2022
Integrated Consolidated Financial Statements

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UnipolGruppo

Annual Integrated Report
and Consolidated Financial Statements

2022

The official document containing the 2022 Annual Integrated Report and Consolidated Financial Statements, prepared according to the technical requirements of Regulation (EU) 815/2019 (European Single Electronic Reporting Format - ESEF), is available, in accordance with the law, on the company's website (www.unipol.it).
This document in PDF format provides the text of the 2022 Annual Integrated Report and Consolidated Financial Statements 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

Company bodies

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

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Letter from the Chairman

Dear financial statement reader, Dear Unipol Gruppo SpA shareholders,

After the years characterised by the pandemic, in 2022 the Unipol Group was again called upon to conduct its activities in a difficult and complex context, because we would never have thought - after decades of consolidated peace - to find ourselves operating while a war is raging on European soil.

The economic and financial effects of Russia's invasion of Ukraine have been felt globally, along with the enormous humanitarian consequences and intensification of the geopolitical tensions that resulted. In a short time, therefore, we found ourselves facing a situation characterised by a slowing economy, with high energy costs and shortages of raw materials, intensification of inflationary pressure, highly volatile financial markets and sharply increasing interest rates.

In addition to the uncertain prospects on how the Russia-Ukraine conflict will evolve, there are other major changes that will characterise the reference scenario in the medium term. The most important is probably climate change, which the insurance industry already identified as an emerging risk several years ago, taking action since then to predict its advance and mitigate its impacts. Then there are demographic trends, linked above all to aging populations in the advanced economies, and changes in social habits and lifestyles which lead to changes in consumer preferences and aptitudes. All these changes push insurers to review their offer to meet new needs quickly and unconventionally.

In this climate of growing political and economic uncertainty, the Unipol Group faced 2022 with its hallmark solidity, pragmatism and determination, continuing to generate value for all its stakeholders.

2022 marked the start of a new important phase in our history. With the inauguration of the new Board of Directors, the Strategic Plan for the three-year period 2022-2024 "Opening New Ways" was launched, with which we set ourselves the goal of strengthening our insurance leadership and expanding our presence in the Mobility, Welfare and Property ecosystems and in Bancassurance, opening up new paths that will guide the Group's development in the coming years, in the wake of the lines already drawn by the previous "Mission Evolve" Plan.

The ability to outline strategies and implement plans to create value for all stakeholders, tangibly contributing to the sustainable development of people, businesses and local areas, has always been a key feature of the Unipol Group. The starting point is the belief that in order to protect people's lives, their assets and their activities, solutions can be adopted that are able to generate value for shareholders, customers and employees.

The first year of the Plan closed with results in line with expectations. The Group continued on its path with determination and commitment. It has strengthened its role as a central player in the process of integration between public and private welfare through a series of actions including the development of new service models from a Life Cycle perspective and the acquisition of medical centres, health centres and health service platforms to accelerate the expansion of coverage throughout the country with a rapid, efficient and accessible supplementary private healthcare model, combined with technological innovation to the benefit of the patient. In 2022, the Group's evolution as a full mobility partner for its customers also continued, with the enhanced offer of services designed to satisfy new mobility needs (such as long-term rental), but above all with the entry into the electronic toll collection market (with the launch of UnipolMove).

In this context, the integration of sustainability principles into the insurance risk underwriting policy continued. In particular, a first agreement was signed with Snam to define a TPL policy that for the first time recognises the significance of policies and actions linked to sustainability in the pricing of risk but, with a view to creating shared value, above all rewards the policyholder's commitment to risk prevention. The Unipol Group continued to pay close attention to the incorporation of climate-related risks also in decisions relating to investment policy in its capacity as a leading institutional investor in Italy, thereby supporting the achievement of objectives relating to the transition to a low-carbon economy. In this context, as a result of the Plan commitments, the Group's climate strategy and membership of the UN's Net-Zero Asset Owner Alliance were approved, with the dual objective of achieving climate neutrality by 2050 in the management of our real estate investments.

In reflecting on how the impact of future economic-financial, demographic and climate trends could develop, insurance companies must prepare for a wide range of scenarios. Aware of the growing importance of the insurance industry in making society more resilient to risk, increasing awareness of future trends and risks while providing mitigation through risk hedging solutions, our goal is to continue to protect the future of the people and businesses that rely on the Unipol Group. The highest levels of reputation achieved by the Group in the insurance sector demonstrate the solidity of the choices made along the way and the credibility of our commitment which, continuing to materialise over time, will contribute to improving the quality of life of our people, our customers and our country, generating value for all our shareholders.

Carlo Cimbri

Letter from the General Manager

Dear financial statement reader, Dear Unipol Gruppo SpA shareholders,

2022 was marked by the Russia-Ukraine conflict which, in addition to the disastrous toll in terms of casualties, injuries and refugees, caused strong political, economic and social tensions. The invasion of Ukraine brought a large-scale war and an extremely serious humanitarian crisis back to Europe's borders, but also amplified certain phenomena that were emerging in conjunction with the pandemic emergency, such as the price increases for many raw materials, protectionism and pressure to de-globalise production chains.

Despite the difficulties and uncertainties in the macroeconomic scenario, in 2022 Italy recorded GDP growth of 3.9% (higher than the Euro Area average of 3.5%), while in December inflation reached 11.6%, the highest level since 1985.

The new scenario of high inflation and rising interest rates brought about opportunities and risks for insurance companies. The increase in interest rates made Life products more attractive, reshaping their guarantees and extending coverage on a par with capital absorption levels, but at the same time made them more exposed to competition from traditional asset management products and government bonds. In the Non-Life business, particularly MV TPL, the sector was confronted with a sharp increase in the average cost of claims, in a context of recovery in traffic circulation and claims frequency.

Despite the complexities and uncertainties that characterised the reference scenario, the Unipol Group achieved the net profit targets set for the first year of the new 2022-2024 Business Plan "Opening New Ways", while maintaining high levels of capital strength that gained a Moody's rating for UnipolSai one notch higher than Italy's country rating. Non-Life premiums increased by 4.5% and the combined ratio net of reinsurance fell by more than one percentage point to stand at 93.8%. Life premiums remained stable, but we improved the risk-return profile of our investments, thanks to careful portfolio diversification and balanced asset-liability management that allowed us to manage maturities and surrenders without a need for disinvestments of securities recording capital losses. Our strategy of strengthening the bancassurance channel continued with renewal of the distribution agreements with BPER and Banca Popolare di Sondrio. At the same time, our agency network - the largest in Italy - is confirmed as one of the Group's distinctive assets that allows us to serve over 8 million customers.

On the strength of these results, we submit our proposal to the respective Shareholders' Meetings for approval of dividend distributions of €265m for Unipol Gruppo and €453m for UnipolSai, guaranteeing one of the highest dividend yields in the insurance sector.

In accordance with the guidelines indicated in the Business Plan, during the year the Unipol Group made a series of major investments to strengthen its presence in the Mobility, Property and Welfare ecosystems, through the acquisition of various operating companies, particularly in the corporate healthcare and welfare sector. In 2022, we launched UnipolMove, the electronic toll payment device that competes with the monopolised service that has always characterised the sector and that in 8 months was purchased by around 500,000 customers. At the end of 2022, we launched BeRebel, the Unipol Group's digital attacker which offers personalised monthly MV TPL policies with a mandatory electronic device and a price based on kilometres actually travelled.

The 2022 financial statements therefore show a solid group from a financial point of view, profitable and able to maintain its commitments to shareholders and stakeholders. The achievement of these results was possible not only thanks to numerous distinctive assets, which confirm our 1st place as a top-of-mind brand in the insurance sector, but above all to the experience, dedication and continuous pursuit of excellence by everyone who works for the Unipol Group, to whom we say a special thank you.

We are aware that, as industry leaders, shareholders, customers and all stakeholders have very high expectations of the Unipol Group. It is our commitment and responsibility not to betray this trust and to achieve the ambitious goals we have set for ourselves, continuing to create value, offer protection to our customers and contribute to Italy's development. We know we can overcome this challenge, which is both inescapable and exciting.

Matteo Laterza

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ANNUAL INTEGRATED REPORT

INFORMATION ON THE ANNUAL INTEGRATED REPORT NFS

Since 2016, Unipol Gruppo has published the Annual Integrated Report, prepared to accompany the Consolidated Financial Statements, which includes and connects financial and non-financial information in a global overview. Presenting the business model, capital development, strategies and financial, social, environmental and governance performance, the document illustrates the set of factors that determine the Group's ability to create value in the short, medium and long terms.

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

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

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

The scope of reporting of non-financial information, as requested by Italian Legislative Decree 254/2016, coincides with that of the Consolidated Financial Statements, including fully consolidated companies for the financial reporting at 31 December 2022. All scope exceptions are appropriately described in the relative sections of the document. Such exceptions are insignificant in terms of understanding the performance, results and impact of the Group's activities.

The data needed to compile this information were gathered and processed using a dedicated IT system which makes it possible to ensure full traceability of the data collection and consolidation process. The information relating to 2022 was provided with a comparison with that disclosed in the previous year.

To comply with document summary needs, maintaining the depth and breadth of information to the benefit of stakeholders, the document is supplemented by an Appendix ("Appendix - Unipol in numbers") which contains additional data and particularly illustrates the GRI indicators reported on by the Group.

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

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

Pursuant to Article 5 of the Consob Regulation dated 18 January 2018, the Unipol Group has appointed the independent auditors EY S.p.A., currently responsible for audit of the consolidated financial statements for the years 2021-2029, for the limited assurance engagement under ISAE3000 in reference to the NFS. Their report is attached to this document.
The following table illustrates the correlations between the reported content and the Sustainable Development Goals of the UN's 2030 Agenda, which the Group is determined to contribute to achieving.

Issue indicated in Italian Legislative Decree 254/2016	Italian Legislative Decree 254/2016	Page reference in the Annual Integrated Report	SDGs[1]
Material topics	Art. 3, par. 1	Page 14: "Information on the Annual Integrated Report" Page 41-43: "Double Materiality: approach and results"	
Organisation and management model	Art. 3, par. 1a	Pages 18-19: "Activities and sectors"; Pages 20-21: "Group highlights"; Pages 51-54: "Human Capital"; Pages 55-60: "Social and Relational Capital"; Pages 68-72: "Support in implementing the 2030 Agenda and contribution to combating the climate emergency"; Pages 84-99: "Internal Control and Risk Management System"	
Business policies, results, indicators	Art. 3, par. 1b	Pages 9-11: "Letter from the Chairman and Letter from the General Manager" Pages 34-36: "Future orientation in the use of capital" Pages 46-47: "Financial Capital" Pages 55-60: "Social and Relational Capital" Pages 64-78: "Sustainable Development: the impacts generated by the Unipol Group" Pages 79-81: "Corporate Governance" Pages 145-155: "Appendix"	1, 3, 8, 9, 12, 17
Main risks	Art. 3, par. 1c	Pages 34-36: "Future orientation in the use of capital" Pages 39-40: "The Unipol Group's climate strategy" Pages 84-99: "Internal Control and Risk Management System"	13
Energy resources, water resources, emissions	Art. 3, par. 2a Art. 3, par. 2b	Pages 61-63: "Natural Capital" Page 99: "Sanctions" Pages 145-155: "Appendix"	6, 7, 12, 13
Impact on the environment, health and safety	Art. 3, par. 2c	Pages 46-47: "Financial Capital" Pages 55-60: "Social and Relational Capital"	11, 12
Human Resource management and gender balance	Art. 3, par. 2d	Pages 51-54: "Human Capital" Pages 79-81: "Corporate Governance" Pages 101-103: "Remuneration system and incentives" Pages 145-155: "Appendix"	4, 5, 8
Respect for human rights	Art. 3, par. 2e	Pages 16-17: "Unipol Group Vision, Mission and Values" Pages 85-93: "Monitoring of environmental, social and governance risks ("ESG risks")" Pages 139-140: "Ethics Report"	8, 12
Fight against corruption	Art. 3, par. 2f	Pages 85-93: "Monitoring of environmental, social and governance risks ("ESG risks")" Pages 93-94: "Protection of personal data and cybersecurity"; Page 97: "Anti-corruption" Page 99: "Sanctions" Pages 145-155: "Appendix"	16
Reporting standard adopted	Art. 3, par. 3, 4 and 5	Page 14: "Information on the Annual Integrated Report" Pages 142-143: "Gri Content Index"	
Diversity among members of the administration bodies	Art. 10, par. 1a	Pages 79-81: "Corporate Governance" Pages 84-99: "Internal Control and Risk Management System" Pages 101-103: "Remuneration system and incentives"	5

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

THE UNIPOL GROUP

NFS

Unipol Group Vision, Mission and Values

The Group has always defined sustainability as a strategic factor for the creation of long-term value and integrates this vision along the entire insurance value chain and that of other Group businesses. Unipol aims to guarantee people more security and confidence in the future, in line with its company values, offering integrated solutions capable of fully meeting individuals' complex and diversified needs, with support from the local networks and responsible development of growing technological opportunities.

VISION

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

MISSION

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

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

OUR CORE VALUES

Accessibility | Farsightedness | Respect | Solidarity | Responsibility

The commitments undertaken in the Code of Ethics are concretely expressed **in the Sustainability Policy**, which outlines the strategies for pursuit of the objectives of Sustainable Success[2] and the management of Environmental, Social and Governance risks and impacts (ESG), in line with the overall system for managing the risks and impacts generated by the Group as a result of its business activities and relations.

The Sustainability Policy, inspired by the Sustainable Development Goals and the UN Global Compact principles, commits the company with respect to:

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

[2] The objective that steers the courses of action of the administrative body and essentially amounts to the creation of long-term value for shareholders, taking into account the interests of the other stakeholders of relevance to the company.

This Policy is reviewed, and amended if necessary, at least annually; the main developments in 2022 include the definition of "**The Unipol strategy on climate change**", which establishes the Group's commitments to reducing greenhouse gas emissions, and assignment to **the Parent's Appointments, Governance and Sustainability Committee** of propositional, advisory, investigation and support activities on ESG issues.

The Policy, which specifies the roles and responsibilities of the company bodies and structures involved in the ESG risk management process, steers the signing of international commitments that guide internal policies and practices and contribute to defining Unipol's approach to sustainability. In particular, Unipol has adopted:

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

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

NFS

Activities and sectors

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

Insurance

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

Bancassurance

The Group is active in the bancassurance channel through agreements with the BPER Banca Group and Banca Popolare di Sondrio for the distribution of **Arca Assicurazioni** and **Arca Vita** products, with Banca Intermobiliare for the sale of **BIM Vita** products. The marketing agreement for Fire and Credit Protection products in the Non-Life business and healthcare coverage products active with Unicredit Group, through **Incontra Assicurazioni**, is instead due to expire in 2023, without prejudice to any extensions connected to obtaining the authorisation from the competent authorities, with the disposal of the equity investment held in the company through exercise of the put option envisaged in existing shareholders' agreements.

Real Estate and Other Businesses

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

- hotel sector through **UNA Group**, which manages 50 facilities (hotels, residences and resorts through leases, franchises and management) in some of the main cities and most renowned tourist destinations in Italy;
- agricultural sector through **Tenute del Cerro**, owner of around 5,000 hectares of land in Tuscany and Umbria, of which 300 hectares of vineyards among the most sought-after for high quality wine production;
- healthcare sector with the **Villa Donatello and Centro Florence nursing homes** and the **Dyadea multi-specialist** centres, further strengthened during the year through the acquisitions described in more detail below;
- port facilities through **Marina di Loano**, centrally located in western Liguria and able to moor over 1,000 craft with lengths from 6 to 77 metres.

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

Mobility, Welfare and Property ecosystems

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

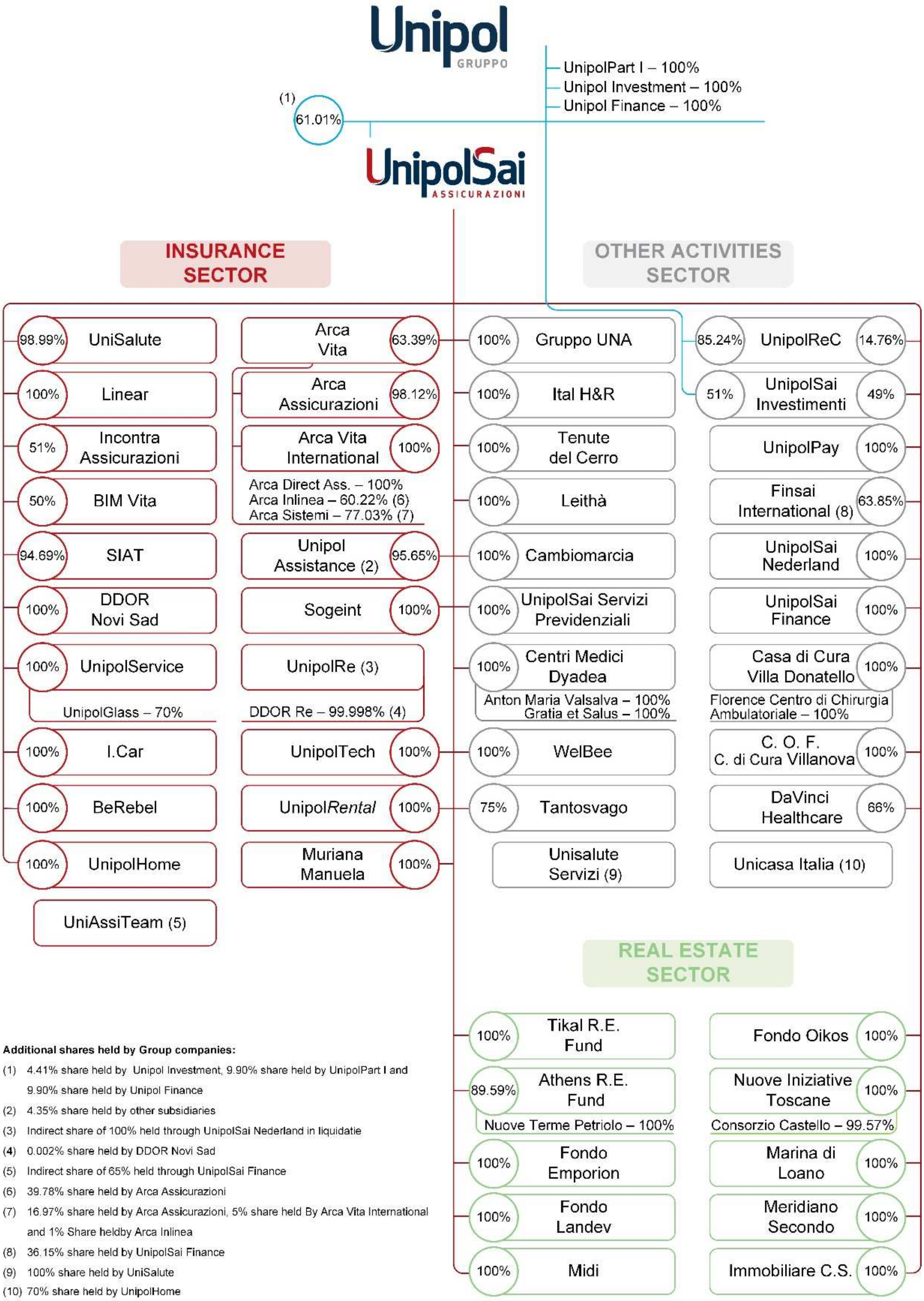
- **Mobility**: the Group is a full partner for the entire mobility lifecycle, particularly with regard to management of the vehicle repair process with **UnipolService** and glass repairs through **UnipolGlass,** response to assistance requests with **Unipol Assistance,** resale of used cars (**Cambiomarcia** and **TenutaBene**), marketing of e-bikes (**Cambiobike**), the Long-Term Rental market with **Unipol*Rental*,** the electronic toll sector and the offer of mobile payments with **UnipolMove**, a **UnipolTech** brand that is telematics provider of UnipolSai and other Group companies.
- **Welfare**: the Group has developed new company welfare solutions through acquisition of the digital company **Tantosvago** and has strengthened its presence in the flexible benefits market thanks to the establishment of a new welfare provider, **Welbee**. Additional telemedicine, prevention and access to primary care services were also activated through the **DaVinci HealthCare** digital healthcare platform. Lastly, note the enhancement of Dyadea, through acquisition of the **Anton Maria Valsalva** and **Gratia et Salus** healthcare facilities.
- **Property**: the Group provides services relating to homes and condominiums, in particular through the development of a craftsmen network to ensure service quality and savings on insured services (**UnipolHome**) and through a network of franchise administrators for the provision of services to administrators and owners (**UniCasa).**

Leithà is the company specifically **dedicated to innovation.**

UnipolPay, is an e-money institution (IMEL) authorised to provide electronic payment and e-money services in Italy;

Unipolis is the business foundation of the Unipol Group, and one of the most important tools for implementing social responsibility initiatives, within the framework of the more comprehensive sustainability strategy.

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



Additional shares held by Group companies:

(1) 4.41% share held by Unipol Investment, 9.90% share held by UnipolPart I and 9.90% share held by Unipol Finance
(2) 4.35% share held by other subsidiaries
(3) Indirect share of 100% held through UnipolSai Nederland in liquidatie
(4) 0.002% share held by DDOR Novi Sad
(5) Indirect share of 65% held through UnipolSai Finance
(6) 39.78% share held by Arca Assicurazioni
(7) 16.97% share held by Arca Assicurazioni, 5% share held By Arca Vita International and 1% Share heldby Arca Inlinea
(8) 36.15% share held by UnipolSai Finance
(9) 100% share held by UniSalute
(10) 70% share held by UnipolHome

Highlights


6,722
5,648
Employees
12,370
1
Operating Network
2
Agencies 2,361
Sub-agencies 5,338
Bancassurance 5,401
Competitiveness in the Market
9
8
7
RELIABILITY
REPUTATION
Solvency Ratio
200%*
-14 b.p.
vs 2021
Group Shareholders' Equity
6,130 €m
-21.2%
vs 2021

3 Customers and Policyholders

INDIVIDUALS
15.9 million

LEGAL ENTITIES
0.9 million

4 Performance

	€m	Var. vs 2021
PREMIUMS		
Non-Life direct insurance	8,304	+4.5%
Life direct insurance	5,341	-0.8%
- of which Life investment products	*1,831*	*+44.0%*
Direct insurance premiums	**13,645**	**+2.4%**

RATIOS	**2022**	**2021**
Non-Life Loss Ratio - net of reins.	65.2%	67.1%
Non-Life Expense Ratio - net of reins.	28.7%	27.9%
Non-Life Combined Ratio - net of reins.	93.8%	95.0%
Group pro-rata APE (€m)	480	465
Life Expense Ratio - net of reins.	6.3%	5.0%

	€m	Var. vs 2021
Investments and cash and cash equivalents	**63,359**	**-11.6%**
Technical provisions	**51,766**	**-9.4%**
•Non-Life	14,538	-1.2%
•Life	37,229	-12.2%
Financial liabilities	**11,587**	**-6.7%**

5 Consolidated profit (loss)

+866 €m

6 Value for Shareholders

ROE	9.88%
EPS	0.95 **
BVPS	8.54 **

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

Significant events in 2022 and after 31 December 2022

NFS

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.

Other significant events

JAN

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. For further information in this respect, please refer to the paragraph "Unipol Group Performance".

On **20 January 2022, UnipolHome SpA**, a wholly-owned subsidiary of UnipolSai, was established with the aim of integrating the Group's insurance offer into the Property ecosystem sector. For further information in this respect, please refer to the paragraph "Unipol Group Performance".

FEB

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.

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.

At the **MF Insurance 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.

MAR

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

8 March 2022 saw the renewal, for the sixth consecutive year, of the partnership between UnipolSai and **Ducati** for the **2022 MotoGP World Championship**.

On **31 March 2022**, as part of the **Best Brands 2022** programme, **UnipolSai** came 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.

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

MAY

According to the latest **Brand Finance** ranking of **9 May 2022**, the **UnipolSai** brand is growing and ranked second after Ferrari in terms of brand strength.

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. For further information in this respect, please refer to the paragraph "Unipol Group Performance".

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.

In May 2022, the iconic Milan urban design hotel Milano Verticale - UNA Esperienze 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.

Also in May 2022, Unipol joined the Net-Zero Asset Owner Alliance to reduce the emissions of its investment portfolios to net zero greenhouse gas emissions by 2050, also committing to take action for the engagement of investee companies.

JUN

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.

JUL

On 1 July 2022, UnipolSai received formal notice from UniCredit SpA of termination of the shareholders' agreement signed on 30 October 2017 between the two parties in relation to Incontra Assicurazioni SpA. Subsequently, on 29 July 2022, UnipolSai exercised its put option as envisaged in the agreement regarding the investment held in Incontra Assicurazioni. Pursuant to the agreement, UnipolSai and Unicredit have 14 months (subject to legal authorisations) to finalise the transfer of the equity investment.

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.

On 6 July 2022, UnipolSai acquired an overall equity investment amounting to 68.865% of the share capital of Tantosvago at a price of €11.7m. For further information in this respect, please refer to the paragraph "Unipol Group Performance".

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. For further information in this respect, please refer to the paragraph "Unipol Group Performance".

AUG

On 9 August 2022, the rating agency Moody's confirmed the Insurance Financial Strength Rating of UnipolSai Assicurazioni S.p.A. at "Baa2", i.e. one notch above Italy's rating (Baa3/Negative Outlook), downgrading its outlook from "Stable" to "Negative" after the similar action carried out on Italy's rating. For further information in this respect, please refer to the paragraph "Unipol Group Performance".

SEP

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.

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*".

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.

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*.

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*.

In September 2022, the Milanese urban design hotel Milano Verticale - UNA Esperienze became *"Italy's Leading Lifestyle Hotel 2022*" at 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.

OCT

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. For further information in this respect, please refer to the paragraph "Unipol Group Performance"

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.

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.

NOV

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.

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: the agreement between the two companies defined a new third-party liability policy that lays the foundations for the development of ESG-linked insurance products.

In November 2022, Unipol*Rental* completed an innovative securitisation transaction, the first in Italy among long-term rental operators. 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.

DEC

On 14 December 2022, following a competitive buyer selection process launched in 2022, the sale to AMCO of the entire portfolio of non-performing loans held by the investee UnipolReC was finalised. For further information in this respect, please refer to the paragraph "Unipol Group Performance".

On 16 December 2022, UnipolSai signed the contract to acquire the entire share capital of Società e Salute S.p.A., a company operating in the private healthcare sector under the brand name "Centro Medico Santagostino". It is expected that, after obtaining the necessary authorisations, the transaction will be completed by the end of April 2023. For further information in this respect, please refer to the paragraph "Unipol Group Performance".

On 22 December 2022, UnipolSai signed agreements for renewal of the bancassurance partnership with BPER Banca S.p.A. and Banca Popolare di Sondrio S.p.A., relating to the distribution of Life and Non-Life insurance products of Arca Vita S.p.A., Arca Assicurazioni S.p.A. and Arca Vita International DAC. For further information in this respect, please refer to the paragraph "Unipol Group Performance".

2023

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.

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 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.

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.

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 S.p.A. completed in 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 issue by the Bank of Italy of the regulatory authorisation, as requested by the Company on 24 February 2023.

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.

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.

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; the transaction in question has no accounting effects on the consolidated financial statements as UnipolRe is a wholly-owned subsidiary.

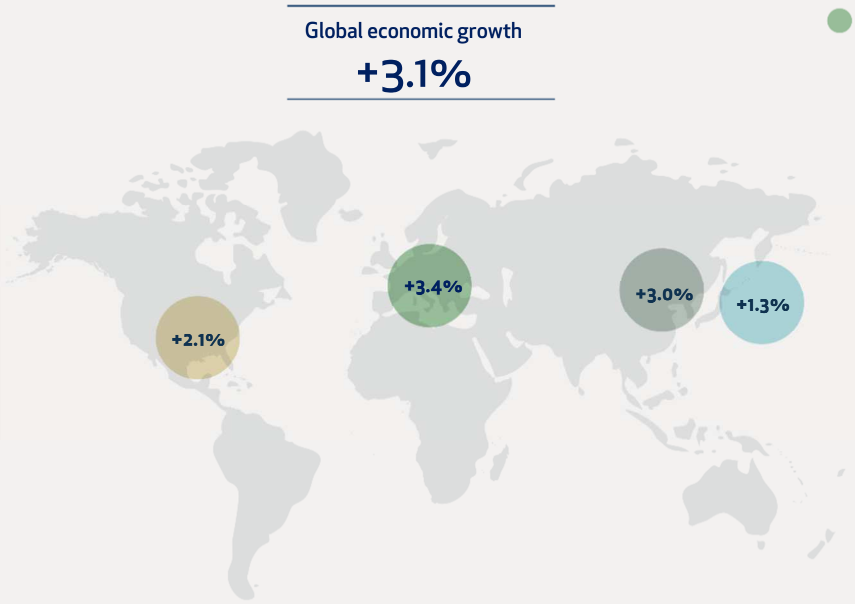
At its meeting on 23 March 2023, the Board of Directors of UnipolSai Assicurazioni SpA approved an industrial project in the long-term rental business with BPER Banca SpA which, inter alia, calls for the integration via merger by incorporation of SIFÀ - Società Italiana Flotte Aziendali SpA (a company 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*.

RISKS, OPPORTUNITIES AND STRATEGY

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 **Euro Area**, GDP **rose** by **3.4%** in 2022 (+5.3% in 2021). After the growth in the first and second quarters, the GDP growth rate in the third and fourth quarters decreased mainly due to the effects of the energy crisis, resulting from 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 rate*s 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.

- In the **United States**, GDP **increased** by **2.1%** in 2022 (+5.9% in 2021). In the first and second quarters, the reduction in trade with China led the US into recession, while in the third and fourth quarters there was a return to growth, mainly due to the recovery in trade and the increase in retail consumption, also reflected in the labour market, with an average **unemployment rate** of **3.7%** in 2022 (5.4% in 2021). All this despite the negative effects of the sharp increase in the **inflation rate** (equal to **8.0%** on average in 2022), which prompted the Fed to adopt a **highly restrictive monetary policy**, raising interest rates and starting a process of downsizing its securities portfolio.

- **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 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 Italy's strong exposure to natural gas imports. In fact, while the average annual **inflation rate** was **8.2%** (comparable to that of the Euro Area), during the year it increased to an average of 12.3% in the fourth quarter. The average **unemployment rate** was **8.1%**, down sharply compared to 2021 when it was 9.5%.

- In **China**, GDP **grew** by **3.0%** in 2022 (+6.1% in 2021), mainly due to the low level of domestic demand deriving from the "zero-Covid" policy, with restrictions on mobility and economic activity aimed at containing the Covid-19 pandemic. The average **unemployment rate** in 2022 was **5.6%**, while the average annual **inflation rate** was **2%**.

- 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 change the *Bank of Japan*'s expansionary monetary policy tone.

Financial markets

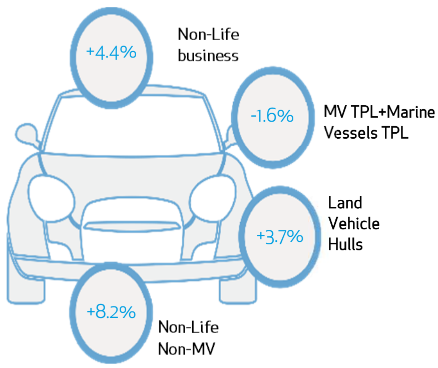
In 2022, the main central banks adopted restrictive policies in order to contain inflationary pressures in the Eurozone. The Fed has raised the Fed funds rate by 425 basis points since the beginning of the year. Likewise, after a long period of expansionary policies, the ECB raised monetary policy rates (**deposit rate +2%** in 2022, -0.5% in 2021; main refinancing operations rate to 2.5% at the end of 2022). This restrictive action drove up all European interest rate curves, especially on long maturities. The 3-month Euribor rate closed 2022 at 2.13%, up by around 270 basis points compared to the figures at the end of 2021, while the 10-year Swap rate increased in the same period by roughly 290 basis points, closing 2022 at 3.20%. 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.

The **EUR-USD exchange rate** closed 2022 at **1.07**, compared to 1.13 at the end of 2021.

Eurostoxx 50: **-11.7%**	s&P 500: **-19.4%**
Ftse Mib: **-13.3%**	Nikkei: **-9.4%**
DAX **-12.3%**	MSCI EM **-22.4%**

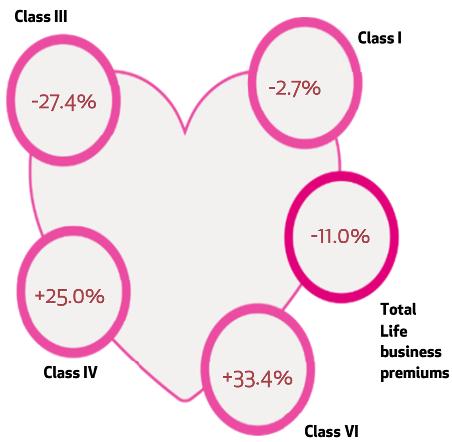
Insurance Sector

In the third quarter of 2022, the final figures reported 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. In particular, total Non-Life premiums 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.
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 premiums (-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), in line 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 forecasts, should decrease in 2022 by around 11.0% 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 in 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 57.0% 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 14.0%, with the Brokers and Direct channels bucking the trend, with premiums up by 0.3%.



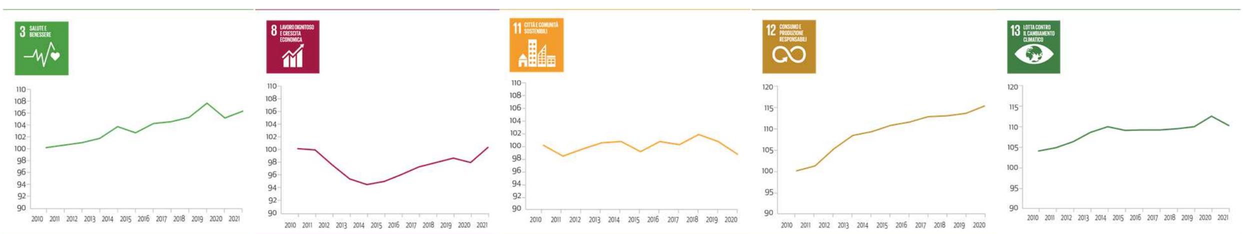
Real Estate market

According to the Italian Tax Authorities' Real Estate Market Observatory, in 2022 the growth in home sales has slowed to 5.8%, due to both tax incentives for renovations and stricter credit access conditions.
In the 13 major cities, prices of existing homes further increased by 2.8%in 2022, after a 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.
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.

Residential
Segment
Transactions

Social and environmental scenario[3]

Considering Italy's performance with regard to the UN 2030 Agenda Goals, and comparing it with the pre-pandemic framework of 2019, **in 2021 Italy** shows **improvements** in only two Goals (**Goals 7 and 8**), while the 2019 level is confirmed for another two (Goals 2 and 13). For the remaining ten Goals (Goals 1, 3, 4, 5, 6, 9, 10, 15, 16 and 17), of the fourteen that can be analysed against 2021, the level recorded is still below that measured in 2019, confirming that the country has not yet fully overcome the negative effects of the pandemic crisis.
In particular, the negative impact that the pandemic had on **Goal 3 (Ensure healthy lives and promote well-being for all at all ages)** was only partially recovered from the improvement recorded in 2021: life expectancy returned to an increase (+0.3 years), individuals who do not practice any sports and those who habitually consume alcohol decreased, while the only indicator showing a deterioration between 2020 and 2021 is that relating to tobacco consumers. However, these improvements do not bring the composite index back to pre-pandemic levels.
Also for **Goal 8 (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all)**, the sharp decline observed in 2020 is offset by the economic recovery of 2021. The improvement in the last year is mainly due to the increase in investments, per capita GDP and the reduction in involuntary part-time work.
Between 2010 and 2020, for **Goal 11** (**Make cities and human settlements inclusive, safe, resilient and sustainable)** , the index shows a fluctuating trend over the entire time series, while for **Goal 12 (Responsible consumption and production)**, there was a positive trend, with an increase in the share of separated municipal waste and a greater circularity of the materials consumed.
The results in 2021 for **Goal 13 (Take urgent action to combat climate change and its impacts)**deteriorated again after an improvement in 2020, but not due to structural activities. The 2021 rebound brought the emissions trend back to the pre-COVID-19 status: the assessment of the short-term trend is confirmed as negative, as progress is too slight and not sufficient to achieve the quantitative reduction target, by the end of 2030, of emissions of CO2 and other greenhouse gases by 55% compared to 1990.



[3] Source: 2022 ASviS Report (Italian Alliance for Sustainable Development), "Italy and the Sustainable Development Goals"

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.
It should be remembered that 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 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.

Future orientation in the use of capital

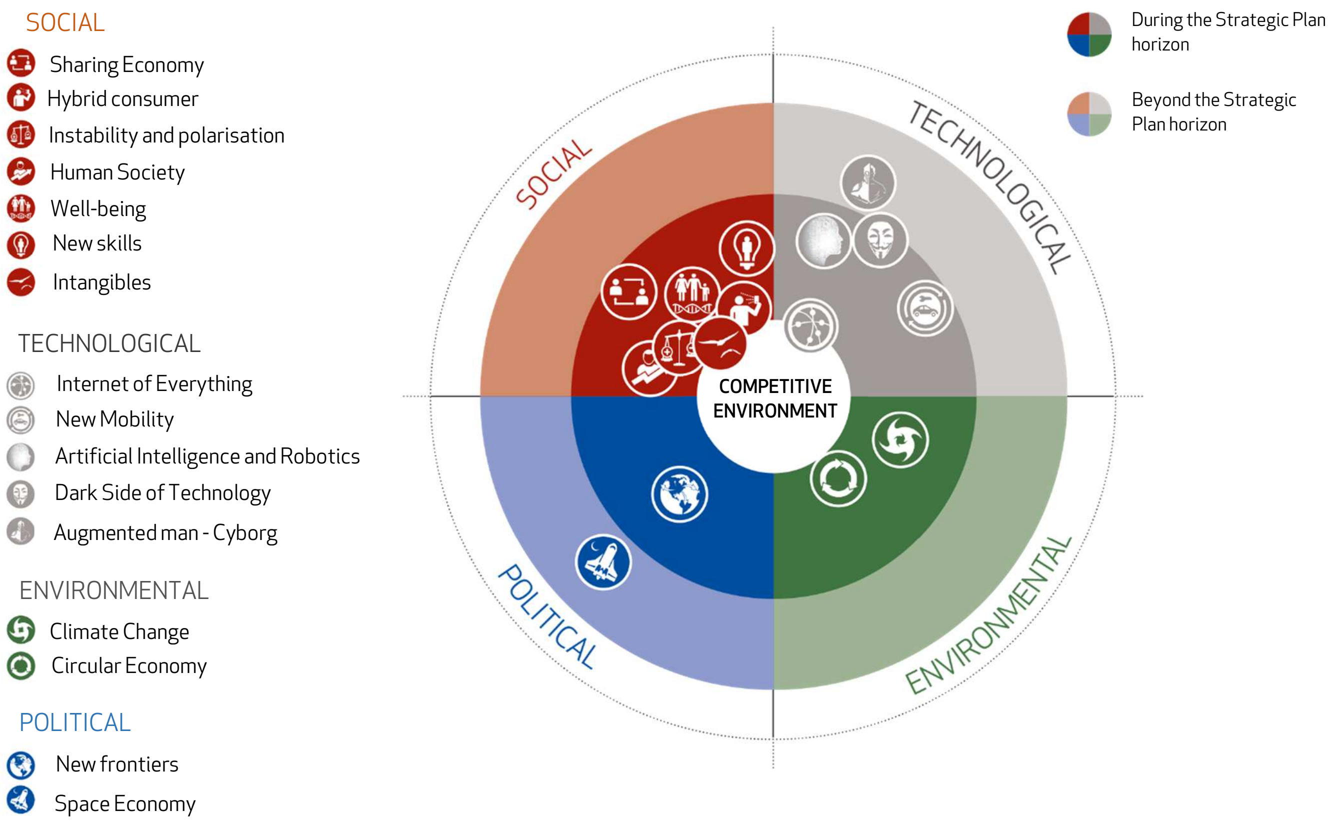
The Reputational & Emerging Risk Observatory places Unipol in a position to listen in a structured manner to signs of external environmental change and is of fundamental support to the Group's strategic planning.

In order to guarantee a medium/long-term forward-looking vision, the Observatory uses a predictive model based on the Meeting Point theory, which anticipates future trends according to different time frames, from 6 months to 5 years, and methodologies based on futures studies, which explore longer time windows, from 10 to 20 years, also using long-term scenario analyses with the aim of strengthening the resilience of the Group's strategy in an external context characterised by increasing levels of complexity and uncertainty.

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

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

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



The strategic and proactive approach for the management of emerging and reputational risks aims to consider not only the extent of the risk, but also that of the opportunity: its purpose is to protect the Group's reputation and strategy, yet at the same time contribute to the construction and strengthening of the reputational asset and strategic positioning.

Digitalisation and sustainability are confirmed as the main drivers of innovation in the insurance sector, giving rise to specific opportunities and risks. The main challenges for the years to come concern the governance of this dual transition: on the one hand, the digital transition, paying particular attention to the resilience of enabling infrastructures, the transformation of cybersecurity and ethical issues relating to the responsible use of data and technology; on the other hand, the transition of the economy towards a green and sustainable model.

SOCIAL

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

TECHNOLOGICAL

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

ENVIRONMENTAL

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

POLITICAL

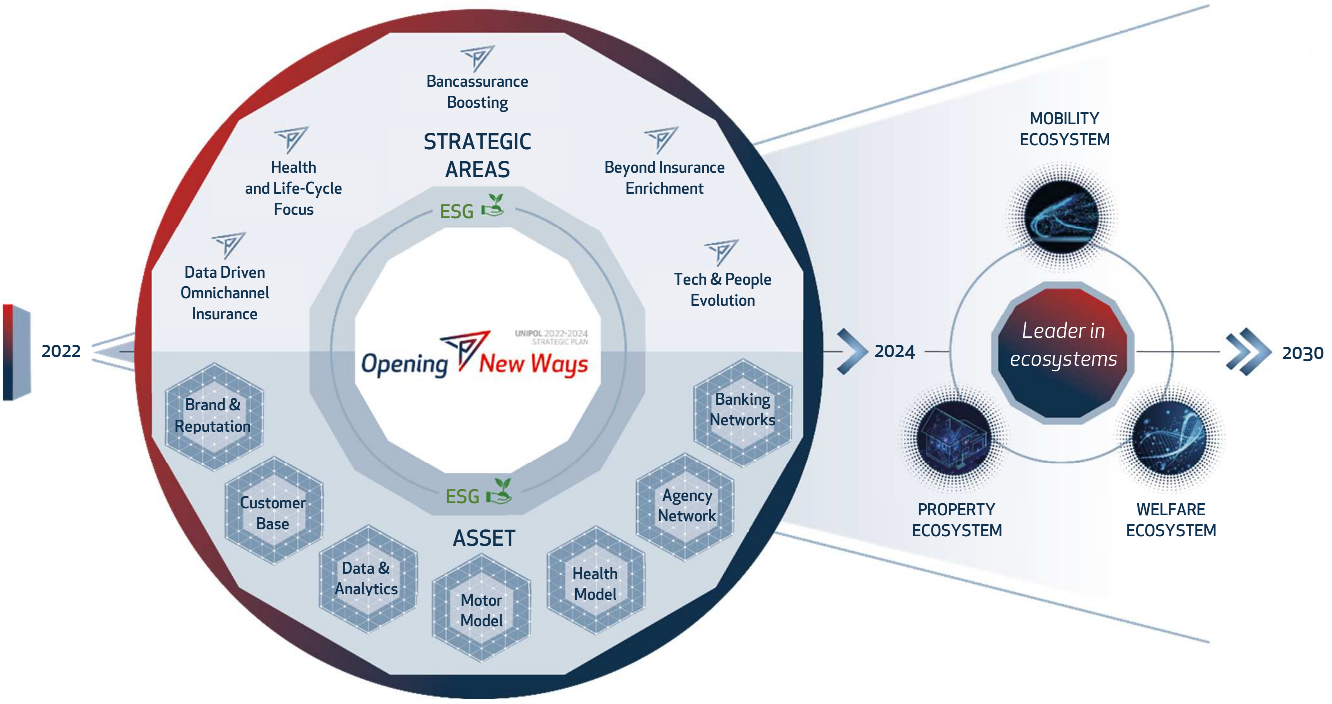
	RISKS	OPPORTUNITIES	MAIN RESPONSES
NEW FRONTIERS	• Geopolitical instability • *Pandemic risk* • Need for new skills	• Growth and diversification of risks • Aggregation processes and strategic partnerships	• Investment diversification policies with a view to monitoring risks, also in the light of the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

NFS

"Opening New Ways": 2022-2024 strategies

In May 2022, the "Opening New Ways" 2022-2024 Strategic Plan was presented, which aims to expand the positioning of the Unipol Group by continuing to open new ways in the Mobility, Welfare and Property ecosystems and in Bancassurance, also contributing to achievement of 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 Unipol 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.

For each of the three ecosystems, a summary of the initiatives envisaged in the new Strategic Plan and some of the main results achieved during the first year of the plan, both from an insurance and Beyond Insurance point of view, is presented below.

The Mobility ecosystem in the MV insurance sector envisages, over the three years of the plan, the development of pricing and underwriting algorithms based on both internal and external data, to ensure the evolution of retention, conversion and profitability models; development of the producer and vendor channel and of long-term rental; evolution of the settlement model for the management of injuries, performance of the settlement networks and full use of the direct and affiliated network for direct repairs. Also envisaged is the spread of telematics solutions based on low-cost apps and an increasing incentive to reduce emissions through telematics support, developing an approach to sustainable motor insurance and promoting conduct useful in supporting the goals of the Paris Agreement.

As regards Mobility, the Group will be a full partner, consolidating its positioning throughout the mobility life cycle, in particular through UnipolRental, the largest all-Italian player in the Long-Term Rental market, and UnipolMove, the first alternative in the electronic toll sector, which will make it possible to evolve the Group's mobile payments offer.
In the first year of the Plan, numerous initiatives were launched and developed in the Mobility ecosystem. These include:

- Evolution of algorithms in the MV TPL area with improved retention, conversion and profitability;
- Evolution of pricing/underwriting models in the CVT area;
- Launch of UnipolMove and further improvement of the business performance of UnipolRental.

In the three-year period of the Plan, **the Welfare ecosystem** aims to strengthen its leadership in the Health area through innovation in the supply and distribution models, as well as to offer Life products from a Life-Cycle perspective, optimising capital absorption and with dedicated service models for customer groups. The actions in the healthcare segment include development of the supplementary Health insurance offer for subscribers to the Funds and the strengthening of chronic disease management programmes. In the Life business, among other things, the offer and distribution capacity will be strengthened in the protection area, a focus on recurring annual premiums and supplementary pensions in the savings area and on capital light products in the investment area, with an increase in products where ESG factors play a fundamental role.

In the Welfare Beyond Insurance area, the development of a network of proprietary healthcare facilities is envisaged, in order to maximise synergies with insurance services, the offer of digital health services including telemedicine, the offer of home care services such as nursing, physiotherapy and social care, a new flexible benefits platform optimised for SMEs and large corporates thanks to innovative services. This approach, from an ESG perspective, increases the possibility of accessing health protection opportunities and facilitates prevention.

The initiatives launched and developed in the Welfare ecosystem in 2022 include:

- Activation of the UniSalute offer on all Group distribution networks (Agents and Bancassurance);
- Launch of the Life-Cycle offer on specific targets;
- Launch of new individual health plans through UniSalute, which can be purchased online;
- Signing of the agreement for acquisition of the Sant'Agostino medical centres, with 34 facilities mainly in Lombardy and with the collaboration of 1,300 doctors;
- Acquisition of 75% of Tantosvago (digital company in the corporate welfare sector) and establishment of the company Welbee (new welfare provider) to strengthen the Group's presence in the flexible benefits market.

Lastly, in the insurance sector, the **Property ecosystem** envisages widespread and advanced use of Data and Analytics over the three-year period of the Plan to consolidate the Group's technical and distribution excellence. In particular, development of the insurance offer is envisaged to seize the opportunities offered by the NRRP, the development of pricing and underwriting algorithms, as well as the use of direct repairs in the Property ecosystem. The Group's commitment to developing projects, products and services to support the resilience of SMEs and agricultural businesses to climate change will also continue.

In the Property Beyond Insurance area, the Group aims to become a reference player in services relating to homes and condominiums, also ensuring synergies for the Group itself. UnipolHome will develop a Craftsmen Network to guarantee service quality and savings for customers and the management of a network of franchise administrators to provide services to administrators and owners. The role of Unipol in the creation and management of networks is also oriented towards ensuring fair business practices, in particular in critical supply chains from the point of view of potential ESG impacts.

In the Property area, the main initiatives launched and developed in the first year of the Plan were:

- Efficiency improvements in Non-Life Non-MV portfolio management;
- Establishment of UnipolHome (provider of services relating to homes and condominiums);
- Start of development of the Craftsmen Network at national level and acquisition of Unicasa (a reference player in the management of condominium administration under franchise).

From a distribution point of view, in the Opening New Ways Plan, the central role of the agency network in the Group's strategy was confirmed, with the aim of enhancing its effectiveness and completing its omnichannel evolution, through the consolidation of territorial coverage, mass generation of new opportunities through digital channels, the sophistication of commercial proposals using data-based algorithms and strengthening of the specialist sales force.

The 2022-2024 Plan also strengthens the bancassurance business model, enhancing the distinctive capabilities of the Group in synergy with banking partners through, among other things, development of the Non-Life and Life protection segment, both independently and associated with banking products, and the use of customer segmentation models, based on the analysis of data and needs, to provide a personalised and effective commercial offer. This approach aims, among others, to increase the opportunities to propose targeted products, helping to reduce underinsurance.

During the first year of the Strategic Plan, note the renewal of the partnership agreement in the bancassurance area with BPER Banca and Banca Popolare di Sondrio, as well as strengthening of the distribution model with the inclusion by BPER Banca of over 200 insurance specialists.

In order to accelerate the business strategy, simplify processes and increase productivity, the 2022-2024 Opening New Ways Plan also aims to invest in technology and people; in 2022, a Solidarity Fund was allocated to support more than 800 departures during the Strategic Plan and around €150m in investments were made in the Tech area to develop new platforms and digitalisation.

Through the strategies defined, with the 2022-2024 Plan, the Unipol Group is committed as a priority to contributing to achievement of the following SDGs: Goal 3 "Good health and well-being", Goal 8 "Decent work and economic growth", Goal 11 "Sustainable cities and communities", Goal 12 "Responsible consumption and production", Goal 13 "Climate action".

The Unipol Group's climate strategy

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In June 2022, the Board of Directors of Unipol Gruppo adopted **the Unipol Group strategy on climate change** to detail how the Group is gearing up to deal with the risks and take 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. The climate strategy is an annex to the **Sustainability Policy** and describes the commitments undertaken by the Group in its three main areas of intervention:

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

- **Investment activities**
  In May 2022, the Unipol Group joined the **Net-Zero Asset Owner Alliance**, 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, defining specific interim targets.

In this respect, the Unipol Group has **expanded its sector-related exclusions to Corporate Issuers in sectors with the strongest impact**, excluding, a priori, new investments in Corporate Issuers that obtain 30% or more of their earnings from coal mining activities or the

generation of electricity from thermal coal, and from activities connected with tar sands, shale gas and Arctic drilling, and that do not show a sufficiently ambitious position in terms of transitioning their business to a low-carbon regime.
Additionally, in order to achieve climate neutrality in its portfolio, the Group has planned a periodic reduction in the admissible earnings ceiling dependent on thermal coal by investee Corporate Issuers, and expects to **complete its disinvestment from coal by the end of 2030**.
Lastly, to strengthen its role in **supporting the transition to a low-carbon economy**, the Unipol Group decided to further increase the amount of thematic investments for the SDGs, with a goal of reaching €1.3bn invested in support of the 2030 Agenda in 2024, starting from the €862.2m invested at the end of 2021.

Underwriting activities

Unipol is committed to developing a range of insurance products and services to support customers in mitigating and adapting to climate change. Within the 2022-2024 Strategic Plan, the Group again decided to set a target connected to the incidence of products with social and environmental value, establishing an objective of **30% to be reached by the end of 2024.**
To **support customers in the transition to a low-carbon economy**, Unipol will develop products that incentivise its MV customers to reduce their emissions, with the support of telematics, and will pay increasing attention to reducing the environmental impacts of the claims management process, implementing circular economy approaches. **Companies that derive 30% or more of their revenues from coal mining or the generation of electricity from thermal coal** and **companies that adopt unconventional mining practices** are **excluded from the underwriting of insurance products.**

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Double materiality: approach and results

In 2022, the Unipol Group carried out a new materiality analysis in conjunction with the preparation of the Strategic Plan.
In line with the reporting standard adopted, the primary methodological reference used are the GRI Standards, and in particular the "**GRI 3: Material Topics 2021**", which defines the process through which the organisation defines its "material topics" for reporting, meaning the areas in which the organisation generates the main actual and potential impacts on the economy, the environment and people, including impacts on human rights, as part of its activities and commercial relationships ("impact materiality", focused on the "inside-out" dimension of the organisation's relations with the external context).
In view of the significant regulatory changes defined and soon to be applied in terms of sustainability reporting, with the approval by the EU institutions of the *Corporate Sustainability Reporting Directive* (CSRD), Unipol has decided to integrate the view related to the positive and negative impacts that are or could be generated by the organisation ("impact materiality") with that relating to risks and opportunities related to sustainability issues that generate or may generate significant financial effects for the company, because they significantly influence (or could influence) the cash flows, development, performance, position, cost of capital or access to loans of the company in the short, medium and long terms.
The impact materiality assessment was therefore accompanied and integrated with the assessment of "financial materiality", which takes into consideration the "outside-in" dimension of the organisation's relations with the external context, thus carrying out a "**double materiality**" analysis as required by the "European Sustainability Reporting Standards" (and in particular by "**ESRS 1 - General Requirements**") prepared by EFRAG at the request of the European Commission and which will be adopted by the latter in 2023, becoming the reference standard on the basis of which the companies that fall within the scope of the CSRD must produce their own sustainability reports.

The starting point of the process is identification of the sustainability issues to be considered and the details of positive and negative impacts, risks and opportunities, current and potential, connected to each of them. To this end, numerous external sources were considered, both general (for example: the reporting standards mentioned above, the contributions of international initiatives such as the UN Global Compact and IPCC) and related to the financial and insurance sector specifically (such as commitments and paper UN PRI, UNEP-FI PSI, EU regulatory body on sustainable finance, observatories on sector megatrends). The analysis was further integrated with sources produced internally, such as the **Reputational & Emerging Risk Observatory** and the reputational surveys conducted by RepTrak®.

The relevance of the impacts was assessed considering a number of points of view and skills:

- assessment by the internal Functions, which involved both the Group Departments and the insurance sector and the world of ecosystems and diversified companies;
- involvement of experts who, due to their organisation and the role covered, know and represent the requests of the main categories of Group stakeholders.

The relevance of risks and opportunities was also determined by integrating an internal and an external view, in particular:

- assessment by the internal Functions, as indicated above;
- results of the Survey on emerging risks for the Italian insurance market carried out by Unipol, involving experts in the sector and the various issues considered;
- analysis and summary of the priorities indicated by the main observatories on trends and risks, both general and in the sector.

For both dimensions, a significant role in determining the priorities was assigned to the companies that perform the role of rating providers and managers of sustainability indices, and that represent an important point of contact between the reporting organisations and the users of the information. The view of these actors was integrated into the assessments through the analysis of the assessment methodologies and the feedback provided to the Group in the rating processes, as well as through targeted interviews carried out with the divisions of these companies engaged in research activity.

The results of the analysis are represented graphically through a list of topics, in decreasing order according to their overall relevance (impact and financial); for each topic, a double histogram highlights the relevance of the topic from the perspective of impacts generated or that can be generated, and from the perspective of current or potential effects of the related risks and opportunities.

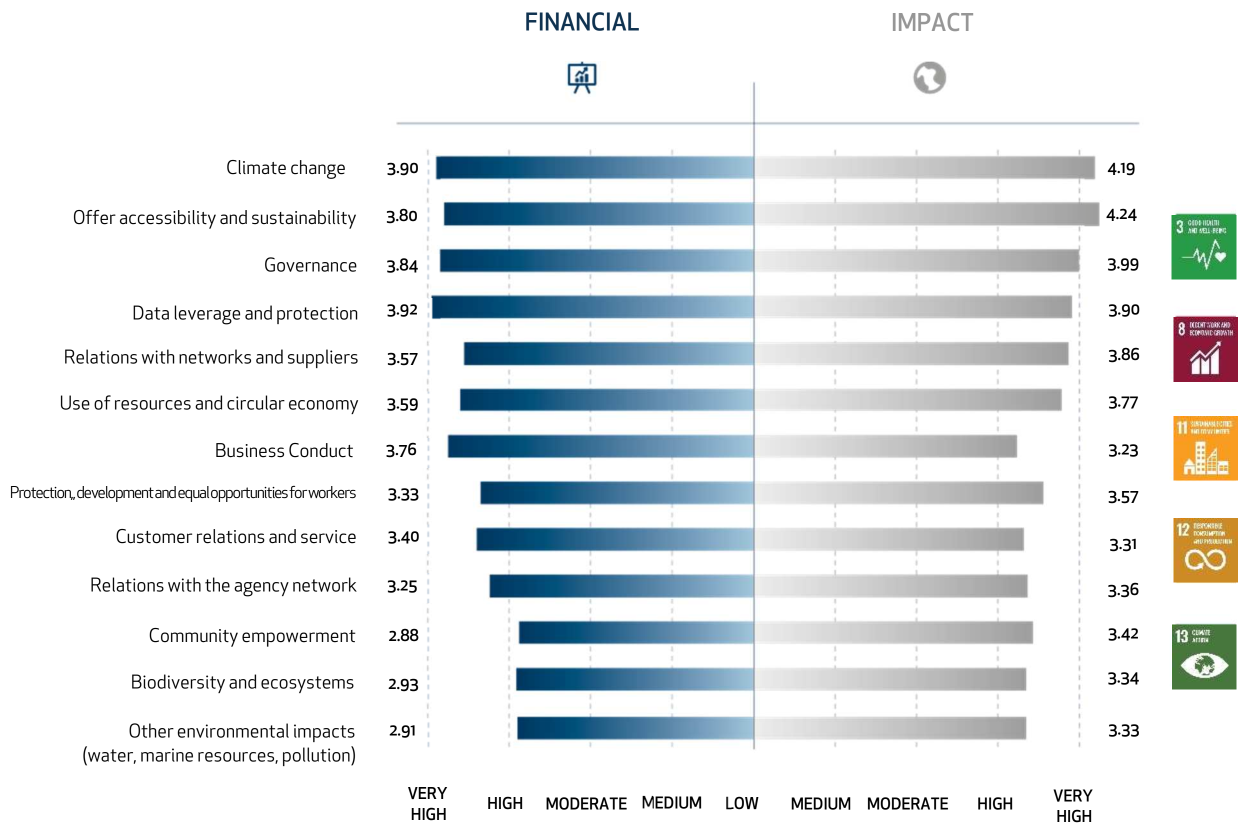
For a more effective understanding of the analysis and its results, a table is also presented which, for the first five topics of greatest overall importance, presents some of the main impacts, risks and opportunities analysed and provides their assessment in terms of impact materiality and financial materiality.

The approach adopted in the materiality analysis is consistent with the requests of the European Commission to consider, in assessing the relevance of the information: business model, strategy and principal risks; main sectoral issues; interests and expectations of relevant stakeholders; impact of the activities; public policies and regulatory drivers; the results of the analysis therefore guide the contents reported in the Integrated Annual Report.

The results of the materiality analysis were **approved by the Board of Directors**.

In addition to listening aimed at updating the materiality analysis, the Group implements actions to directly engage stakeholders, through listening activities and continuous and structured relationships, to understand and respond effectively to the requests of customers, employees, agents, business partners, investors, institutions and the community.

DOUBLE MATERIALITY

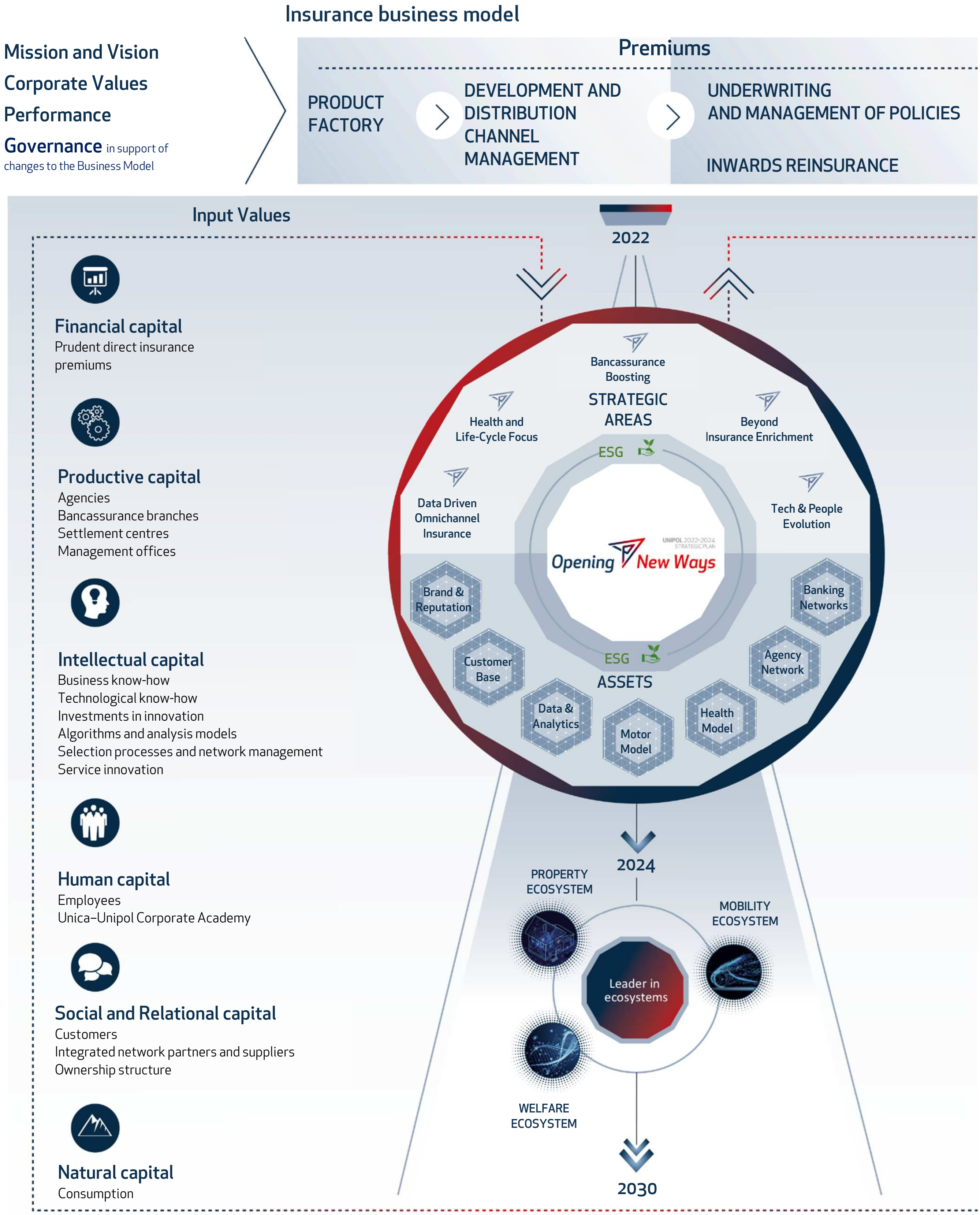


MAIN IMPACTS GENERATED AND FINANCIAL EFFECTS

Material topic		Main positive and negative impacts	Degree of impact		Main financial effects (risks and opportunities)	Degree of impact
Climate change	+	Contribution to increasing society's awareness of climate change issues	HIGH	+	Products and services for climate change adaptation (e.g. to support the resilience of people and businesses)	HIGH
	-	Generation of greenhouse gas emissions	HIGH	-	Increased technical and credit risk due to the stronger frequency and seriousness of claims linked to the consequences of climate change	HIGH
Offer accessibility and inclusiveness	+	Possibility for individuals and companies to transfer risk (also in a number of areas, over and above legal obligations)	VERY HIGH	+	Growing awareness and attention of customers to ESG aspects related to the offer	HIGH
	-	Limited insurability of certain categories or areas, with loss of mutuality	MEDIUM	-	Competitive pressure on prices	HIGH
Governance	+	Effective integration of ESG issues at Board, Board Committee and Top Management Committee levels	VERY HIGH	+	Achievement of significant results supported by the definition of ambitious and balanced targets for remuneration policies	HIGH
	-	Limits to the representation of non-controlling shareholders	MEDIUM	-	Reputational risk due to failure to meet expectations of the market, analysts and institutions in terms of Governance	MEDIUM
Data leverage and protection	+	Reinforcement of road safety	HIGH	+	Combating fraud	HIGH
	-	Loss, improper disclosure, improper use of customer data	MEDIUM	-	Greater exposure to Cyber risk	HIGH
Relations with networks and suppliers	+	Improvement of supplier work practices, due to the exercise of Unipol's contractual power and any controls	HIGH	+	Establishment of fair and transparent partnerships/relationships, with a positive impact on supply and service quality	VERY HIGH
	-	Violation of workers' rights (health and safety, discrimination, trade union representation, working conditions, etc.) at suppliers	MEDIUM	-	Negative impact on reputation due to ESG-related misconduct of suppliers with whom the Group has a partnership	MEDIUM

The creation of value

NFS



Asset management

REAL ESTATE
FINANCE
TOURISM, AGRICULTURAL, MEDICAL

Non-Life & Life Claims Management

CLAIMS MANAGEMENT
LIFE SETTLEMENT

OUTWARDS
REINSURANCE

Output Values

Capital strength
Prudent financial management

Efficient network
Integrated multichannel model
Extensive presence in reaching targets

Product innovation
Service innovation
Ecosystem development

Growth in skills
Entrepreneurship
Employee well-being

Customer satisfaction
Benefits from the integrated network
Assistance service speed

Emissions

Outcome

Satisfaction of security and well-being requirements — 7.8 million persons protected in terms of Life Cycle

Full support for more efficient, safe and sustainable mobility — Over 38.5 billion km travelled by cars with telematics devices

Support for households and business development with products and services for protection, prevention and efficiency — €759m for SME protection policies

Support in implementing the 2030 Agenda and contribution to combating the climate emergency — €1,160m thematic and low impact investments

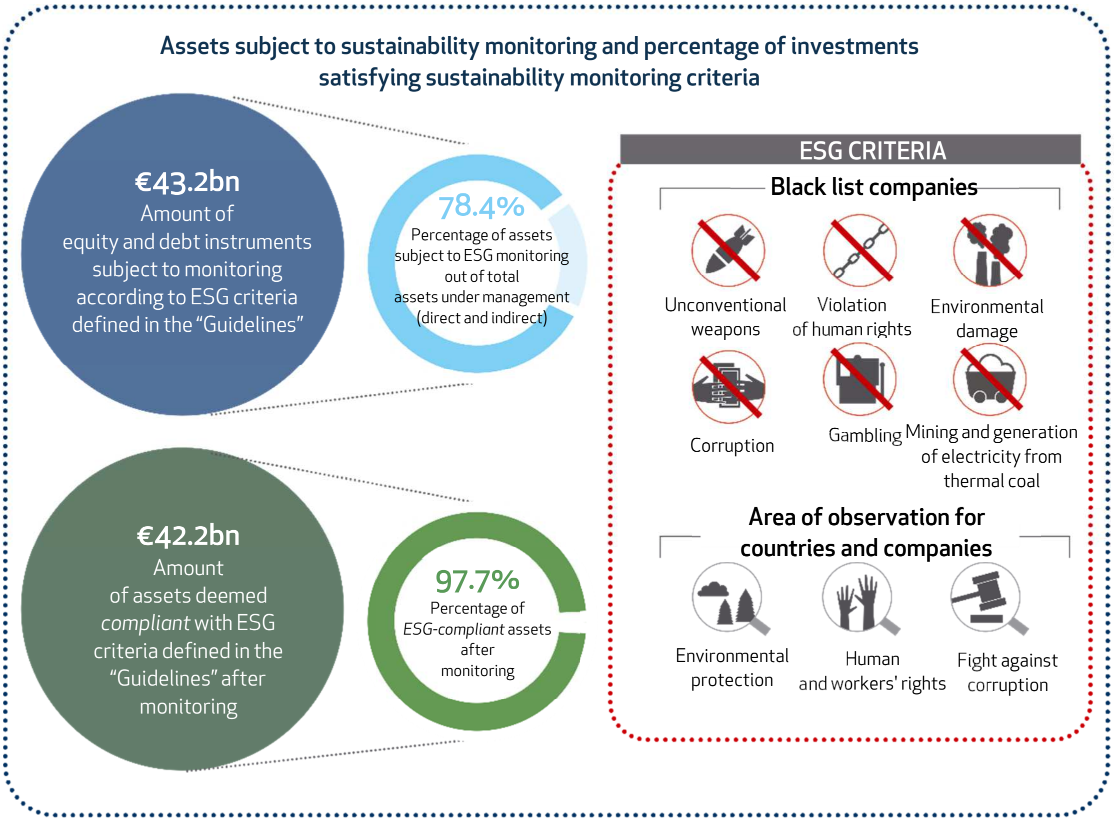
Strengthening of reputation — 78.7 reputational index from public opinion in Italy

Capital performance

Financial Capital

Unipol's capital management strategy focuses on structurally sustaining financial returns in the medium and long term by means of policies that allow for the maintenance of an adequate level of solvency.
In 2022, the Unipol Group reached a Solvency II ratio (calculated on the basis of the Partial Internal Model) of 2.01[4] (2.14 in 2021).
In quantitative terms, the Group's Risk Appetite is determined on the basis of the following elements: capital at risk, capital adequacy and Liquidity/ALM ratios. Quality objectives are defined in reference to compliance, emerging, strategic, reputational, ESG and operational risks.
By means of prudent management again in 2022, the Unipol Group continued to diversify its investment asset allocation and maintain a stable level of liquidity sufficient to meet the operational requirements of the Group companies.

The Group's Responsible Investment strategy is defined by the "Guidelines for responsible investing"[5], the update to which was approved by the Board of Directors in 2022.
The Guidelines envisage the *ex-ante integration* of ESG Factors into the decision-making processes for financial investments, with reference to the Class C Life and Non-Life Portfolios, through SRI norm-based screening strategies[6] and sector-based and conduct-based exclusions. Financial assets are also monitored *ex-post* in accordance with the ESG criteria defined in the Guidelines, in order to have a broader awareness of the risks associated with sustainability in its own investments.[7]
Since 2017, the Group has adopted the UN Principles for Responsible Investment (UN PRI).



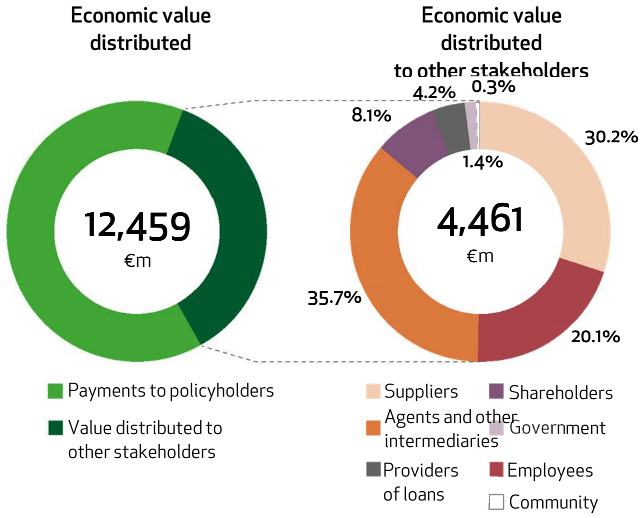
[4] Value calculated on the basis of the information available as of today. The definitive results will be reported to the Supervisory Authority with the timing required by regulations in force.
[5] Presented in detail in the "Monitoring of environmental, social and governance risks" section.
[6] Sustainable and Responsible Investment
[7] The percentage value of ESG-monitored securities declined by around 3 percentage points in 2022 compared to the 2021 figure, as a result of increased investments in asset classes not covered by the scope of analysis (mainly UCITS).

Equity in the distribution of the value created

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

The "Direct economic value generated" (€14,590m) is calculated from the sales revenues (net premiums earned and financial income), obtained from the Group Consolidated Income Statement.

The value generated was distributed primarily to insurance customers in the form of claim payments (€7,998m).



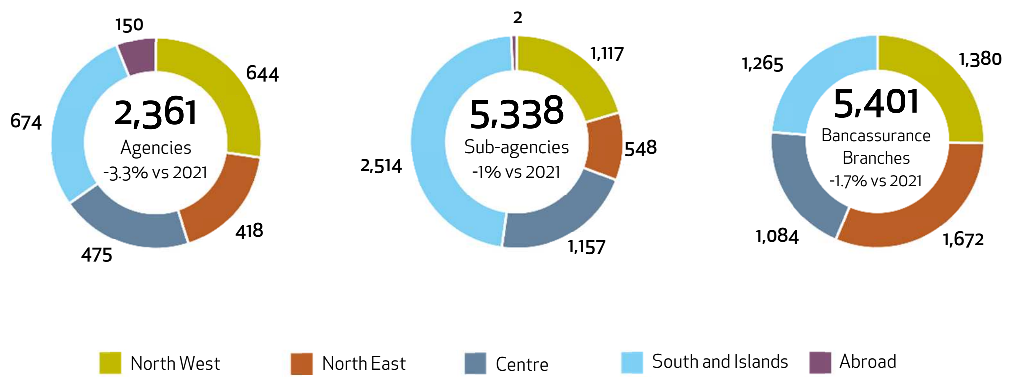
For further details on Financial Capital, please refer to the "Appendix - Unipol in numbers".

Productive Capital

The distribution network

The Group covers the Italian territory through an extensive network of agencies and sub-agencies, in addition to 492 brokerage firms and points of sale that are part of the bancassurance partnership.

Local distribution network



Over the course of the 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. 213 actions were carried out in 2022, of which 108 envisaging the merging of one or more pre-existing agencies.
The average size of Agencies continues to grow (+2.8% compared to 2021, after the +3.6% of 2021, +2.9% of 2020 and +7% of 2019), without affecting countrywide monitoring: 18% of agencies are in municipalities with less than 15,000 inhabitants.
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, as described in the "Social and relational capital" section.
The Group's presence throughout the country is also guaranteed by the presence of UnipolSai Assicurazioni and Siat settlement units.

The Group also operates in Serbia through a multi-channel network consisting of both internal and external structures, with 145 points of sale and an almost uniform distribution of internal points of sale between the South and the North. The physical network is accompanied by online direct sales channels.
Again abroad, the Group can count on the collaboration of 75 broker companies.

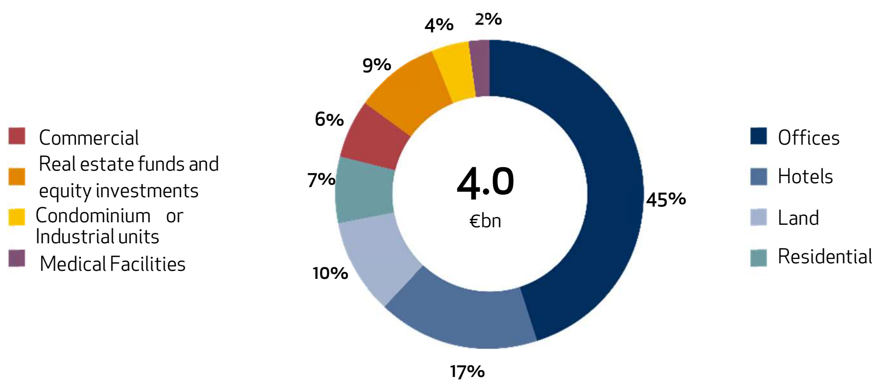
Real estate portfolio

The Unipol Group manages real estate assets amounting to €4.0bn at December 2022, comprising:

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

In the renovation projects and ordinary and extraordinary management of its real estate portfolios, Unipol pursues objectives of continuous and sustainable creation of value.

Real estate assets by intended use



Geographical breakdown of the real estate assets

The renovation and development of real estate assets involved over 120 properties in 2022, in particular including office buildings located in Milan and Turin.
In Milan, work is nearing completion on the new building in Piazza Gae Aulenti (Porta Nuova Garibaldi area), designed to receive **Leed Platinum** certification, which guarantees the highest standards in terms of energy and water savings and the ecological quality of the interiors.
The environmental qualification of buildings also represents a strategic lever to increase their value; to this end, numerous environmental certifications have been sought for buildings under development and under management (see paragraph "Natural Capital").
In addition, during the year, 28 Group properties were analysed using the **GRESB (Global ESG Benchmark for Real Assets)** criteria, which assess the ESG policies, programmes and performance of real estate and infrastructure companies.

In Milan, the "**INOLTRE. Sharing the city" project continued, a shared listening and co-design process involving major players and residents in the promotion of peripheral areas.** A virtuous reflection was activated on regeneration of the suburbs in line with the values of sustainability, inclusion and social well-being, in an active dialogue between citizens and public decision-makers, and the peripheral areas became a design laboratory that generated micro-architecture and design interventions, applied research and events dedicated to the city and the district inhabitants.

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

Intellectual Capital

Intellectual capital represents a key asset in building Group strategies and is continuously enhanced through investments in innovation.
In 2022, **investments in ICT** amounted to €93.5m (€97.4m in 2021) and mainly targeted digitalisation projects and evolution of the distribution model and technological infrastructures.
175 terabytes of telematics data were managed during the year (compared to 153 in 2021).
The main feature of the Group's approach is the integration of data and analytics along the entire insurance value chain and in support of Beyond Insurance initiatives, to support the growing importance of services "adjacent" to the insurance business.
The areas of application range from pricing and underwriting to the assessment of needs and loyalty, from customer experience to new assistance models, from real-time settlement and reduction of claims costs to fraud prevention.
To offer innovative payment solutions in the areas of mobility, health, home and financial education, UnipolPay was established, an electronic money institution (IMEL) duly authorised to provide payment and electronic money services.
In the insurance sector, artificial intelligence and machine learning solutions are being studied to obtain granular information on risks and customers and to further automate decision-making processes.

In the **Mobility ecosystem**, investments have led to the marketing of telematics solutions working through apps and innovative recruitment and pricing models thanks to the development of algorithms based on both internal and external data. The technological offer was enriched with the marketing of the **new "Unibox Smart Drive" device**, which revolutionises the way Unibox telematics are managed. In fact, its operation requires interaction via Bluetooth between the telematic device placed in the car and an app to be installed on a smartphone, which provides services to the Customer. The Smart Drive device records the time of use of the vehicle and claim events; it also provides useful data for the assessment of driving performance. The device sends information to the smartphone app, which makes it possible to consult its processing. In this way, customers can check their driving performance, receive advice and set targets in terms of reducing polluting emissions and fuel savings.

During the settlement phase, the **Video appraisal** service was consolidated and expanded, allowing the independent expert to carry out a remote appraisal and collect documents to support virtual settlement of the claim. The "**electronic settlements**" process continues to evolve, using information provided by the black box for MV claims. The predictive models for the dynamics of the claim have been improved, allowing the adjuster to verify consistency between what was declared and the actual dynamics of the event.
In parallel, optimisation of the **Real Time 2.0** process continued, which envisages the opening of a claim from the moment of a crash detected in the black box data, at the same time triggering initial contact with the policyholder to open the claim and anticipating the information collection stage.

In the **Welfare ecosystem**, investments have allowed innovation in the supply and distribution models and the integration of partners and ecosystem services.

Also in the **Property ecosystem**, for the general classes, to consolidate the technical and distribution excellence of the Group, a widespread and advanced use of data and analytics is used: in fact, the project to support the underwriting phase with respect to legal entities was consolidated, adopting a business risk indicator which associates an index with every VAT number/Tax Code to provide information in advance as to customer risk characteristics not intercepted by the product tariff. To supplement this service, the assignment of an ESG Score to joint-stock company customers has become fully operational, defined with a data-driven approach (for more details, see the "Monitoring of environmental, social and governance risks and impacts" section).
In support of the direct management of repairs and expansion of the offer of non-insurance services for the home (UnipolHome), services were marketed to administrators and owners.
In addition, during 2022, interventions such as the video appraisal for certain Property claims and the new Property claims opening process were released into production, which aim to improve the customer experience and the technical design of products.

Innovation projects by ecosystem

	EXPANDING THE OFFERING AND SERVICES FOR CUSTOMERS AND AGENTS	AUTOMATING PROCESSES	IMPROVING UNDERSTANDING OF CUSTOMER NEEDS AND RELATIONSHIPS	PREVENTING AND PROTECTING WITH THE SUPPORT OF TECHNOLOGY	STRENGTHENING TECHNICAL EXCELLENCE WITH THE SUPPORT OF TECHNOLOGY
MOBILITY	Tenuta Bene and Cambiobike portals for the sale of cars between individuals and E-bikes Launch of the UnipolMove App for payment services in mobility (car parks, fuel, etc.) Launch of the electronic toll service UnipolMove		Predictive model in relations with the Customer	Unibox Safe/ Unibox SuperEasy Plus/ UniSmart Drive Beyond black box - Connected cars Management solutions for vehicle telematics and behavioural data usage	Optimisation of the para-tariff to improve Pricing & Underwriting AI and Telematics in support of claims management
WELFARE	Offer of services to retail and SMEs through development of the network WellBee and Tantosvago offers of welfare services for SMEs and Large Corporates (e.g. flexible benefits)		Platform evolutions and points of contact for customer relations management and monitoring		
PROPERTY	Launch of Unipol Home and Craftsmen Network for direct management of post-claim repair work Services to administrators and owners			E3CI - an index supporting the analysis of weather risk Processing of weather data for the creation of hazard maps Evolution of the offer of security services for home and business	Big Data Analytics to improve Pricing & Underwriting Support for outwards reinsurance in the area of general classes Optimisation of the para-tariff to improve Pricing & Underwriting
MOBILITY WELFARE PROPERTY		Process mining to optimise processes and, where possible, automate them	Data drive design (D3) to improve customer experience and product technical design		Data streaming platform for realtime/batch processing and enabling ML/AI decision-making processes DevOps Drakkar platform for application development and execution based on cutting-edge technologies.

Key:

INCUBATION > EXPERIMENTATION > MARKETING

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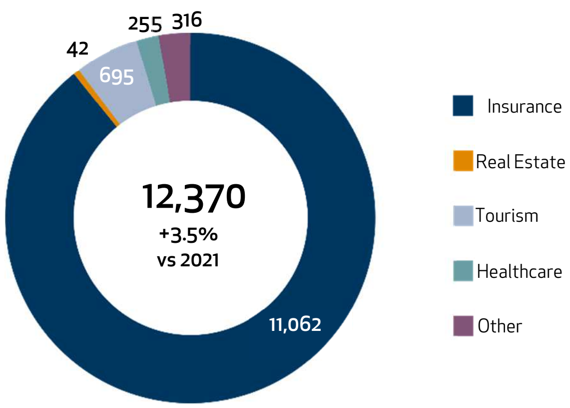
Human Capital

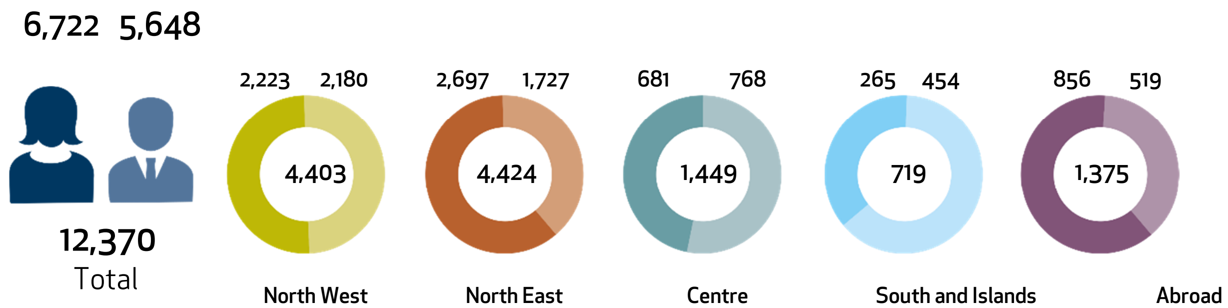
Employees by sector



In 2022, Human Capital policies promoted numerous initiatives for individual development and to meet the needs of each of the four generations working in the Group.
The integration of multiple skills, capacities and attitudes contribute in a fundamental way to the creation of value for the entire Group. Through specific guidelines, the Parent coordinates and monitors the working conditions of all employees, in order to best protect occupational health and safety, with an incremental approach with respect to the provisions of related regulations.
A company Welfare system was provided for all employees and their families as part of the personnel engagement process, in addition to listening activities and direct involvement of employees.
The Group also pays particular attention to the numerous initiatives adopted for human capital development, including the activities carried out by UNICA, the Corporate Academy of the Group that focuses on professional and skilled job training.

In line with the "Opening New Ways" Strategic Plan and the **Tech & People Evolution strategic area**, attention focused on the issue of digital transformation, with the aim of fostering an environment in which technology, people and processes interact in a complementary manner, to ensure constant innovation, increase productivity and guarantee continuous and widespread improvement.
In this regard, **Digital Paths** was launched, to detect the digital readiness of the Group's personnel, and therefore be able to support training initiatives on digital issues and openness to change.

Number of employees by geographical area



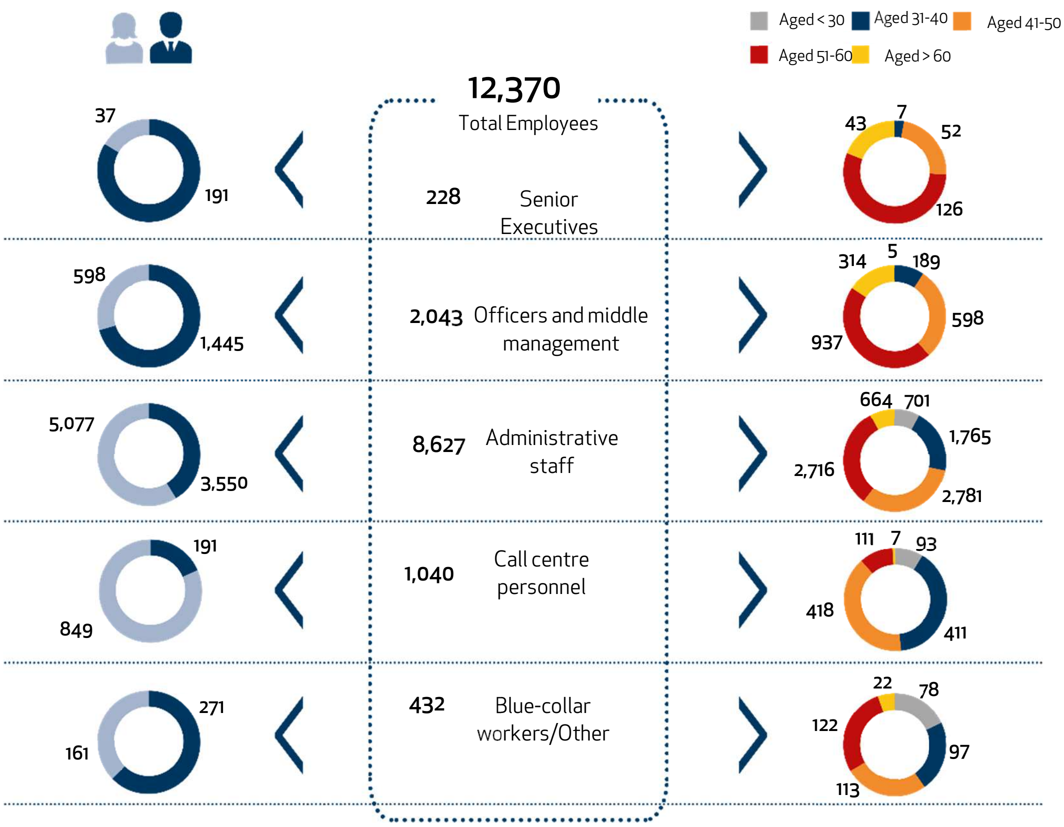
Workforce

The Group's workforce increased by 3.5% compared to 2021.
The turnover relating to new recruits increased by +2.7 p.p. compared to 2021, and consequently so did total turnover (23.3%, vs. 21.2% in 2021). The percentage of voluntary resignations was 2.7%, compared to 1.3% in 2021.
Women account for 54.3% of the workforce. Of these, 635 hold managerial positions, equal to 27.9% of the population in these roles (+0.6 p.p. vs. 2021).
Employees with a permanent contract make up 95.7% of the staff. Also during 2022, 192 employees were moved to permanent contracts.

The average age of staff in service as at 31 December 2022 was 47.1 years (in 2021 it was 46.8). For 2023, a reduction in this indicator is expected as a result of terminations related to the Solidarity Fund.
University graduates constitute 46.2% of the workforce (+0.6% compared to 2021).

638 employees changed duties by applying for internal mobility paths, encouraging professional growth and skills enhancement for the individual and for the entire Group.

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



Training and development

Again in 2022, as in the two previous years, training activities were mainly provided via distance learning. In support of this, the new **Learn App** allows employees and Agency Networks to take advantage of a selection of development interventions directly from tablets/smartphones.

The number of Academy users is gradually expanding, extended to start-up companies or those that have joined the Group during the year and to external collaborators, such as brokers and medical experts. Unica also retained the **ISO 9001:2015 certification of its Quality Management System**in 2022.

More than a thousand courses were provided to employees, in particular of a technical, digital and regulatory nature including, for example, the basic course for the new IFRS 9 and 17 accounting standards.

The "**My Reskilling**" project was launched, dedicated to 120 Linear employees and built to accompany them in new roles within UnipolSai. The project will be further expanded in 2023 and will also involve Unipol Assistance, for a total of 405 staff.

As part of the initiatives to support growth of the Group's human capital, a professional development programme was launched, with the aim of enhancing the skills of the "managers of tomorrow" and guaranteeing managerial continuity in the Company. Among the advanced training courses activated internally, note the **"Unipol Executive Master"**, the **"Unipol Innovation Laboratory"** and the **"Master in Business Insurance"** dedicated to the Claims and Non-Life areas.

The **training intended for the Sales Network** referred to building **over 600** courses useful in increasing skills, in compliance with training obligations envisaged in Regulations.

The **"Eticamente"** course (optional) continued, on the principles and conduct underlying the Group's Code of Ethics, which has been completed by more than 4,700 employees.

Training provided in 2022

- €9.9m invested (vs. €9.2m in 2021), of which €4.6m direct and €5.3m indirect*
- 1.1m hours' training provided to 82% of the agency network and 18% of employees (with an average 14.2 hours' training per capita for employees and 22.6 hours for the agency network)
- 10,105 employees and 27,397 agents and secondary network partners involved in training activities organised by Unica (84% of potential recipients)
- 2,613 courses provided to employees and agents (2,098 in 2021)

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

Welfare

For some time now, the Group has implemented a welfare system with the goal of improving the well-being of its employees.
The cornerstone of this strategy is first-level welfare, mainly the result of bargaining with trade union representatives, consisting of institutions such as supplementary pensions (implemented through pension funds), supplementary assistance (implemented through welfare funds), preventive healthcare, accident coverage including non-occupational, personal loans, flexible working hours, additional leave for care, study and voluntary work, which have been introduced or extended over the years, including new elements in the Supplementary Company Agreement ("CIA"), collective agreements or company regulations applied by Group companies.
To cover the workers of all sectors in which the Group operates, there are 11 Pension Funds (plus other forms of supplementary pensions), in which 78% of employees are enrolled, and 17 Assistance Funds, of which 94.75% of employees are members.
The second-level corporate welfare policies accompany Group personnel through the implementation of training initiatives, services and projects to satisfy the most important needs of the various phases and conditions of life, to improve personal and organisational well-being.

In 2022, a welfare platform acquired by the Unipol Group was activated for employees and the range of services for caregivers was expanded with the launch of dedicated webinars, e-learning courses and self-help support groups led by psychotherapists.
The "Per Te" (For you) initiatives dedicated to colleagues, "Per i tuoi Figli" (For your children) dedicated to the children of colleagues and "Per la tua famiglia" (For your family) dedicated to caregivers and those they care for, also continued.

Inclusion & Diversity

With regard to Inclusion & Diversity issues, in addition to defining guidelines for the construction of a modern and respectful work environment that promotes the opportunities of each individual, the Group has developed a forward-looking plan to integrate these guidelines into the main processes related to Human Resources.
To strengthen this commitment, the "Charter for Equal Opportunities and Equality at Work" was signed, which sets out the fundamental principles on which Unipol, with the involvement of the Corporate Equal Opportunities Commission, builds employment inclusion initiatives, with particular attention to equal opportunities between men and women.
With regard to Disability Management issues, the Group continued the process of recruiting new employees from the protected categories and the process of recognition of colleagues already in the workforce, so as to be able to best address all firm actions to improve the quality of life of personnel with disabilities in the professional context.
During 2022, Disability Management actions focused more on the concrete management of disability in the workplace through actions focused on improving the **conditions of organisational well-being** of people with disabilities with a view to individual empowerment and on the **promotion of initiatives** and events that involve part of the company community to increase awareness, information and training on issues of disability management in the workplace.

Health and Safety

The protection of health and safety is considered fundamental in planning and executing every working activity of the Unipol Group.
To this end, an Occupational Health and Safety Management System (OHSMS) has been operational since 2016; starting from the "Group Guidelines on the protection of health and safety", the System envisages the adoption of operating processes through which the objectives defined in the Guidelines are pursued. The Management System is reviewed at least annually to verify its suitability, adequacy, effectiveness and efficiency in satisfying the requirements of the reference regulations and applicable legislation and to reach pre-set targets. The review includes an evaluation of opportunities for improvement and the need to make changes to the system, including the Group's policies, objectives and goals.

The total number of workplace accidents rose from 65 in 2021 to 126 in 2022 (62% during commuting). As a result of the accidents recorded, 3,687 work days were lost compared to 1,786 in the previous year. The increase in accidents is justified by the return to office working in November 2021, after a year of smart working for the majority of employees.

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

Mobility

With regard to Mobility Management, activities were structured and company processes were introduced that make it possible to annually update the Home-to-Work Travel Plans (PSCLs), as required by regulations.
The PSCLs drawn up annually allow analysis of the current situation and identification of new action proposals consistent with any changed travel needs of employees as and when required.
The data recorded in 2022, as happened in 2021, were deeply affected by the health emergency. In fact, significant use of smart working was recorded by certain categories of company employees, resulting in changes to their travel/mobility habits.
In contrast to 2021, 2022 saw a gradual increase in the volume of Local Public Transport subscriptions, despite the continued prevalence of private transport with a preponderance of cars over motorcycles and bicycles.
Again due to the health emergency, carpooling and sharing mobility options (with the exception of bicycles) were still unused.

Industrial Relations

With particular reference to the insurance sector, the model for dialogue with trade unions, divided into two levels (negotiation and information disclosure through periodic monitoring meetings), has reconfirmed the high quality standard of Industrial Relations in the Unipol Group, making it possible to manage complex issues such as more effective recourse to the extraordinary benefits of the Solidarity Fund and intra-group organisational flexibility.

In 2022, Unipol Gruppo and the Group insurance companies continued to implement the trade union agreements signed in relation to mutually agreed termination of employment contracts for non-executive personnel reaching pension age by 31 December 2023. The same agreements were entered into for executive personnel reaching pension age by 31 December 2024 (initially 31 December 2023). Also in 2022, new agreements were signed regarding the mutually agreed termination of contract for both non-executive personnel and for executives who meet the pension requirements no later than 31 December 2027.
During 2022, the mutually agreed terminations involved 36 workers who accepted early retirement (266 in 2021, of which 213 with access to Solidarity Fund), who will receive pension benefits directly from INPS.
Again in 2022, the mutually agreed terminations with pension support also concerned 12 executives (7 in 2021, of which 3 with access to the Law 92/2012 Fund), who will receive an allowance from the company equivalent to their future pension up to accrual of the right to a pension.

During the year, 176,772 hours of trade union leave and 5,232 hours of shareholders' meetings were provided, while 742 hours of strikes were recorded. The trade union membership percentage is 59% of employees across the entire Group.

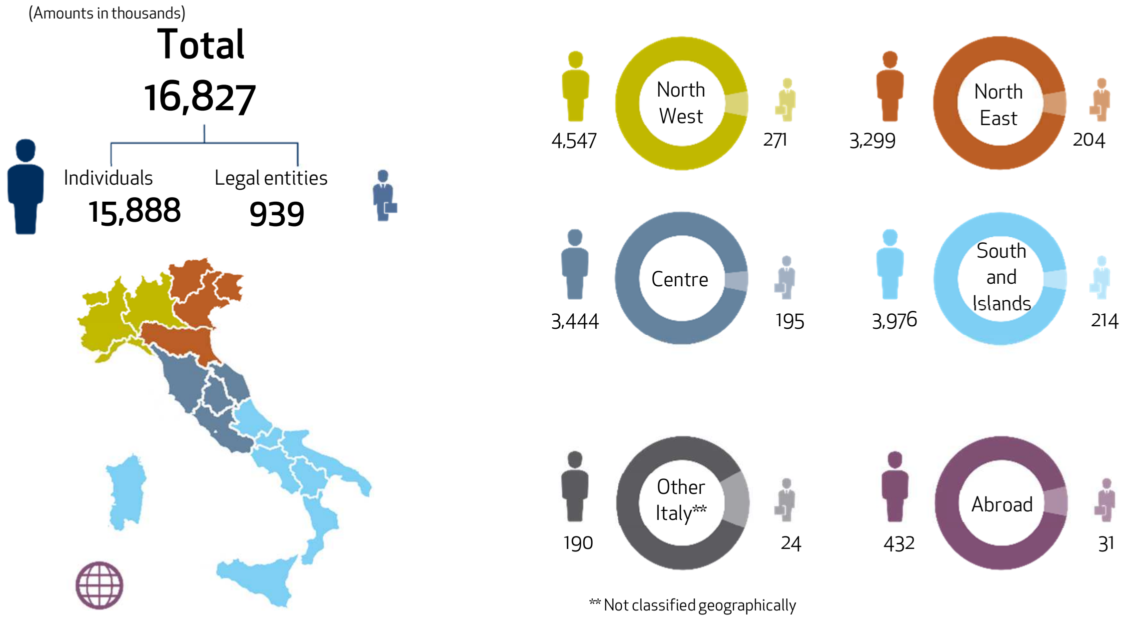
For further details on Human Capital, please refer to the "Appendix - Unipol in numbers".

Social and Relational Capital

Customers

In 2022, the Group provided its services to 16.8m insurance customers, both individual policyholders and those insured by collective policies, up by 8.3% on 2021 due primarily to the growth in premiums of UniSalute and Arca Assicurazioni.

Local customers/policyholders



Businesses account for 31% of the Non-Life portfolio of UnipolSai (14% Corporate and 17% SMEs). Among the business customers with a Non-Life General Class premiums volume of more than €40m, the sectors most represented are real estate, construction, retail and wholesale trade, specialist construction, metalworking, healthcare and third sector.

Presence in the Corporate segment is particularly significant in the business of UniSalute, which is concentrated primarily in the provision of group healthcare policies through Funds, Welfare Funds and mutual healthcare societies aimed at groups and companies of all sizes and sectors: handicraft businesses, banks and credit institutions, political institutions, supervisory institutions, trade associations and social security and welfare entities, and supplementary sector healthcare funds. UniSalute is also a leader when it comes to the management of healthcare sector funds in Italy, managing 50 (44 through direct delegation), deriving from national collective agreements. 70% of the Fund members are located in the following regions: Piedmont, Lombardy, Veneto, Tuscany and Emilia-Romagna.
With the new "Opening New Ways" Strategic Plan, the Unipol Group has entrusted UniSalute with the task of being the only carrier in health insurance, in order to develop the sale of Retail and SME products and to more closely meet customer needs in synergy with the strength of the distribution networks.

In 2022, the activities of the diversified and instrumental companies generated trade relations with over 840,000 customers (90% natural persons, of which 61% from the tourism sector, 22% from Beyond Insurance Mobility companies and 16% from the healthcare sector, while among legal entities almost 50% derives from the tourism industry and 46% from the activities of Beyond Insurance Mobility companies).

Relationship support services

The Group's commercial actions are 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.

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.
A specific contact centre service takes care of potential customers who have completed the online quote process, to facilitate the conclusion of the contract. This method allowed the sale of about 20,000 policies in 2022, assigned and managed by the agency channel.

The Unipol Group can count on a large customer base with a high level of engagement.
The size and strong engagement of customers enhance the insurance strategy and enable that for the ecosystems. High levels of interaction and significant frequency of communication through the various digital contact points (with 800m interactions and 25m accesses) contribute to increasing the accessibility and availability of insurance protection and services "adjacent" to the insurance business.
During the year, initiatives were undertaken to promote services of the UnipolSai App (an increase of 600,000 downloads compared to the previous year), the simplification of activities in mobility, the new remote sales functions and the digitalisation of other services (transactions on payment services made available to customers increased by 73%, in particular through use of the parking payment service).
5.5 million customers are registered in the reserved area (+7% on 2021), 3.7 million subscribing to the Advanced Electronic Signature (AES) with over 8 million policies underwritten (46.3% of the total) of Active Customers, +10 p.p. on 2021, in line with the 47.0% target set for the year). The digital penetration index, which considers the transactions that can be activated by the Agency for digitalisation of the security, thus eliminating the need for printouts, was also higher than the target of 38.5%.

Customer Protection and Responsible Sales

In the new products and services creation phase, as well as in the renewal and modification phase of existing products and services, the Group companies carry out preventive audit of compliance with applicable regulations, which takes into account their consistency with the expectations of the customers for whom they are designed, also envisaging monitoring during their time on the market.

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

Among the forms of misleading advertising that the aforementioned controls prevent is the phenomenon of greenwashing. To combat this, the Group Companies adopt common guidelines based on attention to the accuracy and reliability of the data and the sustainability policies underlying sustainability communications, in compliance with the principles governed by Art. 36 of IVASS Regulation no. 41 and European legislation (Regulation (EU) 2019/2088 and Delegated Regulation (EU) 2021/1288).

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

In particular, for the remote placement of Non-Life insurance contracts, the ban on using filters, procedures or mechanisms to select customers in a discriminatory sense and the ban on opt-out mechanisms (by virtue of which, against automatic combination with a main insurance cover or a non-insurance product or service of some unsolicited insurance cover, for which a willingness to participate has not been expressed, the customer is forced to deselect the relative option if not interested in purchasing them).

With this overall approach, the Group Companies concretely implement protection of the consumer and their rights in the activities of proposing an insurance offer and in the communication, to avoid unfair commercial practices and unlawful contractual clauses. UnipolSai offers its intermediaries and employees training opportunities to strengthen and increase awareness of the ethics of business conduct.

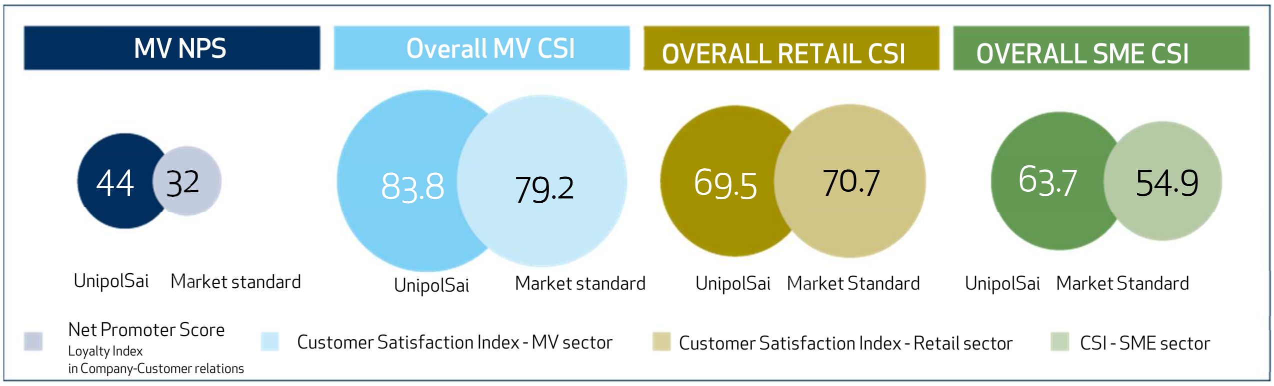
The training programmes offered concern regulations in force, the commitments undertaken by Group companies to the Antitrust Authority (AGCM) and the methods by which the regulations interact with the specific business activities.

Life product certification for 2022, in relation to all products in the Investment, Savings and Welfare ranges, requiring audit of compliance by UnipolSai with product regulations according to the values of **transparency** (complete, understandable and traceable information), **fairness** (clear and balanced cost) and **product value** (protection of capital and selected investments), by the certification body Bureau Veritas.

Satisfaction monitoring
In the Customer Satisfaction survey conducted in 2022[8], UnipolSai confirms its best ranking, exceeding the market standard by 5 p.p. in the overall score. The MV customers' NPS (Net Promoter Score) was also higher than the market benchmark.

As part of the ongoing surveys,[9] the overall satisfaction indicator calculated on policyholders fell compared to the previous year (69.5 vs. 76.7). The market average figure also decreased from 74.5 to 70.7. For medical expense/health policyholders, too, both individual and collective, satisfaction remained above the market average for Group customers even though the trend recorded showed a downturn for both the market (from 76.2 to 73.6) and UnipolSai (85.5 to 79.6). Compared to 2022, the satisfaction of UnipolSai business customers decreased (from 70.6 to 63.7), although it remained above that for the market (54.9).

Customer satisfaction surveys in Italy



There was a slight increase, and again above the sector average, in agent satisfaction (equal to 3.43 on a scale from 0 to 5, from 3.35 in 2021), while the market figure remained basically unchanged (3.15 vs 3.13).

Complaints management

In 2022, IVASS complaints addressed to the Group's Italian insurance companies (including Arca) numbered 17,347[10], of which 12,219 for UnipolSai Assicurazioni alone, down 2.1% compared to the previous year. The number of complaints for every 1,000 UnipolSai policies was 0.348 (0.343 in 2021), while the percentage of claims reported generating a complaint decreased from 0.7% to 0.6%.
1,836 complaints were handled by the insurance companies in Serbia.

Networks for the internalisation of the service model

The internalisation of damage repair services guarantees financial savings and a high level of service for customers, who are accompanied by selected partners in solving critical issues created by the damages suffered, regarding the vehicle, person or property.

[8] The interviews, performed with the CAWI methodology, were performed during 2022. The customers interviewed totalled 5,629, of which 2,102 UnipolSai customers (1,516 from the random list provided by the client and 586 from the Nexplora panel).
[9] Ipsos Multifinanziaria Retail which offers an understanding of financial decisions of households and individuals aged between 18 and 74, representative of 21.2 million households. The sample data are collected through 5,000 annual face-to-face interviews (CAPI) with financial decision-makers, surveyed during two half-yearly waves of 2,500 interviews each.
For Multifinanziaria Aziende this is a periodic monitoring system that studies the needs of production companies in Italy and their relationship with the entire financial system. Around 1,500 interviews were held with Owners, CEOs and CFOs of companies in the Industry, Services and Trade sectors.
[10] The details of the complaints also include those referring to intermediaries enrolled in Section D of the Single Register of Intermediaries.

Through the adoption of policies, guidelines, formalised internal procedures and periodic controls, the Group ensures that the goods or services are suited to the needs of customers, meet health and safety standards and comply with legal requirements; Unipol also intends to guide its **partners towards the adoption of sound business practices, also in critical supply chains**.

On joining the network, the partners carrying out repairs following insurance claims and the providers of Welfare and Health services, in addition to receiving initial training on both insurance issues and process management and operation issues, must read the Code Ethics and Charter of Values, the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001, the Risk Report and the Supplier Code of Conduct, where applicable. Through this step, partners undertake to comply with the anti-corruption measures adopted, occupational safety regulations, current laws and National Labour Agreements, to tackle all forms of discrimination and to guarantee to the Group that they have enacted the necessary protections which govern the assignment of activities to personnel or external companies.
The controls in place aim to ensure that suppliers comply with Unipol standards and values, to protect customers and prevent fraud, data loss and damage to reputation.

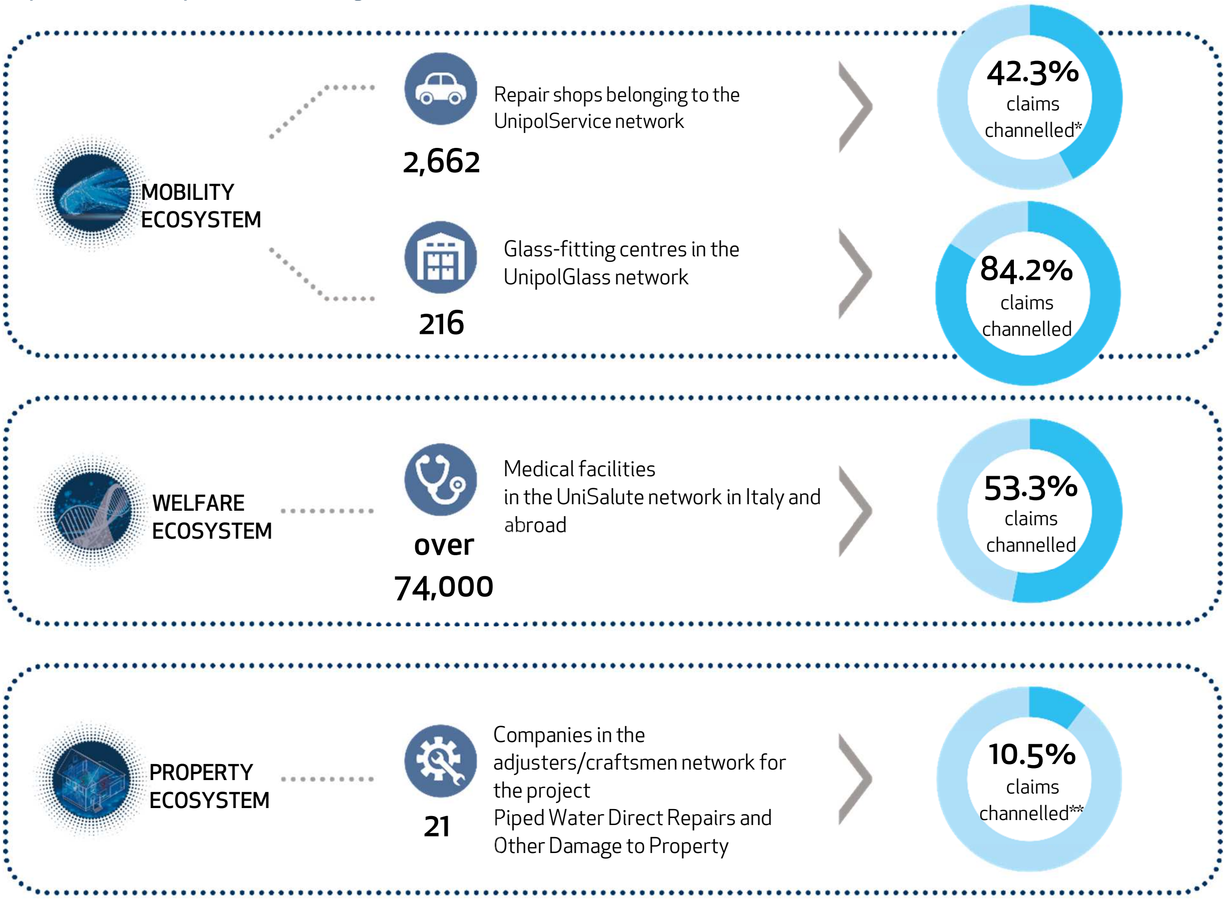
In the **MV** sector, in particular for the recovery, repair and rental of vehicles, the policies underwritten with additional services are growing constantly and significantly: customers who try these services record retention rates higher than the market average (for example, compared to an average of 84.8% for the MV TPL segment, 88.1% is recorded for those who used UnipolGlass services or 93.4% for those in the MV TPL portfolio who used UnipolService).

In the **Welfare** area, the Group has strengthened its positioning, expanding the network of healthcare facilities (with particular reference to proprietary facilities), and offers digital health services, including telemedicine, and home care, physiotherapy and social care services.

In the **General Property Classes**, with the launch of UnipolHome activities, the proposal of additional direct repair services (such as emergency services, goods and technologies for the home, goods and services for the property repairs) was strengthened by maximising synergies with insurance benefits. In 2022, UnipolHome developed its services in particular in the areas of Piedmont, Emilia-Romagna and Lombardy.

Customers who made use of direct repair services, through the network of operators selected by the Company, without cash disbursement and with abolition of the deductible, recorded a retention rate of 94.7% against the total customers figure of 87.9%.

The impacts of direct repair and channelling



* the figure includes only the MV TPL business.
** percentage calculated on all UnipolSai home and condominium products.

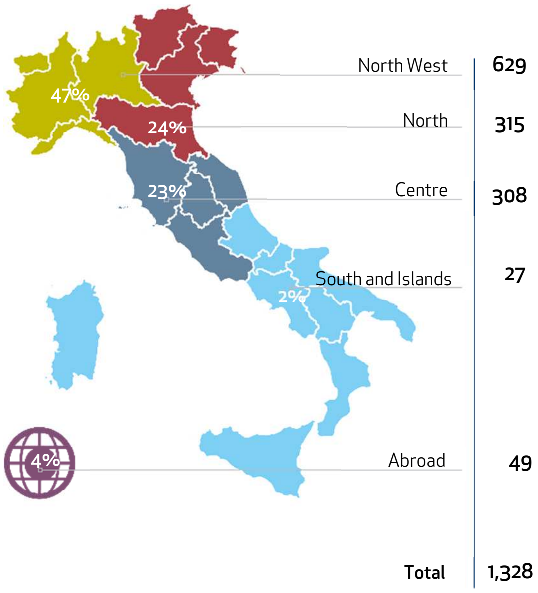
Suppliers

At 31 December 2022, the Group traded with roughly 8,200 companies, for total expense of €1,328m, of which 96% disbursed in Italy (excluding the foreign suppliers of the subsidiary Ddor Novi Sad).
The main expense items include miscellaneous services, IT support services, and property management (including energy costs), which account for more than 70% overall.

Apart from a number of exceptions of limited significance overall, the Group supply chain, which does not purchase raw materials nor deliver physical goods to customers, is not particularly complex.
Relations with suppliers are governed by the Code of Ethics, Charter of Values, OMM, Code of Conduct and internal policies characterised by ethics, fairness and transparency, and which ensure partners' adoption of fair business practices also in critical supply chains.

The details of this approach are presented in the "Monitoring of environmental, social and governance risks" section.

Value disbursed to suppliers by area €m*

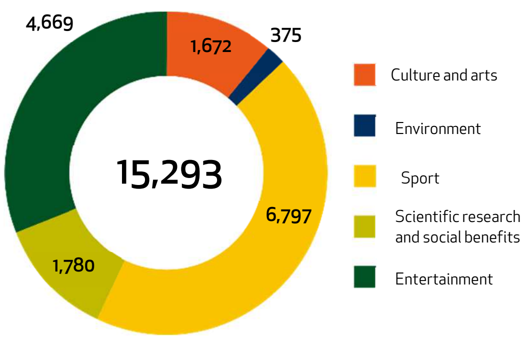


* The graph does not include Ddor Novi Sad whose total expense came to €13.7m (down 11.6% vs 2021).
The total expense paid to suppliers in 2022 is not comparable with the value for the previous year due to the application of Group calculation criteria to the new companies joining the Group.

Community

Contributions to the community by area*

(Amounts in €k)



The Unipol Group's commitment to the community each year essentially involves a series of various types of contribution which in 2022 exceeded €15m, up 30% on the previous year.
The main areas receiving the cash contributions were sport, which in the Group's vision is a major empowerment opportunity, especially for the younger generations, and commercial initiatives that contribute to social causes, at the same time promoting the brand and Group business.

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

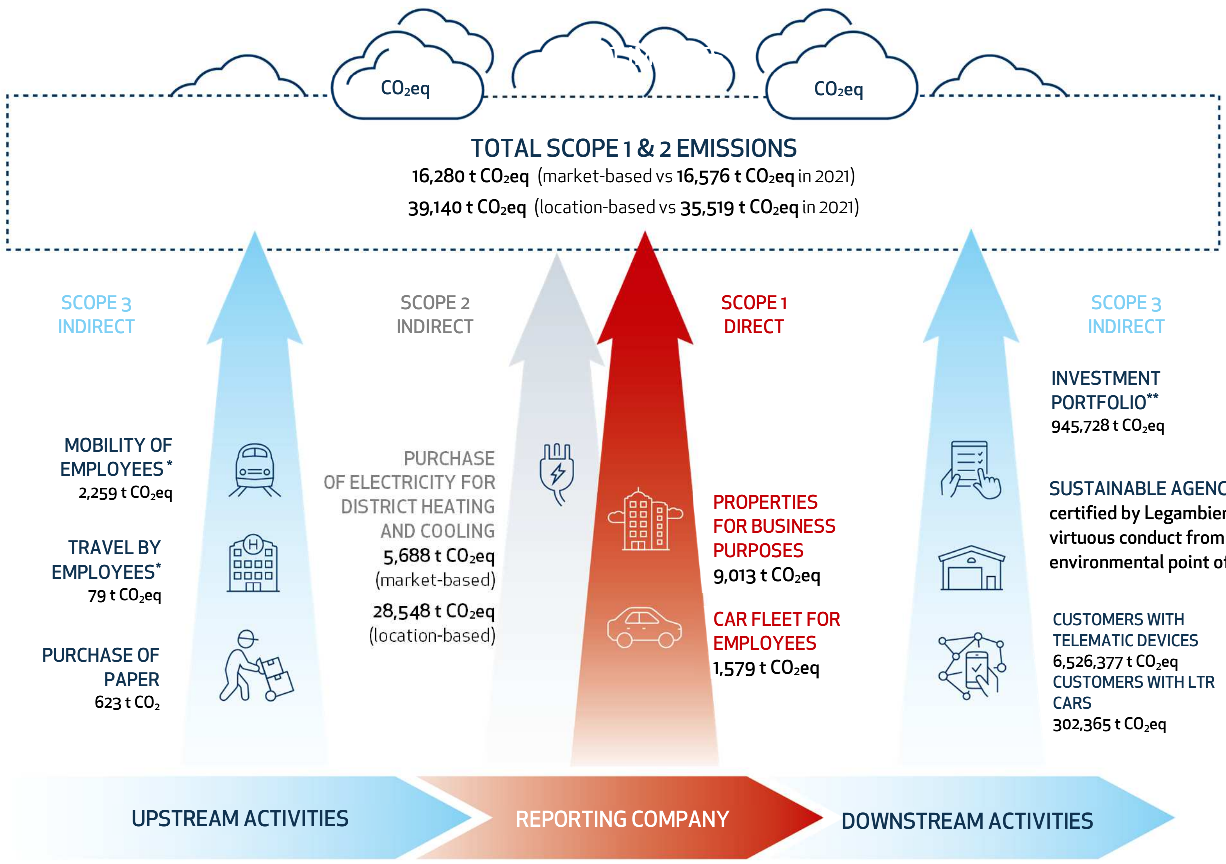
For further details on Social and Relational Capital, please refer to the "Appendix - Unipol in numbers"

Natural Capital

TCFD NFS

The Group has a consolidated process for analysing and monitoring its direct and indirect impacts on the environment[11] along the entire value chain, in order to outline the activities necessary to reduce these negative impacts. In addition to reducing greenhouse gas emissions, the Unipol Group is paying increasing attention to its contribution to protecting nature and biodiversity.

Management of environmental impacts



* With reference to Scope 3 emissions deriving from employee hotel stay, employee and customer mobility in Italy the following were used: the 2022 DEFRA (UK Department for Environment, Food & Rural Affairs - UK Government GHG Conversion Factors for Company Reporting) coefficients.
** With regard to the climate impacts of investments, in line with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard for Category 15-Investments and the PCAF Global GHG Accounting & Reporting Standard for the financial industry, the value represents the absolute emissions of the corporate portfolio (listed equities and corporate bonds) in terms of Scope 1 & 2 CO2eq emissions and other direct emissions (including CCl_4, $C_2H_3Cl_3$, CBrF, CBrF, $CBrF_3$ and biomass CO_2). The value in terms of carbon intensity (Carbon to Value invested - C/V) and Weighted Average Carbon Intensity (WACI) is detailed in the section "The climate impact of the investment portfolio". The Corporate portfolio analysed corresponds to the Group's direct investments in corporate bonds and equities (so excluding investments in cash, UCITS, ETFs, derivatives and unlisted instruments), equal to €16,494m.

Direct impacts

In the Climate change strategy adopted in June 2022, the Group defined a new target to reduce Scope 1 & 2 emissions (see paragraph "The Unipol Group's Climate Strategy" in the chapter "Opening New Ways: 2022-2024 strategies").
Unipol monitors its greenhouse gas emissions related to the energy consumption of real estate assets for business purposes and the company fleet (Scope 1 & 2 emissions). With specific regard to real estate assets for business purposes, for 2022 the calculation of Scope 1 & 2 emissions was determined by the consumption of electricity, gas and other energy sources (gasoil and diesel, LPG, district heating and cooling) for all the buildings over which the Group has direct control[12].

[11] For the measurement of greenhouse gas emissions, the calculation methodology adopted is that laid out in Directive EU/87 of 2003 relating to the emission trading scheme, and the international classification proposed by the GHG Protocol standard - and picked up on in the GRI Standards - in Scope 1, Scope 2 and Scope 3.
[12] With reference to the companies operating in Italy, the source of the emission conversion factors (related to CO_2, CH_4, N_2O gases for Scope 1 and Scope 2 according to the location-based method) and of the global warming potential (GWP) is the guideline for application of the GRI Standards in environmental matters (December 2022 version), drawn up by ABI - Associazione Bancaria Italiana. With specific

In 2022, **total Scope 1 & 2 emissions** amounted to 39,140 t CO_2eq according to the location-based approach (vs 35,519 t CO2eq in 2021). The increase in consumption reflects a greater continuity of in-office presence of employees from November 2021 onwards. The total Scope 1 & 2 emissions, according to the market-based approach, instead decreased (16,280 t CO2eq in 2022 vs 16,576 t CO2eq in 2021), thanks in particular to the activation of contracts for electricity supply from renewable sources in Serbia during 2022.

Energy consumption

The reduction and efficiency of energy consumption of real estate assets represent a significant issue both from the point of view of ESG impacts and financial effects.

Real estate development activities are characterised by the use of techniques and technologies aimed at maximising energy savings, leading in several cases to the acquisition of certifications that demonstrate the high levels of energy performance of buildings (such as Leed Platinum and Leed Gold). In the **real estate asset management** activities, including property for "business purposes" and "third-party use", the energy management system certified to **ISO50001 standard**, implemented by UnipolSai, commits the company to continuous improvement of energy efficiency.

Seven buildings obtained BREEAM In-Use certification in 2022 (four with the "Good" level and three with "Very good"), adding to the ten certificates in 2021. Lastly, to strengthen performance analysis of the of real estate assets according to the sustainability profile, twenty-eight Group properties were analysed using the GRESB criteria, the reference ESG rating system at international level for real estate investments.

Significant actions are taken to improve the efficiency of IT structures, among the main sources of consumption. The server virtualisation process allows a reduction in the consumption of electricity to power and cool IT equipment by roughly 38,377 MWh/year, corresponding to around 10,000 tonnes of CO_2 avoided.

In 2022, Tenute del Cerro, the Unipol Gruppo's agricultural and wine production company, inaugurated a new winery, a 4,000 m2 building used to improve and expand Tenute del Cerro production and storage capacity. The structure is characterised by green construction techniques and is equipped with photovoltaic panels producing 100 KW of energy.

Renewable energy

Since 2015, electricity supply contracts signed envisage that 100% of power supplied in Italy, and from 2022 for Serbia, must be from renewable sources.

Water consumption

The use of **water** is primarily linked to hygienic and irrigation uses and, in limited cases, for technological purposes in air conditioning systems. Water savings monitoring is constant, and for this purpose management systems have been implemented with the introduction of electrovalves to prevent waste. For hygienic uses, the water comes from the mains system or other water service management companies, whilst for irrigation it also comes from springs or waterways. The company Tenute del Cerro, which operates in the agricultural sector, pays particular attention to water management by investing in rainwater collection structures and using precision agricultural equipment.

Total water consumption in 2022 was approximately 1.5m m^3, of which 900,000 m^3 are attributable to hotels and 300,000 m^3 for irrigation use.

Waste management

For waste management at the Group's offices, in order to ensure control and traceability[13], operating methods are adopted that vary according to the waste treated (i.e. self-disposal of waste, transfer of waste to authorised third parties pursuant to regulations in force and disposal of waste to public municipal waste collection service operators).

The Group follows municipal directives for proper waste disposal, changing its processes and procedures where necessary, where possible arranging recycling or reprocessing. For separated waste, such as paper, plastic and glass, compliance with local regulations is ensured.

The types of waste considered hazardous (neon and light bulbs, WEEE electrical and electronic equipment, toner and spent batteries, hospital waste, etc.) are managed according to their specific characteristics and are disposed of separately in an appropriate manner, according to regulations in force.

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reference to the emissions from energy purchases (Scope 2) of companies operating in Italy (according to the marked-based method) and in Serbia and Ireland (according to the market-based and location-based methods), the European Residual Mixes 2021 emission factors derived from the AIB Association of Issuing Bodies (Residual Mix and Production Mix, May 2022 version) were used. Emissions are expressed in tonnes of CO_2 equivalent (t CO_2eq).

[13] The control measures in place are designed to manage risks identified in the waste management activities and assessed as sensitive pursuant to Italian Legislative Decree 231/01 and to prevent the commission of offences covered by the aforementioned Decree.

In the same way, for the foreign companies, the collection and management of waste takes place in compliance with reference national legislation.

Direct impacts linked to waste

Waste by type	M.U.	2022	2021	Change %/p.p.	Notes
Total waste*	Tonnes	1,160	1,425	-19%	The data does not include waste generated by UnipolRe DAC, Arca Vita International Dac and Unipol*Rental* whose waste is managed through the public service. Note that in 2021 the worksite activities in place for property maintenance led to a greater production of waste compared to 2022.
Non-hazardous waste	Tonnes	1,062	1,226	-13%	
Hazardous waste	Tonnes	98	199	-51%	

* the total waste count cannot include waste that is transferred to the public service by the various sites. The same treatment is envisaged for municipal waste and separate waste (paper, plastic, glass, metal).

Reduction of resource consumption and Circular Economy
For consumables such as toner and cartridges, the Group adopts a centralised management system which redistributes them at retail level to insurance agencies, together with printed matter and copying paper. During 2022, 31,250 pieces were acquired, including toner and drum units, of which 80% certified as regenerated. The collection and recycling system in 2022 collected over 8,000 pieces from the agencies alone, equal to 11 tonnes of material, with a saving of 24 t CO_2eq.
UnipolTech, UnipolSai's telematics provider that manages the telematics devices returned by customers, submits the **devices returned from the market** to a **regeneration** process, helping to reduce the consumption of new raw materials necessary for manufacture of the goods and, at the same time, limiting waste generation.
In 2021, the year of its operational start-up, UnipolTech regenerated 182,000 devices, equal to 67% of returns from the market. The cumulative figure since UnipolTech began operations is approximately **700,000 devices regenerated**.
At the end of 2022, the impact of regenerated products placed on the market compared to new products purchased was 45%.
Exceptions are obsolete or non-regenerable devices, which are disposed of according to the directives and procedures envisaged in regulations.

Unipol pays particular attention to **reducing paper and plastic consumption**. Document dematerialisation policies, with more than 8m policies signed with AES by over 3.7m customers, made it possible to avoid emissions amounting to140 t CO_2eq (111 in 2021). In 2022, 97% of purchase contracts (83% in 2021) were digitally signed without recourse to hard copy. The installation of 193 drinking fountains in 64 Group offices avoided the consumption of 278,000 plastic bottles.

In the hotel sector, guests were involved in supporting the **Smile at the Planet** initiative for the adoption of virtuous conduct in the consumption of bath and bed linen. In the 21 participating facilities, the initiative allowed savings of over 390,000 pieces, for a value of almost €100k compared to the same period in 2019.

Indirect impacts

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

- **employees**: emissions generated by business travel are reported. The initiatives to promote sustainable mobility implemented as part of the PSCL described in the "Human Capital" chapter are also worth mentioning;
- **customers:** the emissions generated by the travel of customers using telematic devices and of customers with Unipol*Rental* long-term rental cars (LTR) are calculated. Monitoring of the environmental impact of websites continues (result equal to 63.1 t CO_2eq per 100 pages of the UnipolSai website analysed, which account for 84% of annual views); the analysis highlighted possible areas for improvement to reduce the carbon footprint on which action will be taken during the course of the Strategic Plan, to be extended later to the other Group sites and apps;
- **suppliers**: the structures dealing with purchasing in the Group companies undertake to apply criteria for the responsible purchase and use of the goods and services also obtained through centralised purchasing based on eco-sustainability criteria. The purchase of 1,037 tonnes of recycled paper, instead of virgin fibre paper, avoided the generation of 1,078 t CO_2eq.
- **investments:** a detailed description of the climate impact of the investment portfolio is provided in the chapter "Sustainable Development: the impacts generated by the Unipol Group".

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

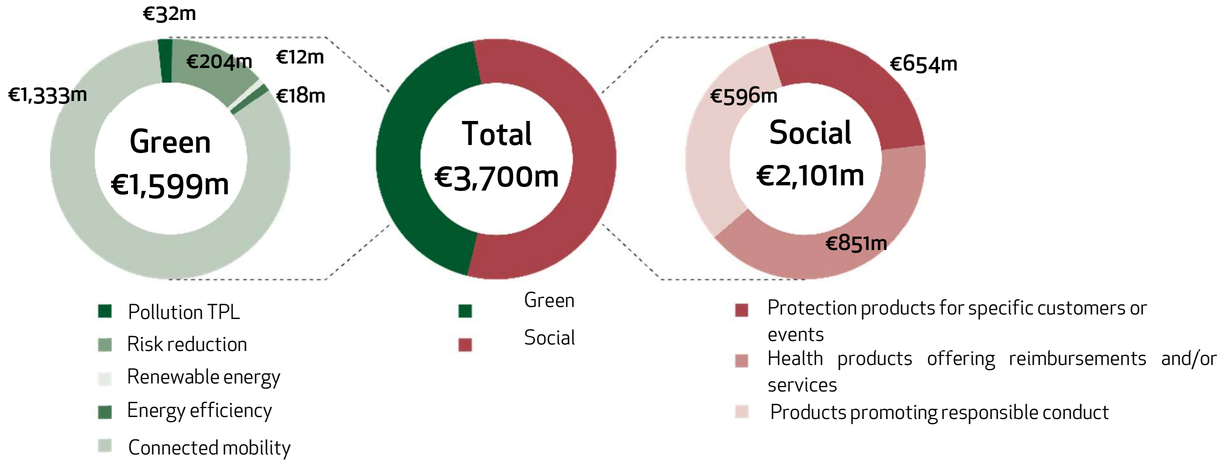
Sustainable Development: the impacts generated by the Unipol Group

NFS

Products and services with social and environmental value

Solutions that integrate economic growth and social and environmental value collected premiums of €3,700m in 2022, accounting for 27.1% of total direct premiums for Non-Life and Life products. 72% of these premiums are attributable to Non-Life business, where they account for 32% of direct premiums, while 20% of the premiums refer to the Life business. In order to be classified as a "solution with social and environmental value", a product or service must be able to satisfy social needs by improving people's lives, have a positive environmental impact or respond to concerns about the climate.

The impact of products and services with social and environmental value



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

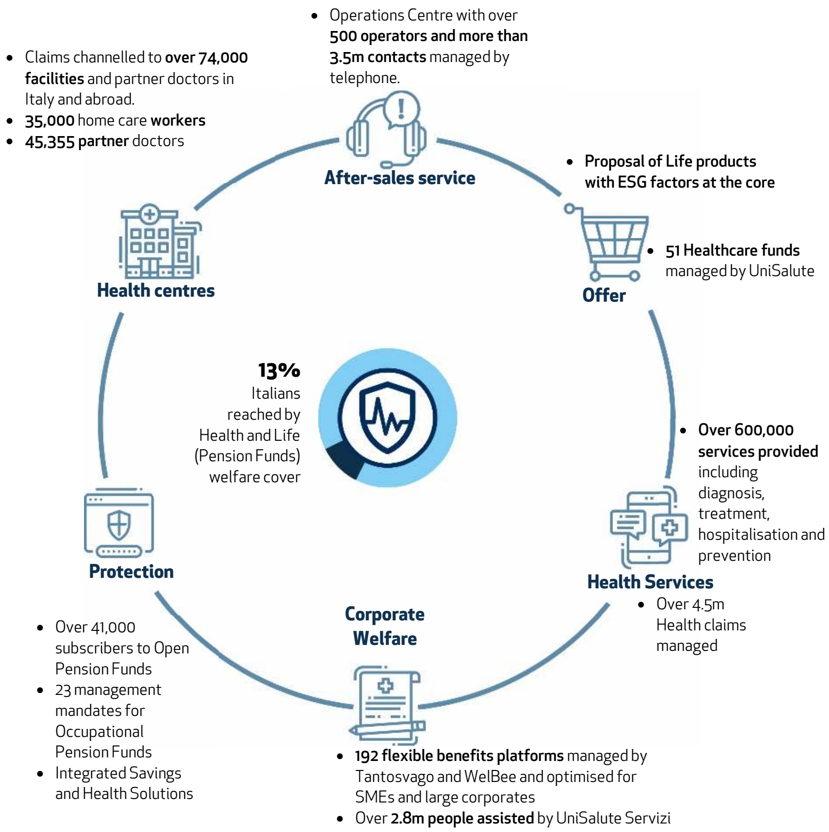
The environmental and social value products aim to promote good ESG risk management practices, also through customer engagement initiatives.

UnipolSai is committed to developing the first insurance tools that recognise a benefit to companies able to demonstrate their contribution to the objectives of the 2030 Agenda. The **insurance agreement signed by Snam and UnipolSai** adopts this approach, for the first time recognising the significance of policies and actions linked to sustainability in the pricing of risk and, with a view to creating shared value, rewards the policyholder's commitment to risk prevention. With this in mind, the UnipolSai TPL policy envisages a reduction - recognised in advance - of 5% of the annual taxable premiums of Snam Rete Gas. The decrease will be confirmed at the end of the insurance period against 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, the Unipol Group aims to reward Snam's ability, as an example of a virtuous company in the Italian landscape, to implement actions intended to reduce environmental risks.

Satisfaction of security and well-being requirements

In the social, healthcare and welfare sector, the Group aims to consolidate its leadership in the healthcare segment and its significant role in the welfare sector by developing an offer increasingly responsive to customer needs, in a context of an aging population and public health expenditure no longer sufficient to guarantee the services required by that population, more demanding and in need of assistance and care than in the past.

THE HEALTH AND LIFE WELFARE MODEL IN UNIPOL



In 2022, Unipol's role as a central player in the process of integrating public and private welfare was consolidated through health insurance solutions and the development of digital services accessible to customers, to support health and promote well-being in all age groups.

Central to this process are the acquisition of **Tantosvago** and **WelBee**, for the management and distribution of corporate Welfare services, and the assignment to UniSalute of the task of **being the only health insurance carrier for the Group** in order to develop sales of Retail and SME products and becoming increasingly closer to customer needs.

The Group continued to invest to increase the accessibility of its services, implementing innovative models for prevention, care and treatment of customers, through **digital platforms**, **IoT**, **chronic disease management** programmes, **home care services**, physiotherapy and social care and **telemedicine.** An example of this is the **MONITOR SALUTE®** (Monitor Health) service, now included in many collective health plans, including cover for sector-specific healthcare funds.

With a view to integrating Life & Health, in 2022, **Genitori & Figli** (Parents & Children) was launched, a package of services designed by SiSalute to support parents in the daily management of their children, from birth to adolescence. The initiative includes paediatric first aid training courses and management of the most common diseases, access to the network of facilities affiliated with UniSalute Servizi for examinations and tests during pregnancy and the possibility of requesting remote video consultations with specialist personnel at discount rates.
The UniSalute Over65 policy also increases the accessibility of care opportunities, providing for a maximum age threshold for underwriting or renewal of 80 years, higher than the market average.

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

In the supplementary pensions sector, at 31 December 2022 the Unipol Group managed resources totalling €4,390m in **Occupational Pension Funds** and assets totalling €881m in **Open Pension Funds**, as described in more detail in the section "Unipol Group Performance".

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

- "**Bilanciato Etico**" segment, one of the seven sub-funds of the UnipolSai Previdenza FPA Open Pension Fund, with €53.1m in portfolio assets;
- UnipolSai Investimento **MixSostenibile**, a multisegment insurance proposal which at 31 December 2022 totalled premiums of approximately €125m;
- the **Cromia 2.0** multisegment investment products (around €66m in premiums at the end of 2022) and the **Ingegno** range (with premiums of over €230m), placed on the market by Arca Vita;
- the **Open Solution** multisegment product (with premiums collected of over €11m) and the Freefunds and Freefinance unit-linked products (with premiums collected of around €18m) proposed by BIM Vita;
- the unit-linked policy **Take Care** offered by Arca Vita International, with a number of selectable ESG funds, with over €60m in premiums.

[14] Regulation (EU) 2019/2088 on Sustainability Disclosure in Financial Services (SFDR, Sustainable Finance Disclosure Regulation) defines two types of products with sustainability characterisation. Among these, Article 8 of the Regulation describes products that promote 'among other characteristics, environmental or social characteristics, or a combination of such characteristics'.

TCFD

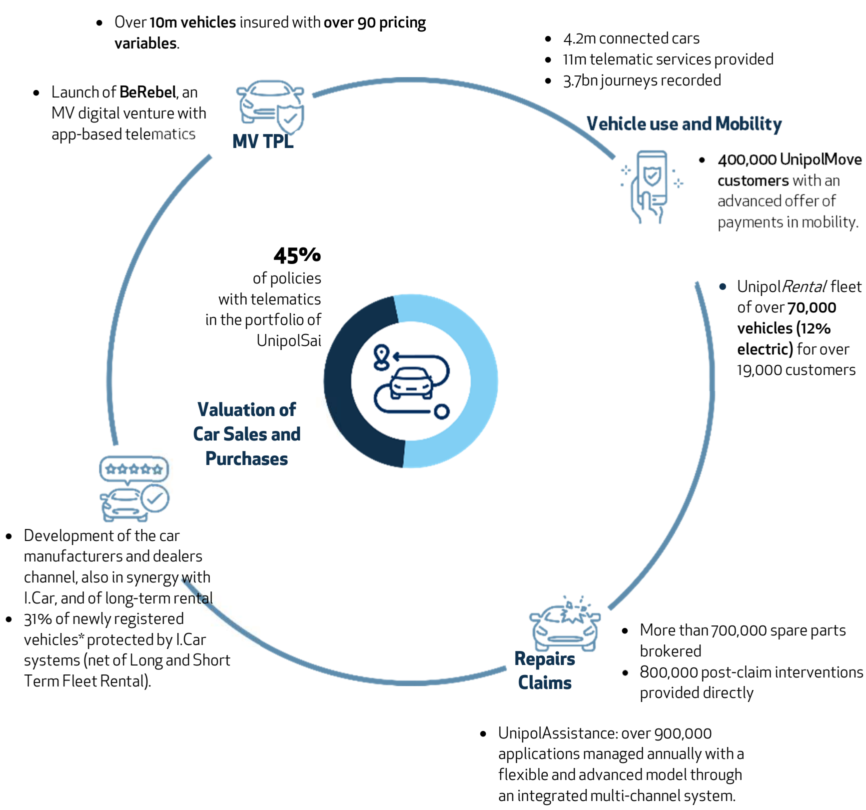
Full support for more efficient, safe and sustainable mobility

The Group is gradually establishing itself as a full partner for all mobility life cycle needs.
The Mobility ecosystem oversees, directly and in an integrated manner, services collateral to the core business, supporting customers in vehicle maintenance, at the time of the accident and until the damage is remedied through direct repair (UnipolService and UnipolGlass).

2022 was characterised by the entry into the **electronic toll collection** market with UnipolMove, created by UnipolTech, which will allow development of the Group's payments in mobility offer also through the UnipolPay electronic money institution.

Through Unipol*Rental*, the Group offers new mobility opportunities, while new mobility-related habits and new conduct are targeted by sales solutions (I-Car), valuation and purchase of used cars (Tenuta Bene and Cambiomarcia) and e-bikes (Cambiobike) through proprietary platforms and contributing to development of the circular economy and sustainable mobility.

UNIPOL A FULL PARTNER FOR MOBILITY

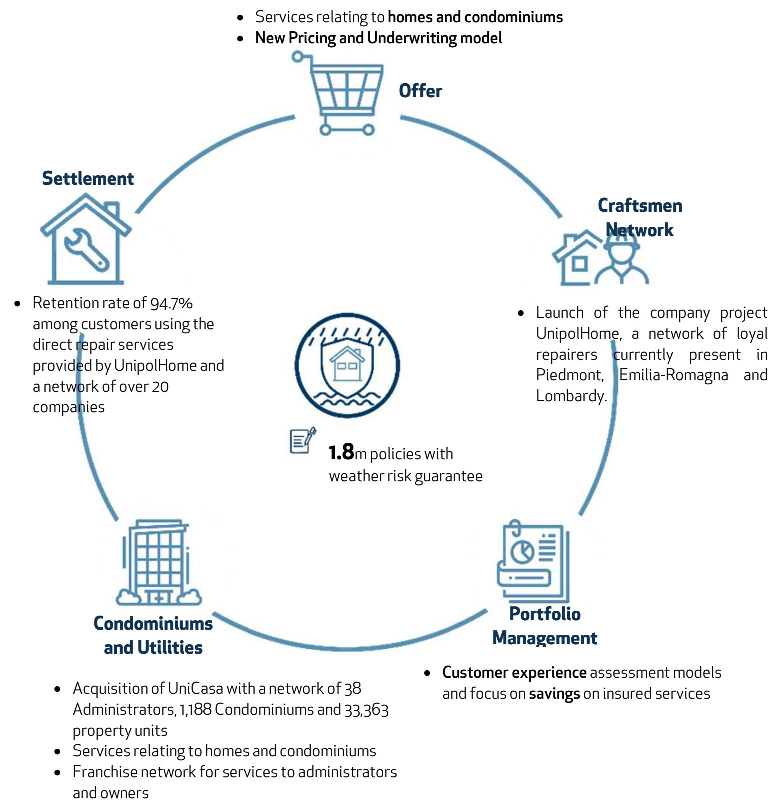


In 2022, Unipol Gruppo signed an agreement with Shell that will promote the development of a complete and innovative offer targeting motorists and aimed, among other things, at contributing to Italy's ecological transition; the partnership is based on five main areas: electronic toll collection, fuel card, electric mobility, telematics and company fleet management.
In the insurance sector, 2022 was characterised by the marketing of distinctive solutions for advanced pricing and underwriting models, thanks to the development of algorithms based on data on driving habits and the introduction of new parameters related to traffic and speed. Through the potential offered by telematics, new solutions were made available for mobility risk prevention and protection, such as assistance services and dangerous driving alerts.
The "Full Assistance" guarantee was also integrated in terms of operations, which also includes services dedicated to the new needs of electric car users.
Policies with Unibox telematics reached 45.0% of total UnipolSai MV policies at the end of 2022, corresponding to 50.2% of related premiums.
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 installation of the "*RebelBot*" satellite device. Distribution takes place via app.
Through BeRebel, by joining the BeGreen initiative, it is possible to offset CO_2 emissions corresponding to the kilometres travelled by the vehicle.

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

In order to meet the needs of corporate customers, mostly SMEs, the Group's offer has been integrated with services and conditions which, on the one hand, promote and support prevention, understood as an approach that facilitates the continuous existence of the insurability conditions of the individual players and overall sustainability for the Company, and on the other facilitate the rebound in the economic activity in the event of an accident which jeopardises it, by recognising this as a key element for the competitiveness of the players involved. SME premiums collected reached 11.1% of UnipolSai's total Non-Life premiums (or 26.9% of the Non-Life Non-MV premiums), amounting to more than €759m (+5.4% vs 2021).

PROPERTY ECOSYSTEM IN UNIPOL



In 2022, with the creation of UnipolHome, the Strategic Plan project was launched to create a craftsmen network, to encourage the transition to a more structured General Classes Direct Repair model, fully managed by UnipolSai. The goal of this action is to achieve benefits in terms of cost and service on Property settlement.

UnipolHome will be the entity responsible for:

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

The Property ecosystem has been enhanced with services offered by UniCasa: through the network of franchise condominium administrators, services to the Administrator and to the Condominium are offered on the market.

The in-depth analysis of products and services to support **climate change** resilience can be found in the section "Insurance business and impacts of climate change".

During 2022, the commitment continued to cover its customers' insurance needs deriving from the need to protect the data, technological assets and assets of its policyholders. To this end, UnipolSai's offer was enhanced with marketing of the **UnipolSai Scudo Cyber** product, which completes the range of digital cover already offered and targets SMEs, professional firms and the third sector.
At the end of 2022, premiums from Cyber Risk protection products increased by approximately 90% compared to the previous year.

The insurance solution for **Third Sector** entities, which offers a high degree of customisation based on the different economic and corporate purposes of the entities concerned, recorded premiums totalling €7.3m (€5.5m in 2021).

In 2022, through the agency channel, tax credits were purchased for a total value of €715.4m referring to 4,463 cases, to support citizens in accessing the relief offered by the 2021 Relaunch Decree for renovation works, primarily to improve the energy efficiency of homes. A further 5,000 policies of different types were associated with these, for total premiums in excess of €6.4m (€2.8m in 2021).

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

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

Insurance business and impacts of climate change

In 2022, the claims from weather events (direct cover) affecting Italy recorded an increase compared to the previous year, confirming a growth trend linked to the ongoing climate changes.
In September 2022, UnipolSai launched a structured and integrated plan of actions in favour of populations affected by the floods in the Marche region, with the aim of facilitating claim management, granting significant extensions and deferred payments and providing prompt and suitable responses to support customers and agencies resident in areas affected by the flood.

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

- **Risk prevention:** the Weather Alert service, developed on the basis of a predictive model capable of giving customers advance warning of the risk of heavy hail, was extended to customers in **the agricultural sector** by sending specific risk alerts relating to hail and strong wind. In 2022, over 3.8m text messages were sent, for a total of 10.4m since the start of the campaign, involving 4.2m customers of UnipolSai, Linear and Arca Assicurazioni;
- **Pricing:** the **European Extreme Events Climate Index (E3CI)**[15] has been expanded with two new components to be released in 2023 (forest fires and hail), in addition to projections of the index components to 2100. During 2022, a study was carried out on several Italian cities using satellite interferometric data, which led to the creation of indicators capable of assessing the stability of buildings also in extreme weather or natural events (e.g. landslides);
- **Claims management**: in 2022, Lorentz was perfected, an advanced tool for the collection and presentation of weather indicators which, for the General Classes, makes the Adjuster and Independent Expert aware of the weather conditions that led to generation of the claims. Among other things, the tool provides data on maximum rainfall, probability of hail and flood and maximum wind speed, and makes it possible to speed up investigation times, produce more precise estimates and identify potential fraudulent claims. In particular, using Machine Learning techniques, Leithà provides the Group with estimates of the impacts of extreme events in terms of frequency and severity of claims, which can materialise within a few hours of the event.

The Unipol Group has an offer of insurance products and services to support customers in climate change mitigation and adaptation[16]. With regard to mitigation, these are, for example, products aimed at business sectors such as renewable energy production ("UnipolSai Energia" product); offers to facilitate renovation works, largely aimed at improving the energy efficiency of homes, as described previously; "Pay as you drive" rates, which envisage a reduction in premiums based on use of the vehicle.

Insurance skills to support system resilience

The Unipol Group is implementing two projects that aim to **promote the innovative role that insurance companies can play in favouring climate change adaptation for vulnerable entities** (Italian SMEs and the agricultural sector, respectively) through the implementation of partnerships with public administration. The approach promoted by the Group focuses on the need to increase the knowledge of these entities, through training activities and by providing them with specific tools to strengthen their ability to prevent and manage climate-related risks (current and future) in order to maintain their long-term insurability, despite the increase in catastrophe and systemic risks).

The **LIFE ADA (ADaptation in Agriculture) project,** launched in 2020, focuses on three agricultural supply chains: dairy (Parmigiano Reggiano), wine, fruit and vegetables. In 2022, the project consolidated the tools for increasing the awareness and ability of farms to adapt to climate change. A Beta version of the ADA web tool was made available to farmers in Emilia-Romagna to test it, analysing the climate change-related risks to which they are exposed (currently and in the future), accessing the library of adaptation actions and selecting those best suited to their specific situation to create their own adaptation plan. The activities carried out in the pilot region laid the foundations for extension of the project to three other Italian regions (Tuscany, Lazio and Veneto) in 2023.
The **LIFE DERRIS** project, launched in 2015, is also continuing, with the aim of increasing the awareness of Italian SMEs on the risks that extreme weather events can pose to their business continuity. The project has devised a free online climate risk self-assessment tool (CRAM) that aims to help companies identify possible risk prevention and management actions to be implemented to increase their resilience to expected impacts of climate change. In 2022, Unipol collaborated with Legambiente to organise awareness-raising events.

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

At the end of 2022, the tool had been used by almost 9,000 users for a total of about 12,000 sessions (+1000 compared to the previous year).

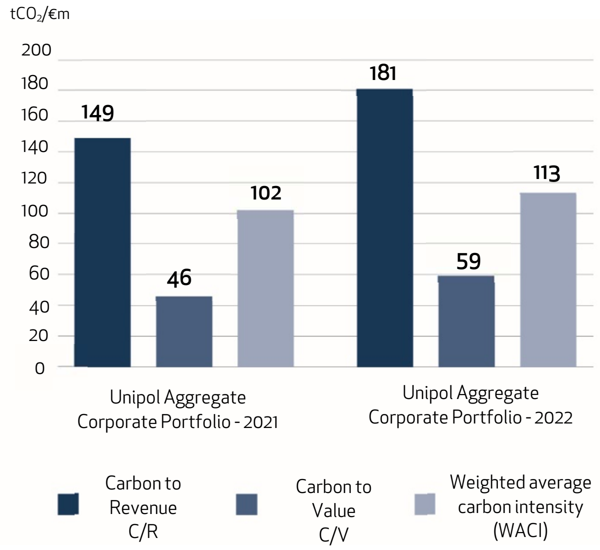
The climate impact of the investment portfolio

Also in 2022, Unipol measured the climate impact of the investment portfolio and its alignment with emission reduction trajectories defined at international level, with the support of S&P Global Sustainable 1.

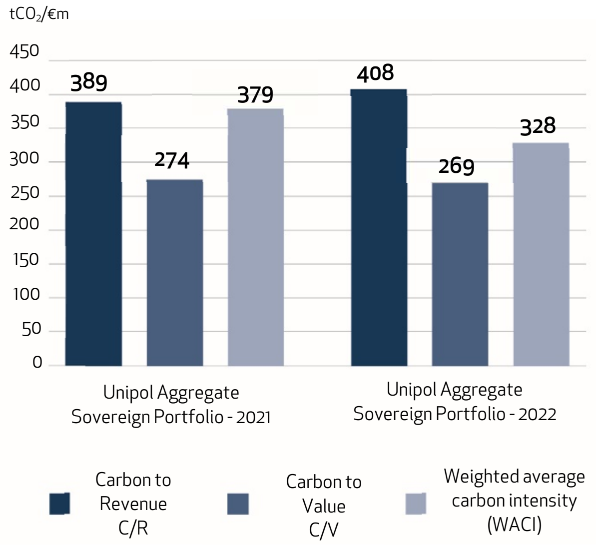
In line with recommendations of the Task Force on Climate-related Financial Disclosures, among the many metrics to be analysed in relation to the **Corporate portfolio (Corporate Bonds and Equity)** and the **Government Bonds portfolio**[17], the main metrics are[18]:

- **Carbon to Revenue – C/R,** which measures the amount of portfolio-induced emissions[19] (in tCO2eq) apportioned by revenue or GDP.
- **Carbon to Value invested - C/V,** which measures the total emissions induced by the portfolio (in tCO_2 eq.) on the value of that portfolio (in €m);
- **Weighted average carbon intensity (WACI)**, which obtained by adding together the carbon intensity of each company (calculated as the Scopes 1 & 2 emissions divided by period revenues) and of each country (calculated as the Scopes 1 & 2 emissions divided by the period GDP) in the portfolio, weighted according to the weight of each company and each country in the portfolio.

Climate impacts of the investment portfolio - Corporate



Climate impacts of the investment portfolio - Sovereign



[17] The analysis was conducted on figures at 30 September 2022, on 76.0% of total assets under management (direct and indirect), i.e. €45.3bn in debt and equity securities of which €16.5bn Corporate and €28.8bn Government. Therefore, the excluded asset classes are: cash, UCITS, ETFs, derivatives and unlisted instruments.
[18] Additional metrics are indicated in the Unipol Group's "Unipol and Climate Change 2021" Report and on the website www.unipol.it
[19] For investments in Corporate Bonds or Equity, the total emissions induced by the portfolio are calculated by allocating the emissions generated by the investee companies based on the value of the Group's investment, as a ratio of the market capitalisation or enterprise value of those companies. For Government Bonds, the allocation of the emissions of the investee countries is calculated as a ratio of the Group's investment in government bonds for each country to that country's GDP.

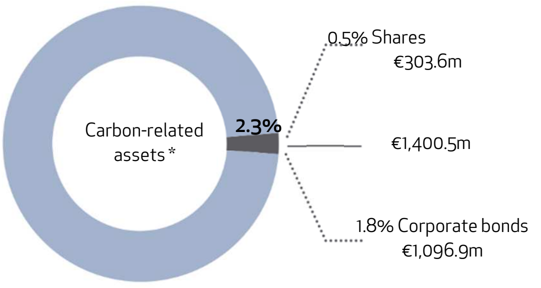
The climate impact indicators for the Corporate investment portfolio show an upward trend, largely determined by the baseline taken into consideration. The analysis carried out in 2021 used the emissions of companies in 2020 as its basis, which were distorted by the Covid-19 pandemic. For the analysis carried out in 2022, the 2021 baseline is the result of a year very close to "Business as Usual", with emissions returning to pre-pandemic levels[20].

The emissions of Unipol's Corporate portfolio are **aligned with a trajectory of between 1.5 and 2 degrees**, indicating a positioning already consistent with the Paris Agreement's minimum goals, and well on the path towards the more ambitious goals that the Group intends to take on. The **Paris Alignment** analysis of the Corporate portfolio assesses the adequacy of emission reduction programmes of companies in the portfolio against the international climate goals, taking into account past data and forward-looking indicators over a medium-term horizon.

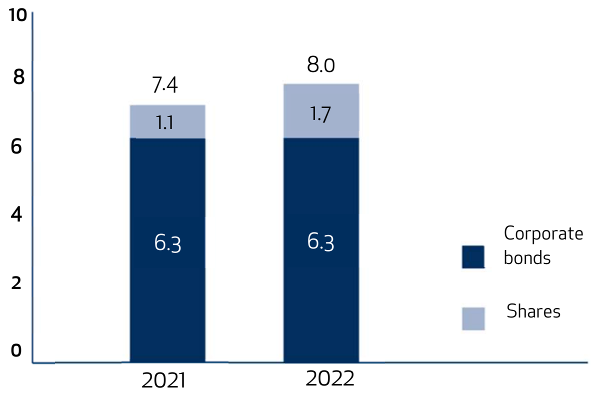
Unipol has assessed its exposure to fossil fuel mining or energy production from fossil fuels sectors, considering the combined weight of companies in the portfolio that have revenues from such activities and the role such activities have on those revenues. **Fossil fuel exposure** represents 0.63% of the Corporate portfolio; considering exposure to coal alone, the related revenues have a 0.15% impact.[21] The incidence of "carbon-related assets"[22] (calculated using the GICS classification) on the overall portfolio remained constant compared to 2021, while the incidence on the Corporate portfolio is up by 8%.

[20] 2021 was the first year in which Unipol used S&P Global Sustainable 1 as climate data provider. In the absence of a shared methodological standard for calculating the portfolio's climate impact, the change in provider means that comparison with the performances measured in previous (pre-pandemic) years is impossible, as these were calculated using partially different methodologies.
[21] The analysis of stranded assets covers 93% of the analysed Corporate portfolio, based on available information.
[22] "Carbon-related" assets refer (according to the definition provided by the TCFD Recommendations) to those linked to the Energy and Utilities sectors (according to the Global Industry Classification Standard - GICS sector classification), excluding Water Utilities, Independent Power Producers (IPP) and Renewable Energy Producers.

"Carbon-related" assets on total portfolio



Percentage impact on Corporate portfolio



Investment decisions for SDGs and combating climate change.

Unipol has a structure dedicated to the selection and management of **alternative investments**, such as private equity, real assets and hedge funds, selected through specific due diligence which calls for, aside from traditional financial analysis, an in-depth analysis of socio-environmental and governance criteria and the mapping of sustainability risks which may have a reputational impact.

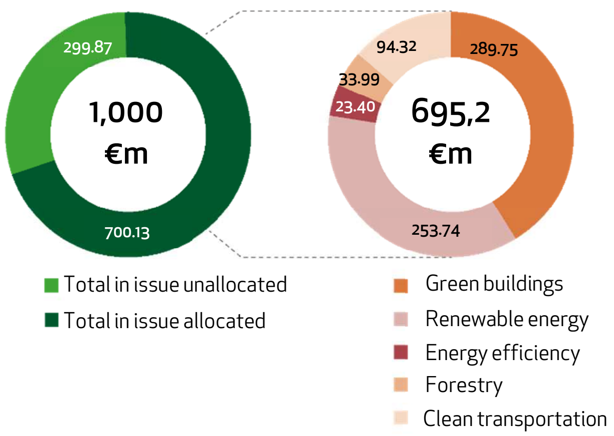
Investments with these characteristics **grew by 34.5% overall in 2022**, those for combating climate change and for protection of the environment and of terrestrial, marine and freshwater ecosystems by 35.8%. The new "Opening New Ways" 2022-2024 Strategic Plan envisages a target of €1,300m invested in support of the 2030 Agenda by the end of 2024.
In the table below, the investments are classified on the basis of their positive impact on the different SDGs.

Thematic and impact investments

Issues	Value €m	SDGs	Issues	Value €m	SDGs
Renewable energy, eco-efficiency	604.3	7, 13	Residential care and social assistance	69.3	3
			Sustainable forest management	40.8	15
Digital networks and Infrastructures	227.5	9	Organic farming and Eco-innovation	37.1	12
Sustainable mobility	121.6	11	Training and culture	13.8	4
Water	42.7	6	Social housing	2.6	11
TOTAL €1,159.6m					

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

Green Bond issue and allocation by category



At 31 December 2022, the income allocated to the refinancing or financing of projects consistent with the criteria defined in the Green Bond Framework totalled €695.2m.
An in-depth description of the allocation of income and the related impacts generated is contained in the Green Bond Report, which is published annually, in conjunction with the publication of data relating to non-financial performance.

Disclosure on the European Taxonomy of environmentally sustainable economic activities

This Appendix provides the information required by Art. 10 of Delegated Regulation (EU) 2021/2178, which integrates the "Taxonomy Regulation" and governs the disclosure of environmentally sustainable economic activities to be included in annual financial reports published between 1 January 2022 and 31 December 2023.

In the Unipol Group's commitment to contribute to the challenges posed by climate change through its main areas of activity, investments and underwriting, the European taxonomy of environmentally sustainable economic activities[23] (the "Taxonomy") constitutes a fundamental support to strengthen the orientation of strategies towards the achievement of Community environmental objectives (the "Environmental Objectives"), starting with climate change mitigation and adaptation, which – among the six overall objectives – are the first to be subject to detailed regulation[24].

In 2022, as described in the chapter "Opening New Ways: 2022-2024 strategies", Unipol published its climate change strategy, with the definition of new medium-long term targets for the reduction of its greenhouse gas emissions to support its own decarbonisation process and new commitments in this regard; the Taxonomy will acquire an increasingly important role in supporting the implementation of these objectives.
The initiatives implemented with the new Strategic Plan, and related results in support of the environmental goals, are described in detail in preceding paragraphs of the chapter "Support in implementing the 2030 Agenda and contribution to combating the climate emergency". The information contained in that chapter was prepared on the basis of criteria which, by scope and application method, differ from those defined in the Taxonomy and therefore might not match that indicated in this section.

Information on how and to what extent the Unipol Group's activities are associated with environmentally sustainable economic activities in relation to investing and underwriting activities is presented below; this information is prepared based on the interpreted regulatory requirements also considering the interpretative and/or clarification documents published[25]. It should be noted that the Group has used templates for its reporting that are consistent with those contained in the annexes to Delegated Regulation (EU) 2021/2178 applicable

23 Defined in Regulation (EU) 852/2020 and its Delegated Acts.
24 Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, as amended ("Climate Delegated Act")
25 "FAQs: How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy regulation Article 8 Disclosures Delegated Act?" published in December 2021 and supplemented by the "Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets" of February 2022. "Platform considerations on voluntary information as part of Taxonomy-eligibility reporting - Appendix 1" of the Sustainable Finance Platform.

for the period from 1 January 2024, adapting their content where necessary, supplementing the information that is currently available in the manner required by the regulations and indicating the cases in which such information is not currently available[26].

In parallel with the updated reporting of eligibility data, the Group is building internal paths and processes to monitor its alignment with the Taxonomy. As regards investments, 2023 will be dedicated to expanding the scope of data available and strengthening the ability to include information relating to the taxonomy alignment of issuers in the investment-related decision-making process, in line with the definition of intermediate targets in the processes for decarbonisation of the investment portfolio that will be finalised by the middle of the year, as required on joining the Net-Zero Asset Owners Alliance. With regard to underwriting, the Companies concerned have launched a process to assess opportunities to strengthen the taxonomy alignment of their portfolios, aimed at identifying any actions to be taken and defining specific targets.

1. KPI relating to investments

In the first phase of application of the Taxonomy Regulation, insurance and reinsurance undertakings are required to report on the investments made:

I. the proportion of exposures to Taxonomy eligible and Taxonomy-non-eligible economic activities;
II. the proportion of exposures to central governments, central banks and supranational issuers ("Investments in sovereign entities");
III. the proportion of exposures to derivative assets;
IV. the proportion of exposures to undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU ("Non-financial statement").

Note that, for the purpose of calculating the proportion referred to in point ii) above, the denominator, which corresponds to the concept of "total investments" in the following table, is the sum of items "2.1 Property"[27], "4 Investments" and "7 Cash and cash equivalents" as recorded in the Statement of Financial Position[28]. However, the denominator for the proportions in points i), iii) and iv), which corresponds to the concept of "Assets covered by the KPI" in the following tables, is determined by deducting the total investments in sovereign entities from the denominator referred to in point ii) as described above.

In order to guarantee, at least in reference to information to be disclosed in application of the Taxonomy Regulation, effective comparability of the data published, the European Commission[29] requires that disclosures concerning the aforementioned percentages are based on actual information, provided by the financial or non-financial undertaking in which the exposure is held.
To respond to this request, avoiding the use of estimates, as reference for calculation of the taxonomy eligibility of its investments, Unipol has used the data disclosed by issuers in its portfolio through the related Non-Financial Statements for 2021, the first year in which the issuers had to report this figure pursuant to the "Taxonomy Regulation"[30]. These data were collected promptly with the support of a specialist provider. Taxonomy eligibility is considered only for companies that fall within the scope of DNF regulations and publish their own eligibility data. For individual listed issuers, a hierarchy of data has been adopted: priority is given to data reported at the issuer level; if not available, parent level data is used; if not available, data reported by the final entity is used.
In a phase in which the tools to manage the information flows and processing necessary for application of the regulations are still being structured and applied at system level, data collection and subsequent eligibility analysis has focused on issuers in which direct investments are held by the Group and that fall within the scope of application of the regulations (EU financial and non-financial undertakings subject to the application of Articles 19a and 29a of Directive 2013/34/EU). Indirect investments in companies potentially subject to the obligation to publish non-financial disclosures were consequently considered ineligible at this stage, as it was not possible to complete the analysis on all indirect financial instruments in the portfolio.
The methodological approach described above also results in the non comparability of the eligibility data provided below with those provided – as voluntary information – in the 2021 Non financial Disclosure, where economic activities classified with a NACE code that

[26] "*FAQs:* How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy regulation Article 8 Disclosures Delegated Act?", FAQ no. 5.
[27] Compared to the approach used for the disclosure of eligibility related to 2021, the item "2.1 Real Estate" has been integrated, based on the annotation in the "DRAFT COMMISSION NOTICE on the interpretation and implementation of certain legal provisions of the EU Taxonomy Climate Delegated Act establishing technical screening criteria for economic activities that contribute substantially to climate change mitigation or climate change adaptation and do no significant harm to other environmental objective" dated December 19, 2022, response to question 144.
[28] Therefore, items "1 Intangible Assets", "2.2 Other Tangible Assets", "3 Technical Provisions – Reinsurers' share", "5 Sundry Receivables," and "6 Other Assets" are not included in the total investments considered for the purpose of computing the taxonomic indicator on investments.
[29]"FAQs: How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy regulation Article 8 Disclosures Delegated Act?" published in December 2021, FAQ no. 12
[30] The data published by issuers refer to the regulatory requirements expressed prior to the publication of Delegated Regulation (EU) 2022/1214 amending Delegated Regulation (EU) 2021/2139 with regard to economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 with regard to public disclosure of specific information relating to such economic activities. Therefore, it was not possible to use data reported by issuers on nuclear and gas activities, which were not yet eligible when publishing the latest available data, for the eligibility calculation, nor, consequently, to publish the tables provided in Annex III of this document.

can be associated with economic activities described in Annexes I and II of the Delegated Climate Act were considered eligible, and this approach had covered both direct and indirect investments, for which a look-through logic was applied.

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

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

Book values were used to weight the exposures.

Real estate investments, as well as real estate for own use (except for land), were considered as exposures in economic activities eligible for the taxonomy, as the nature of the same was deemed consistent with the list contained in Annexes I and II of EU Delegated Regulation 2021/2139 ("Climate Delegated Act").

Weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with, Taxonomy-eligible economic activities relative to the value of total assets covered by the KPI, with the following weights for investments in undertakings:		Weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with, Taxonomy-eligible economic activities with the following weights for investments in undertakings:	
turnover-based (%)	22.3	turnover-based (€m)	7,508.45
capital expenditures-based (%)	23.5	capital expenditures-based (€m)	7,942.86

Percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total financial assets under management). Excluding investments in sovereign entities.		Monetary value of assets covered by the KPI. Excluding investments in sovereign entities.	
Coverage ratio (%)	53.9	Coverage (€m)	33,740.27

Investments in central governments, central banks and supranational issuers represent 46.1% of the Group's total assets, equal to €28,910m.

Additional, complementary disclosures - breakdown of denominator of the KPI

Percentage of derivatives relative to total assets covered by the KPI		Value in monetary amounts of derivatives	
%	0.8	(€m)	281.34

Proportion **of exposures to EU financial and non-financial undertakings**[31] **not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:**	
for non-financial undertakings (%)	0.5	for non-financial undertakings (€m)	175.1
for financial undertakings (%)	19	for financial undertakings (€m)	6,240.7

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

Proportion **of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU:**	
for non-financial undertakings (%)	3.9	for non-financial undertakings (€m)	1,323.9
for financial undertakings (%)	15.7	for financial undertakings (€m)	5,297.1

Proportion of **exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **exposures to financial and non-financial undertakings subject to the application of Articles 19a and 29a of Directive 2013/34/EU:**	
for non-financial undertakings (%)	12.1	for non-financial undertakings (€m)	4,085.6
for financial undertakings (%)	30	for financial undertakings (€m)	10,107.3

Proportion of **exposures to other counterparties** over total assets covered by the KPI:		Value of **exposures to other counterparties**:	
(%)	17.9	(€m)	6,049.2

Value of all the investments that are funding **Taxonomy-non-eligible economic activities** relative to the value of total assets covered by the KPI:		Value of all the investments that are funding **Taxonomy-non-eligible economic activities**::	
turnover-based (%)	77.7	turnover-based (€m)	26,231.8
capital expenditures-based (%)	76.5	turnover-based (€m)	25,798.4

Additional, complementary disclosures: breakdown of numerator of the KPI

Proportion of taxonomy-eligible exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of taxonomy-eligible exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:	
for non-financial undertakings			
turnover-based (%)	2.9	turnover-based (€m)	966.9
capital expenditures-based (%)	4.2	capital expenditures-based (€m)	1,400.3
for financial undertakings[32]			
turnover-based (%)	7.2	turnover-based (€m)	2,432.5
capital expenditures-based (%)	7.2	capital expenditures-based (€m)	2,432.5

Proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policyholders, which are directed at funding, or are associated with, Taxonomy-eligible economic activities:		Value of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policyholders, which, based on the core business of the issuer (financial assets) or the nature of the investment (property), are directed at funding, or are associated with, Taxonomy-eligible economic activities:	
turnover-based (%)	20.7	turnover-based (%)	6,997.1
capital expenditures-based (%)	21.9	capital expenditures-based (%)	7,387.4

Proportion of Taxonomy-eligible exposures to other counterparties (property) over total assets covered by the KPI:[33]		Value of Taxonomy-eligible exposures to other counterparties (property) over total assets covered by the KPI:	
turnover-based (%)	12.2	turnover-based (€m)	4,109.1
capital expenditures-based (%)	12.2	capital expenditures-based (€m)	4,109.1

[32] For exposures in financial enterprises, as separate indicators between turnover and capital expenditures were not available, the value considered for both indicators was: for credit institutions, the share of taxonomy-aligned economic assets of the investment beneficiary enterprises; for insurance and reinsurance enterprises, the arithmetic mean between the share of taxonomy-eligible economic asset exposures to total covered assets and the share of taxonomy-eligible non-life insurance economic assets to total non-life premiums.

[33] The proportion of Taxonomy-eligible exposures to other counterparties is composed entirely of investment property. Therefore, it is not possible to present a figure based on turnover and/or based on capital expenditures. The amounts indicated represent the value of the investment recognised in the Financial Statements.

2. Underwriting KPI

Insurance and reinsurance business is included in the Taxonomy as an economic activity that can make a substantial contribution to the objective of climate change adaptation through the provision of insurance services relating to the **coverage of climate-related hazards** in accordance with Annex II, points 10.1 and 10.2, of the Climate Delegated Act. Specifically with regard to insurance, the economic activity described by point 10.1 is the provision of insurance services related to the **underwriting of climate-related hazards** (classified in Appendix A of the Climate Delegated Act), within the eight lines of the insurance business expressly laid out.
In the first phase of the application of the Taxonomy Regulation, insurance and reinsurance undertakings are required to disclose the proportion of Non-Life insurance economic activities that are **Taxonomy-eligible and Taxonomy-non-eligible**. To be considered Taxonomy-eligible, in addition to belonging to one of the above-mentioned lines of business, a policy must have conditions that provide coverage for risks related to "climatic hazards"[34].

To identify Taxonomy-eligible policies and the related premiums, the Group used the **risk category** as the analysis and selection element, representing the minimum disaggregation unit through which premiums recognised in the different ministerial classes[35] are allocated to the different types of guarantee. From among the risk categories to which its own portfolio is classified, Unipol has selected the risks referring to climatic hazards. Of these, the risk categories with a particular impact on the portfolio are those relating to weather events, fire and flood. Using these risk categories as basis, the guarantees and products containing them and therefore envisaging their coverage[36] were identified.

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

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

The premium amounts indicated below are therefore concentrated in these three lines of business, which overall represent **28.2% of the total gross premiums written** for the Non-Life business.

Economic activities	**Absolute premiums, year 2022**	**Proportion of premiums, year 2022t**	**Absolute premiums, year 2021**	**Proportion of premiums, year 2021**
	Currency (€m)	%	*Currency (€m)*	%
A.1. Non-Life insurance underwriting - Taxonomy- **eligible** activities[37]	864.2	10.2%	817.20	10.0%
A.2 Activities not included in A.1	7,638.1	89.8%	7,397.10	90.0%
Total (A.1 + A.2)	8,502.3	**100%**	8,502.3	**100%**

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

Strengthening of reputation

The trust built over time by the Unipol Group is considered a fundamental asset to continue to evolve successfully in an insurance business whose very opportunities for development are based on that trust.
Unipol launched its Reputation Management programme in 2014, gradually structuring its internal oversights until the formalisation (at the beginning of January 2020) of an **integrated governance model**, which clearly identifies the processes to implement and the parties involved, with the objective of ensuring even more effective management of the Group's reputation and of reputational risk.

The proactive management of reputational risk hinges on the prompt reporting of any signs of risk linked to the company's values and core business, which can find space in the media, including social media, or within day-to-day operations.

The reputational index of the Unipol Group with public opinion in Italy, measured according to the **RepTrak®** analysis model of The RepTrak Company, remained stable in 2022, reaching 78.7[38] (-0.6 points on 2021) on a 100-point scale. This value falls within a "strong" reputational segment.

The Group is associated with the theme of Innovation divided into three main areas:

- **Product innovation**: the Group's commitment to developing innovative and accessible solutions through the integration of insurance solutions with products/services developed with other partners
- **Social innovation**: the Group's ability to create products that are increasingly relevant to society and that are actually able to improve people's lives.
- **Vision innovation**: the solidity of a cutting-edge Group, which targets the continuity of its leadership

The reputational scores recorded with agents (90.4 in the 'excellent' bracket, in line with 2021) and with customers (83.6 in the 'excellent' bracket, in line with 2021) were also stable.
However, the score recorded for employees was down (82.7, a score in the 'strong' bracket but down by 6.8 points over 2021).

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

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

Positioning with analysts

The Group has received positive feedback from the opinions of financial analysts: on the Unipol share, 8 positive, 1 neutral and 1 negative recommendations. The positioning of Unipol Gruppo according to ratings of the main ESG Rating Agencies is presented below.

ESG rating of Unipol Gruppo S.p.A.

Carbon Disclosure Project (CDP) Climate change	D- D (Disclosure) · C- C (Awareness) · B- **B** (Management) · A- A (Leadership)	Companies are assessed annually on the approach to climate change mitigation on four levels (communication, awareness, management, leadership) which represent the phases that a company goes through as it progresses towards environmental protection.
FTSE Russell	0 · **2.6** · 5	Unipol is included in several indices of the FTSE4Good Index Series. The selection criterion is based on the ESG rating assigned by FTSE Russell using only public information on over 7,200 securities.
ECPI	F · **EE+** · EEE	ECPI manages a family of over 50 indices based on the analysis of public information from over 6,000 companies. Unipol has been included in the ECPI Global Developed ESG index since 2016.
Standard Ethics	F · FF · FFF · E · **EE+** · EEE	The independent rating agency analyses companies in terms of sustainability, governance and CSR. Unipol is included in various indices; the most significant is the SE Italian Index, in which it has been listed since 2015.
MSCI	CCC · B · BB · BBB · **A** · AA · AAA	The MSCI indices based on the analysis of environmental, social and governance sustainability aspects of 8,500 companies, are broken down to represent the main ESG strategies.
Sustainalytics	Severe (100-40) · High (40-30) · **Med** (30-20) · Low (20-10) · Neg (10-0)	Sustainalytics carries out an ESG analysis mainly focused on corporate governance, analysing over 13,000 companies.
S&P	0 · **75** · 100	Through the proprietary CSA questionnaire, S&P analyses 31 insurance sector criteria based on the materiality of the business sector concerned.
ISS	D- · D · D+ · C- · **C** · C+ · B- · B · B+ · A- · A · A+	Unipol Gruppo received a C rating with "Prime" status from Institutional Shareholder Services ("ISS"). Prime status is assigned to companies with the best ESG performance.
Vigeo Eiris - Moody's	0-29 (Weak) · 30-49 (Limited) · 50-59 (Robust) · **60-100** (Advanced)	Vigeo Eiris is a European ESG rating agency that is part of Moody's ESG Solutions. The Unipol Gruppo score is 62. In addition, since 2021 Unipol has been listed in the Moody's MIB ESG index, which uses the scoring provided by Vigeo Eiris to assess index eligibility.

For a detailed analysis of the listings of Group company shares in the main SRI indexes and their ratings, please refer to the "Appendix - Unipol in numbers"

GOVERNANCE

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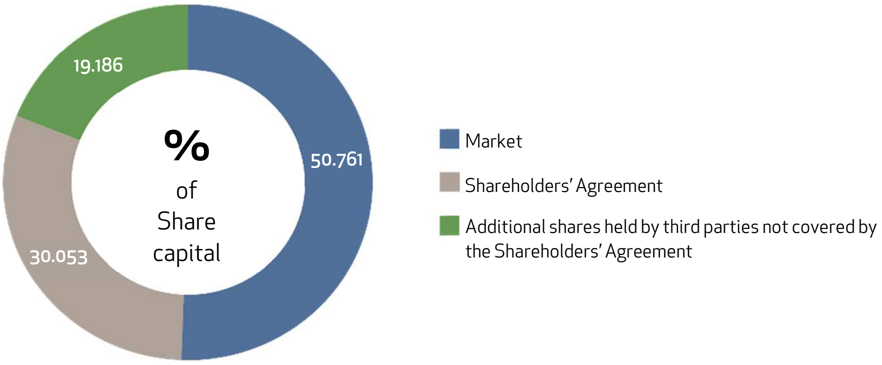
Corporate Governance



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

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

On 1 August 2022, the increase in voting rights took effect in relation to 344,551,959 ordinary shares, pursuant to Art. 127-quinquies of the Consolidated Law on Finance and in compliance with provisions of the By-Laws and the Regulation on increased voting rights adopted by the Company on 25 June 2020.

Below is the updated list of Shareholders who, at 31 December 2022 and at the date of this report, hold more than 3% of Unipol voting rights, for which the increased rights took effect 24 months after registration in the Special List for entitlement to benefit from the increased vote:

EQUITY INVESTMENTS WITH MORE THAN 3% OF VOTING RIGHTS	
Direct shareholder	% share of voting rights
Coop Alleanza 3.0 Soc. Coop.	29.987%
Holmo S.p.A.	9.006%
Nova Coop Soc. Coop.	8.306%
Cooperare S.p.A.	5.110%
Coop Liguria Soc. Coop. di Consumo	4.821%
Coop Lombardia Soc. Coop.	3.273%

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

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

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

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

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

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

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

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

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

REMUNERATION COMMITTEE
Performs propositional, advisory, investigation and support functions in relation to remuneration.

CONTROL AND RISK COMMITTEE
Carries out a propositional, advisory, investigative and supporting role in relation to the definition of guidelines for the internal control and risk management system, in order to contribute to the Company's Sustainable Success, so that the main risks associated with the Company and the Group are correctly identified and adequately measured, managed and monitored, in line with the Parent's strategies.

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

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

BOARD OF DIRECTORS

The Board of Directors is vested with the broadest powers for the ordinary and extraordinary management of the Company. Therefore, it is able to carry out all deeds, including disposals, that it deems appropriate to achieve the corporate purpose, excluding only those that the law expressly places under the responsibility of the Shareholders' Meeting.

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

Chairman
Cimbri Carlo

Vice Chairman
Dalle Rive Ernesto

Balducci Gianmaria | **Becchini** Daniela | **Cifiello** Mario | **Datteri** Roberta

De Benetti Cristina | **De Luise** Patrizia | **Desiderio** Massimo | **Ferrè** Daniele

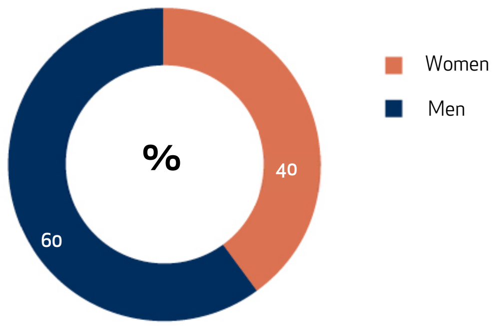
Fumagalli Paolo | **Merlino** Claudia | **Pittalis** Roberto | **Trovò** Annamaria | **Zini** Carlo

○ Non-executive

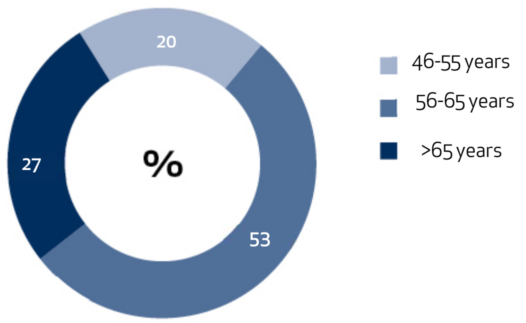
▲ Independent, per Code and Consolidated Law on Finance (1)

(1) Indicates whether the Director has been classified by the Board of Directors as independent in accordance with the criteria laid out by the Corporate Governance Code and at the same time meets the independence requirements established by Art. 148, paragraph 3 of the Consolidated Law on Finance.

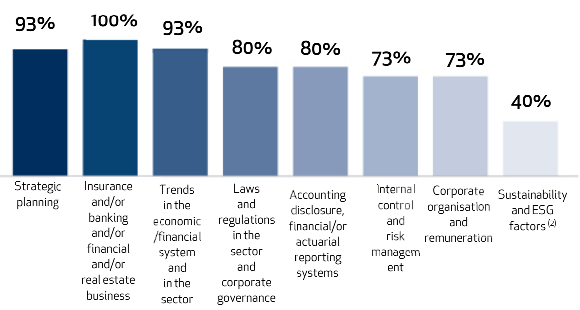
Board of Directors - Breakdown by gender



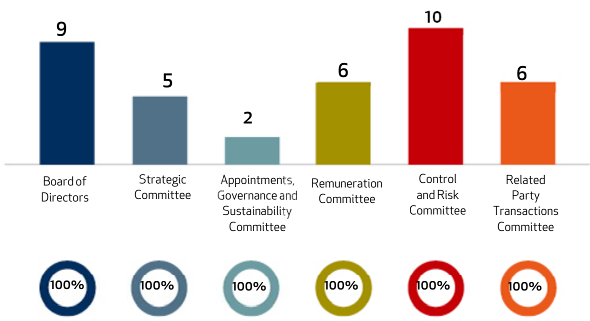
Board of Directors - Breakdown by age



Skills



Number of meetings and attendance rate



(2) Several factors were considered in determining competency on Sustainability and ESG factors, including professional experience developed around sustainability issues, specific training on social-environmental issues, technical-scientific skills, and experience in areas related to sustainable development.

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

Sustainability governance

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

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

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

With reference to the second level, Unipol Gruppo believes that an adequate governance system on ESG issues is based on an effective and efficient organisational and procedural system, correctly formalised and updated. To this end, the Company has internal regulations laying out **policies and guidelines** as well as specific operating procedures.
Insofar as they are of specific interest, the main contents of some of these policies are reported below.
The **Sustainability Policy** defines the Group's commitments for improving its sustainability results and managing and mitigating: (i) the ESG risks to which it is exposed, in line with the overall Group risk management system as well as (ii) the impacts on ESG factors generated by the Group as a result of its activities and business relationships.
The **Diversity Policy** aims to provide guidelines on the criteria for optimal composition of the Company's corporate bodies, in consideration of the fact that the integration of diversified managerial and professional profiles, also with regard to a balanced

representation of gender and a balanced composition in terms of seniority of office and age brackets, contributes to maximising the quality of the work of the administrative body and activities under the responsibility of the control body.
The **Policy for managing dialogue with Investors in general** intends to govern opportunities for communication and participation with investors in general with a view to ensuring transparency of information, increasing investors' understanding of certain matters falling under the responsibility of the Board of Directors and relevant to investment decisions, including with regard to ESG factors, and promoting the stability of investors' investments and thus the sustainable success of the Company.
Further details on the system of policies to monitor ESG factors are contained in the paragraph "Monitoring of environmental, social and governance risks and impacts".

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

Unipol Group, by virtue of its attention to the needs of the community at large, has long included in the Company's By-Laws the possibility of allocating annually to the fund for social, welfare and cultural purposes an amount not exceeding 1% of the net profit approved by the General Meeting in respect of the previous financial year.

Internal Control and Risk Management System

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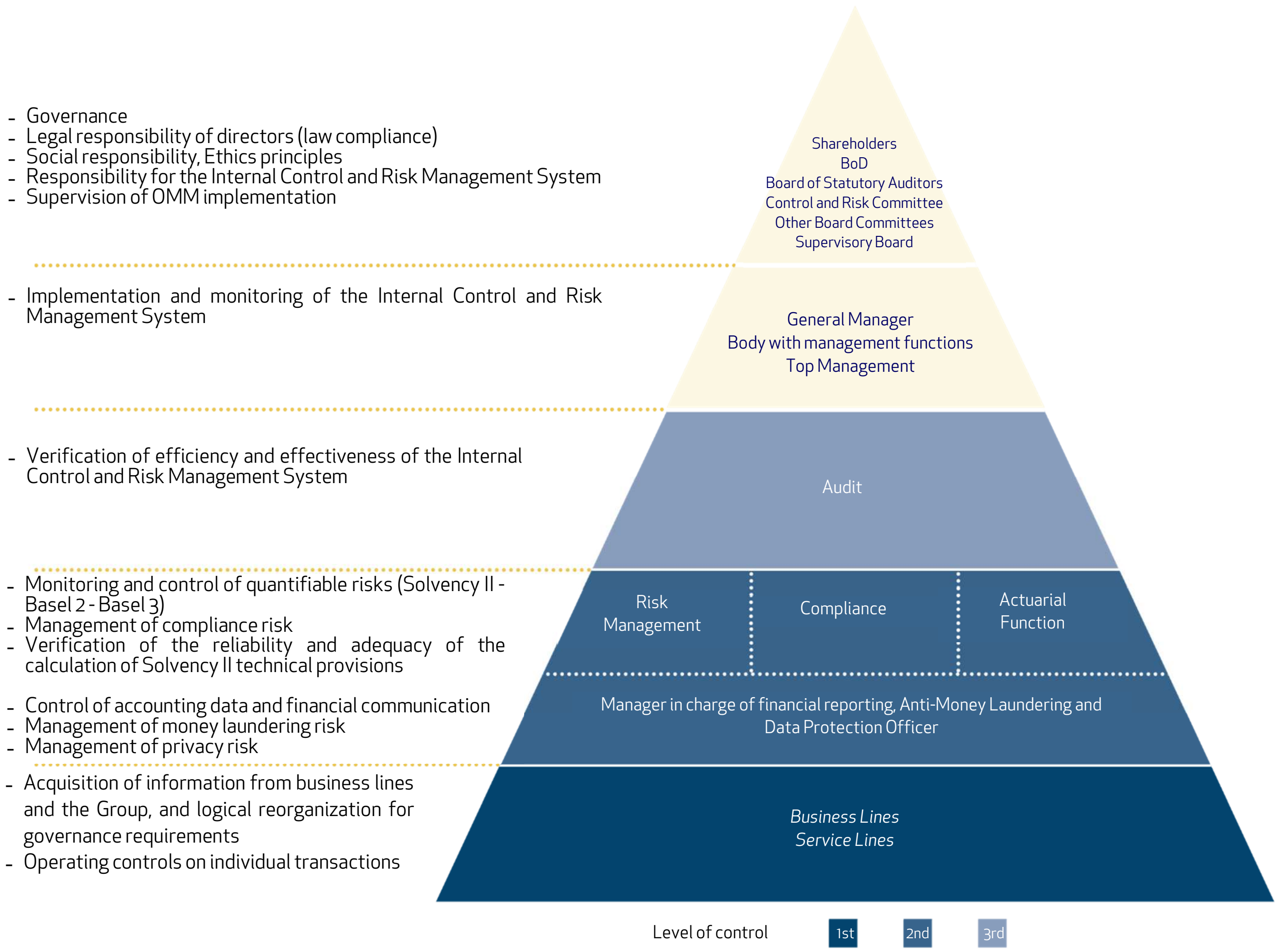
The internal control and risk management system (the "System") is a key element in the overall corporate governance system. It consists of a set of rules, procedures and organisational structures for the effective and efficient identification, measurement, management and monitoring of the main risks, with the aim of contributing to the sustainable success of the Group[39].
The following diagram provides a simplified view of the Unipol Gruppo Risk and Control Governance Model.



For a detailed description of the Internal Control and Risk Management System, please refer to the "Annual Report on Corporate Governance and Ownership Structures for 2020", available in the "Governance" section of the Unipol Group's website.

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

The Risk Management System adopted by the Group is inspired by an Enterprise Risk Management logic (ERM Framework) based on the consideration, with an integrated approach, of all the current and prospective risks the Group is exposed to, assessing the impact these risks may have on the achievement of the strategic objectives. Based on these principles, and to pursue to assigned objectives, the Risk Management System relies on a key element: the Risk Appetite.
The Risk Management Policy outlines the risk management strategies and objectives of the Group and the companies in scope, identifying the roles and responsibilities of the corporate bodies and structures involved in the process. Through the model outlined in this policy, and the specific risk management policies, the Group defines suitable guidelines on activities which, on an ongoing basis, identify, assess, monitor and mitigate the risks to which the Group is exposed, also as a result of its strategic decisions, as well as taking into account the various business areas and different applicable regulations, changes to the nature and extent of business activities and in the market context, the emergence of new risks or changes in existing risks.
The corporate bodies and top management structures of the Group companies are committed to promoting the dissemination of a control culture, to enable the active contribution of the entire organisation to implementing the Internal Control and Risk Management System. So as to enhance the awareness of all corporate structures in this respect, over 7,500 Group employees participated in training courses (video conferences and e-learning) on risk management during 2022, up significantly on the 6,000 of 2021.

Monitoring of emerging risks

Taking into account the importance of anticipated and integrated management of emerging risks, the Unipol Group has created a dedicated Reputational & Emerging Risk Observatory to anticipate changing trends in the external context and prepare for future medium-long term risks and opportunities.

The systemic analysis of the Macro trends identified by the Observatory made it possible to identify **six main areas of emerging risk** (Technology and data, Climate Change and biodiversity, Demographics and health, Business transformation, Social polarisation and Economy and finance), which were subject to a structured assessment and prioritisation process with the involvement of a panel of external experts to assess the likelihood, impact, reference time horizon and interconnection with other risks.

The emerging risks identified as a priority for the Group are those linked to **Technology and data**, in particular cyber risk, and those linked to **Climate Change**, in particular acute physical risks.

The first emerging risk, defined as an increase in cyber risk due to the increasing digitalisation and the increased use of devices for the car, home and individuals, is particularly relevant also in view of the current delicate geopolitical situation, the increase in cyber crime attacks and the growing importance of interdependencies between business and cybersecurity. The main impact of this risk on the Group is a potential increase in the vulnerability of IT systems to external attacks. The controls adopted by the Group are described in detail in the paragraph “Cybersecurity and personal data protection”.

The second emerging risk concerns Climate Change and in particular acute physical risks; this risk generates impacts for the Group mainly in terms of underwriting (see also the ESG risk map below). The actions taken to monitor it are briefly described in the paragraph “Insurance skills to support system resilience” in the chapter “Sustainable Development: the impacts generated by the Unipol Group”, and in greater detail in the report “Unipol and climate change”.

Monitoring of environmental, social and governance risks and impacts

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

For the Group, ESG factor management is the result of a complex process using different tools to identify and assess risks ("risks incurred")[40] and negative current and potential impacts ("risks generated")[41], related to environmental, social and governance issues.
the risks incurred are identified by focusing on risks emerging from environmental, social and governance aspects, through the **Reputational & Emerging Risk Observatory**. As part of the management process described above, for the main emerging ESG risks, an

[40] Events representing a risk to the Group, which has no levers to prevent them but can only take action to control them, prevent them or mitigate their consequences, or to transform them into opportunities.
[41] Events for which the triggers are directly associated with Group operations, for which the Group has levers to prevent them or mitigate their consequences if they should materialise.

activity was launched that aims to define a framework for the identification of the exposures, with a forward-looking and integrated approach, on other categories of risk deriving from the potential direct and indirect impacts generated by the occurrence of these risks. To strengthen its ability to systematically monitor and manage the **negative impacts**, the Group has adopted its own **due diligence approach**, outlining a model for planning due diligence activities according to a risk-based approach, starting from the areas identified by the OECD Guidelines for Multinational Enterprises[42], associated with the main negative impacts identified for the Group, the business processes concerned and the strategic and regulatory controls in place at Group level.

Risks and negative impacts (also in terms of the related reputational risk) that are fully integrated into the **ERM framework** and included in the taxonomy of risks common to the entire Group, defined in the **Risk Management Policy**.
The ESG risks and negative impacts are also included in the Group **Risk Appetite Statement** and (with particular reference to negative impacts) monitored through a **dashboard dedicated to KRIs** (Key Risk Indicators) designed to assess the degree of risk associated with each of the three areas: environmental, social and governance. The Unipol Gruppo Board of Directors is informed of the results of this monitoring at least once a year.

With reference to the risks linked to climate change, the Unipol Group is continuing its implementation of **scenario analyses to measure the impacts of physical and transition risks**. More specifically, as regards physical risks and transition risks in the stress testing framework, planned and reported on in the ORSA Report, specific stresses are tested.
The impact analysis of climate change on physical risks in the ORSA Report is divided into three levels: short-, medium- and long-term analysis for the most significant acute physical risks (flood and convective storms), as well as long-term analysis for chronic risks (rising sea levels) and acute risks so far considered secondary hazards (forest fires, drought).
In relation to the assessment of 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).

Since the introduction in 2020 of the issue "**Nature and Biodiversity**" to the Reputational & Emerging Risk Observatory as an issue "to watch", the Group began the work of defining a biodiversity loss risk management framework as part of the Group's ERM framework. In particular, an activity was launched that aims to integrate the risk of biodiversity loss within the framework being defined for the main ESG emerging risks, dividing the definition into its various components and identifying the impacts on the various risk categories that make up the Group's ERM framework.

The system of company policies to monitor ESG risks and negative impacts is periodically updated and constantly implemented. The following table describes the main progress made in 2022.

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

<table>
<tr>
<td>Underwriting policies - Non-Life Business and Life Business

TCFD</td>
<td>During 2022, the Non-Life and Life ESG Guidelines, attached to the related Underwriting Policies, previously focusing on the prevention and mitigation of potential indirect negative impacts in these areas, were updated to formalise the approach of integrating Sustainability Risks into the underwriting processes (also in response to the requirements of Delegated Regulation (EU) 2021/1256).

In the Non-Life Business, in addition to the exclusion of potential customers whose sectors present ESG risks that are incompatible with the Group's approach to sustainability and risk management objectives, the Policy provides for an assessment of customers' current and potential ESG performance, on the basis of which the decision on whether to continue the business relationship is made.
For Non-Life, in 2022 the structured process to identify parties with high potential to generate negative ESG impacts became fully operational, envisaging two due diligence mechanisms:
the online reporting tool that, with a data-driven[43] approach, allows intermediaries to identify potentially sensitive commercial relationships by integrating a summary ESG score for each stakeholder into the underwriting process. At the end of 2022, the model, formalised in specific company documents, is applied to twenty products and a further extension is planned in 2023.
Overall, the ESG score is applied to joint-stock companies in the General Classes portfolio, equal to 29% of customers, which in terms of premiums is equivalent to 56% (580,000 policies; €1bn in premiums).
The portfolio analysis carried out on implementation of the score showed that 0.5% of these customers (equal to 0.75% in terms of premiums) had an ESG score above the critical threshold:
the assessment or investigation tool: for transactions identified as highly critical, the Sustainability Function is involved, which carries out or requests the necessary investigations, with the involvement of Risk Management if appropriate, and shares with the Business Functions the option most consistent with the company vision with respect to cases presented (proceed with the transaction, abstain, launch an engagement activity with the customer).
During 2022, 12 investigations were launched (15 in 2021), with the involvement of the Sustainability Function, to assess potentially sensitive cases in terms of ESG risks. The cases had the following outcome:
Relations considered ineligible: 3, as they related to sectors or activities deemed excluded by the Policies (direct mining and support activities);
Relations considered eligible: 9, as they relate (i) to sectors or activities that, after accurate verification, were not excluded according to the Policies, (ii) to the subscription of products that protect employees of the contracting legal entities in the event of illness and accident[44]; (iii) to entities which, despite belonging to excluded or sensitive sectors, through engagement activities demonstrated that they have adequate tools for monitoring ESG risks. In one of these cases it was necessary, by virtue of the tasks defined in the Non-Life Business Underwriting Policy, to involve the Group Risk Committee, which decided there were no reasons to prevent renewal of the insurance cover requested by the customer concerned.
To support this process, training courses were dedicated to the sales network (over 4,000 participants) and employees operating in the Corporate, SME and Transport and Aviation lines of business.

In the Life Business, only 1 investigation was launched in 2022 (there were 15 in 2021), with involvement of the Sustainability Function, to assess cases potentially sensitive to ESG risks. This case, relating to a company that carries out vehicle demolition activities, was deemed ineligible.</td>
</tr>
<tr>
<td>Investment policy[45]

TCFD</td>
<td>The Investment Policy, with its appendix “Guidelines for responsible investing”, promotes the integration of ESG factors into the decision-making processes relating to investments.
The Guidelines were updated in August 2022, especially to take into account the commitments undertaken by the Group with the formalisation of “The Unipol Group strategy on climate change” and participation in the Net-Zero Asset Owner Alliance. To better support the application of commitments on sustainable finance and financial support to the transition, in 2022 the Group selected a new ESG data and information provider (S&P Global).
Application of the Guidelines in 2022 led to the identification of 378 Issuers excluded from the Group's investable universe, of which 230 are Corporate Issuers and 148 are Government Issuers.</td>
</tr>
</table>

[43] the approach envisages the allocation to existing and potential customers of an ESG Score, a statistical indicator of the undertaking's adequacy in terms of ESG issues, integrated into the underwriting control system and constituting part of the information assets of the commercial transaction.
[44] In accordance with the Guidelines, the exclusions on the basis of ESG performances do not apply when underwriting products that protect the employees of the policyholder legal entities in the case of illness and accident, based upon the social role that this cover performs with respect to individuals. Therefore, with regard to these products, there are no exclusions envisaged a priori related to the operating sector of the policyholder company.
[45] The new version of the Guidelines for responsible investing was approved by the Board of Directors of Unipol Gruppo at the meeting of 4 August 2022

Outsourcing and supplier selection policy	The Outsourcing and supplier selection policy envisages, among the supplier selection criteria, that fair and responsible stakeholder management requirements are also assessed. Suppliers are asked for a commitment to comply with the **Supplier Code of Conduct** for responsible procurement (or the "Code"), adopted at the end of 2018 and inspired by the principles of the *United Nations Global Compact* and ISO20400[46]. The Code outlines what Unipol expects from its suppliers on the protection of human and workers' rights (including abolition of child labour), protection of the environment and the fight against corruption and envisages - amongst other aspects - the right of Unipol to check the supplier's processes and structures to verify their compliance, as well as apply penalty mechanisms if they continue not to comply with the Code. Suppliers, with the exception of Public Administrations and independent contractors, whether or not they are members of professional associations, are asked to sign the Code when they sign or renew their contracts. At the end of 2022, contracts that include the Supplier Code of Conduct covered **57% of total procurement**[47] expenses (+2 p.p. vs 2021). In 2022, the Purchasing Department involved the Sustainability Function in **12 in-depth investigations** relating to suppliers who in a number of cases had submitted documentation proving their capacity and commitment to satisfying the sustainability requirements stated in the Supplier Code of Conduct, as an alternative to subscribing to the Code itself. With reference to the controls carried out on suppliers and third parties, in 2022 audits were conducted on 119 suppliers (19% of 2021 expenditure), selected on the basis of an assessment of the potential risks linked to the operating sector or to the characteristics of the organisation. The controls carried out in 2022 are part of a 2022-2024 three-year audit plan **to verify supplier reliability**, which also plans a gradual expansion of the corporate scope[48]. The action plan envisages systematic and periodic controls for supplier Organisations considered strategic or exposed to potential risk. These controls, through targeted audits that analyse the adequacy and compliance of the supplier with respect to: • Privacy risks; • 231/01 risks; • Sustainability risks; • ICT risks deriving from cloud service providers Overall, 57% of the suppliers audited have a high risk profile, also due to the absence/inadequacy of the documentary evidence requested. For these, over 600 remediation actions have been planned and around 1,000 improvement actions have been identified. With particular reference to ESG factors, of the 52 suppliers examined, 48% have a high risk profile; for these, over 140 improvement actions have been identified, of which more than 50% relate to the "Environment" issue (in line with the high incidence of shortcomings identified in this section). A process to monitor its implementation will be launched in 2023.
Policy on the protection and leveraging of personal data	The Policy on the protection and leveraging of personal data states the commitments undertaken by the Group with respect to its customers and all stakeholders to ensure that the protection granted to personal data available to the Group companies is supported by a growing activity of leveraging[49], in terms of awareness, transparency and accessibility (the "**Unipol Data Vision**"). For details of the assets controlled in this respect, see the paragraph "Protection of personal data".

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

[46] ISO standard which provides orientations to organisations, irrespective of their business or size, on the integration of sustainability within their purchases.
[47] In 2022, the adoption of the Supplier Code of Conduct was extended to purchases by UnipolPay, by companies in the Mobility ecosystem (CambioMarcia, BeRebel, I-Car, Muriana Manuela) and the UnipolHome Property ecosystem. The purchases recorded by UniAssiTeam and by the Serbian company Ddor Novi Sad regulated by specific contractual agreements and by the recently acquired companies WellBee, Tantosvago, Anton Maria Valsalva, Unicasa Italia, Gratia et Salus and DaVinci Healthcare are excluded.
[48] In 2022, the suppliers of Unipol Gruppo, the insurance companies UnipolSai, UniSalute, Linear, Siat and Arca Group and in the Healthcare sector Casa di Cura Villa Donatello, Centro Florence and Centri Medici Dyadea were included.
[49] The "leveraging" of personal data refers to the activity of promoting, developing and enhancing the Group's information assets in order to create shared value.

Like every year, the Interfunctional ESG Risk Panel[50] verified and updated (consistent with and in coordination with the materiality analysis process) the map of ESG risks and negative impacts and related controls, summarised in the following table. To facilitate reading, the ESG risks (risks incurred) and potential negative impacts (risks generated) are highlighted differently on the map.

Risk areas connected to ESG factors	Topics in the materiality analysis	Risk incurred	Main regulatory and strategic controls in place
Climate change and biodiversity loss - Physical risks TCFD	Climate change	Increased technical and credit risk due to an increase in the frequency and seriousness of claims connected with the consequences of climate change (acute and chronic physical risks) and biodiversity loss, including pandemic events *Time frame: medium term*	• Sustainability policy • *Unipol Group strategy on climate change* • Risk management policy • Non-Life and Life Business Underwriting Policy (and additional internal regulatory documents or corporate communications), including: (i) Guidelines for non-life business underwriting activities with reference to environmental, social and governance factors ("Non-Life ESG Guidelines"); (ii) Guidelines for life business underwriting activities with reference to environmental, social and governance factors ("Life ESG Guidelines") • Provisions Policy – Life and Non-Life Businesses • Guidelines for the management of credit risk assumption activities • Reinsurance and other risk mitigation techniques policy • Operational risk management policy • Business continuity policy • Business Continuity Plan • Guidelines for responsible investing • *2022-2024 Strategic Plan, "Data-Driven Omnichannel Insurance" area*
	Biodiversity		
	Climate change	Non-insurability of climate-related risks due to poor resilience of society *Time frame: medium term*	
	Climate change	Damage to Group property and assets and business continuity risk for Group sites and agencies / relating to the interruption of the supply chain (operational risk) *Time frame: medium term*	
Climate change and biodiversity loss - Transition risks TCFD	Climate change	Decrease in the value of the investment portfolio relating to companies not meeting expectations with regard to the path of transition towards a sustainable low CO2 emission economy (financial risk) *Time frame: medium term*	• Sustainability policy • *Unipol Group strategy on climate change* • Risk management policy • Guidelines for responsible investing •Non-Life and Life Business Underwriting Policy (and additional internal regulatory documents or corporate communications), including: (i) Guidelines for non-life business underwriting activities with reference to environmental, social and governance factors ("Non-Life ESG Guidelines"); (ii) Guidelines for life business underwriting activities with reference to environmental, social and governance factors ("Life ESG Guidelines") • Integrated Reputation Management System
	Climate change	Potential increase in underwriting risk in relation to policyholders operating in carbon intensive sectors (underwriting risk) *Time frame: short-medium term*	
	Climate change	Potential increase in the frequency and severity of disputes and resulting allocations of responsibility in relation to the Transition process *Time frame: short term*	
	Climate change	Negative impact on reputation due to poor contribution to the mitigation of direct emissions (reputational risk) *Time frame: short term*	
	Climate change	Negative impact on the Group's reputation due to the underwriting of insurance contracts and investment in companies whose process of transition towards a low CO_2 emissions economy, or to combat biodiversity loss, is deemed insufficient by stakeholders (reputational risk) *Time frame: short term*	
	Biodiversity		

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

Risk areas connected to ESG factors	Topics in the materiality analysis	Risk incurred	Main regulatory and strategic controls in place
Technological evolution of society	Data protection and leveraging	Increased vulnerability of IT systems to outside attacks	• Sustainability policy • Risk management policy •Operational risk management policy Guidelines on the IT and security risk assessment method • Business continuity policy • Business Continuity Plan • Information security policy • Group Policy on data governance • Organisation, Management and Control Model • Charter for equal opportunities and equality at work • *2022-2024 Strategic Plan, Tech & People Evolution area*
	Human capital development Relations with the agency network	Decline in employment in specific roles and skills mismatches	
Socio-demographic change	Offer accessibility and sustainability	Impacts of the ageing population on sustainability of the risk assumed in the welfare and pension areas and on adequacy of the offer	• Sustainability policy • Risk management policy • Non-Life and Life Business Underwriting Policy (and additional internal regulatory documents or corporate communications), including: (i) Guidelines for non-life business underwriting activities with reference to environmental, social and governance factors ("Non-Life ESG Guidelines"); (ii) Guidelines for life business underwriting activities with reference to environmental, social and governance factors ("Life ESG Guidelines") • Provisions Policy – Life and Non-Life Businesses • Policy regarding product governance and control - Non-Life and Life Businesses • Operational risk management policy • *2022-2024 Strategic Plan, Data-Driven Omnichannel Insurance, Health & Life Cycle Focus, Beyond Insurance Enrichment, Tech & People Evolution areas*
	Offer accessibility and sustainability	Reduction of accessibility and sustainability levels of the offer, also due to poor appeal to new generations and emerging segments	
Increase in social polarisation	Offer accessibility and inclusiveness	Reduction of insurability for the most vulnerable segments of our society	

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

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

Key:
Risks incurred Negative impacts (risks generated) Aaaaa = Regulatory oversight *Bbbbb = Strategic oversight*

As part of the systematisation of its due diligence approach, current and potential negative impacts were assessed in the materiality analysis process, with an internal view by the Group Functions and Companies, as well as external, through the involvement of experts; particular attention was paid to potential negative impacts in the area of **human rights**. Unipol thereby identified the most significant areas of current or potential negative impact and, during 2023, will define related prevention and mitigation actions.

Protection of personal data and cyber security

Given the different businesses conducted by the Group companies, Unipol holds numerous personal data, which relate to different moments in the life of individuals, their conduct, the resources available to them, their health, habits, preferences. The phenomenon will increasingly expand as the connection of new devices continues.

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

It should be remembered that in 2020 the Group approved the "**Unipol Data Vision**", which integrates the privacy protection system with the commitment of fair and transparent data leveraging. The advanced data management supports a more knowledgeable assumption of risks, able to make the handling of any claims more sustainable and leading to an increasingly stronger capacity to protect customers in an accessible manner. The Unipol vision therefore represents an opportunity to create value that is shared among customers, the Group and the community as a whole, supporting the development of solutions with a common contribution from multiple players to satisfy the needs of the community.

Training on privacy topics involved most of the Group's collaborators (over 90% of employees in Italy) and numerous agents and sub-agents (more than 80% in both cases). In 2022, cyber security courses reached 17,891 people in the agency network, 3,693 in the Arca sales network and 5,194 employees.

In 2022, there were 270 data breaches in the Group companies, understood as a security violation that leads to the accidental or unlawful destruction, loss, alteration or unauthorised disclosure of, or access to, the personal data transmitted, stored or otherwise processed. All of the cases were promptly managed and resolved with the aim of providing the utmost protection for the rights of data subjects. In 2 cases, the breaches were notified to the Personal Data Protection Authority.
In 2022, the Data Protection Authority received a documented report for an alleged privacy breach, which was answered promptly without any follow-up by the Authority.

Amongst the initiatives aimed at handling cyber risk, in terms of Governance, the Group Information Security Policy defines, also in accordance with the provisions of the ISO 27001[51] standard, the guidelines on cyber security, which support the implementation of the cyber security strategy and provide for the adoption of physical, logical and procedural security measures aimed at ensuring, for the information processed through the IT systems, appropriate and consistent protection throughout its entire lifetime.

The Governance, Standards, Continuity and IT Systems Security function, on the staff of the Group Chief Information officer, operates in liaison with the IT operating functions for the correct implementation of company cyber security guidelines, in alignment with the Control Functions and the DPO for adopting regulations and assessing the action taken to implement them. The risk control system associated with the management and use of data is completed by various other Group policies, in particular the Operational Risk Management Policy, the Personal Data Protection Policy, the Business Continuity Management Policy, the Outsourcing and supplier selection policy, and the Data Governance Policy. The Chief Information Officer and the Head of the Governance, Standards, Continuity and IT Systems Security function report annually to the Board of Directors of the Parent and of the Companies falling within the scope of the Information Security Policy, as well as to the Control and Risk Committee of UnipolSai and Unipol Gruppo, to the extent of their responsibilities, with respect to the state of corporate cyber security in the reporting period.

The initiatives envisaged in the Strategic Plan to enhance and develop cyber security adopted in 2022 cover three main areas:

- updating of **company policies and procedures** based on regulatory developments and cyber threats, and conducting audits on Third Parties according to risk-based logics;
- strengthening of **Threat Intelligence, Antispam and Incident Detection & Response** services, also through collaboration with specialist technological partners at the forefront of the sector, and platform updating and development to support the monitoring of network, system, application and data security. Vulnerability assessment and penetration test sessions were

[51] The ISO/IEC 27001 standard is an international standard that defines the requirements to set up and manage the information security management system, and includes aspects relating to logical, physical and organisational security.

also carried out on the Group's infrastructure and applications, with particular regard to those most critical and exposed on the internet, and tests for restarting IT systems after disaster events;
- Cyber Awareness initiatives for technical personnel and end users to mitigate cyber risk linked to the human factor, through the new "Cyber 2022" course for employees and intermediaries and a specific application security workshop for around 60 Group programmers.

During the year, despite the increase in threats and attempted attacks linked to cyber crimes and the Russia-Ukraine conflict, no events emerged that compromised the integrity, availability or confidentiality of the Group's data.
UnipolSai has been certified according to the international security standard ISO 27001 for its Advanced Electronic Signature service since 2013 and is audited annually by external auditors.

The Companies operating in Serbia have implemented changes to the internal processes that regulate the protection of personal data to systematise and harmonise them to the European standard, with particular reference to the underwriting process, compensation claims and various customer assistance processes.
During 2022, training was provided to employees on the subject of privacy and information security, which reached 83% of total employees.

In terms of IT security, in 2022 DDOR Novi Sad renewed the ISO 27001 certification for its information security management system and its ISO 22301 Business Continuity Management certification, which supports the organisation in reducing the likelihood of incidents and ensuring the resumption of operations following disruptions.
In 2022 in Serbia, there were no reports of critical issues either in terms of privacy or IT security, and no complaints were identified in this respect.

Tax strategy and tax management methods

In 2022, the Board of Directors of Unipol Gruppo S.p.A. approved the strategy for defining the principles and limits on which tax-related risk management is based (the **"Tax Strategy"**[52]) for all companies in scope.
The document, which is based on the values adopted by Unipol and recognised in the Charter of Values and the Code of Ethics, sets out the guiding principles of tax management within the Group, including in particular compliance with tax regulations, in the belief that through the payment of taxes due, the Group contributes to the needs of the communities in which it operates and to transparency in relations with the tax authorities.
The Group's approach is geared towards ensuring the correct application of tax rules while maintaining a high degree of transparency in its dealings with tax authorities.
Consequently, the Group acts in full compliance with tax regulations in its various countries of operations, meeting its tax obligations, collaborating with appointed inspection bodies and thereby protecting the Group's reputation over time.
Unipol has a relationship of full collaboration with the competent tax authorities, supporting any audit activities and responding to requests received with the highest possible speed and transparency. In its operating offices, the Group promotes and sustains the streamlining and simplification of administration and management systems for the relevant taxes. The aforementioned conduct is based on sustainability principles, given the fact that paying taxes is the key pillar for economic and social development in the community in which the Group operates. Considering the ethical importance of taxation, the Group takes action to disseminate the culture and value of prompt and responsible application of tax regulations.
Tax management is mainly entrusted to the Group's Tax Service, which reports to the Group Chief Financial Officer; the Service supervises and manages the application of tax legislation and also provides advice, guidance and control to all companies within the Group by ensuring assistance and support as part of the control activities implemented by the Tax Authorities.
The company processes contain procedures and tools for the management of tax aspects. A number of significant tax processes are subject to recognition for the purpose of procedures pursuant to Italian Law 262/2005 (Law on the Protection of Savings and Governance of the Financial Markets).
Aspects related to tax management do not call for the structured involvement of the Board of Directors. However, where significant problems emerge, the appointed Functions provide suitable reports and carry out preventive assessments of the tax consequences of transactions of greater relevance.
The Separate Financial Statements documentation discloses the revenue, profit deriving from technical and financial management, taxes for the year, and also includes a statement of reconciliation of the theoretical tax burden compared to the actual tax burden, with an explanation of the main reasons for deviations. The main items causing mismatches between taxes paid and taxes recognised are subject to disclosure.

52 Published on the Company's website at the following address https://www.unipol.it/it/governance/sistema-di-corporate-governance/strategia-fiscale-del-gruppo-unipol

Since 2016, the Unipol Group has prepared a country-by-country report on income taxes, the "CBcR", including UnipolSai data.
The financial statements include, where necessary, prudential provisions against current or potential disputes concerning the application of taxes, where there are divergent interpretations with respect to those expressed by the tax authorities in the context of relations based on mutual transparency and discussion.
Tax risk is in any event one of the operational risks subject to monitoring and assessment under Solvency II regulations. The basis for the approach adopted is the identification, profiling and quantification of risks for the purpose of defining capital requirements.

The Group's Italian and foreign companies pay taxes and duties in application of the tax regulations in force in each country.
In 2022, the total taxes paid to the tax authorities (on income, premiums, ownership, insurance, mathematical provisions, withholding tax, etc.) by Group companies came to around €1.9bn.
Income taxes recorded a consolidated tax rate for the year of 27.18% (30% in 2021).

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

The Unipol Gruppo OMM, updated on 4 August 2022, makes provision for oversights and control instruments implemented to combat corruption in Special Part 1, with reference to the offences considered in Articles 318, 319, 319-ter, 319-quater, 320, 322, 322-bis and 346-bis of the criminal code, and in Special Part 2, with reference to the offence of corruption among private individuals stipulated in Art. 2635 of the civil code. The OMM is composed of a General Part and fourteen Special Parts, each dedicated to a category of crime that could theoretically take place within the Company.

In particular, the Special Part highlights the general conduct principles applied directly to the corporate bodies and employees, and to partners on the basis of dedicated contractual clauses.
These principles concern:

- the training of associates by Department Heads in contact with the Public Administration and the tracking of information flows to it;
- the assignment of representation duties to external parties through formal appointments;
- the inclusion in contracts with collaborators of their specific declarations on knowledge of Italian Legislative Decree 231/2001 and the commitment to comply with the OMM, and that they have not been convicted with a final or preliminary sentence for offences envisaged by Italian Legislative Decree no. 231/2001, without prejudice to rehabilitation effects.

In the Special Parts of the OMM, the specific principles of control for preventing the commission of each type of crime previously indicated are also laid out in detail.
The OMMs of the Unipol Group companies also envisage oversight and control mechanisms.

The OMM was disseminated to all Unipol Gruppo employees through publication on the company intranet Futur@; the related updates are communicated to employees via company communication sent via e-mail or similar electronic means. Every six months, the Chief Human Resources and Organisation Officer monitors whether the document has been read and accepted by the employees, reporting accordingly to the Supervisory Board.
In 2022, the training of Unipol Gruppo employees continued through the provision of a web training module; specific classroom training courses were also held for Unipol Gruppo managers.

The Unipol Group companies with an Organisation, Management and Control Model disseminate it to employees by similar methods.

The internal system for reporting violations has been formalised in a specific Whistleblowing Procedure for use by personnel[53] who, having become aware of illegal acts or facts during the performance of their duties, decide to report them. Personnel may use an IT platform to submit reports of unlawful conduct pursuant to Decree 231/01, acts or facts which could constitute violations of the OMM, as well as violations of other precisely defined regulations[54], with methods that guarantee full confidentiality of the reporting party's identity and the content of the report[55]. The disciplinary system adopted envisages sanctions against those violating the whistleblower protection measures, and for those who with wilful misconduct or gross negligence submit reports that prove unfounded.

[53] Intended as such employees and those who operate on the basis of a contract, even in a form other than as employee, which determines their inclusion in the company organisation
[54] Reference is made to (i) Regulation (EU) no. 596/2014 relating to market abuse ("MAR"), (ii) Italian Legislative Decree no. 231 of 21 November 2007 on preventing the use of the financial system for money laundering and terrorist financing, (iii) Italian Legislative Decree no. 209 of 7 September 2005 ("Private Insurance Code"), (iv) Italian Legislative Decree no. 58 of 24 February 1998 ("Consolidated Law on Finance").
[55] The IT platform adopted by the Group makes it possible to (i) manage reports in pseudonymised form and (ii) keep track of the relative information in encrypted form. Access to the latter is limited to identified members of the company structures responsible for receiving, reviewing and evaluating whistleblowing reports.

No reports were received via this channel in 2022.

The task of supervising the operation and observance of the OMM and ensuring its updating is entrusted to the Supervisory Board (SB), composed of all the members of the Control and Risk Committee, non-executive independent directors, and an external professional with suitable skills and professionalism.

The Anti-Money Laundering Regulations are governed by Italian Legislative Decree 231/2007, as amended (the "Decree") which is implemented, within the Unipol Group, for Life insurance companies (UnipolSai Assicurazioni, BIM Vita and Arca Vita), for intermediaries pursuant to Art. 106 of the Consolidated Law on Banking (UnipolReC), for asset management companies (UnipolSai Investimenti SGR) and for Electronic Money Institutions - IMEL (UnipolPay).
All of the Unipol Group Companies subject to the Decree have a dedicated structure responsible for managing the risk of money-laundering and terrorist financing.
The anti-money laundering monitoring aims to guarantee correct compliance with the provisions of the Decree on:

- customer due diligence obligations;
- storage obligations;
- reporting obligations;
- personnel training.

All the Unipol Group Companies subject to Anti-Money Laundering Regulations have a dedicated structure responsible for managing the risk of money-laundering and terrorist financing.
In 2022, the Group made available a new online course on the crime of money laundering, which provides updated and necessary information for the purposes of preventing money laundering and terrorist financing transactions.
Released in October 2022, by year end the new course had been used by 15% of the employees concerned[56] (100% for UnipolPay).
With reference to foreign insurance companies operating in Serbia and Ireland, internal controls and procedures are in place in line with local legal provisions.
In Serbia, the training course on the prevention of money laundering and terrorist financing had been attended by 64% of employees at the end of 2022.

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

[56] The previous Anti-Money Laundering course covered over 90% of employees of the Italian insurance companies.

Anti-corruption

In relation to the sensitive processes associated with Italian Legislative Decree 231/2001, a number of activities most exposed to corruption risk were identified, namely: management of property inspections by public officials with control functions, management of inspections by Supervisory Authorities, the Tax Administration or the Italian Tax Police, management of tenders and related procurement awards or property-related appointments, management of tenders with public bodies for insurance services, management of charity donations, sponsorships and consultancy. For these activities, further specific control oversights are envisaged.

During the year, the control and Model 231 Monitoring functions perform assessments of the Group and Group company processes to identify the relevant areas at risk for the purposes of Italian Legislative Decree 231/2001.
The Model 231 Monitoring analysis is performed on **all processes mapped** and results in a matrix, which is constantly updated and cross-references individual processes with the risk of the crimes to which they are exposed, including the risk of corruption.
For the Parent, in 2022 **105 processes were analysed**, 15 of which assessed as sensitive to the risk of corruption (14% of the total); for UnipolSai Assicurazioni, 143 processes were mapped and analysed, with 44 subject to the assessment of sensitivity to the risk of corruption (31%).

The oversight and control mechanisms put into place to combat corruption in relations with the Public Administration are defined in the OMM of the Parent, in Special Part 1, "Offences against the Public Administration", whilst Special Part 2 "Corporate Offences" discusses the crime of corruption between private parties as provided in the Civil Code. In the Special Parts of the OMM, the specific principles of control for preventing the commission of each type of crime previously indicated are also laid out in detail.

As regards the companies operating in Serbia, their By-Laws and Code of Ethics envisage provisions on avoiding conflicts of interest. In the case of UnipolRe, which operates in Ireland, the Financial Crime Policy approved by the Audit Committee and the Board also includes the fight against corruption and is communicated to all employees.

In 2022, based on available information, Unipol Gruppo and the Unipol Group companies did not incur costs for any penalties pursuant to Italian Legislative Decree 231/2001 deriving from charges for crimes of corruption.

For the employees of Group Companies that have adopted an Organisation, Management and Control Model, a course is available on the subject of Italian Legislative Decree 231/2001 which, among other things, addresses the issue of corruption offenses. In 2022, 87% of employees working in the insurance, healthcare, agricultural, hotel and tourism businesses in Italy received specific training on anti-corruption policy and procedures (61% in 2021).

To ensure effective implementation of the OMM, agents were asked to acknowledge it, which was done in 96% of cases in the network[57].
The contracts that the Group enters into with suppliers include a clause in which the suppliers undertake to adhere to the OMM, under penalty of termination of the contract. Viewing of the OMM is certified for suppliers enrolled in the Suppliers Register, which in 2022 accounted for 15% of the total suppliers, with a 61% impact on total spending (in line with the previous year).

Anti-fraud

The Criminal Law, Anti-fraud and Authority Response function of UnipolSai Assicurazioni S.p.A. carries out its activity of preventing, intercepting and combating fraudulent conduct perpetrated to the detriment of UnipolSai and, under specific intra-group service agreements, of other Unipol Group Companies without their own dedicated structure.
As in previous years, again in 2022 significant efforts were made to combat fraud in the underwriting and settlement phases, where possible preferring investigation “workflows” due to the greater impact of the economic damage (potential or consolidated) and the Authority's stronger focus on sporadic reports.
The Criminal Law, Anti-Fraud and Authority Response function collaborates constantly, together with the function delegated in the Claims Area and the IT Systems Area, in the development and optimisation of new methodologies and IT applications dedicated to detecting fraud, also based on search engines and predictive systems pending refinement.

[57] The percentage refers to all Agents with UnipolSai, UniSalute, SIAT and Linear Next assignments. For SIAT and Linear Next, reference is made to the parties that have signed to confirm viewing of the OMM of the specific Company.

The continuous refinement of methods and criteria for fraud detection is supported by investments in technological innovation to develop data-driven solutions. In this area, development of the **anti-fraud engine** (Rulex) continued through integration with the portfolio data relating to certain products of the General Classes, which strengthened the creation of predictive models in this area, and development of the **platform created to manage relational graphs** (Indago) that allows correlation between events and entities and advanced searches in a facilitated manner, in order to support the Special Claims Areas in their investigations.
The Special Areas of the UnipolSai Claims Department reported over 28,500 suspicious claims, which led to approximately 14,600 transfers to the investigative units, equal to 51% of the cases reported, a decrease of 4 percentage points compared to 2021[58]. After investigations, the Anti-Fraud Function managed 7,100 fraud reports (-22% vs 2021) and a complaint was filed in 404 cases (-4% vs 2021).

The consolidated relationship of collaboration with the Police and with independent experts involved in anti-fraud has also led to an increasingly effective and timely involvement of the Judicial Authorities with the aim of making the activity even more timely and effective in combating criminal fraud.
At the end of 2022, as part of the activities carried out for the insurance companies in Italy, the Anti-fraud and Authority Response functions investigated a total of 2,204 cases and filed 419 complaints. In the context of criminal initiatives, the approach applied is to highlight the phenomena of associations to the Judicial Authority, bringing together several cases of unlawful conduct of the same criminal pattern, behind which criminal organisations often operate.

With regard to the companies operating in Serbia, the counterpart functions overseeing fraud risk handled 3,127 reports of fraud (+16% vs 2021). A complaint was filed in 109 cases (-26% vs 2021).

Protection of fair competition

In recent years, issues related to competition and consumer protection rights have assumed increasing importance in EU policies, as they are priority and essential tools for effective implementation of the single market.
This has resulted in a significant increase in the level of attention from Antitrust Authorities, also confirmed by the extent of the sanctions imposed on companies for violations of antitrust and consumer protection regulations.
In this context, the Unipol Group undertook an important initiative to raise the awareness of its employees and the agency network on consumer protection (through a specific training activity that involved all the Group Companies) and simultaneously launched activities necessary to provide a specific antitrust compliance programme to Linear in 2021, UnipolSai in 2022 and UniSalute in 2023.
The UnipolSai Programme was launched by resolution of the Board of Directors of 10 February 2022, with the specific objective of "securing" company processes and activities, further strengthening the antitrust culture and sensitivity of its employees, and was carried out - as for Linear - on the basis of indications provided in the AGCM Guidelines on antitrust compliance and Italian and international best practices of reference.
In this respect, steps were therefore taken to:

- map the areas and business activities potentially exposed to antitrust risk;
- prepare an antitrust manual, on the basis of the risk mapping activity mentioned above, containing guidelines and an antitrust organisational procedure;
- identify an internal contact to be entrusted with the functions of Antitrust Compliance Officer, with the task of supervising implementation of the Procedure, and in particular: i) managing relations with the antitrust authorities; ii) carrying out preventive advisory activities on antitrust issues and problems; iii) carrying out control activities on compliance with antitrust regulations; iv) monitoring the Company's membership and participation in associations; v) receiving and managing any reports from personnel regarding suspected violations of antitrust regulations, the Manual and the Procedure; vi) monitoring developments in competition law regulations; vii) coordinating and planning periodic training activities for Company employees responsible in antitrust-sensitive areas.

On 15 December 2022, the Board of Directors of UnipolSai approved the Programme, and with it the Manual, the Procedure and appointment of the Antitrust Compliance Officer. In order to actually implement the Programme, ad hoc training sessions on antitrust have already been planned for 2023, which will first involve top management staff working in antitrust-sensitive areas and, subsequently, the remaining participants targeted by the Programme.
On 7 February 2023, the Board of Directors of UniSalute also approved the launch of the antitrust compliance programme, to be implemented by the end of 2023.

[58] This reduction is mainly attributable to the greater presence of claims transferred to the Special Areas Triage structure due to an anomaly in the VEI6 indicator (license plate/chassis number inconsistency) calculated by AIA (the Anti-fraud Computer Archive used by IVASS) after start-up the new EBDS (Evolution of the Claims Database); this anomaly was promptly reported to the Institute.

Sanctions

There were a total of 3,107 IVASS interventions against UnipolSai and the Group's other insurance companies operating in Italy in the course of 2022, slightly more than in 2021 (3,091).

During 2022, UnipolSai Assicurazioni paid 219 penalties amounting to €1,058,849, all relating to claims pertaining to previous years and including 205 in the settlement phase. No complaints generated penalties in 2022.

In relation to complaints submitted by customers pursuant to IVASS Regulation no. 46/2016, UnipolSai Assicurazioni alone, together with its agents, handled 1,429 complaints.

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

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

Capital requirements

Capital management

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

The general aims pursued by the "Capital management and dividend distribution policy" are:
- ex ante definition of the return objectives on allocated capital, consistent with the profitability 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;
- define the roles, responsibilities and reporting in relation to capital management and the distribution of dividends or other elements of own funds.

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

Insurance Sector
Activities by the competent corporate organisations of the Group were carried out in 2022 in compliance with Solvency II regulations and the supervisory provisions issued by IVASS.
As regards the Group's solvency capital requirement, note that this is calculated using the partial internal model authorised by IVASS.

Remuneration system and incentives

NFS

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

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

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

- a sound and prudent risk management policy, in line with the Group's long-term strategic objectives, profitability and balance, avoiding remuneration policies based exclusively or prevalently on short-term results that could be an incentive to excessive risk exposure;
- internal equity, so that remuneration is consistent with the position held and the connected responsibilities, the role assigned, the experience gained, skills, capacities demonstrated and performance, as well as with the nature, extent and complexity of the risks inherent in business activities;
- meritocracy, so that the results achieved and the conduct enacted to achieve them are rewarded;
- dialogue with the reference markets, in order to create competitive pay packages, learning of the trends, guidance and best practices so as to sustain health competition fairly and effectively.

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

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

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

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

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

- adequate balancing between the fixed and variable remuneration components and the connection between the variable component and pre-established, material and measurable efficiency criteria, to strengthen the correlation between results and remuneration;
- the ex-ante establishment of limits for the variable component;
- sustainability thanks to the proper balance between short and long-term efficiency criteria, on which remuneration is dependent, through payment of the variable component in instalments, setting a minimum vesting period for the assignment of financial instruments, the option to reduce or the right to require the return of said component in the event that specific conditions are not fulfilled;
- with reference to Top Management, the provision of share ownership requirements, consisting of a lock-up obligation, for a predetermined period, on the shares assigned as a result of participation in the incentive plans.

The plan also includes malus and claw-back clauses.

VARIABLE COMPONENT

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

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

Short-Term Bonus (STI)

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

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

Long-Term Bonus (LTI)

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

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

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

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

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

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

With respect to the pay gap between women and men, as regards the overall remuneration of the Group Companies operating in Italy, in the executive category the median values of women were around 9 percentage points below the overall remuneration of men (-5% in 2021, the change being due to staff turnover), in the Officers and Middle Management category, the gap was in favour of men by around 6 percentage points (value in line with 2021), in the administrative staff category this gap was 7 percentage points (value in line with 2021), while there were 3 percentage points in favour of women among Call Centre personnel.
It should also be noted that, with regard to the gaps relating to fixed remuneration for non-executive staff, the values overall were in line with the previous year, with the exception of the category of Call Centre Personnel, which confirmed a trend of widening of the pay gap in favour of women. With regard to executive personnel, the pay gap in favour of men is below 2 percentage points.

Pay gaps by gender and job level category*

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

-9%	-6%	-7%	3%	-6%
Senior Executives	Officers and middle managers	Administrative staff	Call Centre personnel	Blue-collar workers/Other

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

For detailed information on figures relating to remuneration differences, please see the "Appendix - Unipol in numbers"

UNIPOL GROUP PERFORMANCE

Supplementing the information provided in the "Significant events in 2022 and after 31 December 2022" section of this Report, greater details on events during the year are provided below.

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 SpA

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, which 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.

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)".

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).

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.

Operating performance

In 2022, the Unipol Group achieved results in line with the objectives of the 2022-2024 Strategic Plan, with a **consolidated net profit** of €866m compared to €796m in the previous year.

Net of the extraordinary components that characterised the 2021 and 2022 results, the 2022 **normalised net profit** of €774m is significantly higher than the 2021 normalised profit of €514m. 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, as well as the badwill recorded by BPER against acquisition of the former UBI Banca and Banca Intesa Sanpaolo branches for €155m.
On the other hand, the 2022 results were negatively impacted, for €137m (€199m before taxes), by the allocation of a solidarity fund for the early retirement of approximately 900 employees, and positively impacted for €41m by the effects deriving from the increase, from 18.9% to 19.9%, in the total interest held by Unipol in BPER and the badwill acquired by BPER following the acquisition of Banca Carige for €188m.

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" class), 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 €846m, compared to €821m in the previous year; excluding non-recurring components, the 2022 profit, equal to €937m, is significantly higher than the €722m 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 €273m, compared to €213m in 2021 (the normalised results were €293m and €206m, 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 Holding and Other Businesses sectors was a loss of €10m (loss of €83m in 2021). Net of extraordinary components, the normalised results were -€152m in 2022 and -€174m 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 3.1% of invested assets (unchanged from 31/12/2021), thanks to the excellent contribution of the coupons and dividends component.

At 31 December 2022, consolidated **shareholders' equity** amounted to €7,662m (€9,722m at 31/12/2021) of which €6,130m 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 **Solvency ratio** stood at 200%[59] (214% at 31/12/2021), having discounted the calculation of dividends expected to be distributed.

[59] Value calculated on the basis of the information available as of today. The definitive results will be reported to the Supervisory Authority with the timing required by regulations in force.

Condensed Consolidated Operating Income Statement broken down by business segment

	Non-Life business			Life business			Insurance Sector		
Amounts in €m	**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/expense (**)	589	529	*11.4*	1,100	1,067	*3.1*	1,689	1,596	*5.8*
Net interest income	*360*	*288*		*1,075*	*1,000*		*1,434*	*1,288*	
Other income and charges	*262*	*152*		*85*	*54*		*346*	*206*	
Realised gains and losses	*58*	*89*		*(46)*	*(6)*		*12*	*83*	
Unrealised gains and losses	*(91)*			*(13)*	*20*		*(104)*	*20*	
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 costs	*(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	(230)	(170)	*(35.5)*	(119)	(67)	*(78.8)*	(349)	(236)	*(47.7)*
Pre-tax profit (loss)	**846**	**821**	*3.1*	**273**	**213**	*28.0*	**1,119**	**1,034**	*8.2*
Income taxes	(188)	(134)	*39.9*	(88)	(43)	*107.1*	(276)	(177)	*56.1*
Profit (loss) from discontinued operations									
Consolidated profit (loss)	**658**	**686**	*(4.1)*	**185**	**170**	*8.3*	**842**	**857**	*(1.7)*
Profit (loss) attributable to the Group									
Profit (loss) attributable to non-controlling interests									

(*) The real estate sector only includes Group real estate companies
(**) 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

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

- **direct insurance premiums**, gross of reinsurance, totalled €13,645m (€13,329m at 31/12/2021, +2.4%). Non-Life direct premiums amounted to €8,304m (€7,943m at 31/12/2021, +4.5%) and Life direct premiums €5,341m (€5,386m at 31/12/2021, -0.8%), €1,831m of which related to investment products (€1,272m at 31/12/2021);
- **net premiums earned**, net of reinsurance, were €11,366m (€11,879m at 31/12/2021, -4.3%), of which €7,875m from the Non-Life business (€7,780m at 31/12/2021, +1.2%) and €3,491m from the Life business (€4,098m at 31/12/2021, -14.8%);
- **net charges relating to claims**, net of reinsurance, were €8,975m (€9,737m at 31/12/2021, -7.8%), of which €5,031m in the Non-Life business (€5,095m at 31/12/2021, -1.3%) and €3,944m in the Life business (€4,642m at 31/12/2021, -15%), including €375m of net losses on financial assets and liabilities at fair value (net gains of €72m at 31/12/2021);

Holding and Other businesses Sector			Real Estate Sector (*)			Intersegment elimination		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)
14	14	2.9				(15)	(15)	(41)	8	n.s.
95	41	n.s.	(5)	(28)	n.s.	(16)	(15)	1,763	1,593	10.6
(41)	(57)		(2)	(2)				1,392	1,230	
205	77		58	49		(16)	(15)	593	316	
(36)	44		(6)					(30)	127	
(33)	(23)		(55)	(75)				(192)	(79)	
								(8,975)	(9,737)	(7.8)
(231)	(176)	31.1	(38)	(35)	9.5	27	22	(2,814)	(2,666)	5.6
								(1,887)	(1,857)	1.6
(231)	(176)	31.1	(38)	(35)	9.5	27	22	(928)	(809)	14.6
159	102	55.1	(4)	(1)	n.s.	4	9	(190)	(126)	(50.4)
37	**(19)**	n.s.	**(47)**	**(64)**	26.0			**1,108**	**951**	16.6
32	21	49.7	2	1	57.5			(243)	(155)	56.9
69	**2**	n.s.	**(45)**	**(63)**	27.3			**866**	**796**	8.8
								683	627	
								183	170	

- **operating expenses** amounted to €2,814m (€2,666m at 31/12/2021). In the Non-Life business, operating expenses amounted to €2,306m (€2,222m at 31/12/2021), €266m in the Life business (€254m at 31/12/2021), €231m in the Holding and Other Businesses sector (€176m at 31/12/2021) and €38m in the Real Estate sector (€35m at 31/12/2021);
- the **combined ratio**, net of reinsurance, of the Non-Life business was 93.8% (95% at 31/12/2021);
- **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 €1,763m (€1,593m at 31/12/2021);
- **taxes** for the period represented a net expense of €243m (expense of €155m at 31/12/2021);
- net of the €183m profit attributable to non-controlling interests, the **profit attributable to the owners of the Parent** at 31 December 2022 was €683m (€627m at 31/12/2021).

Insurance Sector performance

The Group's insurance business closed with a total **pre-tax profit of €1,119m** (€1,034m at 31/12/2021, +8.2%), of which €846m relating to the Non-Life sector (€821m at 31/12/2021, +3.1%) and €273m relating to the Life sector (€213m at 31/12/2021, +28%). Net of the non-recurring transactions carried out in the two periods being compared, the results are:

- Insurance sector: €1,230m at 31 December 2022 and €927m at 31 December 2021;
- Non-Life business: €937m at 31 December 2022 and €722m at 31 December 2021;
- Life business: €293m at 31 December 2022 and €206m at 31 December 2021.

Investments and cash and cash equivalents of the Insurance sector at 31 December 2022 totalled €58,010m (€66,952m at 31/12/2021), of which €14,972m in the Non-Life business (€16,666m at 31/12/2021) and €43,037m in the Life business (€50,286m at 31/12/2021).

Technical provisions amounted to €51,766m (€57,128m at 31/12/2021), of which €14,538m in the Non-Life business (€14,715m at 31/12/2021) and €37,229m in the Life business (€42,413m at 31/12/2021).

Financial liabilities amounted to €9,052m (€8,732m 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) up by +1.8%. Non-Life direct premiums amounted to €8,502m (€8,214m at 31/12/2021, +3.5%) and Life direct premiums totalled €5,341m (€5,386m at 31/12/2021, -0.8%), €1,831m of which related to investment products (€1,272m at 31/12/2021).

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).

Direct premiums amounted to €13,645m (€13,329m at 31/12/2021, +2.4%), of which Non-Life premiums totalled €8,304m (+4.5%) and Life premiums €5,341m (-0.8%).

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 premium income	**13,645**	***100.0***	**13,329**	***100.0***	***2.4***

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

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 at 31/12/2021), €524m of which from Non-Life premiums ceded (€463m at 31/12/2021) and €19m from Life premiums ceded (€16m at 31/12/2021). The retention ratios remained essentially unchanged both in the Non-Life and Life businesses.

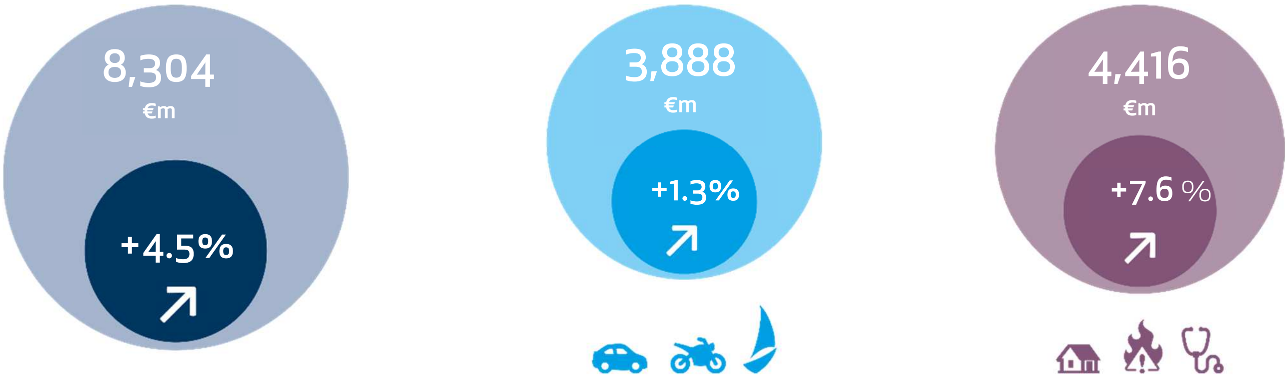
Amounts in €m	**31/12/2022**	*comp. %*	31/12/2021	*% comp.*	*% var.*
Non-Life ceded premiums	524	*96.5*	463	*96.7*	*13.2*
Retention ratio - Non-Life business (%)	*93.8%*		*94.4%*		
Life ceded premiums	19	*3.5*	16	*3.3*	*20.2*
Retention ratio - Life business (%)	*99.5%*		*99.6%*		
Total premiums ceded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

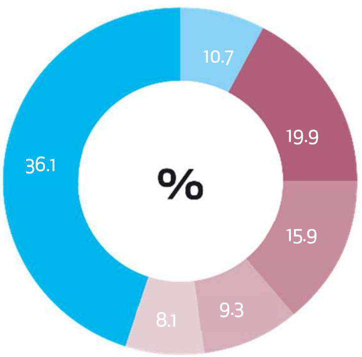
At 31 December 2022 the premiums ceded generated an overall positive result for reinsurers, both in the Non-Life and in the Life businesses.

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) up 4.5%.

Non-Life business direct premiums





Amounts in €m	**31/12/2022**	%	31/12/2021	%	% var.
Land, sea, lake and river motor vehicles TPL (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 and 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-M-V	**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***

In the **MV business**, MV TPL premiums, still affected by strong rate competition, were €2,994m, in line with the figure at 31 December 2021. An increase of 5.6% was instead reported in the Land Vehicle Hulls class with premiums equal to €894m (€846m at 31/12/2021). The **Non-MV segment**, with premiums amounting to €4,416m, recorded a 7.6% growth.

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 number of claims reported, without considering the MV TPL class, fell by 2.5%.

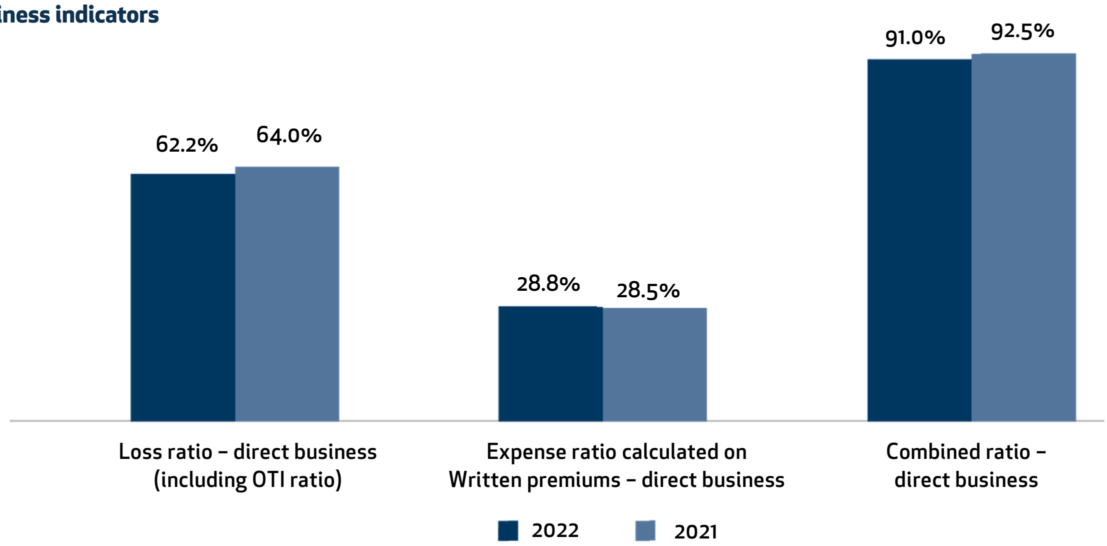
Number of claims reported (excluding MV TPL)

	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 agreement is applied[60], 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).
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).

[60] 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.

Non-Life business indicators



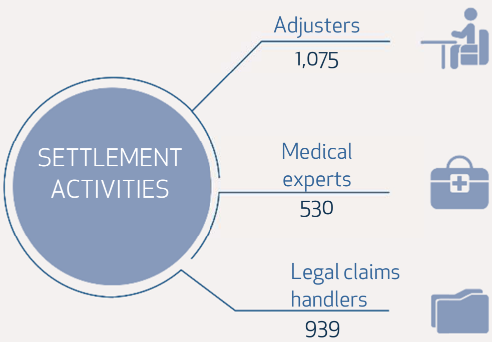
The net profit (loss) of the claims experience for the main businesses is provided in the following table (in €m):

Non-Life business	Net breakdown at 31/12/2022	Net breakdown at 31/12/2021
MV TPL (classes 10 and 12)	243	97
Land Vehicle Hulls (class 3)	11	6
General TPL (class 13)	276	76
Other Classes	239	157
TOTAL	**769**	**336**

Settlement performance

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

- FAIRNESS
- EFFICIENCY
- QUALITY



New products

In the MV TPL and Land Vehicle Hulls segment, 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).

Non-Life premiums of the main Group insurance companies

The direct premiums of **UnipolSai**, the Group's main company, stood at €6,883m (+2.4%), of which €3,621m in the MV classes (+1.1%) and €3,263m in the Non-MV classes (+4%).

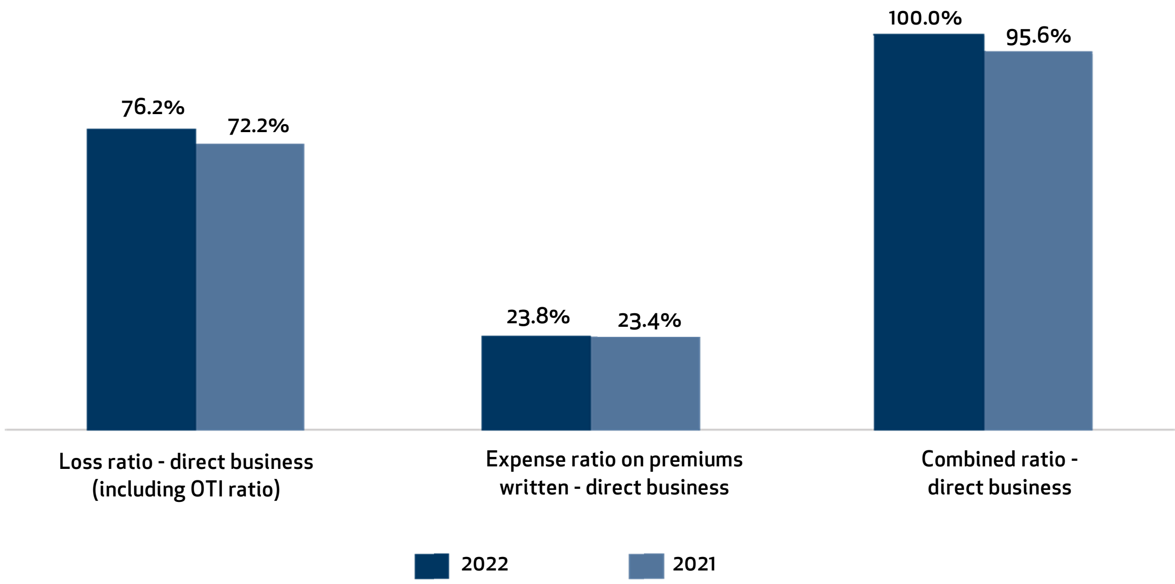
UnipolSai Assicurazioni Spa - Non-Life business direct premiums

Amounts in €m	**31/12/2022**	*% comp.*	31/12/2021	*% comp.*	*% var.*
Land, sea, lake and river motor vehicles TPL (classes 10 and 12)	2,779		2,784		*(0.2)*
Land Vehicle Hulls (class 3)	841		799		*5.3*
Total premiums - Motor Vehicles	**3,621**	***52.6***	**3,583**	***53.3***	***1.1***
Accident and Health (classes 1 and 2)	820		804		*2.0*
Fire and Other damage to property (classes 8 and 9)	1,236		1,199		*3.1*
General TPL (class 13)	746		701		*6.4*
Other classes	461		435		*5.9*
Total premiums - Non-M-V	**3,263**	***47.4***	**3,138**	***46.7***	***4.0***
Total Non-Life premiums	**6,883**	***100.0***	**6,721**	***100.0***	***2.4***

In the **MV** classes, €2,779m related to premiums in the MV TPL class and Sea, Lake and River Vessels TPL class (€2,784m at 31/12/2021, -0.2%).

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.

MV TPL indicators - UnipolSai



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, in addition to improvement of the predictive models for the dynamics of the claim on the Unico electronic platform, in order to improve verification, by the adjuster, of consistency between what was declared and the actual dynamics of the event. For further details, see the chapter "The creation of value".
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. For further details, see the chapter "Governance".
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.

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 (€553m 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.

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.

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.

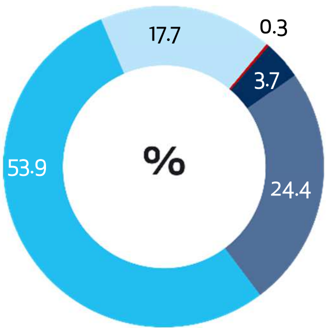
Incontra Assicurazioni recorded a roughly €31m profit at 31 December 2022 (profit of €15.6m at 31/12/2021), with premiums equal to €154.4m, up compared to the previous year (€109.2m in 2021, +41.4%), mainly concentrated in the Health and Pecuniary Losses classes (65% and 17%, respectively, of the total 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).

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%.

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



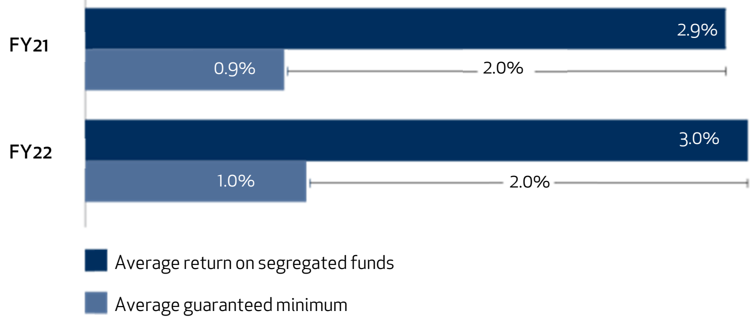
Amounts in €m	**31/12/2022**	%	31/12/2021	%	% var.
I - Whole and term Life insurance	2,878	*53.9*	3,449	*64.0*	*(16.6)*
III - Unit-linked/index-linked policies	946	*17.7*	1,119	*20.8*	*(15.5)*
IV - Health	14	*0.3*	9	*0.2*	*63.2*
V - Capitalisation insurance	199	*3.7*	224	*4.2*	*(10.9)*
VI - Pension funds	1,304	*24.4*	585	*10.9*	*122.8*
Total Life business direct premium income	**5,341**	***100.0***	**5,386**	***100.0***	***(0.8)***
- of which Life investment products	*1,831*	*100.0*	*1,272*	*100.0*	*44.0*

At 31 December 2022, the direct premium volume was equal to €5,341m, a decrease of 0.8% with respect to 31 December 2021. Investment products, totalling €1,831m (€1,272m at 31/12/2021), were primarily related to Class III and Class VI.

At 31 December 2022, new business in terms of **APE**, net of non-controlling interests, amounted to €480m (€465m at 31/12/2021, +3%), of which €108m contributed by bancassurance companies (-20.5%) and €372m by traditional companies (+12.7%).

The **expense ratio** of Life direct business was 6.4% (5.1% at 31/12/2021).

Returns on Segregated Funds and guaranteed minimums



Pension Funds

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

At 31 December 2022, with the subsidiary UnipolSai Assicurazioni, it managed a total of 23 mandates for **Occupational Pension Funds** (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, a total of 21 Occupational Pension Funds were managed (17 of them for accounts "with guaranteed capital and/or minimum return") and resources came to €4,032m (of which €3,389m with guaranteed capital).

At 31 December 2022, the assets of the **Open Pension Funds** managed by UnipolSai and BIM (UnipolSai Previdenza FPA, Fondo Pensione Aperto BIM Vita) reached a total of €881m with 41,103 members. At 31 December 2021, the Open Pension Funds managed total assets of €963m and a total of 41,370 members.

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.

Life premiums of the main Group insurance companies

Direct premiums for **UnipolSai** were equal to €3,392m (€2,870m at 31/12/2021, +18.2%).

UnipolSai Assicurazioni Spa - Life business direct premiums

	Amounts in €m	**31/12/2022**	% comp.	31/12/2021	% comp.	% var.
I	Whole and term life insurance	1,618	*47.7*	1,784	*62.2*	*(9.3)*
III	Unit-linked/index-linked policies	261	*7.7*	272	*9.5*	*(3.9)*
	- of which investment products	*261*	*7.7*	*271*	*9.5*	*(3.9)*
IV	Health	14	*0.4*	9	*0.3*	*63.2*
V	Capitalisation insurance	199	*5.9*	224	*7.8*	*(10.9)*
VI	Pension funds	1,300	*38.3*	582	*20.3*	*123.4*
	- of which investment products	*960*	*28.3*	*183*	*6.4*	*n.s.*
Total Life business		**3,392**	***100.0***	**2,870**	***100.0***	***18.2***
- of which investment products		**1,221**	*36.0*	*454*	*15.8*	*169.0*

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).

Reinsurance

Unipol 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 performance

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	(85)	(96)	*(11.5)*
Operating expenses	(38)	(35)	*9.5*
Other costs	(45)	(38)	*18.4*
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; -€74m net of non-recurring transactions).

Investments and cash and cash equivalents for the Real Estate sector (including business properties for own use) totalled €2,546m at 31 December 2022 (€2,342m at 31/12/2021), consisting of Investment property amounting to €1,851m (€1,619m at 31/12/2021) and Properties for own use totalling €575m (€595m at 31/12/2021).

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

Group real estate business[61]

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.

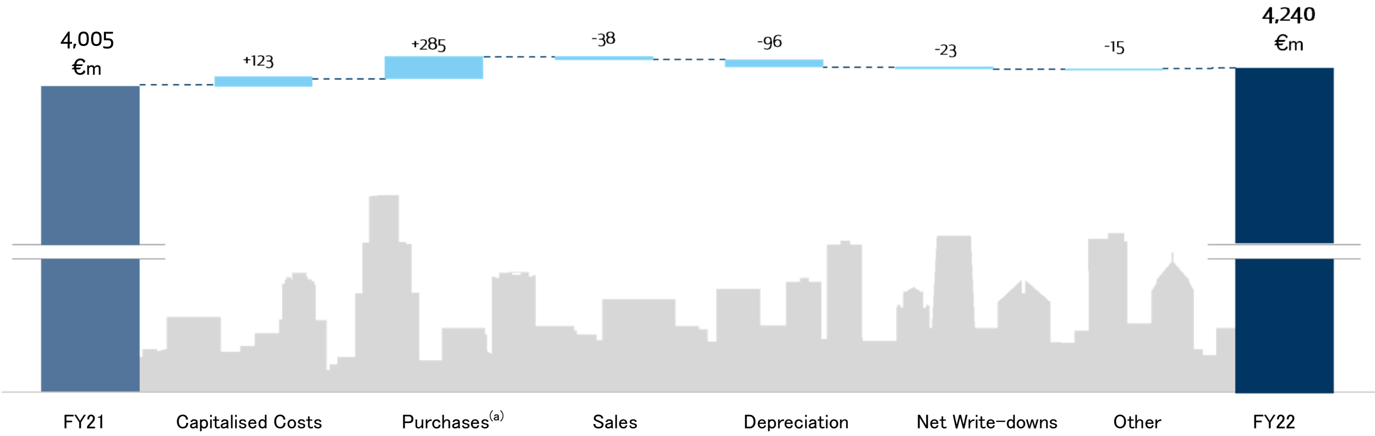
Real estate asset renovation and development activities continued on more than 120 properties for around €123m. The sector was impacted by difficulties in obtaining raw materials and the resulting price increase, a trend that was accentuated in Italy by the tax incentives promoted by the government. 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).

[61] 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.

Evolution of the real estate assets (*)

(*Amounts in €m*)



(a) 68 completed at 31 December 2022 (68 in 2021)

(*) Operating figures and excluding real estate accounted for on the basis of IFRS 16

The balance of €4,240m at 31 December 2022 includes properties managed directly by Group companies for €3,775m, properties held for sale for €100m and €365m investments in real estate companies and real estate funds managed by third parties.

Holding and Other Businesses Sector Performance

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

Income Statement - Holding and Other Businesses Sector

Amounts in €m	**31/12/2022**	31/12/2021	% var.
Commission income	15	15	*3.7*
Gains (losses) on financial instruments at fair value through profit or loss	(20)	24	*(183.3)*
Gains on investments in subsidiaries, associates and interests in joint ventures	200	79	*153.7*
Gains on other financial instruments and investment property	73	71	*2.3*
Other revenue	306	176	*74.1*
Total revenue and income	**574**	**364**	***57.6***
Commission expense	(1)	(1)	*15.3*
Losses on other financial instruments and investment property	(158)	(133)	*18.4*
Operating expenses	(231)	(176)	*31.1*
Other costs	(148)	(74)	*100.5*
Total costs and expenses	**(537)**	**(384)**	***40.0***
Pre-tax profit (loss) for the year	**37**	**(19)**	***n.s.***

The **pre-tax result** at 31 December 2022 was a profit of €37m, a loss of €105m net of non-recurring transactions (-€19m at 31/12/2021; -€100m net of non-recurring transactions).
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 Holding and Other Businesses sector (including properties for own use of €162m) totalled €3,119m (€3,183m at 31/12/2021).

Financial liabilities amounted to €2,628m (€2,981m at 31/12/2021) and mainly consist of the following:

- for €2,458m by three senior bonds issued by Unipol with a total nominal value of €2,465m, the latter down by €62.5m following the repurchase in several tranches in the second half of 2022 (€2,515m at 31/12/2021, €2,500m nominal value);
- for €127m by loans payable in place with Unipol by its subsidiaries in other sectors (€434m at 31/12/2021), subject to netting in the consolidation process.

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).

Taking into account the effects of the sale en bloc of its non-performing loan portfolio to AMCO, UnipolReC recorded a loss for the year of €52.4m, which includes prudential provisions for indemnities due to AMCO as part of the guarantees given to it in reference to the Portfolio sold.

The pre-tax profit of the holding **Unipol** at 31 December 2022 was €353m (€317m at 31/12/2021) and, among the most significant items, includes dividends collected from Group companies, netted in the consolidation process, for €458m (€435m at 31/12/2021) and interest expense on bond loans issued for €79m (€82m at 31/12/2021).

Asset and financial performance

Investments and cash and cash equivalents

At 31 December 2022, Group **Investments and cash and cash equivalents** totalled €63,359m, after reclassifying €533m in assets held by Incontra Assicurazioni (€433m) and properties held for sale to the item Non-current assets or assets of a disposal group held for sale pursuant to IFRS 5 (€71,692m at 31/12/2021):

Investments and cash and cash equivalents - Breakdown by business segment

Amounts in €m	**31/12/2022**	*% comp.*	31/12/2021	*% comp.*	*% var.*
Insurance sector	58,010	*91.6*	66,952	*93.4*	*(13.4)*
Holding and other businesses sector	3,119	*4.9*	3,183	*4.4*	*(2.0)*
Real Estate sector	2,546	*4.0*	2,342	*3.3*	*8.7*
Intersegment eliminations	(315)	*(0.5)*	(785)	*(1.1)*	*(59.8)*
Total Investments and cash and cash equivalents	**63,359**	***100.0***	**71,692**	***100.0***	***(11.6)***

The breakdown by investment category is as follows:

Amounts in €m	**31/12/2022**	*comp. %*	31/12/2021	*% comp.*	*% var.*
Property (*)	**3,852**	***6.1***	**3,656**	***5.1***	***5.4***
Investments in subsidiaries, associates and interests in joint ventures	**1,608**	***2.5***	**1,304**	***1.8***	***23.3***
Held-to-maturity investments	**366**	***0.6***	**367**	***0.5***	***(0.3)***
Loans and receivables	**4,684**	***7.4***	**4,754**	***6.6***	***(1.5)***
Debt securities	3,948	*6.2*	4,019	*5.6*	*(1.8)*
Deposits with ceding companies	114	*0.2*	106	*0.1*	*7.7*
Other loans and receivables	623	*1.0*	629	*0.9*	*(1.1)*
Financial assets at at amortised cost			**357**	***0.5***	***(100.0)***
Loans and receivables from bank customers			357	*0.5*	*(100.0)*
Available-for-sale financial assets	**41,030**	***64.8***	**50,194**	***70.0***	***(18.3)***
Financial assets at fair value through OCI	**829**	***1.3***	**495**	***0.7***	***67.6***
Financial assets at fair value through profit or loss	**9,193**	***14.5***	**8,625**	***12.0***	***6.6***
of which held for trading	334	*0.5*	230	*0.3*	*45.4*
of which at fair value through profit or loss	8,786	*13.9*	8,345	*11.6*	*5.3*
of which mandatorily at fair value	74	*0.1*	51	*0.1*	*44.1*
Cash and cash equivalents	**1,798**	***2.8***	**1,939**	***2.7***	***(7.3)***
Total investments and cash and cash equivalents	**63,359**	***100.0***	**71,692**	***100.0***	***(11.6)***

(*) including properties for own use

Transactions carried out in the year[62]

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:

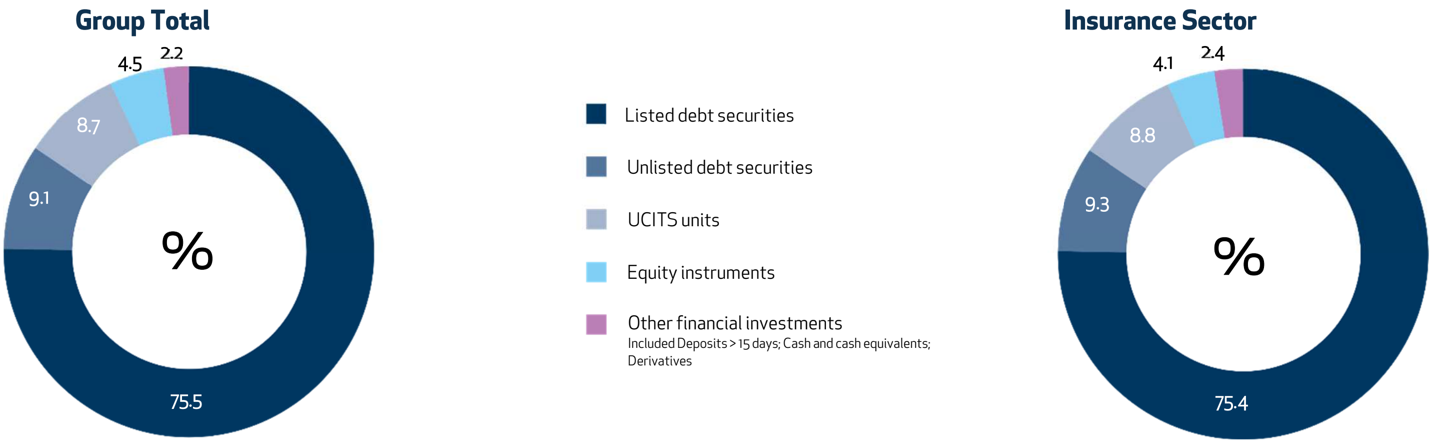
	31/12/2022			31/12/2021			*variation*	
Amounts in €m	Carrying amount	Market value	Implied +/-	Carrying amount	Market value	Implied +/-	*Carrying amount*	*Market value*
Structured securities - Level 1	14	14		40	40	1	*(26)*	*(27)*
Structured securities - Level 2	262	218	(43)	262	262			*(44)*
Structured 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 €289m. 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.

[62] 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.

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



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

The overall ***duration*** of the Group portfolio was 5.15 years, down on the 6.46 years recorded at the end of 2021. With reference to the Group insurance portfolio, the Non-Life duration was 2.67 years (3.14 at the end of 2021); the Life duration was 6.66 years (7.80 at the end of 2021). The Holding and Other Businesses portfolio duration was 1.15 years, up compared to the end of the previous year (0.75 years).

The fixed rate and floating rate components of the bond portfolio amounted respectively to 90.8% and 8.2%. The government component accounted for approximately 63.6% of the bond portfolio whilst the corporate component accounted for the remaining 36.4%, split into 25.9% financial and 10.5% industrial credit.
88.5% of the bond portfolio was invested in securities with ratings equal or above BBB-. 10.5% 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 58.9% and includes Italian government bonds, which make up 42.9% of the total bond 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 €	**31/12/2022**	% comp.	31/12/2021	% comp.	*% var.*
Gains/losses on investment property	(20)	(1.0)	26	1.5	*n.s.*
Gains/losses on investments in subsidiaries and associates and interests in joint ventures	348	18.1	151	8.6	*130.3*
Net gains on held-to-maturity investments	16	0.8	17	1.0	*(8.1)*
Net gains on loans and receivables	196	10.2	128	7.3	*53.7*
Net gains on financial assets recognised at amortised cost	(35)	(1.8)	15	0.9	*n.s.*
Net gains on available-for-sale financial assets (*)	1,586	82.7	1,411	80.1	*12.4*
Net gains on financial assets at fair value through OCI	33	1.7	12	0.7	*164.4*
Net gains on financial assets at fair value through profit or loss (**)	(214)	(11.2)	(1)	(0.0)	*n.s.*
Balance on cash and cash equivalents	7	0.4	1	0.0	*n.s.*
Total net gains on financial assets, cash and cash equivalents	**1,917**	**100.0**	**1,761**	**100.0**	***8.9***
Net losses on other financial liabilities	(155)		(168)		*(7.7)*
Total net losses on financial liabilities	**(155)**		**(168)**		***(7.7)***
Total net gains (***)	**1,763**		**1,593**		***10.6***
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	**1,388**		**1,666**		***(16.7)***

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

Net gains at 31 December 2022, amounting to €1,763m, include the net gain of €288m, deriving from consolidation using the equity method of BPER Banca, of which €166m originating from the effects of the recognition of badwill deriving from the acquisition of CARIGE and €41m for the change in the Unipol Group's interest in BPER Banca against the increase in the interest in BPER from 18.9% to 19.9%.

Impairment losses on financial instruments classified in the Available-for-sale asset category amounted to €12m (€7m at 31/12/2021). The item Gains/losses on investment property included €51m in depreciation and €22m in write-downs (respectively €50m and €43m in write-downs at 31/12/2021).

Shareholders' equity

At 31 December 2022, Shareholders' equity amounted to €7,662m (€9,722m at 31/12/2021), recording a decrease in Shareholders' equity attributable to the owners of the Parent (-€1,650m) and in non-controlling interests (-€410m).

Shareholders' equity attributable to the owners of the Parent, standing at €6,130m (€7,780m at 31/12/2021), was composed of:

Amounts in €m	**31/12/2022**	31/12/2021	*variation in amount*
Share capital	3,365	3,365	
Capital reserves	1,639	1,639	
Income-related and other equity reserves	1,458	1,055	*403*
(Treasury shares)	(5)	(1)	*(4)*
Reserve for foreign currency translation differences	3	3	
Gains/losses on available-for-sale financial assets	(923)	1,139	*(2,061)*
Gains/losses on financial assets at fair value through OCI	(15)	20	*(35)*
Other gains or losses recognised directly in equity	(76)	(67)	*(9)*
Profit (loss) for the year	683	627	*56*
Total shareholders' equity attributable to the owners of the Parent	**6,130**	**7,780**	*(1,650)*

The main changes over the year were as follows:
- decrease due to dividend distribution for €215m;
- a decrease of €2,096m as a result of the decrease in the provisions for gains and losses on available-for-sale financial assets and on financial assets at fair value through other comprehensive income;
- a decrease of €32m due to the effects of recognition of financial liabilities commensurate with the current value of the exercise price of put options granted to the holders of non-controlling interests in a number of subsidiaries;
- an increase of €683m in profit for 2022.

The **Shareholders' equity attributable to non-controlling interests** amounted to €1,532m (€1,942m at 31/12/2021), composed of one perpetual regulatory capital instrument (Restricted Tier 1) for €496m issued by UnipolSai in 2020. The main changes over the year were as follows:
- a decrease of €106m for payment of dividends to third parties;
- a decrease due to remuneration, net of relative tax benefits, of the perpetual regulatory capital instrument for €25m;
- a decrease of €416m as a result of the decrease in the provision for gains and losses on available-for-sale financial assets attributable to non-controlling interests;
- a decrease of €46m due to the change in equity investments in subsidiaries and associates;
- an increase of €183m as profit attributable to non-controlling interests, including remuneration (net of related tax effect) referring to Restricted Tier 1 noteholders for €25m.

Treasury shares

At 31 December 2022, the treasury shares held by Unipol and its subsidiaries totalled 1,129,432 (279,298 at 31/12/2021), of which 477,543 shares held directly. Changes concerned:
- 1,700,000 ordinary shares acquired in execution of the Compensation plans based on financial instruments;
- assignment to eligible parties of 849,866 UnipolSai shares in implementation of the Short-Term Incentive compensation plan based on financial instruments for the year 2021.

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	**5,701**	**363**	**6,064**
IAS/IFRS adjustments to the Parent's financial statements	45	2	47
Differences between net carrying amount and shareholders' equity and profit (loss) for the year of consolidated investments, of which:	(1,856)	918	(938)
- Translation reserve	*3*		*3*
- Gains or losses on available-for-sale financial assets and at fair value through OCI	*(1,097)*		*(1,097)*
- Other gains or losses recognised directly in equity	*(250)*		*(250)*
Consolidation differences	1,412		1,412
Companies measured using the equity method	701	340	1,040
Intragroup elimination of dividends	764	(764)	
Other adjustments	31	6	37
Consolidated total	**6,796**	**866**	**7,662**
Non-controlling interests	1,349	183	1,532
Consolidated balances - portion attributable to the owners of the Parent	**5,447**	**683**	**6,130**

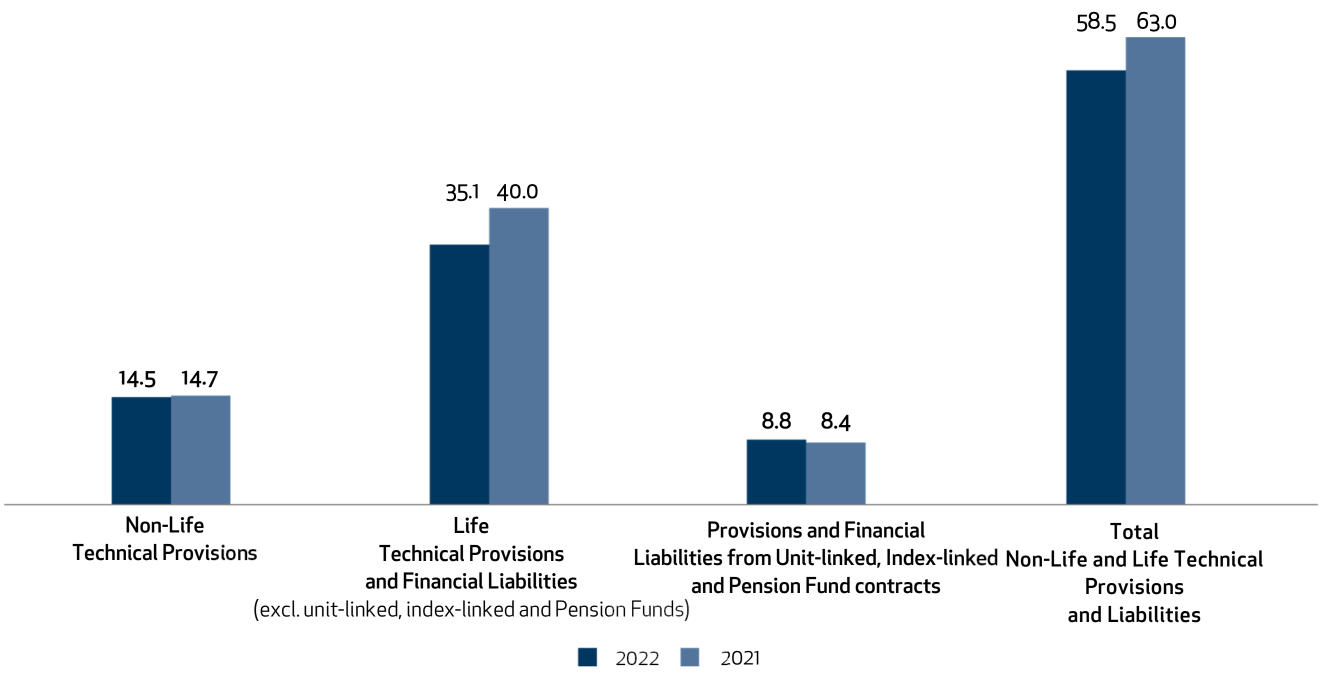
Technical provisions and financial liabilities

At 31 December 2022, technical provisions amounted to €51,766m (€57,128m at 31/12/2021). Financial liabilities amounted to €11,587m (€10,771m 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**	**6,357**	***7.6***
Investment contracts - insurance companies	*6,685*	*5,911*	*13.1*
Other	*155*	*446*	*(65.3)*
Financial liabilities at amortised cost	**4,748**	**4,414**	***7.6***
Subordinated liabilities	*1,367*	*1,446*	*(5.5)*
Other	*3,380*	*2,968*	*13.9*
Total financial liabilities	**11,587**	**10,771**	***7.6***
Total	**63,353**	**67,899**	***(6.7)***

Breakdown of Non-Life and Life reserves
(Amounts in €bn)



Unipol Group Debt

For a correct representation of the accounts under examination, information is provided below of financial debt only, which is the total amount of the financial liabilities not strictly associated with normal business operations. Therefore, liabilities constituting operating debt, i.e. liabilities directly or indirectly associated with assets, are excluded.

Group debt structure

Amounts in €m	**31/12/2022**	31/12/2021	*variation in amount*
Subordinated liabilities issued by UnipolSai	1,367	1,446	*(79)*
Debt securities issued by Unipol	2,458	2,515	*(57)*
Other loans	789	322	*467*
Total debt	**4,614**	**4,283**	***331***

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.

The **Debt securities issued by Unipol** amounted to €2,458m and relate to two senior unsecured bond loans listed on the Luxembourg Stock Exchange, with a total nominal value of €1,500m, and a 10-year senior green bond loan with a nominal value of €938m, decreasing by €62m as a result of the repurchase in several tranches in the second half of 2022, listed on the Luxembourg Stock Exchange and issued in two tranches on 23 September and 26 November 2020.

The issues described above were implemented as part of the Euro Medium Term Notes (EMTN Programme), with a maximum total nominal amount of €3,000m, established in December 2009 for €2,000m with the latest renewal and increase to €3,000m in September 2020.

Other loans, amounting to €789m (€322m 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 UnipolRental for €482m deriving from a securitisation of the cash flows expected from long-term rental contracts;
- other loans granted by third parties to UnipolRental 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 €90m.

OTHER INFORMATION

Transactions with related parties

The Procedure for related-party transactions – 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 Board of Directors of Unipol 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 Unipol, either directly or through its subsidiaries.

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

In 2022, Unipol 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.

The information required by IAS 24 and Consob Communication DEM/6064293/2006 is provided in paragraph 5.6 of the Notes to the financial statements - Transactions with related parties.

Solvency II solvency position

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

	In €m	**Total**
Eligible own funds to cover the Solvency Capital Requirement		9,192.0
	Tier 1 - unrestricted	*7,612.0*
	Tier 1 - restricted	*1,133.9*
	Tier 2	*425.0*
	Tier 3	*21.1*
Solvency Capital Requirement		4,591.4
Ratio between Eligible own funds and the Solvency Capital Requirement		**2.00**

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

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

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

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

Ethics Report

NFS

General considerations

In 2020, due to the critical issues generated by the health emergency, the operations of the Ethics Officer were marked by a strong increase in the recourse to the Function by stakeholders (especially customers) to report problems of various kinds, mainly insurance-related and in any case not related to profiles of compliance with the Code of Ethics.
2021 also recorded a substantial return to the performance of activity more closely related to the prerogatives of the Ethics Officer.
2022 represented a definitive stabilisation of activity entrusted to the *Ethics Officer*.

With specific reference to the promotion and sensitisation of stakeholders to the Code's system of values, the monitoring and awareness-raising action for use of the *Eticamente!* course was significant, with the constant input from the dedicated structures of "Unica", as this is a fundamental tool for strengthening a common culture within the Group, based on sharing of the principles of the Charter of Values and the Code of Ethics.
With regard to the collection and management of reports received, for various reasons, from stakeholders, 2022 - as mentioned previously - recorded a realignment of Ethics Officer activities to normal average levels, after the somewhat anomalous peaks recorded during the health emergency (which in any event only related to the "complaints" category). In particular, reports of alleged violations of the Code of Ethics remain low in number and were found to be unfounded after the necessary careful and scrupulous investigation activities.

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

Activities carried out and launched in 2022 with reference to the Charter of Values and the Code of Ethics

During 2022, the Ethics Committee met on 9 February and the Appointments, Governance and Sustainability Committee (which also assumed Ethics Committee functions) met on 22 June.
The main activities carried out related to areas described below:

- Reports and requests received

The Code of Ethics envisages that communications and requests may be submitted by anyone to the *Ethics Officer*, in writing via ordinary post, by e-mail to the address responsabile.etico@unipol.it or by phone.

Such contact (which can be assessed by the Ethics Officer only if submitted in writing and not anonymously, with the guarantee of utmost confidentiality), can be reports of alleged violations of the contents of the Code of Ethics, criticisms, suggestions and, in general, requests for clarifications and/or interpretative opinions on the most suitable models of conduct to avoid violations or non-compliance with the Code of Ethics.

In 2022, **114 reports and requests** were received in the dedicated e-mail inbox of the Ethics Officer, as opposed to 145 in 2021 and 264 in 2020.

The comparison with the details of the previous two years reveals a "return to normality" for the activity of the Ethics Officer with respect to his institutional role, after the considerable increase recorded in 2020 determined by a high number of reports addressed to the Function to inform the Company of problems of various kinds, also fully irrespective of the presence of any "ethical" profiles.
This rise in the number of reports received by the Ethics Officer - unquestionably related to the operational and communication difficulties created by the health emergency - came to a halt, with consequent realignment of activities to normal and natural levels.
The figure for 2022 indicates a return, in terms of reports to the Function, to levels in line with the average for the ten-year period 2012-2022, which was 106 reports per year.

In particular, of the **14** reports identified as **alleged and specific breaches**, in 4 cases no violations of the principles of the Code of Ethics were found, without any need for investigation. The remaining 10 cases, on the other hand, required a more in-depth analysis to verify whether there had been an actual violation of the principles of the Code of Ethics and the Charter of Values.

These reports were assessed and, if necessary, dealt with in accordance with the Code and with consolidated practices, resulting in no cases of violation of the Charter of Values and Code of Ethics. Therefore, these were situations that the Ethics Officer was able to manage within his assigned sphere of autonomy.

In addition, during 2022 the Ethics Officer received **61 reports** which were registered as being **"complaint type"** reports (therefore, the marked reduction in this type of situation over time continues).
According to consolidated practice, and in line with the values and principles that inspire the Group in terms of listening and attention to customer needs and service efficiency, with regard to such reports that have no ethical relevance, the Ethics Officer acts as "facilitator" of possible solutions, collaborating in particular with the Complaints Function (now Customer Advocacy) and with other structures on a case-by-case basis (such as Settlement Controls, MV, Sales Department, Commercial Communication).
However, note that these are normally issues relating to claims (refusals or delays in settlements, lack of response from settlement staff or the agency network, etc.).

Lastly, the **37 contacts of various types** should be mentioned (submission of CVs for personnel searches, professional collaboration requests, requests for sponsorships, various types of complaints related to purely technical issues or related to delayed or inadequate responses by company representatives, etc.), which were routed to the relevant company functions.

- Training activity: use of the EticaMente! Course

EticaMente! is the online training course on the Code of Ethics for all employees, agents and agency staff of the Unipol Group.
Considering the importance of creating a solid common ethical and value culture within the Group, the Ethics Officer, also in consideration of their precise task of supervising knowledge of the Code of Ethics and raising awareness of its values, deemed it appropriate to activate constant monitoring of usage trends, accompanied by specific awareness-raising actions.

In this respect, it is worth considering that an initial assessment of user trends of the *EticaMente!* course for 2021 revealed that, overall, participation was still limited compared to the breadth of potential users. Aside from the non-compulsory nature of the course, the Ethics Committee considered that this result was significantly affected by the difficulties generated by the health emergency, in terms of attention to and participation in all components of company life.
Specific awareness-raising actions were therefore adopted in 2022, not only with regard to the agency network (in June and with the support of the Chief Commercial Officer), but also with the Departments that showed limited participation in this training opportunity.
As shown in the table below, the comparison between December figures for the three-year period shows that the stimulation and encouragement activities implemented were effective, bringing the total number of courses completed from **4,930** to **9,028.**

During 2023, actions will continue to stimulate the achievement of even greater success.

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

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

GRI Content Index

NFS

Statement of use	Unipol Group reported the information indicated in this GRI content index for the period 2021-2022 with reference to the GRI Standards
GRI 1 used	GRI 1 – Foundation - Version 2021

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

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

Summary table of climate change-related disclosures (TCFD)

TCFD Area	Specific Topics	Page reference of the Integrated Report
Governance	a. Board Oversight	Pages 82-83: "Sustainability Governance"
	b. Management's Role	Pages 82-83: "Sustainability Governance"
Strategy	a. Risks and Opportunities	Page 41-43: "Double materiality: approach and results" Pages 64-78: "Shared value: the impacts generated by the Unipol Group" Pages 84-99: "Internal Control and Risk Management System"
	b. Impact on Organization	Pages 34-36: "Future orientation in the use of capital" Pages 39-40: "The Unipol Group's climate strategy"
	c. Resilience of Strategy	Pages 34-36: "Future orientation in the use of capital"
Risk Management	a. Risk ID & Assessment Processes	Pages 84-99: "Internal Control and Risk Management System"
	b. Risk Management Processes	Pages 84-99: "Internal Control and Risk Management System"
	c. Integration into Overall Risk Management	Pages 84-99: "Internal Control and Risk Management System"
Indicators and Objectives	a. Climate-Related Metrics	Pages 61-63: "Natural Capital" Page 64: "Product and services with social and environmental value" Pages 68-72: "Support in implementing the 2030 Agenda and contribution to combating the climate emergency" Pages 101-103: "Remuneration systems and incentives"
	b. Scope 1, 2, 3 GHG Emissions	Pages 61-63: "Natural Capital" Pages 68-72: "Support in implementing the 2030 Agenda and contribution to combating the climate emergency"
	c. Climate-Related Targets	Pages 39-40: "The Unipol Group's climate strategy"

Appendix - Unipol in numbers

GRI indicator	Description	unit of measurement	2022	2021	Change %/p.p.	Notes
SOCIAL DATA						
EMPLOYEES BY CONTRACT TYPE						
2-7	**Total number of employees**	**No.**	**12,370**	**11,946**	**4%**	
405-1	**Total number of employees by gender**	**No.**	**12,370**	**11,946**	**4%**	
	Men	No.	5,648	5,467	3%	
	Women	No.	6,722	6,479	4%	
405-1	**Total number of employees in Italy**	**No.**	**10,995**	**10,549**	**4%**	
	Men	No.	5,129	4,924	4%	
	Women	No.	5,866	5,625	4%	
405-1	**Total number of employees in Serbia**	**No.**	**1,326**	**1,345**	-1%	
	Men	No.	492	515	-4%	
	Women	No.	834	830	0%	
405-1	**Total number of employees in Ireland**	**No.**	**49**	**52**	-6%	
	Men	No.	27	28	-4%	
	Women	No.	22	24	-8%	
405-1	**Number of employees by age brackets**	**No.**	**12,370**	**11,946**	**4%**	
	Over 60 years	No.	1,050	811	29%	
	Aged 51-60	No.	4,012	3,,896	3%	
	Aged 41-50	No.	3,962	3,965	0%	
	Aged 31-40	No.	2,469	2,474	0%	
	Up to 30 years	No.	877	800	10%	
	Percentage of graduate employees	**%**	**46.2**	**45.6**	**0.6 p,p**	
	Percentage of secondary school graduate employees	**%**	**43**	**n.a.**	**n.a.**	
2-7	**Employees by contract type: permanent**	**No.**	**11,835**	**11,473**	**3%**	
	Men	No.	5,437	5,282	3%	
	Women	No.	6,398	6,191	3%	
2-7	**Employees by contract type: fixed term**	**No.**	**535**	**473**	**13%**	
	Men	No.	211	185	14%	
	Women	No.	324	288	13%	
2-7	**Full-time employees**	**No.**	**10,336**	**9,935**	**4%**	
	Men	No.	5,385	5,205	3%	
	Women	No.	4,951	4,730	5%	
2-7	**Part-time employees**	**No.**	**2,034**	**2,011**	**1%**	
	Men	No.	263	262	0%	
	Women	No.	1,771	1,749	1%	
2-7	**Staff leasing**	**No.**	**97**	**82**	**18%**	
	Men	No.	37	25	48%	
	Women	No.	60	57	5%	
2-7	**No.n-guaranteed hours**	**No.**	**782**	**n.a.**	**n.a.**	
	Men	No.	397	n.a.	n.a.	
	Women	No.	385	n.a.	n.a.	
2-30	**Collective bargaining agreements**	**%**	**100**	**100**	**0%**	**For employees of companies in Italy**
	TURNOVER					
401-1	**Recruitments by gender**	**No.**	**1.654**	**1.322**	**25%**	
	Men	No.	842	665	27%	
	Women	No.	812	657	24%	
401-1	**Recruitments by age brackets**	**No.**	**1,654**	**1,322**	**25%**	
	Over 60 years	No.	67	48	40%	
	Aged 51-60	No.	217	203	7%	
	Aged 41-50	No.	374	263	42%	

GRI indicator	Description	unit of measurement	2022	2021	Change %/p.p.	Notes
	Aged 31-40	No.	483	350	38%	
	Up to 30 years	No.	513	458	12%	
401-1	**Terminations by gender**	**No.**	**1,230**	**1,212**	**1%**	
	Men	No.	659	635	4%	
	Women	No.	571	577	-1%	
401-1	**Terminations by age brackets**	**No.**	**1,230**	**1,212**	**1%**	
	Over 60 years	No.	156	274	-43%	
	Aged 51-60	No.	202	311	-35%	
	Aged 41-50	No.	284	214	33%	
	Aged 31-40	No.	321	211	52%	
	Up to 30 years	No.	267	202	32%	
401-1	**Terminations by professional category**	**No.**	**1,230**	**n.a.**	**n.a.**	
	Senior Executives	No.	18	n.a.	n.a.	
	Officers and middle management	No.	66	n.a.	n.a.	
	Administrative staff	No.	576	n.a.	n.a.	
	Call Centre personnel	No.	18	n.a.	n.a.	
	Blue-collar workers/Other	No.	552	n.a.	n.a.	
401-1	**Recruitment rate by gender**					
	Men	%	14.9%	12.2%	2.7 p,p	
	Women	%	12.1%	10.1%	2.0 p,p	
401-1	**Recruitment rate by age brackets**					
	Over 60 years	%	6.4%	5.9%	0.5 p.p.	
	Aged 51-60	%	5.4%	5.2%	0.2 p.p.	
	Aged 41-50	%	9.4%	6.6%	2.8 p.p.	
	Aged 31-40	%	19.6%	14.1%	5.5 p.p.	
	Up to 30 years	%	58.5%	57.3%	1.3 p.p.	
401-1	**Termination rate by gender**					
	Men	%	11.7%	11.6%	0.1 p.p.	
	Women	%	8.5%	8.9%	-0.4 p.p.	
401-1	**Termination rate by age brackets**					
	Over 60 years	%	14.9%	33.8%	-18.9 p.p.	
	Aged 51-60	%	5.0%	8.0%	-3 p.p.	
	Aged 41-50	%	7.2%	5.4%	1.8 p.p.	
	Aged 31-40	%	13.0%	8.5%	4.5 p.p.	
	Up to 30 years	%	30.4%	25.3%	5.1 p.p.	
401-1	**Number of recruitments by geographic area**					
	NorthWest	No.	346	233	48%	
	NorthEast	No.	433	261	66%	
	Centre	No.	260	222	17%	
	South and Islands	No.	418	349	20%	
	Serbia	No.	184	n.a.	n.a.	
	Ireland	No.	13	n.a.	n.a.	
401-1	**Number of terminations by geographic area**					
	NorthWest	No.	216	226	-4%	
	NorthEast	No.	187	186	1%	
	Centre	No.	208	193	8%	
	South and Islands	No.	401	365	10%	
	Serbia	No.	202	n.a.	n.a.	
	Ireland	No.	16	n.a.	n.a.	
	Employee recruitment rate Italy	**%**	**13%**	**10%**	**31%**	
401-1	**Recruitment rate by geographic area**					
	NorthWest	%	8%	5%	3 p.p.	

GRI indicator	Description	unit of measurement	2022	2021	Change %/p.p.	Notes
	NorthEast	%	10%	6%	4 p.p.	
	Centre	%	18%	16%	2 p.p.	
	South and Islands	%	58%	50%	8 p.p.	
	Serbia	%	14%	n.a.	n.a.	
	Ireland	%	27%	n.a.	n.a.	
	Employee termination rate Italy	**%**	**9%**	**9%**	**0 p.p.**	
401-1	**Termination rate by geographic area**					
	NorthWest	%	5%	5%	0 p.p.	
	NorthEast	%	4%	4%	0 p,p	
	Centre	%	14%	14%	0 p,p	
	South and Islands	%	56%	52%	4 p.p.	
	Serbia	%	15%	n.a.	n.a.	
	Ireland	%	33%	n.a.	n.a.	
TRAINING						
404-1	**Training hours completed by gender**	**Hours**	**194,514**	**169,990**	**14%**	
	Men	Hours	87,999	82,765	6%	
	Women	Hours	106,515	87,,226	22%	
404-1	**Training hours completed by job-level categ.**	**Hours**	**194,514**	**109,239**	**78%**	
	Senior Executives	Hours	3,692	2,280	62%	
	Officers and middle management	Hours	44,551	46,381	-4%	
	Administrative staff	Hours	118,924	107,321	11%	
	Blue-collar workers/Other	Hours	951	290	228%	
	Call Centre personnel	Hours	26,396	13,718	92%	
404-1	**Average training hours completed by gender**	**Hours**	**14.25**	**9.23**	**54%**	
	Men	Hours	14.5	15.6	-7%	
	Women	Hours	14	13.8	1%	
404-1	**Average training hours completed by job-level category**	**Hours**	**14.7**	**9.23**	**59%**	
	Senior Executives	Hours	15	9.2	63%	
	Officers and middle management	Hours	16	18.1	-12%	
	Administrative staff	Hours	12.8	14.7	-13%	
	Blue-collar workers/Other	Hours	2.1	1.1	91%	
	Call Centre personnel	Hours	25.7	12.5	106%	
404-1	**Hours of training by age brackets**					
	Over 60 years	No.	11,437	n.a.	n.a.	
	Aged 51-60	No.	51,012	n.a.	n.a.	
	Aged 41-50	No.	68,296	n.a.	n.a.	
	Aged 31-40	No.	46,080	n.a.	n.a.	
	Up to 30 years	No.	17,689	n.a.	n.a.	
404-1	**Training method**					
	No. of classroom courses, webinars, videoconferencing	No.	677	546	24%	
	No. of distance training courses	No.	637	451	41%	
	No. of attendees in classroom courses, webinars, videoconferencing	No.	17,039	17,789	-4%	
	No. of attendees in distance training courses	No.	60,053	75,296	-20%	
	Man-hours of classroom courses, webinars, videoconferencing	No.	91,065	72,990	25%	
	Man-hours distance training courses	No.	103,449	97,011	7%	
	Headcount in classroom courses, webinars, videoconferencing	No.	5,512	6,222	-11%	
	Headcount in distance training courses	No.	11,262	10,551	7%	
404-1	**Training by contract type**					
	Training hours completed by contract: Full time	Hours	158,333	136,546	16%	

GRI indicator	Description	unit of measurement	2022	2021	Change %/p.p.	Notes
	Training hours completed by contract: Part time	Hours	36,181	33,444	8%	
	Average training hours completed by contract: Full time	Hours	15	14	11%	
	Average training hours completed by contract: Part time	Hours	18	17	7%	
	Safety training					
	Number of trained employees with Worker role	No.	8,816	9,183	-4%	
	Number of trained employees with Officer role	No.	1,099	1,096	0%	
	Number of trained employees with Executive role	No.	152	151	1%	
	Other trained employees (by appointment type)	No.	355	n.a.	n.a.	
	Cyber Security network training					
	Agent training	No.	89	84	6%	
	Sub-agent training	No.	84	79	6%	
	Number of cyber security course participants	**No.**	**5,194**	**8,376**	**-38%**	
	Man hours cyber security courses	**No.**	**41,785**	**33,551**	**25%**	
ACCIDENTS						
403-9	**Accidents by gender**	**No.**	**126**	**65**	**94%**	
	Men	No.	50	25	100%	
	Women	No.	76	40	90%	
403-9	**Accidents by type**	**No.**	**126**	**65**	**94%**	
	No.n-commuting	No.	48	29	66%	
	Commuting	No.	78	36	117%	
403-9	**Accidents No.n-commuting**	**No.**	**48**	**29**	**66%**	
	Insurance	No.	32	17	88%	
	Real Estate	No.	-	1	-100%	
	Tourism	No.	12	8	50%	
	Healthcare	No.	1	1	0%	
	Other	No.	3	2	50%	
403-9	**Accidents commuting**	**No.**	**78**	**36**	**117%**	
	Insurance	No.	60	28	114%	
	Real Estate	No.	-	1	-100%	
	Tourism	No.	16	6	167%	
	Healthcare	No.	1	-	-	
	Other	No.	1	1	0%	
403-9	**Accidents frequency by sector – Rate of work accident by sector**				**Rates calculated on the basis of 1,000,000 theoretical hours worked**	
	Total	No.	**2.03**	**1.26**	**62%**	2021 figures restated
	Insurance	No.	1.51	0.82	85%	2021 figures restated
	Real Estate	No.	0.00	10.68	-100%	
	Tourism	No.	8.30	6.69	24%	
	Healthcare	No.	2.10	2.15	-2%	
	Other	No.	8.03	4.36	84%	
403-9	**Accident severity by sector**				**Rates calculated on the basis of 1,000,000 theoretical hours worked**	
	Total	No.	**0.16**	**0.08**	**102%**	2021 figures restated
	Insurance	No.	0.14	0.07	108%	2021 figures restated
	Real Estate	No.	0.00	0.43	-100%	
	Tourism	No.	0.44	0.23	97%	
	Healthcare	No.	0.02	0.06	-60%	
	Other	No.	0.18	0.10	78%	

GRI indicator	Description	unit of measurement	2022	2021	Change %/p.p.	Notes
403-9	**Number of hours worked by sector**			The number of hours worked is calculated on the basis of theoretical hours as per the National Collective Labour Agreement of the various sectors		
	Total	No.	23,591,020	23,066,633	2%	2021 figures restated
	Insurance	No.	21,208,640	20,853,097	2%	2021 figures restated
	Real Estate	No.	87,360	93,600	-7%	
	Tourism	No.	1,445,600	1,196,000	21%	
	Healthcare	No.	475,696	465,296	2%	
	Other	No.	373,724	458,640	-19%	
TRADE UNION LEAVE AND STRIKES						
	Number of trade union meetings	**No.**	**62**	**97**	**-36%**	
	Number of hours of trade union leave	**No.**	**174,892**	**169,970**	**3%**	
	Number of hours of strikes (Italy)	**No.**	**742**	**4,689**	**-84%**	
COMPLIANTS						
2-16	**Breakdown of complaints by phase (Italy)**	**No.**	**17,347**	**18,559**	**-7%**	
	Accepted	No.	7,138	7,748	-8%	
	Rejected	No.	7,715	7,725	0%	
	Settled	No.	1,743	2,109	-17%	
	Under investigation	No.	751	977	-23%	
2-16	**Breakdown of complaints by area (Italy)**	**No.**	**17,347**	**18,559**	**-7%**	
	Claims	No.	12,975	13,779	-6%	
	Legal	No.	151	193	-22%	
	Administrative	No.	553	616	-10%	
	Commercial	No.	1,350	1,283	5%	
	Industrial	No.	1,980	2,305	-14%	
	Information Systems	No.	310	364	-15%	
	Other	No.	28	19	47%	
2-16	**Percentage of complaints out of the total by phase (Italy)**					
	Accepted	%	41.1%	41.7%	-0.6 p.p.	
	Rejected	%	44.5%	41.6%	2.9 p.p.	
	Settled	%	10.0%	11.4%	-1.4 p.p.	
	Under investigation	%	4.3%	5.3%	-1.0 p.p.	
2-16	**Percentage of complaints out of the total by area (Italy)**					
	Claims	%	74.8%	74.2%	0.6 p.p.	
	Legal	%	0.9%	1.0%	-0.1 p.p.	
	Administrative	%	3.2%	3.3%	-0.1 p.p.	
	Commercial	%	7.8%	6.9%	0.9 p.p.	
	Industrial	%	11.4%	12.4%	-1.0 p.p.	
	Information Systems	%	1.8%	2.0%	-0.2 p.p.	
	Other	%	0.2%	0.1%	0.1 p.p.	
417-3	**Cases of No.n-compliance concerning marketing communications**	**No.**	**0**	**0**	**-**	Cases of IDD Non-compliance
PENSION FUND						
201-3	**Percentage subscribed**					
	Senior Executives	%	100%	100%	0 p.p.	
	Trained employees	%	78%	80%	-2.0 p.p.	
201-3	**Total contributions paid**	**€m**	**57,673,688**	**58,639,583**	**-2%**	
201-3	**Contributions paid by the company**	**€m**	**20,851,227**	**22,200,497**	**-6%**	
	Senior Executives	€m	3,090,187	2,988,700	3%	
	Employees	€m	17,761,040	19,211,797	-8%	
201-3	**Contributions paid by personnel**	**€m**	**36,822,461**	**36,439,086**	**1%**	
	Senior Executives	€m	2,442,960	2,870,523	-15%	

GRI indicator	Description	unit of measurement	2022	2021	Change %/p.p.	Notes
	Employees	€m	34,379,500	33,568,563	2%	
201-3	**Incidence of company contributions**	**%**	**36%**	**38%**	**-0.2 p.p.**	
	Senior Executives	%	56%	51%	5.0 p.p.	
	Employees	%	34%	36%	-2.0 p.p.	
WELFARE FUND						
201-3	**Percentage subscribed**					
	Senior Executives	%	100%	100%	0 p.p.	
	Trained employees	%	95%	96%	-1,0 p.p.	
201-3	**Total contributions paid**	**€m**	**24,492,163**	**22,705,175**	**8%**	
201-3	**Contributions paid by the company**	**€m**	**21,884,789**	**20,187,349**	**8%**	
	Senior Executives	€m	2,440,569	2,342,128	4%	
	Employees	€m	19,444,220	17,845,221	9%	
201-3	**Contributions paid by personnel**	**€m**	**2,607,375**	**2,517,826**	**4%**	
	Senior Executives	€m	161,498	156,141	3%	
	Employees	€m	2,445,877	2,361,685	4%	
201-3	**Incidence of company contributions**	**%**	**89%**	**89%**	**0 p.p.**	
	Senior Executives	%	94%	94%	0 p.p.	
	Employees	%	89%	88%	1.0 p.p.	
GOVERNANCE DATA						
ANTI-FRAUD						
	Total reports	**No.**	**10,707**	**11,926**	**-10%**	
	Settlement cases reported	No.	9,294	7,883	18%	
	Underwriting cases reported	No.	1,413	4,043	-65%	
	Total complaints	**No.**	**528**	**569**	**-7%**	
	No. settlement complaints filed	No.	411	425	-3%	
	No. underwriting complaints filed	No.	117	144	-19%	
	Number of open files on reported cases	**No.**	**2,371**	**2,102**	**13%**	
ANTI-CORRUPTION						
205-2	**Governance body members that received training about anti-corruption**	**ql**	**The members of the Board of Directors approve the update of the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001, which also contains requirements regarding the prevention of the risk of committing the crimes of corruption and abuse of position,**			
205-2	**Percentage of employees specifically trained on anti-corruption policies and procedures (Italy)**	**%**	**87%**	**61%**	**26 p.p.**	**Training on OMM renewal**
	Senior Executives	%	82%	53%	29 p.p.	
	Officers and middle management	%	91%	69%	22 p.p.	
	Administrative staff	%	88%	65%	23 p.p.	
	Call Centre personnel	%	96%	25%	71 p.p.	
	Blue-collar workers/Other	%	24%	61%	-37 p.p.	
ANTI-MONEY LAUNDERING						
205-2	**Percentage of employees specifically trained on anti-money laundering policies and procedures (Italy)**	**%**	**15%**	**93%**	**-78 p.p.**	**In October 2022, the new Anti-Money Laundering course replaced the previous one, which had coverage of over 90%**
PRIVACY						
418-1	**Total number of complaints for violation of privacy**	**No.**	**-**	**3**	**-100%**	
	Complaints for violation of privacy from external parties	No.	1	-	-	
	Complaints for violation of privacy from Regulatory Bodies	No.	1	-	-	
418-1	**Total number of customer data losses or thefts**	**No.**	**281**	**267**	**5%**	

GRI indicator	Description	unit of measurement	2022	2021	Change %/p.p.	Notes
REMUNERATION DIFFERENCES BY GENDER						
405-2	**Pay gaps by gender and category - Differences relating to median values of fixed annual remuneration (Italy)**					**Deviation by gender and classification relative to median values of fixed gross fixed gross annual wages of employees**
	W/M - Senior Executives	%	0.98	1.02	-0.04 p.p.	
	W/M - Officers and middle management	%	0.95	0.95	0 p.p.	
	W/M - Administrative staff	%	0.93	0.93	0 p.p.	
	W/M - Call Centre personnel	%	1.03	1.00	0.03 p.p.	
	W/M - Blue-collar workers/Other	%	0.95	0.94	0.01 p.p.	
405-2	**Pay gaps by gender and category - Differences relating to median values of fixed annual remuneration (Serbia)**					**Deviation by gender and classification relative to median values of fixed gross fixed gross annual wages of employees**
	W/M - Senior Executives	%	1.20	1.16	0.04 p.p.	
	W/M - Officers and middle management	%	0.86	1.03	-0.17 p.p.	
	W/M - Administrative staff	%	0.87	0.87	0 p.p.	
	W/M - Call Centre personnel	%	0.63	0.67	-0.04 p.p.	
	W/M - Blue-collar workers/Other	%	0.85	0.90	-0.05 p.p.	
405-2	**Pay gaps by gender and category - Differences relating to median values of fixed annual remuneration (Ireland)**					**Deviation by gender and classification relative to median values of fixed gross fixed gross annual wages of employees**
	W/M - Senior Executives	%	n.a.	n.a.	n.a.	
	W/M - Officers and middle management	%	n.a.	n.a.	n.a.	
	W/M - Administrative staff	%	0.62	0.80	-0.18 p.p.	Breakdown by category not applicable
	W/M - Call Centre personnel	%	n.a.	n.a.	n.a.	
	W/M - Blue-collar workers/Other	%	n.a.	n.a.	n.a.	
405-2	**Differences relating to median values of total gross annual remuneration of employees (fixed and variable parts) (Italy)**					**Deviation by gender and classification relative to median values of fixed gross fixed + variable gross annual salaries of employees**
	W/M - Senior Executives	%	0.91	0.95	-0.04 p.p.	
	W/M - Officers and middle management	%	0.94	0.94	0 p.p.	
	W/M - Administrative staff	%	0.93	0.93	0 p.p.	
	W/M - Call Centre personnel	%	1.03	1.00	0.03 p.p.	
	W/M - Blue-collar workers/Other	%	0.94	0.94	0 p.p.	
405-2	**Differences relating to median values of total gross annual remuneration of employees (fixed and variable parts) (Serbia)**					**Deviation by gender and classification relative to median values of fixed gross fixed + variable gross annual salaries of employees**
	W/M - Senior Executives	%	1.30	1.21	0.09 p.p.	
	W/M - Officers and middle management	%	0.86	1.04	-0.18 p.p.	
	W/M - Administrative staff	%	0.87	0.87	0 p.p.	
	W/M - Call Centre personnel	%	0.63	0.67	-0.04 p.p.	
	W/M - Blue-collar workers/Other	%	0.85	0.90	-0.05 p.p.	
405-2	**Differences relating to average values of total gross annual remuneration of employees (fixed and variable parts) (Ireland)**					**Deviation by gender and classification relative to median values of fixed gross fixed + variable gross annual salaries of employees**

GRI indicator	Description	unit of measurement	2022	2021	Change %/p.p.	Notes
	W/M - Senior Executives	%	n.a.	n.a.	n.a.	
	W/M - Officers and middle management	%	n.a.	n.a.	n.a.	
	W/M - Administrative staff	%	0.62	0.78	-0.16 p.p.	Breakdown by category not applicable
	W/M - Call Centre personnel	%	n.a.	n.a.	n.a.	
	W/M - Blue-collar workers/Other	%	n.a.	n.a.	n.a.	
REMUNERATION RATIO						
2-21	**Annual remuneration of the top management person**	**€**	**3,300,000**	**n.d.**	**n.d.**	
2-21	**Average employee remuneration**	**€**	**51,984**	**n.d.**	**n.d.**	
2-21	**Median remuneration of employees**	**€**	**44,000**	**n.d.**	**n.d.**	
2-21	**Ratio of top management person remuneration to average employee remuneration**	**No.**	**63.5**	**n.d.**	**n.d.**	
2-21	**Ratio of top management person remuneration to median employee remuneration**	**No.**	**75.0**	**n.d.**	**n.d.**	
ECONOMIC DATA						
DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED						
201-1	**Direct economic value generated**	**€m**	**14,590**	**14,903**	**-3%**	
	Net premiums earned	€m	11,549	11,879	-3%	
	Diversified core revenues	€m	933	-	n.d.	
	Financial income	€m	2,248	2,572	-13%	
	Commission income	€m	49	45	9%	
	Gains on sale of assets	€m	-189	407	-146%	
201-1	**Economic value distributed**	**€m**	**12,459**	**12,343**	**1%**	
	Payment to policyholders	€m	7,998	8,066	-1%	
	Payment to other stakeholders	€m	4.461	4.277	4%	
201-1	**Economic value retained**	**€m**	**2,131**	**2,560**	**-19%**	
	Economic value disbursed - Policy influence	**€m**	**-**	**-**	**-**	
PREMIUMS BY CHANNEL						
2-6	**Percentage breakdown of premiums by channel**					
	Agency Network	%	59%	60%	-1.0 p.p.	
	Management/Broker	%	22%	17%	5.0 p.p.	
	Bancassurance Network	%	17%	21%	-4.0 p.p.	
	Other	%	1%	1%	0 p.p.	
VALUE DISBURSED TO SUPPLIERS BY TYPE						
2-6	**Value disbursed to suppliers by type**	**€m**	**1,328**	**939**	**41%**	
	Printing and stationery	€m	5	4	14%	
	Marketing, advertising and sponsorships	€m	62	55	12%	
	Miscellaneous services	€m	372	298	25%	
	Transport services	€m	3	2	28%	
	Information techNo.logy	€m	279	226	23%	
	Equipment, fixtures and fittings and signs	€m	20	15	36%	
	Consultancy and services	€m	127	113	13%	
	Utilities and operation	€m	11	10	13%	
	Real estate asset management	€m	299	191	57%	
	Other diversified categories	€m	150	25	499%	
VALUE OF CONTRIBUTIONS TO THE COMMUNITY BY TYPE						
201-1	**Value of contributions to the community by type**	**€m**	**15.29**	**11.54**	**33%**	
	Charitable donations	€m	1.96	1.32	0%	
	Sponsorships	€m	13.33	10.22	30%	
	Contribution to the Unipolis Foundation	€m	1.70	1.70	0%	

GRI indicator	Description	unit of measurement	2022	2021	Change %/p.p.	Notes
ENVIRONMENTAL DATA						
302-1	**Energy consumed**					
302-1	**Total Gas**	**Gj**	**135.983**	**115.306**	**18%**	
	Insurance	Gj	31.066	46.649	-33%	
	Hotel	Gj	81.035	43.022	88%	
	Agricultural		721	696	4%	
	Tourism		1	1	0%	
	Healthcare		20.923	22.781	-8%	
	Beyond	Gj	2.237	2.157	4%	
302-1	**Total Diesel**	**Gj**	**9.308**	**6.400**	**45%**	
	Insurance	Gj	626	288	118%	
	Hotel	Gj	8.424	5.763	46%	
	Agricultural	Gj	216	324	-33%	
	Tourism		-	-	0%	
	Healthcare		41	25	64%	
	Beyond		-	-	0%	
302-1	**Total Automotive diesel**	**Gj**	**4,183**	**4,027**	**4%**	
	Insurance	Gj	-	-	0%	
	Hotel	Gj				
	Agricultural		4,183	4,027	4%	
	Tourism					
	Healthcare					
	Beyond	Gj				
302-1	**Total Electricity**	**Gj**	**302,101**	**257,963**	**17%**	
	of which renewable	Gj	293,487	241,475	22%	
	of which No.n-renewable	Gj	8,614	16,488	-48%	
302-1	**Total Electricity**	**Gj**	**302,101**	**257,963**	**17%**	
	Insurance	Gj	155,920	143,658	9%	
	Hotel	Gj	105,218	75,465	39%	
	Agricultural		3,467	2,815	23%	
	Tourism		12,064	13,137	-8%	
	Healthcare		21,332	20,548	4%	
	Beyond	Gj	4,102	2,340	75%	
302-1	**Total LPG**	**Gj**	**1,268**	**1,753**	**-28%**	
	Insurance	Gj	-	-	0%	
	Hotel	Gj	-	-	0%	
	Agricultural	Gj	1,268	1,753	-28%	
	Tourism		-	-	0%	
	Healthcare		-	-	0%	
	Beyond		-	-	0%	
302-1	**Total District heating/cooling**	**Gj**	**77,947**	**67,407**	**16%**	
	Insurance	Gj	56,730	49,804	14%	
	Hotel	Gj	21,217	17,603	21%	
	Agricultural		-	-	0%	
	Tourism		-	-	0%	
	Healthcare		-	-	0%	
	Beyond	Gj	-	-	0%	
	Total number of employees by sector	**GJ/add**	**12,370**	**11,946**	**2%**	**Breakdown of employees by location in operational buildings**
	Insurance	No.	11,062	10,863	2%	
	Hotel	No.	695	575	21%	

GRI indicator	Description	unit of measurement	2022	2021	Change %/p.p.	Notes
	Agricultural	No.	94	93	1%	
	Tourism	No.	28	29	-3%	
	Healthcare	No.	180	161	12%	
	Beyond	No.	311	225	38%	
302-3	**Energy intensity - Total**	**GJ/add**	**42.9**	**37.9**	**13%**	
	Insurance	GJ/add	22.1	21.7	2%	
	Hotel	GJ/add	310.6	204.1	52%	
	Agricultural		104.8	102.3	2%	
	Tourism		430.9	469.2	-8%	
	Healthcare		235.0	240.9	-2%	
	Beyond	GJ/add	20.4	14.5	41%	
WATER						
303-3	**Water drawn**	**m^3**	**1,534,887**	**1,158,650**	**32%**	
	Insurance	m^3	188,757	170,376	11%	
	Hotel	m^3	938,099	569,202	65%	
	Agricultural	m^3	296,793	285,005	4%	
	Tourism	m^3	47,739	57,715	-17%	
	Healthcare	m^3	57,254	74,573	-23%	
	Beyond	m^3	6,246	1,779	251%	
EMISSIONS						
305-1/305-2	**Direct GHG emissions and indirect GHG emissions from energy consumption**					
	Scope 1 - Tonnes of Emissions	**T CO_2 eq**	**10,592**	**9,231**	**15%**	
	Scope 1 - Direct GHG emissions - Fleets	T CO_2 eq	1,579	1,656	-5%	
	Scope 1 - Direct GHG emissions - Property	T CO_2 eq	9,013	7,575	19%	
	Scope 1 - Direct GHG emissions – Property by sector	**T CO_2 eq**	**9,013**	**7,575**	**19%**	
	Insurance	T CO_2 eq	1,857	2,725	-32%	
	Hotel	T CO_2 eq	5,350	2,922	83%	
	Agricultural	T CO_2 eq	453	480	-6%	
	Tourism	T CO_2 eq	0	0	1%	
	Healthcare	T CO_2 eq	1,222	1,322	-8%	
	Beyond	T CO_2 eq	130	125	4%	
305-2	**Scope 2 - Indirect GHG emissions from energy purchased (Location Based) by sector**	**T CO_2 eq**	**28,548**	**26,288**	**9%**	
	Insurance	T CO_2 eq	16,691	16,385	2%	
	Hotel	T CO_2 eq	8,884	6,890	29%	
	Agricultural	T CO_2 eq	252	218	15%	
	Tourism	T CO_2 eq	875	1,019	-14%	
	Healthcare	T CO_2 eq	1,548	1,594	-3%	
	Beyond	T CO_2 eq	298	182	64%	
305-2	**Scope 2 - Indirect emissions from energy purchased (Market Based) by sector**	**T CO_2 eq**	**5,688**	**7,345**	**-23%**	
	Insurance	T CO_2 eq	3,416	5,922	-42%	
	Hotel	T CO_2 eq	1,699	1,052	62%	
	Agricultural	T CO_2 eq	-	-	0%	
	Tourism	T CO_2 eq	21	28	-23%	
	Healthcare	T CO_2 eq	270	208	30%	
	Beyond	T CO_2 eq	280	135	108%	
305-2	**Emissions Intensity - Scope 1 + 2 (Location based)**	**T CO_2 eq/add**	**3.2**	**3.0**	**6%**	
	Insurance	T CO_2 eq/add	1.7	1.7	-3%	
	Hotel	T CO_2 eq/add	20.5	14.1	45%	

GRI indicator	Description	unit of measurement	2022	2021	Change %/p.p.	Notes
	Agricultural	T CO_2 eq/add	7.5	7.4	1%	
	Tourism	T CO_2 eq/add	31.3	36.4	-14%	
	Healthcare	T CO_2 eq/add	15.4	16.2	-5%	
	Beyond	T CO_2 eq/add	1.4	1.0	40%	
305-3	**Scope 3**	**T CO_2 eq**	**7,775,161**	**7,672,938**	**1%**	
	Employee mobility (business travel)	T CO_2 eq	2,338	n.a.	n.a.	In Italy
	Customer mobility	T CO_2 eq	6,828,742	6,767,546	1%	In Italy
	Corporate investments	T CO_2 eq	945,728	904,724	5%	

WASTE						
306-3	**Waste by type and disposal method**					
306-3	**Waste by type**	**Tonnes**	**1,160**	**1,425**	**-19%**	
	No.n-hazardous waste	Tonnes	1,062	1,226	-13%	
	Hazardous waste	Tonnes	98	199	-51%	
306-3	**Waste by disposal method**	**Tonnes**	**1,160**	**1,425**	**-19%**	
	Waste destined for disposal	Tonnes	469	365	29%	
	Waste No.t destined for disposal	Tonnes	691	1,060	-35%	

COUNTRY BY COUNTRY TAX REPORT *					
Country	**number of employees (no.)**	**Revenues from sales to third parties (€ thousand)**	**Profit (loss) before tax (€ thousand)**	**Corporate income tax accrued on profits (losses) (€ thousand)**	**Corporate income tax paid on a cash basis (€ thousand)**
Italy	10,549	15,147,394	840,233	209,641	63,421
Luxembourg	-	-	-23	-	-
Ireland	52	289,623	-54,633	117	160
Netherlands	-	-	-215	-	-
Serbia	1,345	110,287	5,678	121	2,092

The main activities for each country in which the Group operates are broken down as follows:
Italy: Sales, marketing or distribution; Administration, management or assistance services; Regulated financial services; Insurance; Holding of shares or other capital instruments.
Luxembourg: Administration, management or support services.
Ireland: Insurance.
The Netherlands: Holding of shares or other equity instruments.
Serbia: Insurance.
For more detailed information on the Group's entities resident in the various tax jurisdictions, please refer to the section "ANNEXED TO THE INTEGRATIVE FINANCIAL STATEMENTS".

* The data shown relate to the 2021 tax period; this is because in order to meet the GRI standard, the Unipol Group also uses the data collected for Country by Country Reporting introduced, in line with the OECD's work on the Base Erosion and Profit Shifting project (BEPS), by Italian tax legislation (Article 1, paragraph 145 of Law 208/2015) which must be sent to local tax authorities within 12 months of the end of the relevant tax period.

Glossary

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

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

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

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

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

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

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

Corporate Sustainability Reporting Directive (CSRD): Directive (EU) 2022/2464 of 14 December 2022 which introduces new rules for corporate sustainability reporting, harmonising the disclosure of sustainability information so that financial undertakings, investors and the general public have transparent, comparable and reliable information.

Value Creation: the process that results in increases, decreases or transformations of the capital caused by the organisation's business activities and outputs. (International <IR> Framework).

CS OVERALL (Customer Satisfaction Overall for retail and companies): an indicator of overall satisfaction with the reference company (sole or main) that takes into account all aspects of the relationship (policies subscribed, personnel, service, innovation, reputation, etc.). It is calculated by using a 6-step numeric scale from 3 to 8, where 3 is the lowest score, 6 is satisfactory and 8 is the highest score. The percentage score is calculated on the two highest scores on the scale.

CSI (Customer Satisfaction Index): overall satisfaction index based on 13 factors pertaining to two macro areas: Relations with agents and Service provided by the company. The sum of weighted scores obtained for each of the 13 factors determines the arithmetic mean representing the overall CSI.

Non-Financial Statement (NFS): a separate or consolidated statement of a non-financial nature as envisaged in Italian Legislative Decree no. 254 of 30 December 2016, which introduced new transparency obligations to Italian law in line with the European regulations on environmental and social issues, human resources, respect for human rights, the fight against active and passive corruption, which are relevant taking into account the activities and characteristics of the company.

Environmental, social and governance (ESG): an acronym that refers to the organisational aspects of a company, linked to environmental, social and good governance policies, objectives and implementation procedures.

EPS – Earning per share: ratio between the Group's net profit and the total number of shares.

Expense ratio: percentage indicator of the ratio of total operating expenses to premiums written as far as direct business is concerned, and the premiums as far as retained business, net of reassurance, is concerned.

EU Sustainability Reporting Standard (ESRS): the reporting standards prepared by EFRAG (European Financial Reporting Advisory Group) on behalf of the European Commission, aimed at defining the sustainability information that companies must disclose in compliance with the Corporate Sustainability Reporting Directive.

FSB - Financial Stability Board: the international body that controls and formulates recommendations on the global financial system.

FTSE4Good Index: the index evaluates the performances of companies that are globally recognised for their high standards of social responsibility. The index is reviewed twice per year, in March and in September, to include any new companies and instead exclude any that have not maintained the required sustainability standards.

Global Compact: United Nations initiative launched in 2000 to encourage companies all over the world to adopt sustainable policies, comply with corporate social responsibilities and publicly disclose the results of the actions undertaken. It envisages compliance with 10 Principles divided into 4 areas: Human Rights, Labour, Environment and Anti-corruption.
To date, over 18,000 companies from 160 countries worldwide have adopted the initiative, in support of the United Nations Sustainable Development Goals (SDGs) for 2030.

SRIs: the sustainability indexes or SRIs are summary indexes that monitor the performance trends of a basket of companies listed in the Stock Exchange in accordance not only with financial and economic criteria, but also criteria relating, as applicable, to environmental, social and good corporate governance aspects, employed by investors that intend to adopt sustainable and responsible investment (SRI) strategies.
Sustainable and responsible investment refers to a medium/long-term investment strategy which, in assessments of companies and institutions, combines financial analysis with environmental, social and good governance analysis so as to create value for the investor and for the company as a whole.

Inputs: the capitals (resources and relationships) that an organisation draws upon for its business activities. (International <IR> Framework).

IPCC - Intergovernmental Panel on Climate Change: the scientific body of the United Nations that is responsible for assessing climate change, its implications and potential future risks, as well as proposing options for adaptation and mitigation.

ISO 50001: a voluntary international standard that provides organisations of any size with a system for optimising the energy performance of all of their processes and for promoting more efficient energy management.

ESG Guidelines: Guidelines for the ex ante assessment of ESG risks that could arise in the business processes (investments, recruitment, credit), annexed to the related Policies and useful to supporting correct assessment of the risks in line with the sustainability guidelines.

Loss ratio: primary indicator of the cost-effectiveness of operations of an insurance company in the Non-Life business. This is the ratio of the cost of claims for the period to premiums for the period.

Materiality: a matter is material if it could substantively affect the organisation's ability to create value in the short, medium or long term. (International <IR> Framework).

Mission: establishes what the Company does. It expresses the Company's day-to-day activities.

Business model: an organisation's system of transforming inputs through its business activities into outputs and outcomes that aims to fulfil the organisation's strategic purposes and create value over the short, medium and long term. (International <IR> Framework).

MRO (Main Refinancing operations): open market operations carried out by the Eurosystem.

MSCI ESG Index: the index supports the evaluation of the environmental, social and governance (ESG) investments and helps institutional investors to perform a more effective benchmarking for the performances of ESG investments.

NPS (Net Promoter Score): an indicator that measures the proportion of product/service "promoters" vs. "detractors".
It is based on the question "Would you recommend the company to your best friend?". The answers are rated on a scale of 0 to 10.
The indicator is calculated by subtracting the percentage of detractors from the percentage of promoters.

OTI (Other Technical Items) ratio: ratio of the sum of the balance of other technical charges/income and the change in other technical provisions to net premiums for the period.

Outcomes: the internal and external consequences (positive and negative) for the capitals as a result of an organisation's business activities and outputs (International <IR> Framework).

Outputs: an organisation's products and services, and any by-products and waste (International <IR> Framework).

Paris Agreement: it defines a global framework to avoid dangerous climate changes, limiting the rise in the global temperature to well below 2 °C and continuing efforts to limit this increase to 1.5°C (compared to pre-industrial levels). It was agreed at the Paris Climate Conference (COP21) in December 2015 and is currently ratified by roughly 190 parties, including the EU and its Member States.

PRI: principles promoted in 2006 by the United Nations to favour the spreading of sustainable and responsible investment amongst institutional investors, which are signed and implemented by financial sector companies. The companies commit to incorporating ESG concerns within investment analyses and decision-making processes, as well as their company policies and practices.

Taxonomy Regulation: Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, on the establishment of a framework to facilitate sustainable investment.

Reputation Index: an index developed by the Reputation Institute to measure and manage the reputation of companies and their brands as a lever for business growth, valid at international level. The reputation of the Unipol Group consists in a series of expectations, perceptions and opinions developed over time by the reference Stakeholders (customers, employees, agents, financial community, institutions, opinion makers, public opinion) on the qualities of the Group, its characteristics and its conduct, which derive from experience, word of mouth or observation of the Group's shares. The consistency of Group conduct with its promises and resulting response to expectations formulated by its Stakeholders determine how the corporate reputation is formed

ROE – Return on Equity: ratio between the Group's net profit for the year and the average of the Group's Shareholders' equity (calculated as the semi-sum of Net Shareholders' equities at the start and end of the period), excluding Other comprehensive income (expense) (OCI).

Scope of GHG emissions: classification of the organisational confines in which the direct and indirect GHG (Greenhouse Gas) emissions generated by an organisation's activities are produced. There are 3 Scope classes: Scope 1, Scope 2 and Scope 3. The classification derives from the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). Scope 1 refers to direct GHG emissions from installations owned or controlled by the organisation. Scope 2 refers to indirect GHG emissions deriving from the generation of electricity, steam energy, heating and cooling, imported and consumed within the organisation. Scope 3 refers to other indirect emissions not covered by Scope 2, such as emissions associated with business travel.

SDGs - Sustainable Development Goals: the 2030 Agenda for Sustainable Development is a plan of action for people, the planet and prosperity, signed in September 2015 by the governments of 193 UN Member States. It encompasses 17 Sustainable Development Goals - SDGs - as listed below:

Goal 1:
End poverty in all its forms everywhere.

Goal 2:
End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

Goal 3:
Ensure healthy lives and promote well-being for all at all ages.

Goal 4:
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Goal 5:
Achieve gender equality and empower all women and girls.

Goal 6:
Ensure availability and sustainable management of water and sanitation for all.

Goal 7:
Ensure access to affordable, reliable, sustainable and modern energy for all.

Goal 8:
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Goal 9:
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

Goal 10:
Reduce inequality within and among countries.

Goal 11:
Make cities and human settlements inclusive, safe, resilient and sustainable.

Goal 12:
Ensure sustainable consumption and production patterns.

Goal 13:
Take urgent action to combat climate change and its impacts.

Goal 14:
Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

Goal 15:
Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

Goal 16:
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Goal 17:
Strengthen the means of implementation and revitalize the global partnership for sustainable development.

TCFD - Task Force on Climate-related Financial Disclosures: develops voluntary and consistent recommendations on climate-related financial risks to be used by companies in providing information to investors, lenders, insurers and other interested parties

TEG - Technical Expert Group on Sustainable Finance: The Commission has established this group to assist in particular in the development of a standardised classification system for sustainable business activities, an EU green obligations standard, methods for low carbon emissions indicators and metrics for reporting on climate change issues

TLTRO - Targeted Long Term Refinancing Operations: financial interventions carried out by the European Central Bank, introduced for the first time during the sovereign debt crisis that took place in Eurozone countries. Under the TLTRO programme, 4-year loans with very low interest rates are disbursed through auctions to Eurozone banks, with a view to injecting liquidity into the real economy. Indeed, banks are required to use this liquidity to support lending to small and medium sized enterprises.

UNEP - United Nations Environment Programme: the main global environmental authority which establishes the global environmental agenda, promotes consistent implementation of environmental approaches to sustainable development within the UN system and acts as the authoritative defender of the global environment.

UNEP FI - United Nations Environment Programme Finance Initiative: a global partnership established between the United Nations Environment Programme and the financial sector.

Values: represent the Company's conduct. They describe the expectations and principles for specific interaction between the internal and external environment of the Company.

Vision: describes the impact that the Company intends to have, the result expected of the organisation from achieving its purpose.

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CONSOLIDATED FINANCIAL STATEMENTS AT 31.12.2022 TABLES OF CONSOLIDATED FINANCIAL STATEMENTS

Statement of Financial Position

Assets

		Amounts in €m	31/12/2022	31/12/2021
1	**INTANGIBLE ASSETS**		**2,260.6**	**2,080.8**
1.1	Goodwill		1,719.3	1,630.8
1.2	Other intangible assets		541.3	450.0
2	**PROPERTY, PLANT AND EQUIPMENT**		**2,861.6**	**2,514.7**
2.1	Property		1,569.9	1,584.0
2.2	Other tangible assets		1,291.7	930.7
3	**TECHNICAL PROVISIONS - REINSURERS' SHARE**		**761.6**	**831.3**
4	**INVESTMENTS**		**59,991.3**	**68,169.0**
4.1	Investment property		2,282.2	2,072.5
4.2	Investments in subsidiaries, associates and interests in joint ventures		1,607.7	1,304.4
4.3	Held-to-maturity investments		365.7	366.7
4.4	Loans and receivables		4,684.1	4,754.0
4.4bis	Financial assets at amortised cost			357.2
4.5	Available-for-sale financial assets		41,029.8	50,194.4
4.5bis	Financial assets at fair value through OCI		828.9	494.6
4.6	Financial assets at fair value through profit or loss		9,192.9	8,625.2
4.6.1	*Held-for-trading financial assets*		*333.7*	*229.5*
4.6.2	*Financial assets at fair value*		*8,785.5*	*8,344.5*
4.6.3	*Other financial assets mandatorily at fair value*		*73.7*	*51.2*
5	**SUNDRY RECEIVABLES**		**3,538.8**	**3,432.9**
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		1,930.9	1,830.4
6	**OTHER ASSETS**		**3,327.2**	**1,290.8**
6.1	Non-current assets or assets of a disposal group held for sale		532.5	132.6
6.2	Deferred acquisition costs		102.1	100.1
6.3	Deferred tax assets		1,171.3	427.0
6.4	Current tax assets		37.1	9.6
6.5	Other assets		1,484.2	621.4
7	**CASH AND CASH EQUIVALENTS**		**1,798.1**	**1,938.9**
	TOTAL ASSETS		**74,539.4**	**80,258.5**

Statement of Financial Position

Shareholders' equity and liabilities

		Amounts in €m	**31/12/2022**	31/12/2021
1	**SHAREHOLDERS' EQUITY**		**7,662.3**	**9,721.5**
1.1	**attributable to the owners of the Parent**		**6,130.4**	**7,780.0**
1.1.1	Share capital		3,365.3	3,365.3
1.1.2	Other equity instruments			
1.1.3	Capital reserves		1,639.4	1,639.4
1.1.4	Income-related and other equity reserves		1,457.9	1,054.9
1.1.5	(Treasury shares)		(5.5)	(1.1)
1.1.6	Reserve for foreign currency translation differences		3.5	3.3
1.1.7	Gains or losses on available-for-sale financial assets		(922.5)	1,138.6
1.1.7bis	Gains or losses on financial assets at fair value through OCI		(14.8)	20.0
1.1.8	Other gains or losses recognised directly in equity		(75.9)	(67.0)
1.1.9	Profit (loss) for the year attributable to the owners of the Parent		683.0	626.6
1.2	**attributable to non-controlling interests**		**1,531.9**	**1,941.5**
1.2.1	Share capital and reserves attributable to non-controlling interests		1,545.5	1,554.3
1.2.2	Gains or losses recognised directly in equity		(196.5)	217.7
1.2.3	Profit (loss) for the year attributable to non-controlling interests		182.9	169.6
2	**PROVISIONS**		**634.6**	**446.9**
3	**TECHNICAL PROVISIONS**		**51,766.2**	**57,128.3**
4	**FINANCIAL LIABILITIES**		**11,587.0**	**10,770.8**
4.1	Financial liabilities at fair value through profit or loss		6,839.1	6,356.9
4.1.1	*Financial liabilities held-for trading*		154.5	445.9
4.1.2	*Financial liabilities at fair value*		6,684.6	5,911.0
4.2	Other financial liabilities		4,747.9	4,413.9
5	**PAYABLES**		**1,480.0**	**1,095.5**
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		1,138.2	803.5
6	**OTHER LIABILITIES**		**1,409.3**	**1,095.4**
6.1	Liabilities associated with disposal groups held for sale		388.0	3.1
6.2	Deferred tax liabilities		0.8	115.3
6.3	Current tax liabilities		13.3	40.3
6.4	Other liabilities		1,007.3	936.6
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**74,539.4**	**80,258.5**

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		(332.7)	212.4
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures		348.2	152.6
1.5	Gains on other financial instruments and investment property		2,379.3	1,910.8
1.5.1	*Interest income*		*1,544.9*	*1,386.8*
1.5.2	*Other income*		*344.8*	*231.4*
1.5.3	*Realised gains*		*487.5*	*270.7*
1.5.4	*Unrealised gains*		*2.1*	*22.0*
1.6	Other revenue		1,174.4	937.8
1	**TOTAL REVENUE AND INCOME**		**14,983.7**	**15,137.6**
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 expense		(89.7)	(37.4)
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures		(0.3)	(1.6)
2.4	Losses on other financial instruments and investment property		(1,006.7)	(608.8)
2.4.1	*Interest expense*		*(156.7)*	*(160.8)*
2.4.2	*Other charges*		*(38.7)*	*(35.1)*
2.4.3	*Realised losses*		*(461.2)*	*(125.1)*
2.4.4	*Unrealised losses*		*(350.1)*	*(287.7)*
2.5	Operating expenses		(2,814.2)	(2,665.9)
2.5.1	*Commissions and other acquisition costs*		*(1,886.6)*	*(1,856.6)*
2.5.2	*Investment management expenses*		*(135.9)*	*(125.8)*
2.5.3	*Other administrative expenses*		*(791.8)*	*(683.6)*
2.6	Other costs		(1,364.2)	(1,064.0)
2	**TOTAL COSTS AND EXPENSES**		**(13,875.3)**	**(14,186.8)**
	PRE-TAX PROFIT (LOSS) FOR THE YEAR		**1,108.5**	**950.7**
3	Income taxes		(242.6)	(154.6)
	PROFIT (LOSS) FOR THE YEAR AFTER TAXES		**865.9**	**796.2**
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS			
	CONSOLIDATED PROFIT (LOSS)		**865.9**	**796.2**
	of which attributable to the owners of the Parent		*683.0*	*626.6*
	of which attributable to non-controlling interests		*182.9*	*169.6*

Comprehensive Income Statement

Amounts in €m	**31/12/2022**	31/12/2021
CONSOLIDATED PROFIT (LOSS)	**865.9**	**796.2**
Other income items net of taxes not reclassified to profit or loss	**24.0**	**32.2**
Change in the shareholders' equity of the investees	23.3	21.7
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	12.0	0.4
Gains or losses on equity instruments at fair value through OCI	(11.4)	11.4
Reserve deriving from variation on credit risk on financial liabilities at fair value through profit or loss		
Other items		(1.3)
Other income items net of taxes reclassified to profit or loss	**(2,543.0)**	**(81.9)**
Change in the reserve for foreign currency translation differences	0.2	(0.1)
Gains or losses on available-for-sale financial assets	(2,476.9)	(42.9)
Gains or losses on financial assets (other than equity instruments) at fair value through OCI	(29.3)	(0.2)
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	(53.6)	3.5
Gains and losses on non-current assets or disposal groups held for sale		
Other items		
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE)	**(2,518.9)**	**(49.7)**
TOTAL CONSOLIDATED COMPREHENSIVE INCOME (EXPENSE)	**(1,653.0)**	**746.5**
of which attributable to the owners of the Parent	*(1,421.7)*	588.4
of which attributable to non-controlling interests	*(231.3)*	158.1

Statement of Changes in Shareholders' equity

	Amounts in €m	**Balance at 31/12/2020**	Changes to closing balances	Amounts allocated	Adjustments from reclassification to profit or loss	Transfers	Changes in investments	**Balance at 31/12/2021**
Equity attributable to the owners of the Parent	Share capital	3,365.3						3,365.3
	Other equity instruments							
	Capital reserves	1,639.4						1,639.4
	Income-related and other equity reserves	771.0		486.4		(200.7)	(1.8)	1,054.9
	(Treasury shares)	(2.7)		1.5				(1.1)
	Profit (loss) for the year	707.4		119.9		(200.7)		626.6
	Other comprehensive income (expense)	1,133.2		(162.6)	125.3		(0.8)	1,095.0
	Total attributable to the owners of the Parent	**7,613.6**		**445.2**	**125.3**	**(401.4)**	**(2.7)**	**7,780.0**
Equity attributable to non-controlling interests	Share capital and reserves attributable to non-controlling interests	1,525.8		24.7			3.7	1,554.3
	Profit (loss) for the year	156.7		119.6		(106.7)		169.6
	Other comprehensive income (expense)	229.2		(38.4)	26.0		0.8	217.7
	Total attributable to non-controlling interests	**1,911.7**		**106.0**	**26.0**	**(106.7)**	**4.6**	**1,941.5**
Total		**9,525.3**		**551.2**	**151.3**	**(508.1)**	**1.9**	**9,721.5**

	Amounts in €m	**Balance at 31/12/2021**	Changes to closing balances	Amounts allocated	Adjustments from reclassification to profit or loss	Transfers	Changes in investments	**Balance at 31/12/2022**
Equity attributable to the owners of the Parent	Share capital	3,365.3						3,365.3
	Other equity instruments							
	Capital reserves	1,639.4						1,639.4
	Income-related and other equity reserves	1,054.9		378.3			24.7	1,457.9
	(Treasury shares)	(1.1)		(4.4)				(5.5)
	Profit (loss) for the year	626.6		271.4		(214.9)		683.0
	Other comprehensive income (expense)	1,095.0		(1,668.1)	(441.4)		4.8	(1,009.7)
	Total attributable to the owners of the Parent	**7,780.0**		**(1,022.8)**	**(441.4)**	**(214.9)**	**29.5**	**6,130.4**
Equity attributable to non-controlling interests	Share capital and reserves attributable to non-controlling interests	1,554.3		61.7		(24.5)	(45.9)	1,545.5
	Profit (loss) for the year	169.6		119.0		(105.7)		182.9
	Other comprehensive income (expense)	217.7		(327.7)	(81.7)		(4.8)	(196.5)
	Total attributable to non-controlling interests	**1,941.5**		**(147.1)**	**(81.7)**	**(130.2)**	**(50.6)**	**1,531.9**
Total		**9,721.5**		**(1,169.9)**	**(523.1)**	**(345.1)**	**(21.2)**	**7,662.3**

Statement of Cash Flows (indirect method)

Amounts in €m	**31/12/2022**	31/12/2021
Pre-tax profit (loss) for the year	1,108.5	950.7
Change in non-monetary items	2,018.4	(135.7)
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	187.7	(32.6)
Non-monetary gains and losses on financial instruments, investment property and investments	624.6	(365.2)
Other changes	6,248.0	837.7
Change in receivables and payables generated by operating activities	**(150.2)**	**(295.8)**
Change in receivables and payables relating to direct insurance and reinsurance	13.6	16.3
Change in other receivables and payables	(163.7)	(312.2)
Paid taxes	**(317.3)**	**(72.4)**
Net cash flows generated by/used for monetary items from investing and financing activities	**(717.9)**	**1,196.9**
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	(1,668.4)	(526.4)
TOTAL NET CASH FLOW FROM OPERATING ACTIVITIES	**1,941.5**	**1,643.7**
Net cash flow generated by/used for investment property	(266.0)	22.4
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 financial assets at amortised cost	341.9	81.8
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 financial assets at fair value through OCI	(388.3)	1,122.7
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	**(2,118.2)**	**594.8**
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	(4.0)	2.2
Dividends distributed attributable to the owners of the Parent	(214.9)	(401.4)
Net cash flow generated by/used for share capital and reserves attributable to non-controlling interests	(105.7)	(106.7)
Net cash flow generated by/used for subordinated liabilities and equity instruments	(80.0)	(641.7)
Net cash flow generated by/used for financial liabilities at amortised cost	469.2	(246.7)
TOTAL NET CASH FLOW GENERATED BY/USED FOR FINANCING ACTIVITIES	**40.1**	**(1,394.3)**
Effect of exchange rate gains/losses on cash and cash equivalents		
CASH AND CASH EQUIVALENTS AT 1 JANUARY (**)	1,939.1	1,094.9
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(136.6)	844.2
CASH AND CASH EQUIVALENTS AT 31 DECEMBER (***)	1,802.5	1,939.1

(*) 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 Unipol Group, consisting of the Parent Unipol Gruppo SpA ("Unipol") and its subsidiaries, operates in all Non-Life and Life insurance and reinsurance and capitalisation business; it may issue investment contracts and may set up and manage Open Pension Funds, in compliance with the provisions of Art. 9 of Italian Legislative Decree 124 of 21 April 1993 and subsequent amendments.
To support the insurance business and the relative ecosystems, it has developed instrumental commercial activities relating in particular to vehicle repair and vehicle glass replacement, the management of black boxes and other telematic devices, the management of payments in mobility, long-term vehicle rental and the marketing of anti-theft systems for vehicles.
It also carries out real estate, and to a lesser extent, financial, hotel, agricultural, healthcare and flexible benefits activities.
The Unipol Group operates primarily in Italy: outside Italy, the Group operates in Serbia, through the subsidiary DDOR Novi Sad and the dedicated captive reinsurance company Ddor Re, and in Ireland with UnipolRe, a professional reinsurance company.

The Parent Unipol, head of the Unipol Insurance Group, is a joint-stock company with registered office at Via Stalingrado 45, Bologna (Italy) and is listed on the Milan Stock Exchange.

The Unipol Group's Consolidated Financial Statements were drawn up in accordance with Art. 154-ter of Italian Legislative Decree 58/1998 (Consolidated Law on Finance) and of ISVAP Regulation no. 7 of 13 July 2007, as amended. They conform to the IAS/IFRS standards issued by the IASB and endorsed by the European Union, along with the interpretations issued by IFRIC, in accordance with the provisions of Regulation (EC) no. 1606/2002 in force 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, 28 July 2006, and DEM/11070007 of 5 August 2011 is also provided.

The Consolidated Financial Statements are drawn up on the assumption that the company will continue as a going concern, in application of the principles of accrual accounting, materiality and truthfulness of accounting information, in order to provide a true and fair view of the equity-financial position and economic result, in compliance with the principle of the prevalence of the economic substance of transactions over their legal form.
The going concern assumption is considered to be confirmed with reasonable certainty given that companies belonging to the Unipol Group have sufficient resources to ensure that they will continue to operate for the foreseeable future. In addition, the liquidity risk is deemed to be very remote.

The layout of the financial statements offers a comparison with the figures of the previous year. Where necessary, in the event of a change to the accounting standards, measurement or classification criteria, the comparative data are 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 Unipol are subject to audit by the independent auditors EY S.p.A., the company tasked with performing the legally-required audit of the consolidated financial statements for the years 2021-2029.

EU ESEF Regulation - Financial statements in the single electronic reporting format

The "Transparency Directive" (2004/109/EC) requires listed companies to publish their annual financial report in the "single electronic reporting format". To this end, Regulation (EU) 2019/815 of 2018 (the "ESEF Regulation"), as supplemented by national regulations, imposed the obligation of drafting such reporting in XHTML format starting from 2021, also marking up certain information in the consolidated financial statements using XBRL specifications. 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 Unipol Group's Consolidated Financial Statements at 31 December 2022 have been drawn up by combining the figures of the Parent Unipol and those of the 64 direct and indirect subsidiaries (IFRS 10). At 31 December 2021 a total of 55 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, in which the investment percentage ranges between 20% and 50%, and subsidiaries considered immaterial (21 companies), are measured using the equity method (IAS 28) or maintained at the carrying amount. At 31 December 2021, a total of 20 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 Unipol*Rental* 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 €7m 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 €10m, 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	(8.0)
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	82.0
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 tangible 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 the Parent Unipol closed. All the consolidated companies close their financial statements at 31 December with the exception of the following:

- the subsidiaries Unipol Finance Srl, Unipol Investment SpA, UnipolPart I SpA and the associate Pegaso Finanziaria SpA close their financial year on 30 June and prepare interim financial statements in reference to the reporting date for the consolidated financial statements;
- the associate Fin.Priv Srl closes its financial year on 30 November.

The Consolidated Financial Statements were drawn up using restatements of the separate financial statements of the consolidated companies, adjusted to comply with IAS/IFRS standards, as applied by the Parent Unipol and approved by the Boards of Directors of the companies concerned.

Basis of consolidation

Companies consolidated on a line-by-line basis

This method provides for the consolidation on a line-by-line basis of the assets, liabilities, gains and losses of the consolidated companies as from the date they were acquired, with the carrying amount of the investment being offset against the corresponding amount of the shareholders' equity of each individual subsidiary and, in the case of investments not wholly owned, the separate recognition of the amount of the equity and the profit or loss for the year attributable to non-controlling interests.
The amount of equity attributable to non-controlling interests is recognised under shareholders' equity as "Share capital and reserves attributable to non-controlling interests", whilst the corresponding share of consolidated profit or loss is shown under "Profit (loss) for the year attributable to non-controlling interests".
The financial statements of the subsidiaries are consolidated on a line-by-line basis 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 operated in the year reported in these consolidated financial statements and in the previous year:

- Non-Life insurance business;
- Life insurance business;
- Real Estate business;
- Holding and 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 rewards, 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 Unipol Group which, in its capacity as parent of a financial conglomerate for which the conditions set forth in Regulation (EU) 2017/1998 were met at the date of entry into force of IFRS 9, deferred the application of the IFRS 9 limited to UnipolSai and its subsidiaries. It is also noted that, specifically due to the close interrelation of the two standards, the Group 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 Unipol 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 Unipol 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.

<u>Scope of application</u>

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.

<u>Method of aggregating groups of contracts</u>

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 Unipol 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.

<u>Calculating discount rates</u>

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 Unipol 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 Unipol 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 (different from those not in the insurance sector, which applied IFRS 9 starting from 2019). 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 Unipol Group

A brief examination of the activities carried out in relation to the main areas of impact is provided below. It is noted that, to the extent applicable, the approach followed for the first-time adoption of IFRS 9 on the scope of financial instruments held by UnipolSai and its subsidiaries is consistent with that adopted at the time for the first-time adoption of the standard for the other entities in the Unipol Group.

Classification and measurement of financial instruments

Classification and measurement of financial assets (credits and debt securities) was defined by the Unipol Group based on the following elements:

- detailed exam of cash flow characteristics;
- definition of the business model.

As regards the first classification element of financial assets, initiatives and procedures have been performed aimed at evaluating whether the contractual cash flows of debt securities in portfolio, at the date of transition to the standard, exclusively reflect the payment of principal and 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 Unipol 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 9% 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 Standards (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).

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 the development and implementation of IT systems, including customisation of the corresponding software, amortised over five or ten years according to its estimated useful life.

Projects under development are not amortised until the year in which they are first used.

Goodwill paid when companies are acquired or merged is also included among intangible assets, as already mentioned in the previous paragraph Basis of consolidation (also provisionally, determined on the basis of IFRS 3). As this goodwill has an indefinite useful life, it is not amortised, but it is tested for impairment at least once a year, or each time there is any indication of impairment; durable impairments are recognised in the income statement and cannot be reversed in subsequent years.

2 Property, plant and equipment - IAS 16 and IFRS 16

The item includes properties used for business purposes, plant, other machines and equipment owned by the Group and rights of use acquired through lease contracts for the use of a tangible asset, except for contracts with a duration equal to or less than 12 months or referring to assets of a modest unit value.

For recognising and measuring this category of assets the Group has adopted the cost model, which systematically depreciates the asset's depreciable amount over its useful life. With reference to property, plant and equipment deriving from right of use recognition, as envisaged in IFRS 16, the initial recognition value corresponds with the present value of future payments to the lessor over the contractual duration of the lease, also including amounts due to the lessor for the exercise of any purchase option on the asset if such exercise is considered reasonably certain.
Depreciation, which is carried out each year on a straight-line basis, begins when the asset is available and ready for use and ends when the asset has come to the end of its useful life (which in the case of property is estimated at 33.4 years). In the case of wholly-owned properties (land and buildings) depreciation is carried out only on the building.

Consolidated real estate companies include in the carrying amount the borrowing costs incurred for loans specifically for acquiring and renovating property, if this can be justified.

The costs of improvements and conversions are capitalised if they result in an increase in the useful life or the carrying amount of the assets.

Assets that suffer impairment losses are written down.
The carrying amount of property acquired as a result of business combinations is reassessed on the basis of the current value on the date of acquisition.

3 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, 9 and 13

With effect from 2018, the year in which the conditions of Regulation (EU) 2017/1998 came into force for the parent companies of financial conglomerates, the Unipol Group exercised the option of deferring the application of IFRS 9 solely for the insurance sector. Specifically, therefore, the following were applied in these consolidated financial statements:

- IAS 39 in reference to financial instruments held by UnipolSai and its subsidiaries;
- IFRS 9 for financial instruments held by the remaining entities included in the consolidation scope (mainly consisting of the Parent and the other financial entities), and to calculate the shareholders' equity of associates required to apply IFRS 9 in their separate financial statements.

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

4.3 Held-to-maturity investments - IAS 39

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 - IAS 39

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 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.

Receivables assigned are eliminated only if the assignment involves the substantial transfer of the risks and rewards pertaining to the receivables. If this is not the case, receivables continue to be recognised even though ownership of them has been legally transferred.
The presumption is that all the risks and rewards are substantially transferred if the assignment involves transferring at least 90% of them. On the other hand, the presumption is that all the risks and rewards are substantially retained if the assignment involves transferring no more than 10% of them.
If the assignment does not involve either transferring or retaining a substantial percentage of the risks and rewards (in the event that the Group retains more than 10% but less than 90% of the risks/rewards), the receivables are eliminated provided the Group retains no control over them. Otherwise, the fact that some control over the receivables assigned is retained means that they are maintained in the financial statements in proportion to the level of residual involvement.

4.4 bis - Financial assets measured at amortised cost - IFRS 9

This financial statements item includes financial assets that meet both the following conditions:

- the financial asset is held within the context of a new business model that has the objective to collect contractual cash flows (HTC - Held to Collect);
- contractual terms of financial assets generate, at predetermined maturity, cash flows representing only principal and interests on the residual capital that meet the Solely Payments of Principal and Interest (SPPI) condition.

The initial recognition of these financial assets is carried out when the Group becomes a party in the contractual terms of the financial instrument, which usually coincides with the date of settlement. The value of the initial recognition is equal to the fair value of the financial instrument, which generally corresponds to the related purchase cost, including directly chargeable transaction costs or income.

After the initial recognition, these assets are measured at amortised cost by using the effective interest method, as well as net of impairment loss.

For the purpose of quantifying impairment, financial assets (other than purchased or originated credit impaired assets, or "POCI") are classified in three stages (credit rating):

- Stage 1: financial assets qualified as "performing", for which a significant increase in credit risk has not been recognised with respect to the initial recognition date. As permitted by IFRS 9, with reference to debt securities, regardless of the identification of a significant increase in credit risk, in Stage 1 the Unipol Group includes also financial assets that, at the measurement date, were in any case qualified as "at low credit risk" (i.e. "Low credit risk exemption");
- Stage 2: financial assets qualified as "performing", for which a significant increase in credit rating has been recognised with respect to the initial recognition date;
- Stage 3: impaired financial assets.

With reference to POCI, the amortised cost and the relative impairment adjustments are calculated in a specific manner on the basis of an effective interest rate adjusted for the credit risk determined by taking initial expected losses into account in estimated future flows.

Impairment is determined:

- on the basis of expected losses in the 12 subsequent months for assets in Stage 1;
- based on the expected losses throughout the life of the instrument for assets included in Stages 2 and 3 and for POCI.

4.5 Available-for-sale financial assets - IAS 39

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 the 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 Unipol 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 for the company holding them as Available-for-sale (AFS) financial assets and, 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 AFS equity instruments 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 for the company holding the instruments as AFS and 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..

4.5 bis - Financial assets measured at fair value through other comprehensive income (FVOCI) - IFRS 9

Debt securities or loans, fulfilling both conditions, are recognised in this category:

- the financial assets are held within the context of a new business model that has the objective to both collect contractual cash flows and sell financial assets (HTCS - Held to Collect & Sell), and;
- contractual terms of financial assets generate, at predetermined maturity, cash flows representing only principal and interest on the residual capital that meet the SPPI condition.

The initial recognition of these financial assets is carried out at the date in which the Group becomes a party in the contractual terms of the financial instrument, which usually coincides with the date of settlement. The value of the initial recognition is equal to the fair value of the instrument, which generally corresponds to the related purchase cost, including transaction costs or income that are directly chargeable to the same.
After the initial recognition, these assets continue to be measured at fair value. The interest component resulting from the application of the amortised cost method, as well as impairment losses resulting from the measurement of credit risk, are included in the income statement, while gains and losses resulting from changes in fair value are recognised directly in Shareholders' equity under "Gains or losses on financial assets (other than equity instruments) at fair value through other comprehensive income".
In the event the asset is cancelled, accrued gains and losses due to changes in fair value are recognised through profit or loss.
As regards details on determining of impairment losses, reference is made to the previous item.

Equity instruments that meet the following conditions are also classified under the category Financial assets at fair value through other comprehensive income:

- they are not equity investments in subsidiaries, associates or jointly controlled entities;
- they are not held for trading nor represent a potential consideration for a business combination, pursuant to IFRS 3;
- an irrevocable option was exercised for their designation at fair value through other comprehensive income.

Any gains or losses consequent to the change in fair value are disclosed directly in Shareholders' equity under the item "Gains or losses on equity instruments at fair value through other comprehensive income".
Specifically, the accounting of equity instruments, classified under category FVOCI, is different from the one applicable to debt securities classified under the same category, for the following reasons:

- the impairment requirements of IFRS 9 are not applicable to equity instruments;
- all exchange differences are recognised in the OCI reserve;
- the values recorded in OCI (Other Comprehensive Income) are never reclassified to income statement (not even for cancellation/netting);
- only dividends are recognised through profit or loss.

4.6 Financial assets at fair value through profit or loss - IAS 39 and IFRS 9

Investments in this category are recognised at fair value and the differences (positive or negative) between fair value and carrying amount are recognised through profit or loss.
Information on how the fair value is determined is provided in the section "Fair value measurement criteria – IFRS 13".

There are three further sub-items:

- held-for-trading financial assets, which includes debt securities and equity instruments, mainly listed, credit positions in derivative contracts and structured financial instruments where the embedded derivative would have to be separated if they were classified in a different category;
- financial assets to be recognised at fair value through profit or loss, mainly consisting of assets linked to financial liabilities measured at fair value such as investments related to policies issued by insurance companies where the investment risk is borne by the policyholders and those arising from pension fund management;
- financial assets mandatorily measured at fair value through profit or loss (FVTPL): this category includes all financial assets that do not meet the classification criteria at amortised cost or fair value, with changes recognised in comprehensive income statement (FVOCI), that are not financial assets designated at fair value or held-for-trading financial assets[63].

The initial recognition of such financial assets is carried out at the date in which the entity becomes a party of the contractual terms related to the financial instruments, usually coinciding with the settlement date for the debt securities and equity instruments, and at the subscription date for derivatives, for a value equal to the fair value of the financial instrument, without considering transaction costs or income that are directly recognised in the income statement.
After the initial recognition, these assets are measured at fair value and changes in value are recognised in the income statement.

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).

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[63] Definitions and accounting methods envisaged in IFRS 9 for financial assets at fair value and held-for-trading financial assets (sub-items 4.6.1 and 4.6.2 in the Consolidated Statement of Financial Position) are substantially consistent with those already envisaged in IAS 39.

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 the 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.

Reclassifications of financial assets – IFRS 9

With reference to debt securities, reclassifications among other categories of financial assets are limited to cases in which there is a change to the business model for financial asset management and forward-looking recognition is applied, i.e. without adjusting any economic component recognised previously. The reclassification of equity instruments is not permitted.

Accounting of structured bonds issued by special purpose vehicles (SPVs)

The Group invests in notes issued by SPVs with rather similar purposes and management methods as those that characterise investments in structured and unstructured bonds, made as part of the ordinary financial management of resources derived from normal business. This financial management is characterised, in relation to the Group's business sector, by a special degree of complexity, which requires, under certain circumstances, the subscription of financial assets with specific characteristics (e.g. in terms of maturity, creditworthiness and payoff) that are not always easy to find on the financial markets. The investment opportunities offered via SPVs also make it possible, owing to their specific nature, to expand the range of financial investments available.

The Unipol Group classifies and records the bonds issued by SPVs based on the instructions provided in 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 Unipol Group in fact, consistently replicate, with the arranger, the positions they assume with noteholders, as the risks or returns of the transaction cannot be retained within it.

Therefore, investments in notes issued by SPVs are accounted for on the basis of 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 Unipol 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 Unipol Group, the consolidation of the segments would lead to the need to replace the debt securities issued by the SPV and subscribed by the Group with a financial asset which, in terms of the associated risks and returns, exactly replicates the financial profile of the notes cancelled as a result of the consolidation.
In fact, the segments consistently replicate, with the arranger, the positions the latter assume with noteholders, as the risks or benefits of the transaction cannot be retained within it. The result is that the financial asset to be recognised due to the consolidation of the segments would have, substantively speaking and therefore for the purposes of classification and measurement pursuant to 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 Unipol Group, there would be no substantive effects on the accounting representation of the transaction, essentially confirming the fact that, in effect, the SPVs are technical instruments for realising an investment in financial assets with characteristics which are, for all intents and purposes, equivalent to those of the notes issued by the SPV itself and segregated in the segment.

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.

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 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.

1.1.7 bis Gains or losses on financial assets at fair value through other comprehensive income

This item includes gains or losses on financial assets measured at fair value through other comprehensive income, net of related taxes.

1.1.8 Other gains or losses recognised directly in equity

This item includes, inter alia, gains or losses on cash flow hedges, revaluation reserves of property, plant and equipment and intangible assets and gains or losses on financial assets measured at fair value through other comprehensive income.

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 were 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, contract expiry, 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 - IFRS 9

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 related to contracts issued by insurance companies where the investment risk is borne by the policyholders, when the insurance risk is not significant, and where there is no discretionary participation feature.

4.2 Financial liabilities at amortised cost

This item includes 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 benefits plan. The amount due to employees is therefore calculated using actuarial techniques and discounted at the reporting date, using the "Projected unit credit method" (a method based on benefits accrued in proportion to length of employment).
The same method is used to establish the effects of other defined benefits for employees for the post-employment period.

Actuarial gains and losses relating to obligations deriving from defined benefit plans are recorded under Other comprehensive income (expense).

Future cash flows are discounted on the basis of the market yield curve, recorded at the end of the year, for corporate bonds issued by issuers with high credit standing.

The service cost and net interest are recognised in the Income statement.

Net interest is calculated by applying to the net value of liabilities for defined benefits existing at the start of the year the one-year interest rate taken from the yield curve used to discount the liability at the end of the previous year.

6 Other liabilities

6.1 Liabilities associated with disposal groups - 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

Pursuant to Art. 117 et seq. of Italian Presidential Decree 917/1986, for the three years 2021-2022-2023, the Parent Unipol has adopted the IRES tax consolidation regime, as consolidating company, with UnipolSai and other subsidiaries meeting the legal requirements participating as consolidated companies. Unipol has signed an agreement with these companies regulating the economic and financial aspects governing the regime in question, recognising in its financial position the effects of the transfer of the IRES taxable income of the consolidated companies, calculated pursuant to the law, keeping into account the applicable consolidation adjustments and the tax credits accrued.

Tax for the year is calculated according to current tax regulations and recognised among costs for the year on an accrual basis and represents:

- the charges/income for current taxes;
- the amounts of deferred tax assets and liabilities arising during the year and usable in future years;
- for the portion due for the year, the deduction of deferred tax assets and liabilities generated in previous years.

Deferred tax assets and liabilities are calculated on the basis of the temporary differences (arisen or deducted during the year) between the profit (loss) for the year and the taxable income and on the consolidation adjustments. In respect of tax losses prior to the applicable period of tax consolidation, deferred tax assets are recognised to the extent in which said losses can be reasonably used against future IRES-taxable income. IRAP for the year is also recognised under Income tax.

4 Profit (loss) from discontinued operations

The item includes:

- profit and loss from discontinued operations, as defined by IFRS 5, net of tax effects; and
- the capital gain or capital loss, net of tax effects, recognised following the fair value measurement net of costs to sell, or disposal of assets in the group of assets held for sale that constitute the discontinued operations.

Foreign currency transactions - IAS 21

Items expressed in foreign currencies are treated in accordance with the principles of multicurrency accounting.
Monetary elements in foreign currency (units of currency owned and assets or liabilities that must be received or paid in a fixed or ascertainable number of units of currency) are translated using the exchange rate applicable at the end of the year.
Non-monetary elements measured at historical cost in foreign currency are translated using the exchange rate applicable on the date of the transaction.
Non-monetary elements measured at fair value in a foreign currency are translated using the exchange rates applicable on the date on which the fair value is determined.
Exchange rate differences arising from the settlement of monetary elements are recognised in the income statement. Exchange rate differences arising when non-monetary elements are measured are allocated to the profit (or loss) for the year or to other comprehensive income (expense) depending on whether the profit (or loss) to which they relate is recognised in the profit (loss) for the year or in other comprehensive income (expense), respectively.

Share-based payments - IFRS 2

The Group pays additional benefits to senior executives under a closed share-based compensation plan under which Unipol Ordinary shares and UnipolSai Ordinary shares are granted if specific targets are achieved (Performance shares). As laid down by IFRS 2 – Share-based payments, these plans form part of the beneficiaries' remuneration. The charge must be recognised through profit or loss, with a balancing item - for Unipol Ordinary shares only - recognised directly in equity (Reserve arising from equity-settled share-based payment), on the basis of the fair value of the instruments allocated on the grant date, the charge being spread over the period provided for in the scheme.

Earnings per share - IAS 33

Basic earnings per share are calculated by dividing the profit allocated to holders of ordinary shares in the Parent Unipol by the weighted average number of ordinary shares outstanding during the year.
Diluted earnings per share are calculated by dividing the profit allocated to holders of ordinary shares in the Parent Unipol by the weighted average number of any additional ordinary shares that would be outstanding if all the potential ordinary shares with dilutive effect were converted. If the result is negative, the loss (basic and diluted) per share is calculated.

Use of estimates

The application of certain accounting standards implies significant elements of judgment based on estimates and assumptions which are uncertain at the time they are formulated.
It is believed that the assumptions made are appropriate and, therefore, that the financial statements have been drafted clearly and give a true and fair view of the statement of financial position, income statement and statement of cash flows.

In order to formulate reliable estimates and assumptions, reference has been made to past experience, and to other factors considered reasonable for the case in question, based on all available information. However, we cannot exclude that changes in these estimates and assumptions may have a significant effect on the statement of financial position and income statement as well as on the potential assets and liabilities reported in the financial statements for disclosure purposes, if different elements emerge with respect to those considered originally.

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:
a) the primary source is the CBBT price provided by data provider Bloomberg;
b) where the price referred to the previous point is unavailable, an internal scoring model is used, which makes it possible to select liquid and active contributors on the basis of pre-defined parameters.

For UCITS the Net Asset Value is the source used.

Mark to Model valuations

The Group uses valuation methods (Mark to Model) in line with the methods generally used by the market.

The objective of the models used to calculate the fair value is to obtain a value for the financial instrument consistent with the assumptions that market participants would use to quote a price, assumptions that also concern the risk inherent in a particular valuation technique and/or in the inputs used. To ensure the correct Mark to Model valuation of each category of instrument, adequate and consistent valuation models must be defined beforehand as well as reference market parameters.

The list of the main models used within the Unipol Group for Mark to Model pricing of financial instruments is provided below:

Securities and interest rate derivatives:
- Discounted cash flows;
- Black;
- Black-Derman-Toy;
- Hull & White 1, 2 factors;
- Libor Market Model;
- Longstaff & Schwartz;
- Kirk.

Securities and inflation derivatives:
- Discounted cash flows;
- Jarrow-Yildirim.

Securities and share, index and exchange rate derivatives:
- Discounted cash flows;
- Black-Scholes.

Securities and credit derivatives:
- Discounted cash flows;
- Hazard rate models.

The main observable market parameters used to perform Mark to Model valuations are as follows:
- interest rate curves for reference currency;
- interest rate volatility surface for reference currency;
- CDS spread or Asset Swap spread curves of the issuer;
- inflation curves for reference currency;
- reference exchange rates;
- exchange rate volatility surface;
- share or index volatility surface;
- share reference prices;
- reference inflation curves.

The main non-observable market parameters used to perform Mark to Model valuations are as follows:
- correlation matrices between exchange rates and risk factors;
- historical volatility;
- benchmark spread curves constructed to assess bonds of issuers for which the prices of the bonds issued or CDS curves are unavailable;
- credit risk parameters such as the recovery rate;
- delinquency or default rates and prepayment curves for ABS-type financial instruments.

With reference to bonds in those cases when, even on the basis of the results of the Scoring Model, it is not possible to measure an instrument using the Mark to Market method, the fair value is obtained on the basis of Mark to Model type valuations. The different valuation models referred to above are chosen according to the instrument characteristics.

For OTC derivative contracts, the models used are consistent with the risk factor underlying the contract. The fair value of OTC interest rate derivatives and OTC inflation-linked derivatives is calculated on the basis of Mark to Model type valuations, acknowledging the rules set in IFRS 13.
As regards derivatives on which a collateralisation agreement is provided (Credit Support Annex) between the companies of the Unipol Group and the authorised market counterparties, the EONIA (Euro OverNight Index Average) discount curve is used.
As regards uncollateralised derivatives, CVA (Credit Valuation Adjustment) and DVA (Debit Valuation Adjustment) adjustments are made. It should be noted that, at 31 December 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.

The carrying amount is used for other loans.

With reference to properties, the fair value is measured on the basis of the appraisal value provided by independent experts, in compliance with current legal provisions.

Counterparty valuations

For financial assets and liabilities which do not fall into the categories of instruments valued on a Mark to Market basis and for which there are no consistent and validated valuation models available for the purposes of measuring fair value, the valuations provided by the counterparties that could be contacted to liquidate the position are used.

Unique characteristics of the fair value measurement for structured bonds and SPV structured bonds

Bond issues that incorporate a derivative contract which modifies the cash flows generated by the host contract are considered structured bonds. The measurement of structured bonds requires the representation and separate valuation of the host contract and of embedded derivative contracts.
The measurement of structured bonds makes use of models consistent with the breakdown into elementary components (host contract and embedded derivatives) and with the risk factor underlying said contract.

For structured bonds, the valuation of elementary components follows the criteria defined above for the calculation of fair value, which makes provision for use of Mark to Market valuation if available, or of the Mark to Model approach or counterparty price in the case in which the Mark to Market-type price is not available.
Bonds issued by a Special Purpose Vehicle secured by collateral and whose flows paid are generated by an interest rate swap contract in place between the vehicle and the swap counterparty (usually the arranger of the transaction) are considered SPV structured bonds.
The measurement of SPV structured bonds requires the representation and separate valuation of the following elements:

- collateral issue of the vehicle;
- interest rate swap agreement between the vehicle and arranger;
- any other optional components or CDS agreements included in the vehicle.

For SPV structured bonds the valuation of collateral follows the criteria defined previously for the calculation of the fair value, which makes provision for the use of the Mark to Market approach if available, or the Mark to Model approach or the counterparty price in the case in which the Mark to Market type price is not available.
The valuation of the interest rate swap agreement provides for the discounting of future cash flows on the basis of the different discount curves, based on the existence or not of a collateralisation agreement (Credit Support Annex) between the vehicle and swap counterparty. In particular, if the derivative contract is collateralised using available securities included in the SPV's assets, the future cash flows of the interest rate swap agreement are discounted using the EONIA discount curve; while if there is no collateralisation agreement, use is made of CVA (Credit Valuation Adjustment), DVA (Debit Valuation Adjustment) and FVA (Funding Valuation Adjustment), as appropriate.

Criteria for determining the fair value hierarchies

Assets and liabilities measured at fair value are classified on the basis of the hierarchy defined by IFRS 13. This classification establishes a fair value hierarchy based on the degree of discretionary power used, giving priority to the use of observable market parameters, as these are representative of the assumptions that market participants would use in the pricing of assets and liabilities.

Assets and liabilities are classified on the basis of the criterion used to determine fair value (Mark to Market, Mark to Model, Counterparty) and on the basis of the observability of the parameters used, in the case of the Mark to Model valuation:

- Level 1: this category includes assets and liabilities valued on a Mark to Market basis, with CBBT price source and with contributor prices that meet the minimum requirements to ensure that these prices can be used in active markets;
- Level 2: this category includes assets and liabilities valued on a Mark to Market basis, but which cannot be classified in the previous category, and assets the fair value of which is obtained with a consistent pricing model with observable market parameter inputs;
- Level 3: this category includes assets and liabilities for which the variability of the estimate of the pricing model may be significant due to the complexity of the pay-off or, if a consistent and validated model is available, the parameters needed for the valuation are not observable. This category also includes bonds which do not meet the requirements defined in the scoring test (see the paragraph "Mark to Market valuations") and for which a Mark to Model valuation is not possible. Lastly, this category also includes loans and investment property.

Fair value measurement on a recurring basis

Process for fair value measurement on a recurring basis
The measurement of financial instruments is a preliminary activity for risk monitoring, integrated asset and liability management and the drafting of the financial statements for the year.
The fair value measurement of financial instruments on a recurring basis is structured into different stages and is carried out, in compliance with the principles of separateness, independence and responsibility of the departments, at the same time, and independently, by the Finance Department and the Risk Management Department of Unipol Gruppo, using the measurement criteria defined in the previous paragraph.
When the independent valuations of financial assets and liabilities have been carried out by the two Departments involved in the pricing process, a check is performed for significant deviations, which refer to deviations of more than 3% in terms of absolute value. In the event of deviations of more than 3%, the reasons for the differences identified are analysed and, when the outcomes of the comparison are known, the price to be used for financial statement valuation purposes is determined.

Fair value measurement on a recurring basis through non-observable parameters (Level 3)
The classification of financial assets and liabilities at Level 3 adheres to a prudential approach; this category mainly includes the following types of financial instruments:

- unlisted equity instruments or investments for which a market price or an appraisal drafted by an independent expert is not available; valuations are performed on the basis of the methods indicated previously;
- shares in private equity funds, hedge funds and unlisted UCITS units for which information on the financial instruments held in the relative portfolios is not available and which could, as such, include financial instruments valued on a Mark to Model basis using non-observable parameters;
- bonds valued on a Mark to Model basis using non-observable parameters (correlations, benchmark spread curves, recovery rate);
- bonds valued with a counterparty price on a Mark to Model basis using non-observable parameters;
- ABS type bonds for which a Mark to Market valuation is not available;

- derivative instruments valued on a Mark to Model basis using non-observable parameters (correlations, volatility, dividend estimates);
- bonds which do not meet the requirements defined in the scoring test (see the paragraph "Mark to Market valuations") and for which a Mark to Model valuation is not possible.

Fair value measurement on a non-recurring basis in compliance with the disclosure requirements of other standards

Consistent with the provisions of IFRS 13, fair value is measured also for assets and liabilities not measured at fair value on a recurring basis in the statement of financial position and when the disclosure on fair value has to be provided in the Notes to the financial statements in compliance with other international accounting standards. Since these assets and liabilities are usually not exchanged, the calculation of their fair value is based primarily on the use of internal parameters not directly observable on the market. This category mainly includes the following types of financial instruments:

- bond issues valued on a Mark to Market basis (level 1);
- bond issues and loans valued on a Mark to Model basis using non-observable parameters (benchmark spread curves) (level 3);
- short-term payables with a duration of less than 18 months and Certificates of Deposit at amortised cost (level 3);
- impaired loans and receivables from bank customers measured at amortised cost, net of analytical valuations (level 3);
- other receivables valued at carrying amount (level 3);
- investment property valued on the basis of the appraisal value determined by independent experts in compliance with the provisions of the applicable legislation. The approach to assigning appraisal mandates is based on the non-exclusive assignment of assets; there is usually a three-year rotation in the assignment of experts.

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	*variation in amount*
Goodwill	**1,719.3**	**1,630.8**	***88.4***
resulting from business combinations	1,719.1	1,630.7	*88.4*
other	0.2	0.2	
Other intangible assets	**541.3**	**450.0**	***91.4***
portfolios acquired under business combinations	24.1	38.2	*(14.1)*
software and user licences	482.5	392.1	*90.5*
other intangible assets	34.7	19.7	*14.9*
Total intangible assets	**2,260.6**	**2,080.8**	***179.8***

1.1 Goodwill

At 31 December 2022, the item amounted to €1,719.3m (of which €1,397.4m relating to the Non-Life business and €321.9m 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 Unipol'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

The item, totalling €541.3m (€450m in 2021), is composed primarily of costs incurred for purchasing software, licences, consultancy and the customisation of software programmes for €482.5m (€392.1m in 2021), the residual value of the Life and Non-Life portfolios acquired as a result of business combinations for €24.1m (€38.2m in 2021) and other intangible assets for €34.7m (€19.7m at 31/12/2021).

In relation to the item Portfolios acquired under business combinations, the decrease with respect to 31 December 2021, amounting to €14.1m, is due to amortisation for the year, of which €6.2m on the values related to the Non-Life portfolio (€13.6m at 31/12/2021) and €7.9m to the Life portfolio (€9.6m at 31/12/2021).

2. Property, plant and equipment

At 31 December 2022, Property, plant and equipment, net of accumulated depreciation, amounted to €2,861.6m (€2,514.7m in 2021), of which €1,569.9m for Properties for own use (€1,584m in 2021) and €1,291.7m for Other tangible assets (€930.7m in 2021).

Properties for own use

Amounts in €m	Gross carrying amount	Accumulated depreciation	Net carrying amount
Balance at 31/12/2021	**2,044.0**	**(460.0)**	**1,584.0**
Increases	43.9		43.9
Decreases	(15.4)		(15.4)
Depreciation for the year		(44.9)	(44.9)
Other changes in provisions		2.4	2.4
Balance at 31/12/2022	**2,072.5**	**(502.5)**	**1,569.9**

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, €1,817.3m, was based on independent expert appraisals.

Other tangible assets

Amounts in €m	Office furniture and machines	Movable assets entered in public Registers	Plant and equipment	Other tangible assets	Total
Balance at 31/12/2021	**420.4**	**1,178.5**	**401.7**	**21.0**	**2,021.6**
Increases	30.0	557.2	42.2	18.1	647.6
Decreases	(9.4)	(153.7)	(16.2)	(3.5)	(182.8)
Balance at 31/12/2022	**440.9**	**1,582.1**	**427.8**	**35.6**	**2,486.4**
Accumulated depreciation at 31/12/2021	**342.6**	**502.2**	**246.0**	**0.0**	**1,090.8**
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	**354.8**	**572.0**	**267.8**	**0.0**	**1,194.7**
Net amount at 31/12/2021	**77.7**	**676.3**	**155.7**	**20.9**	**930.7**
Net amount at 31/12/2022	**86.1**	**1,010.1**	**159.9**	**35.5**	**1,291.7**

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 the item at 31 December 2022 amounted to €761.6m (€831.3m in 2021). 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 €59,991.3m (€68,169m in 2021), broken down as follows:

Amounts in €m	**31/12/2022**	% comp.	31/12/2021	% comp.	% var.
Investment property	**2,282.2**	*3.8*	**2,072.5**	*3.0*	*10.1*
Investments in subsidiaries, associates and interests in joint ventures	**1,607.7**	*2.7*	**1,304.4**	*1.9*	*23.3*
Financial assets (excl. those at fair value through profit or loss)	**47,315.9**	*78.9*	**56,447.6**	*82.8*	*(16.2)*
Held-to-maturity investments	*365.7*	0.6	*366.7*	0.5	(0.3)
Loans and receivables	*4,684.1*	7.8	*4,754.0*	7.0	(1.5)
Financial assets at amortised cost			*357.2*	0.5	(100.0)
Available-for-sale financial assets	*41,029.8*	68.4	*50,194.4*	73.6	(18.3)
Financial assets at fair value through OCI	*828.9*	1.4	*494.6*	0.7	67.6
Held-for-trading financial assets	*333.7*	0.6	*229.5*	0.3	45.4
Financial assets mandatorily at fair value	*73.7*	0.1	*51.2*	0.1	44.1
Financial assets at fair value through profit or loss	**8,785.5**	***14.6***	**8,344.5**	***12.2***	**5.3**
Total Investments	**59,991.3**	***100.0***	**68,169.0**	***100.0***	***(12.0)***

Note that the cancellation of the item Financial assets at amortised cost is due to the sale en bloc of the non-performing loan portfolio finalised by UnipolReC in December 2022

4.1 Investment property

Amounts in €m	Gross carrying amount	Accumulated depreciation	**Net carrying amount**
Balance at 31/12/2021	**2,424.0**	**(351.5)**	**2,072.5**
Increases	274.9		274.9
Decreases	(29.0)		(29.0)
Trasfers to other categories	12.5		12.5
Depreciation for the year		(51.1)	(51.1)
Other changes in provisions		2.4	2.4
Balance at 31/12/2022	**2,682.4**	**(400.2)**	**2,282.2**

The increases refer primarily to purchases and incremental expenses. The decreases include write-downs for €22m.

The current value of Investment property, €2,644.5m, 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 €1,607.7m (€1,304.4m in 2021). The item includes the interest in the associate BPER Banca for €1,516.2m (€1,207.9m at 31/12/2021).

Financial assets - items 4.3, 4.4, 4.4bis, 4.5, 4.5bis 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**	0.6	***(0.3)***
Listed debt securities	365.7		366.7		*(0.3)*
Unlisted debt securities	(0.0)		(0.0)		*(0.0)*
Loans and receivables	**4,684.1**	9.9	**4,754.0**	8.4	***(1.5)***
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	622.5		629.3		*(1.1)*
Financial assets at amortised cost			**357.2**	0.6	***(100.0)***
Loans and receivables from bank customers			357.2		*(100.0)*
Available-for-sale financial assets	**41,029.8**	86.7	**50,194.4**	88.9	***(18.3)***
Equity instruments at cost	4.5		4.4		*1.4*
Listed equity instruments at fair value	1,633.9		1,244.3		*31.3*
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*
Financial assets at fair value through OCI	**828.9**	1.8	**494.6**	0.9	***67.6***
Listed equity instruments at fair value	178.7		195.8		*(8.7)*
Listed debt securities	650.2		298.7		*117.7*
Held-for-trading financial assets	**333.7**	0.7	**229.5**	0.4	***45.4***
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	281.3		146.9		*91.6*
Financial assets at fair value through profit or loss	**73.7**	0.2	**51.2**	0.1	***44.1***
Listed debt securities	14.6		18.1		*(19.4)*
UCITS units	59.1		33.1		*78.8*
Total financial assets	**47,315.9**	100.0	**56,447.6**	100.0	***(16.2)***

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)*

The information required by paragraphs 12 and 12A of IFRS 7 is contained in the appendix "Details of reclassified financial assets and their effects on the income statement and comprehensive income statement".

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**	31/12/2021	*% var.*
Receivables relating to direct insurance business	1,416.2	1,398.0	*1.3*
Receivables relating to reinsurance business	191.7	204.5	*(6.3)*
Other receivables	1,930.9	1,830.4	*5.5*
Total sundry receivables	**3,538.8**	**3,432.9**	***3.1***

The item Other receivables included:
- tax receivables amounting to €963.3m (€780.7m at 31/12/2021);
- substitute tax receivables on the mathematical provisions totalling €384.5m (€350.6m at 31/12/2021);
- trade receivables amounting to €254.5m (€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**	31/12/2021	*% var.*
Non-current assets or assets of a disposal group held for sale	532.5	132.6	*n.s.*
Deferred acquisition costs	102.1	100.1	*2.0*
Deferred tax assets	1,171.3	427.0	*174.3*
Current tax assets	37.1	9.6	*n.s.*
Other assets	1,484.2	621.4	*138.8*
Total other assets	**3,327.2**	**1,290.8**	***157.8***

Deferred tax assets are shown net of the compensation carried out, pursuant to IAS 12, with the corresponding taxes (IRES or IRAP) recorded in deferred tax liabilities.

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 €1,798.1m (€1,938.9m at 31/12/2021).

LIABILITIES

1. Shareholders' equity

At 31 December 2022, Shareholders' equity amounted to €7,662.3m (€9,721.5m at 31/12/2021), recording a decrease in Shareholders' equity attributable to the owners of the Parent (-€1,649.6m) and in non-controlling interests (-€409.6m).

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	*variation in amount*
Share capital	3,365.3	3,365.3	
Capital reserves	1,639.4	1,639.4	
Income-related and other equity reserves	1,457.9	1,054.9	403.0
(Treasury shares)	(5.5)	(1.1)	(4.4)
Reserve for foreign currency translation differences	3.5	3.3	0.1
Gains/losses on available-for-sale financial assets	(922.5)	1,138.6	(2,061.1)
Gains/losses on financial assets at fair value through OCI	(14.8)	20.0	(34.9)
Other gains or losses recognised directly in equity	(75.9)	(67.0)	(8.9)
Profit (loss) for the year	683.0	626.6	56.5
Total shareholders' equity attributable to the owners of the Parent	**6,130.4**	**7,780.0**	**(1,649.6)**

At 31 December 2022, the Parent Unipol's share capital amounted to €3,365.3m, fully paid-up, and was made up of 717,473,508 ordinary shares (unchanged compared to 31/12/2021).

Movements in shareholders' equity recognised during the year, compared to 31 December 2021, are set out in the Statement of changes in shareholders' equity. The main changes were as follows:

- a decrease due to dividend distribution for €214.9m;
- a decrease of €2,096m as a result of the decrease in the provisions for gains and losses on available-for-sale financial assets and on financial assets at fair value through other comprehensive income;
- a decrease of €32.1m due to the effects of recognition of financial liabilities commensurate with the current value of the exercise price of put options granted to the holders of non-controlling interests in a number of subsidiaries;
- an increase of €683m in profit for 2022.

1.2 Shareholders' equity attributable to non-controlling interests

The Shareholders' equity attributable to non-controlling interests amounted to €1,531.9.m (€1,941.5m at 31/12/2021), composed of one perpetual regulatory capital instrument (Restricted Tier 1) for €496.2m issued by UnipolSai in 2020. The main changes over the year were as follows:

- a decrease of €105.7m for payment of dividends to third parties;
- a decrease due to remuneration, net of relative tax benefits, of the perpetual regulatory capital instrument for €24.5m;
- a decrease of €415.8m as a result of the decrease in the provision for gains and losses on available-for-sale financial assets attributable to non-controlling interests;
- a decrease of €45.9m due to the change in equity investments in subsidiaries and associates;
- an increase of €182.9m as profit attributable to non-controlling interests, including expected remuneration (net of related tax effect) referring to Restricted Tier 1 noteholders for €24.5m.

Treasury shares or quotas

At 31 December 2022, the treasury shares held by Unipol and its subsidiaries totalled 1,129,432 (279,298 at 31/12/2021), of which 477,543 shares held directly and 651,889 held by the following subsidiaries:

- UnipolSai Assicurazioni held 549,000;
- SIAT held 28,748;
- UniSalute held 22,733;
- Unipol*Rental* held 20,910;
- Linear Assicurazioni held 14,743;
- Leithà held 8,873;
- Arca Vita held 4,059;
- UnipolAssistance held 2,823.

During the year, in execution of the Compensation plans based on financial instruments, 1,700,000 Unipol ordinary shares were purchased and 849,866 were allocated to Executives of the Unipol Group.

2. Provisions

The item "Provisions" totalled €634.6m at 31 December 2022 (€446.9m at 31/12/2021) and mainly consisted of provisions for litigation, various disputes, charges relating to the sales network, provisions for remuneration policies and employee leaving incentives.

Ongoing disputes and contingent liabilities

Relations with the Tax Authorities

Unipol
The IRES and IRAP tax dispute for 2005 and 2006 tax periods of the former Aurora Assicurazioni, merged by incorporation in 2007 and pertaining mostly to findings relating to specific insurance provisions, which was pending before the Court of Cassation, received a judgment in favour of the company in January 2023 with referral in relation to the grounds upheld in second instance by the Lombardy Court of Justice.

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.

Commitments deriving from the sale of Unipol Banca

As part of arrangements relating to the sale to BPER Banca of the entire equity investment in Unipol Banca, Unipol Gruppo and UnipolSai committed, inter alia, to indemnifying BPER Banca - on a pro-rata basis in relation to the interest transferred - for losses deriving from specifically identified dispute counterclaims of the Unipol Banca Group outstanding at 31 March 2019 (the "Losses from Dispute Counterclaims"), provided that such losses are effectively and definitively incurred and within the limits and to the extent they exceed, net of tax relief, the related provisions specifically allocated in the consolidated statement of financial position of the Unipol Banca Group at 31 March 2019 (€10m). Similarly, the acquirer BPER is committed to paying an amount to the sellers for any excess of the aforementioned provisions over and above the Losses from Dispute Counterclaims. Provisions deemed suitable were allocated against the commitments described above.

Commitments deriving from the sale of a non-performing loan portfolio by UnipolReC to AMCO

The agreement for the sale to AMCO of the entire portfolio of non-performing loans held by UnipolReC, finalised in 2022, envisages the release by UnipolReC of specific declarations and guarantees relating to the loans sold, as well as the assumption of related indemnity obligations, in line with market practices for comparable transactions.
The declarations and guarantees provided by UnipolReC under the aforementioned contract have the following characteristics:
i. will expire after 18 months from the date of sale of the loans (14 December 2022);
ii. are considered the sole remedy in relations between the Parties and therefore exclude the application of additional or different remedial action.
Provisions deemed suitable were allocated against the commitments described above.

3. Technical provisions

Amounts in €m	**31/12/2022**	31/12/2021	*% var.*
Non-Life premium provisions	3,149.7	3,375.5	
Non-Life claims provisions	11,358.8	11,312.6	
Other Non-Life technical provisions	29.1	26.9	
Total Non-life provisions	**14,537.5**	**14,714.9**	***(1.2)***
Life mathematical provisions	36,827.7	35,787.4	
Provisions for amounts payable (Life business)	324.4	337.1	
Technical provisions where the investment risk is borne by policyholders and arising from pension fund management	2,116.9	2,445.8	
Other Life technical provisions	(2,040.4)	3,843.1	
Total life provisions	**37,228.7**	**42,413.4**	***(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 at 31 December 2022 amounted to €11,587m (€10,770.8m at 31/12/2021).

4.1 Financial liabilities at fair value through profit or loss

This item, which amounted to €6,839.1m (€6,356.9m at 31/12/2021), is broken down as follows:
- Held-for-trading financial liabilities totalled €154.5m (€445.9m 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 Financial liabilities at amortised cost

Amounts in €m	**31/12/2022**	31/12/2021	*% var.*
Subordinated liabilities	1,367.2	1,446.1	*(5.5)*
Deposits received from reinsurers	131.9	130.5	*1.0*
Debt securities issued	2,457.7	2,515.1	*(2.3)*
Other loans obtained	789.2	321.6	*145.4*
Sundry financial liabilities	1.2	0.6	*104.1*
Total financial liabilities at amortised cost	**4,747.9**	**4,413.9**	***7.6***

Details of **Subordinated liabilities** are shown in the table below:

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

(*) 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

Subordinated liabilities of the Group at 31 December 2022 were €1,367.1m (€1,446.1m at 31/12/2021).

At 31 December 2022, **Debt securities issued by Unipol**, net of intragroup subscriptions, totalled €2,457.7m (€2,515.1m at 31/12/2021) and related to three senior bonds listed on the Luxembourg Stock Exchange, with a total nominal value of €2,437.5m:

- €1,000m nominal value, 3% fixed rate, 10-year duration, maturity in 2025;
- €500m nominal value, 3.5% fixed rate, 10-year duration, maturity in 2027;
- €937.5m nominal value, 3.25% fixed rate, 10 year duration, maturity in 2030.

Other loans obtained totalled €789.2m (€321.6m at 31/12/2021) and were composed of:

- 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**	31/12/2021	% var.
Payables arising from direct insurance business	**198.1**	**187.6**	***5.6***
Payables arising from reinsurance business	**143.7**	**104.5**	***37.6***
Other payables	**1,138.2**	**803.5**	***41.6***
Policyholders' tax due	161.3	159.9	*0.9*
Sundry tax payables	42.4	120.5	*(64.9)*
Trade payables	464.1	318.5	*45.7*
Post-employment benefits	46.2	52.6	*(12.1)*
Social security charges payable	44.3	39.3	*12.8*
Sundry payables	379.9	112.7	*n.s.*
Total payables	**1,480.0**	**1,095.5**	***35.1***

6. Other liabilities

Amounts in €m	**31/12/2022**	31/12/2021	% var.
Current tax liabilities	13.3	40.3	*(66.9)*
Deferred tax liabilities	0.8	115.3	*(99.3)*
Liabilities associated with disposal groups held for sale	388.0	3.1	*n.s.*
Commissions on premiums under collection	103.5	101.2	*2.2*
Deferred commission income	13.5	10.4	*30.2*
Accrued expense and deferred income	63.0	85.2	*(26.1)*
Other liabilities	827.3	739.8	*11.8*
Total other liabilities	**1,409.3**	**1,095.4**	*28.7*

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.

For 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 Net gains on financial instruments at fair value through profit or loss

Amounts in €m	**31/12/2022**	31/12/2021	*% var.*
Net gains/losses:			
on held-for trading financial assets	61.7	116.8	*n.s.*
on held-for trading financial liabilities	0.0	0.1	*(21.8)*
on other financial assets mandatorily at fair value	(19.8)	23.3	*(184.9)*
on financial assets/liabilities at fair value through profit or loss	(374.7)	72.2	*n.s.*
Total net gains/losses	**(332.7)**	**212.4**	***n.s.***

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

These amounted to €348.2m (€152.6m at 31/12/2021) and include income of €288m deriving from the consolidation with the equity method of BPER Banca, in turn attributable for €165.6m to the badwill originating from the acquisition of CARIGE and for €40.7m to the change in the Unipol Group's interest in BPER Banca. Note that the figure at 31 December 2021 included €154.7m deriving from the pro-rata consolidation of the results of BPER Banca, influenced by the badwill recognised on the acquisition of former UBI Banca and Intesa Sanpaolo business branches.

1.5 Gains on other financial instruments and investment property

Amounts in €m	**31/12/2022**	31/12/2021	% var.
Interests	**1,544.9**	**1,386.8**	**11.4**
on held-to-maturity investments	15.9	17.3	*(8.1)*
on loans and receivables	174.5	125.2	*39.4*
on financial assets at amortised cost	6.3	18.1	*(65.1)*
on available-for-sale financial assets	1,292.3	1,213.6	*6.5*
on financial assets at fair value through OCI	25.4	7.7	*n.s.*
on sundry receivables	23.1	4.0	*n.s.*
on cash and cash equivalents	7.4	0.9	*n.s.*
Other income	**344.8**	**231.4**	**49.0**
from investment property	82.8	69.9	*18.4*
from available-for-sale financial assets	253.2	157.2	*61.1*
from financial assets at fair value through OCI	8.8	4.3	*103.5*
Realised gains	**487.5**	**270.7**	**80.1**
on investment property	2.4	73.8	*(96.8)*
on loans and receivables	35.4	0.5	*n.s.*
on financial assets at amortised cost	14.2	31.5	*(55.0)*
on available-for-sale financial assets	428.9	164.2	*161.2*
on financial assets at fair value through OCI	0.7	0.6	*11.8*
Unrealised gains and reversals of impairment losses	**2.1**	**22.0**	**(90.3)**
on investment property			
on available-for-sale financial assets	0.1	19.3	*(99.3)*
on financial assets at fair value through OCI	0.1	0.6	*(84.2)*
on other financial liabilities	1.9	2.0	*(5.3)*
Total item 1.5	**2,379.3**	**1,910.8**	**24.5**

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	56.9	45.4	*25.3*
Extraordinary gains	16.8	34.2	*(50.8)*
Other income	1,036.1	779.6	*32.9*
Total other revenue	**1,174.4**	**937.8**	**25.2**

The significant increase of €256.5m (+32.9%) in the sub-item Other income was mainly due to 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	56.2	7.2	*n.s.*
Total commission expense	**89.7**	**37.4**	***139.9***

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

At 31 December 2022 these totalled €0.3m (€1.6m at 31/12/2021).

2.4 Losses on other financial instruments and investment property

Amounts in €m	**31/12/2022**	31/12/2021	*% var.*
Interests:	**156.7**	**160.8**	***(2.6)***
on loans and receivables	0.1	0.1	*91.7*
on other financial liabilities	154.8	159.4	*(2.9)*
on payables	1.8	1.4	*27.0*
Other charges:	**38.7**	**35.1**	***10.2***
from investment property	25.2	24.8	*1.8*
from available-for-sale financial assets	5.2	2.1	*152.0*
from financial assets at fair value through OCI	0.1	0.2	*(61.2)*
from other financial liabilities	8.0	7.9	*1.5*
from sundry payables	0.1	0.2	*(5.9)*
Realised losses:	**461.2**	**125.1**	***n.s.***
on investment property	6.4	0.6	*n.s.*
on loans and receivables	34.5	0.4	*n.s.*
on financial assets at amortised cost	48.4	8.9	*n.s.*
on available-for-sale financial assets	371.6	114.8	*n.s.*
on financial assets at fair value through OCI	0.3	0.5	*(40.2)*
Unrealised losses and impairment losses:	**350.1**	**287.7**	***21.7***
on investment property	73.1	92.2	*(20.7)*
on financial assets at amortised cost	7.5	25.8	*(71.0)*
on available-for-sale financial assets	267.8	167.1	*60.3*
on financial assets at fair value through OCI	1.8	0.2	*n.s.*
on other financial liabilities	(0.1)	2.5	*(104.1)*
Total item 2.4	**1,006.7**	**608.8**	***65.4***

Interest on other financial liabilities amounting to €154.8m relates in particular to interest expense accrued on bonds issued by Group companies (subordinated and non-subordinated). At 31 December 2021, they amounted to €159.4m.
At 31 December 2022 the Unrealised losses and impairment losses totalled €350.1m (€287.7m in 2021), including write-downs due to impairment of financial instruments recognised as Available-for-sale assets (shares and UCITS) for €11.7m (€7.1m at 31/12/2021), negative changes in fair value on available-for-sale assets with derivative hedging for €256.1m (€160m at 31/12/2021), write-downs on investment property for €22m (€42.5m at 31/12/2021), carried out on the basis of updated valuations by independent experts, and investment property depreciation for €51.1m (€49.7m in 2021).

2.5 Operating expenses

Amounts in €m	**31/12/2022**	*% comp.*	31/12/2021	*% comp.*	*% var.*
Insurance sector	2,572.5	*91.4*	2,476.5	*92.9*	*3.9*
Holding and Other Businesses Sector	230.9	*8.2*	176.1	*6.6*	*31.1*
Real Estate Sector	38.2	*1.4*	34.9	*1.3*	*9.5*
Intersegment eliminations	(27.4)	*(1.0)*	(21.6)	*(0.8)*	*26.9*
Total operating expenses	**2,814.2**	***100.0***	**2,665.9**	***100.0***	***5.6***

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)*
Changes 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	1,101.3	774.4	*42.2*
Total other costs	**1,364.2**	**1,064.0**	***28.2***

The significant increase of €326.9m (+42.2%) in the sub-item Other charges was mainly due to 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	**3.6**	**22.1**	**25.7**	**166.0**	**55.0**	**221.0**
Deferred tax assets and liabilities:	**180.6**	**36.3**	**216.9**	**(69.3)**	**2.8**	**(66.4)**
Use of deferred tax assets	170.9	14.6	185.5	162.7	15.5	178.3
Use of deferred tax liabilities	(15.5)	(0.0)	(15.6)	(25.5)	(1.1)	(26.6)
Provisions for deferred tax assets	(136.6)	(22.5)	(159.1)	(274.2)	(30.0)	(304.2)
Provisions for deferred tax liabilities	161.9	44.2	206.0	67.6	18.5	86.1
Total	**184.2**	**58.4**	**242.6**	**96.7**	**57.8**	**154.6**

Against pre-tax profit of €1,108.5m, taxes for the period of €242.6m were recorded. The overall tax rate was 21.9% (16.3% at 31/12/2021, due to the benefit of €94.3m deriving from the realignment of tax values pursuant to Decree Law 104/2020). Note that the total net tax expense benefitted for €16.4m from tax adjustments pertaining to previous years (€12.6m 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.

	31/12/2022			31/12/2021		
Amounts in €m	Total	Ires/Corp. tax	Irap	Total	Ires/Corp. tax	Irap
DEFERRED TAX ASSETS						
Intangible assets and property, plant and equipment	291.2	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	745.7	588.3	157.4	272.7	199.1	73.6
Sundry receivables and other assets	100.6	89.9	10.8	126.3	115.9	10.5
Provisions	269.9	239.3	30.6	205.1	189.4	15.7
Technical provisions	47.2	46.7	0.5	837.4	661.0	176.5
Financial liabilities	6.6	4.2	2.4	0.0		0.0
Payables and other liabilities	11.5	10.8	0.7	13.4	12.7	0.7
Other deferred tax assets	293.3	292.6	0.7	334.9	331.4	3.5
Netting as required by IAS 12	(788.1)	(625.0)	(163.2)	(1,888.0)	(1,556.8)	(331.2)
Total deferred tax assets	**1,171.3**	**1,078.7**	**92.6**	**427.0**	**421.1**	**6.0**
DEFERRED TAX LIABILITIES						
Intangible assets and property, plant and equipment	135.4	112.9	22.5	140.4	113.3	27.0
Investment property	8.5	5.2	3.3	17.7	15.0	2.7
Financial instruments	122.8	100.2	22.7	1,667.8	1,307.0	360.9
Sundry receivables and other assets	0.6	0.6				
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	8.0	7.5	0.5	9.3	8.9	0.5
Netting as required by IAS 12	(788.1)	(625.0)	(163.2)	(1,888.0)	(1,556.8)	(331.2)
Total deferred tax liabilities	**0.8**	**0.0**	**0.8**	**115.3**	**5.9**	**109.4**

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: Financial instruments (D)	Related amounts not subject to offsetting in the financial statements: Cash deposits received as guarantees (E)	**Net total (F)=(C)-(D)-(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**

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: Financial instruments (D)	Related amounts not subject to offsetting in the financial statements: Cash deposits given as guarantees (E)	**Net total (F)=(C)-(D)-(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 offsetting agreements and any cash deposits given or received as guarantee.

(2) The amounts indicated include the financial receivable/payable relating to the repurchase agreement and the value of the financial asset involved in the forward purchase.

5.3 Earnings/(loss) per share

Amounts in €m	**31/12/2022**	31/12/2021
Profit/loss allocated to ordinary shares (€m)	683.0	626.6
Weighted average of shares outstanding during the year (no./m)	715.3	716.1
Basic and diluted earnings (loss) per share (€ per share)	**0.95**	**0.87**

5.4 Dividends

In view of the profit for the year made by the Parent Unipol at 31 December 2021 of €335.1m (as shown in the financial statements drawn up in accordance with Italian GAAP), the Shareholders' Meeting of Unipol held on 28 April 2022 resolved on the distribution of dividends totalling around €215m (of which €0.2m paid to Group companies), corresponding to €0.30 per share, taking account of treasury shares.

The Shareholders' Meeting also set the dividend payment date for 25 May 2022 (ex-dividend date 23/5/2022 and record date 24/5/2022).

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

At 31 December 2022, reclassifications carried out in application of IFRS 5 to item 6.1 of Assets amounted to €532.5m, of which €432.8m relating to assets held by the subsidiary Incontra Assicurazioni and €99.7m relating to properties held for sale (€132.5m at 31/12/2021, of which €0.5m referred to assets held by the subsidiary Consorzio Castello and €131.9m 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 disposal groups classified as held for sale

		Incontra Assicurazioni	Real estate	Total reclass. IFRS 5
	Amounts in €m	**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 receiv ables	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 operations	5.0		5.0
5.2	Receivables relating to reinsurance operations	4.1		4.1
5.3	Other receiv ables	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
7	**CASH AND CASH EQUIVALENTS**	**4.4**		**4.4**
NON-CURRENT ASSETS OR ASSETS OF A DISPOSAL GROUP HELD FOR SALE		**432.8**	**99.7**	**532.5**

Liabilities associated with disposal groups held for sale

		Incontra Assicurazioni	Real estate	Total reclass. IFRS 5
	Amounts in €m	**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

Unipol Gruppo provides the following services to the subsidiary UnipolReC:
- Governance (services supporting internal control, risk management and compliance);
- Anti-money laundering and Anti-terrorism.

UnipolSai Assicurazioni provides the following services to companies of the Group:
- Governance (services supporting internal control, risk management, compliance and the Actuarial Function Validation);
- Finance;
- Innovation;
- Communications and Media Relations;
- Anti-money laundering and Anti-terrorism;
- 231 support;
- Institutional Relations;
- Assessment of investments;
- Human resources and industrial relations (personnel administration, external selection, development and remuneration systems, welfare initiatives, personnel management, trade union relations, employee disputes, employee welfare, safety);
- Organisation;
- Training;
- Legal and corporate (corporate affairs, group legal register management, anti-fraud, institutional response, legal insurance consulting, privacy consulting and support, general legal and disputes, corporate legal, complaints, management of investments);
- Claims settlement;
- Insurance (distribution network regulations, MV portfolio management, reinsurance, product marketing, MV tariff setting, development and maintenance of MV products, general class tariff setting, development and maintenance of general class products, technical actuarial coordination, Life bancassurance);
- 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.

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

It should be noted that, in accordance with Art. 2497 et seq. of the Italian Civil Code, none of the shareholders of the Parent Unipol exercises management and coordination activities over the Company.

Tax regime for taxation of group income (so-called "tax consolidation")

The Parent Unipol exercised the Group joint tax consolidation option governed by Title II, Chapter II, Section II of Italian Presidential Decree 917/86 (the Consolidated Income Tax Act, Articles 117 et seq.) as consolidating entity, jointly with the companies belonging to the Unipol Group meeting the established regulatory requirements over time. The option has a three-year duration and is renewed automatically unless cancelled.

Unipol VAT Group

Unipol Gruppo and the subsidiaries for which there are economic, financial and organisational restrictions exercised the option of establishment of the Unipol VAT Group pursuant to Art. 70-bis et seq. of Italian Presidential Decree no. 633/1972 and Ministerial Decree of 6 April 2018. Initially valid for the three-year period 2019-2021, the option renews each year until cancelled.

The following table shows transactions with related parties (associates and others) carried out during 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 to perform transactions with related parties, adopted pursuant to Consob Regulation no. 17221 of 12 March 2010, as amended, also includes some counterparties that are included, on a voluntary basis, pursuant to Art. 4 thereof, including the company Coop Alleanza 3.0 Società Cooperativa (shown, together with other items, in the following table under item "Others").

Transactions with subsidiaries have not been recognised since in drawing up the Consolidated Financial Statements transactions among Group companies consolidated using the line-by-line method have been eliminated as part of the normal consolidation process.

Information on transactions with related parties

Amounts in €m	Associates	Others	**Total**	*% inc. (1)*	*% inc. (2)*
Loans and receivables	38.6		38.6	*0.1*	*2.0*
Available-for-sale financial assets	37.3		37.3	*0.1*	*1.9*
Financial assets at fair value through OCI	3.2		3.2	*0.0*	*0.2*
Sundry receivables	108.8	0.1	109.0	*0.1*	*5.6*
Other assets	11.8	0.3	12.7	*0.0*	*0.7*
Cash and cash equivalents	1,652.3		1,652.3	*2.2*	*85.1*
Total assets	**1,852.0**	**0.3**	**188.1**	***0.3***	***9.7***
Other financial liabilities	9.0		9.0	*0.0*	*0.5*
Sundry payables	76.3	0.0	76.3	*0.1*	*3.9*
Other liabilities	3.5		3.5	*0.0*	*0.2*
Total liabilities	**88.9**	**0.0**	**88.9**	***0.1***	***4.6***
Commission income	3.6		3.6	*0.0*	*0.2*
Gains on other financial instruments and investment property	15.2		15.2	*0.0*	*0.8*
Other revenue	1.4		1.4	*0.0*	*0.1*
Total revenue and income	**20.3**		**20.3**	***2.3***	***1.0***
Net charges relating to claims	2.2		2.2	*0.3*	*0.1*
Commission expense	19.4		19.4	*2.2*	*1.0*
Losses on other financial instruments and investment property	0.1		0.1	*0.0*	*0.0*
Operating expenses	289.5	0.6	291.4	*33.7*	*15.0*
Other costs	43.2		43.2	*5.0*	*2.2*
Total costs and expenses	**354.5**	**0.6**	**334.8**	***38.7***	***17.2***

(1) Percentage based on total assets in the consolidated statement of financial position recognised under shareholders' equity, and on pre-tax profit/(loss) for income statement items.

(2) Percentage on total net cash flow from operating activities mentioned in the statement of cash flows.

Loans and receivables with associates 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 and Financial assets at fair value through other comprehensive income from associates and others relate to the subscription of listed debt securities issued by BPER Banca and subscribed by Group companies.
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 Financial liabilities at amortised cost related to mortgages disbursed by BPER Banca to Group companies.

Sundry payables included 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 refer to invoices to be received from associates.
Commission income referred to commissions recognised by BPER Banca for the placement of banking products.
Gains on other financial instruments and investment property related to 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 (€32.8m).
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 Unipol Group companies paid in the course of 2022 to Unipol Group employee and executive pension funds amounted to €21m.

Remuneration for 2022 due to the Directors, Statutory Auditors and Key Managers of the Parent for carrying out their duties in Unipol and in other consolidated companies amounted to €17.0m, details of which are as follows:

Amounts in €m	Amounts in €m
Directors and General Manager	11.7
Statutory auditors	0.5
Other Key Managers	4.8 (*)

(*) mainly includes compensation of employees.

The remuneration of the General Manager and the Key Managers relating to benefits granted under the share-based compensation plans (performance shares), is duly represented in the Remuneration Report, prepared according to Art. 123-*ter* of the Consolidated Law on Finance and made available, pursuant to current regulations, on the Company website.
The values of the remuneration indicated in the table above include the portion pertaining to the period of the loyalty bonus and stability agreements due to Key Managers accrued in 2022, equal to €0.9m, net of the relative social security contributions.
Also note that during the year loyalty bonuses were paid for a total of €8.5m to the Key Managers, almost exclusively accrued in previous years and allocated to a dedicated provision for risks and charges.
Taking into account the payments made during the year, the residual amount relative to loyalty bonuses and stability agreements, to be paid to Managers on achieving the targets stated in the Group Remuneration Policies, recognised in the balance sheet liabilities, amounted to €38.3m at 31 December 2022, including the relative social security contributions.
In 2022 the companies in the Group paid Unipol and UnipolSai the sum of €1.9m as remuneration for the activities carried out by the Chairman, the Chief Executive Officer, the General Manager and the Key Managers, eliminated during the consolidation process.

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 Unipol Group.

Fair value measurement on a 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	2022	2021	2022	2021	2022	2021	2022	2021
Assets and liabilities at fair value on a recurring basis								
Available-for-sale financial assets	37,191.6	47,076.1	377.8	403.6	3,460.3	2,714.7	41,029.8	50,194.4
Financial assets at fair value through OCI	828.9	494.6					828.9	494.6
Financial assets at fair value through profit or loss:								
- held for trading	59.4	95.6	215.4	130.2	58.9	3.8	333.7	229.5
- at fair value through profit or loss	8,692.5	8,292.7			93.0	51.8	8,785.5	8,344.5
- mandatorily at fair value	73.7	51.1			0.0	0.1	73.7	51.2
Total assets at fair value on a recurring basis	***46,846.2***	***56,010.1***	***593.2***	***533.8***	***3,612.2***	***2,770.3***	***51,051.6***	***59,314.2***
Financial liabilities at fair value through profit or loss:								
- held for trading	7.1	13.0	142.3	401.6	5.1	31.3	154.5	445.9
- at fair value through profit or loss					6,684.6	5,911.0	6,684.6	5,911.0
Total liabilities at fair value on a recurring basis	***7.1***	***13.0***	***142.3***	***401.6***	***6,689.7***	***5,942.3***	***6,839.1***	***6,356.9***

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 OCI	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	at fair value through profit or loss	mandatorily at fair value				held for trading	at fair value through profit or loss
Opening balance	**2,714.7**		**3.8**	**51.8**	**0.1**				**31.3**	**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	(0.0)				1.7	
- of which unrealised gains/losses			*0.3*	*2.1*	*(0.0)*				*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)					(24.1)	773.6
Closing balance	**3,460.3**		**58.9**	**93.0**	**0.0**				**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 measurement on a non-recurring basis

IFRS 13 governs fair value measurement and the associated disclosure also for assets and liabilities not measured at fair value on a recurring basis.
For these assets and liabilities, fair value is calculated only for the purpose of market disclosure requirements. Furthermore, since these assets and liabilities are not typically traded, their fair value is largely based on the use of internal parameters that cannot be directly observed in the market, with the sole exception of listed securities classified as Held-to-maturity investments.

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

			Fair value							
	Carrying amount		Level 1		Level 2		Level 3		Total	
Amounts in €m	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	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	4,684.1	4,754.0			2,897.3	3,336.8	1,253.8	1,417.3	4,151.2	4,754.0
Financial assets at amortised cost		357.2						357.2		357.2
Investments in subsidiaries, associates and interests in joint ventures	1,607.7	1,304.4	823.8	750.9			91.5	96.5	915.3	847.4
Investment property	2,282.2	2,072.5					2,644.5	2,363.2	2,644.5	2,363.2
Property, plant and equipment	2,861.6	2,514.7					3,109.0	2,692.9	3,109.0	2,692.9
Total assets	**11,784.8**	**11,369.6**	**1,168.0**	**1,094.7**	**2,918.9**	**3,359.7**	**7,098.9**	**6,927.0**	**11,185.7**	**11,381.4**
Liabilities										
Other financial liabilities	**4,747.9**	**4,413.9**	**4,488.9**	**4,743.2**			**81.4**	**163.4**	**4,570.3**	**4,906.7**

5.8 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	ARTEA	3,605,804.80	Contributions to Agro-industrial Development Contracts
Tenute del Cerro SpA	AGEA	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	AGEA	12,338.22	Contributions to allowances for the Tuscany Region mountain areas
Tenute del Cerro SpA	ARTEA	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.

5.9 Share-based compensation plans

The Unipol Group pays variable benefits (long-term incentives) to the General Manager, Key Managers and other senior executives under closed three-year, share-based compensation plans by which Unipol and UnipolSai shares (performance shares) are granted if specific targets of profitability, 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.
On 27 April 2022, 1,521,335 UnipolSai shares and 849,860 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 respective websites, in the Governance/Shareholders meetings section.

The total cost recorded in 2022 came to €10.9m (€10.3m in 2021), €5.7m of which calculated in relation to the potential assignment of Unipol shares, and €5.2m calculated in relation to the potential assignment of shares of the subsidiary UnipolSai.

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 indicated previously, in these consolidated financial statements the IAS 39 standard was applied with reference to financial instruments held by UnipolSai and its subsidiaries. Below are tables containing the information necessary for comparison with the insurance companies that do apply IFRS 9.

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

Amounts in €m	Consolidated carrying amount 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)	17,825.3	17,775.8	(352.0)
Total (a) + (b)	**55,505.1**	**54,970.9**	**(9,812.3)**

Main exposures by counterpart of investments passing the SPPI test

Main exposures by counterpart of investments passing the

Amounts in €m

Counterpart	Consolidated carrying amount 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
Total 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 carrying amount at 31/12/2022	IAS 39 carrying amount at 31/12/2022 before any adjustment for impairment	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 low credit risk financial investments (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 low credit risk investments (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**

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

As in previous years, in accordance with IAS 36.10, which provides for the Impairment of Intangible Assets that have an indefinite useful life, the impairment test was carried out on the goodwill recognised in the consolidated financial statements with reference to subsidiaries.

In determining the parameters used for the assessments, the criteria adopted were aligned with market practice, taking as a reference, for these and for the economic/financial projections, expected developments in the reference economic scenario and the influence of the effect of climate change, albeit with the uncertainty characterising developments and considering that the effects will likely be appreciable, especially in the long term. In particular, the following should be noted: (i) the 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 CGU structure did not change compared to the previous year. Consequently, the CGUs to which the residual goodwill was allocated, impairment tested at 31 December 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, with benchmark updating arranged at the end of 2022.
The impairment testing of the Non-Life CGU was performed as follows:
- the recoverable amount of UnipolSai Assicurazioni - Non-Life goodwill was measured using the “excess capital” version of a DDM (Dividend Discount Model);
- to calculate this value the actual economic and financial position at 31 December 2022 was considered and, for the years 2023-2027, the economic and financial projections useful in defining the profit forecasts for these years, prepared by the company and approved by its Board of Directors, were taken as reference.

The impairment testing of the Life CGU was performed as follows:
- 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.
Discounting rate	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 for the period January-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	Pro-rata recoverable amount (a)	Allocation of goodwill	Goodwill included in equity per recoverable amount (b)	Goodwillto be tested	Excess
Non-Life CGU	3,253	1,397	(398)	1,000	2,253
Life CGU	2,144	322	(204)	117	2,027
Total	**5,397**	**1,719**	**(602)**	**1,117**	**4,280**

(a): Recoverable amount obtained as the difference between the pro-rata value of the CGU and the pro-rata Adjusted Shareholders' equity.
(b): Goodwill already included in Adjusted Shareholders' equity, considered in the recoverable amount estimation

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**	**Value**	**g**	**Discounting rate**	**Value**	**g**	**Discounting rate**
UnipolSai Assicurazioni - Non-Life	2,253	1,833	0.95%	8.93%	2,763	1.45%	7.93%

Amounts in €m		Sensitivity (Value range)		Recoverable Amount - Goodwill Delta = 0			
				Hp. 1 (g rate = that used for impairment)		Hp. 2 (g rate assumed to be 0)	
CGU	**Recoverable Amount - Goodwill Delta**	**Min**	**Max**	**g**	**Discounting rate**	**g**	**Discounting rate**
UnipolSai Assicurazioni - Non-Life	2,253	1,833	2,763	1.2%	13.25%	0%	13.07%

Amounts in €m		Sensitivity Recoverable Amount - Goodwill Delta	
Company	**Recoverable Amount - Goodwill Delta**	**Min**	**Max**
UnipolSai Assicurazioni - Life	2,027	2,025	2,032

5.14 Notes on Non-life business

Procedural note on fixing the level of provisions and assumptions 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 Unipol 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 (claims experience)

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)	0	
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 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 direct premiums

Amounts in €m	UnipolSai Ass.	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: income type

Amounts in €m	UnipolSai Ass.	Arca Vita & 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 Unipol Group continue 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 2022 of the Unipol Group

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

Activities by the competent corporate organisations of the Group were carried out in 2022 in compliance with Solvency II regulations and the supervisory provisions issued by IVASS.

Internal Control and Risk Management System

The Unipol Group's Risk Management structure and process are part of the wider internal control and risk management system already illustrated in the Annual Integrated Report, to which reference is made.

The principles and processes of the System as a whole are governed by the following Group policies: "Risk Management Policy", "Current and Forward-looking 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. the Investment Policy with regard to market and liquidity risks, and the Credit Policy), (ii) risk management as part of a specific process, (iii) risk mitigation and (iv) risk measurement model management.

The risk identification, assessment and monitoring processes are performed on an ongoing basis, to take into account any changes in their nature, business volumes and market context, and any insurgence of new risks or changes in existing risks.
These processes are carried out using methods that guarantee an integrated approach at Group level. The Parent ensures that the risk management policy is implemented consistently and continuously within the entire Group, taking into account the risks of each company included in the scope of supervision of the Group and their mutual interdependencies.

Risk Appetite and Risk Appetite Framework

The Risk Management System adopted by the Group is inspired by an enterprise risk management logic. This means that is based on the consideration, with an integrated approach, of all the current and prospective risks the Group is exposed to, assessing the impact these risks may have on the achievement of the strategic objectives and replies on a fundamental element, i.e. the Risk Appetite.
In quantitative terms, the Group's Risk Appetite is determined in general on the basis of the following elements:
- capital at risk;
- capital adequacy;
- liquidity/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 Group and/or individual company intends to assume or avoid, sets the quantitative limits and the qualitative criteria to be taken into account for the management of unquantified risks.

The Risk Appetite forms part of a reference framework - the Risk Appetite Framework (RAF). The RAF is defined in strict compliance and prompt reconciliation with the business model, the Strategic Plan, the Own Risk and Solvency Assessment (ORSA) process and the Internal Capital Adequacy Assessment Process ("ICAAP"), the budget, company organisation and the internal control system.

The RAF defines the Risk Appetite and other components ensuring its management, both in normal and stress conditions.

These components are:
- Risk Capacity;
- Risk Tolerance;
- Risk Limits (or operational risk limits);
- Risk Profile.

The activity to set the RAF components is dynamic over time, and reflects the risk management objectives associated with the objectives of the Strategic Plan. Verification is performed annually as part of the process of assigning Budget objectives. Further analyses for preventive control of the Risk Appetite, and capital adequacy in particular, are performed when studying extraordinary transactions (such as mergers, acquisitions, disposals).

The RAF is broken down into several analysis macro areas with the aim of guaranteeing continuous monitoring of risk trends and capital adequacy. The main analysis macro areas are:
- individual type of risk, overall risk and capital adequacy;
- individual companies and group.

The Group RAF takes into account the specific operations and related risk profiles of each company in the Group, in such a way as to be integrated and consistent.

The ORSA process

Under their own risk management systems, Unipol and the companies that fall within the scope of the internal current and forward-looking risk and solvency assessment policy use the ORSA to assess the effectiveness of the risk management system and its capital adequacy as well as liquidity governance and management.

The ORSA process allows the analysis of the current and forward-looking risk profiles of the Group and the insurance companies in the Group, based on strategy, market scenarios and business development.

The risk management process

The risk management process involves the following steps:
- risk identification;
- current and forward-looking assessment of risk exposure;
- risk monitoring and reporting;
- risk mitigation.

The process is performed in compliance with the Risk Appetite Framework.

Risk identification

Risk identification consists in identifying the risks considered significant, i.e. those with consequences capable of compromising the solvency or reputation of the Unipol Group, or constitute a serious obstacle to achieving strategic objectives. These risks are classified according to a methodology that takes into consideration the Group structure, the specific nature of the types of business managed by the various operating Companies and the classifications proposed by Italian and European supervisory regulations.

The categories of risk identified are as follows:
- Technical-Insurance underwriting risks (Non-Life and Health);
- Technical-Insurance underwriting risks (Life);
- Market risk;
- Credit risk;
- Liquidity 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 insurance 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.

Current assessment of risks
The current assessment of risks identified is performed through methods envisaged in regulations and best practices as regards risks for which measurement is not regulated or defined by high-level principles.

Forward-looking assessment of risks
The ORSA process is used to support operational and strategic decisions. The Group defines and implements procedures that are commensurate with the nature, scope and complexity of the business activities and enable it to identify and assess accurately the risks to which the Group or individual company is or could be exposed in the short and long term.

Stress test, reverse stress test and sensitivity analyses

The Group and each subsidiary Company conduct stress test, reverse stress test and sensitivity analyses at least annually, in compliance with requirements of the national Supervisory Authority regulations. To this end, the Group has adopted:
- a stress test framework that begins with analysis of the key risk factors, envisaging the definition of a set of stress tests:
  - general (i.e. applying to the Group and to all Group Companies) or specific (i.e. applying to individual Companies);
  - which consist in the application of shocks to individual risk factors (e.g. interest rates) or contextual shocks to multiple groups of risk factors (i.e. scenario analysis);
  - which concern financial variables and/or technical-insurance variables.
- 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).

Risk monitoring and reporting

In order to ensure prompt and constant monitoring of the evolution of the Risk Profile and compliance at the different levels of company responsibility with the defined Risk Appetite, a reporting system was implemented based on the principles of completeness, promptness and disclosure efficiency.
This system guarantees that the quality and quantity of information provided is commensurate with the needs of the various recipients and with the complexity of the business managed, in order for it to be used as a strategic and operating tool in assessing the potential impact of decisions on the company's risk profile and solvency.
In relation to the recipients, reporting is divided into "internal" and "external". "Internal" reporting is addressed to the bodies and internal structures of the Group and its companies, with the aim of steering strategic and business decisions and verifying sustainability over time. "External" reporting is directed to Supervisory Authorities and the market and meets the disclosure and transparency requirements of regulations in force.

With regard to internal reporting, in consideration of the recipients of the various requirements and uses, two types of reporting are provided:
- strategic reporting on risk management, containing information important in supporting strategic decisions;
- operational reporting on risk management with an adequate granularity in supporting business operations.

As part of the strategic reporting, the following are provided to the Board of Directors, the Control and Risk Committee and Top Management:
- annually, a proposal for approval of the Risk Appetite (Risk Appetite Statement)[64];
- 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 significant risk concentrations at Group level;
- 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[65], 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:

[64] In reference to the Parent, at consolidated level and at individual company level.
[65] Activities carried out for the other companies subject to pre-emptive or ordinary governance.

- 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.

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 is represented by deposits with the Group for the risks ceded and retroceded that are generally moved (placed and repaid) annually or half-yearly. Their duration largely depends on the specific nature of the underlying insurance benefits and on the actual duration of the reinsurance agreements, which are renegotiated at the end of each year. For exposures to reinsurers the Group also makes use of a limited number of guarantees consisting mainly of Letters of credit and Securities. Collateral deposited by the counterparties for operating in derivatives under CSA-type (Credit Support Annex) agreements is also used as guarantees on credit risks[66]. If the Internal Model for measuring risks includes mitigation techniques, their compatibility and constant updating in line with performance must be guaranteed.
d) **Management action**: corrective action to be applied if certain events occur, such as the restructuring of assets and/or liabilities under management or the disposal of assets and/or liabilities (position closures).
e) **Operational risk mitigation actions**: mitigation plans with the aim of preventing or mitigating the effects should a risk event occur. The implementation of mitigation plans is based on decisions made on an ongoing basis during the entire operational risk monitoring phase.
f) **Emergency and contingency plans:** extraordinary ex ante measures to be activated if certain catastrophes or emergency events should occur, such as those envisaged in the Pre-emptive Recovery Plan of the Insurance Group, Business Continuity Plan and Disaster Recovery Plan which respectively define the measures/actions to be adopted at Group and/or Company level to restore the financial position of the Group and/or a Group company in specific scenarios of financial difficulty and severe macro-economic stress, and govern operating procedures for declaring a crisis situation arising from catastrophes and managing the effects.
g) **Strategic, emerging and reputational risk mitigation actions**: mitigation plans with the aim of preventing or mitigating the effects deriving from the occurrence of specific strategic risks, economic losses caused by reputational damages or deriving from new risks not yet monitored or mapped.

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

Partial Internal Model

The Unipol Group and the subsidiaries UnipolSai Assicurazioni and Arca Vita are authorised by IVASS to use the Partial Internal Model to calculate the solvency capital requirement.

The Partial Internal Model is used to assess the following risk factors, as well as in the aggregation process:

- Non-Life and Health 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 Group 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 Group and of 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 assessed using the Market Wide Standard Formula.

Credit risk is measured using the Partial Internal Model that adopts a CreditRisk+ approach.
This model makes it possible to measure the risk of default relating to bank counterparties, concerning exposures deriving from 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.

Market Wide Standard Formula

For Group companies other than UnipolSai Assicurazioni and Arca Vita, risk is measured using the Market Wide Standard Formula.

Below is additional information on the measurement methods and the main results for each risk at 31 December 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.
At 31 December 2022 the duration mismatch for Life business stood at -0.50 and at +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 Unipol 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 portfolios of financial assets to the main market risk factors is shown below by Group sector.

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.

	Insurance Business	
Amounts in €m	**Impact on Income Statement**	**Impact on Statement of financial position**
Unipol Group		
Interest rate sensitivity (+10 bps)	13.53	(230.53)
Credit spread sensitivity (+10 bps)	0.51	(237.44)
Equity sensitivity (-20%)	(19.20)	(1,167.69)

	Other businesses Sector	
Amounts in €m	**Impact on Income Statement**	**Impact on Statement of financial position**
Unipol Group		
Interest rate sensitivity (+10 bps)	(0.03)	(2.16)
Credit spread sensitivity (+10 bps)	(0.03)	(2.44)
Equity sensitivity (-20%)	(11.83)	(41.36)

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 Unipol Group is based may be summarised as follows:
- punctual measurement of the contractual and forecast cash flows on different maturity dates;
- definition and approval of the liquidity risk tolerance in terms of "survival time" in ordinary and stress conditions;
- managing structural liquidity by keeping a balance between maturities of medium-term assets and liabilities in order to avoid critical situations in the short-term liquidity positions;
- managing short-term liquidity in order to have the necessary liquidity to fulfil short-term commitments, both foreseeable and unforeseeable, deriving from any stress scenarios, by keeping a suitable balance between cash in-flows and outflows;
- defining and periodically applying stress scenarios relating to the technical and financial variables in order to verify the ability of the individual Companies and of the Group as a whole to address these situations;
- maintaining an adequate amount of assets that can be swiftly turned into cash on the market, or able to be financed with repurchase agreements, so as to avoid significant economic impact if adverse scenarios should occur.

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 bodies, Top Management and the operating structures on developments in this risk.

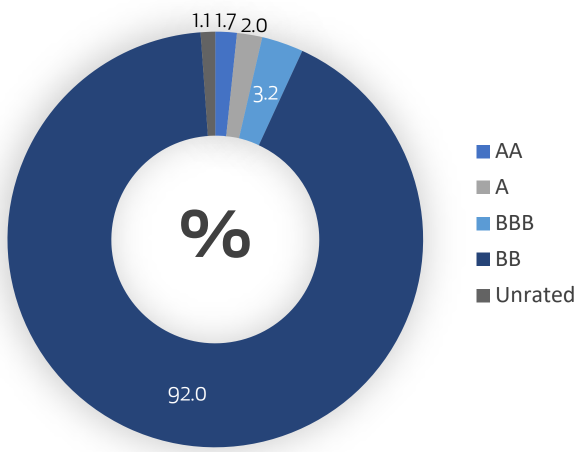
In the insurance sector, credit risk is mainly found in exposures to banks, to the Bond classes of the Group's insurance companies and to outwards reinsurance. Note that as part of the risk measurement system, the Bond classes are included under Non-Life technical-insurance risk and the related exposures are also monitored as part of credit risk.

Banks

Existing exposure to banks refers to deposited liquidity and exposures in OTC hedging derivatives. In particular, the derivatives exposure considered for risk management and monitoring purposes is equal to the sum of market values, if positive, of the current individual contracts and takes into account any risk mitigation arrangements (collateralisation) covered in the CSAs signed with individual counterparties.

The following table shows the distribution of Unipol Group exposures to banks, broken down by rating class, recognised at 31 December 2022.

Receivables from banks by rating class



Bond classes of the insurance companies in the Group

This risk is calculated within the technical insurance risks (see relevant section) and monitored by the Bond and Credit Assignment Committee.

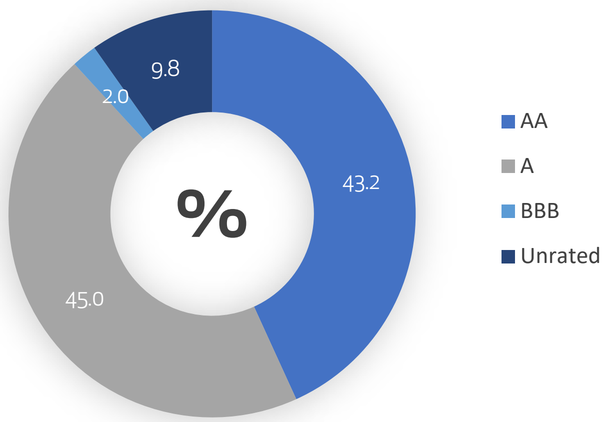
Outwards reinsurance

In this area, the existing exposure to credit risk is divided into:

- liquid receivables already due arising out of the bordereaux sent to the reinsurer listing the balances on each policy during the period and those still outstanding;
- potential estimated receivables for the provisions borne by the reinsurer (which will become due at the time of the payment to the policyholder and for the relative amounts). The exposure for provisions is always deemed to be net of any deposits retained or other collateral guarantees (e.g. Banking LOC, reinsurers' and Parent's commitment, etc.).

Provided below is the distribution of Unipol Group exposure to reinsurers, broken down by rating class, recognised at 31 December 2022 net of intragroup reinsurance.

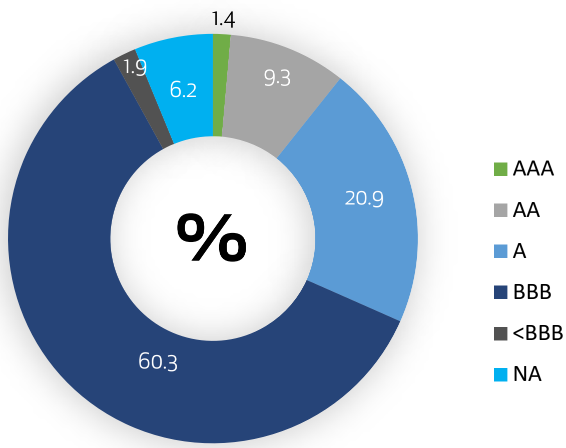
Receivables and reserves from reinsurers by rating class



Debt security Issuer Risk

The credit risk of debt securities is monitored within market risk based on credit spread volatility. The following table shows the distribution of the Unipol Group's bonds portfolio, insurance business and holding business, 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 Unipol Group at 31 December 2022.

	Balance at 31 December 2022		
Amounts in €m	**Nominal value**	**Carrying amount**	**Market value**
Italy	**20,467.6**	**17,500.5**	**17,446.4**
Available-for-sale financial assets	19,098.8	16,102.6	16,102.6
Financial assets at fair value through OCI	349.1	323.4	323.4
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	**3,491.6**	**3,066.7**	**3,067.6**
Available-for-sale financial assets	3,206.1	2,773.2	2,773.2
Financial assets at fair value through OCI	6.0	5.9	5.9
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	**2,253.4**	**1,492.1**	**1,492.1**
Available-for-sale financial assets	2,249.4	1,488.4	1,488.4
Financial assets at fair value through OCI	4.0	3.7	3.7
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

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Amounts in €m	Balance at 31 December 2022 Nominal value	Carrying amount	Market value
Israel	**89.7**	**84.8**	**84.8**
Available-for-sale financial assets	89.7	84.8	84.8
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
Chile	**79.8**	**66.4**	**66.4**
Available-for-sale financial assets	75.5	62.7	62.7
Financial assets at fair value through OCI	4.3	3.7	3.7
Latvia	**77.8**	**65.0**	**65.0**
Available-for-sale financial assets	75.8	63.4	63.4
Financial assets at fair value through OCI	2.0	1.6	1.6
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	**42.5**	**37.2**	**37.2**
Available-for-sale financial assets	38.5	33.6	33.6
Financial assets at fair value through OCI	4.0	3.6	3.6
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	**29,363.6**	**24,597.3**	**24,491.6**

The carrying amount of the sovereign exposures represented by debt securities at 31 December 2022 totalled €24,597.3m, 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 Unipol Group.

Technical-insurance risks

Risks relating to Life portfolios

With regard to risk assessment relating to the Life portfolio, the guidelines of the underwriting and provisions activities 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 Unipol Group insurance companies based in Italy and operating in the Life business.

The Provisions Policy defines the guidelines addressing provisions activities for direct business and the related risk management, governing the provision principles and logic of Unipol Group insurance companies based in Italy and operating in the Life business, in compliance with national and international accounting standards and the Solvency II prudential supervisory system.
Technical-insurance risks relating to Life business underwriting are divided into:

- mortality risk: associated with an unfavourable change in demographic bases resulting from experience (higher death rate) compared to those used in determining the tariff;
- longevity risk: associated with an unfavourable change in demographic bases resulting from experience (lower death rate) compared to those used in determining the tariff;
- 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.

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

Conversion to annuity
In individual products where the benefit is expressed in the form of capital, there is often the option to accept disbursement as an annuity. Among the individual policies portfolio there are products for which the conversion ratios are determined at the time of issue of the contract and others, the majority of which (generally those issued after 2000) with the amount of the annuity determined only at the time of the option. In this case the demographic risk is considerably mitigated.
In the supplementary pensions segment, especially collective, the ratios are often associated with each sum paid in, but the risk is mitigated by the frequency at which the offer conditions can be reviewed.

Maturity deferment
The portfolio includes individual term life products (not "whole-life") that in many cases provide the option to extend the validity of the contract after its original maturity date. During maturity deferment the payment of further premiums is not normally allowed.
The conditions applied during deferment vary according to the contractual terms, and continuation of the contract's financial guarantees or the application of those used at the time of the option can be granted. Depending on the conditions, even the duration of the maturity deferment can be determined or extended year by year.
The impact on the portfolio of exercising the maturity deferment option is not particularly significant at present.

Risks relating to Non-Life portfolios

With regard to risk assessment relating to the Non-Life portfolio, the reference guidelines are contained in the "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 Unipol Group insurance companies based in Italy and operating in the Non-Life business.

The Provisions Policy defines the guidelines addressing provisions activities and the related risk management, governing the provision principles and logic of Unipol Group insurance companies based in Italy and operating in the Non-Life business, in compliance with national and international accounting standards and the Solvency II prudential supervisory system.

The Reinsurance and Other Risk Mitigation Techniques Policy aims to define the guidelines on outwards reinsurance and other techniques for mitigating risk.

During 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 on 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

In order to ensure a complete analysis of company risks, the Unipol Group has an "Operational Risk Management Policy", updated annually, and has drafted a framework to identify, measure, monitor and manage Operational Risk. This term means "*the risk of losses deriving from the inadequacy or malfunctioning of processes, human resources or systems, or from external events*". Based on the Operational Risk Management framework, relations and reciprocal impacts between operational and other risks are also considered, with the objective of understanding the direct and indirect effects of events linked to operational risk. In particular, the analysis schemes adopted are aimed at understanding, based on a causal approach, the risk factors, events and effects, both financial and non-financial, and the impacts these can have on the Group's solvency and on the achievement of the objectives set.

Within the Group governance structure, the monitoring of Operational Risks is entrusted to the Operational Risks function of the Risk Management Department. The objectives assigned to this unit, within the internal control system, are aimed at ensuring the Group's assets are safeguarded and at adequate risk control.
Operational risk identification consists in gathering as much information as possible about the risk event, its possible causes and effects with a view to increasing awareness of the specific exposure of the various company areas. In addition, this activity also aims to assess the adequacy of controls and identify the best management solutions for any critical situations.

The operational risk identification essentially involves carrying out two separate processes:
- Loss Data Collection ("LDC") with a backward-looking approach: LDC is a process that aims to analyse and quantify historic operational risk events. External loss data is also collected, which helps to enhance the wealth of information on how operational risk can arise in comparable companies.
- Collection of expert opinions through the Risk Self Assessment process ("RSA") with a forward-looking approach: the data collected through the RSA includes an estimate of the potential economic impact of the risk event and an estimate of the related expected annual occurrence frequency.

The organisational model for operational risk governance and control envisages a network of analysts in a number of UnipolSai Assicurazioni SpA Divisions and the main Group companies which, after following a specific training course on operational risk management, provide support to the Risk Management Department in identifying operational risk and monitoring this risk within their own areas of operations.

Operational risk assessment is performed annually by the main Group Companies.

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 Unipol Group's compliance risk management process is transversal and comprises organisational and operating monitoring activities carried out by resources from the various corporate functions. The Compliance Function is tasked with assessing whether the organisation and the internal corporate procedures are suitable to reach the objective of preventing this risk, according to a risk-based approach.

Emerging risks, strategic risk and reputational risk

With regard to emerging risks, strategic risk and reputational risk, within the dedicated structure present within the Risk Management Department, a dedicated Observatory was created at Group level, called "Reputational & Emerging Risk Observatory", whose key elements are the involvement of an interfunctional Technical Panel and of all the main Business Departments, the use of a consolidated predictive model and methodologies based on futures studies to ensure a forward-looking view of the medium/long-term in order to anticipate the risks and future opportunities, and a holistic approach aimed at grasping and governing the interconnections, both in reading the external context for an integrated vision of the different emerging macro trends (social, technological, political and environmental), and in the internal response for a unified view of the different corporate areas and of the different steps of the value chain.
The purpose of the Observatory is to assure effective monitoring of emerging risks, strategic risk and reputational risk, verifying the constant alignment between stakeholders' expectations and the Group's responses and anticipating the most significant phenomena to catch new business opportunities and prepare for emerging risks.
A structured process was developed within the Observatory for the assessment and prioritisation of the main emerging risk areas, identified on the basis of the systemic analysis of macrotrends regarding changes in the external context, currently present in the Observatory's Radar. The process calls for the involvement of a composite panel of external experts to assess emerging risks, on the basis of an "outside-in" perspective, in terms of probability, impact, reference time horizon and level of interconnection with other risks, and the assessment, on the basis of an "inside-out" perspective, of the 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

The ESG (Environmental, Social and Governance) risks are integrated into the ERM Framework and the Group policies system.

As part of the ERM Framework, the Group identifies and monitors the ESG risk factors 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, a dedicated KRI dashboard has been developed, making it possible to monitor the risk level of each area - environmental, social and governance - while integrating oversight and listening indicators in order to combine the "inside-out" with the "outside-in" view.

Concentration risk

The Group has adopted the "Group-level Risk Concentration Policy" in accordance with the provisions of IVASS Regulation no. 30 of 26 October 2016 on the supervision of intragroup transactions and risk concentrations.
With specific reference to the purpose and contents of the Policy, note that it:

- illustrates the criteria and methods adopted, for each risk category (Non-Life and Health technical insurance risks, Life technical insurance risks, Market risk and Credit risk), to identify and measure the exposures, concentrations, their mitigation and operating limits, also through reference to other corporate policies on risk management;
- illustrates the methods by which the risk concentrations are considered in assessing the Group's risk profile;
- defines the limits and types of risk concentrations material to annual reporting to IVASS;
- defines the limits and types of risk concentrations in any event subject to monthly reporting to the Supervisory Authority.

The results of monitoring carried out on the risk concentrations significant at Group level and on concentrations to be reported in any event are submitted quarterly to the Board of Directors of the company for examination.

Other supervised companies

On 1 August 2019, the company UnipolReC began the activity of financial intermediary registered in the Single Register of Financial Intermediaries pursuant to Art. 106 of the Consolidated Law on Banking ("TUB"), as authorised by the Bank of Italy with its measure of 2 July 2019.
With reference to Pillar I risk measurement, in compliance with the provisions of Bank of Italy Circular no. 288 of 3 April 2015, standardised approaches were adopted for credit risks and the basic approach for operational risk.
In line with their class 3 allocation, the indications and approaches defined in the aforementioned Circular are adopted for Pillar II risks. In particular, given its business model, the material Pillar II risks for UnipolReC are represented by i) interest rate risk from non-trading activities ("interest rate risk"), ii) residual risk, iii) liquidity risk, iv) standard compliance risk, v) reputational and strategic risk and, lastly, vi) risk associated with belonging to the Group[67].
In compliance with the aforementioned regulations and the provisions of the internal Policy on current and forward-looking risk and solvency assessment, the companies conducts the ICAAP on an annual basis.
The current and forward-looking assessment, both under ordinary and stress conditions performed as part of the ICAAP, is an integral part of the risk management system and the decision-making process of the company, in line with the other corporate planning and control processes such as i) strategic and budget planning, ii) Risk Appetite definition and iii) risk monitoring and mitigation.
In the Risk Appetite Statement, as defined in the Group Policy on Risk Management, risk targets and any tolerance levels are identified in accordance with the timing and business objectives set in the Budget and with the assessment methods defined for ICAAP purposes.
Also through the use of updated final figures, the ICAAP verifies the capital adequacy of the predefined objectives with the Budget and the Risk Appetite.
After obtaining Bank of Italy authorisation to operate as an E-Money Institution (IMEL), UnipolPay SpA was entered in the Chamber of Commerce Register of Companies on 5 July 2021. The Company was entered in the register pursuant to Article 114-quater of the Consolidated Law on Banking (TUB) from the same date and began operations in February 2022.
In 2022, the Risk Management Function was mainly engaged in the assessment and definition of the Company's overall exposure to risks. Among others, the following activities should be noted:

- collaboration in the definition and review of governance policies and the risk management process, as well as the related detection and control procedures with ongoing verification of adequacy;

[67] As a result of finalisation of the sale of receivables to Asset Management Company SpA ("Amco"), which took place in December 2022, UnipolReC no longer considers interest rate risk and residual risk to be material.

- coordination of the process of assessment and definition of the risk appetite, the relative tolerance limits and preparation of the Risk Appetite Statement ("RAS");
- quarterly monitoring of the limits indicated in the RAS;
- participation in analysis of the risks associated with new products and services and those deriving from entry into new operating and market segments;
- support to the IT Function in the review and implementation of regulatory requirements on ICT risk management and security;
- launch of the annual risk self assessment (RSA) of company operational risk, the results of which are reported to the Board of Directors;
- activation of the operating loss data collection system.

For the Company, regulations impose a total capital requirement that the institution must hold in relation to payment services provided and the issue of e-money.

Bologna, 23 March 2023

The Board of Director

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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)
Unipol Gruppo SpA	086 Italy	Bologna		G	4
Unipol Finance Srl	086 Italy	Bologna		G	9
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
UnipolSai Assicurazioni SpA	086 Italy	Bologna		G	1
Unipol Investment SpA	086 Italy	Bologna		G	9
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

% Direct holding	% Indirect holding		% Total participating interest (3)	% Votes available at ordinary General Meetings (4)	% Consolidation
					100.00%
100.00%			100.00%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	98.99%	UnipolSai Assicurazioni SpA	84.40%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	100.00%	UniSalute SpA	84.40%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
61.03%			85.26%	91.87%	100.00%
	9.90%	Unipol Finance Srl			
	0.00%	UniSalute SpA			
	4.41%	Unipol Investment SpA			
	0.00%	Arca Vita SpA			
	0.00%	Siat-Societa' Italiana Assicurazioni e Riassicurazioni - per Azioni			
	0.00%	UnipolAssistance Scrl			
	0.00%	Leithà Srl			
	0.00%	UnipolRental SpA			
	9.90%	UnipolPart I SpA			
100.00%			100.00%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	63.39%	UnipolSai Assicurazioni SpA	54.05%		100.00%
	98.12%	Arca Vita SpA	53.03%		100.00%
	100.00%	Arca Vita SpA	54.05%		100.00%
	100.00%	Arca Vita SpA	54.05%		100.00%
	60.22%	Arca Vita SpA	53.64%		100.00%
	39.78%	Arca Assicurazioni SpA			
	77.03%	Arca Vita SpA	53.87%		100.00%
	16.97%	Arca Assicurazioni SpA			
	5.00%	Arca Vita International Dac			
	1.00%	Arca Inlinea Scarl			
	50.00%	UnipolSai Assicurazioni SpA	42.63%		100.00%
	51.00%	UnipolSai Assicurazioni SpA	43.48%		100.00%
	94.69%	UnipolSai Assicurazioni SpA	80.73%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	0.00%	Ddor Novi Sad	85.26%		100.00%
	100.00%	UnipolRe Dac			
	100.00%	UnipolSai Nederland Bv in Liquidatie	85.26%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	36.15%	UnipolSai Finance SpA	85.26%		100.00%

Consolidation scope

Name	Country of registered office		Registered office	Country of operations (5)	Method (1)	Business activity (2)
Finsai International Sa	092	Luxembourg	Luxembourg		G	11
UnipolSai Investimenti Sgr SpA	086	Italy	Turin		G	8
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
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			G	11
Leithà Srl	086	Italy	Bologna		G	11
UniAssiTeam Srl	086	Italy	Bologna		G	11
Fondo Emporion	086	Italy	#		G	10
UnipolReC SpA	086	Italy			G	11
UnipolReC SpA	086	Italy	Bologna		G	11
Fondo Landev	086	Italy	#		G	10
UnipolRental SpA	086	Italy			G	11
Immobiliare C.S. Srl	086	Italy	Reggio Emilia		G	10
UnipolPart I SpA	086	Italy	Bologna		G	9
Fondo Oikos	086	Italy	#		G	10
Cambiomarcia Srl	086	Italy	Bologna		G	11
UnipolPay SpA	086	Italy			G	11

% Direct holding	% Indirect holding		% Total participating interest (3)	% Votes available at ordinary General Meetings (4)	% Consolidation
	63.85%	UnipolSai Assicurazioni SpA	85.26%		100.00%
51.00%			92.78%		100.00%
	49.00%	UnipolSai Assicurazioni SpA			
	70.00%	UnipolService SpA	59.68%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	100.00%	Casa di Cura Villa Donatello - SpA	85.26%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	0.25%	UniSalute SpA	85.16%		100.00%
	3.00%	Compagnia Assicuratrice Linear SpA			
	0.10%	Unisalute Servizi Srl			
	95.90%	UnipolSai Assicurazioni SpA			
	0.10%	Arca Assicurazioni SpA			
	0.15%	Incontra Assicurazioni SpA			
	0.50%	UnipolRental SpA			
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	99.57%	Nuove Iniziative Toscane - Societa' a Responsabilita' Limitata	84.89%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	89.59%	UnipolSai Assicurazioni SpA	76.39%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	65.00%	UnipolSai Finance SpA	55.42%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
85.24%			97.82%		100.00%
	14.76%	UnipolSai Assicurazioni SpA	97.82%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
100.00%			100.00%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%

Consolidation scope

Name	Country of registered office		Registered office	Country of operations (5)	Method (1)	Business activity (2)
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; 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
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	100.00%	Athens R.E. Fund	76.39%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	85.26%		100.00%
	75.00%	UnipolSai Assicurazioni SpA	63.94%		100.00%
	100.00%	Centri Medici Dyadea Srl	85.26%		100.00%
	70.00%	UnipolHome SpA	59.68%		100.00%
	100.00%	Centri Medici Dyadea Srl	85.26%		100.00%
	66.00%	UnipolSai Assicurazioni SpA	56.27%		100.00%

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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
UnipolSai Assicurazioni SpA	14.74%	0.00%	409.8	940.7

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
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
Consorzio tra Proprietari Centro Commerciale Porta Marcolfa	086	Italy	S. Giovanni in Persiceto (BO)		11
BPER Banca SpA	086	Italy	Modena		7
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=Italy 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..

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**
53,649.5	46,509.9	39,502.6	5,654.6	6,381.1	2,779.7	79.2	9,371.5

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	42.43%		2.9
b		45.00%	UnipolSai Finance SpA	38.37%		5.5
a		100.00%	UnipolSai Assicurazioni SpA	85.26%		0.3
b		0.0002%	Compagnia Assicuratrice Linear SpA	32.50%		0.2
		38.03%	UnipolSai Assicurazioni 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	36.54%		3.1
b		32.00%	UnipolSai Assicurazioni SpA	27.28%		
b		29.56%	UnipolSai Assicurazioni SpA	25.20%		
b		28.57%	UnipolSai Assicurazioni SpA	24.36%		36.9
a		100.00%	Ddor Novi Sad	85.26%		0.0
b		23.55%	UnipolSai Assicurazioni SpA	20.08%		2.7
b		32.46%	Ddor Novi Sad	34.10%		0.6
		7.54%	Ddor Re			
b		44.93%	UnipolSai Assicurazioni SpA	38.30%		0.4
b		40.32%	Athens R.E. Fund	30.80%		0.9
b		68.46%	Fondo Emporion	58.37%		0.0
b	10.55%			19.88%		1,516.2
		9.33%	UnipolSai Assicurazioni SpA			
b		49.19%	UnipolSai Finance SpA	41.94%		9.6
b		49.00%	UnipolSai Assicurazioni SpA	41.78%		
b		43.75%	UnipolSai Finance SpA	37.30%		8.7
b		50.00%	UnipolSai Finance SpA	42.63%		7.6
b		50.00%	UnipolSai Finance SpA	42.63%		7.0
b		49.92%	UnipolSai Finance SpA	42.56%		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**	**1,858.0**	**1,681.3**	**378.9**	**381.6**
2	**PROPERTY, PLANT AND EQUIPMENT**	**1,964.8**	**1,622.4**	**73.7**	**73.8**
3	**TECHNICAL PROVISIONS - REINSURERS' SHARE**	**738.5**	**808.1**	**23.1**	**23.2**
4	**INVESTMENTS**	**13,808.1**	**15,663.1**	**42,661.7**	**49,646.1**
4.1	Investment property	424.1	424.0	4.0	4.1
4.2	Investments in subsidiaries, associates and interests in joint ventures	752.5	641.5	0.5	2.9
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
4.4bis	Financial assets at amortised cost				
4.5	Available-for-sale financial assets	10,059.8	11,940.3	30,940.7	38,170.8
4.5bis	Available-for-sale financial assets				
4.6	Financial assets at fair value through OCI	285.1	160.2	8,833.4	8,413.3
5	**SUNDRY RECEIVABLES**	**2,559.0**	**2,545.5**	**834.2**	**835.8**
6	**OTHER ASSETS**	**1,791.7**	**799.5**	**1,075.8**	**95.0**
6.1	Deferred acquisition costs	36.6	37.1	65.5	63.1
6.2	Other assets	1,755.1	762.5	1,010.2	32.0
7	**CASH AND CASH EQUIVALENTS**	**401.9**	**240.3**	**304.7**	**567.9**
	TOTAL ASSETS	**23,122.0**	**23,360.2**	**45,352.1**	**51,623.6**
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	Financial liabilities at amortised cost	1,573.6	1,348.6	639.5	667.1
5	**PAYABLES**	**1,169.4**	**922.1**	**187.9**	**171.6**
6	**OTHER LIABILITIES**	**1,222.0**	**822.9**	**136.7**	**341.2**
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES				

Holding and 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
23.7	17.9	0.0	0.0			2,260.6	2,080.8
242.7	217.8	580.4	600.7			2,861.6	2,514.7
						761.6	831.3
1,941.6	1,919.4	1,895.1	1,725.0	(315.2)	(784.6)	59,991.3	68,169.0
2.9	25.1	1,851.2	1,619.3			2,282.2	2,072.5
853.8	659.1	0.9	0.9			1,607.7	1,304.4
						365.7	366.7
153.0	302.3	42.2	50.9	(315.2)	(784.6)	4,684.1	4,754.0
	357.2						357.2
28.5	29.4	0.8	53.8			41,029.8	50,194.4
828.9	494.6					828.9	494.6
74.4	51.8					9,192.9	8,625.2
344.5	268.9	36.6	31.4	(235.5)	(248.8)	3,538.8	3,432.9
325.3	347.5	143.7	177.4	(9.2)	(128.7)	3,327.2	1,290.8
						102.1	100.1
325.3	347.5	143.7	177.4	(9.2)	(128.7)	3,225.1	1,190.7
1,015.0	1,108.4	76.5	22.3			1,798.1	1,938.9
3,892.8	3,880.0	2,732.4	2,556.9	(559.9)	(1,162.1)	74,539.4	80,258.5
						7,662.3	9,721.5
53.5	38.5	8.6	5.1			634.6	446.9
						51,766.2	57,128.3
2,628.3	2,981.4	221.6	201.7	(315.0)	(784.4)	11,587.0	10,770.8
	0.4					6,839.1	6,356.9
2,628.3	2,981.0	221.6	201.7	(315.0)	(784.4)	4,747.9	4,413.9
276.1	176.9	74.8	68.5	(228.2)	(243.6)	1,480.0	1,095.5
56.6	51.8	10.6	13.7	(16.7)	(134.1)	1,409.3	1,095.4
						74,539.4	80,258.5

Income statement by business segment

	Amounts in €m	Non-Life business		Life business	
		31/12/2022	31/12/2021	31/12/2022	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	314.7	164.9	(627.5)	23.6
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures	138.2	73.9	10.3	
1.5	Gains on other financial instruments and investment property	685.6	620.2	1,565.2	1,180.0
1.6	Other revenue	866.9	739.8	55.4	62.9
	TOTAL REVENUE AND INCOME	**9,883.9**	**9,383.6**	**4,539.4**	**5,405.8**
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	(0.1)	(1.1)	(0.1)	(0.3)
2.4	Losses on other financial instruments and investment property	(549.6)	(329.2)	(222.5)	(63.8)
2.5	Operating expenses	(2,306.0)	(2,222.0)	(266.5)	(254.4)
2.6	Other costs	(1,097.0)	(909.7)	(174.4)	(129.5)
2	**TOTAL COSTS AND EXPENSES**	**(9,038.1)**	**(8,562.9)**	**(4,266.7)**	**(5,192.7)**
	PRE-TAX PROFIT (LOSS) FOR THE YEAR	**845.8**	**820.7**	**272.8**	**213.1**

Holding and 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)*
15.3	14.7			(15.3)	(14.8)	49.0	45.3
(19.9)	23.9					(332.7)	212.4
199.7	78.7					348.2	152.6
72.7	71.0	79.8	68.3	(24.1)	(28.7)	2,379.3	1,910.8
306.5	176.0	41.1	36.9	(95.5)	(77.9)	1,174.4	937.8
574.2	**364.4**	**121.0**	**105.2**	**(134.8)**	**(121.4)**	**14,983.7**	**15,137.6**
						(8,600.1)	(9,809.2)
						(8,782.8)	*(9,992.1)*
						182.7	*183.0*
(1.2)	(1.0)	(0.0)	(0.0)			(89.7)	(37.4)
(0.1)	(0.1)					(0.3)	(1.6)
(157.6)	(133.0)	(84.9)	(95.9)	7.8	13.2	(1,006.7)	(608.8)
(230.9)	(176.1)	(38.2)	(34.9)	27.4	21.6	(2,814.2)	(2,665.9)
(147.6)	(73.6)	(44.8)	(37.9)	99.7	86.6	(1,364.2)	(1,064.0)
(537.3)	**(383.9)**	**(168.0)**	**(168.7)**	**134.8**	**121.4**	**(13,875.3)**	**(14,186.8)**
36.9	**(19.5)**	**(47.0)**	**(63.6)**			**1,108.5**	**950.7**

Details of property, plant and equipment and intangible assets

Amounts in €m	At cost	At restated or fair value	Total carrying amount
Investment property	2,282.2		2,282.2
Other properties	1,569.9		1,569.9
Other tangible assets	1,291.7		1,291.7
Other intangible assets	541.3		541.3

Details of financial assets

	Held-to-maturity investments		Loans and receivables		Financial assets at amortised cost		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	**31/12/2022**	31/12/2021
Equity instruments and derivatives at cost							4.5	4.4
Equity instruments at fair value							1,928.8	1,445.8
of which: listed securities							*1,633.9*	1,244.3
Debt securities	365.7	366.7	3,947.6	4,018.9			35,022.4	44,777.2
of which: 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						357.2		
Interbank loans and receivables								
Deposits with ceding companies			113.9	105.8				
Financial receivables on insurance contracts								
Other loans and receivables			622.5	629.3				
Non-hedging derivatives								
Hedging derivatives								
Other financial investments								
Total	**365.7**	**366.7**	**4,684.1**	**4,754.0**		**357.2**	**41,029.8**	**50,194.4**

Financial assets at fair value through OCI		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		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	**31/12/2022**	31/12/2021	**31/12/2022**	31/12/2021
								4.5	4.4
178.7	195.8	0.0	0.0	131.7	155.0	0.0	0.0	2,239.2	1,796.6
178.7	195.8		*0.0*	131.7	155.0		*0.0*	*1,944.3*	*1,595.1*
650.2	298.7	50.3	80.7	4,060.6	3,206.4	14.6	18.1	44,111.6	52,766.9
650.2	*298.7*	*50.3*	*80.5*	*4,060.6*	*3,206.1*	*14.6*	*18.1*	*39,792.1*	*48,285.4*
		2.0	1.9	4,316.2	4,266.5	59.1	33.1	8,451.3	8,268.5
									357.2
								113.9	105.8
				277.0	716.6			277.0	716.6
								622.5	629.3
		99.4	66.9					99.4	66.9
		181.9	80.0					181.9	80.0
828.9	**494.6**	**333.7**	**229.5**	**8,785.5**	**8,344.5**	**73.7**	**51.2**	**56,101.4**	**64,792.1**

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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

	Direct business		Indirect business		Total carrying amount	
Amounts in €m	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 technical 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 technical 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		Indirect 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 technical provisions	29.0	26.8	0.0	0.0	29.1	26.9
including provisions allocated as a result of the liability adequacy 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 technical 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

Amounts in €m	Financial liabilities at fair value through profit or loss				Financial liabilies at amortised cost		Total carrying amount	
	Financial liabilities held-for trading		Financial liabilities at fair value					
	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					2,457.7	2,515.1	2,457.7	2,515.1
Payables to bank customers					0.7		0.7	
Interbank payables								
Other loans obtained					789.2	321.6	789.2	321.6
Non-hedging derivatives	2.7	38.5					2.7	38.5
Hedging derivatives	151.8	407.4					151.8	407.4
Sundry financial liabilities					1.2	0.6	1.2	0.6
Total	**154.5**	**445.9**	**6,684.6**	**5,911.0**	**4,747.9**	**4,413.9**	**11,587.0**	**10,770.8**

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		Interests	Other income	Other charges	Realised gains	Realised losses
Balance on investments		**1,597.1**	**840.2**	**(219.7)**	**663.0**	**(856.0)**
a	Arising from investment property		82.8	(25.2)	2.4	(6.4)
b	Arising from investments in subsidiaries, associates and interests in joint ventures		348.2	(0.3)		
c	Arising from held-to-maturity investments	15.9		(0.0)		
d	Arising from loans and receivables	174.3		(0.0)	35.4	(34.5)
e	Arising from financial assets at amortised cost	6.3			14.2	(48.4)
f	Arising from available-for-sale financial assets	1,292.3	253.2	(5.2)	428.9	(371.6)
g	Arising from financial assets at fair value through OCI	25.4	8.8	(0.1)	0.7	(0.3)
h	Arising from held-for-trading financial assets	2.9	49.7	(113.6)	162.0	(214.1)
i	Arising from financial assets at fair value through profit or loss	79.1	94.5	(75.2)	12.2	(169.1)
l	Arising from financial assets mandatorily at fair value	0.9	3.1	(0.1)	7.2	(11.6)
Balance on sundry receivables		**23.1**				
Balance on cash and cash equivalents		**7.4**		**(0.0)**		
Balance on financial liabilities		**(154.8)**	**373.9**	**(8.0)**	**6.0**	
a	Arising from held-for-trading financial liabilities				0.0	
b	Arising from financial liabilities at fair value		373.9	(0.0)		
c	Arising from financial liabilities at amortised cost	(154.8)		(8.0)	5.9	
Balance on payables		**(1.8)**		**(0.1)**		
Total		**1,471.1**	**1,214.1**	**(227.9)**	**669.0**	**(856.0)**

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			
2,024.6	**232.5**		**(1,250.8)**	**(43.0)**	**(1,061.2)**	**963.4**	**2,122.3**
53.6			(51.1)	(22.0)	(73.1)	(19.6)	26.2
347.9						347.9	151.1
15.9						15.9	17.3
175.2						175.2	125.2
(27.9)				(7.5)	(7.5)	(35.4)	15.0
1,597.6	0.1		(256.1)	(11.7)	(267.6)	1,329.9	1,270.3
34.5	0.1			(1.8)	(1.7)	32.8	12.4
(113.1)	205.4		(30.7)		174.8	61.7	116.8
(58.6)	26.9		(893.7)		(866.8)	(925.4)	364.7
(0.6)			(19.2)		(19.2)	(19.8)	23.3
23.1						**23.1**	**4.0**
7.4						**7.4**	**0.8**
217.0	**178.8**		**0.1**		**178.9**	**395.9**	**(460.2)**
0.0						0.0	0.1
373.8	176.8				176.8	550.7	(292.5)
(156.8)	1.9		0.1		2.0	(154.8)	(167.7)
(1.9)						**(1.9)**	**(1.5)**
2,270.2	**411.3**		**(1,250.7)**	**(43.0)**	**(882.4)**	**1,387.8**	**1,665.5**

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Details of insurance business expenses

Amounts in €m	Non-Life business		Life business	
	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 insurers	**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 the consolidated comprehensive income statement

Amounts in €m	Amounts allocated		Adjustments from reclassification to profit or loss	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Other income items not reclassified to profit or loss	**24.0**	**32.2**		
Reserve deriving from changes in the shareholders' equity of the investees	23.3	21.7		
Revaluation reserve for intangible assets	0.1			
Revaluation reserve for property, plant and equipment				
Gains and losses on non-current assets or assets of a disposal group held for sale				
Actuarial gains and losses and adjustments relating to defined benefit plans	12.0	0.4		
Gains or losses on equity instruments at fair value through OCI	(11.4)	11.4		
Reserve deriving from variation on credit risk on financial liabilities at fair value through profit or loss				
Other items		(1.3)		
Other income items reclassified to profit or loss	**(2,019.9)**	**(233.2)**	**(523.1)**	**151.3**
Reserve for foreign currency translation differences	0.2	(0.1)		
Gains or losses on available-for-sale financial assets	(1,954.2)	(194.6)	(522.8)	151.7
Gains or losses on financial assets (other than equity instruments) at fair value through OCI	(29.0)	0.2	(0.3)	(0.4)
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 the investees	(53.6)	3.5		
Gains and losses on non-current assets or of a disposal group held for sale				
Other items				
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE)	**(1,995.9)**	**(201.0)**	**(523.1)**	**151.3**

Other changes		Total changes		Income taxes		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
		24.0	**32.2**	**(2.6)**	**(3.9)**	**(32.2)**	**(56.3)**
		23.3	21.7	0.0	(0.0)	48.7	25.4
		0.1				0.1	
		12.0	0.4	(4.9)	(0.5)	(23.3)	(35.3)
		(11.4)	11.4	2.3	(3.4)	(57.7)	(46.4)
			(1.3)				
		(2,543.0)	**(81.9)**	**1,073.3**	**32.0**	**(1,174.0)**	**1,369.0**
		0.2	(0.1)			4.1	3.9
		(2,476.9)	(42.9)	1,070.2	13.3	(1,117.6)	1,359.4
		(29.3)	(0.2)	10.5	(0.1)	(18.7)	10.5
		16.7	(42.1)	(7.5)	18.8	(9.4)	(26.1)
		(53.6)	3.5			(32.4)	21.2
		(2,518.9)	**(49.7)**	**1,070.7**	**28.1**	**(1,206.2)**	**1,312.7**

Details of reclassified financial assets and their effects on the income statement and comprehensive income statement

Categories of financial assets subject to reclassification		Type of asset	Date of reclassification (*)	Amount of assets reclassified during 2022 at the reclassification date	Carrying amount at 31/12/2022 of reclassified assets		Fair value at 31/12/2022 of reclassified assets	
from	to				Assets reclassified during the year	Assets reclassified up to 31/12/2022	Assets reclassified during the year	Assets reclassified up to 31/12/2022
At FV through profit or loss	Loans and receivables	debt securities						
At FV through profit or loss	Loans and receivables	other fin. instr.						
Available-for-sale	Loans and receivables	debt securities				42.1		40.9
Available-for-sale	Loans and receivables	other fin. instr.						
At FV through profit or loss	Available-for-sale	equity instruments						
At FV through profit or loss	Available-for-sale	debt securities						
At FV through profit or loss	Available-for-sale	other fin. instr.						
At FV through profit or loss	Held-to-maturity investments	debt securities						
At FV through profit or loss	Held-to-maturity investments	other fin. instr.						
Available-for-sale	Held-to-maturity investments	debt securities						
Available-for-sale	Held-to-maturity investments	other fin. instr.						
Total						**42.1**		**40.9**

(*) Applicable only to financial assets classified according to IFRS9

Amounts in €m

Assets reclassified during the year		**Assets reclassified up to 31/12/2022**		**Assets reclassified during the year**		**Assets reclassified up to 31/12/2022**	
Gains or losses recognised through profit or loss	Gains or losses recognised in the statement of other comprehensive income	Gains or losses recognised through profit or loss	Gains or losses recognised in the statement of other comprehensive income	Profit or loss that would have been recognised through profit or loss if there had been no reclassification	Profit or loss that would have been recognised in the statement of other comprehensive income if there had been no reclassification	Profit or loss that would have been recognised through profit or loss if there had been no reclassification	Profit or loss that would have been recognised in statement of other comprehensive income if there had been no reclassification
							(4.9)
							(4.9)

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		37,191.6	47,076.1	377.8	403.6	3,460.3	2,714.7	41,029.8	50,194.4
Financial assets at fair value through OCI		828.9	494.6					828.9	494.6
Financial assets at fair value through profit or loss	Held for trading financial assets	59.4	95.6	215.4	130.2	58.9	3.8	333.7	229.5
	Financial assets at fair value	8,692.5	8,292.7			93.0	51.8	8,785.5	8,344.5
	Financial assets at fair value through profit or loss	73.7	51.1			0.0	0.1	73.7	51.2
Investment property									
Property, plant and equipment									
Intangible assets									
Total assets at fair value on a recurring basis		***46,846.2***	***56,010.1***	***593.2***	***533.8***	***3,612.2***	***2,770.3***	***51,051.6***	***59,314.2***
Financial liabilities at fair value through profit or loss	Held for trading financial liabilities	7.1	13.0	142.3	401.6	5.1	31.3	154.5	445.9
	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***	***5,942.3***	***6,839.1***	***6,356.9***
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 financial assets and liabilities at fair value on a recurring basis

Amounts in €	Available-for-sale financial assets	Financial assets at fair value through OCI	Financial assets at fair value through profit or loss			Investment property	Property, plant and equipment	Intangible assets	Financial liabilities at fair value	
			Held-for-trading financial assets	Financial assets at fair value	Other financial assets mandatorily at fair value				Held-for-trading financial liabilities	Financial liabilities at fair value through profit or loss
Opening balance	**2,714.7**		**3.8**	**51.8**	**0.1**				**31.3**	**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	(0.0)				1.7	
- of which unrealised gains/losses			*0.3*	*2.1*	*(0.0)*				*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)					(24.1)	773.6
Closing balance	**3,460.3**		**58.9**	**93.0**	**0.0**				**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	4,684.1	4,754.0			2,897.3	3,336.8	1,253.8	1,417.3	4,151.2	4,754.0
Financial assets at amortised cost		357.2						357.2		357.2
Investments in subsidiaries, associates and interests in joint ventures	1,607.7	1,304.4	823.8	750.9			91.5	96.5	915.3	847.4
Investment property	2,282.2	2,072.5					2,644.5	2,363.2	2,644.5	2,363.2
Property, plant and equipment	2,861.6	2,514.7					3,109.0	2,692.9	3,109.0	2,692.9
Total assets	**11,801.4**	**11,369.6**	**1,168.0**	**1,094.7**	**2,918.9**	**3,359.7**	**7,098.9**	**6,927.0**	**11,185.7**	**11,381.4**
Liabilities										
Financial liabilities at amortised cost	4,747.9	4,413.9	4,488.9	4,743.2			81.4	163.4	4,570.3	4,906.7

5

SUMMARY OF FEES FOR THE YEAR FOR SERVICES PROVIDED BY THE INDEPENDENT AUDITORS

Summary of fees for the year for services provided by the Independent Auditors

(Art. 149-duodecies of Issuer's Regulation)

Amounts in €k

Type of services	Provider of the service	Recipient	Fees (*)
Legally-required audit	EY SpA	Unipol SpA	147
Attestation services	EY SpA	Unipol SpA	
Other professional services	EY SpA	Unipol SpA	103
Total Unipol Gruppo			**250**
Legally-required audit	EY SpA	Subsidiaries	2,233
Legally-required audit	Ernst & Young Ireland Unlimited Company - Ireland	Subsidiaries	263
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	532
Other professional services	EY SpA	Subsidiaries	385
Other professional services	Ernst & Young Ireland Unlimited Company - Ireland	Subsidiaries	33
Other professional services	EY Advisory SpA	Subsidiaries	25
Total subsidiaries			**3,590**
Grand total			**3,839**

(*) the fees do not include any non-deductible VAT or charged back expenses

6

STATEMENT ON THE CONSOLIDATED FINANCIAL STATEMENTS

In accordance with art. 81-Ter of Consob regulation no. 11971/1999

Statement on the Consolidated Financial Statements

STATEMENT ON THE INTEGRATED CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH ART. 81-ter, CONSOB REGULATION No. 11971 OF 14 MAY 1999 AND SUBSEQUENT AMENDMENTS AND ADDITIONS

1. The undersigned, Matteo Laterza, as General Manager, and Luca Zaccherini, as Manager in charge of financial reporting of Unipol Gruppo S.p.A., hereby certify, also taking into account the provisions of Art. 154-bis, paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998:
   - the adequacy in relation to the characteristics of the company and
   - the effective application,

   of the administrative and accounting procedures for the preparation of the **integrated consolidated financial statements** for the period 1 January 2022 - 31 December 2022.
2. The assessment of the adequacy of the administrative and accounting procedures, for preparing the integrated 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 integrated 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 no. 38/2005, the Legislative Decree no. 209/2005 and the applicable IVASS measures, regulations and circulars;
   - correspond to the book results and accounting records;
   - are suitable to provide a true and fair view of the equity, economic and financial situation of the issuer and of the consolidated companies;

   3.2. the management report includes a reliable analysis of the performance and of the operating result, and of the situation of the issuer and of the consolidated companies, together with a description of the main risks and uncertainties to which they are exposed.

Bologna, 23 March 2023

The Manager in charge of financial reporting	The General Manager
Luca Zaccherini	*Matteo Laterza*

(signed on the original)

Unipol Gruppo S.p.A.

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Share capital
€3,365,292,408.03 fully paid-up
Bologna Register of Companies
Tax No. 00284160371
VAT No. 03740811207
R.E.A. No. 160304

Parent company of the Unipol Insurance Group
entered in the Register of the parent companies
at No. 046

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Unipol Gruppo S.p.A.
Registered Office
Via Stalingrado, 45
40128 Bologna (Italy)