.9**	***100.0***	***1.4***

The item Other receivables included:
- tax receivables amounting to €731.5m (€724.5m at 31/12/2021);
- substitute tax receivables on the mathematical provisions totalling €384.5m (€350.6m at 31/12/2021);
- trade receivables amounting to €254.6m (€224.7m at 31/12/2021);
- payments made as cash collateral against derivative payables totalling €226.1m (€387.7m at 31/12/2021).

6. Other assets

Amounts in €m	31/12/2022	*% comp.*	31/12/2021	*% comp.*	*% var.*
Non-current assets or assets of a disposal group held for sale	532.6	*17.5*	132.6	*13.7*	*n.s.*
Deferred acquisition costs	102.1	*3.4*	100.1	*10.3*	*2.0*
Deferred tax assets	885.0	*29.1*	108.1	*11.1*	*n.s.*
Current tax assets	36.3	*1.2*	9.1	*0.9*	*n.s.*
Other assets	1,483.3	*48.8*	620.9	*64.0*	*138.9*
Total other assets	**3,039.2**	***100.0***	**970.8**	***100.0***	***n.s.***

Deferred tax assets are 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 2 Main accounting standards.
The item Other assets includes €1,082.3m in "Ecobonus" and "Sismabonus" tax credits, purchased from direct beneficiaries or their assignees, which can be recovered by offsetting them against future payments. Other assets also include, inter alia, deferred commission expense on contracts not included in the scope of application of IFRS 4 and other accruals and deferrals.
For details of the sub-item Assets of a disposal group held for sale, please refer to paragraph 5.5 of these Notes.

7. Cash and cash equivalents

At 31 December 2022, Cash and cash equivalents amounted to €825.8m (€884.8m at 31/12/2021).

LIABILITIES

1. Shareholders' equity

Movements in shareholders' equity recognised during the year with respect to 31 December 2021 are set out in the attached Statement of changes in Shareholders' equity.

1.1. Shareholders' Equity attributable to the owners of the Parent

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

Amounts in €m	31/12/2022	31/12/2021	*var. in amount*
Share capital	2,031.5	2,031.5	
Other equity instruments	496.2	496.2	
Capital reserves	346.8	346.8	
Income-related and other equity reserves	3,236.4	3,146.1	*90.3*
(Treasury shares)	(2.8)	(0.7)	*(2.1)*
Reserve for foreign currency translation differences	4.1	3.9	*0.2*
Gains/losses on available-for-sale financial assets	(1,128.6)	1,285.4	*(2,414.0)*
Other gains and losses recognised directly in equity	(11.4)	(33.6)	*22.2*
Profit (loss) for the year	596.5	688.5	*(91.9)*
Total shareholders' equity attributable to the owners of the Parent	**5,568.6**	**7,964.0**	***(2,395.4)***

At 31 December 2022, UnipolSai's share capital was €2,031.5m, fully paid-up, and was made up of 2,829,717,372 ordinary shares without nominal value, unchanged with respect to 31 December 2021.
The item Other equity instruments consists of the Restricted Tier 1 perpetual regulatory capital instrument with a nominal value of €500m issued in 2020.

The main changes in the year in the Group's shareholders' equity were as follows:
- a decrease of €537.4m due to dividend distribution on shares;
- a decrease due to remuneration, net of the relative tax benefits, of the perpetual regulatory capital instrument, recognised under Other equity instruments, of €24.5m;
- a decrease of €2,414m as a result of the fall in the reserve for gains and losses on available-for-sale financial assets, net of both the related tax liabilities and the portion attributable to the policyholders and charged to insurance liabilities;
- an increase of €16.7m due to the increase in the Cash flow hedge reserves;
- a decrease of €37.6m due to the effects of the recognition of financial liabilities commensurate with the current value of the exercise price on the put options granted to holders of non-controlling interests in some subsidiaries;
- an increase of €596.5m in Group profit for the period.

Shareholders' Equity attributable to non-controlling interests was €244m (€269.8m at 31/12/2021).

Treasury shares or quotas

At 31 December 2022, UnipolSai held a total of 1,162,312 ordinary treasury shares (336,768 at 31/12/2021), of which 988,160 directly and 174,152 indirectly through the following subsidiaries:
- SIAT held 59,475;
- UniSalute held 45,693;

- Unipol*Rental* held 36,389;
- Leithà held 18,130;
- Arca Vita held 9,533;
- UnipolAssistance held 4,932.

During the year, in execution of the Compensation plans based on financial instruments, 1,800,000 UnipolSai ordinary shares were acquired and 974,456 were allocated to Executives of the UnipolSai Group.

2. Provisions and contingent liabilities

The item “Provisions” totalled €595.9m at 31 December 2022 (€422m at 31/12/2021) and mainly consisted of provisions for litigation, various disputes, charges relating to the sales network, provisions for salary policies and employee leaving incentives.

Ongoing disputes and contingent liabilities

Relations with the Tax Authorities

UnipolSai/UniSalute/Siat
With regard to the dispute deriving from the application of VAT to delegation fees for coinsurance operations with other companies in the insurance sector, after contact began in 2020 with the competent Regional Directorates of the Italian Tax Authorities for the closure of pending pre-litigation and litigation issues, all years up to and including 2017 were settled directly or through conciliation, with payment of only the tax and interest due. The dispute regarding 2018 is still pending.

Arca Vita
With reference to the general audit carried out in 2017 by the Veneto Regional Directorate for the years 2012-2015, and related notices of assessment that were subsequently notified, the dispute is still pending for the tax periods 2013 and 2014.

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 Regional Administrative Court (TAR). The hearing for public discussion is expected to be scheduled in 2023.

By decision notified on 20 May 2021, the Antitrust Authority approved the initiation of a preliminary investigation into Compagnia Assicuratrice Linear SpA in order to ascertain any breach of the prohibition on agreements restricting competition pursuant to Art. 101 of the Treaty on the Functioning of the European Union, in relation to an alleged agreement concerning and/or resulting in the alteration of competition trends in the MV TPL policy direct sales market, which allegedly affected certain companies active, including through their websites, in the market of comparing and marketing offers relating to various types of services, including insurance services, as well as a number of Italian insurance companies (and other intermediaries).
Although Linear considers the alleged assumptions in fact and in law by virtue of which the proceedings were lodged to be completely groundless, along with the other parties it submitted its commitments pursuant to Art. 14-ter of Law no. 287/90. On 3 January 2022, the Authority published the above-mentioned commitments on its website to allow the parties concerned to submit any observations and the Antitrust Authority to then decide on acceptance.
One party submitted observations in relation to the Market Test in favour of accepting the commitments.
On 13 May 2022, the Antitrust Authority resolved to make the commitments submitted by the parties binding, closing the proceedings without finding any infringement and without the imposition of financial penalties.

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 convention and the related governance and control aspects. After the inspections, which were completed on 21 January 2022, IVASS, with an inspection report notified on 22 June 2022, formulated some findings, to which UnipolSai replied with a note of 4 August 2022 containing its considerations in relation to the findings, also representing, against a "partially favourable" opinion on the results of the assessments conducted, the implementation of specific improvement actions to further refine and perfect certain processes. At present, the final decisions of IVASS have not yet been disclosed.

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 ("Fondiaria") shareholders have 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 ("SAI") 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 2022, 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 2022, 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 (former Fondiaria-SAI) appeared at 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.
On 15 February 2021, the Court of Milan partially upheld the compensation claims of other shareholders. The Company appealed against the sentence before the Milan Court of Appeal. At the hearing on 28 September 2022, the case was adjourned for judgment.
Another two cases pending on the same issues are still in the preliminary phase before the Court of Milan.
Provisions deemed suitable were made in relation to the disputes with investors described above.

3. Technical provisions

Amounts in €m	31/12/2022	% comp.	31/12/2021	% comp.	% var.
Non-Life premium provisions	3,149.7	*21.7*	3,375.5	*22.9*	
Non-Life claims provisions	11,358.8	*78.1*	11,312.6	*76.9*	
Other Non-Life technical provisions	29.1	*0.2*	26.9	*0.2*	
Total Non-Life provisions	**14,537.5**	***100.0***	**14,714.9**	***100.0***	***(1.2)***
Life mathematical provisions	36,827.7	*98.9*	35,787.4	*84.4*	
Provisions for amounts payable (Life business)	324.4	*0.9*	337.1	*0.8*	
Technical provisions where the investment risk is borne by policyholders and arising from pension fund management	2,116.9	*5.7*	2,445.8	*5.8*	
Other Life technical provisions	(2,040.4)	*(5.5)*	3,843.1	*9.1*	
Total Life provisions	**37,228.7**	***100.0***	**42,413.4**	***100.0***	***(12.2)***
Total technical provisions	**51,766.2**		**57,128.3**		***(9.4)***

The Other Life technical provisions recorded a significant change mainly due to the evolution of the shadow accounting provision, in turn linked to market value performance of the financial assets included in the segregated fund portfolios.

4. Financial liabilities

Financial liabilities amounted to €9,142m (€8,411.2m at 31/12/2021).

4.1 Financial liabilities at fair value through profit or loss

This item, which amounted to €6,839.1m (€6,356.4m at 31/12/2021), is broken down as follows:

- Held-for-trading financial liabilities totalled €154.5m (€445.4m at 31/12/2021);
- Financial liabilities designated at fair value through profit or loss for €6,684.6m (€5,911m at 31/12/2021). This category included investment contracts issued by insurance companies where the investment risk was borne by the policyholders and there is no significant insurance risk: these include Class III and VI contracts and residual liabilities for low amounts on other contracts no longer placed.

4.2 Other financial liabilities

Amounts in €m	31/12/2022	% comp.	31/12/2021	% comp.	% var.
Subordinated liabilities	1,367.2	*59.4*	1,446.1	*70.4*	*(5.5)*
Deposits received from reinsurers	131.9	*5.7*	130.5	*6.4*	*1.0*
Other loans obtained	802.0	*34.8*	478.1	*23.3*	*67.7*
Sundry financial liabilities	1.2	*0.1*	0.1	*0.0*	*n.s.*
Total other financial liabilities	**2,302.9**	***100.0***	**2,054.8**	***100.0***	***12.1***

Details of Subordinated liabilities are shown in the table below:

Issuer	Nominal amount outstanding	Subordination level	Year of maturity	Call	Rate	L/NL
UnipolSai	€750.0m	tier I	in perpetuity	every 3 months from 2024/06/18	fixed rate 5,75% (*)	L
UnipolSai	€500.0m	tier II	2028		fixed rate 3,875%	L
UnipolSai	€80.0m (**)	tier I	2023	every 6 months	6M Euribor + 180 b.p. (***)	NL

(*) from June 2024 floating rate of 3M Euribor + 518 b.p.
(**) on 22 July 2022 the fourth tranche of 80.0 million euro was repaid as indicated in the planned amortisation plan contractually
(***) since September 2014, in application of the contractual clauses ("Additional Costs Clauses"), UnipolSai and Mediobanca signed an agreement to modify a Loan Agreement to cover the subordinated loan expiring in 2023. This agreement provides for the amendment of several economic terms, including payment by way of compromise, of an annual indemnity (additional spread) equal to 71.5 basis points, which increases the previous spread (thereby raising the total spread from 1.80 to 2.515 basis points) provided for in the Loan Agreement

Other loans obtained totalled €802m (€478.1m at 31/12/2021):
- loans taken out by the Athens R.E. Closed Real Estate Fund for €145.9m and the Tikal Closed Real Estate Fund for €37m;
- financial liabilities pertaining to Unipol*Rental* for €481.8m deriving from a securitisation of the cash flows expected from long-term rental contracts;
- other loans granted by third parties to Unipol*Rental* for a total of €28.8m;
- financial liabilities deriving from the present value of future lease payments due for lease agreements accounted for on the basis of IFRS 16 for a total of €90m.

5. Payables

Amounts in €m	31/12/2022	% comp.	31/12/2021	% comp.	% var.
Payables arising from direct insurance business	**198.1**	***13.2***	**187.6**	***15.7***	***5.6***
Payables arising from reinsurance business	**143.7**	***9.6***	**104.5**	***8.8***	***37.6***
Other payables	**1,155.7**	***77.2***	**899.5**	***75.5***	***28.5***
Policyholders' tax due	161.3	*10.8*	159.9	*13.4*	*0.9*
Sundry tax payables	41.5	*2.8*	42.7	*3.6*	*(2.7)*
Trade payables	463.2	*30.9*	317.8	*26.7*	*45.7*
Post-employment benefits	46.1	*3.1*	52.4	*4.4*	*(12.1)*
Social security charges payable	43.8	*2.9*	38.1	*3.2*	*15.0*
Sundry payables	399.8	*26.7*	288.7	*24.2*	*38.5*
Total payables	**1,497.6**	***100.0***	**1,191.5**	***100.0***	***25.7***

6. Other liabilities

Amounts in €m	31/12/2022	*% comp.*	31/12/2021	*% comp.*	*% var.*
Current tax liabilities	12.5	*0.9*	39.4	*3.7*	*(68.3)*
Deferred tax liabilities	0.8	*0.1*	107.6	*10.0*	*(99.3)*
Liabilities associated with disposal groups held for sale	388.0	*27.8*	3.1	*0.3*	*n.s.*
Commissions on premiums under collection	103.5	*7.4*	101.2	*9.4*	*2.2*
Deferred commission income	13.5	*1.0*	10.4	*1.0*	*30.2*
Accrued expenses and deferred income	63.0	*4.5*	85.2	*7.9*	*(26.1)*
Other liabilities	815.5	*58.4*	725.4	*67.6*	*12.4*
Total other liabilities	**1,396.7**	***100.0***	**1,072.4**	***100.0***	***30.2***

The item Deferred tax liabilities is shown net of the compensation carried out, pursuant to IAS 12, with the corresponding taxes (IRES or IRAP) recorded in Deferred tax assets, as described in Chapter 2 Main accounting standards.
For the details of the sub-item Liabilities associated with disposal groups, please refer to paragraph 5.5 of these Notes..

4. 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).

REVENUE

1.1 Net premiums

Amounts in €m	31/12/2022	31/12/2021	*% var.*
Non-Life earned premiums	**8,396.9**	**8,235.0**	*2.0*
Non-Life written premiums	8,502.3	8,214.3	*3.5*
Changes in Non-Life premium provision	(105.4)	20.6	*n.s.*
Life written premiums	**3,510.0**	**4,114.1**	*(14.7)*
Non-Life and Life gross earned premiums	**11,906.9**	**12,349.1**	*(3.6)*
Non-Life earned premiums ceded to reinsurers	**(522.2)**	**(454.6)**	*14.9*
Non-Life premiums ceded to reinsurers	(524.2)	(463.2)	*13.2*
Changes in Non-Life premium provision - reinsurers' share	2.0	8.6	*(76.7)*
Life premiums ceded to reinsurers	**(19.2)**	**(16.0)**	*20.2*
Non-Life and Life earned premiums ceded to reinsurers	**(541.3)**	**(470.6)**	*15.0*
Total net premiums	**11,365.6**	**11,878.5**	*(4.3)*

1.2 Commission income

Amounts in €m	31/12/2022	31/12/2021	*% var.*
Commission income from investment contracts	38.2	32.6	*17.3*
Other commission income	10.7	12.7	*(15.8)*
Total commission income	**49.0**	**45.3**	***8.0***

1.3 Gains and losses on financial instruments at fair value through profit or loss

Amounts in €m	31/12/2022	31/12/2021	*% var.*
on held-for trading financial assets	61.8	116.5	n.s.
on held-for trading financial liabilities	0.0	0.1	(21.8)
on financial assets/liabilities at fair value through profit or loss	(374.7)	72.2	n.s.
Total net gains/losses	**(312.9)**	**188.8**	***n.s.***

1.4 Gains on investments in subsidiaries, associates and interests in joint ventures

This item amounted to €22.7m (€13m in 2021).

1.5 Gains on other financial instruments and investment property

Amounts in €m	31/12/2022	31/12/2021	*% var.*
Interests	1,512.3	1,368.1	*10.5*
on held-to-maturity investments	15.9	17.3	*(8.1)*
on loans and receivables	176.3	132.3	*33.3*
on available-for-sale financial assets	1,292.3	1,213.6	*6.5*
on sundry receivables	23.1	4.0	*n.s.*
on cash and cash equivalents	4.7	0.9	*n.s.*
Other income	345.3	233.6	*47.8*
from investment property	84.2	71.2	*18.2*
from available-for-sale financial assets	261.1	162.4	*60.8*
Realised gains	466.7	238.5	*95.7*
on investment property	2.4	73.8	*(96.8)*
on loans and receivables	35.4	0.5	*n.s.*
on available-for-sale financial assets	428.9	164.2	*161.2*
Unrealised gains and reversals of impairment losses	0.7	19.9	*(96.5)*
on available-for-sale financial assets	0.1	19.3	*(99.3)*
on other financial assets and liabilities	0.6	0.6	*(0.2)*
Total item 1.5	2,325.0	1,860.2	*25.0*

1.6 Other revenue

Amounts in €m	31/12/2022	31/12/2021	*var.%*
Sundry technical income	64.5	78.6	*(17.9)*
Exchange rate differences	42.5	44.9	*(5.4)*
Extraordinary gains	15.7	33.3	*(52.9)*
Other income	1,031.7	778.3	*32.8*
Total other revenue	1,154.4	935.1	*23.5*

The significant increase of €253.4m (+32.8%) in the sub-item Other income was mainly due to the development of the long-term rental business of Unipol*Rental* as well as the inclusion in the scope of consolidation of I.Car.

COSTS

2.1 Net charges relating to claims

Amounts in €m	31/12/2022	31/12/2021	% var.
Net charges relating to claims - direct and indirect business	**8,782.8**	**9,992.1**	***(12.1)***
Non-Life business	**5,204.2**	**5,269.6**	***(1.2)***
Non-Life amounts paid	5,294.7	5,086.3	
changes in Non-Life claims provision	89.6	318.4	
changes in Non-Life recoveries	(181.8)	(135.2)	
changes in other Non-Life technical provisions	1.8	0.1	
Life business	**3,578.6**	**4,722.5**	***(24.2)***
Life amounts paid	2,993.5	3,177.5	
changes in Life amounts payable	(13.2)	(244.4)	
changes in mathematical provisions	1,015.0	1,748.6	
changes in other Life technical provisions	(42.9)	12.4	
changes in provisions where the investment risk is borne by policyholders and arising from pension fund management	(373.9)	28.6	
Charges relating to claims - reinsurers' share	**(182.7)**	**(183.0)**	***(0.2)***
Non-Life business	**(173.4)**	**(174.5)**	***(0.6)***
Non-Life amounts paid	(174.0)	(188.4)	
changes in Non-Life claims provision	(28.2)	5.1	
changes in Non-Life recoveries	28.7	8.9	
Life business	**(9.3)**	**(8.5)**	***8.8***
Life amounts paid	(9.0)	(11.8)	
changes in Life amounts payable	(0.4)	1.9	
changes in mathematical provisions	0.1	1.4	
Total net charges relating to claims	**8,600.1**	**9,809.2**	***(12.3)***

2.2 Commission expense

Amounts in €m	31/12/2022	31/12/2021	*% var.*
Commission expense from investment contracts	33.5	30.2	*11.0*
Other commission expense	55.1	6.2	*n.s.*
Total commission expense	**88.6**	**36.4**	***143.4***

2.3 Losses on investments in subsidiaries, associates and interests in joint ventures

This item amounted to €8m (€1.6m in 2021).

2.4 Losses on other financial instruments and investment property

Amounts in €m	31/12/2022	31/12/2021	% var.
Interests:	80.0	82.2	*(2.6)*
on loans and receivables	0.1	0.1	*91.7*
on other financial liabilities	78.8	80.7	*(2.4)*
on payables	1.1	1.4	*(22.0)*
Other charges:	31.6	27.8	*13.6*
from investment property	25.2	24.8	*1.8*
from available-for-sale financial assets	4.4	1.5	*183.1*
from other financial liabilities	1.8	1.3	*37.8*
from sundry payables	0.1	0.2	*(5.9)*
Realised losses:	412.6	115.8	*n.s.*
on investment property	6.4	0.6	*n.s.*
on loans and receivables	34.5	0.4	*n.s.*
on available-for-sale financial assets	371.6	114.8	*n.s.*
Unrealised losses and impairment losses:	346.7	266.8	*30.0*
on investment property	76.5	94.9	*(19.4)*
on available-for-sale financial assets	267.8	167.1	*60.3*
on other financial liabilities	2.5	4.8	*(47.6)*
Total item 2.4	870.9	492.5	*76.8*

The Unrealised losses and impairment losses relating to investment property included depreciation that totalled €53.8m (€52.4m at 31/12/2021) and write-downs amounting to €22.7m (€42.5m at 31/12/2021), carried out on the basis of updated valuations performed by independent experts.
Unrealised losses and impairment losses relating to available-for-sale financial assets include impairment losses of €11.7m (€7.1m at 31/12/2021) and negative fair value changes on available-for-sale assets hedged with derivatives for €256.1m (€160m at 31/12/2021).

2.5 Operating expenses

Amounts in €m	31/12/2022	31/12/2021	*% var.*
Insurance Sector	2,572.5	2,476.5	*3.9*
Other Businesses Sector	171.7	111.0	*54.6*
Real Estate Sector	38.2	34.9	*9.5*
Intersegment eliminations	(13.6)	(11.4)	*19.7*
Total operating expenses	2,768.8	2,611.0	*6.0*

Below are details of Operating expenses in the Insurance sector:

	Non-Life			Life			Total		
Amounts in €m	Dec-2022	Dec-2021	*% var.*	Dec-2022	Dec-2021	*% var.*	Dec-2022	Dec-2021	*% var.*
Acquisition commissions	1,445.8	1,364.5	*6.0*	76.1	72.1	*5.6*	1,521.9	1,436.5	*5.9*
Other acquisition costs	341.9	362.7	*(5.7)*	42.7	42.7	*(0.1)*	384.6	405.5	*(5.2)*
Change in deferred acquisition costs	(1.0)	1.2	*(185.1)*	(2.5)	(2.7)	*(8.9)*	(3.5)	(1.5)	*133.0*
Collection commissions	161.9	157.1	*3.0*	6.0	6.2	*(2.7)*	167.9	163.3	*2.8*
Profit sharing and other commissions from reinsurers	(179.9)	(144.8)	*24.3*	(4.2)	(2.3)	*82.2*	(184.1)	(147.1)	*25.2*
Investment management expenses	49.4	51.7	*(4.4)*	46.6	47.7	*(2.3)*	96.1	99.4	*(3.4)*
Other administrative expenses	488.0	429.6	*13.6*	101.7	90.8	*12.0*	589.7	520.4	*13.3*
Total operating expenses	**2,306.0**	**2,222.0**	***3.8***	**266.5**	**254.4**	***4.7***	**2,572.5**	**2,476.5**	***3.9***

2.6 Other costs

Amounts in €m	31/12/2022	31/12/2021	*% var.*
Other technical charges	248.4	272.7	*(8.9)*
Impairment losses on receivables	14.5	17.0	*(14.7)*
Other charges	1,084.5	785.8	*38.0*
Total other costs	**1,347.4**	**1,075.5**	***25.3***

The significant increase of €298.7m (+38%) in the sub-item Other charges was mainly due to the development of the long-term rental business of UnipolRental as well as the inclusion of I. Car in the scope of consolidation.

3. Income tax

In accordance with the provisions of IAS 12 the following table shows, at consolidated level, the deferred taxes utilised and accrued.

	31/12/2022			31/12/2021		
Amounts in €m	Ires	Irap	Total	Ires	Irap	Total
Current taxes	**68.6**	**21.3**	**89.9**	**227.0**	**54.2**	**281.2**
Deferred assets and liabilities:	**142.6**	**35.9**	**178.6**	**(112.3)**	**2.8**	**(109.5)**
Use of deferred tax assets	127.1	14.2	141.3	124.0	15.5	139.5
Use of deferred tax liabilities	(15.5)	(0.0)	(15.5)	(25.5)	(1.1)	(26.6)
Provisions for deferred tax assets	(127.7)	(22.5)	(150.2)	(276.4)	(30.0)	(306.4)
Provisions for deferred tax liabilities	158.8	44.2	203.0	65.6	18.5	84.0
Total	**211.3**	**57.3**	**268.5**	**114.6**	**57.0**	**171.7**

Against a pre-tax profit of €920m, taxes pertaining to the year of €268.5m were recorded, corresponding to a tax rate of 29.2% (19.2% at 31/12/2021, thanks to the €94.3m benefit deriving from the realignment of tax values pursuant to Decree Law 104/2020), 23% of which for IRES and 6.2% for IRAP. The total net tax expense benefitted from tax adjustments of previous years for €17.3m (€7.5m at 31/12/2021).

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	31/12/2022			31/12/2021		
	Total	Ires/Corp. tax	Irap	Total	Ires/Corp. tax	Irap
DEFERRED TAX ASSETS						
Intangible assets and property, plant and equipment	291.1	248.3	42.9	321.4	274.6	46.8
Technical provisions – Reinsurers' share	120.3	120.3		140.5	140.4	0.1
Investment property	73.2	63.3	9.8	63.2	53.4	9.8
Financial instruments	755.1	593.1	162.0	289.5	215.9	73.6
Sundry receivables and other assets	80.9	72.6	8.3	100.9	93.1	7.8
Provisions	256.6	225.9	30.6	198.7	183.3	15.4
Technical provisions	47.2	46.7	0.5	837.4	661.0	176.5
Payables and other liabilities	9.2	8.5	0.7	6.8	6.1	0.7
Other deferred tax assets	26.4	25.7	0.7	32.4	29.0	3.4
Netting as required by IAS 12	(781.7)	(618.5)	(163.2)	(1,882.7)	(1,551.5)	(331.2)
Total deferred tax assets	**885.0**	**790.2**	**94.7**	**108.1**	**105.2**	**2.8**
DEFERRED TAX LIABILITIES						
Intangible assets and property, plant and equipment	135.4	112.9	22.5	140.4	113.3	27.0
Technical provisions – Reinsurers' share						
Investment property	8.5	5.2	3.3	17.7	15.0	2.7
Financial instruments	118.5	95.8	22.7	1,655.8	1,300.4	355.4
Provisions	17.6	13.7	3.9	12.3	9.6	2.7
Technical provisions	490.3	381.2	109.2	148.0	102.5	45.5
Financial liabilities	3.7	1.9	1.8	5.8	4.5	1.3
Payables and other liabilities	1.9	1.9	0.0	2.0	2.0	0.1
Other deferred tax liabilities	5.9	5.4	0.5	8.3	7.8	0.5
Netting as required by IAS 12	(781.7)	(618.5)	(163.2)	(1,882.7)	(1,551.5)	(331.2)
Total deferred tax liabilities	**0.8**	**0.0**	**0.8**	**107.6**	**3.6**	**104.0**

Deferred tax assets and liabilities are recognised in the financial statements net of the offsetting carried out pursuant to IAS 12.

Net tax assets are deemed to be recoverable on the basis of the provisional plans of Group companies.

5. Other information

5.1 Hedge Accounting

Fair value hedges

Outstanding fair value hedges concern fixed rate bonds held by UnipolSai, for which the interest rate risk was hedged through Interest Rate Swaps.

Existing positions at 31 December 2022 related to IRS contracts for a nominal value of €1,143.2m, to hedge fixed rate bond assets recorded in Available-for-sale assets, with a hedged synthetic notional value equal to €1,123.3m. At 31 December 2022, the fair value change relating to the hedged bonds came to a negative €136.0m, while the fair value change in IRSs amounted to a positive €150.9m, with a positive net economic effect of €14.9m, including the tax effect of €4.6m.

In relation to the hedges entered into through Interest Rate Swaps, note that in the third quarter of 2022, some contracts in place at 31 December 2021 for a nominal value of €425m to hedge bond assets were terminated early, for a synthetic notional value of €415m, classified under Available-for-sale financial assets.
The fair value change in IRSs between 31 December 2021 and the closing date of the hedging instruments, was a positive €125.4m, offset by a negative change of €120m, booked through profit and loss based on the fair value change of the synthetic asset hedged during the same period.

Cash flow hedges

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.

The positions outstanding at 31 December 2022 relate to hedges on bonds recognised in the AFS portfolio through IRSs for a notional value of €338.5m (€883.5m at 31/12/2021) and hedges on bonds recognised in the Loans and receivables portfolio through IRSs for a notional value of €250m (not present at 31/12/2021).
The cumulative negative effect on Shareholders' equity in the Hedging reserve for gains or losses on cash flow hedges was a negative €13.5m (negative effect for €37.7m at 31/12/2021): net of tax, the negative impact was €9.4m (negative effect for €26.1m at 31/12/2021).

For cash flow hedges on bond securities recorded in the Available-for-sale asset portfolio, in the second quarter of 2022 several hedging derivatives were closed in advance of their maturity, for a notional value of €545m, with a realised capital loss of €213.5m, offset by the capital gain of €242.5m realised through the sale of the hedged bond securities.

5.2 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 2021 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)	336.0		336.0	147.2	174.6	14.2
Repurchase agreements (2)						
Securities lending						
Other						
Total	336.0		336.0	147.2	174.6	14.2

(1) The amounts indicated include the fair value in the financial statements of the derivatives involved in the netting agreements and any cash deposits given or received as guarantee.

(2) The amounts indicated include the financial assets/liabilities relating to the repurchase agreement and the amount of the financial transaction object of the forward purchase

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)	323.8		323.8	223.9	97.9	1.9
Repurchase agreements (2)						
Securities lending						
Other						
Total	323.8		323.8	223.9	97.9	1.9

(1) The amounts indicated include the fair value in the financial statements of the derivatives involved in the netting agreements and any cash deposits given or received as guarantee.

(2) The amounts indicated include the financial assets/liabilities relating to the repurchase agreement and the amount of the financial transaction object of the forward purchase

5.3 Earnings (loss) per share

	31/12/2022	31/12/2021
Profit/loss allocated to ordinary shares (€m)	572.0	663.9
Weighted average of shares outstanding during the year (no./m)	2,827.4	2,828.3
Basic and diluted earnings (loss) per share (€ per share)	**0.20**	**0.23**

5.4 Dividends

In view of the profit for the year at 31 December 2021 (as shown in the financial statements drawn up in accordance with Italian GAAP), the Shareholders' Meeting of UnipolSai SpA, held on 27 April 2022, resolved on the distribution of dividends corresponding to €0.19 per share. The total amount set aside for dividends, including treasury shares held by UnipolSai, amounted to around €537m.
The Shareholders' Meeting also set the dividend payment date for 25 May 2022.

5.5 Non-current assets or assets of a disposal group held for sale

At 31 December 2022, reclassifications carried out in application of IFRS 5 to item 6.1 of Assets amounted to €532.6m, of which €432.8m relating to assets held by the subsidiary Incontra Assicurazioni and €99.7m relating to properties held for sale (€132.6m at 31/12/2021, of which €0.5m referred to assets held by the subsidiary Consorzio Castello and €132.1m to properties held for sale). The liabilities reclassified to item 6.1 Liabilities associated with disposal groups amounted to €388m relating to the subsidiary Incontra Assicurazioni (€3.1m at 31/12/2021 relating to the subsidiary Consorzio Castello).

Non-current assets or assets of a disposal group held for sale

	Amounts in €m	Incontra Assicurazioni	Real Estate	Total reclassifications IFRS 5
		31/12/2022	31/12/2022	31/12/2022
1	INTANGIBLE ASSETS	4.2		4.2
1.2	Other intangible assets	4.2		4.2
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	98.2		98.2
4	INVESTMENTS	306.4	99.7	406.1
4.1	Investment property		99.7	99.7
4.4	Loans and receivables	11.0		11.0
4.5	Available-for-sale financial assets	295.4		295.4
5	SUNDRY RECEIVABLES	15.6		15.6
5.1	Receivables relating to direct insurance business	5.0		5.0
5.2	Receivables relating to reinsurance business	4.1		4.1
5.3	Other receivables	6.5		6.5
6	OTHER ASSETS	4.0		4.0
6.2	Deferred acquisition costs	1.2		1.2
6.3	Deferred tax assets	2.7		2.7
6.5	Other assets	0.0		0.0
7	CASH AND CASH EQUIVALENTS	4.4		4.4
TOTAL NON-CURRENT ASSETS OR ASSETS OF A DISPOSAL GROUP HELD FOR SALE		432.8	99.7	532.6

Liabilities associated with disposal groups held for sale

	Amounts in €m	Incontra Assicurazioni	Real Estate	Total reclassifications IFRS 5
		31/12/2022	31/12/2022	31/12/2022
3	TECHNICAL PROVISIONS	352.1		352.1
4	FINANCIAL LIABILITIES	4.9		4.9
4.2	Other financial liabilities	4.9		4.9
5	PAYABLES	23.8		23.8
5.1	Payables arising from direct insurance operations	11.5		11.5
5.2	Payables arising from reinsurance operations	10.1		10.1
5.3	Other payables	2.2		2.2
6	OTHER LIABILITIES	7.2		7.2
6.3	Current tax liabilities	5.7		5.7
6.4	Other liabilities	1.5		1.5
LIABILITIES ASSOCIATED WITH DISPOSAL GROUPS HELD FOR SALE		388.0		388.0

5.6 Transactions with related parties

UnipolSai Assicurazioni provides the following services to the other 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);
- 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;
- 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.

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 carries out administrative and accounting services for inwards and outwards reinsurance with reference to treaties in run-off on behalf of UnipolSai.

UnipolSai Investimenti SGR administers on behalf of UnipolSai the units of real estate funds set up by third-party asset managers, owned by UnipolSai.

In 2022, **UnipolReC**, in its capacity as an agent, conducted credit collection, out-of-court recovery of receivables due from Customers, such as, by way of example, the analysis of the receivables assigned, the sending of dunning letters by post and/or credit collection by phone, monitoring the responses received, checking payments and reconciling the same, searching for individuals that are difficult to trace and any other activity required or related to said services on behalf of Gruppo UNA and Tenute del Cerro.

UnipolTech guarantees competitiveness to the Group insurance companies through continuous technological innovation and the evolution of ITC services:
- management of black 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. Black boxes are directly linked to the service centre (TSP) in order to guarantee secure insurance services through a complex data analysis based on crash recognition and reconstruction, assistance and theft up to value added services such as private emergency calls, plus the VASs available on the mobile app;
- IoT technology and safety and security services linked to home, store and commercial business insurance policies (smart home);
- telematic devices associated with insurance policies for pet protection.

The company has developed products offered through the UnipolSai agency network, 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 starting from March 2022, after the company received European electronic toll service accreditation (first company at national and European level).

Support was also provided to 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 App therefore include the opportunity to pay car parking fees, fines and road tax.

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 a minimal extent also to 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, specialists and agencies of the Group, whose services consist of:
  - providing front office services to existing or potential customers at all stages of relations with the consortium members 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 and consortium members;
  - providing contact centre activities dedicated to opening claims and relative requests for information (only for Tourism claims and for claims channelled to UnipolService or UnipolGlass).

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, since 2022, 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, since 2022, Arca Sistemi has provided IT services to UniSalute.

Arca Direct Assicurazioni has insurance brokerage agreements in place with Arca Vita, Arca Assicurazioni and UnipolSai.

Unipol*Rental* 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 Unipol*Rental* on the B2C channel (Business to Consumer) and provides electric bicycles to several Group companies.

UnipolHome provides repair services in the home (houses and condominiums) for UnipolSai.

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), UnipolService, UnipolSai Investimenti SGR and UnipolRe involve fixed prices.

Unipol Gruppo, **UnipolSai and its subsidiaries Arca Vita and Arca Assicurazioni**, second their staff to other Group companies to optimise the synergies within the Group.

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 2022, 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)*
Loans and receivables	210.1	38.6	248.6	*0.4*	*11.2*
Available-for-sale financial assets		37.3	37.3	*0.1*	*1.7*
Sundry receivables	164.5	109.5	274.1	*0.4*	*12.4*
Other assets	0.1	9.5	9.5	*0.0*	*0.4*
Cash and cash equivalents		680.0	680.0	*1.0*	*30.7*
Total assets	**374.7**	**874.8**	**1,249.5**	***1.8***	***56.3***
Other financial liabilities	13.2	9.0	22.3	*0.0*	*1.0*
Sundry payables	33.8	79.5	113.2	*0.2*	*5.1*
Other liabilities	13.9	3.6	17.5	*0.0*	*0.8*
Total liabilities	**60.9**	**92.1**	**153.0**	***0.2***	***6.9***
Commission income		3.6	3.6	*0.0*	*0.2*
Gains on other financial instruments and investment property	2.5	12.7	15.2	*0.0*	*0.7*
Other revenue	4.6	6.7	11.3	*0.0*	*0.5*
Total revenues and income	**7.1**	**22.9**	**30.0**	***3.4***	***1.4***
Net charges relating to claims		2.2	2.2	*0.2*	*0.1*
Commission expense		19.4	19.4	*2.2*	*0.9*
Losses on other financial instruments and investment property	3.0	0.1	3.1	*0.4*	*0.1*
Operating expenses	21.0	289.8	310.8	*34.7*	*14.0*
Other costs	0.3	57.8	58.1	*6.5*	*2.6*
Total costs and expenses	**24.3**	**369.3**	**393.6**	***44.0***	***17.7***

The item Loans and receivables due from the holding company relates to the receivable due to some subsidiaries from the holding company Unipol as part of the centralised treasury contract (cash pooling), for the purpose of centralising at Unipol the management of the available funds of the non-insurance companies of the Unipol Group.
Note that on 1 March 2022, UnipolSai Assicurazioni received from Unipol Gruppo, in compliance with the relative contractual provisions, the full early repayment of the unsecured loan of €300m, linked to the 3-month Euribor plus a spread of 260 basis points, disbursed on 1 March 2019 as part of the assignment to Unipol of the shares held in the former Unipol Banca SpA and in UnipolReC SpA.
Loans and receivables with associates and others included €20.5m of time deposits above 15 days held by the companies of the Group with BPER Banca, €8.9m relating to receivables from insurance brokerage agencies for agents' reimbursements and €6m of interest-free loans disbursed by UnipolSai to the associate Borsetto.
Financial assets available for sale to associates and others relate to the subscription of listed debt securities issued by BPER Banca and subscribed by Group companies.
Sundry receivables from the holding company comprised amounts related to the tax consolidation and for services rendered.
The item Sundry receivables from associates and others included €48.8m in receivables due from insurance brokerage agencies for commissions and €48m in receivables due 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.
The item Other financial liabilities to the holding company refers to the payable of the subsidiary Cambiomarcia to Unipol Gruppo as part of the above-mentioned centralised treasury agreement (cash pooling); on 11 November 2022, the subsidiary UnipolRental, in compliance with the relative contractual provisions, repaid in advance and in full the €150m loan disbursed by Unipol Gruppo on 8 November 2019. With regard to transactions with associates and others, this item refers to loans disbursed by BPER Banca to Group companies.
Sundry 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 refer to the liabilities of the Incentive Plans for Unipol Executives seconded to UnipolSai; Other liabilities to associates refer to invoices to be received.
Commission income referred to commissions recognised by BPER Banca for the placement of banking products.
Gains on other financial instruments and investment property included:

- in regard to relations with the holding company, the interest income on a loan granted by UnipolSai to Unipol, which, as previously noted, was repaid on 1 March 2022;
- with regard to relations with associates and others, the rent income and interest on listed debt securities paid by BPER Banca.

Other revenue primarily included income for the active secondment of personnel.
Commission expense referred to bank relations between the Group companies and BPER Banca.
Operating expenses included, as regards associates and others, costs for commissions paid to insurance brokerage agencies (€101.3m), commissions paid to BPER Banca for the placement of insurance policies issued by Group companies (€75.9m), costs to Finitalia for instalments of policies issued by the Group companies (€67.6m) and bank account management costs to BPER Banca (€32.4m).
The item Other costs primarily relates to retainer management fees paid to BPER Banca and to staff secondment.

Please also note that the contributions payable by the UnipolSai Group companies paid in the course of 2022 to Unipol Group employee and executive pension funds amounted to €20.7m.

Remuneration for 2022 due to the UnipolSai Directors, Statutory Auditors, General Manager and Key Managers for carrying out their duties within the Company and in other consolidated companies amounted to €16.6m, details of which are as follows (in €m):

-	Directors and General Manager	4.3
-	Statutory Auditors	0.3
-	Other Key Managers	12.0 (*)

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.
The provision for loyalty bonuses, to be paid to Managers on achieving the targets stated in the Group Remuneration Policies, recognised in the Liabilities item Provisions, amounted to €34m at 31 December 2022, including the relative social security contributions.

During 2022, the Group companies paid Unipol Gruppo and UnipolSai the sum of €773k as remuneration for the posts held in them by the General Manager and by the Key Managers.

(*) 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.

5.7 Fair value measurements – IFRS 13

IFRS 13:
a) defines the 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.

Chapter 2, Main accounting standards, outlines the fair value measurement policies and criteria adopted by the UnipolSai Group.

Fair value measurement on a recurring and non-recurring basis

The table below shows a comparison between the assets and liabilities measured at fair value at 31 December 2022 and 31 December 2021, broken down based on fair value hierarchy level.

Assets and liabilities at fair value on a recurring and non-recurring basis: breakdown by fair value level

		Level 1		Level 2		Level 3		Total	
	Amounts in €m	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Assets and liabilities at fair value on a recurring basis									
Available-for-sale financial assets		37,444.9	47,316.8	377.8	403.6	3,460.3	2,714.7	41,283.0	50,435.0
Financial assets at fair value through profit or loss	Held for trading financial assets	61.6	95.8	215.4	130.2	58.9	3.8	335.9	229.8
	Financial assets at fair value through profit or loss	8,692.5	8,292.7			93.0	51.8	8,785.5	8,344.5
Investment property									
Property, plant and equipment									
Intangible assets									
Total assets at fair value on a recurring basis		*46,199.0*	*55,705.3*	*593.2*	*533.8*	*3,612.2*	*2,770.2*	*50,404.5*	*59,009.3*
Financial liabilities at fair value through profit or loss	Held for trading financial liabilities	7.1	13.0	142.3	401.6	5.1	30.9	154.5	445.4
	Financial liabilities at fair value through profit or loss					6,684.6	5,911.0	6,684.6	5,911.0
Total liabilities measured at fair value on a recurring basis		*7.1*	*13.0*	*142.3*	*401.6*	*6,689.7*	*5,941.9*	*6,839.1*	*6,356.4*
Assets and liabilities at fair value on a non-recurring basis									
Non-current assets or assets of disposal groups held for sale									
Liabilities associated with disposal groups									

The amount of financial assets classified in Level 3 at 31 December 2022 stood at €3,612.2m.

Details of changes in Level 3 financial assets and liabilities in the same period are shown below.

Details of changes in level 3 financial assets and liabilities at fair value on a recurring basis

Amounts in €m	Available-for-sale financial assets	Financial assets at fair value through profit or loss		Investment property	Property, plant and equipment	Intangible assets	Financial liabilities at fair value through profit or loss	
		Held for trading financial assets	Financial assets at fair value through profit or loss				Held for trading financial liabilities	Financial liabilities at fair value through profit or loss
Opening balance	**2,714.7**	**3.8**	**51.8**				**30.9**	**5,911.0**
Acquisitions/Issues	766.8	0.0	55.7					
Sales/Repurchases	(1.9)	(0.0)	(12.9)					
Repayments	(182.8)	(0.2)	(0.2)				(3.9)	
Gains or losses recognised through profit or loss		0.3	2.1				1.7	
- of which unrealised gains/losses		*0.3*	*2.1*				*1.7*	
Gains or losses recognised in the statement of other comprehensive income	163.6							
Transfers to level 3								
Transfers to other levels								
Other changes	(0.0)	54.9	(3.5)				(23.6)	773.6
Closing balance	**3,460.3**	**58.9**	**93.0**				**5.1**	**6,684.6**

Please note that 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.

As regards "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 has a market value of €18.3m at 31 December 2022.

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	(0.10)	0.10	(0.49)	0.50
Fair Value delta %	*(0.55)*	*0.56*	*(2.67)*	*2.74*

Fair value measurements in compliance with the disclosure requirements of other standards

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 Held-to-maturity investments.

Assets and liabilities not measured at fair value: breakdown by fair value level

	Carrying amount		*Fair value*							
			Level 1		Level 2		Level 3		Total	
Amounts in €m	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Assets										
Held-to-maturity investments	365.7	366.7	344.2	343.8	21.6	22.9			365.7	366.7
Loans and receivables	4,894.1	5,245.1			2,897.3	3,336.8	1,463.9	1,908.4	4,361.2	5,245.1
Investments in subsidiaries, associates and interests in joint ventures	162.3	176.5					162.3	176.5	162.3	176.5
Investment property	2,359.1	2,155.8					2,748.6	2,475.5	2,748.6	2,475.5
Property, plant and equipment	2,784.0	2,431.0					3,004.2	2,580.1	3,004.2	2,580.1
Total assets	**10,565.3**	**10,375.2**	**344.2**	**343.8**	**2,918.9**	**3,359.7**	**7,378.9**	**7,140.4**	**10,642.0**	**10,843.9**
Liabilities										
Other financial liabilities	**2,302.9**	**2,054.8**	**1,779.3**	**2,087.8**			**161.2**	**163.4**	**1,940.4**	**2,251.2**

5.8 Information on personnel

Share-based compensation plans

The UnipolSai Group pays variable benefits (long-term incentives) to senior executives under closed share-based compensation plans by which Unipol and UnipolSai shares (performance shares) are granted if specific targets of of profitability, solvency, creation of value for shareholders and ESG sustainability are achieved.

The 2019-2021 Compensation plan based on financial instruments (performance share type), if the prerequisites are 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 are met, it envisaged the assignment of UnipolSai and Unipol shares in at least three annual tranches starting from 2023. The 2022-2024 Compensation plan based on

financial instruments (performance share type), if the prerequisites are met, envisages the assignment of the same shares in at least three annual tranches with effect from 2026.
In addition, on 27 April 2022, 986,672 UnipolSai shares and 551,180 Unipol shares were delivered to eligible executives as short-term incentives for the 2021 financial year.

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 relevant websites, in the Governance/Shareholders meetings section.

Trade union relations

As part of the 2022-2024 Strategic Plan implementation activities, in October 2022 UnipolSai and the other Italian subsidiary insurance companies signed trade union agreements on voluntary early retirement arrangements for the employees of those companies that meet pension requirements by 2027, 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 will gradually be set as the last day prior to meeting the requirements for the aforementioned pension treatment;
- 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, it should be noted that the mutually agreed terminations of the employment relationships of the above-mentioned employees will take 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;
  - 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;
- personnel who have already accrued or accrue the pension with the "Quota 102": the mutually agreed termination of the employment relationship was set by 31 December 2022.

The trade union agreements in question call for a total of up to 800 early retirements, reserving the right to consider accepting a greater number up to a maximum of 10% more than the numerical limit specified above.

Training

The start of the new year saw the continuation of remote training initiatives. The new **MyUnica home page** was released, for a better user experience, with the expansion of the offer of online courses with self-enrolment for the development of personal skills, stimulating constructive dialogue between Managers and employees. The maintenance of the **ISO 9001:2015 certification of Unica's Quality Management System** was confirmed.

Employee training activities focused on implementing *courses with mandatory and regulatory, technical, commercial, managerial and behavioural content*. Part of the projects were also enacted with the support of funds from the Banks and Insurance Companies Fund. Training also focused on internal reorganisations, modifications to certain business applications and the optimisation of regulatory expertise linked to the management of specific topics.

The **training intended for the Sales Network** referred to building courses useful in increasing skills, in compliance with training obligations envisaged in the IVASS Regulation. The range of courses runs from the usual updating on regulations and new or revised products, to training on processes.

5.9 Information on public funds received

With reference to the regulation on the transparency of public funds introduced by Art. 1, paragraphs 125 and 125-bis of Italian Law 124/2017 and subsequent amendments and supplements, note that the Group collected the following contributions and subsidies subject to the mandatory disclosure in the notes to the financial statements pursuant to the above-cited regulation:

Recipient	Name of disbursing party	Amount collected (€)	Reason
Tenute del Cerro SpA	ARTEA	145,599.69	Contributions to the Tuscany Region vineyard restructuring
Tenute del Cerro SpA	AGEA	2,379.92	Contributions to the Umbria Region vineyard restructuring
Tenute del Cerro SpA	ARTEA	78,618.55	Contributions to Tuscany Region Rural Development Plan
Tenute del Cerro SpA	AGEA	15,506.44	Contributions to Tuscany Region Rural Development Plan
Tenute del Cerro SpA	AGEA	39,744.03	Contributions to Umbria Region Rural Development Plan
Tenute del Cerro SpA	INVITALIA	3,605,804.80	Contributions to Agro-industrial Development Contracts
Tenute del Cerro SpA	ARTEA	332,292.46	Contributions to Community Agricultural Policy 2021/2022
Tenute del Cerro SpA	AGEA	1,475.53	Individual Insurance Plan Contribution 2021/2022
Tenute del Cerro SpA	AGEA	26,093.43	Contributions to storage of quality wines
Tenute del Cerro SpA	AGEA	94,108.62	Contribution to promotional expenses incurred in foreign countries - Tuscany Region
Tenute del Cerro SpA	ARTEA	12,338.22	Contributions to allowances for the Tuscany Region mountain areas
Tenute del Cerro SpA	AGEA	34,498.08	Contributions to allowances for the Umbria Region mountain areas

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.

5.10 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.

5.11 Atypical and/or unusual positions or transactions

In 2022 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.

5.12 Additional information on the temporary exemption from IFRS 9

As explained in the paragraph Application of IFRS 9 by the UnipolSai Group in these Consolidated Financial Statements, except for some entities consolidated at equity and for which the application of IFRS 9 is mandatory on an individual basis (UnipolSai Sgr and UnipolReC SpA), all entities consolidated on a line-by-line basis or at equity continued to apply IAS 39 in drawing up their Consolidated Financial Statements.
Below are tables containing the information necessary for comparison with the insurance companies that do apply IFRS 9.

Fair Value at 31 December 2022 and changes in the fair value of the financial investments recognised according to IAS 39 which passed the SPPI test, and the other financial investments

Amounts in €m	Consolidated Statement value at 31/12/2022	Fair value at 31/12/2022	Change in Fair value for the period
Financial investments passing the SPPI test, other than financial assets at fair value through profit or loss (a)	37,679.8	37,195.1	(9,460.3)
Other financial investments (b)	18,290.8	18,241.3	(333.3)
Total (a) + (b)	55,970.7	55,436.4	(9,793.6)

Main exposures by counterpart of investments passing the SPPI test

Amounts in €m

Counterpart	Consolidated Statement value at 31/12/2022
Italian Treasury	17,389.8
Spanish Treasury	3,042.2
French Treasury	1,515.2
Intesa SanPaolo SpA	729.3
European Union	553.3
Deutsche Bank AG	457.7
Germanian Treasury	425.0
Portuguese Treasury	375.8
Barclays PLC	375.4
BNP Paribas SA	326.0
Other counterparts	12,490.1
Financial investments passing the SPPI test, other than financial assets at fair value through profit or loss	37,679.8

Rating class of financial investments recognised according to IAS 39 which passed the SPPI Test

Amounts in €m

Rating class	Consolidated Statement value at 31/12/2022	IAS 39 carrying amount at 31/12/2022 before any impairment adjustment	Fair value at 31/12/2022
AAA	932.2	1,172.3	932.2
AA	2,701.9	3,573.3	2,643.6
A	7,165.3	8,076.5	6,952.1
BBB	24,203.6	26,071.3	24,028.9
Total financial investments with low credit risk (1)	35,003.0	38,893.4	34,556.8
BB	1,910.0	2,038.8	1,907.5
B	350.3	378.3	350.3
Lower rating	85.4	97.7	85.4
With no rating	331.2	354.8	295.2
Total financial investments other than those with low credit risk (2)	2,676.9	2,869.6	2,638.3
Financial investments passing the SPPI test, other than financial assets at fair value through profit or loss (1) + (2)	37,679.8	41,763.0	37,195.1

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5.13 Criteria to determine the recoverable amount of goodwill with an indefinite useful life (impairment test)

In accordance with IAS 36.10, the impairment test was carried out on the goodwill recognised in the Consolidated Financial Statements of UnipolSai Assicurazioni.

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 significant increase in the discount rate compared to the previous year, following the trends recorded in 2022 in the various components that lead to its determination and (ii) maintenance of the same *g-rate* as last year, taking into account updated macroeconomic scenario estimates, as well as the estimated impact of climate factors, as specified below.

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, various acquisitions were completed, resulting in the recognition of goodwill: please refer to the "Information about business combinations" section for a description of the individual acquisitions.

The structure did not change compared to the previous year. Consequently, the CGUs to which the residual goodwill was allocated, impairment tested at 31 December 2022, were:

- Non-Life CGU: UnipolSai Assicurazioni - Non-Life
- Life CGU: UnipolSai Assicurazioni - Life

In relation to the measurement methods and benchmarks adopted to estimate the recoverable amount of goodwill, note that, as specified below, the same measurement criteria were adopted as for the previous year for the Non-Life and Life segments, with benchmark updating arranged at the end of 2022.
The impairment testing of the Non-Life CGUs was performed as follows: with regard to UnipolSai Assicurazioni - Non-Life the recoverable amount of goodwill was determined by using an excess capital version of the Dividend Discount Model (DDM); to determine the above-mentioned value, the actual economic-financial situation at 31 December 2022 and, for the years 2023-2027 economic-financial projections, functional to the definition of the profit forecasts for these years, were considered, as developed by the company and approved by its Board of Directors.

The impairment testing of the Life CGU was performed as follows: in relation to UnipolSai Assicurazioni - Life, the recoverable amount of goodwill was calculated using the “Appraisal Value” method, by considering (i) the Embedded Value and (ii) the value of the portfolio of new products based on the discounting of related future cash flows (Value of New Business).

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 2022.

Non-Life CGU	
Valuation method used	The method used, similar to that carried out last year, 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.
Rate of discounting	A discounting rate of 8.43% was used, broken down as follows: - risk-free rate: 4.15% - beta coefficient: 0.81 - risk premium: 5.28% The average figure for the 10-year Long-Term Treasury Bond of December 2022 was used for the risk-free rate. As in the previous year, a 2-year adjusted Beta coefficient for a sample of companies listed on the European market and deemed to be comparable was used. The risk Premium was defined taking into account that the estimates of this parameter made by primary contributors.
Long term growth rate (g factor)	As in the previous year, the g-rate was 1.2%, taking into account the updated macroeconomic scenario predictive indicators which show an average CAGR for the period 2023-2027 relating to changes in GDP equal to 0.7% (net of the estimated impact of climatic factors) and an expected inflation rate of 1.7% by 2027.
Life CGU	
Goodwill recoverable amount	With regard to UnipolSai Assicurazioni - Life, the recoverable value of goodwill was determined using the "Appraisal Value" method.

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	398	4,213	3,815
Life CGU	204	2,719	2,515
Total	**602**	**6,932**	**6,330**

(a) Recoverable value obtained as the difference between CGU Value and Adjusted Shareholders' Equity (net of goodwill therein included)

Parameters used	Non-Life
Risk Free	4.15%
Beta	0.81
Risk premium	5.28%
Discounting rate	8.43%
Range	*7.93% - 8.93%*
Pass	*0.5%*
g factor	1.2%
Range	*0.95% - 1.45%*
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	3,815	3,323	0.95%	8.93%	4,414	1.45%	7.93%

	Amounts in €m	Sensitivity Recoverable Amount - Goodwill Delta	
CGU	Recoverable Amount - Goodwill Delta	Min	Max
UnipolSai - Life	2,515	2,512	2,521

5.14 Notes on Non-Life business

Procedural Note on fixing the level of provisions and assumpions made

The process that leads to making the assumptions is carried out in such a way as to make a valuation of the liabilities with the intention of coming up with an estimate that is as realistic as possible.
The source of the figures is internal and the trends are based on annual statistics and monitored monthly throughout the year.
As far as possible assumptions are checked against market statistics.
If any information is missing, incomplete or unreliable the estimate of the final cost is based on the adoption of prudent assumptions.
The very nature of insurance business makes it highly complex to estimate the cost of settling a claim with any certainty, and the elements of complexity vary according to the class involved. The provision for each claim reported is set by an adjuster and is based on the information in his possession and on experience gained in similar cases. The forecasts fed into the system are periodically updated on the basis of new information about the claim. The final cost may vary as the claim proceeds (for example deterioration in the condition in the event of injury) or in the event of catastrophes.
As the Group's work is concentrated in Italy the major exposure to catastrophe risks is represented by natural disasters such as Earthquake, Flood and Hail.
Reinsurance cover is taken out to cover this type of risk, at levels differentiated with respect to the individual portfolios of the companies in the Group. The identified thresholds, with particular reference to Earthquake risk, have been judged on the basis of calculations made using statistical models that simulate the company's exposures in detail. The calculations were made as part of the process of determining the Risk Appetite.

The provisions for claims reported are estimated using the inventory method and the adjusters' estimates are also combined, where application conditions are satisfied, with the results of statistical methods such as the Chain Ladder, the Bornhuetter Ferguson and the ACPC (Average Cost Per Claim) and with valuations based on the average costs for the year (for similar groups covering a sufficiently large number of claims). These methods were applied after consistency of the underlying data had been verified using the model assumptions.

The Chain Ladder method is applied to the "paid" and "loading" factors. The method is based on historical analysis of the factors that affect the trend in claims. The selection of these factors is based on the figures for the accumulated amounts paid out, giving an estimate of the final cost per year of occurrence if the claims for that year have not been paid in full.
The Chain Ladder method is suitable for sectors in which the figures are stable and is therefore not suitable in cases in which there are no significantly stable previous periods and in cases of significant changes in the settlement rate.
The Bornhuetter Ferguson method uses a combination of a benchmark (or estimates of the ratio of losses to 'a priori' premium) and an estimate based on claims incurred (Chain Ladder).
The two estimates are combined using a formula that gives greater weight to experience. This technique is used in situations in which the figures are not suitable for making projections (recent years and new classes of risk).

The ACPC method is based on a projection of the number of claims to be paid and the respective average costs. This method is based on three fundamental assumptions: settlement rate, basic average costs and exogenous and endogenous inflation.

These methods extrapolate the final cost according to the year in which the claim is incurred and according to similar groups of risk on the basis of the trends in claims recognised in the past. Should there be a reason for deeming the trends recognised to be invalid some of the factors are modified and the projection adapted to fit the available information. Some examples of what affects the trends could be:

- changes in the claims handling procedures involving different approaches to settlement/making allocations to provisions;
- market trends showing increases higher than inflation (may be linked to the economic situation or to political, legal or social developments);
- random fluctuations including the impact of "major" claims.

Claims incurred but not yet reported are estimated on the basis of the historical trends within the company, with the number and the average costs of the claims being estimated separately.

As allowed by IFRS 4, the provisions were not discounted.

Scope of analysis

The UnipolSai Group Companies operating in the Non-Life market (direct business) are: UnipolSai, Siat, Incontra, Linear, UniSalute, Arca Assicurazioni and Ddor.
The scope considered in this document makes reference to the companies mentioned above, excluding only DDOR. The incidence of the amount of provisions of the excluded company stands at 0.4%.

Trend in claims

The tables below, which illustrate the trend in claims, show the estimated first-year costs for each year in which claims were incurred from 2013 until 2022 and the adjustments made in subsequent years as a result of the claim being settled or the budget being adjusted as a result of more information about the claim being received.
The line showing the variation compared with the first-year provision must be considered separately since subsequent adjustments may already have been incorporated into the provisions figures for later years.
Maximum caution must be exercised when extrapolating opinions on the adequacy or inadequacy of provisions from the results found in the following table.
The Group considers the provisions for claims reported or yet to be reported incurred by 31 December 2022 to be adequate in light of available information. Of course, as they are estimates there is no absolute certainty that the provisions are in fact adequate.

Trend in claims (all classes except Assistance)

Amounts in €m

Year of Event	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
Estimate of claims accumulated											
at the end of the year of event	6,515	6,222	5,236	5,299	5,412	5,461	5,557	4,706	5,144	5,583	**55,136**
one year later	6,414	6,189	5,189	5,225	5,410	5,462	5,604	4,694	5,038		
two years later	6,362	6,113	5,119	5,191	5,356	5,416	5,579	4,591			
three years later	6,318	6,034	5,055	5,166	5,307	5,401	5,538				
four years later	6,278	5,955	5,018	5,122	5,281	5,389					
five years later	6,225	5,906	4,991	5,103	5,260						
six years later	6,187	5,868	4,979	5,067							
seven years later	6,127	5,849	4,941								
eight years later	6,109	5,782									
nine years later	6,042										
Estimate of claims accumulated	6,042	5,782	4,941	5,067	5,260	5,389	5,538	4,591	5,038	5,583	**53,230**
Accumulated payments	5,697	5,354	4,533	4,628	4,820	4,824	4,827	3,669	3,613	2,252	**44,217**
Change compared to assessment at year 1	(474)	(441)	(295)	(231)	(152)	(72)	(19)	(115)	(107)		
Outstanding at 31/12/2022 - Carrying amount	344	428	408	439	440	565	711	922	1,425	3,331	**9,013**

The data contained in the trend in claims table as inputs for actuarial models like the Chain-Ladder model must be used with extreme care.
Future replication of changes in cost recorded in the past, in the case of provision strengthening, could lead to the paradoxical situation whereby the higher the strengthening the greater the insufficiency which may be inaccurately forecast by these methods.

The estimated IBNR run-off at 31 December 2021 showed an overall sufficiency in 2022 of €264.9m or 22.4% of the estimate.

Change in the assumptions made and sensitivity analysis of the model

The estimated cost for 2013-2021 at 31 December 2022 was €47,647m, a decrease from the valuation carried out at 31 December 2021 for the same years (€48,139m).
The new figure takes account of the savings recognised on claims that have been settled and of the revaluations required on claims that are still outstanding.

The risks arising from insurance policies are complex and subject to numerous variables that make the task of quantifying the sensitivity of the model complex.
The incidence of the amount of the 2,282 major claims net of claims handled by others (above €800k in the case of MV TPL, above €400k in the case of General TPL and €350k in the case of Fire) on the total provisions of the three classes was 29.4%. A 10% increase in the number of major claims would have led to a fall in provisions of €208.8m. The incidence on total provisions of claims handled by others was 2.6%. If reinsurers had revalued these claims by 5.0%, costs would have risen by €11.6m.

The year 2022 was characterised by very different inflationary dynamics compared to the past, marking discontinuity with respect to the trend of the last decade. The rise in inflation was driven by the increase in energy costs due to the onset of the war between Russia and Ukraine and accentuated by its continuation, by supply chain slowdowns and the scarcity of raw materials and electronic components, sectors already in crisis after the blocks imposed during the pandemic period were lifted.
This moment of discontinuity requires adjusting the projection models which currently implicitly project the inflation contained in the claims cost development triangle.

The sensitivity analysis of the models directed at determining two scenarios, one favourable and one unfavourable, was conducted on the MV TPL (Non-Card and Handler Card separately) and General TPL classes of UnipolSai Assicurazioni (UnipolSai provisions represent 91.1% of the companies considered in this analysis; the provisions of the MV TPL and General TPL business of UnipolSai totalled 69.3%).

The models were adapted so as to explicitly project the growth in the cost of claims due to inflation.

Through discussions with the research department and the projections made by external institutions, the inflation curve that will affect the insurance market was defined. The curve envisages higher rates in 2023, which gradually decrease until 2026, the year in which a stable rate is expected to be reached for subsequent years of around 2%.

The two scenarios for both classes were obtained with the following assumptions:

- Favourable: for the ACPC, Chain Ladder Incurred and Bornhuetter-Ferguson methods, the average inflation rate assumed was half a point lower than the average inflation of the base model and for the Chain Ladder Paid method reference was made to the reserve corresponding to the tenth percentile of the reserve distribution obtained with a simulation method (*Bootstrap*).
- Unfavourable: for the ACPC, Chain Ladder Incurred and Bornhuetter-Ferguson methods, the average inflation rate assumed was half a point higher than the average inflation of the base model and for the Chain Ladder Paid method reference was made to the reserve corresponding to the ninetieth percentile of the reserve distribution obtained with a simulation method (*Bootstrap*).

The same change recorded on subsequent years in the scenarios described above was applied to the pre-2011 years (excluded from the model).
The following table shows the overall group provisions and the scenarios selected as shown previously::

Amounts in €m	Pre 2011	2011 - 2022	Total	*Delta %*
Provision requirements	1,017	8,351	9,368	
Unfavourable assumption	1,058	8,612	9,670	*3.22*
Favourable assumption	983	8,157	9,140	*(2.43)*

In assessing the results of these variations, note that these analyses are of the deterministic type and no account is taken of any correlations. Overall, financial statements provisions (€10,519m relating to the consolidation scope examined) are higher than the top end, i.e. the unfavourable scenario assumption.

5.15 Notes on Life business

Breakdown of the insurance portfolio

Consolidated Life premiums for 2022 totalled €5,340.7m (insurance and investment products), with a decline of -0.8% compared to the previous year.
The Life direct premiums of the Group came from both the traditional companies (UnipolSai Assicurazioni and DDOR) and bancassurance companies (Arca Group and Bim Vita).
The consolidated Life premiums of the UnipolSai Group at 31 December 2022 are broken down as follows:

Consolidated Life premiums

Amounts in €m	UnipolSai Assicurazioni	Arca Vita & Arca Vita Int.	Bim Vita	Ddor Novi Sad	Total
Insurance premiums (IFRS4)	2,171.6	1,298.6	20.9	18.7	3,509.8
var. %	*(10.1)*	*(20.3)*	*(58.8)*	*2.1*	*(14.7)*
Investment Products (IAS39)	1,220.9	595.8	14.2		1,830.9
var. %	*169.0*	*(24.9)*	*(41.2)*		*44.0*
Total Life business premium income	3,392.5	1,894.4	35.1	18.7	5,340.7
var. %	*18.2*	*(21.8)*	*(53.1)*	*2.1*	*(0.8)*
Breakdown:					
Insurance premiums (IFRS4)	*64.0%*	*68.5%*	*59.5%*	*100.0%*	*65.7%*
Investment Products (IAS39)	*36.0%*	*31.5%*	*40.5%*	*0.0%*	*34.3%*

The Life direct premiums for the Group originate for €3,392.5m from UnipolSai (+18.2%), €1,894.4m from Arca Vita and its subsidiary Arca Vita International (-21.8%), €35.1m from BIM Vita (-53.1%) and €18.7m from DDOR (+2.1%).

Insurance premiums totalling €3,509.8m (-14.7%) accounted for 65.7% of total premiums, down compared to the figure for the previous year (76.4%). Non-insurance premiums amounted to €1,830.9m (+44%) and related to unit-linked and pension funds. It should be noted that starting from 2022, the funding relating to new mandates for the management of closed pension funds with financial guarantees was qualified as financial, considering the lower importance of the guarantee, also taking into account the changed market context.

Direct insurance premiums:

Amounts in €m	UnipolSai Assicurazioni	Arca Vita e Arca Vita Int.	Bim Vita	Ddor Novi Sad	Total
Traditional premiums	1,831.8	1,229.8	10.8	18.7	3,091.0
Financial premiums	0.4	68.8	10.1		79.3
Pension funds	339.4				339.4
Insurance premiums (IFRS4)	2,171.6	1,298.6	20.9	18.7	3,509.8
of which investments with DPF	1,339.3	1,144.4	10.1		2,493.8
% investment with DPF	*61.7%*	*88.1%*	*48.3%*	*0.0%*	*71.1%*

The insurance premiums of the UnipolSai Group continued to be composed primarily of traditional policies, which account for 88.1% of total consolidated premiums (down from the 89.5% recorded in 2021), compared to 9.7% represented by pension fund premiums (unchanged compared to 2021) and, finally, only 2.2% by financial premiums (0.8% in 2021).

5.16 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 2022 in compliance with Solvency II regulations and the supervisory provisions issued by IVASS.

Internal Control and Risk Management System

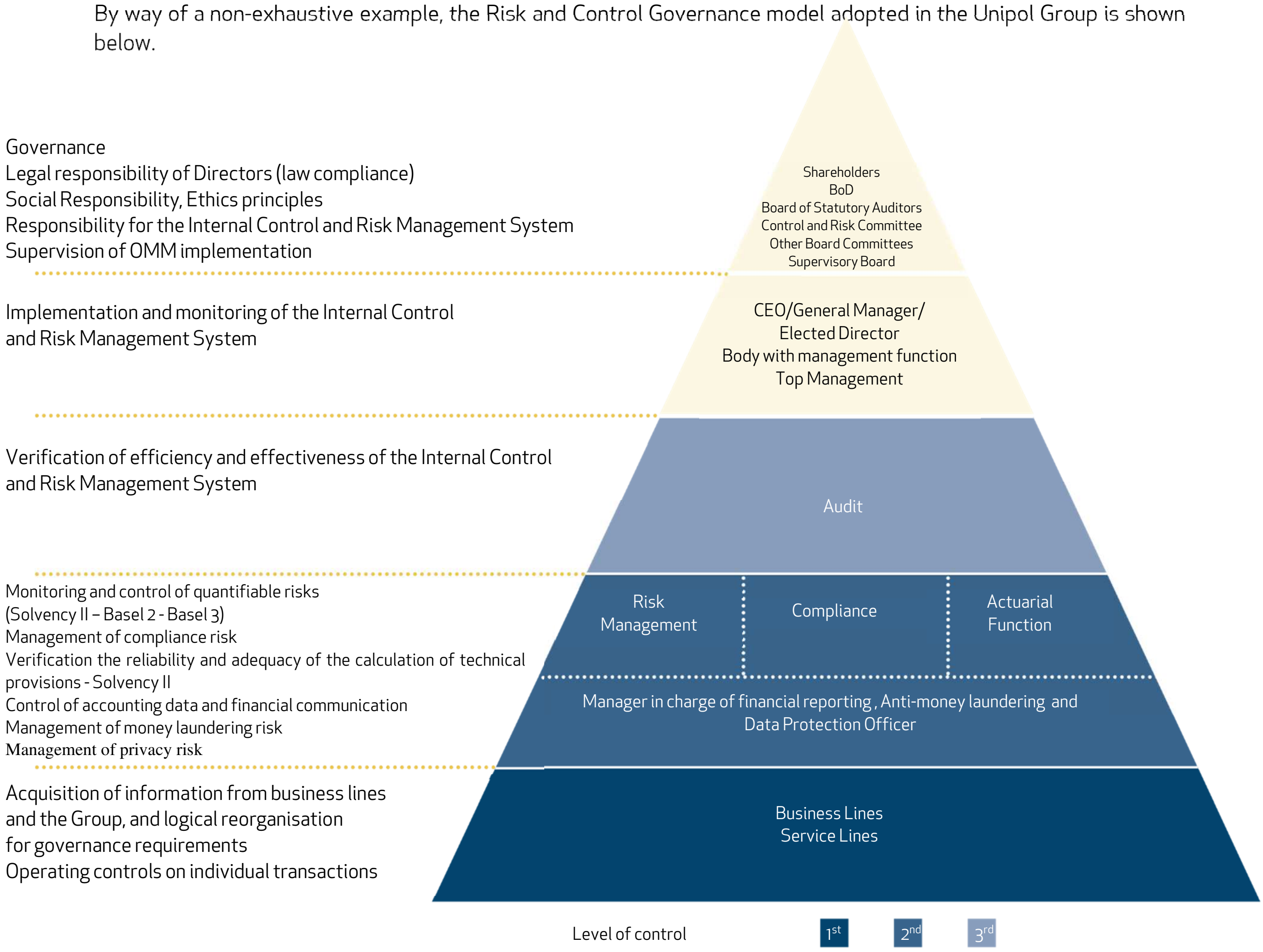
The Unipol Group and the UnipolSai Group's Risk Management structure and process are part of the wider internal control and risk management system which operates according to several levels:

- 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 operating 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. 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.

Operational 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 Internal 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/ALM ratios.

Furthermore, quality objectives are defined in reference to compliance, emerging, strategic, reputational, ESG (Environmental, Social and Governance) and operational 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 and ALM risk;
- Operational risk;
- Standard compliance risk;
- Emerging risks and 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 internal Current and Forward-looking 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.
- 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, it should be noted that the Chief Risk Officer:

- for the purposes of the 2023 ORSA report referring to the valuations at 31 December 2022, developed a scenario characterised by the occurrence of multi-variable economic-financial shocks together with shocks to technical-insurance variables and events affecting business continuity. In this scenario, there will be an assessment of the possible impacts associated with a persistent deterioration of the macroeconomic scenario, also due to inflationary dynamics connected to current geopolitical tensions, accompanied by a continuation of the critical supply chain issues resulting from the COVID-19 pandemic;
- in order to assess the possible adverse impacts associated with a persistent deterioration of the macroeconomic scenario accompanied by an extension of the COVID-19 health emergency, developed, within the 2022 ORSA report referring to assessments at 31 December 2021, a scenario characterised by i) a global economic recovery that may still be put at risk by the spread of the COVID-19 virus and the emergence of new variants, ii) critical supply chain and energy crisis issues that may cause price pressures for extended periods of time, iii) an increase in interest rates and/or a reduction in the stimulus measures taken by central banks and iv) the joint effect of multi-variable economic-financial shocks together with technical-insurance variable shocks and events affecting business continuity;
- Of particular importance among the other stress scenarios defined and processed for the ORSA were those regarding climate risks in reference to transition risk and physical risk. The impact analysis of climate change on physical risks is divided into three levels: (1) near-term analysis and (2) mid-term and long-term analysis for the most significant acute physical risks (flood and convective storms), (3) long-term analysis for chronic risks (sea level rise) and acute risks today considered secondary perils (wildfires, drought). As instead regards the assessment of the climate change impact on transition risks, the Group quantifies the losses in value of financial investments, in reference to 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 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]
– quarterly, a report with the results of controls performed on observance of the Risk Appetite for the current year (Risk Appetite Monitoring);
– quarterly, a report with the results of controls performed on observance of the operational risk limits defined in the specific risk management policies;
– quarterly, a report on the monitoring of indicators represented in the "Pre-emptive recovery plan";
– at least annually, the results of stress testing.

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 the Risk Appetite:

- based on reporting from the Chief Risk Officer to the Unipol Gruppo Control and Risk Committee[7], or that of UnipolSai if it is UnipolSai that fails to comply with the limits, the Board of Directors assesses whether to approve a new Risk Appetite level or decide on action to be taken to restore the defined Risk Appetite level;

In the event of failure to comply with the Risk Tolerance or Risk Capacity, the escalation process requires the Chief Risk Officer to involve:

- the General Manager of Unipol, who will present the proposed contingency or remediation measures to be implemented, respectively, as regards the Parent or the subsidiaries, to the Parent's Board of Directors;
- the Chief Executive Officer of UnipolSai, who will present the proposed contingency or remediation measures to be implemented, respectively, as regards UnipolSai or the subsidiaries, to the UnipolSai Board of Directors;
- the General Manager, if any, or the Chief Executive Officer of the Group Company, who will present the proposed contingency or remediation measures to be implemented, respectively, to the Company's Board of Directors.

In the event of a Risk Tolerance violation, the Boards of Directors of the Parent, of UnipolSai and of the Company involved in the threshold violation assess the need to deal with the situation through contingency measures, i.e. actions to restore the values of indicators of the threshold exceeded within a reasonable period of time based on the nature of the indicator concerned.

In the event of a Risk Capacity violation, the Boards of Directors of the Parent, of UnipolSai and of the Company involved in the threshold violation assess activation of the remediation measures identified.

If the Risk Appetite and/or Risk Tolerance and/or Risk Capacity of individual Companies are exceeded, the Boards of Directors of Unipol Gruppo SpA and of UnipolSai Assicurazioni SpA are informed, indicating any corrective action taken.

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) agreements is also used as guarantees on credit risks.[8] If the Internal

[6] In reference to the Parent, at consolidated level and at individual company level.
[7] Activities carried out for the other companies subject to pre-emptive or ordinary governance.
[8] The CSA requires the delivery of a collateral asset when the value of the contract exceeds the set threshold.

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 Technical Insurance risks relating to the earthquake catastrophe component;
- Life Technical Insurance 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.

Non-Life and Health technical insurance risk is represented by the following sub-modules: tariff-setting risk, provisions risk, catastrophe risk and surrender risk. A Partial Internal Model that integrates Internal Model components (Earthquake catastrophe risk), Specific Company Parameters and the Standard Formula is used to calculate the solvency capital requirement.
In particular, the use of the Specific Parameters concerns the tariff-setting and provisions risks of the company UnipolSai in the segments of Non-Life insurance and reinsurance obligations under Annex II to Delegated Regulation (EU) 2015/35 of 10 October 2014, as specified below:

- Segment 1, Proportional insurance and reinsurance on TPL resulting from the circulation of vehicles;
- Segment 4, Proportional insurance and reinsurance against fire and other damage to property;
- Segment 5, Proportional insurance and reinsurance on general TPL.

In addition, except with regard to Earthquake risk, the catastrophe risks and surrender risk are assessed using the Standard Formula.

Life underwriting risk (mortality/longevity risk, surrender 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 cash available at banks and financial risk mitigation operations through derivative contracts, and to the insurance and reinsurance exposures. 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 Technical Insurance risks, Life technical insurance 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 Technical Insurance risks, Life Technical Insurance 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 2022.

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 and Net Asset Value sensitivity to parallel changes in the forward interest rate curve. The assets falling under the calculation of the duration mismatch and Net Asset Value sensitivity 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 2022 the duration mismatch for Life business stood at -0.50, while it was +1.33 for Non-Life business.
With reference to Net Asset Value sensitivity to a parallel change in the forward interest rate curve, for the Life business the sensitivity +100 basis points equals +€183m, whilst for the Non-Life business the sensitivity +100 basis points equals -€236m.
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 2022.

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.

The level of sensitivity of the UnipolSai Group's portfolios of financial assets to the main market risk factors is shown below.
Sensitivity is calculated as a variation in the market value of the assets at 31 December 2022, following shocks resulting from a:

- parallel change in the interest rate curve of +10 bps;
- -20% change in the share prices;
- +10 bps change in the credit spread.

31/12/2022	INSURANCE BUSINESS		REAL ESTATE AND OTHER BUSINESSES		TOTAL	
Amounts in €m	Impact on Income Statement	Impact on Statement of financial position	Impact on Income Statement	Impact on Statement of financial position	Impact on Income Statement	Impact on Statement of financial position
UnipolSai Group						
Interest rate sensitivity (+10 bps)	13.53	(230.53)		(0.00)	13.53	(230.54)
Credit spread sensitivity (+10 bps)	0.51	(237.44)		(0.00)	0.51	(237.44)
Equity sensitivity (-20%)	(19.20)	(1,167.65)		(5.63)	(19.20)	(1,173.28)

The values include the hedging derivatives and are gross of tax effects.

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:

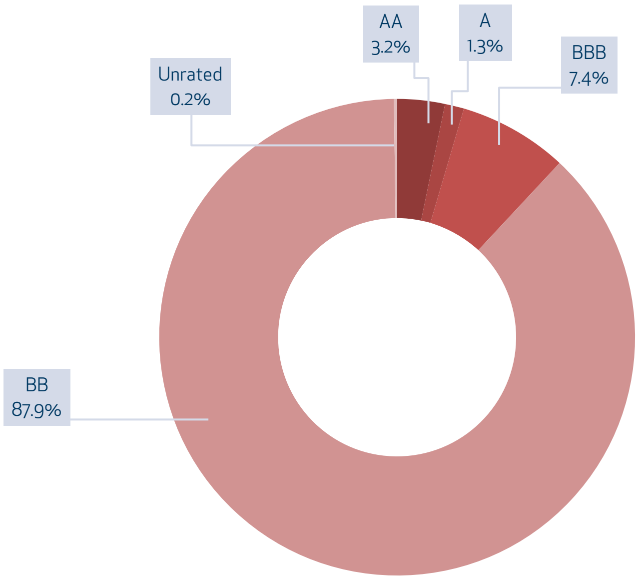
- punctual measurement of the contractual and forecast cash flows on different maturity dates;
- definition and approval of the liquidity risk tolerance in terms of "survival time" in ordinary and stress conditions;
- managing structural liquidity by keeping a balance between maturities of medium-term 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.

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. Counterparty default risk includes the risk mitigation contracts, e.g. reinsurance agreements, securitisations and derivatives, and likewise every other credit exposure not included among the financial risks (credit spread risk).
Credit risk management is defined in the Credit Policy which describes the roles and responsibilities of the parties involved, the risk assessment and mitigation principles and the operating 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.

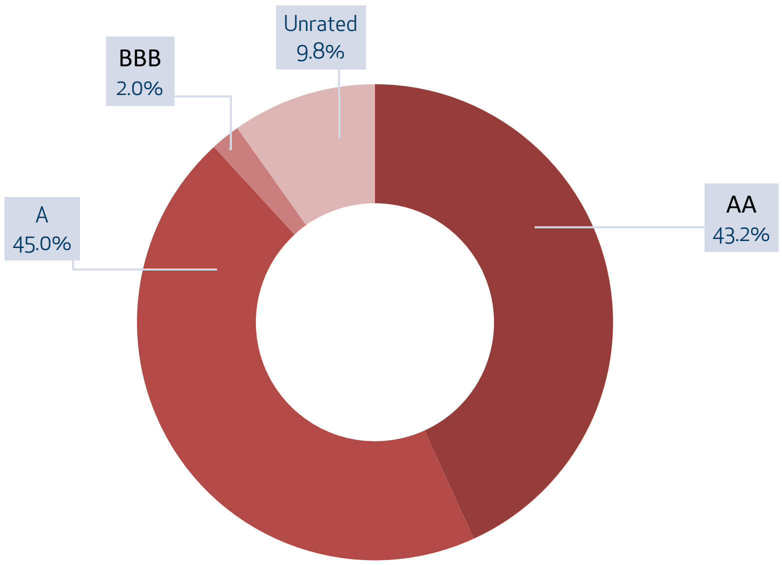
Banks
Existing exposure to banks refers to deposited liquidity and exposures in OTC hedging derivatives. In particular, the derivatives exposure considered for risk management and monitoring purposes is equal to the sum of market values, if positive, of the current individual contracts and takes into 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 2022.



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 2022 net of intragroup reinsurance.

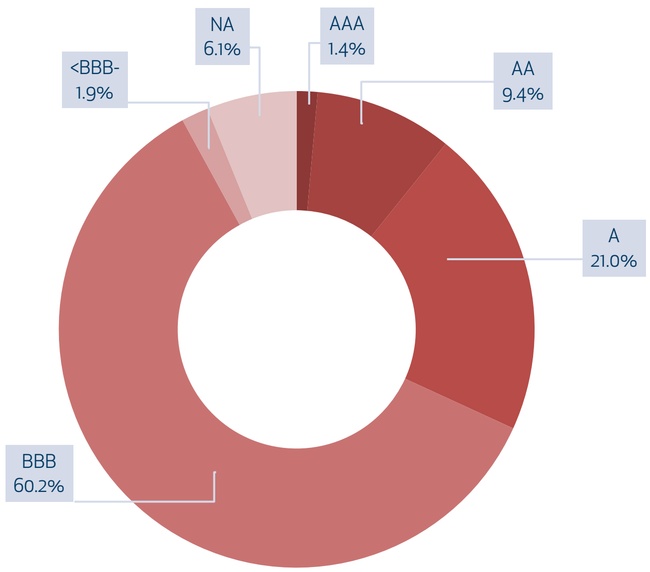


Debt security Issuer Risk

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 bonds portfolio, Insurance business and Real Estate and Other Businesses, broken down by rating class (figures at 31/12/2022).

Breakdown of debt securities by rating class



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 2022, broken down by type of portfolio, nominal value, carrying amount and fair value.

Amounts in €m	Balance at 31 December 2022		
	Nominal value	Carrying amount	Market value
Italy	**20,118.5**	**17,177.1**	**17,123.0**
Available-for-sale financial assets	19,098.8	16,102.6	16,102.6
Financial assets at fair value through profit or loss	2.0	1.6	1.6
Held-to-maturity investments	312.7	301.7	303.8
Loans and receivables	705.0	771.2	715.1
Spain	**3,485.6**	**3,060.8**	**3,061.7**
Available-for-sale financial assets	3,206.1	2,773.2	2,773.2
Financial assets at fair value through profit or loss	20.0	21.7	21.7
Loans and receivables	259.5	265.9	266.9
France	**2,249.4**	**1,488.4**	**1,488.4**
Available-for-sale financial assets	2,249.4	1,488.4	1,488.4
Germany	**565.7**	**372.3**	**322.9**
Available-for-sale financial assets	465.7	272.3	272.3
Loans and receivables	100.0	100.0	50.6
Portugal	**392.9**	**373.5**	**373.9**
Available-for-sale financial assets	375.5	363.2	363.2
Loans and receivables	17.4	10.3	10.8
Belgium	**304.4**	**196.3**	**196.3**
Available-for-sale financial assets	304.4	196.3	196.3
Ireland	**295.9**	**254.9**	**254.9**
Available-for-sale financial assets	295.9	254.9	254.9
Slovenia	**203.6**	**173.8**	**173.8**
Available-for-sale financial assets	203.6	173.8	173.8
Great Britain	**190.0**	**175.5**	**175.5**
Available-for-sale financial assets	190.0	175.5	175.5
Romania	**108.0**	**79.9**	**79.9**
Available-for-sale financial assets	108.0	79.9	79.9
Mexico	**103.0**	**72.8**	**72.8**
Available-for-sale financial assets	103.0	72.8	72.8
Serbia	**98.2**	**94.7**	**91.2**
Available-for-sale financial assets	36.9	30.7	30.7
Held-to-maturity investments	61.3	64.0	60.5
Slovakia	**98.1**	**78.1**	**78.1**
Available-for-sale financial assets	98.1	78.1	78.1
Israel	**89.7**	**84.8**	**84.8**
Available-for-sale financial assets	89.7	84.8	84.8

Amounts in €m	Balance at 31 December 2022		
	Nominal value	Carrying amount	Market value
Cyprus	87.5	72.4	72.4
Available-for-sale financial assets	87.5	72.4	72.4
China	84.0	67.5	67.5
Available-for-sale financial assets	84.0	67.5	67.5
Latvia	75.8	63.4	63.4
Available-for-sale financial assets	75.8	63.4	63.4
Chile	75.5	62.7	62.7
Available-for-sale financial assets	75.5	62.7	62.7
Netherlands	67.3	63.4	63.4
Available-for-sale financial assets	67.3	63.4	63.4
Turkey	51.7	38.9	38.9
Available-for-sale financial assets	51.7	38.9	38.9
Hong Kong	50.0	30.3	30.3
Available-for-sale financial assets	50.0	30.3	30.3
Austria	38.5	33.6	33.6
Available-for-sale financial assets	38.5	33.6	33.6
Peru	31.0	21.6	21.6
Available-for-sale financial assets	31.0	21.6	21.6
USA	25.5	24.1	24.1
Available-for-sale financial assets	25.5	24.1	24.1
Poland	25.2	23.9	23.9
Available-for-sale financial assets	25.2	23.9	23.9
Croatia	21.0	19.3	19.3
Available-for-sale financial assets	21.0	19.3	19.3
South Korea	20.0	16.3	16.3
Available-for-sale financial assets	20.0	16.3	16.3
Lithuania	15.5	14.4	14.4
Available-for-sale financial assets	15.5	14.4	14.4
Canada	10.0	10.0	10.0
Available-for-sale financial assets	10.0	10.0	10.0
Greece	10.0	8.0	8.0
Available-for-sale financial assets	10.0	8.0	8.0
Iceland	1.5	1.2	1.2
Available-for-sale financial assets	1.5	1.2	1.2
Swiss	1.5	1.3	1.3
Available-for-sale financial assets	1.5	1.3	1.3
TOTAL	28,994.2	24,255.4	24,149.7

The carrying amount of the sovereign exposures represented by debt securities at 31 December 2022 totalled €24,255.4m, 71% of which (73% in 2021) was concentrated on securities issued by the Italian State. Moreover, the bonds issued by the Italian State account for 33% of total investments of the UnipolSai Group.

Technical-insurance risks

Risks relating to Life portfolios

The guidelines of the underwriting and provisions activities of the Life business are defined in the "Underwriting Policy - Life Business" and in the "Provisions 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 Provisions Policy defines the guidelines addressing provisioning activities for direct business and the related risk management, governing the provisioning 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;
- surrender risk: associated with adverse changes in the level or volatility of the incidence of surrenders, withdrawals, early settlements and terminations in premium payments;
- expense risk: associated with adverse changes in the value of expense linked to policies compared to the values used to determine the tariff;
- catastrophe risk: deriving from an unforeseeable event, the consequence of which is to affect multiple individuals at the same time, generating a number of claims for amounts significantly higher than expected.

The options included in the tariffs that can affect the assessment of risks present in the portfolio are monitored. The most significant of these are illustrated below.

<u>Surrender</u>
This option allows the customer to surrender the contract and receive the surrender value (does not apply to the pure-risk tariffs and annuities currently being distributed). Depending on the contract type, more or less significant penalties can be applied, often based on claim seniority.

<u>Conversion to annuity</u>
In individual products where the benefit is expressed in the form of capital, there is often the option to accept disbursement as an annuity.
Among the individual 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.

<u>Maturity deferment</u>
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 "Policy for the governance and amendment of the Undertaking Specific Parameters to calculate the SCR of the Non-Life and Health Technical-Insurance risks", the "Underwriting Policy - Non-Life Business", the "Provisions Policy - Non-Life Business" and the "Reinsurance and Other Risk Mitigation Techniques Policy".

The Policy for the governance and amendment of the Undertaking Specific Parameters to calculate the SCR of the Non-Life and Health Technical-Insurance risks defines the guidelines on governance and amendment of the USP methodology by defining the roles and responsibilities of the corporate bodies and functions involved.

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 Provisions Policy defines the guidelines addressing provisioning activities and the related risk management, governing the provisioning 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 2022 the Non-Life technical-insurance risks were calculated using the Non-Life Partial Internal Model, consistent with the standards of Solvency II.

With regard to the assessment of Non-Life and Health underwriting and provisions risks, in the initial transition phase it was decided to adopt the use of parameters calculated by Undertaking Specific Parameter methods (USP) for the high-volume lines of business, in place of market parameters. These methods allow a more accurate representation of the Group's risk characteristics, which have specific features in terms of dimension, business type and reference market, that cannot be captured by average estimates performed on the European market.

Action continued in 2022 for the development of the Non-Life Internal Model project, which envisages the gradual development of models based on phased extension of the scope of application (insurance companies, risks, lines of business). Specifically, the new model uses a level of granularity based on uniform risk groups consistent with:

- the reinsurance strategies;
- the provisioning process;
- product pricing.

With reference to Earthquake risk, the Group adopts one of the main global models for the analytical evaluation of such risk. This tool consists of three modules:

- *Hazard*, which assesses the uncertainty associated with the possibility of an earthquake occurring in a given area (frequency) and the uncertainty relating to its magnitude (intensity). The following chance variables are modelled in this module:
  - Location (uncertainty associated with determining the possible point of origin of the event);
  - Frequency (period of recurrence of the events);
  - Intensity (the severity of the event in terms of energy released).
- *Vulnerability*, which assesses the seismic vulnerability of different types of insurable assets to a seismic event of a given intensity. The assessment is based on specific parameters such as the type of building (residential, commercial, etc.), the construction quality, the number of floors in the building and the type of assets present.
- *Financial*, which identifies the economic loss to the insurance company (in terms of deductibles, the sum insured, reinsurance cover, etc.).

In 2022, in addition to help in calculating risk capital, this tool also provided support to the Group in the Underwriting and Tariff-setting processes and in defining the reinsurance strategy.

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.

2022 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 company 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 Group's 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 using methodologies based on futures studies and on anticipation, with the aim of strengthening the resilience of Group strategy in an external context characterised by accelerating change, with 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.

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 at the level of impact on underwriting risks, in association with investment-related risks, with a view to focusing on risks emerging on environmental, social and governance aspects and in terms of potential impact at reputational risk level.

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.

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

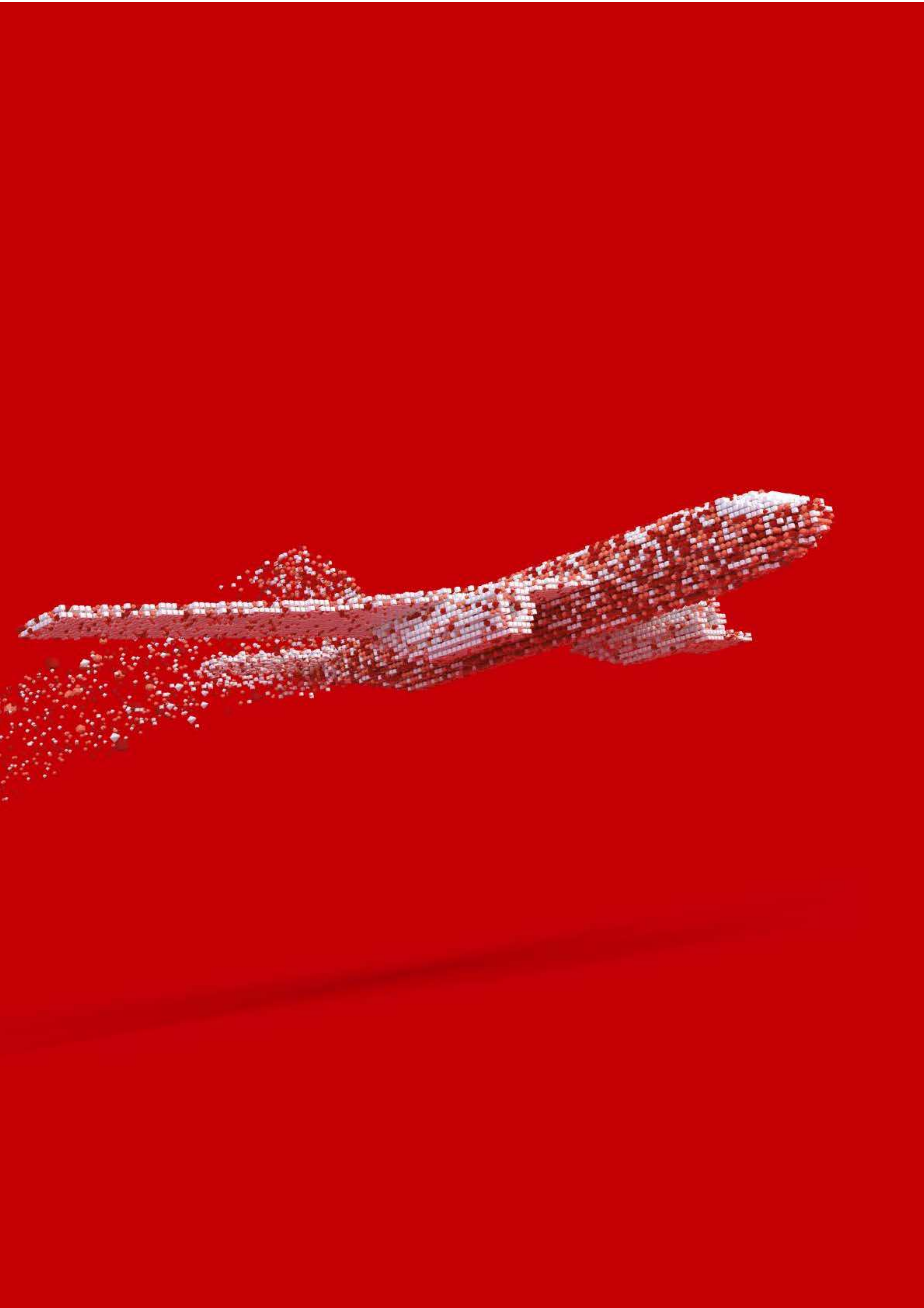
The Group's capital management strategies and objectives are outlined in the "Capital management and dividend distribution policy", which describes the reference context and the process for managing capital and distributing dividends also in terms of the roles and responsibilities of the players involved. 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, 23 March 2023

The Board of Directors



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TABLES APPENDED TO THE NOTES TO THE FINANCIAL STATEMENTS

Consolidation scope

Name	Country of registered office	Registered office	Country of operations (5)	Method (1)	Business activity (2)
UnipolSai Assicurazioni SpA	086 Italy	Bologna		G	1
UnipolSai Finance SpA	086 Italy	Bologna		G	9
UniSalute SpA	086 Italy	Bologna		G	1
Compagnia Assicuratrice Linear SpA	086 Italy	Bologna		G	1
Unisalute Servizi Srl	086 Italy	Bologna		G	11
Centri Medici Dyadea Srl	086 Italy	Bologna		G	11
Midi Srl	086 Italy	Bologna		G	10
Arca Vita SpA	086 Italy	Verona		G	1
Arca Assicurazioni SpA	086 Italy	Verona		G	1
Arca Vita International Dac	040 Ireland	Dublin		G	2
Arca Direct Assicurazioni Srl	086 Italy	Verona		G	11
Arca Inlinea Scarl	086 Italy	Verona		G	11
Arca Sistemi Scarl	086 Italy	Verona		G	11
BIM Vita SpA	086 Italy	Turin		G	1
Incontra Assicurazioni SpA	086 Italy	Milan		G	1
Siat-Societa' Italiana Assicurazioni e Riassicurazioni - per Azioni	086 Italy	Genoa		G	1
Ddor Novi Sad	289 Serbia	Novi Sad (Serbia)		G	3
Ddor Re	289 Serbia	Novi Sad (Serbia)		G	6
UnipolRe Dac	040 Ireland	Dublin (Ireland)		G	5
UnipolSai Nederland Bv in Liquidatie	050 Netherland	Amsterdam (NL)		G	11
Finsai International Sa	092 Luxembourg	Luxembourg		G	11
UnipolGlass Srl	086 Italy	Turin		G	11
UnipolService SpA	086 Italy	Turin		G	11
Casa di Cura Villa Donatello - SpA	086 Italy	Florence		G	11
Centro Oncologico Fiorentino Casa di Cura Villanova Srl in Liquidazione	086 Italy	Sesto Fiorentino (FI)		G	11
Florence Centro di Chirurgia Ambulatoriale Srl	086 Italy	Florence		G	11
Tenute del Cerro SpA - Societa' Agricola	086 Italy	Montepulciano (SI)		G	11
UnipolSai Servizi Previdenziali Srl	086 Italy	Florence		G	11
Sogeint Societa' a Responsabilita' Limitata	086 Italy	San Donato Milanese		G	11
UnipolAssistance Scrl	086 Italy	Turin		G	11

% Direct holding	% Indirect holding	% Total participating interest (3)	% Votes available at ordinary General Meetings (4)	% Consolidation
				100.00%
100.00%		100.00%		100.00%
98.99%		98.99%		100.00%
100.00%		100.00%		100.00%
	100.00% UniSalute SpA	98.99%		100.00%
100.00%		100.00%		100.00%
100.00%		100.00%		100.00%
63.39%		63.39%		100.00%
	98.12% Arca Vita SpA	62.20%		100.00%
	100.00% Arca Vita SpA	63.39%		100.00%
	100.00% Arca Vita SpA	63.39%		100.00%
	60.22% Arca Vita SpA	62.92%		100.00%
	39.78% Arca Assicurazioni SpA			
	77.03% Arca Vita SpA	63.19%		100.00%
	16.97% Arca Assicurazioni SpA			
	5.00% Arca Vita International Dac			
	1.00% Arca Inlinea Scarl			
50.00%		50.00%		100.00%
51.00%		51.00%		100.00%
94.69%		94.69%		100.00%
100.00%		100.00%		100.00%
	0.00% Ddor Novi Sad	100.00%		100.00%
	100.00% UnipolRe Dac			
	100.00% UnipolSai Nederland Bv in Liquidatie	100.00%		100.00%
100.00%		100.00%		100.00%
63.85%		100.00%		100.00%
	36.15% UnipolSai Finance SpA			
	70.00% UnipolService SpA	70.00%		100.00%
100.00%		100.00%		100.00%
100.00%		100.00%		100.00%
100.00%		100.00%		100.00%
	100.00% Casa di Cura Villa Donatello - SpA	100.00%		100.00%
100.00%		100.00%		100.00%
100.00%		100.00%		100.00%
100.00%		100.00%		100.00%
95.90%		99.89%		100.00%
	0.25% UniSalute SpA			
	3.00% Compagnia Assicuratrice Linear SpA			
	0.10% Unisalute Servizi Srl			
	0.10% Arca Assicurazioni SpA			

4 Tables appended to the Notes to the Financial Statements

Consolidation scope

Name	Country of registered office		Registered office	Country of operations (5)	Method (1)	Business activity (2)
Gruppo UNA SpA	086	Italy	Milan		G	11
Consorzio Castello	086	Italy	Florence		G	10
Ital H&R Srl	086	Italy	Bologna		G	11
Marina di Loano SpA	086	Italy	Loano (SV)		G	10
Meridiano Secondo Srl	086	Italy	Turin		G	10
Nuove Iniziative Toscane - Societa' a Responsabilita' Limitata	086	Italy	Florence		G	10
Tikal R.E. Fund	086	Italy	#		G	10
Athens R.E. Fund	086	Italy	#		G	10
UnipolTech SpA	086	Italy	Bologna		G	11
Leithà Srl	086	Italy	Bologna		G	11
UniAssiTeam Srl	086	Italy	Bologna		G	11
Fondo Emporion	086	Italy	#		G	10
Fondo Landev	086	Italy	#		G	10
UnipolRental SpA	086	Italy	Reggio Emilia		G	11
Immobiliare C.S. Srl	086	Italy	Reggio Emilia		G	10
Fondo Oikos	086	Italy	#		G	10
Cambiomarcia Srl	086	Italy	Bologna		G	11
UnipolPay SpA	086	Italy	Bologna		G	11
BeRebel SpA	086	Italy	Bologna		G	11
Nuove Terme Petriolo Srl	086	Italy	Rome		G	11
I.Car Srl	086	Italy	Zola Pedrosa (BO)		G	11
Muriana Manuela Srl	086	Italy	Bologna		G	11
UnipolHome SpA	086	Italy	Bologna		G	11
WelBee SpA	086	Italy	Bologna		G	11
Tantosvago Srl	086	Italy	Milan		G	11
Anton Maria Valsalva Srl	086	Italy	Imola (BO)		G	11
Unicasa Italia SpA	086	Italy	Milan		G	11
Gratia et Salus Srl	086	Italy	Bologna		G	11
DaVinci Healthcare Srl	086	Italy	Milan		G	11

(1) Consolidation method: G=on a line-by-line basis; P=proportional=P; U=on a line-by-line basis as per unitary management.
(2) 1=Italyn insurers; 2=EU insurers; 3=non-EU insurers; 4=insurance holdings; 4.1=mixed financial holding companies; 5=EU reinsurers; 6=non-EU reinsurers; 7=banks; 8=asset management companies; 9=other holdings; 10=real estate companies; 11=other.
(3) The product of investment relations concerning all companies which, positioned in an investment chain, may be between the company responsible for the consolidated financial statements and the company in question. If the latter is a direct investee of multiple subsidiaries, add together the individual products first.
(4) Total % availability of votes at ordinary general meetings if different from the direct or indirect investment.
(5) This disclosure is required only if the country of operations is different from the country of the registered office.

% Direct holding	% Indirect holding	% Total participating interest (3)	% Votes available at ordinary General Meetings (4)	% Consolidation
	0.15% Incontra Assicurazioni SpA			
	0.50% UnipolRental SpA			
100.00%		100.00%		100.00%
	99.57% Nuove Iniziative Toscane - Societa' a Responsabilita' Limitata	99.57%		100.00%
100.00%		100.00%		100.00%
100.00%		100.00%		100.00%
100.00%		100.00%		100.00%
100.00%		100.00%		100.00%
100.00%		100.00%		100.00%
89.59%		89.59%		100.00%
100.00%		100.00%		100.00%
100.00%		100.00%		100.00%
	65.00% UnipolSai Finance SpA	65.00%		100.00%
100.00%		100.00%		100.00%
100.00%		100.00%		100.00%
100.00%		100.00%		100.00%
100.00%		100.00%		100.00%
100.00%		100.00%		100.00%
100.00%		100.00%		100.00%
100.00%		100.00%		100.00%
100.00%		100.00%		100.00%
	100.00% Athens R.E. Fund	89.59%		100.00%
100.00%		100.00%		100.00%
100.00%		100.00%		100.00%
100.00%		100.00%		100.00%
100.00%		100.00%		100.00%
75.00%		75.00%		100.00%
	100.00% Centri Medici Dyadea Srl	100.00%		100.00%
	70.00% UnipolHome SpA	70.00%		100.00%
	100.00% Centri Medici Dyadea Srl	100.00%		100.00%
66.00%		66.00%		100.00%

4 Tables appended to the Notes to the Financial Statements

Consolidation scope: interests in entities with material non-controlling interests

Amounts in €m

Name	% non-controlling interests	% Votes available at Ordinary General Meetings to non-controlling interests	Consolidated profit (loss) attributable to non-controlling interests	Shareholders' Equity attributable to non-controlling interests
Arca Vita SpA	36.61%		95.1	139.3

Details of unconsolidated investments

Name	Country of registered office		Registered office	Country of operations (5)	Business activity (1)
Assicoop Toscana SpA	086	Italy	Siena		11
Pegaso Finanziaria SpA	086	Italy	Bologna		9
Fondazione Unipolis	086	Italy	Bologna		11
Uci - Ufficio Centrale Italiano	086	Italy	Milan		11
SCS Azioninnova SpA	086	Italy	Bologna		11
Garibaldi Sca	092	Luxembourg	Luxembourg		11
Isola Sca	092	Luxembourg	Luxembourg		11
Fin.Priv. Srl	086	Italy	Milan		11
UnipolSai Investimenti Sgr SpA	086	Italy	Turin		8
Ddor Auto - Limited Liability Company	289	Serbia	Novi Sad (Serbia)		3
Funivie del Piccolo San Bernardo SpA	086	Italy	La Thuile (AO)		11
Ddor Garant	289	Serbia	Belgrad (Serbia)		11
Borsetto Srl	086	Italy	Turin		10
Golf Club Poggio dei Medici Spa Societa' Dilettantistica Sportiva	086	Italy	San Piero (FI)		11
UnipolReC SpA	086	Italy	Bologna		11
Consorzio tra Proprietari Centro Commerciale Porta Marcolfa	086	Italy	S. Giovanni in Persiceto (BO)		11
Assicoop Bologna Metropolitana SpA	086	Italy	Bologna		11
Hotel Villaggio Citta' del Mare SpA in Liquidazione	086	Italy	Modena		11
Assicoop Modena & Ferrara SpA	086	Italy	Modena		11
Assicoop Romagna Futura SpA	086	Italy	Ravenna		11
Assicoop Emilia Nord Srl	086	Italy	Parma		11
Promorest Srl	086	Italy	Castenaso (BO)		11

(1) 1=Italyn insurers; 2=EU insurers; 3=non-EU insurers; 4=insurance holdings; 4.1=mixed financial holding companies; 5=EU reinsurers; 6=non-EU reinsurers; 7=banks; 8=asset management companies; 9=other holdings; 10=real estate companies; 11=other
(2) a=subsidiaries (IFRS10); b= associates (IAS28); c=joint ventures (IFRS11)
(3) the product of investment relations concerning all companies which, positioned in an investment chain, may be between the company responsible for the consolidated financial statements and the company in question. If the latter is a direct investee of multiple subsidiaries, add together the individual products first
(4) total % availability of votes at ordinary general meetings if different from the direct or indirect investment
(5) this disclosure is required only if the country of operations is different from the country of the registered office

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Summary income and financial position data							
Total assets	Investments	Technical provisions	Financial liabilities	Shareholders' equity	Profit (loss) for the year	Dividends distributed to non-controlling interests	Gross premiums written
12,482.0	12,132.4	9,758.6	2,240.6	380.4	259.8	18.4	1,229.8

Type (2)	% Direct holding	% Indirect holding		% Total participating interest (3)	% Votes available at ordinary General Meetings (4)	Carrying amount (€m)
b		49.77%	UnipolSai Finance SpA	49.77%		2.9
b		45.00%	UnipolSai Finance SpA	45.00%		5.5
a	100.00%			100.00%		0.3
b	38.03%			38.12%		0.2
		0.00%	Compagnia Assicuratrice Linear SpA			
		0.01%	Arca Assicurazioni SpA			
		0.002%	Incontra Assicurazioni SpA			
		0.092%	Siat-Societa' Italiana Assicurazioni e Riassicurazioni - per Azioni			
b		42.85%	UnipolSai Finance SpA	42.85%		3.1
b	32.00%			32.00%		
b	29.56%			29.56%		
b	28.57%			28.57%		36.9
b	49.00%			49.00%		13.3
a		100.00%	Ddor Novi Sad	100.00%		0.0
b	23.55%			23.55%		2.7
b		32.46%	Ddor Novi Sad	40.00%		0.6
		7.54%	Ddor Re			
b	44.93%			44.93%		0.4
b		40.32%	Athens R.E. Fund	36.13%		0.9
b	14.76%			14.76%		57.4
b		68.46%	Fondo Emporion	68.46%		0.0
b		49.19%	UnipolSai Finance SpA	49.19%		9.6
b	49.00%			49.00%		
b		43.75%	UnipolSai Finance SpA	43.75%		8.7
b		50.00%	UnipolSai Finance SpA	50.00%		7.6
b		50.00%	UnipolSai Finance SpA	50.00%		7.0
b		49.92%	UnipolSai Finance SpA	49.92%		5.0

Statement of financial position by business segment

		Non-Life business		Life business	
	Amounts in €m	31/12/2022	31/12/2021	31/12/2022	31/12/2021
1	INTANGIBLE ASSETS	858.1	681.4	261.6	264.3
2	PROPERTY, PLANT AND EQUIPMENT	1,916.6	1,565.6	73.7	73.8
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	738.5	808.1	23.1	23.2
4	INVESTMENTS	13,447.2	15,417.2	42,685.8	49,673.2
4.1	Investment property	472.3	480.7	4.0	4.1
4.2	Investments in subsidiaries, associates and interests in joint ventures	87.3	97.4	24.6	29.9
4.3	Held-to-maturity investments	46.3	47.5	319.4	319.2
4.4	Loans and receivables	2,240.4	2,449.6	2,563.7	2,735.8
4.5	Available-for-sale financial assets	10,313.0	12,181.0	30,940.7	38,170.8
4.6	Financial assets at fair value through profit or loss	288.0	161.0	8,833.4	8,413.3
5	SUNDRY RECEIVABLES	2,559.0	2,545.5	834.2	835.8
6	OTHER ASSETS	1,812.5	818.7	1,075.8	95.0
6.1	Deferred acquisition costs	36.6	37.1	65.5	63.1
6.2	Other assets	1,775.9	781.6	1,010.2	32.0
7	CASH AND CASH EQUIVALENTS	401.9	240.3	304.7	567.9
	TOTAL ASSETS	21,733.8	22,076.8	45,258.9	51,533.3
1	SHAREHOLDERS' EQUITY				
2	PROVISIONS	544.6	396.4	27.8	6.9
3	TECHNICAL PROVISIONS	14,537.5	14,714.9	37,228.7	42,413.4
4	FINANCIAL LIABILITIES	1,590.5	1,428.9	7,461.6	6,943.2
4.1	Financial liabilities at fair value through profit or loss	16.9	80.3	6,822.2	6,276.1
4.2	Other financial liabilities	1,573.6	1,348.6	639.5	667.1
5	PAYABLES	1,169.4	922.1	187.9	171.6
6	OTHER LIABILITIES	1,235.7	827.1	136.7	341.2
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY				

Other businesses		Real Estate		Inter-segment eliminations		Total	
31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
23.4	17.2	0.0	0.0			1,143.1	962.9
242.2	217.3	551.5	574.3			2,784.0	2,431.0
						761.6	831.3
314.9	309.3	1,926.1	1,753.5	(188.3)	(199.7)	58,185.7	66,953.5
0.7	23.1	1,882.1	1,647.9			2,359.1	2,155.8
49.5	48.2	0.9	0.9			162.3	176.5
						365.7	366.7
236.2	208.5	42.2	50.9	(188.3)	(199.7)	4,894.1	5,245.1
28.5	29.4	0.8	53.8			41,283.0	50,435.0
0.0	0.1					9,121.4	8,574.3
81.0	60.6	36.6	31.4	(39.2)	(48.5)	3,471.6	3,424.9
16.5	11.0	143.7	177.4	(9.2)	(131.4)	3,039.2	970.8
						102.1	100.1
16.5	11.0	143.7	177.4	(9.2)	(131.4)	2,937.1	870.7
42.7	54.3	76.5	22.3			825.8	884.8
720.6	669.7	2,734.5	2,559.0	(236.7)	(379.6)	70,211.0	76,459.3
						5,812.6	8,233.8
14.9	13.6	8.6	5.1			595.9	422.0
						51,766.2	57,128.3
56.4	37.0	221.6	201.7	(188.1)	(199.5)	9,142.0	8,411.2
						6,839.1	6,356.4
56.4	37.0	221.6	201.7	(188.1)	(199.5)	2,302.9	2,054.8
100.5	73.2	74.8	68.5	(35.1)	(43.8)	1,497.6	1,191.5
27.2	26.6	10.6	13.7	(13.5)	(136.2)	1,396.7	1,072.4
						70,211.0	76,459.3

4 Tables appended to the Notes to the Financial Statements

Income statement by business segment

	Amounts in €m	Non-life business 31/12/2022	Non-life business 31/12/2021	Life business 31/12/2022	Life business 31/12/2021
1.1	Net premiums	7,874.7	7,780.4	3,490.8	4,098.2
1.1.1	*Gross premiums earned*	*8,396.9*	*8,235.0*	*3,510.0*	*4,114.1*
1.1.2	*Earned premiums ceded to reinsurers*	*(522.2)*	*(454.6)*	*(19.2)*	*(16.0)*
1.2	Commission income	3.8	4.4	45.2	41.1
1.3	Gains and losses on financial instruments at fair value through profit or loss	314.6	165.1	(627.5)	23.6
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures	4.2	2.8	13.5	4.4
1.5	Gains on other financial instruments and investment property	693.6	625.5	1,565.2	1,180.0
1.6	Other revenue	866.9	739.8	55.4	62.9
	TOTAL REVENUE AND INCOME	9,757.8	9,318.0	4,542.6	5,410.2
2.1	Net charges relating to claims	(5,030.8)	(5,095.1)	(3,569.3)	(4,714.0)
2.1.1	*Amounts paid and changes in technical provisions*	*(5,204.2)*	*(5,269.6)*	*(3,578.6)*	*(4,722.5)*
2.1.2	*Reinsurers' share*	*173.4*	*174.5*	*9.3*	*8.5*
2.2	Commission expenses	(54.6)	(5.8)	(33.9)	(30.5)
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures	(6.3)	(1.1)	(1.6)	(0.3)
2.4	Losses on other financial instruments and investment property	(554.1)	(334.0)	(222.5)	(63.9)
2.5	Operating expenses	(2,306.0)	(2,222.0)	(266.5)	(254.4)
2.6	Other costs	(1,095.1)	(907.6)	(174.4)	(129.5)
2	TOTAL COSTS AND EXPENSES	(9,047.0)	(8,565.7)	(4,268.1)	(5,192.7)
	PRE-TAX PROFIT (LOSS) FOR THE YEAR	710.8	752.3	274.5	217.5

Other businesses		Real Estate		Intersegment eliminations		Total	
31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
						11,365.6	11,878.5
						11,906.9	*12,349.1*
						(541.3)	*(470.6)*
0.0				(0.0)	(0.1)	49.0	45.3
0.0	0.1					(312.9)	188.8
5.0	5.8					22.7	13.0
4.5	3.8	79.8	68.3	(18.2)	(17.4)	2,325.0	1,860.2
262.1	154.8	41.1	36.9	(71.1)	(59.4)	1,154.4	935.1
271.6	**164.5**	**121.0**	**105.2**	**(89.2)**	**(76.9)**	**14,603.8**	**14,921.0**
						(8,600.1)	(9,809.2)
						(8,782.8)	*(9,992.1)*
						182.7	*183.0*
(0.0)	(0.0)	(0.0)	(0.0)			(88.6)	(36.4)
(0.1)	(0.1)					(8.0)	(1.6)
(11.1)	(1.1)	(86.5)	(96.8)	3.3	3.3	(870.9)	(492.5)
(171.7)	(111.0)	(38.2)	(34.9)	13.6	11.4	(2,768.8)	(2,611.0)
(106.9)	(63.5)	(43.3)	(37.1)	72.4	62.2	(1,347.4)	(1,075.5)
(289.8)	**(175.8)**	**(168.1)**	**(168.8)**	**89.2**	**76.9**	**(13,683.8)**	**(14,026.1)**
(18.3)	**(11.3)**	**(47.1)**	**(63.6)**			**920.0**	**894.9**

4 Tables appended to the Notes to the Financial Statements

Details of property, plant and equipment and intangible assets

Amounts in €m	At cost	At restated value or at fair value	Total carrying amount
Investment property	2,359.1		2,359.1
Other property	1,492.9		1,492.9
Other tangible assets	1,291.2		1,291.2
Other intangible assets	541.1		541.1

Details of financial assets

	Investments held to maturity		Loans and receivables		Available-for-sale financial assets	
Amounts in €m	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Equity instruments and derivatives at cost					4.5	4.4
Equity instruments at fair value					2,182.0	1,686.4
listed securities					*1,887.1*	*1,484.9*
Debt securities	365.7	366.7	3,947.6	4,018.9	35,022.4	44,777.2
listed securities	*365.7*	*366.7*			*34,650.7*	*44,315.2*
UCITS units					4,074.0	3,967.0
Loans and receivables from bank customers						
Interbank loans and receivables						
Deposits with ceding companies			113.9	105.8		
Financial receivables on insurance contracts						
Other loans and receivables			832.6	1,120.4		
Non-hedging derivatives						
Hedging derivatives						
Other financial investments						
Total	365.7	366.7	4,894.1	5,245.1	41,283.0	50,435.0

Financial assets at fair value through profit or loss				Total carrying amount	
Held-for-trading financial assets		Financial assets at fair value through profit or loss			
31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
				4.5	4.4
2.9	0.9	131.7	155.0	2,316.7	1,842.2
2.9	*0.9*	*131.7*	*155.0*	2,021.7	*1,640.8*
50.3	80.7	4,060.6	3,206.4	43,446.7	52,450.0
50.3	*80.5*	*4,060.6*	*3,206.1*	39,127.3	*47,968.6*
2.0	1.9	4,316.2	4,266.5	8,392.2	8,235.5
				113.9	105.8
		277.0	716.6	277.0	716.6
				832.6	1,120.4
98.8	66.3			98.8	66.3
181.9	80.0			181.9	80.0
335.9	229.8	8,785.5	8,344.5	55,664.3	64,621.2

Details of assets and liabilities relating to insurance contracts where the investment risk is borne by policyholders and arising from pension fund management

	Benefits linked to investment funds and market indices		Benefits linked to pension fund management		Total	
Amounts in €m	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Recognised assets	4,093.5	3,992.6	4,692.0	4,351.9	8,785.5	8,344.5
Intragroup assets *						
Total assets	**4,093.5**	**3,992.6**	**4,692.0**	**4,351.9**	**8,785.5**	**8,344.5**
Recognised financial liabilities	3,782.9	3,681.9	2,886.3	2,217.2	6,669.1	5,899.2
Recognised technical provisions	310.9	310.7	1,806.0	2,135.1	2,116.9	2,445.8
Intragroup liabilities *						
Total liabilities	**4,093.8**	**3,992.6**	**4,692.2**	**4,352.3**	**8,786.1**	**8,344.9**

* Assets and liabilities eliminated on consolidation.

Details of technical provisions – reinsurers' share

Amounts in €m	Direct business		Non Direct business		Total carrying amount	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Non-Life provisions	705.6	760.5	32.9	47.6	738.5	808.1
Premium provisions	132.8	220.8	1.3	3.3	134.1	224.1
Claims provision	572.8	539.7	31.6	44.4	604.4	584.0
Other provisions						
Life provisions	21.9	21.7	1.2	1.5	23.1	23.2
Provision for amounts payable	6.4	6.0	0.0	0.1	6.4	6.0
Mathematical provisions	15.5	15.7	1.2	1.4	16.7	17.1
Technical provisions where the investment risk is borne by policyholders and provisions arising from pension fund management						
Other provisions						
Total technical provisions - reinsurers' share	727.5	782.2	34.1	49.1	761.6	831.3

Details of technical provisions

Amounts in €m	Direct business		Non Direct business		Total carrying amount	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Non-Life provisions	13,674.9	13,886.7	862.6	828.2	14,537.5	14,714.9
Premium provision	3,060.8	3,282.8	88.9	92.6	3,149.7	3,375.5
Claims provision	10,585.1	10,577.1	773.7	735.5	11,358.8	11,312.6
Other provisions	29.0	26.8	0.0	0.0	29.1	26.9
including provisions allocated as a result of the liabilityadequacy test						
Life provisions	37,225.4	42,409.9	3.2	3.5	37,228.7	42,413.4
Provision for amounts payable	323.0	335.5	1.5	1.6	324.4	337.1
Mathematical provisions	36,825.9	35,785.5	1.8	1.9	36,827.7	35,787.4
Technical provisions where the investment risk is borne by policyholders and provisions arising from pension fund management	2,116.9	2,445.8			2,116.9	2,445.8
Other provisions	(2,040.4)	3,843.1			(2,040.4)	3,843.1
including provisions allocated as a result of the liability adequacy test						
including deferred liabilities to policyholders	*(2,195.1)*	*3,694.8*			*(2,195.1)*	*3,694.8*
Total technical provisions	50,900.4	56,296.6	865.8	831.7	51,766.2	57,128.3

Details of financial liabilities

	Financial liabilities at fair value through profit or loss				Other financial liabilities		Total carrying amount	
	Held-for-trading financial liabilities		Financial liabilities at fair value through profit or loss					
Amounts in €m	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Equity instruments								
Subordinated liabilities					1,367.2	1,446.1	1,367.2	1,446.1
Liabilities from financial contracts issued by insurance companies			6,684.6	5,911.0			6,684.6	5,911.0
Arising from contracts where the investment risk is borne by policyholders			*3,794.9*	*3,693.8*			*3,794.9*	*3,693.8*
Arising from pension fund management			*2,889.7*	*2,217.2*			*2,889.7*	*2,217.2*
Arising from other contracts								
Deposits received from reinsurers					131.9	130.5	131.9	130.5
Financial items payable on insurance contracts								
Debt securities issued								
Payables to bank customers					0.7		0.7	
Interbank payables								
Other loans obtained					802.0	478.1	802.0	478.1
Non-hedging derivatives	2.7	38.5					2.7	38.5
Hedging derivatives	151.8	406.9					151.8	406.9
Sundry financial liabilities					1.2	0.1	1.2	0.1
Total	154.5	445.4	6,684.6	5,911.0	2,302.9	2,054.8	9,142.0	8,411.2

Details of technical insurance items

	31/12/2022			31/12/2021		
Amounts in €m	Gross amount	Reinsurers' share	Net amount	Gross amount	Reinsurers' share	Net amount
Non-Life business						
NET PREMIUMS	8,396.9	(522.2)	7,874.7	8,235.0	(454.6)	7,780.4
a Written premiums	8,502.3	(524.2)	7,978.2	8,214.3	(463.2)	7,751.1
b Change in premium provision	(105.4)	2.0	(103.4)	20.6	8.6	29.3
NET CHARGES RELATING TO CLAIMS	(5,204.2)	173.4	(5,030.8)	(5,269.6)	174.5	(5,095.1)
a Amounts paid	(5,294.7)	174.0	(5,120.7)	(5,086.3)	188.4	(4,897.9)
b Change in claims provision	(89.6)	28.2	(61.4)	(318.4)	(5.1)	(323.5)
c Change in recoveries	181.8	(28.7)	153.1	135.2	(8.9)	126.4
d Change in other technical provisions	(1.8)		(1.8)	(0.1)		(0.1)
Life business						
NET PREMIUMS	3,510.0	(19.2)	3,490.8	4,114.1	(16.0)	4,098.2
NET CHARGES RELATING TO CLAIMS	(3,578.6)	9.3	(3,569.3)	(4,722.5)	8.5	(4,714.0)
a Amounts paid	(2,993.5)	9.0	(2,984.5)	(3,177.5)	11.8	(3,165.7)
b Change in provision for amounts payable	13.2	0.4	13.6	244.4	(1.9)	242.5
c Change in mathematical provisions	(1,015.0)	(0.1)	(1,015.1)	(1,748.6)	(1.4)	(1,749.9)
d Change in technical provisions where the investment risk is borne by policyholders and arising from pension fund management	373.9		373.9	(28.6)		(28.6)
e Change in other technical provisions	42.9	(0.0)	42.8	(12.4)	0.0	(12.4)

Investment income and charges

Amounts in €m	Interest	Other income	Other charges	Realised gains	Realised losses
Balance on investments	**1,566.4**	**512.4**	**(226.2)**	**640.9**	**(795.8)**
a Arising from investment property		84.2	(25.2)	2.4	(6.4)
b Arising from investments in subsidiaries, associates and interests in joint ventures		22.7	(8.0)		
c Arising from held to maturity investments	15.9		(0.0)		
d Arising from loans and receivables	176.2		(0.0)	35.4	(34.5)
e Arising from available-for-sale financial assets	1,292.3	261.1	(4.4)	428.9	(371.6)
f Arising from held-for-trading financial assets	2.9	49.9	(113.5)	162.0	(214.1)
g Arising from financial assets at fair value through profit or loss	79.1	94.5	(75.2)	12.2	(169.1)
Balance on sundry receivables	**23.1**				
Balance on cash and cash equivalents	**4.7**		**(0.0)**		
Balance on financial liabilities	**(78.8)**	**373.9**	**(1.9)**	**0.0**	
a Arising from held-for-trading financial liabilities				0.0	
b Arising from financial liabilities at fair value through profit or loss		373.9	(0.0)		
c Arising from financial liabilities	(78.8)		(1.8)		
Balance on payables	**(1.1)**		**(0.1)**		
Total	**1,514.3**	**886.3**	**(228.2)**	**641.0**	**(795.8)**

Total realised gains and losses	Unrealised gains		Unrealised losses		Total unrealised gains and losses	Total gains and losses 31/12/2022	Total gains and losses 31/12/2021
	Unrealised capital gains	Write-backs	Unrealised capital losses	Impairment			
1,697.7	232.4		(1,234.6)	(34.3)	(1,036.5)	661.2	1,943.3
54.9			(53.8)	(22.7)	(76.5)	(21.5)	24.8
14.7						14.7	11.4
15.9						15.9	17.3
177.0						177.0	132.4
1,606.4	0.1		(256.1)	(11.7)	(267.6)	1,338.7	1,276.2
(112.7)	205.4		(31.0)		174.5	61.8	116.5
(58.6)	26.9		(893.7)		(866.8)	(925.4)	364.7
23.1						23.1	4.0
4.7						4.7	0.8
293.3	177.4		(2.5)		174.9	468.2	(378.7)
0.0						0.0	0.1
373.8	176.8				176.8	550.7	(292.5)
(80.6)	0.6		(2.5)		(1.9)	(82.6)	(86.2)
(1.2)						(1.2)	(1.5)
2,017.5	409.8		(1,237.1)	(34.3)	(861.6)	1,155.9	1,567.9

Details of insurance business expenses

	Non-Life business		Life business	
Amounts in €m	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Gross commissions and other acquisition costs	(1,948.5)	(1,885.5)	(122.4)	(118.2)
a Acquisition commissions	(1,445.8)	(1,364.5)	(76.1)	(72.1)
b Other acquisition costs	(341.9)	(362.7)	(42.7)	(42.7)
c Change in deferred acquisition costs	1.0	(1.2)	2.5	2.7
d Collection commissions	(161.9)	(157.1)	(6.0)	(6.2)
Commissions and profit-sharing received from reinsurers	179.9	144.8	4.2	2.3
Investment management expenses	(49.4)	(51.7)	(46.6)	(47.7)
Other administrative expenses	(488.0)	(429.6)	(101.7)	(90.8)
Total	(2,306.0)	(2,222.0)	(266.5)	(254.4)

Details of other consolidated comprehensive income

	Amounts allocated		Adjustments from reclassification to the Income Statement adjustments	
Amounts in €m	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Other income items not reclassified to profit or loss	**11.0**	**(0.8)**		
Reserve deriving from changes in the shareholders' equity of the investees	0.0	(0.0)		
Revaluation reserve for intangible assets	0.1			
Revaluation reserve for property, plant and equipment				
Gains or losses on non-current assets or disposal groups held for sale				
Actuarial gains and losses and adjustments relating to defined benefit plans	10.9	0.4		
Other items		(1.3)		
Other income items reclassified to profit or loss	**(1,934.0)**	**(195.9)**	**(522.8)**	**151.7**
Reserve for foreign currency translation differences	0.2	(0.1)		
Gains or losses on available-for-sale financial assets	(1,945.5)	(163.8)	(522.8)	151.7
Gains or losses on cash flow hedges	16.7	(42.1)		
Gains or losses on hedges of a net investment in foreign operations				
Reserve deriving from changes in the shareholders' equity of investees	(5.4)	10.1		
Gains or losses on non-current assets or disposal groups held for sale				
Other items				
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE)	(1,922.9)	(196.7)	(522.8)	151.7

Other changes		Total changes		Income tax		Balance	
31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
		11.0	(0.8)	(4.6)	(0.5)	(19.2)	(30.2)
		0.0	(0.0)	(0.0)	0.0	0.7	0.7
		0.1				0.1	
		10.9	0.4	(4.6)	(0.5)	(19.9)	(30.9)
			(1.3)				
		(2,456.7)	(44.2)	1,058.9	17.9	(1,152.5)	1,304.2
		0.2	(0.1)			4.1	3.9
		(2,468.2)	(12.1)	1,066.3	(0.5)	(1,164.1)	1,304.1
		16.7	(42.1)	(7.5)	18.8	(9.4)	(26.1)
		(5.4)	10.1		(0.4)	16.9	22.3
		(2,445.7)	(45.0)	1,054.3	16.9	(1,171.7)	1,274.0

Assets and liabilities at fair value on a recurring and non-recurring basis: breakdown by fair value level

Amounts in €m		Level 1		Level 2		Level 3		Total	
		31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Assets and liabilities at fair value on a recurring basis									
Available-for-sale financial assets		37,444.9	47,316.8	377.8	403.6	3,460.3	2,714.7	41,283.0	50,435.0
Financial assets at fair value through profit or loss	Held for trading financial assets	61.6	95.8	215.4	130.2	58.9	3.8	335.9	229.8
	Financial assets at fair value through profit or loss	8,692.5	8,292.7			93.0	51.8	8,785.5	8,344.5
Investment property									
Property, plant and equipment									
Intangible assets									
Total assets at fair value on a recurring basis		*46,199.0*	*55,705.3*	*593.2*	*533.8*	*3,612.2*	*2,770.2*	*50,404.5*	*59,009.3*
Financial liabilities at fair value through profit or loss	Held for trading financial liabilities	7.1	13.0	142.3	401.6	5.1	30.9	154.5	445.4
	Financial liabilities at fair value through profit or loss					6,684.6	5,911.0	6,684.6	5,911.0
Total liabilities measured at fair value on a recurring basis		*7.1*	*13.0*	*142.3*	*401.6*	*6,689.7*	*5,941.9*	*6,839.1*	*6,356.4*
Assets and liabilities at fair value on a non-recurring basis									
Non-current assets or assets of disposal groups held for sale									
Liabilities associated with disposal groups									

Details of changes in level 3 assets and liabilities at fair value on a recurring basis

		Financial assets at fair value through profit or loss					Financial liabilities at fair value through profit or loss	
Amounts in €m	Available-for-sale financial assets	held for trading financial assets	at fair value through profit or loss	Investment property	Property, plant and equipment	Intangible assets	held for trading financial liabilities	at fair value through profit or loss
Opening balance	2,714.7	3.8	51.8				30.9	5,911.0
Acquisitions/Issues	766.8	0.0	55.7					
Sales/Repurchases	(1.9)	(0.0)	(12.9)					
Repayments	(182.8)	(0.2)	(0.2)				(3.9)	
Gains or losses recognised through profit or loss		0.3	2.1				1.7	
- of which unrealised gains/losses		0.3	2.1				1.7	
Gains or losses recognised in the statement of other comprehensive income	163.6							
Transfers to level 3								
Transfers to other levels								
Other changes	(0.0)	54.9	(3.5)				(23.6)	773.6
Closing balance	3,460.3	58.9	93.0				5.1	6,684.6

Assets and liabilities not measured at fair value: breakdown by fair value level

	Carrying amount		*Fair value*							
			Level 1		Level 2		Level 3		Total	
Amounts in €m	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Assets										
Held-to-maturity investments	365.7	366.7	344.2	343.8	21.6	22.9			365.7	366.7
Loans and receivables	4,894.1	5,245.1			2,897.3	3,336.8	1,463.9	1,908.4	4,361.2	5,245.1
Investments in subsidiaries, associates and interests in joint ventures	162.3	176.5					162.3	176.5	162.3	176.5
Investment property	2,359.1	2,155.8					2,748.6	2,475.5	2,748.6	2,475.5
Property, plant and equipment	2,784.0	2,431.0					3,004.2	2,580.1	3,004.2	2,580.1
Total assets	10,565.3	10,375.2	344.2	343.8	2,918.9	3,359.7	7,378.9	7,140.4	10,642.0	10,843.9
Liabilities										
Other financial liabilities	2,302.9	2,054.8	1,779.3	2,087.8			161.2	163.4	1,940.4	2,251.2

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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 2022 - 31 December 2022.
2. The assessment of the adequacy of the administrative and accounting procedures for preparing the consolidated financial statements at 31 December 2022 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 2022:
   - 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, 23 March 2023

The Manager in charge
of financial reporting
Luca Zaccherini

The Chief Executive Officer
Matteo Laterza

(signed on the original)

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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	1,391
Attestation services	EY SpA	UnipolSai SpA	431
Other professional services	EY SpA	UnipolSai SpA	250
Other professional services	EY Advisory SpA	UnipolSai SpA	125
Total UnipolSai			**2,197**
Legally-required audit	EY SpA	Subsidiaries	749
Legally-required audit	Ernst & Young Ireland Unlimited Company - Ireland	Subsidiaries	230
Legally-required audit	Ernst & Young DOO - Serbia	Subsidiaries	85
Legally-required audit	Ernst & Young Société Anonyme - Luxembourg	Subsidiaries	9
Legally-required audit	Ernst & Young Accountants LLP - Netherlands	Subsidiaries	25
Attestation services	EY SpA	Subsidiaries	98
Other professional services	EY SpA	Subsidiaries	34
Other professional services	Ernst & Young Ireland Unlimited Company - Ireland	Subsidiaries	33
Total subsidiaries			**1,264**
Grand total			**3,461**

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

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INDEPENDENT AUDITOR'S REPORT

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Building a better working world

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, 2022, 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 a summary of significant accounting policies.
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, 2022, 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.

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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 2022 include Eur 593 million and Eur 3.612 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, the Unipol 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 section "2. Main accounting standards" and in section "5.7 Fair value measurements - IFRS 13".	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.
Non-life claims provision estimation	
The technical provisions of the non-life segment are recorded at 31 December 2022 for an amount equal to Eur 14.538 million, of which Eur 11.359 million represented by claims provision that fall within the scope of the IFRS 4 - Insurance Contracts. In particular, the valuation of the non-life claims provision is a multi-phase estimation process which involves, firstly the analytical estimation of the presumed cost of all the claims outstanding at the end of the year, and secondly the use of statistical and actuarial methods to determine the ultimate cost of the claims provision. Claims provision also include provisions for late reported claims, estimated on the basis of the experience gained from the previous years.	The audit response included several procedures, the most relevant of which are outlined below. • an understanding of estimation process of claims provision designed and of 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 insurance portfolio used to calculate the claims provision, also taking into account the activities carried out by the actuarial function of the Unipol Group and the related results; • the examination of the appropriateness of the methodologies and the reasonableness of the assumptions used to estimate the non-life claims provision;

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The valuation of the non-life claims provision is a well-structured estimation process that requires the use of complex methodologies and calculation models, characterized by a high level of subjectivity when choosing the assumptions, such as the development of future claims. This is further highlighted in long-tail businesses such as the Land Vehicle TPL segment and General TPL segment, that represent more than 60% of total claims provision.
For these reasons, we considered this aspect a key audit matter.
The financial statement information relating to claims provision is disclosed in the notes to the financial statements in section "2. Main accounting standards" and in section "5.14 Notes on Non-Life business".

- comparative analysis through the calculation of appropriate indicators observed historically and their correlation with other significant financial statements indicators, as well as the consistency with other financial statements information, the expected values and the results recorded in previous financial years;
- the check that, for each relevant lines of business, the estimated amount of the non-life claims provision is reasonable, also through independently reperforming of the actuarial calculation, when applicable, and through development of sensitivity analysis.

We also involved actuarial specialists to assist us in performing our audit procedures.
Further, we assessed the adequacy of the disclosures provided in the notes to the financial statements.

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, 2022 with the provisions of the Delegated Regulation.
In our opinion, the consolidated financial statements as at December 31, 2022 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.
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, 2022, 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, 2022 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, 2022 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, 5th April 2023

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.

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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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