2023 CONSOLIDATED HALF-YEAR REPORT

FROM OUR **PAST** INTO THE COUNTRY'S **FUTURE**

Posteitaliane

Postevita
Posteassicura
GruppoAssicurativoPostevita

2023 CONSOLIDATED HALF-YEAR REPORT

FROM OUR **PAST** INTO THE COUNTRY'S **FUTURE**

TABLE OF **CONTENTS**

Composition of the Corporate and Control Bodies of the Parent Company Poste Vita SpA

BOARD OF DIRECTORS[1]

Chairperson
Maria Bianca Farina

Chief Executive Officer
Andrea Novelli

Directors
Cosimo Pacciani
Laura Furlan
Paolo Martella
Biancamaria Raganelli[2]
Moroello Diaz Della Vittoria Pallavicini[2]

General Manager
Andrea Novelli

1. The Board of Directors and the Board of Statutory Auditors were appointed by the Shareholders' Meeting held on 26 June 2023 and will serve for three-year terms of office, until the date of approval of the financial statements for 2025.
2. Independent Directors.
3. The Supervisory Board, appointed by the Board of Directors at their meeting of 25 May 2021, has a three-year term of office that will expire on the date of approval of the financial statements for 2023.

BOARD OF STATUTORY AUDITORS[1]

Chairperson
Alberto Dello Strologo

Standing auditors
Debora D'Angiolillo
Vincenzo Moretta

Alternate auditors
Guido Sazbon
Maura Gervasutti

SUPERVISORY BOARD[3]

Chairperson
Bruno Assumma

Members
Matteo Petrella
Luciano Loiodice

Independent Auditors[4]

Deloitte&Touche SpA

Internal control and risk and Related Party transactions committee[5]

Chairperson
Cosimo Pacciani

Members
Biancamaria Raganelli
Moroello Diaz Della Vittoria Pallavicini

Remuneration Committee[5]

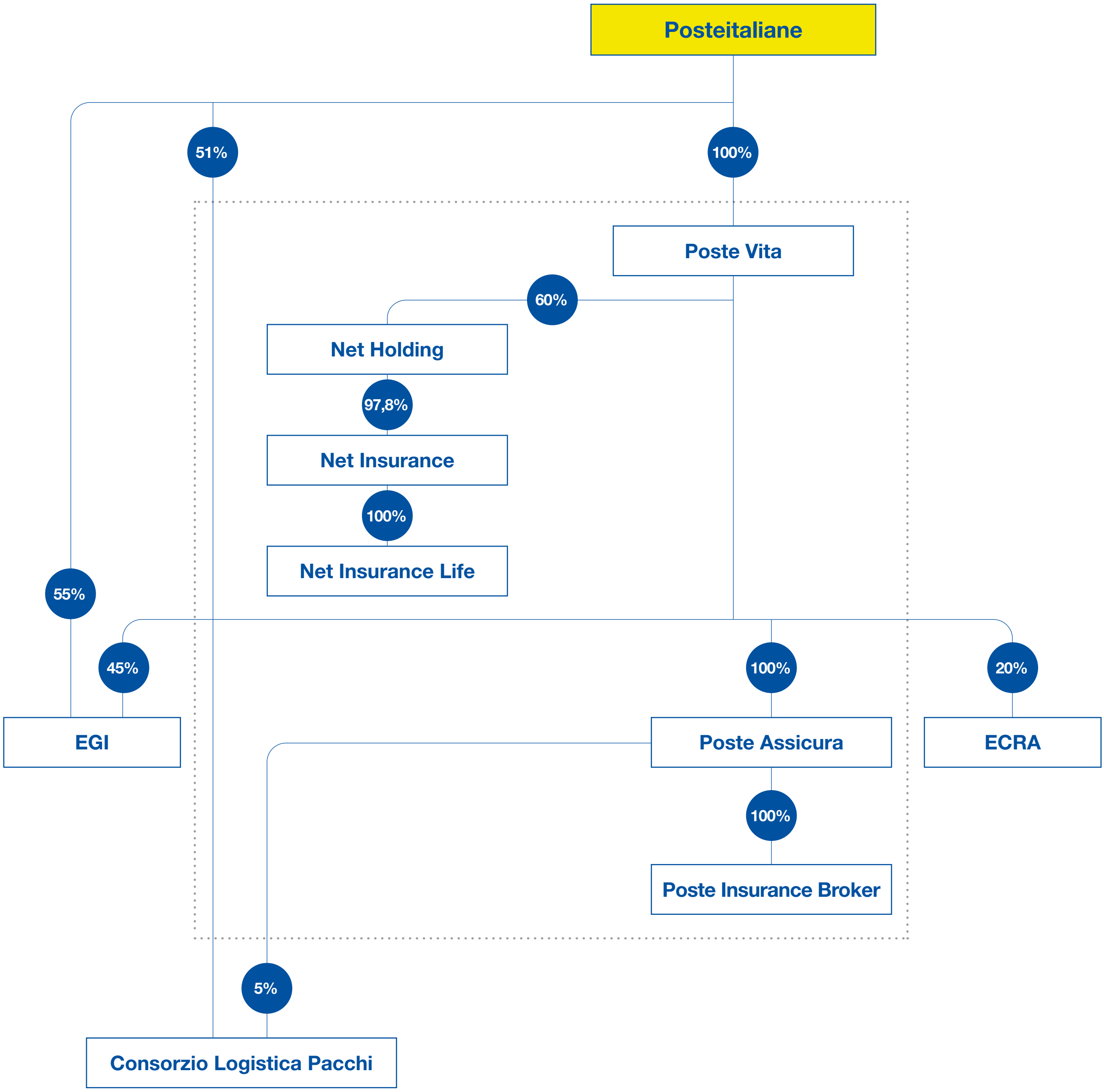
Chairperson
Laura Furlan

Members
Biancamaria Raganelli
Moroello Diaz Della Vittoria Pallavicini

4. The Shareholders' Meeting, which met on 28 November 2019, approved the engagement of Deloitte & Touche SpA to audit the annual and consolidated financial statements of Poste Vita for the nine-year period from 2020-2028. The firm is the Group auditor selected following a single tender launched by Poste Italiane SpA in compliance with the provisions of Regulation (EU) 573 of 16 April 2014 and of Italian Legislative Decree no. 39 of 17 January 2010, as amended by Legislative Decree no. 135/2016.
5. The Internal Control and Risk and Related Party Transactions Committee and the Appointments and Remuneration Committee, in their new composition, were established by Board resolution of 28 June 2023.

Group structure

The Poste Vita Insurance Group's current structure and its scope of consolidation are briefly described below:



The Poste Vita Insurance Group operates mainly in the life and non-life insurance sectors and has a leading position in the life sector and a growth strategy in the non-life sector.

The scope of consolidation includes:

1. Poste Assicura SpA ("Poste Assicura"), an insurance company operating in non-life insurance, excluding motor insurance, wholly owned by the Parent Company Poste Vita;
2. Poste Insurance Broker Srl, a wholly-owned subsidiary of Poste Assicura, is active in the third-party motor liability and ancillary cover segment, through the placement of standardised insurance policies for Poste Italiane Group customers;
3. Net Holding SpA ("Net Holding"), a 60% subsidiary of Poste Vita, is the special purpose vehicle through which the Company acquired control of Net Insurance;
4. Net Insurance SpA ("Net Insurance") is an insurance company authorised to practise non-life insurance and reinsurance that offers protection solutions dedicated to individuals, families and small and medium-sized enterprises. The company's offer is dedicated to (i) insurance coverage related to the world of credit and, in particular, salary or pension-backed loans ('CQ'), (ii) protection, in particular with distribution through banking networks and, to a lesser extent, (iii) insurtech, thanks to agreements with technology partners. Net insurance controls 100% of Net Insurance Life SpA;
5. Net Insurance Life SpA (hereinafter also referred to as Net Insurance Life) is an insurance company active in the life insurance business that mainly offers insurance coverage related and instrumental to the non-life products offered by its parent company Net Insurance.

It should be noted that Net Insurance and Net Insurance Life became part of the Poste Vita Group as of 1 April 2023 and that at 30 June 2023, the Parent Company Poste Vita held a controlling interest in Net Insurance of 58.69% through Net Holding, the latter in turn holding a 100% interest in Net Insurance Life.

The subsidiaries have relations with the Parent Company, Poste Vita, which are governed by specific contracts, written and regulated at market conditions.

Poste Vita also holds a non-controlling interest, equal to 45% of the Share Capital, in the company Europa Gestioni Immobiliari SpA (EGI), which operates mainly in the real estate sector for the management and development of Poste Italiane's real estate assets that are no longer instrumental, and another non-controlling interest, equal to 20% of the Share Capital, in the company Eurizon Capital Real Asset SGR SpA This is an asset management company to which Poste Vita has entrusted an alternative investment management mandate. The aforementioned investments are measured with the equity method.

in addition, Poste Assicura SpA, as non-controlling investor, holds 5% of the share capital of "Consorzio Logistica Pacchi S.c.p.a."; the latter exercises primarily sorting, tracking and delivery activities relating to the Parcel service for Poste Italiane SpA. This investment is measured at cost.

Key performance indicators

In this document, numbers indicating monetary amounts are mainly indicated in millions of Euros, which is the functional currency of the Group. Therefore, misalignments of the last digit in the sum of values are possible due to rounding.

The table below shows the main economic-equity balances; for comments please refer to the following paragraphs:

PRINCIPAL FINANCIAL KPIs (€m)	30/06/23	31/12/22	Change	
Financial Investments	150,511.4	142,460.3	8,051.1	5.7%
Insurance technical liabilities	149,226.4	140,980.5	8,245.9	5.8%
of which CSM	11,670.8	11,415.8	255.0	2.2%
Equity	6,176.4	5,986.6	189.8	3.2%
of which attributable to non-controlling interests	*74.2*	*0.0*	*74.2*	
Solvency Ratio	274.5%	253.3%	21.2%	
Headcount (exact FTE)*	609.6	460.1	149.5	32.5%

PRINCIPAL OPERATIONAL KPIs	30/06/23	30/06/22	Change	
Gross premium revenue	10,845.6	9,451.5	1,394.0	14.7%
Net inflows	3,137.3	3,919.2	(781.8)	(19.9%)
Result of insurance services	661.4	751.9	(90.6)	(12.0%)
Net financial result	18.3	(48.0)	66.4	(138.2%)
Net Result	484.2	525.8	(41.6)	(7.9%)
of which attributable to non-controlling interests	*1.2*	*0.0*	*1.2*	
CSM release	577.3	686.7	(109.4)	(15.9%)
of which Addional and Tvog	*54.1*	*184.3*	*(130.1)*	*(70.6%)*
Return - PostaValorePiù	2.51%	2.58%	(0.06%)	
Return - PostaPensione	2.76%	2.61%	0.15%	
Return - Poste Vita Valore Solidità**	3.05%		n/s	
Lapse rate***	4.1%	3.8%	0.3%	

* The headcount for the period includes 132 staff attributable to the acquisition of Net Insurance and Net Life as of 1 April 2023.
** Start of marketing in April 2023.
*** Determined as the ratio of lapses to average statutory technical provisions (mathematical, sums payable and other additional provisions).

Page intentionally left blank


1
CAPILLARITÀ
Premura
POSTE

REPORT ON OPERATIONS

1 REPORT ON OPERATIONS

Contents


POSTE
L40
POSTA

1. Executive Summary

In the period between 1 January 2023 and 30 June 2023 (hereinafter also "the Period"), the management of the Poste Vita insurance group, in line with the strategic objectives set out in the 2021-2024 business plan, was mainly aimed at:

- strengthening the leadership in the life market, by increasing revenue from traditional products;
- achieving growth in the protection and welfare segment.

In addition, in April 2023, the entry of Net Insurance and the subsidiary Net Insurance Life into the Poste Vita Group perimeter was finalised through the subsidiary Net Holding, which will enable the Group, in line with the objectives defined in the business plan, to achieve significant growth in the non-life insurance/protection segment.

Premiums from the Life segment during the Period totalled € 10.5 billion, an increase of 13.8% (+€ 1.3 billion) compared to the figure in the first half of 2022. In particular, an increase was recorded in traditional build-up products, which grew by € 3.8 billion during the period. This trend was only partially offset by the decrease in production from multi-class products, which recorded a decrease of € 2.5 billion in the Period. The subsidiary Net Insurance Life contributed € 35.9 million to the figure for the first half of 2023.

Outgoings for payments in respect of the life business amounted to € 7.4 billion in the Period (of which € 10 million represented the contribution in the Period of the subsidiary Net Insurance Life), up (+38.7%) compared to the figures recorded in the first six months of 2022 and relate to (i) maturities (including coupons) of € 3 billion, up € 1.7 billion compared to the figure recorded in the first half of 2022; (ii) claims of € 1.3 billion (€ 1.3 billion in the corresponding period of 2022); and (iii) surrenders of € 3.2 billion, up (+14.6%) compared to the figure recorded at the end of June 2022 and with a ratio to opening provisions of 4.1%, up compared to June 2022 (which was 3.8%); a figure that continues to remain at levels well below the average market figure of 8.9%[1] at 30 June 2023.

In relation to this, net inflows for the period were positive at € 3.1 billion, contributing to the growth in assets under management, albeit down slightly on the same figure for 2022 (€ 3.9 billion) given the aforementioned trend in payments.

Gross premium revenue in the Non-Life business amounted to € 327 million in the Period (of which € 31.2 million related to the subsidiary Net Insurance), up sharply (+55.3%) compared to the same period of the previous year (€ 210.5 million) due to i) a 22% increase in premiums pertaining to the property & personal & modular protection line; ii) the development of collective policies in the welfare segment, with an increase in premiums written of € 58.2 million (+67% compared to the previous year); iii) a € 6.1 million increase (in premium revenue) in the integrated life & non-life offer; and iv) the significant growth (+€ 9.5 million) in volumes pertaining to the salary-backed line thanks to the contribution of the subsidiary Net Insurance.

As far as the Non-life business is concerned, payments amounted to € 104.6 million (of which € 6.4 million represent the contribution in the period of the subsidiary Net Insurance), including payment and direct costs of € 9.4 million, up 23% on the figure in 2022 (€ 85.0 million), mainly due to the trend in the claims rate of the Illness class.

Revenue from insurance contracts issued amounted to € 1,221.4 million at the end of the Period and increased by € 43.6 million compared to the first half of 2022 mainly due to: i) higher release (+€ 50.5 million) of claims and expected expenses; ii) higher release (+€ 22.5 million) of risk adjustment; and iii) increase (+€ 43.2 million) of the change in LRC (Liability for Remaining Coverage) related to products measured with the PAA measurement model (Premium Allocation Approach) and higher release (+€ 35.9 million) of IACFs (Insurance Acquisition Cash Flows) related to the increase in gross inflows. This increase was only partly mitigated by the lower release of the CSM (Contractual Service Margin) recorded in the Period for € 109.4 million.

1. Source: Ania Trends – Life flows and provisions – Publication no. 2, 4 September 2023

Costs arising from insurance contracts issued2 amounted to € 552.1 million and increased by € 131.9 million compared to the same period of 2022, mainly due to the growth in claims paid and attributable costs including the change in the liability for claims incurred of € 77.7 million due to the increase in volumes, the impact of the loss component (+€ 12.1 million) due to the significant growth in volumes of the collective welfare business and the amortisation of IACFs (Insurance Acquisition Cash Flows) due to higher commissions linked to higher production.

The result deriving from reinsurance business in the Period was negative for € 7.9 million and worsened compared to the result achieved in the first half of 2022 (negative for € 5.6 million) mainly due to the integration in the period of the subsidiary Net Insurance.

In relation to the aforementioned dynamics, the result from insurance services amounted to € 661.4 million at the end of the Period, down € 90.6 million compared to the figure recorded at the end of the first half of 2022.

The financial market dynamics recorded in the Period, which improved compared to 2022 (heavily influenced by interest rate trends), resulted in the reduction of unrealised capital losses on investments, from € 14.5 billion recorded at 31 December 2022 to € 11.4 billion at the end of June 2023.

As is known, the investments held by the Poste Vita Group were already measured at fair value even before the application of IFRS 17. Since unrealised capital losses refer almost exclusively to investments included in the Separately managed accounts, they do not affect the income statement directly, but are included in the changes in the CSM for the Period.

In this sense, the net financial result that takes into account the mirroring effect (i.e. the attribution, as required by IFRS 17, of the change in the aforementioned capital losses to policyholders, net of the investments that are "over-insured" with respect to the amount of the reserves) shows a positive balance, given the recovery of the financial markets, of € 18.3 million, compared to a negative result of € 48.0 million recorded in the first half of 2022.

Non-attributable operating costs[3] in the Period totalled € 24.7 million (€ 19.7 million recognised in the first six months of 2022) and mainly related to personnel costs, IT service costs and consulting/professional services.

Due to the aforementioned trends, gross profit for the period came to € 716.0 million, compared to € 736.2 million recorded in the first half of 2022. Considering the tax burden, determined with an estimated tax rate of 32%, the Poste Vita Group closed the Period with a net profit of € 484.2 million (of which € 1.2 million pertaining to non-controlling interests), marking a decrease of € 41.6 million on the € 525.8 million recorded in the first half of 2022.

Equity at 30 June 2023 amounted to € 6,176.4 million, an increase of € 189.8 million compared to 2022, mainly due to: i) the profit for the Period of € 484.2 million; ii) the positive change in the reserve arising from the valuation of securities belonging to the FVOCI category (net of the mirroring effect) of € 111.5 million; and iii) the recognition in the Period of the portion of equity attributable to non-controlling interests of € 74.2 million. This increase is partially offset by the € 450 million dividend paid to the Ultimate Parent Poste Italiane.

2. Including costs directly attributable to insurance contracts and shown as a direct deduction from insured revenue. These costs also contribute to the determination of fulfilment cash flows and CSM in both the initial recognition and subsequent measurement phase and are released periodically in the income statement (under net insurance income).
3. Costs that are not directly attributable to insurance contracts and therefore do not contribute to the definition of the result of insurance services but are recognised in the income statement when incurred and not included in the calculation of the CSM.

2. Economic and market environment

During the first half of 2023, the global economy continued to be affected by still high levels of inflation, albeit slower than at the beginning of the year, uncertainty related to the war in Ukraine and the restrictive monetary policy stance. Inflation remained high, albeit declining, thanks to both easing price pressures in supply chains and falling energy prices. In OECD countries, the year-on-year change in consumer prices in May showed growth of +6.5%, compared to a high of +10.7% in October 2022. The energy component alone amounted to -5.1% in the same month and was down for the eleventh consecutive month.

Against this backdrop, major central banks in advanced economies continued with the process of normalising monetary policy, with the aim of bringing inflation back towards their official targets. The cost of borrowing continued to rise in the US (to 5.25%), in the Eurozone (to 4%) and in the UK (to 5%). It is still unchanged in Japan, where it stands at -0.10%.

As tensions around the banking system eased, thanks to the rapid intervention of the monetary and government authorities in ensuring liquidity and bolstering the banking system, expectations of economic growth returned to focus on the fear that inflation could remain at high levels for longer than expected and that the monetary policy stance could turn out to be more restrictive than financial markets currently anticipate.

Economic growth in the **US** continues to be underpinned by consumption (thanks to employment income and the household savings rate), albeit penalised by a weakening manufacturing sector, inflation and the Federal Reserve's consequent monetary policy. The labour market confirmed its robustness, with employment growth mainly driven by the service sector and wage dynamics that, although moderating, remain high: the unemployment rate was 3.7% in May.

Consumer price growth is slowing down, although still far from the Federal Reserve's target: in June the benchmark index grew by +3.0% year-on-year. The resilience of inflation is due to the core component, which rose by +4.8% year-on-year in the same month, but continues to be affected by the dynamics of the residential real estate and ex-housing services sector. Against this backdrop, the Federal Reserve remains committed to normalising its monetary policy: during 2023, the cost of borrowing rose by 75 basis points, from 4.50% to 5.25%.

The **Eurozone** economy, which has entered a slowdown phase due to the effects of inflation and monetary tightening, is supported by a consistently robust labour market, falling energy prices and strong demand in services. Headline inflation, although slowing down due to the decline of the energy component, to +5.5% year-on-year (according to preliminary June estimates), remains persistent mainly due to the core component, which accelerated to +5.4% year-on-year (from the previous +5.3%) as, despite the stabilisation of non-energy industrial goods prices, it continues to be supported by the services and food component. The most recent ECB forecasts indicate, on the one hand, the expectation of a slowdown in inflation, and on the other hand the possibility of missing the target of returning inflation to 2.0% also in 2025. In the meantime, the ECB continued on its path of increasing the cost of borrowing, which rose by 200 basis points (from 2.50% to 4.5%) over the course of 2023. The sudden increase in uncertainty prompted the ECB to avoid giving any indication of the future direction of interest rates, linking subsequent decisions to a comprehensive assessment of data on the performance of the real economy, inflation and the delivery of monetary policy. In addition, the central bank, which had already reduced the reinvestment of maturities in the APP (Asset Purchase Programme) portfolio by an average of € 15 billion per month since March, stopped reinvesting as of July. In contrast, with regard to the PEPP (Pandemic Emergency Purchase Programme), the ECB will continue reinvesting maturing securities at least until the end of 2024.

For the **UK**, the outlook for economic growth appears to be conditioned by the evolving geopolitical situation and the trend in inflation, which rose in May by +8.7% year-on-year. In 2023, the Bank of England raised the cost of borrowing by 150 basis points, to 5%, with the aim of bringing inflation back to 2.0%.

In **Italy**, growth forecasts for 2023 are positive, thanks to a much more robust first half of the year than expected, with real GDP growing at the highest rate among the major Eurozone countries. However, the macroeconomic scenario remains conditioned by the restrictive effects of the ECB's monetary policy and the effects of inflation on profit margins and business investment. Inflation seems to have passed the high point reached last October at +12.6% year-on-year, having slowed down in recent months to +6.4% year-on-year in June 2023.

As far as **emerging economies** are concerned, the Chinese economy grew by 6.3% year-on-year in the second quarter of 2023, despite the uneven post-Covid rebound in recent months. Market demand gradually recovered, production supply continued to increase, employment and prices remained generally stable and residents' incomes rose steadily. In Brazil, several indicators showed an improvement in 2023, but the take-off of the country's economy still faces difficulties. As for Russia, economic growth continues to suffer from the economic, financial and political effects of the war in Ukraine.

Financial markets

Core ten-year government bond yields rose in the first two months of the year, reflecting expectations of more persistent inflationary pressures and, consequently, expectations of a more restrictive monetary stance by central banks. Since the second half of March, yields have fallen, reaching mid-January levels, due to the events that impacted the regional banks in the US and the Credit Suisse affair in Europe, which have ignited fears of spreading to the real economy and highlighted the risks to financial stability associated with a rapid and marked rise in discount rates. Once the idiosyncrasy of the aforementioned banking events had been established and the financial stability alarm had subsided, central banks continued their tightening process and yields began to rise again. At the end of the second quarter of 2023, the US 10-year government yield stood at 3.84% (compared to 3.88% at 31 December 2022) while the German yield was 2.39% (compared to 2.57% at the end of December 2022).

In the same period, Italian government bond yields, which rose in January and February, fell in conjunction with the first signs of instability in the banking sector. At the end of March 2023, the yield on the Italian ten-year government bond was in the 4.09% area, compared to around 4.71% at the end of 2022. In the last quarter, the yield remained almost unchanged, standing at 4.07% at the end of June 2023. The ten-year spread against the German Bund at the end of the second quarter stood at 168 basis points (compared to 214 at the end of 2022), mainly due to the movement on the German government curve.

On the corporate credit front, at the end of the second quarter of 2023, the average yield in both the Investment Grade and High Yield segments was up compared to the end of 2022, mainly as a result of rising interest rates. The movement of the spread was more contained, which, at the end of the second quarter of 2023, was in the 90 basis points area in the Euro Investment Grade segment and in the 370 basis points area in the Euro High Yield segment, showing substantial resilience to banking events, due to both the staying power of the economic cycle and to the expectation of the idiosyncratic nature of the banking events themselves.

The performance of all the main equity indices in the first half of 2023 was positive, driven by expectations of a slowdown in the normalisation of monetary policies and the intervention of monetary and government authorities to stabilise the financial situation in the wake of the banking events: global equities (MSCI Word) +13.99%, USA (S&P500) +15.91%, Europe (EuroStoxx 50) +15.96%, Germany (DAX) +15.98%, Italy (FTSEMIB) +19.08%, Emerging Countries +3.46%.

Italian life insurance market

New individual life insurance policies, based on the latest available official data (source: ANIA[4]) amounted to € 38.1 billion at the end of June 2023, a decrease of 6.8% compared to the same period in 2022. If new Life business reported by EU companies is also taken into account, the figure reaches € 42.2 billion, down 9.3% compared to the same period of 2022.

Analysing the data by class, premiums from Class I, confirming its leading role in the life business with a 77.1% share of the total at the end of June 2023, amounted to € 29.4 billion at the end of the first six months of the year, up 14.2% compared to the same period of the previous year. With reference to premium revenue in class III (in the exclusive unit-linked form) at the end of June 2023, a particularly negative trend was recorded, with a decrease (-43.4%) compared to the figure in 2022, against total volumes of € 8.4 billion. Although residual, premium revenue from capitalisation products amounted to € 232 million and increased (+4.5%) during the reference period compared to the same period in the previous year. The trend in new premiums relating to long-term illness policies (Class IV) continued to be limited (roughly € 36 million), an increase (+29%) compared to the figure recorded in the same period of 2022.

New contributions relating to the management of pension funds recorded premium revenue of € 62 million, a slight decrease of -0.9% compared to the same period in 2022.

New individual and collective Life business by class*

(data updated in June 2023 in €m)

Premiums by class/product	Premiums YTD	% change 06 2023 vs 06 2022
Life - class I	29,418	14.2%
Unit - Linked - class III	8,397	(43.4%)
Capitalisations - class V	232	4.5%
Pension funds - class VI	62	(0.9%)
Illness - class IV	36	29.0%
Italian insurers - non-EU	**38,145**	**(6.8%)**
EU insurers**	**4,037**	**(28.2%)**
Total	**42,182**	**(9.3%)**

* Source: ANIA.
** The term "EU insurers" refers to the Italian subsidiaries of undertakings with a registered office in an EU country operating under the right of establishment and freedom to provide services. The figures refer solely to undertakings taking part in the survey.

Single premiums continued to be the preferred form of payment for policyholders, representing 95.5% of total premiums written and 61.3% of policies by number.

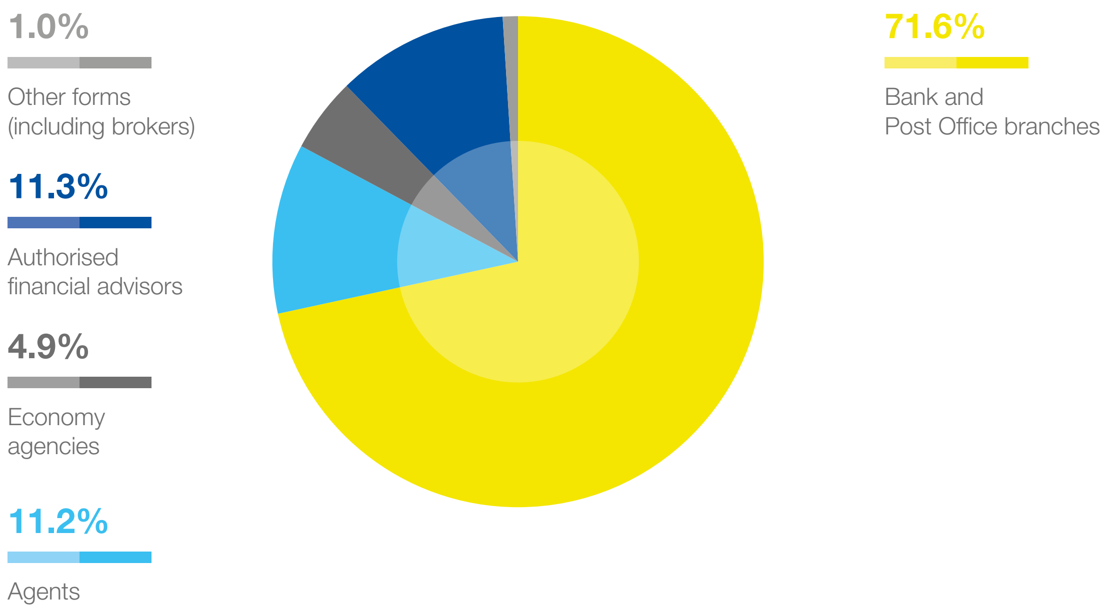
With regard to the distribution channel, 72.9% of new business was brokered through banks and post offices at the end of June 2023, with premium revenue of € 27.3 billion, a slight decrease (-0.8%) compared with the same period of 2022. On the other hand, with regard to the entire agency channel, the volume of new business distributed reached € 6.2 billion, marking a decrease of 6% in terms of volumes recorded compared to the same period of 2022, and with an incidence on total brokered business of 16.1%.

4. ANIA Report - Year XIX - no. 6 - published on 9 August 2023.

The performance of new business obtained through authorised financial advisors was € 4.3 billion, down (-29%) compared with the amount placed in the same period of the previous year and with an incidence compared to the total of brokered premiums equal to 11.3%.

Finally, the broker and distance sales channel recorded a decline of 50.5% in the period in question compared to the same period of 2022, with a volume of premiums placed of € 369.4 million (or 1% of the total brokered).

New individual and collective Life business by distribution channel



Source: ANIA.

Italian non-life insurance market

Total direct Italian premiums in the **Non-life insurance market**, thus including policies sold by Italian and overseas undertakings, based on the available official data (source: ANIA[5]), amounted to € 11.2 billion at the end of first quarter of 2023, an increase over the same period in 2022 (+11%), when the sector grew by 5.1%.

This growth is mainly attributable to the development of the non-automotive sector (+14%). Premiums in the Motor line also increased by 6.8%, mainly as a result of the increase in premiums in the Land Vehicle hulls line (+15.8%), while the third-party liability insurance line recorded a further premium reduction of 4.1%.

The classes with the greatest weight in terms of premiums written, which showed a positive change during the period, were: the Accident class with premiums of € 1,062 million, up 6.5%; the Illness class with premiums of € 1,214 million, up 21.2%; the General third-party liability class with premiums of € 1,570 million, up 19.8%; Other property damage with premiums of € 946 million, up 9.3%; and Fire and natural disaster with premiums of € 785 million, up 14.3% for the period. Also worth mentioning is the positive change achieved by the Credit and Financial Losses classes, respectively 14.5% and 9.5%, with total premium revenue of € 227 million and € 225 million, respectively.

Direct portfolio premiums at I Quarter 2023

€m

	ITA and EXTRA EU PREMIUMS**	ITA and EXTRA EU MARKET SHARE	EU PREMIUMS***	EU MARKET SHARE	TOTAL PREMIUMS	CHANGE +% ITA and EXTRA EU PREMIUMS	CHANGE +% EU PREMIUMS	CHANGE +% TOTAL PREMIUMS
Classes	**at IQ 2023**	**at IQ 2023**	**at IQ 2023**	**at IQ 2023**	**at IQ 2023**	**2023/2022**	**2023/2022**	**2023/2022**
Third-party liability insurance Land vehicles	2,947	92.4%	242	7.6%	3,189	2.8%	22.2%	4.1%
Land vehicle hulls	991	90.6%	102	9.4%	1,093	14.6%	28.2%	15.8%
Total motor segment	**3,938**	**92.0%**	**345**	**8.0%**	**4,283**	**5.6%**	**23.9%**	**6.8%**
Accident	898	84.6%	164	15.4%	1,062	5.5%	12.2%	6.5%
Illness	1,150	94.7%	64	5.3%	1,214	21.3%	19.7%	21.2%
Railway	1	100.0%	-	0.0%	1	-55.1%	-	-55.1%
Aircraft	5	70.5%	2	29.5%	7	50.7%	79.5%	58.2%
Maritime	73	85.7%	12	14.3%	85	12.7%	-60.8%	-11.1%
Goods transported	75	57.1%	56	42.9%	132	29.6%	28.4%	29.1%
Fire and natural disaster	674	85.9%	111	14.1%	785	9.0%	61.8%	14.3%
Other damage to property	786	83.0%	160	17.0%	946	7.6%	18.3%	9.3%
Third-party liability insurance Aircraft	3	54.0%	3	46.0%	6	6.0%	47.0%	21.6%
Third-party liability insurance Maritime	4	78.9%	1	21.1%	5	14.6%	-82.1%	46.4%
Third-party liability insurance General	971	61.9%	599	38.1%	1,570	12.0%	34.9%	19.8%
Credit	31	13.9%	196	86.1%	227	14.7%	14.5%	14.5%
Security deposit	138	72.3%	53	27.7%	191	9.3%	17.1%	11.4%
Financial losses	163	72.2%	63	27.8%	225	10.3%	7.7%	9.5%
Legal expenses	132	85.6%	22	14.4%	154	7.4%	14.2%	8.4%
Assistance	243	88.4%	32	11.6%	275	7.7%	20.9%	9.1%
Total other Non-Life classes	**5,348**	**77.7%**	**1,537**	**22.3%**	**6,885**	**11.4%**	**22.9%**	**13.8%**
Total Non-Life classes	**9,286**	**83.2%**	**1,882**	**16.8%**	**11,168**	**8.9%**	**23.1%**	**11.0%**

* The % changes are calculated on a like-for-like basis

** Italian and non-EU companies are understood to be national companies and representations in Italy of companies not belonging to the European Economic Area and operating under a right of establishment regime.

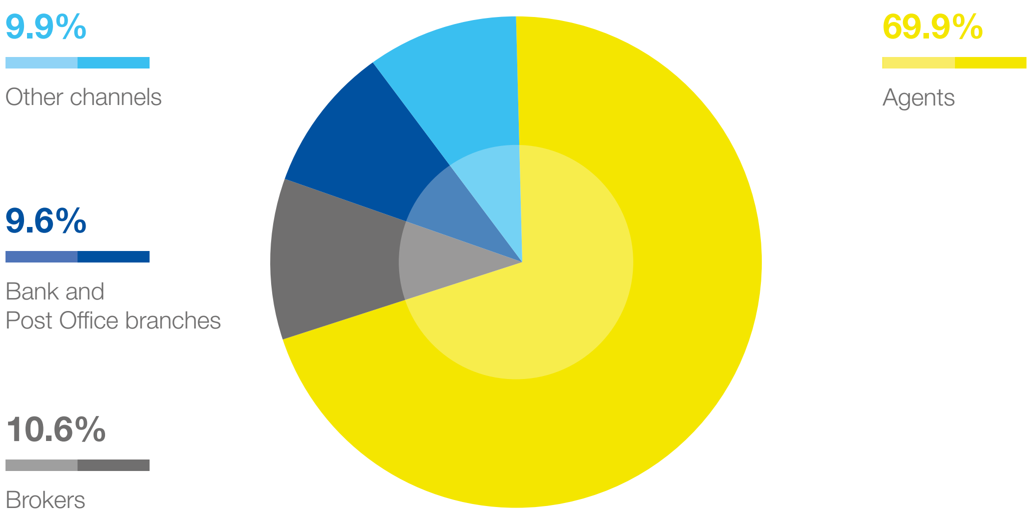
*** EU companies are defined as the representatives in Italy of companies having their registered office in countries belonging to the European Economic Area and operating under a right of establishment regime; the data refer only to the companies that participated in the survey.

5. ANIA Report - Year IX - no. 33 - published on 29 May 2023.

In terms of **distribution channels**, agents continue to lead the way with a market share of 69.9% at the end of March 2023 (72% at the end of March 2022). Brokers represent the second largest non-life premium distribution channel with a market share of 10.6% (9.4% at the end of March 2022), while bank and post offices recorded a market share of 9.6% (9% at the end of the first quarter of 2022).

As regards direct sales as a whole (including distance, telephone and internet sales), at the end of March 2023, there was an incidence of 9.5% (down compared to 9.2% at the end of March 2022). The remaining 0.4% (equivalent to the figure recorded in the first quarter of 2022) relates to premiums brokered by qualified financial advisors.

Breakdown of direct Non-life premiums by distribution channel*



Source: ANIA.
* Italian insurers and non-EU insurer representatives operating as an establishment.

3. Operating review

In the first six months of 2023, **premium revenue** came to a total of € 10,844.6 million, up by 14.7% with respect to the € 9,451.5 million recorded in the same period of 2022, thanks to the significant contribution, as noted above, from premiums associated with traditional products. The following table shows the breakdown of premium revenue broken down by management, with a comparison with the figures recorded for the same period in 2022, specifying that during the period, the companies Net Insurance and Net Insurance Life also contributed to the formation of the figure, which contributed, respectively, premiums of € 31.3 million for the Non-Life business and € 35.9 million for the Life business.

Premium revenue for the year (€m)	30/06/23	30/06/22	Change	
Class I	10,192.8	8,662.4	1,531.4	17.7%
Class III	258.3	516.8	(258.5)	(50.0%)
Class IV	6.2	5.9	0.3	5.4%
Class V	60.3	56.0	4.3	7.7%
Gross "life" premium revenue	**10,517.6**	**9,241.1**	**1,277.5**	**13.8%**
Gross premiums - non-life	**327.0**	**210.5**	**116.5**	**55.3%**
Total gross premiums	**10,844.6**	**9,451.5**	**1,394.0**	**14.7%**

Life business

Operating review

In the first half of 2023, as part of its Class I investment products, the Parent Company Poste Vita launched: i) in April 2023 the “Poste Domani Insieme” policy with a duration of 10 years and with the main feature of New Separately Managed Account called “Poste Vita Valore Solidità”[6]. The policy includes as ancillary cover the free policy for serious illness “Poste protezione Mia[7]” and ii) in June 2023 the policy named “Orizzonte 5”, with a duration of 5 years with the Separately Managed Account[8] named “Posta ValorePiù” and underwritten only for the potential reinvestment, as part of advisory services, of expired or expiring policies.

Furthermore, in order to reduce under-insurance in the country by raising customer awareness of the importance of protection needs, as envisaged in the strategic plan, the marketing of the integrated life and non-life offer continued during the period under review.

In the meantime, the subsidiary Net Insurance Life (consolidated from 1 April 2023), continued the process of innovating its product catalogue, both through the introduction of new insurance solutions and the revision of existing products.

6. The main feature of the new separately managed account is the presence of the “profit fund”: a fund that is established by setting aside net capital gains realised on the sale of assets under the separately managed account.
7. Poste Domani Insieme’ subscribers aged between 18 and 69 are offered “Poste Protezione Mia”, a free serious illness policy provided by Poste Assicura, designed to protect their investment. In the event of the first diagnosis of a serious illness, Poste Assicura shall in fact pay the policyholder an indemnity equal to 25% of the life premiums paid into the insurance investment product, non-revalued and resulting at the time of the first diagnosis of a serious illness, net of any partial surrenders and exits for other causes
8. The returns achieved in the separately managed accounts are 2.76% for PostaPensione management, 2.51% for PostaValorePiù management and 3.05% for Poste Vita Valore Solidità.

In relation to the aforementioned trends, premiums from the Life segment during the Period totalled € 10.5 billion, marking an increase of 13.8% (+€ 1.3 billion) compared to the corresponding period of the previous year.

The following table shows the breakdown of the portfolio by product type, where we can see: i) a significant contribution of premium revenue from traditional build-up products (69.0% of total production) and ii) an incidence on total premium revenue of Multi-class products that continues to be significant (25%), although down from the 55.3% recorded in the same period of 2022.

Gross premium revenue €m	30/06/23	Impact	30/06/22	Impact	delta	delta%
Traditional revalued	7,261.0	69.0%	3,477.4	37.6%	3,784.4	108.8%
Pension products	464.7	4.4%	477.0	5.2%	(12.3)	(2.6%)
Multi-class	2,624.9	25.0%	5,113.9	55.3%	(2,489.0)	(48.7%)
Unit and index-linked	6.4	0.1%	13.1	0.1%	(6.8)	(51.6%)
Retail Protection	73.3	0.7%	35.6	0.4%	37.7	106.1%
Welfare Protection	27.2	0.3%	17.4	0.2%	9.8	56.0%
Capitalisation	60.3	0.6%	106.6	1.2%	(46.3)	(43.5%)
Total	**10,517.6**	**100.0%**	**9,241.1**	**100.0%**	**1,277.5**	**13.8%**

The schedule below provides an overview of premium revenue during the period by insurance class, in which build-up class I products prevail (including the relevant portion of Multi-class products for € 2.4 billion), accounting for 96.9% of total revenue, with a 50% decrease in class III revenue.

Premium revenue for the year €m	30/06/23	impact	30/06/22	impact	Change	
Class I	10,192.8	96.9%	8,662.4	93.7%	1,531.4	17.7%
Class III	258.3	2.5%	516.8	5.6%	(258.5)	(50.0%)
Class IV	6.2	0.1%	5.9	0.1%	0.3	5.4%
Class V	60.3	0.6%	56.0	0.6%	4.3	7.7%
Gross "life" premium revenue	**10,517.6**	**100.0%**	**9,241.1**	**100.0%**	**1,277.5**	**13.8%**

The following table shows the breakdown of gross premium revenue by premium type, where single premiums dominate, accounting for 91.9% of total production (91.0% with reference to the first six months of 2022), with volumes achieved in the period amounting to € 9.7 billion.

Breakdown of gross premium revenue for Life business (€m)	30/06/23	impact	30/06/22	impact	Change	
Regular premiums	**855.6**	**8.1%**	**834.4**	**9.0%**	**21.2**	**2.5%**
- of which first year	63.5	0.6%	80.0	0.9%	(16.5)	(20.6%)
- of which subsequent years	791.5	7.5%	754.4	8.2%	37.1	4.9%
Single premiums	**9,662.6**	**91.9%**	**8,406.6**	**91.0%**	**1,256.0**	**14.9%**
Total	**10,517.6**	**100.0%**	**9,241.1**	**100.0%**	**1,276.6**	**13.8%**

Non-life business

With regard to non-life business, the Poste Vita Group also during the first half of 2023, through its subsidiary Poste Assicura, continued to develop its modular offering, in order to make it more responsive to the needs of its customers, while also encouraging them to take up business through discount campaigns.

In addition, given the evolution of the market context and the potential for growth in the loan protection sector, as well as the evidence that emerged during the periodic monitoring of the offer, the subsidiary Poste Assicura has restyled the CPI Prestito products, making provision for an expansion of the offer through the inclusion of new cover and services, to be proposed dynamically to policyholders according to the target market.

Poste Assicura has also restyled Poste VivereProtetti's personal protection line, in order to enrich and improve the offer for customers, enhance the network of affiliated healthcare facilities, simplify the claim reporting process and formulate a single proposal together with the life insurance component.

Whereas, the subsidiary Net Insurance (consolidated from 1 April 2023), during the period, continued the process of innovating its product catalogue, both through the introduction of new insurance solutions and the revision of existing products. With regard to the "cessione del quinto" (salary-backed loan) sector, the profitability assessment of the portfolio was updated and pricing updates were decided in order to strengthen balance and profitability.

With regard to the products distributed by the subsidiary Net Insurance, through the channel of banks and brokers/agents, during the first half of 2023, the marketing of various multi-risk products concerning personal, asset and payment protection was launched.

In relation to the above-mentioned trends, gross premiums recognised during the period with reference to non-life business amounted to around € 327 million, up sharply (+55.3%) with respect to the same period the previous year (€ 210.5 million). In particular, as illustrated by the table below, the following is highlighted during the period:

- a 22.4% increase in premiums for the asset & personal & modular protection line thanks to the initiatives implemented with regard to the modular offer by the subsidiary Poste Assicura
- the development of collective policies in the "Welfare" segment continued, with an increase in premium revenue of € 58.5 million (+67.3% compared to the previous year);
- an increase of € 6.1 million in premium revenue relating to the integrated life and non-life offer, mainly due to the expansion of the perimeter of existing products by the subsidiary Poste Assicura;
- the significant growth (+€ 9.5 million) in volumes related to the salary-backed loan line, thanks exclusively to the contribution of the subsidiary Net Insurance during the period;
- the contribution of the subsidiary Net Insurance during the period for € 22.4 million with reference to products placed through third-party networks (banking channel and brokers).

Gross premium revenue (€m)	30/06/23	Impact%	30/06/22	Impact%	Delta	Delta %
Goods, property, personal and modular protection line	108.9	33.3%	89.0	42.3%	20.0	22.4%
Payment line (including CQ - salary-backed loan)	32.7	10.0%	23.2	11.0%	9.5	41.1%
Integration of Life and Non-Life	17.5	5.4%	11.5	5.4%	6.1	53.0%
Welfare	145.4	44.5%	86.9	41.3%	58.5	67.4%
Third party networks	22.4	6.9%		0.0%	22.4	n/s
Total	**327.0**	**100.0%**	**210.5**	**100.0%**	**116.5**	**55.3%**

The following table shows the distribution of premiums by insurance class, which shows in particular: i) the prevalence with respect to total premiums of the “Illness” (55%) and “Accident” (21%) classes; ii) the 70% increase in the Illness class recorded during the period, given the development of the aforementioned Employee Benefits business and iii) the increase of € 13.4 million in production relating to the Credit class, thanks solely to the contribution of the subsidiary Net Insurance during the period.

Gross premium revenue (€m)	30/06/23	Impact%	30/06/22	Impact%	Delta	Delta %
Accident	68.0	21%	61	29%	6.6	10.8%
Illness	180.4	55%	106	50%	74.4	70.2%
Fire and natural disaster	10.0	3%	8	4%	2.1	26.8%
Other damage to property	20.1	6%	6	3%	14.1	237.1%
General liability	12.6	4%	11	5%	1.4	12.2%
Credit	13.8	4%	0	0%	13.4	n/s
Financial losses	10.9	3%	10	5%	1.4	14.3%
Legal expenses	3.2	1%	2	1%	1.6	92.3%
Health	7.9	2%	6	3%	1.4	21.8%
Total	**327.0**	**100%**	**210.5**	**100%**	**116.5**	**55.3%**

Trend in Payments

Payments amounted to € 7,845.9 million during the period in question, marking an increase of € 2,078.9 million (+38.4%) with respect to the € 5,406.9 million in the same period of the previous year, as detailed below:

Payments (€m)	30/06/23	30/06/22	Change	
Non-life business				
Claims paid	95.2	77.4	17.8	23.0%
Costs for settling claims	9.4	7.7	1.8	23.2%
Total Non-life claims paid	**104.6**	**85.0**	**19.6**	**23.0%**
Life business				
Claims paid	7,377.2	5,318.4	2,058.8	38.7%
of which: Claims	1,258.4	1,309.1	(50.7)	(3.9%)
Surrenders	3,161.7	2,759.7	402.0	14.6%
Maturities	2,957.1	1,249.6	1,707.5	136.6%
Costs for settling claims	**4.0**	**3.5**	**0.5**	**15.1%**
Total Life claims paid	**7,381.3**	**5,321.9**	**2,059.4**	**38.7%**
Total	**7,485.9**	**5,406.9**	**2,078.9**	**38.4%**

With reference to life business, the item totalled € 7,381.3 million (of which € 10.0 million represents the contribution in the period of the subsidiary Net Insurance), up (+38.7%) compared to the values recorded in the same period of 2022 and refer to: i) maturities (including coupons) of € 2,957.1 million, up by € 1,707.5 million compared to the figure recorded at the end of June 2022; ii) claims of € 1,258.4 million (€ 1,309.1 million in the corresponding period of 2022) and iii) surrenders of € 3,161.7 million, up (+14.6%) compared to the figure recorded at the end of June 2022 and with a ratio to opening provisions of 4.1%, up compared to June 2022 (which was 3.8%). Analysing the data by class, an increase in claims expenses related to Class I and Class III products of € 1,874.8 million and € 230.6 million, respectively, is mainly noted.

Claims expenses by class (€m)	30/06/23	30/06/22	Change	
Claims paid	**7,377.2**	**5,318.4**	**2,058.8**	**38.7%**
Class I	6,909.6	5,034.9	1,874.7	37.2%
Class III	399.1	168.5	230.6	136.9%
Class IV	1.3	1.4	(0.1)	(8.0%)
Class V	67.1	113.5	(46.4)	(40.9%)
Costs for settling claims	4.1	3.5	0.6	15.8%
Total claims expenses	**7,381.3**	**5,321.9**	**2,059.4**	**38.7%**

As far as the Non-life business is concerned, the item amounted to € 104.6 million (of which € 6.4 million represents the contribution in the period of the subsidiary Net Insurance), including payment costs and direct costs of € 9.4 million, up 23% on the figure in 2022 (€ 85 million), mainly due to the trend in the claims rate of the "Illness" and "Accident" classes.

	30/06/23			30/06/22				
Claims Expense (€K) (€m)	**claims paid**	**costs for settling claims**	**Total**	**claims paid**	**costs for settling claims**	**Total**	**delta**	**delta%**
Accident	17.2	1.0	18.2	12.3	1.0	13.4	4.9	36.4%
Illness	68.2	7.3	75.5	61.9	5.9	67.8	7.7	11.3%
Fire and natural disaster	0.8	0.1	0.9	0.4	0.1	0.5	0.4	87.9%
Other damage to property	1.4	0.3	1.7	0.9	0.2	1.1	0.5	47.4%
General liability	0.8	0.2	1.0	0.8	0.2	1.0	-0.1	-5.1%
Credit	5.5	0.1	5.7	-	-	-	5.7	n/s
Security deposit	0.0	0.0	0.0	-	-	-	0.0	n/s
Financial losses	0.9	0.2	1.1	0.8	0.1	0.9	0.2	20.8%
Legal expenses	0.4	0.0	0.4	0.2	0.0	0.2	0.2	83.4%
Health	0.1	0.0	0.1	0.1	0.0	0.1	0.1	66.8%
Total	**95.2**	**9.4**	**104.6**	**77.4**	**7.7**	**85.0**	**19.6**	**23.0%**

Distribution

The Parent Company Poste Vita and its subsidiary Poste Assicura places their products primarily through the post offices of the Parent Company, Poste Italiane SpA – BancoPosta RFC, duly registered under letter D in the single register of insurance intermediaries as per ISVAP Regulation 5 of 16 October 2006. Only for the placement of group policies do they use brokers. Below is the weighting of commissions recognised by channel and by management.

Distribution channel	Non-life	Life
Post Offices	76.5%	99.6%
Brokers	23.5%	0.4%
Total	**100.0%**	**100.0%**

In addition, maintenance fees of € 138.8 million were paid by Poste Vita to Poste Italiane during the period.

The sales network of Poste Italiane consists of 13,000 Post Offices throughout the country. Insurance contracts are signed in the Post Offices by qualified and suitably trained personnel. Training activity for personnel in charge of product sales is conducted according to regulatory guidelines. Professional training programmes focused both on new products and on general technical-insurance aspects (classroom or e-learning). These courses were accompanied by training in asset management (specific behavioural training), savings protection and training in provision of the guided consultancy service.

With regard to the subsidiaries Net Insurance and Net Insurance Life, insurance products are placed through the bancassurance channel and through brokers/agents. Below is the weighting of commissions recognised by channel and by management.

Distribution channel	Non-life	Life
Bancassurance	61.0%	96.0%
Brokers/Agents	39.0%	4.0%
Total	**100.0%**	**100.0%**

Reinsurance strategy

Life business

In the first six months of 2023, for the Life business, and with regard to the Parent Company Poste Vita, the effects of existing treaties continued, entered into with leading reinsurers, relating to Term Life Insurance policies and reinsurance coverage with regard to LTC (Long-Term Care) and CPI (Credit Protection Insurance) insurance. While in relation to the aforementioned business, but with regard to the subsidiary Net Insurance Life, in the Cessione del Quinto dello Stipendio (salary-backed loans) and Cessione del Quinto della Pensione (pension-backed loans) sector, in the area of "death benefits" covers, four separate pure proportion treaties were concluded.

For production other than Cessione del Quinto, the subsidiary Net Insurance Life, using highly rated international operators has:

- renewed the current proportional treaty with a 65% quota transfer and supplemented the reinsurance protection with the conclusion of a corresponding treaty with a 5% quota transfer;
- renewed a proportional risk premium treaty - referring to specific new products - with a 50% assignment fee;
- renewed the risk premium treaty, with a 50% assignment fee, for Long Term Care products (Class IV).

At the end of the period, the Life business showed a negative result of € 1.9 million (-€ 0.8 million in the same period of 2022).

Non-life business

With regard to the Non-life business, the reinsurance strategy adopted by the subsidiary Poste Assicura is geared towards a non-proportional approach, thus allowing it to:

- mitigate risks, stabilising the variability of insurance business results and ensuring the technical balance of the portfolio;
- mitigate risks arising from peak exposures or catastrophic events;
- strengthen financial soundness, in terms of capital allocation and optimisation.

The reinsurance structure applied in the period provides:

- for the Accident and Illness classes, a non-proportional excess-of-loss agreement per risk and/or event, aimed at protecting against peak exposures and catastrophic events. Quota share treaties continue to be valid in relation to the main accident risks insured prior to 2013, with risk attaching coverage; the excess-of-loss treaty covers the retained share;
- for the Accident and Illness classes, a non-proportional excess-of-loss agreement per risk and/or event, aimed at protecting against peak exposures and catastrophic events. Quota share treaties continue to be valid in relation to the main accident risks insured prior to 2013, with risk attaching coverage; the excess-of-loss treaty covers the retained share;

- for the adoption of a non-proportional excess-of-loss agreement for the Fire, ADB and General third-party liability insurance classes, including the Professional third-party liability insurance component, aimed at protecting large losses, including catastrophic risks (e.g. Earthquake);
- for risks related to the cyber module, a proportional assignment. Reinsurance structure in quota share, with fixed reinsurance commission and profit sharing on a loss occurring coverage basis;
- for risks related to Legal Protection, a proportional assignment. Reinsurance structure in quota share, with fixed reinsurance commission and profit sharing on a loss occurring coverage basis;
- use of optional and/or special acceptance reinsurance treaties, primarily in cases where the risk is not covered by the existing reinsurance treaty. In particular, this principle is valid for underwriting risks that do not meet the qualitative and quantitative criteria provided for in existing reinsurance treaties, but which however fall within Poste Assicura underwriting philosophy. The entity of the risk retained by Poste Assicura and the most appropriate reinsurance structure are decided on, from time to time, based on the nature of the risk involved.

Also within the non-life business, the reinsurance strategy adopted by the subsidiary Net Insurance was aimed at achieving a balanced net retention. The reports are held by primary reinsurers. For the current period, the schedule of disposals has been set up as described below:

- Credit class, with regard to the salary-backed loan sector, four pure proportional quota treaties were concluded. The treaties were all formulated by “underwriting year” and, therefore, reinsurance protection followed the entire underwriting period of each security issued in 2023, according to the risk attaching principle;
- Fire (“CAT” risks) class- a proportional treaty was renewed, with a 50% ceded share. The treaty covers Earthquake and Flood guarantees allocated to multi-risk or stand-alone products;
- Financial losses and General Liability (“Cyber” risks) classes - a pure proportional quota treaty was renewed, with a 50% ceded share. The treaty covers Financial losses and General Liability guarantees allocated to a multi-risk product for SMEs related to damages resulting from cyber attacks;
- Security deposits class - a pure proportional quota treaty was renewed, with a 50% ceded share. The treaty is formulated by “underwriting year” and, therefore, reinsurance protection will follow the entire underwriting period of each security issued in 2023, according to the risk attaching principle;
- Accident, Fire and General Liability classes - a “excess of loss” treaty has been concluded for these classes. This treaty has been addressed to cover retained risks and operates for 2023 on all claims with an “event date” of 2023, regardless of the effective date of the affected policies;
- Legal expenses and Illness classes - for these classes the pure proportional quota treaty was renewed, with a ceded share of 90% and 80% respectively;
- Care/Illness - a proportional risk-premium treaty is envisaged, with 90% of exposures being ceded. This treaty is extended, but limited to “Travel” products, to the Illness class;
- Other Non-Life Assets class - a proportional risk-premium treaty was renewed, with a ceded share of 80%. The treaty relates to a new product line with a theft guarantee on residential properties equipped with ENEL-X home protection devices;
- Multi-risk policies of school administrations - an “excess of loss” protection programme was renewed, reducing the net retention on single claims for Accident and General Liability;
- agricultural hail and other adverse weather risks - a reinsurance programme has been set up for 2023, which is divided into separate proportional and non-proportional treaties, depending on the portfolio lots.

At the end of the period, the Non-Life business showed a negative balance of € 6 million (-€ 4.8 million in the same period of 2022).

Complaints

During the first half of 2023, the Parent Company, Poste Vita received 1,392 new complaints, compared to 1,319 received in the first half of 2022. The average time taken to respond to complaints was around 26 days (18 days in the first six months of 2022). With regard to the PIP product, Poste Vita received 633 complaints during the first half of 2023 (541 complaints received in the first six months of 2022). The average time taken to respond to complaints was around 23 days (18 days in the same period of 2022).

During the first half of 2023, the subsidiary Poste Assicura received 1,797 new complaints, while those relative to the first half of 2022 totalled 1,230. The average time taken to respond to complaints in the first half of 2023 was roughly 24 days (17 days in the corresponding period of 2022).

During the same period, the subsidiary Net Insurance received three complaints. Two of these complaints are related to the Elementary classes and one to the Cessione del Quinto (salary-backed loan) class. The average time taken to respond to complaints at 30 June 2023 is 11 days.

In addition, no new complaints were received in respect of the subsidiary Net Insurance Life during the observation period.

4. Financial review

Below is a reclassified statement of financial position at 30 June 2023 with a comparison with the figures at the end of 2022:

ASSETS (€m)	30/06/23	31/12/22	Change	
Financial investments	**150,511.4**	**142,460.3**	**8,051.1**	**5.7%**
Investments in subsidiaries, associates and joint ventures	109.7	111.3	(1.6)	-1.4%
Financial assets measured at amortised cost	2,305.4	2,387.3	(81.9)	-3.4%
Financial assets measured at fair value through other comprehensive income	102,393.8	96,500.9	5,892.9	6.1%
Financial assets measured at fair value through profit or loss	45,702.5	43,460.7	2,241.8	5.2%
Cash and cash equivalents	**2,944.0**	**2,729.7**	**214.3**	**7.9%**
Insurance assets	**207.7**	**43.7**	**163.9**	**374.9%**
Tangible and intangible assets	**169.5**	**11.2**	**158.4**	**n/s**
Receivables and other assets	**4,404.0**	**3,526.1**	**877.9**	**24.9%**
Total Assets	**158,236.6**	**148,770.9**	**9,465.7**	**6.4%**
LIABILITIES				
Equity	**6,176.4**	**5,986.6**	**189.8**	**3.2%**
Insurance Liabilities	**149,226.4**	**140,980.5**	**8,245.9**	**5.8%**
Provision for risks	**15.3**	**20.6**	**(5.3)**	**-25.7%**
Financial liabilities	**274.1**	**264.2**	**9.9**	**3.7%**
Payables and other liabilities	**2,544.3**	**1,519.0**	**1,025.3**	**67.5%**
Total Liabilities	**158,236.6**	**148,770.9**	**9,465.7**	**6.4%**

Financial investments

At 30 June 2023, financial investments totalled € 150,511.4 million (€ 142,460.3 million at the end of 2022).

(€m)	30/06/23	31/12/22	Change	
Investments	109.7	111.3	(1.6)	(1.4%)
Financial assets measured at amortised cost	2,305.4	2,387.3	(81.9)	(3.4%)
Financial assets at fair value through other comprehensive income	102,393.8	96,500.9	5,892.9	6.1%
Financial assets at fair value through profit or loss	45,702.5	43,460.7	2,241.8	5.2%
Total Financial investments	**150,511.4**	**142,460.3**	**8,051.1**	**5.7%**

The item **equity investments** of € 109.7 million refers to the investment valued using the equity method in the affiliate Europa Gestioni Immobiliari SpA (“EG GI”) for € 107.7 million and in Eurizon Capital Real Asset SGR SpA (“ECRA”) for € 2.0 million and for the remainder, equal to € 36.9 thousand, to the cost of the investment, equal to 5% of the share capital, in the company Consorzio Logistica Pacchi Scpa (“the Consorzio”).

With regards to EGI, the Company, owned by the Parent Company Poste Vita and the Ultimate Parent Poste Italiane SpA with 45% and 55% equity interests, operates primarily in the real estate sector, managing and developing real estate assets no longer used by the Ultimate Parent. The figures at 30 June 2023 show a positive result for the period of € 0.5 million (€ 6.1 million in the same period of 2022) and equity at 30 June 2023 of € 239.2 million. In relation to this investee company, it should be noted that the Company's Shareholders' Meeting of 3 April 2023 resolved to pay a dividend to Poste Vita totalling € 1.9 million when allocating earnings.

ECRA, a company in which the Parent Company Poste Vita holds 20% of the share capital and 12.25% of the voting rights, closed the period with equity of € 7.6 million and a positive net result for the period of € 0.5 million (equal to € 0.7 million in the first six months of 2022).

In relation to the Consorzio, this mainly provides sorting, tracking and delivery services for the Packages service which the Ultimate Parent Poste Italiane SpA has undertaken to provide. The company ended the current period with equity of € 787.9 thousand.

Financial instruments measured at amortised cost, i.e. securities held to collect cash flows represented solely by payment of principal and interest (SPPI) amounted to € 2,305.4 million at 30 June 2023, showing a decrease of € 81.9 million with respect to the end of 2022 figure of € 2,387.3 million and mainly relate to Free Capital. In this category, unrealised net capital losses of € 221.1 million were recorded at the end of the period, although this figure was an improvement on 2022, when unrealised net capital losses were € 296.3 million.

(€m)		30/06/23	31/12/22	Change	
Equity instruments		-			
Debt securities		2,191.4	2,159.1	32.3	1.5%
of which:	*government bonds*	2,174.7	2,142.4	32.3	1.5%
	corporate bonds	16.7	16.8	(0.0)	(0.1%)
UCITS units		-			
Receivables and loans		114.0	228.2	(114.2)	(50.0%)
Total		**2,305.4**	**2,387.3**	**(81.9)**	**(3.4%)**

The item Receivables and loans amounting to € 114 million at the end of June 2023 refer primarily to: i) the balance of the running current account with the Ultimate Parent Poste Italiane for € 73.8 million (equal to € 194.3 million at 31 December 2022); ii) receivables for commissions on internal funds for € 38.3 million (€ 33.1 million at the end of 2022); and iii) receivables for fund units sold for € 1 million (€ 0.8 million at the end of 2022). The impairment at 30 June 2023, recognised as a direct adjustment to the carrying amounts of the same, amounts to € 130 thousand (€ 235 thousand at 31 December 2022).

Financial assets measured at FVTOCI totalled roughly € 102,393.8 million (of which € 499.9 million related to the security issued by Cassa Depositi e Prestiti as a private placement), an increase of € 5,892.9 million from € 96,500.9 million recorded at 31 December 2022, due essentially to the fair value change recorded during the period. These investments refer to securities assigned to Separately Managed Accounts for roughly € 99,067.5 million and, secondarily, to the Company's free capital for around € 3,326.3 million.

(€m)		30/06/23	31/12/22	Change	
Equity instruments		2	-	2.0	n/s
Debt securities		102,391.5	96,500.9	5,890.6	6.1%
of which:	*government bonds*	83,350.9	77,726.2	5,624.7	7.2%
	corporate bonds	19,040.6	18,774.7	265.9	1.4%
UCITS units					
Receivables		0.3	-	0.3	n/s
Total		**102,393.8**	**96,500.9**	**5,892.9**	**6.1%**

With regard to the aforementioned category, the trends in the financial markets, albeit negative, improved when compared to the end of the previous year (the latter heavily impacted by the evolution of interest rates), were reflected in an increase in the fair value reserve on these instruments that amounted to a negative value of € 9,305.7 million in net unrealised losses compared to € 11,952.9 in net unrealised losses at the end of 2022, of which: i) -€ 9,078.3 million (equal to -€ 9,027.8 million net of the ECL component[9]) referring to net losses on financial instruments included in the Separately Managed Accounts, and therefore attributed (net of the effect of over-coverage reflected in equity) to policyholders through the mirroring mechanism and ii) -€ 227.4 million referring to net losses on FVOCI securities of the Company's free capital and therefore, attributed to a specific equity reserve (equal to -€ 159.3 million net of the related tax effect and the ECL).

Financial assets at fair value through profit or loss (FVTPL) amount to a total of roughly € 45,702.5 million (of which € 21.1 million refer to the security issued by Cassa Depositi e Prestiti as a private placement), marking an increase of € 2,241.8 million from € 43,460.7 million at the end of 2022. The item referred to:

- investments included in the Company's Separately Managed Accounts for € 34,177.1 million relating mainly to: i) equity and bond funds (primarily multi-asset open-end harmonised UCITS funds) for € 29,711.5 million, and ii) real estate funds for € 2,310.8 million;
- financial instruments hedging unit-linked products for € 11,297.3 million, mainly relative to mutual investment funds;
- financial instruments included in the free capital in the amount of € 130.6 million (of which € 25.3 million related to the subsidiaries Net Insurance Life and Net Insurance) and mainly concerning corporate bonds;
- financial receivables for € 97.5 million, regarding underwriting and capital calls on mutual investment funds for which the corresponding units have not yet been issued.

(€m)	30/06/23	31/12/22	Change	
Equity instruments	389.2	264.1	125.1	47.4%
Debt securities	2,339.0	2,306.0	33.0	1.4%
of which: government bonds	13.9	13.6	0.3	2.3%
corporate bonds	2,325.1	2,292.5	32.7	1.4%
UCITS units	42,876.7	40,780.6	2,096.1	5.1%
Derivative assets	-			
Receivables	97.5	109.9	(12.4)	(11.3%)
Total	**45,702.5**	**43,460.7**	**2,241.8**	**5.2%**

The upturn in financial market dynamics compared to 30 June 2022 resulted in the recognition of net unrealised gains totalling € 1,066.7 million in the period, compared to net unrealised losses of € 4,825.8 million recognised in the first six months of 2022 (a period heavily impacted by the events related to the outbreak of the conflict between Russia and Ukraine). The net unrealised gains recognised during the period mainly refer to: i) € 437.9 million in investments in Separately Managed Accounts and hence almost entirely reflected in the measurement of insurance liabilities and ii) € 623.3 million in assets covering unit-linked products which, therefore, are substantially offset by the corresponding remeasurement of the relevant insurance liabilities. In relation to this, and also taking into account ordinary and realised income, the net financial income related to this category of investments resulted in a positive result of € 1,309.1 million at 30 June 2023 (negative result of € 4,769.2 million at the end of June 2022).

Income - FVTPL €m	30/06/2023	30/06/22	Delta
Ordinary income	193.1	122.5	70.6
Realised gains/losses	49.4	(65.8)	115.2
Unrealised gains/losses	1,066.7	(4,825.8)	5,892.5
Total	**1,309.1**	**(4,769.2)**	**6,078.3**

9. For financial assets measured at amortised cost and financial assets at fair value through other comprehensive income, a provision must be established to cover expected credit losses, determined using the Expected Credit Losses (ECL) model. In particular, the new impairment method based on the new Expected Losses model takes a forward looking view of credit losses throughout the life of the financial instrument, requiring immediate recognition rather than when a trigger event occurs.

With reference to **derivatives**, the Poste Vita Group makes use of the option provided for by IFRS 9 to value them in accordance with IAS 39. With regard to derivative transactions, there were no open positions at 30 June 2023.

The breakdown of the bond portfolio according to issuing country is substantially in line with the situation recorded in the previous year, marked by a strong prevalence of securities issued by Italian issuers, accounting for 53.8% of the total, down slightly compared to 56.0% at 31 December 2022.

Country (€m)	**FVTPL**	**FVOCI**	**AC**	**TOTAL**	**weight %**
AUSTRIA	58.8	1,112.8	-	1,171.6	0.8%
AUSTRALIA	43.2	290.0	-	330.5	0.2%
BELGIUM	12.8	3,037.2	11.6	3,061.6	2.0%
BERMUDA	-	4.7	-	4.7	0.0%
CANADA	1.0	238.5	-	237.5	0.2%
SWITZERLAND	27.9	265.3	-	292.6	0.2%
CHILE	0.2	0.2	-	0.4	0.0%
CYPRUS	-	1.7	-	1.7	0.0%
CZECH REPUBLIC	-	59.5	-	59.5	0.0%
GERMANY	384.0	2,076.3	-	2,446.2	1.6%
DENMARK	38.6	155.5	-	194.1	0.1%
SPAIN	127.1	3,816.4	7.7	3,917.1	2.6%
EUROPE	-	2,451.9	68.5	2,520.4	1.7%
FINLAND	38.8	826.7	-	865.4	0.6%
FRANCE	1,318.0	7,319.0	4.0	8,605.7	5.7%
UNITED KINGDOM	1,150.7	1,613.0	-	2,759.8	1.8%
GUERNSEY	-	2.7	-	2.7	0.0%
GREECE	-	23.7	-	23.7	0.0%
HONK KONG	0.1	-	-	0.1	0.0%
IRELAND	2,799.9	938.7	-	3,735.4	2.5%
ISRAEL	-	1.0	-	1.0	0.0%
ISLE OF MAN	-	17.0	-	17.0	0.0%
ITALY	**9,817.4**	**69,069.5**	**2,099.6**	**80,877.2**	**53.8%**
JERSEY	-	17.4	-	17.4	0.0%
JAPAN	2.2	304.9	-	303.0	0.2%
REPUBLIC OF KOREA	-	0.5	-	0.5	0.0%
CAYMAN ISLANDS	-	10.5	-	10.3	0.0%
LIECHTENSTEIN	-	38.6	-	38.6	0.0%
LITHUANIA	-	2.1	-	2.1	0.0%
LUXEMBOURG	29,056.1	1,294.6	-	30,346.2	20.2%
LATVIA	-	1.2	-	1.2	0.0%
MEXICO	22.8	50.5	-	73.3	0.0%
NETHERLANDS	483.8	3,019.9	-	3,484.1	2.3%
NORWAY	-	146.9	-	146.9	0.1%
NEW ZEALAND	-	162.4	-	162.4	0.1%
PANAMA	2.2	-	-	2.2	0.0%
POLAND	-	25.3	-	25.3	0.0%
PORTUGAL	11.4	468.9	-	477.6	0.3%
SWEDEN	35.3	607.7	-	641.5	0.4%
SINGAPORE	-	16.0	-	16.0	0.0%
USA	172.9	2,791.1	-	2,950.3	2.0%
VENEZUELA	-	104.4	-	103.4	0.1%
SUPRANATIONAL BODY	-	9.5	-	9.5	0.0%
	45,605.0	**102,393.8**	**2,191.4**	**150,190.2**	**100.0%**

The distribution of the financial investment portfolio at 30 June 2023 by duration class is shown below, indicating that the portfolio is heavily weighted towards securities with durations of 1-10 years (49.7%), essentially in line with the figure at the end of 2022 (50.7%).

Remaining duration €m	FVTPL	FVOCI	AC	TOTAL	IMPACT
up to 1	240.3	11,666.0	176.8	12,083.1	8.0%
1 to 3	524.1	15,160.3	221.2	15,905.6	10.6%
3 to 5	1,524.7	14,599.7	278.5	16,402.8	10.9%
5 to 7	2,204.3	11,440.4	301.5	13,946.2	9.3%
7 to 10	1,380.5	14,958.2	113.1	16,451.8	11.0%
10 to 15	2,173.4	11,481.9	498.4	14,153.6	9.4%
15 to 20	87.6	8,439.9	336.2	8,863.7	5.9%
20 to 30	235.3	11,236.7	265.8	11,737.8	7.8%
more than 30	37,234.9	3,410.7	-	40,645.6	27.1%
Overall total	**45,605.0**	**102,393.8**	**2,191.4**	**150,190.2**	**100.0%**

The yields of the Separately Managed Accounts over the observation period (from 1 January 2023 to 30 June 2023) were 2.51% (2.58% at the end of June 2022) for the PostaValorePiù management scheme; 2.76% (2.61% at 30 June 2022) for the PostaPensione management and 3.05% for the Poste Vita Valore Solidità management10, with an average invested capital of € 145,851.9 million for the managements in the portfolio at the end of June 2023 (€ 138,981.6 million at the end of the first half of 2022).

	30/06/23		30/06/22	
	Gross Return	Average Invested Capital	Gross Return	Average Invested Capital
Separately Managed Accounts	rates %	€m	rates %	€m
Posta Valore Più	2.51%	134,439.4	2.58%	128,819.6
Posta Pensione	2.76%	11,150.1	2.61%	10,161.9
Poste Vita Valore Solidità	3.05%	262.4		
Total		**145,851.9**		**138,981.6**

Cash and cash equivalents at the end of the period in question amounted to € 2,944.0 million (€ 2,729.7 million at the end of 2022); they may be invested in the remainder of 2023 in relation to the evolution of the market performance.

10. The start of marketing of the product linked to the separately managed account took place in April 2023.

Insurance assets amounted to € 207.7 million at the end of the first half of 2023 (€ 43.7 million at the end of 2022) and related for: i) € 181.4 million to the present value of future cash flows (of which € 143.9 million related to assets for residual coverage); ii) € 15.5 million to the adjustment for non-financial risks; and iii) € 10.7 million to the contractual service margin. The increase is solely attributable to the contribution of the subsidiaries Net Insurance and Net Insurance Life, which entered into the scope of consolidation as of 1 April 2023.

ASSETS UNDER INSURANCE CONTRACTS (€m)	30/06/23	31/12/22	Delta	delta %
Liability for remaining coverage (LRC)	**168.7**	**23.4**	**145.3**	**622%**
Net gain/cost	10.7	0.7	10.1	1531%
PVFCF - Present Value of future cash flow	192	23.7	168.7	710%
Due from and to Reinsurers	(48.5)	(1.1)	(47.4)	4338%
Risk Adjustment	14	0.1	13.9	27047%
Liability for incurred claims (LIC)	**39.0**	**20.4**	**18.6**	**91%**
PVFCF - Present Value of future cash flow	35	18.3	16.3	89%
Risk Adjustment	2	0.8	0.7	89%
Due from and to Reinsurers	2.8	1.2	1.6	132%
Total	**207.7**	**43.7**	**163.9**	**375%**

Tangible and intangible assets amounted to € 169.5 million (€ 11.2 million at 31 December 2022), of which € 143.9 million related to intangible assets and € 25.6 million to tangible assets.

Intangible assets include € 134.4 million in goodwill arising from the acquisition of Net Insurance by the parent company Poste Vita and € 9.5 million in costs of a multi-year nature incurred by the subsidiaries Net Insurance and Net Insurance Life mainly for the acquisition and customisation of software and the purchase of rights and licences. Goodwill is attributable to the provisional difference between the consideration paid to the transferor and the net value at the date of acquisition of the identifiable assets acquired and liabilities assumed, measured in accordance with IFRS 3, and amounted to € 134.4 million. It should be noted that the Parent Company Poste Vita availed itself of the option provided for in paragraphs 45 et seq. of IFRS 3 to complete the measurement of the business combination within twelve months of the date of acquisition. In particular, the Group made a provisional allocation of the purchase price by valuing the assets and liabilities at 1 April 2023, assumed as the date of acquisition of control pursuant to IFRS 3. See the section on extraordinary transactions for more details.

While *tangible assets* amounting to € 25.6 million mainly related to: i) € 10.7 million for the right to use the assets subject to contracts falling within the scope of IFRS 16 and mainly referring to the property owned by the ultimate parent Poste Italiane leased by the parent company Poste Vita and the subsidiary Poste Assicura and ii) € 14.5 million for the property held since 2015 and the headquarters of the subsidiaries Net Insurance and Net Insurance Life.

Equity and solvency margin

Equity, at 30 June 2023, amounted to € 6,176.4 million, up by € 189.8 million with respect to the figure at the end of 2022, when it was € 5,986.6 million. The increase is mainly attributable to the profit for the period of € 484.2 million as well as the positive change, given the improvement in the dynamics of the financial markets, in the reserve arising from the valuation of securities belonging to the FVOCI category (net of the mirroring effect) for € 111.5 million and € 74.2 million due to the recognition during the period of the portion of equity attributable to non-controlling interests (attributable for € 73.1 million to the sale in April 2023 by Poste Vita to IBL Banca of its 40% stake in Net Holding). This increase was partially offset by the distribution of dividends in favour of the Ultimate Parent Poste Italiane in the amount of € 450.0 million, as resolved by the Shareholders' Meeting of 28 April 2023, and the recognition of interest related to hybrid subordinated loans for a total of € 21.7 million. Changes in equity during the period are shown below:

Equity €m	31/12/22	Allocation of 2022 profit	dividends	ECL reserve	FVOCI reserve	Mirroring	Other gains or losses recognised directly through equity	Tier 1 Perpetual Capital Instrument	Non-controlling interests	06 2023 profit	30/06/23
Share capital	**1,216.6**										**1,216.6**
Other equity instruments	**800.0**										**800.0**
Revenue reserve and other equity reserves:	**3,248.4**	**1,064.2**	**(450.0)**				**(0.0)**	**(21.7)**			**3,840.9**
Legal reserve	242.6										242.6
Extraordinary reserve	0.6						(0.4)				0.2
Organisation fund	2.6										2.6
Consolidation reserve	0.4										0.4
Other provisions	0.0						(0.0)				(0.0)
Previous retained earnings	3,002.1	1,064.2	(450.0)				0.4	(21.7)			3,595.0
of which retained earnings for previous years	3,738.8	1,064.2	(450.0)				0.4	(21.7)			4,331.7
of which FTA Reserve	(736.7)										(736.7)
Reserve for securities - IFRS 9/17	**(342.7)**			**(0.2)**	**1,831.6**	**(1,719.9)**	**(7.9)**				**(239.1)**
of which - AFS/FVOCI Reserve	(8,271.0)				1,831.6						(6,439.4)
of which ECL Reserve	52.3			(0.2)							52.1
of which Mirroring	7,850.7					(1,719.9)					6,130.8
of which Direct and Transferred OCI	25.3						(7.9)				17.5
Other gains/losses recognised directly through equity	**0.0**						**(0.4)**				**(0.4)**
Net profit/(loss) for the year attributable to the owners of the Parent	**1,064.2**	**(1,064.2)**								**483.0**	**483.0**
Net profit/(loss) for the year attributable to non-controlling interests										**1.2**	**1.2**
Equity attributable to non-controlling interests									**74.2**		**74.2**
Total	**5,986.6**	**(0.0)**	**(450.0)**	**(0.2)**	**1,831.6**	**(1,719.9)**	**(8.4)**	**(21.7)**	**74.2**	**484.2**	**6,176.4**

The item **other equity instruments** as mentioned above, includes the issue value of the two perpetual, non-convertible, fixed-rate regulatory capital instruments issued respectively on 26 July 2021 and 3 August 2022 for a nominal amount of € 300 million and € 500 million, respectively, and fully subscribed by the Ultimate Parent Poste Italiane SpA net of interest expense (net of related taxation) already paid at 30 June 2023 in the amount of € 21.7 million.

In accordance with IAS 32, these instruments, given the characteristics of the issue, which do not require the issuer to repay principal or pay coupons, have been recognised in equity. It should also be noted that the loans have characteristics such that they can be counted as constituent elements of the solvency margin and have a level of subordination similar to TIER 1.

At 30 June 2023, the subordinated loan issued by the Parent Company Poste Vita on 18 April 2008 totalled € 250 million and related exclusively to the loan entered into by the Ultimate Parent Poste Italiane with indefinite maturity. For Solvency purposes, this instrument can be included in its entirely when calculating TIER2 capital until 1 January 2026. In addition, the subordinated loan issued by the subsidiary Net Insurance on 28 September 2021, reserved for qualified investors in Italy and abroad and having a nominal value of € 12.5 million, was also recognised from this period. This bond, the full amount of which is eligible as TIER2 for Solvency purposes, has a ten-year term, subject to the right of the issuer to call the financial instrument early, starting in the fifth year.

The above-mentioned loans are remunerated at market conditions, regulated in accordance with the conditions set out in article 45, chapter IV, title III of Legislative Decree no. 209 of 7 September 2005 and subsequent amendments, and are fully available for the purpose of hedging the solvency position and are measured at amortised cost.

With regard to the **solvency position** of the Poste Vita Insurance Group, at 30 June 2023, eligible own funds amounted to € 13,272 million. In addition, capital requirements decreased by a total of € 220 million (from € 5,056 million at the end of 2022 to € 4,836 million at 30 June 2023), determining a Solvency Ratio for the Poste Vita SpA Group of 274.5% (up from 253.3% at 31 December 2022).

SCR coverage (€m)	**30/06/2023**	**31/12/2022**	**delta**
EOF with SCR coverage	13,272	12,805	467
SCR	4,836	5,056	(220)
Solvency Ratio	**274.5%**	**253.3%**	**21.2%**

MCR coverage (€m)	**30/06/2023**	**31/12/2022**	**delta**
EOF with MCR coverage	11,522	11,055	467
MCR	2,177	2,291	(114)
Solvency Ratio	**529.5%**	**482.5%**	**47.0%**

The increase in the Solvency Ratio compared to 31 December 2022 was determined by an increase in the own funds of the Group and a decrease in the Capital Requirement.

	31/12/2022			
Available own funds (€m)	**Total**	**TIER 1 Unrestricted**	**TIER 1 Restricted**	**TIER 2**
Total available own funds to meet the SCR	13,272,383	10,515,529	735,920	2,020,935
Total available own funds to meet the MCR	11,522,383	10,515,529	735,920	270,935
Total eligible own funds to meet the SCR	13,272,383	10,515,529	735,920	2,020,935
Total eligible own funds to meet the MCR	11,522,383	10,515,529	735,920	270,935

With regard to the Capital Requirement, there was a decrease of roughly € 220 million compared to 31 December 2022, mainly due to the fall in life underwriting risk and market risk.

Insurance technical liabilities

The **insurance technical liabilities** of the direct portfolio at 30 June 2023 totalled € 149,226.4 million (€ 140,980.5 million at the end of 2022), and consisted of:

- the liability for residual hedging amounting to € 147,842.5 million at 30 June 2023 and including the Contractual Service Margin (CSM) of € 11,670.8 million, the present value of future cash flows of € 132,917.6 million and the adjustment for non-financial risks of € 2,965.6 million;
- the liability for claims incurred of € 1,383.9 million.

The increase in insurance liabilities in the period, amounting to € 8,245.9 million, is mainly attributable to the increase in LRC (Liability for Remaining Coverage) related to the increase in gross premium revenue.

LIABILITIES UNDER INSURANCE CONTRACTS (€m)	30/06/23	31/12/22	Delta	delta %
Liability for remaining coverage (LRC)	**147,842.5**	**139,948.4**	**7,894.1**	**5.6%**
CSM - Contractual service margin	11,670.8	11,415.8	255.0	2.2%
PVFCF - Present Value of future cash flow	132,917.6	124,901.7	8,015.8	6.4%
Due from policyholders	(390.9)	(107.7)	(283.2)	263.0%
IACF	647.5	656.5	(9.0)	-1.4%
Risk Adjustment	2,965.6	3,060.4	(94.7)	-3.1%
Loss Component	31.8	21.6	10.3	47.5%
Liability for incurred claims (LIC)	**1,383.9**	**1,032.1**	**351.8**	**34.1%**
PVFCF - Present Value of future cash flow	1,362.7	1,015.5	347.2	34.2%
Risk Adjustment	21.2	16.6	4.6	28.0%
Total	**149,226.4**	**140,980.5**	**8,245.9**	**5.8%**

The balance of insurance liabilities at 30 June 2023 amounted to € 149,226.4 million, of which € 148,987.4 million related to liabilities measured using the GMM/VFA method and € 239.0 million related to liabilities determined using the PAA method (adopted only by the subsidiary Poste Assicura). Changes during the period are shown in the table below:

(€m)	Present value of future cash flows	Adjustment for non-financial risk	Contractual Service Margin	Total
Liabilities under insurance contracts at 1 January 2023 - GMM/VFA	**126,327.9**	**3,062.0**	**11,415.8**	**140,805.8**
CSM release			(577.3)	(577.3)
Risk Adjustment change		(63.8)		(63.8)
Experience Variance	(2,052.0)	-	1,756.9	(295.1)
Financial costs/revenue	5,463.7	0.0	26.5	5,490.2
Changes in non-financial assumptions	1,769.8	(177.9)	(1,591.9)	0.0
Loss Component change	0.7	1.9	-	2.6
New Business	(663.4)	122.7	540.7	-
LIC change	279.0	0.2	-	279.2
Net cash flows	2,959.5			2,959.5
NET Group Integration	263.1	23.2	100.1	386.4
Liabilities under insurance contracts at 30 June 2023 - GMM VFA	**134,348.2**	**2,968.3**	**11,670.8**	**148,987.4**
Liabilities under insurance contracts at 1 January 2023 - PAA	**174.2**	**-**	**-**	**174.2**
change in PAA insurance liability	64.8	-	-	64.8
Liabilities under insurance contracts at 30 June 2023 - PAA	**239.0**	**-**	**-**	**239.0**
Total liabilities for insurance contracts at 30 June 2023	**134,587.3**	**2,968.3**	**11,670.8**	**149,226.4**

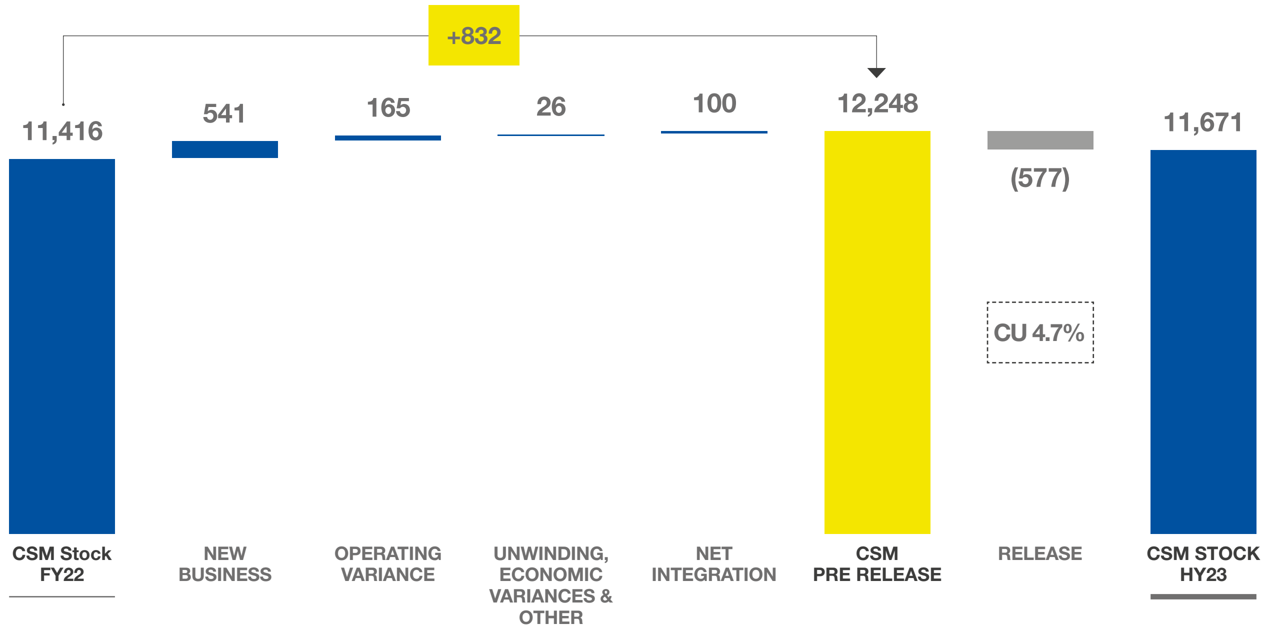
With reference to the insurance liability relating to GMM/VFA, it should be noted that:

The **present value of future cash flows** at 30 June 2023 increased by € 8,020.4 million compared to the value recorded at the end of 2022. The change is mainly attributable to: i) the contribution from actual net cash flows of € 2,959.5 million and ii) the effect of the allocation of net financial income returned to policyholders, reflecting the trend in financial market dynamics, for € 5,463.7 million only partially offset by the decrease of € 2,052.0 million due to the difference between actual and expected cash flows. It should also be noted that the acquisition of the companies Net Insurance and Net Insurance Life on 1 April 2023 resulted in an increase in the present value of cash flows of € 263.1 million.

The **adjustment for non-financial risks** decreased by € 93.7 million compared to the balance at 31 December 2022. This trend was mainly due to the change in the Group's exposure to non-financial risks, which resulted in a revision of the non-financial assumptions of -€ 177.9 million and the release of the risk adjustment recognised in the period of -€ 63.8 million. This effect is partially offset by the € 122.7 million new business component. It should also be noted that the acquisition of the companies Net Insurance and Net Insurance Life on 1 April 2023 led to an increase in the risk adjustment of € 23.3 million.

The **Contractual Service Margin** increased by € 255 million compared to 31 December 2022, mainly related to: i) the profitability of new production in the period for € 541 million; ii) the positive impact related to additional payments in the period for € 165 million and iii) the positive impact related to financial dynamics (lower capital losses partially offset by a lower risk free curve) for € 26 million. These positive effects on the Contractual Service Margin are offset by the release of -€ 577 million for the period. It should also be noted that the acquisition of the companies Net Insurance and Net Insurance Life on 1 April 2023 resulted in an increase in the CSM of € 100 million.

Data in €mln



With reference to the insurance liability related to the PAA measurement method, an increase of € 64.8 million was recorded during the Period. This change is attributable to the increase in net premium revenue of the subsidiary Poste Assicura, which has a positive effect on LRC.

The provision for risks and charges at 30 June 2023, amounted to € 15.3 million (€ 20.6 million at the end of 2022) and included the amounts allocated to cover any probable liabilities, whether they exist and/or their quantity. The breakdown of this item and a comparison with the figures recorded at the end of the previous period are shown below:

Breakdown €m	30/06/2023	31/12/22	delta
Legal disputes	5.8	5.9	(0.1)
Tax disputes	-	-	-
Other liabilities	9.6	14.8	(5.2)
Total	**15.3**	**20.6**	**(5.3)**

Below is a breakdown of the provision for risks at the end of the period:

- outstanding legal disputes amounting to € 5.8 million (€ 5.9 million at 31 December 2022), the majority of which related to cases concerning "dormant policies", falling within the scope of the "two-year statute of limitations" instead of the current ten-year statute of limitations;
- other liabilities of € 9.6 million relating for:
  - € 4.2 million to certain cases of fraud involving mainly the payments of life insurance policies accompanied by falsified documentation sent directly to the Company, as a result of which insurance payments were made to parties found not to be legitimate;
  - € 1.8 million to accruals made in the period by the subsidiary Poste Assicura, including € 0.8 million for penalties for probable delays in the management of claims relating to the policy underwritten by Fondazione Enasarco and € 1 million in reference to the phenomenon of "over-insurance", as better described in the section "Other Information";
  - € 3.6 million to other provisions, of which: i) € 1.6 million related to the provision for future charges in relation to the "Da Grande" product; ii) € 0.9 million related to pending mediation, although the Company is not exposed to risk in relation to these proceedings; and iii) € 1 million related to the potential dispute of the 2014-2015 lapsed policies including penalties, interest and expenses.

The decrease of € 5.3 million compared with the amount recognised at the end of 2022 is attributable almost exclusively to the settlement of the dispute regarding Intesa San Paolo's intention to charge Poste Vita, by way of recourse, for the VAT paid as a result of the facilitated settlement of pending disputes regarding the higher VAT assessed by the tax authorities with reference to the years 2003 and 2004, which gave rise during the period to the payment by the Parent Company, Poste Vita, of an amount of € 5.2 million (equal to the provision set aside at the end of the previous year).

Financial liabilities measured at amortised cost of € 274.1 million at 30 June 2023 (€ 264.2 million at the end of 2022) related mainly to: i) € 253.3 million relating to the subordinated loan with indefinite maturity, taken out entirely by the Parent Company Poste Vita with the Ultimate Parent Poste Italiane, inclusive of accrued interest expense and ii) € 11.0 million in financial liabilities arising from the application of IFRS 16, a balance representing the remainder of the fees to be settled at the end of the period and iii) € 9.7 million relating to the subordinated loan issued in September 2021 by the subsidiary Net Insurance.

Receivables and other assets

The item *receivables and other assets* amounting to € 4,404.0 million at the end of June 2023 (€ 3,526.1 million at the end of 2022) mainly referred to:

- amounts due from the tax authorities for advances pursuant to Law 209/2002, for € 2,190.6 million (€ 2,269.4 at the end of the previous year) representing the advance on withholdings and the substitute tax on capital gains for life policies;
- deferred tax assets of € 1,857.3 million (€ 930.5 million at 31 December 2022). The amount recorded in the financial statements at 31 December 2022 mainly refers to the receivable recognised with reference to the non-deductible portion of the change in the mathematical provisions;
- amounts due from policyholders for stamp duty on Class III and Class V policies amounting to € 108.5 million (€ 110.7 million at the end of 2022); This item refers: i) for € 51.7 million to the amount of tax duties on policies at 30 June 2023, balanced by the payable due to tax authorities for stamp duties commented on below and ii) for € 56.8 million to the advance on stamp duty paid by the Company over the years, used to offset tax due upon expiry/surrender of policies;
- current tax assets at the end of the period for € 159.5 million (€ 153.8 million at the end of the previous year).

Payables and other liabilities

The item *payables and other liabilities* amounted to € 2,544.3 million at the end of June 2023 (€ 1,519.0 million at 31 December 2022) and mainly refers to:

- the amount due to tax authorities for the advance of the tax on the mathematical provisions accruing during the period for € 364.2 million (€ 419.7 million at the end of the previous year);
- amounts due to brokers relating to commissions accrued for the placement of insurance products and the maintenance of the portfolio during the year amounting to € 211.4 million (€ 291.4 million at the end of the previous year);
- deferred tax liabilities for € 1,529.2 million (€ 444.6 million at the end of 2022), mainly attributable to the change in finance income between international accounting standards and statutory standards, as well as the change in the reserve deriving from measurement of securities in the FVTOCI category during the period;
- amounts due to suppliers and Group companies for services received during the period totalling € 186.0 million (€ 155.2 million at the end of the previous year);
- the amount due to the tax authorities for stamp duty on life insurance policies in class III and V of € 51.7 million (€ 51.7 million at the end of 2022);
- current tax liabilities of € 15.2 million at the end of June 2023 (€ 1 million at the end of the previous year).

5. Operating results

The reclassified income statement for the period ended 30 June 2023 is shown below, compared with the same period of 2022.

Reclassified income statement €m	30/06/23	30/06/22	Abs. change	% change
Insurance revenue from insurance contracts issued	1,221.4	1,177.7	43.6	3.7%
Costs for insurance services arising from insurance contracts issued	(552.1)	(420.2)	(131.9)	31.4%
Insurance proceeds from outward reinsurance	10.3	(1.5)	11.9	-774.7%
Costs for insurance services arising from outward reinsurance	(18.2)	(4.1)	(14.1)	345.0%
Result of insurance services	**661.4**	**751.9**	**(90.6)**	**-12.0%**
Net income from investments measured at fair value through profit or loss	1,309.1	(4,769.2)	6,078.3	-127.4%
Net income from investments in associates and joint ventures	0.4	2.9	(2.5)	-86.6%
Net income from investments measured at Amortised Cost and FVOCI	1,629.7	1,662.8	(33.1)	-2.0%
Investment income and expenses	**2,939.2**	**(3,103.5)**	**6,042.7**	**-194.7%**
Financial result relating to insurance contracts	**(2,920.9)**	**3,055.5**	**(5,976.3)**	**-195.6%**
of which mirroring	(2,918.5)	3,054.8	(5,973.3)	-195.5%
of which other financial income/expenses	(2.3)	0.7	(3.0)	-439.1%
Net financial result	**18.3**	**(48.0)**	**66.4**	**-138.2%**
Net revenue from insurance services	**679.7**	**703.9**	**(24.2)**	**-3.4%**
Other revenue/costs	61.0	52.0	9.0	17.3%
Non-attributable operating expenses	(24.7)	(19.7)	(5.0)	25.5%
PROFIT BEFORE TAX	**716.0**	**736.2**	**(20.2)**	**-2.7%**
Taxes	(231.8)	(210.4)	(21.4)	10.2%
NET PROFIT	**484.2**	**525.8**	**(41.6)**	**-7.9%**

Revenue from insurance contracts issued amounted to € 1,221.4 million at the end of the first half of 2023 and increased by € 43.6 million compared to the same period of 2022 mainly due to: i) the higher release (+€ 50.5 million) of claims and expected expenses; ii) the higher release (+€ 22.5 million) of risk adjustment and iii) the increase (+€ 43.2 million) of the change in LRC related to products valued with PAA and the higher release (+€ 35.9 million) of IACFs related to the growth of gross premium revenue. This increase was only partly offset by the lower release of CSM in the period of € 109.4 million.

Insurance revenue - direct business €m	30/06/23	30/06/22	Delta	Delta %
Release of expected claims	50.6	34.5	16.0	46.4%
Release of expected expenses	210.5	176.0	34.5	19.6%
Release of Risk Adjustment	63.5	41.0	22.5	55.0%
CSM release	577.3	686.7	(109.4)	-15.9%
Experience Adjustment on Premium	1.0	0.3	0.7	270.0%
IACF release	122.9	87.0	35.9	41.3%
LRC PAA change	195.6	152.3	43.3	28.5%
Overall total	**1,221.4**	**1,177.7**	**43.6**	**3.7%**

Costs arising from insurance contracts issued amounted to € 552.1 million at the end of the first half of 2023 and increased by € 131.9 million compared to the same period of 2022, mainly due to the growth in claims paid and attributable costs including the change in the liability for claims incurred of € 77.7 million due to the increase in volumes, the impact of the loss component (+€ 12.1 million) due to the significant growth in volumes of the collective welfare business and the amortisation of IACFs (Insurance Acquisition Cash Flows) due to higher commissions linked to higher production.

Insurance costs - direct business €m	30/06/23	30/06/22	Delta	Delta %
Claims incurred and other directly attributable costs	68.5	18.2	50.2	5.0%
Changes in the liability for claims incurred	320.7	293.2	27.5	2.7%
Losses on onerous contracts and recovery of such losses	14.5	2.4	12.1	1.2%
Amortisation of acquisition costs of insurance contracts	148.4	106.3	42.1	4.2%
Other	0.0	0.0	0.0	0.0%
Overall total	**552.1**	**420.2**	**131.9**	**13.2%**

The **result from outward reinsurance** in the period was negative for € 7.9 million and worsened compared to the result achieved in the first half of 2022 (negative for € 5.6 million), mainly due to the contribution in the period of the subsidiary Net Insurance, whose balance of ceded business showed a negative result of € 2.2 million.

€m	30/06/23	30/06/22	Delta	Delta %
Amount of claims and other expected recoverable costs	(10.0)	(0.2)	(9.8)	56.8
Changes in the adjustment for non-financial risks	(0.6)	(0.0)	(0.6)	41.3
Net Gain/(Net Cost)	(4.0)	(0.9)	(3.1)	3.3
Release of outward reinsurance premiums	(4.1)	(3.5)	(0.6)	0.2
Effects of changes in default risk by reinsurers	0.0	0.0	(0.0)	(0.8)
Other	0.6	0.5	0.1	0.2
Total costs from outward reinsurance	**(18.2)**	**(4.1)**	**(14.1)**	**3.5**
Amount of claims and other expenses recovered	10.0	3.2	6.8	2.1
Changes in assets due to claims incurred	0.3	(4.7)	5.0	(1.1)
Other recoveries	-	-	-	-
Total revenue from outward reinsurance	**10.3**	**(1.5)**	**11.9**	**(7.7)**

As a result of the aforementioned dynamics, the **result from insurance services** amounted to € 661.4 million at the end of June 2023, down by € 90.6 million compared to the figure recorded at the end of the first half of 2022.

Net income from financial assets at fair value through profit or loss was a positive € 1,309.1 million at the end of the period, compared to a negative result of € 4,769.2 million in the corresponding period of 2022. The increase of € 6,078.3 million in the item is due mainly to the favourable trend in the financial markets during the period, which gave rise to the recognition of net unrealised gains for € 1,066.7 million, compared to net unrealised losses of € 4,825.8 million in 2022 (period heavily influenced by the trend in interest rates). Valuation gains recognised in the period are retroceded to policyholders net of the over-coverage portion (mirroring) and reflected within insurance liabilities.

30/06/23 €m	Interest	Other income and expenses	Net realised gains	Net unrealised gains	Total income and expenses
From financial assets measured at fair value through profit or loss	50.5	142.6	49.4	1,066.7	**1,309.1**
30/06/22					
From financial assets measured at fair value through profit or loss	44.3	78.2	(65.8)	(4,825.8)	(4,769.2)
Change	**6.2**	**64.4**	**115.2**	**5,892.5**	**6,078.3**

Net income from investments classified as financial assets through other comprehensive income and from investments measured at amortised cost totalled € 1,630.1 million at the end of the period, down € 35.6 million from the same period in 2022.

Financial income/expense (€m)	Interest	Other income and expenses	Total ordinary income	Realised gains/(losses)	Unrealised gains/(losses)	Total income and expenses 06.2023
From financial assets measured at fair value through other comprehensive income	1,578.4	0.4	1,578.9	0.4	(5.6)	1,573.7
From financial assets measured at amortised cost	34.2		34.2		0.1	34.3
Income from cash and cash equivalents	48.6		48.6			48.6
From other financial liabilities measured at amortised cost	(26.8)		(26.8)			(26.8)
From investments in associates					0.4	0.4
Total	**1,634.4**	**0.4**	**1,634.8**	**0.4**	**(5.1)**	**1,630.1**

Financial income/expense	Interest	Other income and expenses	Total ordinary income	Realised gains/(losses)	Unrealised gains/(losses)	Total income and expenses 06.2022
From financial assets measured at fair value through other comprehensive income	1,702.1	(6.6)	1,695.6	(45.4)	4.7	1,654.9
From financial assets measured at amortised cost	34.7		34.7		(0.1)	34.6
Income from cash and cash equivalents	0.0		0.0			0.0
From other financial liabilities measured at amortised cost	(26.7)		(26.7)			(26.7)
From investments in associates					2.9	2.9
Total	**1,710.2**	**(6.6)**	**1,703.6**	**(45.4)**	**7.5**	**1,665.7**
Change	**(75.8)**	**7.0**	**(68.8)**	**45.8**	**(12.6)**	**(35.6)**

Net income from investments classified as financial assets through other comprehensive income amounted to € 1,573.7 million, a decrease compared to the figure recognised in the corresponding period of 2022 (€ 1,654.9 million) due to the decrease (-€ 116.7 million) in ordinary income (which in 2022 benefited more from the inflation trend), only partially offset by the increase in net realised income (+€ 45 million).

Net income from financial assets measured at amortised cost amounted to € 34.3 million and was in line with the figure for 2022 (€ 34.6 million).

The remainder of net income, totalling € 22.1 million (negative for € 23.8 million in the first six months of 2022), is mainly attributable to: i) interest income accrued on bank and postal current accounts for € 48.6 million (of which € 2.1 million related to the running account held with the Ultimate Parent Poste Italiane); ii) commission expense due to the Ultimate Parent Poste Italiane SpA on the Ancillary Fund for € 19.8 million and iii) interest expense accrued on the subordinated loan for a total of € 7.1 million. The figure also includes the retained earnings of the affiliated companies EGI and ECRA in the amount of € 0.3 million.

The **net financial result**, which takes into account the mirroring effect, i.e. the portion of financial income that is passed on to policyholders net of the over-coverage, amounted to € 18.3 million at the end of the first half of 2023, compared to a negative result of € 48.0 million in the same period of the previous year.

The **balance of other revenue and costs** is positive at the end of the first half of 2023 at € 61.0 million (€ 52 million at the end of June 2022) and mainly relates to commission income on internal funds for € 73.7 million and -€ 10.7 million to the premium to be paid for the period under a reinsurance contract entered into in 2022 with a two-year term on the coverage of mass lapse risk.

Non-attributable operating costs (mainly related to personnel expenses, IT service costs and professional consultancy/services) at the end of the reporting period amounted to € 24.7 million, an increase of € 5.0 million (+25.5%) compared to the figure for the same period of the previous year (amounting to € 19.7 million), to support business development.

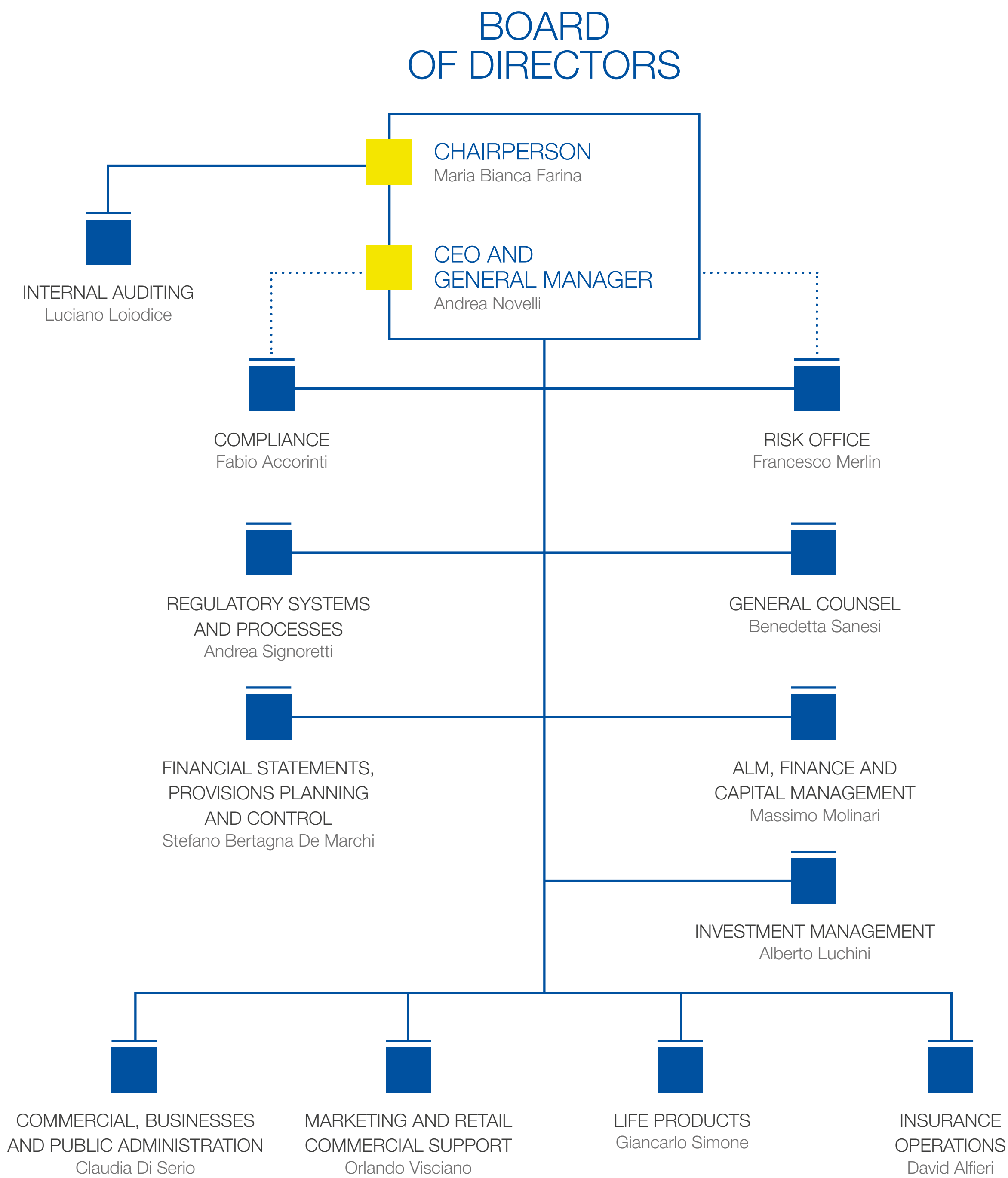
****

Due to the aforementioned trends, **gross profit for the period** came to € 716.0 million, compared to € 736.2 million recorded at the end of June 2022. Considering the tax burden, determined with an estimated tax rate of 32%, the Poste Vita Group closed the period with a **net profit** of € 484.2 million (of which € 1.2 million pertaining to non-controlling interests), a decrease of € 41.6 million on the € 525.8 million recorded in the same period of 2022.

6. Organisation of the Poste Vita Group

Organisational Structure

Below is the organisational chart for the Parent Company Poste Vita at 30 June 2023



Corporate Governance

The governance model adopted by the Parent Company Poste Vita is “traditional”, i.e. characterised by the traditional dichotomy between the Board of Directors and the Board of Statutory Auditors.

The Board of Directors, appointed by the Shareholders’ meeting held on 26 June 2023, has a term of office of three years, which will expire on the date of approval of the financial statements for 2025. The Board has 7 members, 2 of which are independent.

The Board of Directors, as described above, meets periodically to review and adopt resolutions on strategy, operations, results, and proposals regarding the operational structure, strategic transactions and any other obligations under current industry regulations. It represents the main governing body of the Parent Company Poste Vita and is vested with the broadest possible powers to manage the company in the pursuit and implementation of the corporate purpose, which it exercises within the scope of the functions, duties and powers set out in current laws and regulations and in the Articles of Association.

The Board of Directors has ultimate responsibility for the corporate governance system, defines its strategic guidelines and ensures its constant completeness, functionality and effectiveness, also with reference to outsourced activities. It also ensures that the corporate governance system is suitable to achieve the objectives of efficiency and effectiveness of business processes, identification, assessment, including prospective assessment, management and adequate risk control, in line with the strategic guidelines and risk appetite of the company also in a medium-long term perspective, timeliness of the reporting system of corporate information, as well as reliability and integrity of accounting and management information, protection of assets also in a medium-long term perspective and compliance of the company’s activities with current regulations, directives and company’s procedures.

The Board of Directors of the Parent Company, Poste Vita, as the Ultimate Holding Company (UHC) of a group subject to supervision by IVASS, carries out the tasks and functions assigned to it with regard to corporate governance at both individual and Group level; it also adopts, with regard to the companies referred to in art. 210-*ter*, paragraph 2, of the Private Insurance Code, the measures for the implementation of the instructions given by IVASS in the interests of the stable and efficient management of the Group.

The Chairperson of the Board of Directors has the role of guiding and overseeing the work of the Board of Directors. In addition to the authority provided for by law and in the Articles of Association with regard to the activities of corporate bodies and legal representation of the Company, including the power to sign on the Company’s behalf and to represent it before the courts, the Chairperson, without prejudice to the non-executive role and without any management function, is assigned by the Board of Directors powers relating to the following areas: maintenance of relations with the Key Functions (Internal Auditing, Compliance, Risk Management and Actuarial Function) and institutional relations.

The Board of Directors, in accordance with art. 2381 of the Italian Civil Code, granted the Chief Executive Officer all the powers necessary for the administration of the Company, unless otherwise provided for by law, the Company’s Articles of Association and the resolution appointing to the position. The Chief Executive Officer is also the Company’s legal representative within the scope of the powers delegated.

The General Manager is also an established position, who is granted specific powers within the Company, in line with the scope of responsibility assigned.

Finally, in accordance with the provisions of IVASS Regulation no. 38/2018, the Board of Directors has established specific internal committees, composed of non-executive directors, mostly independent, with investigative, consultative and propositional tasks, in order to increase the efficiency and effectiveness of its work and to facilitate decision-making in areas of operations where there is a high risk of conflict of interest.

Specifically, the Board of Directors is supported by the following committees:

a. Internal Control and Risk and Related Party Transactions Committee;

b. Appointments and Remuneration Committee.

The aforementioned Committees, in line with the indications of the letter to the market of IVASS dated 5 July 2018 and in application of the principle of proportionality therein, carry out the tasks and functions assigned to them both at Company level as an insurance company on an individual basis and at Company level as the Ultimate Holding Company (UHC) and, therefore, at Group level.

The breakdown, the tasks entrusted to them, the powers and the functioning of each Committee are governed by specific Regulations, approved by the Board of Directors on 28 June 2023.

The Board of Statutory Auditors, elected by the General Meeting of Shareholders held on 26 June 2023, is made up of 3 standing members and 2 alternates. Pursuant to art. 2403 of the Italian Civil Code, the Board of Statutory Auditors monitors compliance with the law and the Articles of Association and with good practices and, in particular, the adequacy of the organisational, administrative and accounting structure adopted by the Company and its functionality.

The audit activities required by articles 14 and 16 of Legislative Decree no. 39/2010, are carried out by Deloitte & Touche SpA, Group Auditor, selected after a single call for tenders issued by Poste Italiane, in compliance with the provisions of Regulation (EU) 573 of 16 April 2014 and Legislative Decree no. 39 of 17 January 2010, as amended by Legislative Decree no. 135/2016.

The Company also has a system of technical and conduct procedural rules designed to ensure consistent corporate governance through the coordinated management of the decision-making process regarding aspects, issues and activities of interest and/or of strategic importance, or that might give rise to significant risks for its assets. The governance system is further enhanced by a series of committees with the role of guiding and controlling corporate policies on strategic issues.

Lastly, to ensure compliance with the more advanced governance models and in accordance with the Company's articles of association, a manager responsible for financial reporting has been appointed.

After outsourcing of the IT systems to the Ultimate Parent Poste Italiane, since March 2020 a two committee governance model has been contractually established:

- Operating Committee, responsible for monitoring service levels;
- Governance Committee, responsible for issues of a strategic nature.

Sistema di Controllo Interno

As part of the Company's Corporate Governance System, the Internal Control System (SCI) and the Risk Management System (SGR) are a combination of tools, procedures, rules and organisational structures, designed to ensure that the business is managed in a way that is sound, fair and consistent with the corporate objectives, and to pursue sustainable success, through an adequate process of definition of the players, duties and responsibilities of the various corporate bodies and control functions as well as through the identification, measurement, management and monitoring of the main risks, and through the structuring of adequate information flows to guarantee the timely circulation of information.

To be effective, the control system must be integrated, which presupposes that its components are coordinated and interdependent, and that the entire system be an integral part of the general organisational, administrative, and accounting structure of the Company and the Group. Consistently with these principles, the Parent Company Poste Vita has identified a structured corporate governance model in line with the Group's one, which is applied operationally at company level on the basis of the role of the parties involved in internal controls and risk management and in proportion to the nature, scale and complexity of the business. The model provides for the definition of "levels of control" organised, in general, as set out below:

- **Governance**: defines, implements, maintains and monitors the Corporate Governance System (and in this context, the SCI and the SGR). It consists of the Administrative Body (duly supported by the Board Committees) and Senior Management. Specifically:
  - the Board of Directors is the ultimate guarantor and responsible for the Corporate Governance System and, to this end, does not limit its role to defining its strategic guidelines and orientations, but monitors its results and ensures its constant completeness, functionality and effectiveness, also with reference to outsourced activities, consistently with the provisions of the relevant regulations;
  - Senior Management is responsible for the implementation, maintenance and monitoring of the Corporate Governance System and the promotion of the internal control culture in accordance with the instructions issued by the Board of Directors and in compliance with the relevant regulations.
- **First level of control**: identifies, assesses, manages, and monitors those risks for which it is responsible for monitoring, and in respect of which it identifies and implements specific protocols aimed at ensuring operational compliance. It is made up of all the control activities that the individual "business" and "staff" organisational units of the Parent Company Poste Vita (Operating Functions) perform on their own processes as an integral part of each business process. The Operating Functions are, therefore, primarily responsible for the internal control and risk management process (as established by the Board of Directors and Senior Management) as they are called upon, in the course of day-to-day operations, to identify, measure, assess, monitor, mitigate and report risks arising from ordinary business activities in accordance with the risk management process and applicable internal procedures.

- **Second level of control**: monitors company risks, proposes guidelines on all related control systems, and verifies their adequacy in order to ensure the efficiency and effectiveness of the operations, sufficient risk control, prudent business practices, reliability of all disclosures, compliance with laws, regulations and internal procedures. The functions to whom such controls are delegated are autonomous, independent, and distinct from operating functions; they contribute to the definition of risk management policies and the risk management process. Specifically:
  - the **Risk Management function** has the task of controlling and maintaining the entire SGR, whose effectiveness it helps to ensure also through support activities for the Board of Directors and the Senior Management of the Parent Company Poste Vita in their definition and implementation;
  - the **Compliance function** continuously identifies the applicable standards and assesses their impact on processes and procedures. In this perspective, it verifies the adequacy of the organisational measures adopted to prevent the risk of non-compliance with the rules and proposes organisational and procedural changes aimed at ensuring adequate risk management;
  - the **Actuarial function** contributes to the application of the Risk Management System through the performance of specific tasks relating to technical provisions, underwriting policies and reinsurance agreements;
  - the **Anti-Money Laundering function** continuously monitors the Poste Vita Group's exposure to the risk of money laundering and terrorist financing. The head of the function supports the Board of Directors in defining the policies/guidelines for governing this risk;
  - the **Information Security function** performs the tasks of assistance and reporting to the Administrative Body on information security matters, as well as monitoring and coordinating the related activities.
- **Third level of control**: the Internal Auditing function is responsible for monitoring and evaluating the effectiveness, efficiency and adequacy of the SCI and the other components of the corporate governance system and the need to adapt it (through independent assurance on the operating effectiveness of the first and second levels of control and, in general, on the Corporate Governance System, and any consulting activities to other corporate functions).

Pursuant to article 30 of Legislative Decree 209/2005 - Private Insurance Code, the Risk Management, Compliance, Actuarial and Internal Auditing functions are defined as **Key Functions**.

The organisational model aims to ensure the presence of effective and efficient company and Group processes, the control of current and future risks, the constant reporting between the "control levels", the reliable and complete information and protection of capital in the medium and long term, the compliance with laws and regulations, the Articles of Association and internal regulatory instruments, as well as the pursuit of the company's sustainable success.

The Board Committees (the Remuneration Committee and the Internal Control and Risk and Related Party Transactions Committee of the Poste Vita Group) also contributes to the operation of the model, as do the other functions and persons responsible for corporate control, such as: the Financial Reporting Manager pursuant to Law no. 262/2005, the Supervisory Board pursuant to Legislative Decree no. 231/01, the Suspicious Transactions Reporting Manager, the Tax Manager, the Data Governance Officer and the Single Contact Person for Statistical Reports.

The parent company Poste Vita has adopted an Organisational Model pursuant to Legislative Decree no. 231/01, with the objective of preventing the perpetration of the different types of offence envisaged by the Decree, and has appointed a specific Supervisory Board.

Adoption of the 231 Organisational Model and the rules of conduct contained therein combine with the "Poste Italiane Group's Code of Ethics" adopted by the Poste Vita Group, in keeping with similar code put in place by the Ultimate Parent Poste Italiane.

The activities carried out during the year by the key functions and control functions contribute, as far as they are concerned, to the assessment of the Corporate Governance System of the Company Poste Vita and the Poste Vita Insurance Group, pursuant to art. 215-*bis* of the Private Insurance Code (Legislative Decree 209/2005 and subsequent additions and amendments).

Finally, with reference to the acquisition of Net Insurance SpA, as outlined in more detail in the paragraph "Extraordinary Transactions", the Company took steps to identify adaptation plans, also within the Internal Control System and the Risk Management System, and to take care of the related activities.

Organisational structure and personnel

During the first half of 2023, the organisational structure saw an increase of 149 staff available to the Poste Vita Group (of which 132 staff attributable to the acquisition of Net Insurance and Net Insurance Life as from 1 April 2023) and, secondly, attributable to an increase in the number of personnel directly supporting the business, with a focus on the inclusion of staff with technical-insurance and financial skills to support strategic projects and the functions impacted by them (USP project, IFRS17, valuation and actuarial models, risk management) by accessing the external market pool.

With a view to exploiting potential synergies within the Poste Italiane Group and with the aim of responding in an increasingly incisive manner to the demands of the business and the reference market, the definition and consolidation of the centralised organisational model for certain areas of activity, concluded in previous years, is confirmed. In this sense, activities in the areas of communication, purchasing, anti-money laundering, information systems, administration and general accounting, management activities in the area of human resources and organisation were carried out as a service by the Ultimate Parent Poste Italiane.

The number of direct employees at 30 June 2023 was 610 (expressed in full time equivalent), compared to 460 at 31 December 2022. Below is a breakdown of staff, divided by contract type and the relative changes with respect to the previous year:

Workforce Breakdown expressed in FTE	30/06/23	31/12/22	Change
Executives	46	38	8
Middle managers	314	252	62
Operational staff	247	169	78
Flexible contracts	3	1	2
Direct employees	**610**	**460**	**149**

With regard to training, in the first half of 2023, the delivery of training activities took place mainly in “virtual” classroom mode (webinars) and in e-learning mode through the relevant platform. Only the practical training activities for emergency workers within the framework of the Health and Safety at Work refresher programmes were delivered in person, as well as some sessions as part of managerial training projects.

In this context, in the first half of 2023, training provided mainly involved the following areas: i) “insurance compliance”, with specific reference to Market Abuse, ESG, IVASS and insurance product training; ii) regulatory/compliance training, with particular reference to the following aspects: Anti-corruption, Legislative Decree no. 231/2001, GDPR, IT Security, Occupational Health and Safety, Diversity & Inclusion, Fraud Management; iii) “technical-specialist” training in the insurance field; and iv) “managerial” training aimed mainly at developing soft skills (leadership, management empowerment, effective communication, problem solving, time management, team-working, employee management). In particular, a specific focus was given to the training project “*With agility - New perspectives to guide change*” dedicated to “new generation leaders”. The “With agility” programme, which involved 30 participants from the Poste Vita Group, was conducted with the support of a leading training company, with the aim of developing self-awareness in the role and basic skills of an “Agile Leader”.

7. Information on international accounting standards

Share-based payments - IFRS 2

Goods and services acquired and liabilities taken on for which share-based payments are established, settled with cash, equity instruments or other financial instruments, are recognised at their fair value. If the payment is made in cash, the fair value of the liability must be remeasured at the end of each reporting period, recognising any changes in profit or loss, until the amount is extinguished. In the case of employee benefits, the expense is recognised in personnel expenses over the period in which the employee renders the relevant service.

Financial Risk Disclosure - IFRS 7

Information on financial risk management at 30 June 2023 is provided below, prepared by the Risk Management function, in accordance with the requirements of the international financial reporting standard, IFRS 7 - *Financial Instruments: disclosures*.

Financial instruments held by the **Parent Company Poste Vita** primarily relate to investments designed to cover its contractual obligations to policyholders on traditional life policies that can be revalued and unit-linked products. Other investments in financial instruments regard investment of the insurance company's Free Capital.

Traditional Life policies, classified under Class I and V, include products that provide a clause for the revaluation of benefits based on the return generated through the management of pools of financial assets, which are separately identifiable in accounting terms only, within the company's assets (Posta ValorePiù and Posta Pensione Separately Managed Accounts). On these types of products, the Company guarantees a minimum rate of return to be recognised at policy maturity (the average guaranteed minimum return for the separately managed accounts is 1.16% for Posta Pensione and 0.47% for Posta ValorePiù). Valuation gains and losses are passed back to policyholders net of the over-coverage portion (mirroring) and reflected within insurance liabilities.

The result is that the economic impact of financial risks on investments may be fully or partially absorbed by insurance liabilities. More specifically, this absorption is generally based on the level and structure of minimum return guarantees and the profit sharing mechanisms for the policyholders' separately managed accounts. Sustainability of minimum returns is evaluated by the Company with periodic analysis, carried out with the assistance of an internal financial/actuarial model (Asset Liability Management, hereinafter also "ALM"), which for each individual separately managed account, simulates the evolution of the value of financial assets and the expected returns of insurance liabilities, both under the assumption of a "central scenario" (based on current financial and actuarial assumptions) and stress scenarios (economic-financial variables, surrenders, new production).

Unit-linked products, Class III, instead regard policies where the premium is invested in financial instruments, predominantly characterised by mutual investment funds.

For unit-linked products, the Company does not offer capital guarantees or minimum return guarantees and therefore the financial risks are borne entirely by the policyholder (the return on the policies is fully indexed to the assets they cover).

The investment policies of the subsidiary Poste Assicura are designed to preserve the Company's financial strength, as outlined in the Framework Resolution approved by the Board of Directors. Regular analyses of the macroeconomic context and market trends for the different asset classes, with the relevant effects on asset-liability management, are conducted. For the Non-life business, the focus is on the optimal management of liquidity in order to meet compensation claims.

Within the above context, balanced financial management and monitoring of the main risk/return profiles are carried out and ensured by dedicated organisational structures that operate separately and independently. In addition, specific processes are in place governing the assumption and management of and control over financial risks, including the progressive introduction of appropriate information systems.

From an organisational viewpoint, the model consists of:

- an Investment Committee established at the Parent Company Poste Vita, which, based on analyses by the relevant company functions, provides advice to senior management on the definition, implementation and oversight of the investment strategy;
- appropriate functions established within the Parent Company Poste Vita and the Subsidiary Poste Assicura perform risk measurement and control activities, in compliance with the principle of organisational separation of structures with risk control functions from those with management responsibilities; the results of these activities are examined by the relevant advisory Committees, which are responsible for carrying out an integrated assessment of the main risk profiles.

Below is a description of the main financial risks and their effects on the portfolio held by the Poste Vita Group at the end of the period.

Price risk

This is the risk that the value of a financial Instrument will fluctuate as a result of changes in market prices, when the changes derive both from specific factors of the individual instrument or its issuer, and from factors that affect all the instruments traded on the market.

The analysis below refers to financial asset items classified under the categories "fair value through other comprehensive income" or "fair value through profit or loss".

(€m)	Exposure
Financial assets	-
Investments at FVOCI	**2**
APRE00061 - Shares at FVOCI	2
APRE00063 - Other investments at FVOCI	-
APRE00064 - Structured bonds at FVOCI	-
Financial instruments at fair value through profit or loss	**41,254**
APRE00071 - Structured bonds at FVPL	-
APRE00073 - Other investments at FVPL	40,865
APRE00074 - Shares at FVTPL	389
Derivative financial instruments	-
APRE00113 - FVTPL	-
PRE00093 - FVTPL liabilities	-
Variability at end of period	**41,256**

Financial assets measured at fair value through profit or loss refer to:

- investments in units of mutual investment funds held by the Poste Vita Group, with a fair value of € 40,865[11] million, including approximately € 30,030 million used to cover Class I policies, roughly € 10,830 million used to cover Class III policies and a residual amount (€ 5 million) relating to free capital;
- shares held by the Parent Company Poste Vita for € 387 million in respect of Class I products connected to Separately Managed Accounts and Class III products and by the subsidiary Net Insurance for € 2 million.

Financial assets **measured at fair value through other comprehensive income** refer exclusively to shares held by the subsidiary Net Insurance totalling € 2 million.

Price risk does not involve fixed-income financial instruments (debt securities), because for the risk in question only stock market volatility is considered.

11. Not included in the scope of the analysis in question are € 1,992 million of alternative funds predominantly composed of bonds.

Fair value interest rate risk

This is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates.

	Risk exposure	
(€m)	Nominal exposure	Fair value exposure
Financial assets		
Investments at FVOCI	**113,899**	**102,397**
Fixed income securities at FVOCI	113,399	101,897
Other investments at FVOCI	-	-
Structured bonds at FVOCI	500	500
Financial instruments at fair value through profit or loss	**2,758**	**4,351**
Structured bonds at FVPL	22	21
Fixed income securities at FVPL	2,709	2,318
Other investments at FVPL	27	2,012
Derivative assets	-	-
Cash flow hedges	-	-
Fair value hedges	-	-
Financial liabilities	-	-
Derivative liabilities	**-**	**-**
FVTPL liabilities	-	-
Cash flow hedge liabilities	-	-
Variability at end of period	**116,657**	**106,747**

In terms of **financial assets measured at fair value through other comprehensive income**, the risk in question primarily relates to:

- Fixed-income securities amounting to € 101,891 million, of which € 101,217 million held by the Parent Company Poste Vita and relating for € 82,856 million to government bonds almost entirely placed to cover contractual commitments of Class I related to the Separately Managed Accounts and for € 18,861 million to other non-government debt securities in the Poste Vita portfolio, mainly placed to cover commitments undertaken with policyholders;
- Fixed-income government bonds held by the Subsidiary Poste Assicura, totalling € 358 million;
- Other non-government debt securities in the Poste Assicura portfolio for € 91 million.
- Fixed-income government bonds held by the Subsidiary Net Insurance, totalling € 60 million;
- Other non-government debt securities in the Net insurance portfolio for € 39 million;
- Fixed-income government bonds held by the Subsidiary Net Insurance Life, totalling € 77 million;
- Other non-government debt securities in the Net Insurance Life portfolio for € 50 million.

Financial assets at fair value which are relevant to the risk in question amounting to € 4,351 million are held almost entirely by the Parent Company Poste Vita, mainly to hedge commitments taken on relative to policyholders. These relate to a portion of investments invested in fixed-income securities totalling € 2,318 million (of which € 8 million relating to the subsidiary Poste Assicura, € 2 million to the subsidiary Net Insurance Life and € 1 million to the subsidiary Net Insurance), and to the position in *Other investments* totalling € 2,012 million, of which € 1,992 million consisting of units in alternative funds held by the Parent Company Poste Vita, € 10 million relating to mutual investment funds held by the subsidiary Net Insurance Life and € 9 million relating to mutual investment funds held by the subsidiary Net Insurance, and the remainder of € 21 million from the bond issued by Cassa Depositi e Prestiti as a private placement and held by the Parent Company Poste Vita.

Spread risk

This is the risk attributable to possible reductions in the prices of bonds held in the portfolio, due to deterioration of the market valuation of the credit quality of the issuer. This is due to the importance that the impact of the spread of returns on government bonds had on the fair value of Eurozone government and corporate bonds, reflecting the market's perception of the credit rating of issuers.

The value of the portfolio of bonds issued or guaranteed by the Italian government is much more sensitive to the credit risk associated with the Italian Republic than to changes in risk-free rates. This is due to the fact that changes in credit spreads are not hedged and regard the entire investment portfolio, meaning both the fixed and floating rate components. In this latter case, in fact, fair value derivatives, used to convert the instrument to floating rate, hedge only the risk-free interest rate risk and not credit risk. Therefore, a change in the credit spread has an equal impact on both fixed rate and floating rate securities.

Below are details on the effects seen in the Poste Vita Group's portfolio during the period in question:

	Risk exposure		Delta value		Effect on deferred liabilities		Profit/(Loss) before tax		Equity reserves before taxes	
(€m)	Nominal exposure	Fair value exposure	Delta val. +100bps	Delta val. -100bps	Effect on def. lia. +100bps	Effect on def. lia. -100bps	Res. before tax +100bps	Res. before tax -100bps	Gross Eq. Res. +100bps	Gross Eq. Res. -100bps
Financial assets										
Investments at FVOCI	**113,899**	**102,397**	**(7,691)**	**7,692**	**(7,576)**	**7,576**	**-**	**-**	**(115)**	**116**
Fixed income securities at FVOCI	113,399	101,897	(7,689)	7,690	(7,574)	7,574	-	-	(115)	116
Other investments at FVOCI	-	-	-	-	-	-	-	-	-	-
Structured bonds at FVOCI	500	500	(2)	2	(2)	2	-	-	-	-
Financial instruments at fair value through profit or loss	**2,758**	**4,351**	**(383)**	**383**	**(374)**	**374**	**(8)**	**8**	**-**	**-**
Structured bonds at FVPL	22	21	(1)	1	(1)	1	-	-	-	-
Fixed income securities at FVPL	2,709	2,318	(170)	170	(162)	162	(8)	8	-	-
Other investments at FVPL	27	2,012	(212)	212	(211)	211	(0)	0	-	-
Derivative assets	-	-	-	-	-	-	-	-	-	-
Cash flow hedges	-	-	-	-	-	-	-	-	-	-
Fair value hedges	-	-	-	-	-	-	-	-	-	-
Financial liabilities	-	-	-	-	-	-	-	-	-	-
Derivative liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
FVTPL liabilities	-	-	-	-	-	-	-	-	-	-
Cash flow hedge liabilities	-	-	-	-	-	-	-	-	-	-
Variability at end of period	**116,657**	**106,747**	**(8,074)**	**8,074**	**(7,950)**	**7,950**	**(8)**	**8**	**(115)**	**116**

With regard to the Poste Vita group, the investments exposed to this risk amounted to a total of € 106,747 million in fair value at 30 June 2023 and consist of € 102,397 million in financial assets at fair value through other comprehensive income and for the remaining € 4,351 million in financial assets at fair value through profit or loss. The sensitivity analysis conducted on the portfolio as a whole shows that an increase in the spread of 100 bps would reduce its fair value by approximately € 8,074 million. Of this change, € 7,950 million would be allocated to deferred liabilities to policyholders, € 115 million would affect the fair value reserve for securities in free capital and € 8 million would be reflected in the income statement.

Cash flow inflation rate risk

This is defined as the uncertainty related to future cash flows due to changes in the rate of inflation observed in the market.

At 30 June 2023, cash flow inflation rate risk relates to inflation-linked government bonds not subject to cash flow hedges or fair value hedges. With reference to the Poste Vita Group, securities with a nominal value of € 7,676 million (of which € 7,630 million held by the Parent Company Poste Vita) and in terms of fair value positions with a nominal value of € 9,121 million (of which € 9,071 million held by the Parent Company Poste Vita) were recognised.

Disclosure of interests in other entities - IFRS 12

Adopted with Regulation (EU) 1254/2012, IFRS 12 combines, strengthens and replaces disclosure requirements regarding subsidiaries, joint control agreements, associates and unconsolidated structured entities. This standard summarises all the information an entity must provide in order to allow financial statement users to assess the nature of and risks deriving from their investments in other entities, as well as the effects of these investments on the equity/financial situation, economic results and cash flows. A structured entity is an entity configured so that voting or similar rights are not the deciding factor in establishing control over the entity, as in the case in which voting rights refer solely to administrative activities and the relative operating activities are guided through contractual agreements.

At 30 June 2023, this definition includes the investments held by the Parent Company Poste Vita in the funds described below.

As required under the provisions of IFRS 12 paragraphs 24 - 31, supported by paragraphs B25 – B26, the disclosure in the Poste Vita financial statements must provide information able to allow financial statement users to assess, for each unconsolidated structured entity:

- the nature and extent of its interest in the entity;
- the nature of the risk associated with its interest in the entity.

The required information is below.

Nature of the interest in the unconsolidated structured entity (IFRS 12. 26)

With reference to the first point, we provide qualitative and quantitative information regarding the nature, extent, size and business of the unconsolidated structured entity.

For each of the Funds indicated below, the Parent Company Poste Vita holds a stake in excess of 50%, including multi-asset funds. Quantitative information relative to these investments is provided in the following tables, together with the other funds. The investments of the Parent Company, Poste Vita, in the funds do not qualify as controlling interests as defined by IFRS10 and have not been consolidated, but, in any event, fall within the scope of application of IFRS12 in that they are non-consolidated structured entities. The purpose of these investments is to diversify the financial instruments portfolio used to cover Class I products (Separately Managed Accounts), with the objective of mitigating exposure to Italian government bonds and corporate bonds denominated in euros.

Below is a table containing the information required under IFRS 12.26, noting that the NAV found in the table represents the total value of the fund. For the carrying amount, the percentage stake held must be considered. Specifically, note that for the funds “ADVANCE CAPITAL ENERGY FUND” and “SHOPPING PROPERTY FUND 2”, the Company does not hold a 100% stake, but rather stakes of 86.21% and 64.93%, respectively:

ISIN €k	Name	LOCAL classification	Nature of entity	Fund activity	% investment*	NAV Ref. date**	NAV Amount
LU1379774190	MULTIFLEX-DIVERSIFIED DIS-CM	Fixed Assets	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100%	30/06/23	5,391,541
LU1407711800	MULTIFLEX-DYN MLT/AST FD-CM	Fixed Assets	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/06/23	3,880,911
LU1500341752	MULTIFLEX-DYNAMIC LT M/A-CM	Current Assets	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/06/23	518,473
LU1193254122	MULTIFLEX-GLB MA INC-CM	Fixed Assets	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/06/23	3,700,134
LU1407712014	MULTIFLEX-GLB OPT M/A FD-CM	Fixed Assets	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/06/23	4,486,039
LU1500341240	MULTIFLEX-LT OPTIMAL M/A-CM	Current Assets	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/06/23	792,256
LU1808839242	MULTIFLEX-OLYMP INSURN MA-CM	Current Assets	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/06/23	809,306
LU1500341166	MULTIFLEX-OLYMPIUM DYNAMIC-MULTIASSET FUND	Current Assets	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/06/23	281,318
LU1808838863	MULTIFLEX-OLYMPIUM OPT MA-CM	Current Assets	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/06/23	542,790
LU2051218035	MULTIFLEX-OLYMPIUM SEV-CMEUR	Current Assets	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/06/23	421,450
LU1407712287	MULTIFLEX-STRAT INS DIST-CM	Fixed Assets	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/06/23	4,329,552
Total Multi-asset funds							**25,153,771**

ISIN €k	Name	LOCAL classification	Nature of entity	Fund activity	% investment*	NAV	
						Ref. date**	Amount
IT0004597396	ADVANCE CAPITAL ENERGY FUND	Current Assets	Closed-end Fund of Funds within the scope of Directive 2011/61/EU	Investments in energy companies to achieve capital appreciation and realise relevant gains, after exit	86.21%	31/03/23	1,881
QU0006746865	ALC Prima European Private Credit Feeder Fund	Fixed Assets	Open-ended fund falling within the scope of Directive 2011/61/EU	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	31/03/23	263,722
LU1581282842	Indaco SICAV SIF - Indaco CIFC US Loan	Fixed Assets	Open-ended fund falling within the scope of Directive 2011/61/EU	Investment in a mix of asset classes (corporate bonds, government bonds, loans and equities).	100%	31/05/23	81,552
QU0006738854	PrimA Credit Opportunity Fund	Current Assets	Open-ended fund falling within the scope of Directive 2011/61/EU	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	31/05/23	138,033
QU0006738052	Prima EU Private Debt Opportunity Fund	Fixed Assets	Open-ended fund falling within the scope of Directive 2011/61/EU	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	31/03/23	495,851
QU0006744795	Prima European Direct Lending 1 Fund	Fixed Assets	Open-ended fund falling within the scope of Directive 2011/61/EU	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	31/03/23	450,188
QU0006742476	PRIMA GLOBAL EQUITY PARTNERS FUND	Fixed Assets	Open-ended fund falling within the scope of Directive 2011/61/EU	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	31/03/23	190,586
IE00BK1KDS71	Prima Hedge Platinum Growth	Current Assets	Fund of Hedge Funds falling within the scope of Directive 2011/61/EU	Pursuit of absolute returns, with low long-term volatility and correlation with the main financial markets	100%	31/05/23	423,034
IT0005247819	DIAMOND CORE	Fixed Assets	Closed-end real estate alternative investment fund under Italian law falling within the scope of Directive 2011/61/EU	Investment in real estate assets, real property rights, including those resulting from property lease-translational arrangements, concessions and other similar rights in accordance with the legislation from time to time in effect.	100%	31/12/22	282,382

ISIN €k	Name	LOCAL classification	Nature of entity	Fund activity	% investment*	NAV Ref. date**	NAV Amount
IT0005210387	DIAMOND EUROZONE RETAIL PROPERTY FUND	Fixed Assets	Closed-end real estate alternative investment fund under Italian law falling within the scope of Directive 2011/61/EU	Investment in "core" and "core plus" real estate assets for retail use, located in the Eurozone and euro-denominated	100%	31/03/23	94,790
IT0005210593	DIAMOND OTHER SECTORS ITALIA	Fixed Assets	Closed-end real estate alternative investment fund under Italian law falling within the scope of Directive 2011/61/EU	Investment in real estate assets, real property rights, including those deriving from real estate lease contracts, participating interests in property companies and the professional management and development of the fund's assets.	100%	31/12/22	111,131
IT0005215113	CBRE DIAMOND FUND	Fixed Assets	Closed-end real estate alternative investment fund under Italian law falling within the scope of Directive 2011/61/EU	"Investment in real estate assets, real property rights, including those deriving from real estate lease contracts, in any case carried out without particular geographical location constraints but in any case in Italy, may be used for the following purposes: logistics, retirement homes, residential, hotel, mixed-use and office or commercial use."	100%	31/03/23	176,789
IT0005174450	DIAMOND EUROZONE OFFICE UBS FUND	Fixed Assets	Closed-end real estate alternative investment fund under Italian law falling within the scope of Directive 2011/61/EU	Investment in "core" and "core plus" real estate assets for working use (offices), located in the Eurozone and euro-denominated	100%	31/03/23	400,682
IT0005212193	DIAMOND ITALIAN PROPERTIES FUND	Fixed Assets	Closed-end real estate alternative investment fund under Italian law falling within the scope of Directive 2011/61/EU	Investment in real estate assets, real property rights, including those resulting from property lease-translational arrangements, concessions and other similar rights in accordance with the legislation from time to time in effect.	100%	31/12/22	168,185
IT0005386666	i3-Dante comparto Convivio Fund	Fixed Assets	Italian-registered, closed-end multi-segment alternative real estate investment fund	Investment in "core" and "core plus" income real estate located in the central areas of the main Italian cities, starting with Rome and Milan.	100%	31/12/22	264,952
QU0006745081	Prima Real Estate Fund I	Fixed Assets	Open-ended fund falling within the scope of Directive 2011/61/EU	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100.0%	31/03/23	358,739
LU1081427665	SHOPPING PROPERTY FUND 2	Fixed Assets	Closed-end fund within the scope of Directive 2011/61/EU	Invests in the Shopping Property Fund 2: master fund which invests primarily in commercial properties and, marginally, in office buildings and alternative sectors. It does not invest in property debt	64.93%	31/03/23	59,011
Total other funds							**3,961,508**
Overall total							**29,115,279**

* Figure supplied by Investments Management Function.
** Figure supplied by Investment Operations Office, most recent NAV available.

Nature of the risk (IFRS 12. 29 – 31)

With reference to the second point, below we provide:

- the carrying amount of the assets and liabilities recognised in the financial report relative to the unconsolidated structured entity;
- the account (macro-account) in which these assets and liabilities are classified;
- the maximum exposure to losses deriving from the interest in the unconsolidated structured entity and the method used to calculate the amount;
- a comparison of the carrying amount of the unconsolidated structured entity's assets and liabilities and the maximum exposure amount.

The table below provides the information required for each unconsolidated structured entity:

ISIN €k	Name	IFRS 9 classification	Carrying amount	Maximum loss exposure***	Difference between carrying amount and maximum loss exposure	Method to determine maximum loss exposure***
LU1379774190	MULTIFLEX-DIVERSIFIED DIS-CM	FVTPL	5,391,541	573,640	4,817,902	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1407711800	MULTIFLEX-DYN MLT/AST FD-CM	FVTPL	3,880,911	419,498	3,461,413	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1500341752	MULTIFLEX-DYNAMIC LT M/A-CM	FVTPL	518,473	53,704	464,769	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1193254122	MULTIFLEX-GLB MA INC-CM	FVTPL	3,700,134	171,862	3,528,273	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1407712014	MULTIFLEX-GLB OPT M/A FD-CM	FVTPL	4,486,039	432,573	4,053,466	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1500341240	MULTIFLEX-LT OPTIMAL M/A-CM	FVTPL	792,256	84,924	707,332	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1808839242	MULTIFLEX-OLYMP INSURN MA-CM	FVTPL	809,306	65,969	743,337	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1500341166	MULTIFLEX-OLYMPIUM DYNAMIC-MULTIASSET FUND	FVTPL	281,318	30,629	250,689	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1808838863	MULTIFLEX-OLYMPIUM OPT MA-CM	FVTPL	542,790	53,556	489,233	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU2051218035	MULTIFLEX-OLYMPIUM SEV-CMEUR	FVTPL	421,450	70,534	350,916	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1407712287	MULTIFLEX-STRAT INS DIST-CM	FVTPL	4,329,552	341,066	3,988,486	Annual VaR at 99.5% over 5 years and a half-life of 1 year
Total Multi-asset funds			**25,153,771**	**2,297,955**	**22,855,815**	

ISIN €k	Name	IFRS 9 classification	Carrying amount	Maximum loss exposure***	Difference between carrying amount and maximum loss exposure	Method to determine maximum loss exposure***
IT0004597396	ADVANCE CAPITAL ENERGY FUND	FVTPL	1,622	10	1,612	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
QU0006746865	ALC Prima European Private Credit Feeder Fund	FVTPL	263,722	30,040	233,682	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
LU1581282842	Indaco SICAV SIF - Indaco CIFC US Loan	FVTPL	81,552	17,778	63,774	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
QU0006738854	PrimA Credit Opportunity Fund	FVTPL	138,033	13,403	124,630	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
QU0006738052	Prima EU Private Debt Opportunity Fund	FVTPL	495,851	56,454	439,398	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
QU0006744795	Prima European Direct Lending 1 Fund	FVTPL	450,188	52,709	397,479	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
QU0006742476	PRIMA GLOBAL EQUITY PRTNERS FUND	FVTPL	190,586	104,165	86,421	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IE00BK1KDS71	Prima Hedge Platinum Growth	FVTPL	423,034	48,392	374,642	Annual VaR at 99.5% over 5 years and a half-life of 1 year
IT0005247819	DIAMOND CORE	FVTPL	282,382	93,779	188,603	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005210387	DIAMOND EUROZONE RETAIL PROPERTY FUND	FVTPL	94,790	35,423	59,367	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005210593	DIAMOND OTHER SECTORS ITALIA	FVTPL	111,131	39,907	71,224	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005215113	CBRE DIAMOND FUND	FVTPL	176,789	55,830	120,959	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005174450	DIAMOND EUROZONE OFFICE UBS FUND	FVTPL	400,682	159,992	240,690	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005212193	DIAMOND ITALIAN PROPERTIES FUND	FVTPL	168,185	50,418	117,767	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005386666	i3-Dante comparto Convivio Fund	FVTPL	264,952	66,238	198,714	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
QU0006745081	Prima Real Estate Fund I	FVTPL	358,739	89,685	269,054	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
LU1081427665	SHOPPING PROPERTY FUND 2	FVTPL	38,315	17,903	20,412	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
Total other funds			**3,940,553**	**932,126**	**3,008,428**	
Overall total			**29,094,324**	**3,230,081**	**25,864,243**	

*** Figure provided by Risk Management Office.

Fair value changes during the period for the above-mentioned Funds contributed to the valuation of the insurance liabilities net of the mirroring effect, as they refer to financial instruments in Separately Managed Accounts.

Below are schedules providing details about the funds in question, by asset class and reference market at 30 June 2023:

ASSET CLASS* €k	Fair Value*
Financial instruments	28,952,274
Shares	1,663,601
Government bonds	9,080,860
Corporate bonds	14,082,619
Cash and cash equivalents	2,147,925
Other investments	1,977,269
Derivative financial instruments**	-
Exchange rates and interest rates forward contracts	166,847
Futures (exchange rates forward contracts)	(24,197)
Variable Rate Hedging Swaps	(600)
Total	**29,094,324**

* Figures supplied by the Investment Operations Office.
** Such instruments are not included in Multi-asset Funds.

REFERENCE MARKET* €k	Fair Value*
Dublin	1,391
Luxembourg	111,562
Singapore	841,598
London	2,381,983
Eurotlx	272,295
Euromtf	526,811
Euronext	3,795,760
Germany	4,568,055
Trace	3,561,631
New York	2,004,874
Hong Kong	273,997
Paris	322,293
Tokyo	781,524
Other	8,889,472
Funds	761,077
Total	**29,094,324**

* Figures supplied by the Investment Operations Office.

Fair value measurement techniques - IFRS 13

The **measurement of financial instruments** at the end of the period was performed in line with and in compliance with the provisions of the current Fair Value Policy of the Poste Italiane Group, as well as the Additional Guidelines of the Fair Value Policy for the Poste Vita Insurance Group and the related Technical Annex.

That being established, continuing with the approach taken last year, and to also take account of the Letter to the Market published by IVASS on 14 July 2021 (regarding the measurement and prudential treatment of investments in complex and/or illiquid financial instruments), it should be noted that, at 30 June 2023, the attribution of the fair value levels of the financial instruments was conducted with a prudential approach, taking into account the improvements still in progress, required to effect the "full look through approach" on all categories of mutual investment funds and other complex investments held.

During the Period, therefore, in compliance with both the Poste Italiane Group's Fair Value guidelines, as well as the supplementary requirements set forth in the above-mentioned Additional Guidelines and the related Technical Annex, at 30 June 2023 the following were reclassified:

- about € 2 billion of financial instruments from fair value level 1 to level 2, mainly referring for € 1.4 billion to listed open-end funds (ETFs) that do not comply with the liquidity criteria provided for by the Technical Annex and for € 0.5 billion to BTP strip government bonds that, at the measurement date, do not comply with the liquidity criteria provided for by the Fair Value policy for the attribution of level 1;
- approximately € 4.7 billion of financial instruments from fair value level 2 to level 1, referring mainly to government bonds, which at the measurement date met the liquidity criteria mentioned above;
- roughly € 0.5 billion of financial instruments from fair value level 3 to fair value level 2, referring mainly to Class III UCITs, reclassified following the completion of look-through analyses;
- approximately € 16 million of financial instruments from fair value level 3 to level 1, referring to corporate bonds, which at the measurement date met the liquidity criteria described;
- approximately € 26 million of financial instruments from fair value level 1 and 2 to level 3, referring to corporate bonds that at the measurement date did not meet the required liquidity criteria.

The Poste Vita Group will continue to closely monitor the effective and complete implementation of the Fair Value Policy and related Additional Guidelines.

In compliance with **IFRS 13** - *Fair Value Measurement*, the fair value measurement techniques used by the Poste Vita Group are described below.

The assets and liabilities concerned (specifically assets and liabilities measured at fair value and measured at cost or amortised cost, for which fair value must be disclosed in the notes) are classified with reference to a hierarchy that reflects the materiality of the sources used for their measurement.

The hierarchy consists of 3 levels.

Level 1: this level consists of fair value measurements made using prices listed (unadjusted) in active markets for identical assets or liabilities which the entity can access at the measurement date.

Level 2: this level is comprised of fair values based on inputs other than Level 1 listed market prices that are either directly or indirectly observable for the asset or liability. Types of input include prices listed on active markets for similar assets or liabilities, prices listed for identical or similar assets or liabilities on non-active markets, observable data other than listed prices (e.g. interest rates and return curves, implicit volatility and credit spreads), input corroborated by the market.

Level 3: this level consists of fair value measurements made using not only level 2 inputs but also inputs not observable for the asset or liability.

Fair value hierarchy

The following table shows an analysis of financial instruments measured at fair value at 30 June 2023, classified by level in the fair value hierarchy.

(€m)	Level 1	Level 2	Level 3	FV Hierarchy
Financial assets				
Financial assets at FVOCI	**98,229.9**	**4,127.6**	**36.3**	**102,393.8**
Shares at FVOCI	0.0	-	1.9	2.0
Fixed income securities at FVOCI	98,229.8	3,627.7	34.0	101,891.6
Other investments at FVOCI	-	-	-	-
Structured bonds at FVOCI	-	499.9	-	499.9
Loans at FVOCI	-	-	-	-
Loans at FVOCI GRP	-	-	-	-
Receivables at FVTOCI	-	-	0.3	0.3
Receivables at FVOCI GRP	-	-	-	-
Financial instruments at fair value through profit or loss	**4,209.6**	**33,791.8**	**7,701.0**	**45,702.5**
Structured bonds at FVPL	-	21.1	-	21.1
Fixed income securities at FVPL	2,227.0	90.4	0.5	2,317.9
Other investments at FVPL	1,604.3	33,671.6	7,600.9	42,876.7
Shares at FVTPL	378.4	8.6	2.2	389.2
Receivables at FVTPL	-	-	97.5	97.5
Derivative assets	-	-	-	-
TOTAL ASSETS AT FAIR VALUE	**102,439.5**	**37,919.4**	**7,737.3**	**148,096.2**
Financial liabilities	-	-	-	-
Financial liabilities at FV	-	-	-	-
Derivative liabilities	-	-	-	-
TOTAL LIABILITIES AT FAIR VALUE	**-**	**-**	**-**	**-**

Below are transfers between level 1 and 2 of the fair value hierarchy during the period:

(€m)	from level 1	to level 2	to level 1	from level 2
Financial assets at FVOCI	**(533.2)**	**533.2**	**4,491.3**	**(4,491.3)**
Shares at FVOCI	-	-	-	-
Fixed income securities at FVOCI	(533.2)	533.2	4,491.3	(4,491.3)
Other investments at FVOCI	-	-	-	-
Structured bonds at FVOCI	-	-	-	-
Loans at FVOCI	-	-	-	-
Loans at FVOCI GRP	-	-	-	-
Receivables at FVTOCI	-	-	-	-
Receivables at FVOCI GRP	-	-	-	-
Financial instruments at fair value through profit or loss	**(1,437.9)**	**1,437.9**	**205.1**	**(205.1)**
Structured bonds at FVPL	-	-	-	-
Fixed income securities at FVPL	(13.4)	13.4	60.5	(60.5)
Other investments at FVPL	(1,422.7)	1,422.7	143.8	(143.8)
Shares at FVTPL	(1.7)	1.7	0.8	(0.8)
Receivables at FVTPL	-	-	-	-
Derivative assets	**-**	**-**	**-**	**-**
Financial liabilities at FV	-	-	-	-
Derivative liabilities	-	-	-	-
net transfers between level 1 and level 2	**(1,971.1)**	**1,971.1**	**4,696.4**	**(4,696.4)**

The reclassifications from level 1 to level 2 amounted to € 1,971.1 million, mainly referring for € 1,422.7 million to listed open-end funds (ETFs) that do not meet the liquidity criteria provided for by the Technical Annex and for € 546.6 million to BTP strip government bonds that, at the measurement date, do not meet the liquidity criteria provided for by the Fair Value policy for the attribution of level 1.

Reclassifications from level 2 to level 1 in the amount of € 4,696.4 million, referring mainly to government bonds, which at the measurement date met the liquidity criteria mentioned above.

Below are the **changes in level 3** which occurred during the period under review:

(€m)	Financial assets at FVOCI	Financial assets at fair value through profit or loss	Derivative assets
Opening balance	**42.1**	**8,150.0**	
Purchases - disbursements	-	353.4	
Disposals	(26.2)	(259.7)	
Repayments made	-	-	
Change FVTPL	-	(77.2)	
Change FV vs EQ from valuation	(0.2)	-	
Transfers to PL	-	-	
Effects of sales on profit or loss	-	-	
Transfers to level 3	25.6	-	
Transfers to other levels	(16.0)	(487.0)	
Amortised cost	-	-	
Write-downs	-	-	
Other changes	11.0	21.6	
Closing balance	**36.3**	**7,701.0**	

Level 3 instruments generally refer to funds which mainly invest in unlisted instruments, for which fair value measurement is done on the basis of the most recently available Net Asset Value communicated by the fund manager, updated with regards to calls and redemptions communicated by managers during the period between the last official NAV measurement and the measurement date. The aforementioned financial instruments primarily consist of investments in private equity and, to a lesser extent, real estate funds hedging Class I products related to Separately Managed Accounts. The changes relate to the purchase of new investments, redemptions of unlisted closed-end fund units, and changes in fair value during the period.

At 30 June 2023, in compliance with both the above-mentioned fair value guidelines of the Poste Italiane Group and supplementary requirements contained in the Additional Guidelines approved by the Board of Directors of Poste Vita on 15 December 2021, approximately € 487.0 million of financial instruments were reclassified from level 3 fair value to level 2 fair value, referring mainly to class III UCITs reclassified following the analyses carried out from a look through perspective.

Impacts before IFRS 17 adoption

The Poste Vita Group has chosen to apply IFRS 17 from its effective date of 1 January 2023, without early application. As required by the new standard, the transition date to IFRS 17 has been set at 1 January 2022. On that date, the Group defined the following transition methods for the insurance companies Poste Vita and Poste Assicura:

- for the life business, the Group adopts the Modified Retrospective Approach for the investment portfolio and the Fair Value Approach for the pure risk portfolio;
- for the non-life business, on the other hand, the Fair Value Approach was adopted.

The Poste Vita Group has deemed the application of the Full Retrospective Approach to be infeasible on 1 January 2022 because the available database for past years did not have the granularity and detail required to perform the valuation required by the accounting standard; for this reason, the Modified Retrospective Approach was applied as the transition method for almost all insurance contracts. The complexity and significant effort required to retrieve the historical data necessary for the application of the Modified Retrospective Approach resulted in the application of the Fair Value Approach for the remaining part of the contracts.

In the application of the Modified Retrospective Approach, as required by the standard, Poste Vita adopted simplifications with respect to the Full Retrospective Approach, mainly related to the profit on contracts net of the adjustment for non-financial risk. In applying this approach, a historical depth of contracts of about 10 years was also considered, including policies issued since 2012 and still outstanding at the transition date. This simplification was adopted because the portfolio thus constructed is a good approximation of the overall portfolio, as positions issued prior to 2012 have a percentage weight that is considered residual. In the application of the Fair Value Approach (FVA), the value of the CSM of the non-life business was determined as the premium reserve net of the acquisition commissions, while for the life business, used for the groups of contracts measured through BBA, the value of the insurance liability was determined as future fulfilment flows net of the Adjustment for non-financial risk.

The following is the quantitative impact on 1 January 2022, resulting from the application of the aforementioned accounting standard, where it can be seen that equity decreases by a total of € 737 million (net of the tax effect), mainly due to the increase in the technical provisions of the direct business calculated with the application of IFRS 17 compared to the values previously determined with IFRS 4.

Equity and FTA **€m**	**31(12/2022 IFRS 4**	**01/01/2023 IFRS 17**
Capital and capital reserves, net of treasury shares	1,217	1,217
Other equity instruments	800	800
Revenue reserves and other equity reserves	3,985	3,248
Valuation Reserves	-185	-343
Equity attributable to non-controlling interests	-	-
Profit/(loss) for the year	**977**	**1,064**
Total equity	6,794	5,987
Insurance contracts issued constituting liabilities - IFRS 17		159,958
- of which CSM - IFRS17		*9,275*
Outward reinsurance constituting assets - IFRS 17		-48
Technical provisions before discontinued operations - IFRS 4	159,090	
Deferred acquisition costs - IFRS 4	-42	
Other assets - IFRS 4	-41	
Transferred technical provisions - IFRS 4	-50	
Other adjustments	-112	
Tax effect	328	
Reserve from First Time Adoption IFRS 17*		**-737**

* The items making up the FTA reserve refer to data at 1.1.2022.

In addition, it is specified that the measurement of contract groups according to the methodology applied by the Poste Vita Group results in a Contractual Service Margin of € 9,275 million at 1 January 2022, which will be released in subsequent years. As required by the new accounting standard, the expected profit on contracts (CSM) will be suspended within insurance liabilities and released over the life of the contracts, resulting in an increase in the value of insurance liabilities in the transition from IFRS 4 to the new IFRS 17. The following table provides the value of liabilities for insurance contracts issued at the transition date of the Poste Vita Group:

LIABILITIES UNDER INSURANCE CONTRACTS (€m)	Balance at 1 January 2022
Liability for remaining coverage (LRC)	**158,996**
LRC Premium Allocation Approach (PAA)	45
PVFCF - Present Value of future cash flow	148,344
Risk Adjustment	1,324
Loss Component	8
Contractual Service Margin (CSM)	9,275
Liability for incurred claims (LIC)	**962**
Cash Flow related to past services	952
Risk Adjustment	10
TOTAL	**159,958**

With reference to the subsidiaries Net Insurance and Net Insurance Life, the effects of the application of the new accounting standards IFRS 17 and IFRS 9 resulted in a decrease in equity at transition of € 23.2 million (almost entirely related to IFRS 17) and € 20.7 million (of which € 20.4 million related to IFRS 17), respectively, mainly due to the increase in the technical provisions of the direct business calculated by applying IFRS 17 compared to the values previously determined with IFRS 4.

8. Relations with the parent and other Poste Italiane Group companies

The Parent Company Poste Vita is wholly-owned by Poste Italiane SpA ("Poste Italiane"), which directs and coordinates the Group.

Relations with the Ultimate Parent Poste Italiane, which holds all the shares, are governed by written contracts, regulated on an arm's length basis and regard mainly:

- the sale and distribution of insurance products at Post Offices and related activities;
- Post Office current accounts;
- partial secondment of personnel used by the Company;
- support in organising the business and in the recruitment and management of personnel;
- the pick-up, packaging and shipping of ordinary mail;
- call centre services;
- services from the procurement, communication, anti-money laundering, IT, administration and accounting functions and organisation and human resources activities;

In addition, at 30 June 2023, the Company had subscribed three subordinated liabilities, of which two hybrid and issued in July 2021 and August 2022 respectively, for a total of € 1,050 million, remunerated at market conditions reflecting the creditworthiness of the insurance company.

These assets at 30 June 2023 include the value of the 45% interest held by Poste Vita in the associate Europa Gestioni Immobiliare SpA (EGI) for € 107.7 million and the 5% stake held by the subsidiary Poste Assicura in Consorzio Logistica Pacchi S.c.p.a.

In addition to relations with the Ultimate Parent Poste Italiane, Poste Vita Group companies also have operating relations with other Poste Italiane Group companies, with particular reference to:

- management of free capital and part of the investments in the portfolio of the Separately Managed Account (BancoPosta Fondi SGR, Anima SGR);
- printing, enveloping and delivery of mail via information systems, management of incoming mail, dematerialisation and archiving of paper documents (Postel);
- shipping services (SDA Express Courier);
- mobile phone and software rental services (Postepay);
- TCM (Poste Air Cargo) policies;
- policies in the accident (Bancoposta Fondi SgR), General Liability (Postepay and the All Risks policies (Consorzio Logistica Pacchi and EGI));
- TCM (Poste Air Cargo) policies;
- services relating to the use of electricity and recoveries relating to the secondment of personnel (EGI)
- services involving e-Procurement of forms, consumables, stationery and related services (Consorzio Logistica Pacchi);
- services related to electricity use (EGI);
- claims management, personnel secondment relations and recovery of compensation of corporate bodies (PWS).

These types of transactions are also regulated on an arm's length basis.

9. Other information

Information on treasury shares and/or shares of the Parent Company held, purchased or sold in the period

The companies of the Poste Vita Insurance Group do not own or have purchased or sold treasury shares or those of the Parent Company.

Related party transactions

Related parties, in addition to the Poste Italiane Group companies whose transactions are described in the previous paragraph, include, in accordance with IAS 24 (paragraph 9), the Ministry of Economy and Finance ("MEF"), Cassa Depositi e Prestiti SpA, the entities under the control of the MEF and the Company's Key Management Personnel. The Government and public bodies other than the MEF and its subsidiaries are not considered related parties; moreover, transactions with related parties do not include those generated by financial assets and liabilities represented by financial instruments, with the exception of those issued by companies belonging to the Cassa Depositi e Prestiti Group.

In particular, at 30 June 2023, the Poste Vita Group held bonds issued by Cassa Depositi e Prestiti as private placements for a nominal value of € 522 million and a total market value of € 521.1 million, acquired under market conditions.

Research and Development Activities

The Poste Vita Insurance Group did not incur any research and development costs during the period, with the exception of costs relating to the definition of new products and those relating to the capitalisation of direct costs incurred for the development of internally produced software.

Legal disputes

Pending civil lawsuits against the Parent Company, Poste Vita, primarily relate to issues directly or indirectly underlying insurance contracts.

The main problems encountered in litigation include, but are not limited to, those relating to i) "dormant policies" specifically related to issues of prescription of the right to insurance benefits, (ii) matters relating to breach of contract, (iii) settlement issues (i.e. conflicts between beneficiaries in the context of inheritance, identification of persons entitled to insurance benefits, calculation of entitlement quotas, lack of documentation, etc.) and (iv) disputes on "privacy" for failure to disclose data relating to third party beneficiaries of the policy.

In addition, bankruptcy proceedings (involving companies/employers of employees who have subscribed to the "Postaprevidenza Valore" Individual Pension Plan and for which the recognition of claims for possible omissions in contributions for severance pay) and enforcement proceedings (i.e. third-party seizures notified to the Company in its capacity of the seized third party) are also reported.

With reference to the criminal positions, it is confirmed that the most relevant offences relate to circumstances occurring in the context of the placement of insurance policies or in the payment phase thereof through the falsification of insurance documentation/abusive access to computer systems (i.e. Insurance Reserved Area) also by third parties.

The disputes initiated against the Subsidiary Poste Assicura to date mainly relate to disputes concerning the payment of insurance benefits. The subject matter of litigation in the cases initiated mainly concerns reasons for the ineffectiveness of the insurance guarantee, civil liability practices (both private and professional) where no liability on the part of the insured is highlighted, as well as disputes related to the need to counter attempts of speculation to the detriment of the Company. The latter may relate either to financial claims that are significantly higher than the estimated and actual value of the damage, or to claims where investigations have revealed dubious authenticity. The probable outcomes of disputes were taken into account when determining the claims provision.

With regard to criminal positions, during the period, some cases were identified which involved the underwriting of non-life insurance policies in the name of customers who then refuted their authenticity.

With regard to litigation not related to claims, to date, disputes are pending concerning the non-repayment of premiums paid and not enjoyed, as well as a case brought by a supplier concerning financial claims against the Company. This last position concerns the injunction notified to Poste Assicura on 14 October by an intermediary with financial claims for a total of around € 636 thousand as commissions allegedly referring to activities performed for business referred to third-party customers of the Company.

The injunction was opposed by the Company, which considers the other party's claims to be unfounded, and the case is still pending. With reference to the latter case, in compliance with the provisions of IAS 37, given this liability is "possible" but not probable, the Company did not deem it appropriate to make a provision for risks in these financial statements, but limited itself, as required by the aforementioned standard, to providing adequate information.

Management of Fondazione Enasarco Policy Claims

With reference to the policy underwritten by Fondazione Enasarco, as a result of delays encountered in the management of claims, the Subsidiary Poste Assicura has made/shall make payment of the penalties, pursuant to Article 32 of the aforementioned policy, for the period 1 November 2019 - 31 October 2022.

With respect to the period (1 November 2019 - 31 October 2021), Poste Assicura, based on the calculation criteria already shared with the contractor, had recognised a cost of € 0.5 million in the 2021 financial statements for the above-mentioned event, the materialisation of which in 2022 gave rise in the 2022 financial statements to the recognition of a contingent asset of roughly € 0.1 million.

While with reference to the period (1 November 2021 - 31 October 2022), the subsidiary Poste Assicura, given the delays that have already occurred, even if they cannot be precisely quantified, has deemed it appropriate, also based on past events, to prudentially set aside at the end of 2022, as a provision for risks, as penalties, an additional € 0.3 million in addition to the € 0.5 million already set aside at the end of 2021. This provision is still valued at the same amount pending the settlement of the aforementioned case.

Purchase of the same covers for the same insured entity (Over-insurance) - modular offer

With regard to the case in question, it should be noted that with the introduction of the modular offer on the market, the subsidiary Poste Assicura, in analysing its portfolio, noted the presence of some cases in which the same cover was issued for the benefit of the same insured entity (i.e. policyholder, property, etc.). As a result, a provision of € 1 million was allocated to the provision for risks, which will be gradually released based on the progress of the portfolio remediation activities under way, which will result in the repayment of the amounts due to policyholders in respect of the positions concerned.

Extraordinary transactions

Net Insurance takeover bid

On 15 February 2023, IVASS issued the authorisation for the acquisition, as a result of the takeover bids for a controlling interest in Net Insurance through Net Holding, a subsidiary of Poste Vita. On the same date, Net Holding's Shareholders' Meeting resolved to increase the share capital by € 1 and to increase the share premium reserve by € 189.6 million, in order to provide the company with the necessary resources to finance the voluntary takeover bids on Net Insurance's shares and warrants, as announced to the market on 28 September 2022.

Following Consob's approval of the offer document, the voluntary, all-inclusive tender offers for Net Insurance's shares and warrants started on 27 February 2023 and ended on 6 April 2023. On 14 April 2023, the payment of the consideration for the public offers was made and Net Holding came to hold a controlling interest in the capital of Net Insurance. On 20 April 2023, Net Holding completed the squeeze out of the remaining Net Insurance shares, coming to hold approximately 98% of the capital; on the same date, Net Insurance shares and warrants were delisted from Euronext STAR Milan. Since the actual disbursement was less than the maximum total disbursement, a resolution was passed at the shareholders' meeting of 20 April 2023 to distribute the unutilised funds of € 7 million to the shareholder Poste Vita.

On 21 April 2023, the Parent Company Poste Vita sold 40% of Net Holding's capital (40,000 category B shares) to IBL Banca SpA for a consideration of € 73.1 million.

In relation to this, the net outlay for the Poste Vita Group for the acquisition of the investment amounted to approximately € 108.5 million.

Below are the total carrying amounts of the assets acquired and liabilities assumed at the date of acquisition of Net Insurance and its subsidiary:

(€m)	01/04/23
Net assets acquired	
Intangible assets	8.7
Property, Plant and Equipment	14.9
Right of Use	0.4
Trade receivables and other assets	53.7
Financial assets	231.3
Cash and cash equivalents	13.1
Insurance assets	157.8
Insurance liabilities	(386.4)
Severance pay	(0.4)
Trade payables and other liabilities	(35.5)
Financial liabilities	(10.2)
Total net assets acquired	**47.5**
Equity attributable to non-controlling interests	1.0
Net assets acquired by the Group	**46.4**
Goodwill	**134.4**
Total fee	**180.8**

The Parent Company Poste Vita availed itself of the option provided for in paragraphs 45 et seq. of IFRS 3 to complete the measurement of the business combination within twelve months from the date of acquisition. In particular, the Group made a provisional allocation of the purchase price by valuing the assets and liabilities at 1 April 2023, assumed as the date of acquisition of control pursuant to IFRS 3.

At the date of preparation of this consolidated half-yearly report, the provisional difference between the consideration paid to the seller and the net value at the date of acquisition of the identifiable assets acquired and liabilities assumed, measured in accordance with IFRS 3, was € 134.4 million. This difference at 30 June 2023 is recorded as Goodwill under Intangible Assets pending completion of the valuation process of the individual components of the acquired assets.

Furthermore, it should be noted that the acquired companies contributed a total of € 3.2 million to the group's consolidated net profit.

"Poste Vita Valore Solidità" Separately Managed Account.

By means of a resolution of the Board of Directors dated 31 January 2023, the Parent Company Poste Vita established the new separately managed account called "Poste Vita Valore Solidità".

The start of marketing of the product linked to this management took place in April 2023.

Participation in the "Eurovita" transaction

At its meeting held on 28 June 2023, the Board of Directors of the Parent Company Poste Vita approved the Company's participation in the system transaction to protect Eurovita's policyholders, together with Allianz SpA, Assicurazioni Generali Italia SpA, Intesa Sanpaolo Vita SpA and UnipolSai Assicurazioni SpA On 15 September 2023, the Board of Directors of Poste Vita approved the signing of definitive agreements. The entire transaction, which will be divided into successive phases, will be subject to obtaining all regulatory authorisations from the Supervisory Authorities and represents a sign of significant commitment by the main insurance groups operating in Italy to protect the market and Eurovita's customers.

Renewal of Ancillary Own Funds

The Board of Directors of the Ultimate Parent Poste Italiane, in its meeting of 28 June 2023, approved the renewal of the Ancillary Own Funds in favour of Poste Vita for a maximum amount of € 1,750 million. On 5 July 2023, the relevant Information Document was made available to the public at the Company's registered office, at Borsa Italiana SpA, on the Company's website, as well as on the website of the authorised storage mechanism "eMarket Storage".

Renewal/appointment of officers

The Ordinary Shareholders' Meeting of the Parent Company Poste Vita, held on 26 June, renewed the members of the Board of Directors and the Board of Statutory Auditors; subsequently, at the Board meeting held on 28 June, the Board of Directors appointed Mr. Andrea Novelli as Chief Executive Officer and General Manager of the Company.

Moreover, the Ordinary Shareholders' Meeting of the Subsidiary Poste Assicura, held on 26 July, appointed the members of the Company's Board of Directors and Board of Statutory Auditors for the next three years; subsequently, at the Board meeting held on 31 July, the Board of Directors appointed Mr. Andrea Prezzi as Chief Executive Officer of the Company, also confirming him as General Manager, and established the Appointments and Remuneration Committee and the Internal Control and Risk and Related Party Transactions Committee.

Principal proceedings pending and relations with the Authorities

a. IVASS - *Istituto per la Vigilanza sulle Assicurazioni* (the insurance regulator)

With regard to the sanctioning proceedings arising from objections by the Supervisory Authority, it should be noted that on 23 February, IVASS sent a notice of objection relating to the alleged breach of Article 183, paragraph 1, letter "a", of the Private Insurance Code (i.e. the late payment of insurance benefits beyond the contractually envisaged deadline).

The Parent Company Poste Vita filed its counter-arguments within the deadlines provided for by the industry regulations.

b. Bank of Italy

With regard to the investigations conducted between 2015 and 2016 by the Bank of Italy's Financial Intelligence Unit (FIU) against Poste Vita on the subject of anti-money laundering pursuant to Articles 47 and 53(4) of Legislative Decree no. 231 of 2007, on 8 July 2016, the FIU notified the Parent Company Poste Vita of a "Formal notice of investigation and dispute" for breach of the obligation to promptly report suspicious transactions in relation to transactions relating to an individual policy pursuant to Article 41 of Legislative Decree no. 231/2007. On 29 May 2019, the Ministry of Economy and Finance served an injunction order on the Company for the payment of an administrative penalty of € 0.101 million. Poste Vita carried out its assessment of the case and filed opposition to said decree within the terms of the law. The proceedings are pending.

Inspections

IVASS: verification of the management process of dormant life insurance policies

Following the inspection initiated by IVASS on 7 March 2023 on the Parent Company Poste Vita and concerning the verification of the management process of dormant policies, the Company prepared a plan of managerial actions aimed at strengthening the monitoring of the management of dormant policies and increasing the effectiveness and efficiency of the settlement process of these policies.

At the same time, the Internal Auditing Function and the Compliance Function drew up a plan of audits both on the execution of the aforesaid plan and on certain operational areas adjacent or ancillary to the sphere of dormant policies (e.g. contractual conditions set out in the general conditions of insurance, communications to claimants).

For the sake of completeness, it should be noted that the results of the inspections, which were completed on 21 April, will be presented by IVASS officials at the board meeting on 28 September 2023.

IVASS - *Istituto per la Vigilanza sulle Assicurazioni* (the insurance regulator): Governance, management and control of investments and financial risks

With regard to the IVASS inspection of the Parent Company Poste Vita concerning the governance, management and control of investments and financial risks, which was completed on 7 May 2021, discussions continued with IVASS during the period, and on 25 July 2023 the decision-making phase was concluded by the Supervisory Authority, which notified the Company of the imposition of a fine of € 1.8 million. The sanction was imposed as a result of violations of the applicable regulations found by

IVASS with particular reference to:

- alleged failures in the governance and management of financial risks as well as in the protection of policyholders' rights for investments made through "multi-asset" funds;
- alleged deficiencies in the process of defining the Risk Appetite Framework.

Regulatory developments

During the period and in any case by the date of presentation of the report, there have been the following regulatory amendments, which impact or could impact the activity/sector in which the Poste Vita Group operates:

- **Amendments to IAS 1 - Presentation of Financial Statements and IAS 8 - Accounting standards**, Changes in Accounting Estimates and Errors aimed at improving disclosure on accounting policies so as to provide more useful information to investors and other primary users of financial statements, as well as to help companies distinguish changes in accounting estimates from changes in accounting policies.
- **Amendments to IAS 2 - Income Taxes**, the purpose of the document is to clarify how deferred taxes should be accounted for on certain transactions that can generate assets and liabilities of equal amounts, such as leases and decommissioning obligations.
- **EU Regulation 2021/2036 introduced new accounting standard IFRS 7 - Insurance Contracts**, which fully replaces the provisions of IFRS 4, and aims to:
  - ensure that an entity provides information that fairly represents the rights and obligations arising from the insurance contracts issued;
  - eliminate inconsistencies and weaknesses in existing accounting policies by providing a single principle-based framework to account for all types of insurance contracts (including reinsurance contracts); and
  - improve comparability between entities belonging to the insurance sector by providing for specific presentation and disclosure requirements.

The standard changes the representation of the profitability of the insurance business from a presentation of results by volume (premiums written and claims expenses) to a representation more focused on contract margins.

In accordance with the new accounting standard, it is necessary to identify those contracts that meet the definition of an insurance contract, thus defining the scope of application of the new standard.

Insurance contracts that fall within the scope of application will initially be subdivided according to the year they were underwritten and according to their profitability. In fact, the principle provides that groups of insurance contracts, following the performance of an "onerousness test", are divided into:

- profitable contracts;
- onerous contracts;
- contracts that at the time of initial recognition do not have a high probability of becoming onerous.

The groups of contracts identified can be measured by applying the General Model (also referred to as the Building Block Approach - BBA); this approach involves defining the cash flows associated with the insurance contract, consisting of:

- future cash inflows and outflows;
- an adjustment that takes into account the time value of money and the financial risks associated with the flows themselves;
- an adjustment for non-financial risk (risk adjustment).

The final result of the sum of the previous components, if positive, determines the Contractual Service Margin (CSM) that will be issued throughout the life of the insurance contract, whereas if negative the Loss Component, recognised immediately in the income statement.

The principle also provides for the possibility of using two further measurement models:

- Premium Allocation Approach (PAA), an optional and alternative model to the general one, is applicable for those contracts characterised by a coverage period not exceeding one year. The model can also be applied to those groups of contracts for which the company considers that the simplification linked to the model would not lead to a significantly different result from that obtained with the general model;
- Variable Fee Approach (VFA), a mandatory measurement model for investment contracts with discretionary participation features, such as separately managed accounts and unit-linked insurance schemes.

The provisions of the new standard are to be applied to insurance contracts issued, reinsurance contracts issued and held, and investment contracts with a discretionary participation feature (DPF).

Amendments to IFRS -7 - Insurance Contracts aimed at introducing a transition option regarding comparative information on financial assets presented at the date of initial application of the new standard, in order to avoid temporary accounting mismatches between financial assets and liabilities of insurance contracts, and thus to improve the usefulness of comparative information for readers of financial statements.

With reference to the aforementioned accounting standard, the effects resulting from the transition to the new standard (the "First Time Adoption" or "FTA"), which made provision for the determination of the new opening balances at 1 January 2022, are described together with comparative income statement and statement of financial position data in the opposite sections.

The following provides information on the nature and effects of the new accounting standard and the related impact of the first-time adoption of the standard on the Poste Vita Group's statement of financial position.

Scope of application

IFRS 17 introduces new recognition, measurement and valuation rules for contracts that meet the definition of an "insurance contract"[12]; the new standard applies to insurance contracts issued, reinsurance contracts held, and investment contracts with discretionary participation features. Within the Poste Vita Group, therefore, insurance contracts and investment contracts with discretionary participation features issued by the companies belonging to the Poste Vita Group[13], as well as reinsurance contracts held by them, fall within the scope of the new standard.

With regard to the contracts issued by the other Poste Vita Group companies, no elements were identified that could be brought within the definition of an insurance contract, i.e., although falling within this definition, the Group opted to continue applying IFRS 15 and/or IFRS 9 as permitted by IFRS 17.

Level of portfolio aggregation

The Poste Vita Group has defined a process for aggregating contracts falling within the scope of IFRS 17 that envisages an initial distinction between life and non-life business and then a distinction into different Units of Account. Units of Account contain contracts with similar contractual and risk characteristics that are managed on a unitary basis. For the Life business, groups of contracts are aggregated by product type (e.g. Pure Separately Managed Accounts, Multi-class, Term Life, etc.), while for the Non-Life business the level of aggregation coincides with the lines of business (e.g. those defined for Solvency II reporting); in some cases, (such as for Net Insurance and Net Insurance Life companies, hereafter jointly "Net Group") they are further subdivided in order to respect the characteristics of specific products. For business related to reinsurance contracts held, the Unit of Account is equivalent to the individual treaty with the counterparty.

The Units of Account are further disaggregated according to the underwriting year of the policies (cohorts)[14] and the level of profitability. For this purpose, an onerousness test of the products is carried out to divide the Units of Account into:

- profitable;
- onerous;
- which at the time of initial recognition do not have a high probability of becoming onerous.

The following describes the process for defining the onerousness test according to the relevant business:

- Life business: for contracts issued by the Parent Company Poste Vita, the test is performed at the product level (where applicable also at the cohort level) at the design stage of the same (ex ante) exclusively for newly produced products, determining the estimated future fulfilment flows at the date. For contracts issued by the subsidiary Net Insurance Life, on the other hand, the test is carried out on individual tariffs. The analysis is repeated in the event of significant events that may affect the costliness of the product in the first year of life;

12. An insurance contract is a contract under which one party accepts a significant insurance risk from another party, agreeing to indemnify the policyholder or the beneficiary in the event that the latter suffers loss as a result of a specific event, i.e. the insured event.
13. Poste Vita SpA, Poste Assicura SpA, Net Insurance SpA and Net Insurance Life SpA.
14. For Separately Managed Accounts and Multi-class insurance products, the exemption in the application of annual cohorts permitted by Regulation (EU) no. 2021/2036 has been implemented.

- Non-Life business: for contracts issued by the subsidiary Poste Assicura, the test is performed on the basis of the Combined Ratio[15] at the time of the initial recognition of the group of contracts by defining the onerousness on a permanent basis until the maturity of the policies. For contracts issued by the subsidiary Net Insurance, the test takes into account estimated future fulfilment flows at the date and is performed at the contract group level according to business type;
- Reinsurance business: the process defined for testing differs according to the measurement model applied.

Groups of insurance contracts are recognised at the date of initial recognition. The Poste Vita Group has defined in detail, for each type of business and its underlying products, the date that identifies the start of the contractual relationship. These dates (e.g. effective date, renewal date, subscription date, etc.) were chosen according to the specific characteristics of the products issued. For the insurance contracts acquired as a result of the Net Group business combination, the initial recognition date was set at 1 April 2023, the date identified for the Purchase Price Allocation process.

Measurement models

The general model for measuring insurance contracts, called the Building Block Approach -BBA, involves defining the cash flows associated with the insurance contract, consisting of:

- cash inflows and outflows;
- an adjustment that takes into account the time value of money and the financial risks associated with the flows themselves;
- an adjustment for non-financial risk (so-called risk adjustment).

The final result of the sum of the preceding components, if positive, determines the Contractual Service Margin (CSM) that will be issued over the life of the insurance contract according to the Coverage Unit, while if negative the Loss Component, recognised immediately in the income statement.

The standard provides for two further measurement models:

- Premium Allocation Approach - PAA, an optional and alternative model to the general model, is applicable to contracts characterised by a coverage period of no more than one year, as well as to groups of contracts for which the company considers that the simplification linked to the model would not lead to a significantly different result from that obtained with the general model (e.g. no variability of cash flows associated with the group of contracts);
- Variable Fee Approach - VFA, a mandatory measurement model for contracts with direct participation features, such as separately managed accounts and unit-linked insurance schemes.

Within the Poste Vita Group, groups of insurance contracts with at least one of the following features are measured using the PAA method:

- Annual Duration;
- Multi-year duration and membership of the Collective Business; (Groups of Contracts = Collective);
- Multi-year duration and membership of a Portfolio where the weight of the Multi-year Business is less than or equal to 5% in the last 3 financial years.

With reference to the VFA, adopted exclusively for the Life business, the Group assessed the eligibility for the model for the following types of products:

- With Profit Participation (Separately Managed Accounts);
- Unit-linked standalone insurance;
- Hybrid products with investment components (Multi-class).

The PAA model is applied exclusively by the subsidiary Poste Assicura for all Non-Life business, with the exception of the CPI products[16], which are measured through the adoption of the BBA as they do not meet the conditions for the application of the simplified model. The BBA model is also fully adopted by the subsidiaries Net Insurance and Net Insurance Life. For the Parent Company Poste Vita, the BBA is adopted exclusively for products belonging to the Life business for which the VFA model is not applied.

15. Ratio of claims and expenses incurred to premium volume, also taking into account the Adjustment for non-financial risk.
16. Credit Protection Insurance: is a special multi-risk insurance contract that seeks to protect the insured against a series of events that may occur during the term of a loan (mortgage, personal loan or other form of credit), thus preventing adverse situations from impairing its regular repayment capacity.

Elements for determining future fulfilment flows

In application of the BBA and VFA models, future cash flows associated with insurance contracts are estimated by also taking into account the "contract boundaries", in order to identify whether a particular contractual option should be included in the cash flow projection as soon as the contract is issued or whether the exercise of that option would result in the recognition of a new group of contracts. The Poste Vita Group has borrowed contract boundary identification techniques from the Solvency II framework[17], except for the case of Non-Life business contracts with tacit renewal that can no longer be terminated at the measurement date, which define the generation of a new group of contracts and, therefore, a new cohort. In the Life business, pure risk policies, cases of conversion into annuities, automatic maturity deferrals and additional payouts can generate a new fulfilment cash flow; while in the Non-Life business, additional considerations can be made about product repricing clauses, the presence of variable sums insured and cases of surrender with return of unearned premium.

In accordance with the provisions of the standard, all costs directly attributable to the management of insurance contracts, including costs incurred in the acquisition of contracts, are also taken into account in the construction of the fulfilment cash flows. With specific reference to acquisition costs, the Group considers placement commissions, placement commissions paid to the network outside the Group (mainly for the Net Group), *rappels*[18] and other direct and indirect acquisition costs to be directly attributable to insurance contracts.

Adjustment for non-financial risk

In the valuation of insurance contracts, it is necessary to consider the adjustment for non-financial risk component (risk adjustment), i.e. the remuneration that Poste Vita Group companies charge for taking non-financial risks. To determine the Adjustment for non-financial risk, the Poste Vita Group has decided to use the percentile metric. According to this approach, the Adjustment for non-financial risk represents the potential loss in relation to the obligations assumed towards policyholders (Insurance Liabilities) that companies would incur, at a given level of probability (percentile level), to cover the insurance risks assumed, thus reflecting the companies' risk appetite. This element is calculated separately for Life and Non-Life business. The confidence level identified to quantify the Adjustment for non-financial risk is 80% for Poste Assicura's Non-Life business and 70% for the Life and Non-Life business of the Group's other insurance companies.

In order to determine the amount of the Adjustment for non-financial risk, among other elements, the Solvency II valuation framework was taken into account by considering most of the underlying risks. For details of the risks considered, please refer to the section "*Method for determining the Adjustment for non-financial risk*" in this document.

The Adjustment for non-financial risk may change as a result of changes in the risks to which the Group is exposed. These effects may have an impact on the statement of financial position if they relate to future services, affecting the total value of the contractual service margin, and on the income statement through the period release of this component, which occurs on the basis of a defined coverage unit.

Discount rate

For the purposes of determining the discount rate to be used for discounting future cash flows, the Poste Vita Group has decided to adopt a "bottom-up approach" for the derivation of discount curves borrowed from Solvency II, in which the reference Basic Risk-Free Curve is based on the Risk-Free Rate curve provided by EIOPA.

The Basic Risk-Free curve, depending on the specific business, may be adjusted to take into account specific Illiquidity Premiums (a component representing the level of liquidity of the counterparty) calibrated to portfolios or at Company level.

For detailed information on the discount curves used per individual portfolio, please refer to the section "Method for determining the discount rate used" in this document.

17. Legal references "Eiopa Guidelines on Contract Boundaries - Consolidated Version" of 31 January 2023 and Commission Delegated Regulation (EU) 2015/35 of 10 October 2014, Article 18 "Contract Boundaries".
18. Additional remuneration over and above the commission paid to intermediaries (agents and brokers) on the achievement of predetermined objectives (production, technical, etc.).

Effects on the Income Statement

The new standard has changed the representation of the profitability of the insurance business from a presentation of results by volume (premiums written and claims expenses) to a representation more focused on contract margins.

Revenue from the insurance business consists of the releases of insurance contract liabilities for the period, including the Contractual Service Margin (CSM) component. In addition, costs directly related to insurance contracts, including costs incurred by the network for insurance contract placement and distribution activities performed by the Parent Company and outside the Group, are allocated to revenue.

For non-profitable insurance contracts, the relevant Loss Component is recognised immediately in the Income Statement. In the event that, at subsequent reporting dates, there is an improvement in the group of onerous contracts, the Poste Vita Group companies have provided for a method of recovering the loss component based on a risk-based approach by which the release of the loss component is calculated in proportion to the period's release of cash flows related to claims, expenses and risk adjustment.

In the case of an onerous contract, if reinsurance cover is provided, it is necessary to identify the Loss Recovery Component. The result of the reinsurance contract (Net Gain/Net Cost) will be adjusted in each reporting period to take into account the recovery of the loss component of the direct covered contract.

In addition to the issuance of the CSM and the possible recognition of the loss component, further elements capable of impacting the income statement in the reporting period are described below:

- Investment component i.e. the amount under the insurance contract that the issuing entity must pay to the counterparty even if the insured event does not occur, for which the standard does not require recognition in the underwriting result. The Group identifies the investment component for contracts in the Life business and defines it, for investment products and annuities in the accumulation phase, as the difference between the settled value and the surrender value net of penalties; for certain annuities in the payout phase, the value of the investment component corresponds to the value of the benefits paid out. Finally, with respect to the reinsurance business, the investment component is identified in the context of contracts or treaties that provide for scaled commissions or profit sharing;
- Costs/revenue of a financial nature relating to the insurance business refer to the effects of changes in the time value of money and financial risk which, as required by the standard, are calculated separately per measurement model. For the VFA portfolio, costs/revenue of a financial nature are recognised either in the income statement or in Other Comprehensive Income (OCI) in relation to the fair value result of the Underlying Items and depending on the IFRS 9 classification of the underlying assets themselves; for the BBA measurement model, on the other hand, costs/revenue of a financial nature are calculated on the basis of the valuation curves adopted for the calculation of IFRS 17 flows.

In the income statement tables, for the sake of clarity, cost components that are allocated to insurance margins in accordance with IFRS 17 are shown in the item "Allocation of costs directly attributable to insurance contracts".

Accounting policy under IFRS 17

The choices made by the Group in applying the provisions of the *standard* are summarised below:

- Risk mitigation: the Poste Vita Group does not envisage the adoption of risk mitigation, i.e. the option not to recognise changes in CSM to account for some or all of the changes in the time effect of money and non-financial risk;
- OCI Option: for insurance contracts with direct participation features for which the underlying elements are owned, the Group opts to disaggregate the financial income or expenses between profit for the period and Other Comprehensive Income, based on the results of IFRS 9, which defines the valuation of the underlying elements. The Poste Vita Group also provides that, for contracts measured using the VFA model, the fair value income generated by the underlying assets measured under IFRS 9, relating to financial income from separately managed accounts, commissions and technical interest attributable to unit-linked policies, is passed on to policyholders based on the percentage weight of the Mathematical Provisions at the date (mirroring). The value of the returns generated by the assets related to the insurance liabilities is first deducted from the profit retained by the Group (over-coverage) and then allocated to the individual Units of Account;

- Exception of the use of annual cohorts[19]: the Poste Vita Group adopts the exemption option[20] limited to the portfolios pertaining to the Line of Business "With Profit Participation" and the hybrid products with separately managed accounts of Poste Vita. These contracts will therefore not be divided into annual cohorts, but will be managed together due to the mutualisation effect of returns[21], typical of separately managed accounts. The exception is not applicable for Non-Life business;
- Method of presentation of the result of business ceded in reinsurance: the Group chooses a net presentation for the reinsurance result.

Insurance liabilities

The main models, inputs and assumptions used to estimate insurance liabilities, i.e. future cash inflows and outflows related to insurance contracts, are summarised below.

Input data, assumptions and estimate techniques used

For contracts measured with the VFA model, the estimate of future flows related to the Liability for Remaining Coverage is made considering the following inputs:

- Non-financial assumptions, such as mortality, surrenders, conversions, expenses, etc. Expense assumptions, consistent with the standard, are based solely on attributable costs;
- Financial assumptions, such as returns on assets backing insurance liabilities, asset allocation, etc.;
- Stochastic economic scenarios22 differentiated by Separately Managed Account and by type of business.

The estimate of cash flows takes into account all the commitments of the companies in respect of the contracts under assessment through the preparation of items such as gross premiums, other inflows other than premiums consistent with the quantification of the benefits under analysis, commissions, expenses, payments for benefits, any residual Mathematical Provisions at the end of the projection, and other outflows other than the above consistent with the quantification of the benefits under analysis.

For contracts measured with the BBA, the future fulfilment flows represent estimates of the future cash flows that will be generated by the natural fulfilment of the contracts by the companies and, therefore, include all possible cash flows that fall within the contract boundaries.

Projected cash flows include claims paid, reimbursements for early extinguishment of contracts, acquisition commissions, other directly attributable administrative expenses, other directly attributable acquisition expenses, premiums written and recoveries.

It should also be noted that, for onerous contracts measured by the PAA, future fulfilment flows are calculated using the same approach as for contracts measured by the BBA.

The Liability for incurred claims includes future fulfilment cash flows related to past services attributed to the group of contracts at the measurement date. These flows are defined as the sum of the following components:

- Cash flows of undiscounted Best Estimate Liabilities (UBEL23), which are the best estimate of cash outflows for both reported claims and late claims;
- Discount effect, calculated by discounting the cash flows referred to in the previous point using the defined discount curve;
- Adjustment for non-financial risks, estimated using the methodology defined by the Group.

The process of allocating costs between "attributable" and "non-attributable" is carried out precisely according to the cost centres that incur them. The development and related deferral of costs follow the associated cash flow projections and the same recognition metrics adopted for the CSM release.

19. Cohort means the division of contracts according to the year of signing
20. At the time of endorsement of the definitive version of the standard, provision was made for an exemption from application of annual cohorts stemming from the fact that in insurance practice, the revaluation rules for insurance liabilities are a function of the returns on the related financial assets, which are calculated through a common management of these assets and therefore not differentiated according to the specific sub-portfolios included in a specific separately managed account or between product generation years. The presence of cohorts generates complexities in terms of quantifying the "mutualisation effect" arising from the inclusion of different Units of Account (new production) in a pool of Units of Account pertaining to pre-existing portfolios, as well as complexities in terms of allocation of return on assets to specific Units of Account that could generate distorting effects in IFRS 17 results.
21. Intergenerational mutuality is generated on those products of long duration that provide for the entry of policyholders even at different times in the life of the product. In these cases, the mutualisation effect makes it possible to offset losses and gains from portfolio management between the different generations of policyholders participating in the product
22. A stochastic mathematical model makes it possible to study the course of phenomena that follow random or probabilistic laws.
23. Undiscounted Best Estimate Liabilities.

No changes have been made to the insurance liability measurement process since the transition date with the exception of the financial and technical assumptions, which are updated as necessary at each measurement date. Moreover, the contracts in the portfolio do not provide for any discretionary elements on the part of the Poste Vita Group that could affect the expected flows.

Investment component

Assessments of the Expected Investment Component to be included in the estimate of future fulfilment cash flows are made separately by product type. An estimate of the flow related to the Investment Component is provided for both measurements at initial recognition of groups of contracts and for measurements at each reporting date.

For contracts with discretionary participation features and annuities in the accumulation phase, the expected investment component is equal to the surrender value net of penalties, whereby the estimate in future fulfilment flows is obtained as the difference between the estimated payout amount and the countervalue calculated on the basis of the surrender value net of penalties. For annuities that are certain to be paid out, the value of the investment component is not an estimate since it corresponds to the value of the benefits to be paid out, while for annuities that are certain to be paid out and pure risk products, there is no investment component.

Method for determining the discount rate used

Below are details, by individual portfolio, of the discount curves used by the Poste Vita Group in determining its insurance liabilities and the adjustments made to the reference Basic Risk-Free Curve to take into account the counterparty's level of liquidity (Illiquidity Premiums):

- in relation to the Separately managed account participating business and the Unit Linked portfolio connected to Separately managed accounts (Multi-class products), the Illiquidity Premium is calibrated on the basis of the composition of the reference portfolio (e.g. Separately managed accounts or Company) using approaches and metrics borrowed from the Solvency II approach;
- in relation to the non-participating Life business and for the Unit Linked portfolio not connected to Separately managed accounts, Illiquidity Premium values are used which are consistent with the Volatility Adjustment value provided by EIOPA, in line with Solvency II. This approach is replicated in Net Insurance Life's pure risk life business;
- in relation to the Non-Life business of Poste Assicura, the Basic Risk-Free curve is adopted, assuming an Illiquidity Premium equal to 0, in line with Solvency II, while for the Non-Life business managed by Net Insurance, the Basic Risk-Free curve with Volatility Adjustment is adopted.

In operational terms, the Poste Vita Group has defined the curves at the date of initial recognition of the contract, in particular:

- for the Life business related to contracts issued by Poste Vita, the initial recognition curve of contracts is set equal to the Based Risk-Free curve with illiquidity premium related to the previous quarter;
- for the Non-Life business relating to Poste Assicura contracts, the initial recognition curve of contracts is the Based Risk-Free of the previous year (31/12/t-1);
- for the Non-Life business, relating to contracts issued by Net Insurance, and for the Life business, relating to contracts issued by Net Insurance Life, the initial recognition curve of contracts is the Based Risk-Free with Volatility Adjustment relative to the previous year (31/12/t-1)[24].

For the BBA method, for the purpose of calculating the accrued interest on the CSM at the reporting date, the Poste Vita Group uses the forward curve determined with respect to the spot locked-in curve at the measurement date.

For the PAA model, the Poste Vita Group has not made an adjustment for the effect of the time value of money and financial risk.

24. It is specified, for the companies Net Insurance SpA and Net Insurance Life SpA, having entered the Poste Italiane Group scope on 1 April 2023, that the date of 31 March 2023 was used as the initial recognition curve.

Method for determining the Adjustment for non-financial risk

The Poste Vita Group adopts the percentile approach. The amount of the adjustment for non-financial risk is determined by considering the scope of technical risks to which group companies are exposed, using risk module ratings (SCRs) borrowed from the Solvency II framework. In particular, the adjustment for non-financial risk for the groups of contracts belonging to the Life business is estimated using the typical Life business risk and underwriting risk exposures net of the loss-absorbing capacity of technical provisions (LAC TP) and gross of reinsurance, as this is not significant. Operational risk and counterparty default risk are also excluded from the analyses.

For insurance contracts belonging to the Non-Life business, exposures to pricing risk, reserving risk, catastrophe risk, and the risk of early exits typical of the type of business are considered. In the Non-Life business, the adjustment for non-financial risk component is determined, unlike in the Life business, also for the liability for incurred claims and the assets deriving from outward reinsurance.

In calculating the amount of the Adjustment for non-financial risk, the separation between the insurance services component and the financing component is not applicable for Poste Vita Group companies.

Methods for determining the CSM coverage unit

The release to the Income Statement of the CSM over the life of the contracts is done through the definition of the Coverage Unit (CU). With reference to the Life business, the Poste Vita Group determines the CSM release by adopting a Coverage Unit based on a Volume-based driver, defined separately for the measurement model adopted:

- BBA model: the CU is defined with a driver based on the sums insured, which are similar to the lump-sum death benefit for pure risk contracts, and on the mathematical provisions, for annuities (in the payout phase) not under the Separately managed accounts from Long-Term Care products;
- VFA model: the CU for DPF contracts is defined using a driver based on mathematical provisions.

In the context of the CSM release pattern of the Non-Life business, for contracts valued with the BBA Model, the Group has decided to use, for the business characterised by constant insured capital, a release driver based on earned premiums gross of commissions (also considering the effect of any premium refunds and related commission reversals); with the exception of the Non-Life business characterised by decreasing insured capital (Cessione del Quinto - CQ (salary-backed loan) of Net Insurance), the use of a method based on insured sums was defined as for the Life business.

The CSM release percentage is defined by relating the volume-based drivers as defined above to the amount of volumes of these drivers projected over a time period that coincides with the duration of the insurance contract group.

For products measured with the VFA method, the Group considers an additional component (additional release) in the CSM release for the period aimed at capturing the differences between the margin result obtained with real-world financial assumptions (Real World curves), compared to that obtained with risk-neutral financial assumptions (Risk Neutral curves). This additional release is obtained from the difference between the period-end prospective CSM before release under the Real World assumption and the period-end prospective CSM before release under the Risk Neutral assumption.

As a result of the additional release, it is possible to achieve a CSM release that is more consistent with the financial performance of the underlying items of the insurance contracts and to avoid the systematic deferral of profit recognition in future years through coverage units.

Interactions with IFRS 9

The Poste Vita Group, and thus also the two insurance companies Poste Vita and Poste Assicura, have been applying IFRS 9 since 1 January 2018. Following the adoption of IFRS 17, there were no changes to the classification and measurement rules for financial assets.

It should be noted that the two additional Net Group companies were acquired in April 2023 and, therefore, after the transition date of 1 January 2022.

Business combination effects - Net Insurance

The acquisition of the Net Group is accounted for in the Poste Vita Group's condensed interim consolidated financial statements in accordance with IFRS 3 - *Business Combinations*.

According to the provisions of this standard, the combination must be accounted for by applying the purchase method, which provides for the process of allocation of the cost of acquisition (Purchase Price Allocation - PPA).

With regard to the PPA process, it should first be noted that Poste Vita finalised the acquisition of the Net Group in April 2023 and, for the purpose of preparing the condensed interim consolidated financial statements at 30 June 2023, the Poste Vita Group identified the fair values of identifiable assets, liabilities and contingent liabilities.

In particular, the Poste Vita Group, in order to integrate the balances subject to acquisition, made an initial estimate of the fair value of the assets ceded under reinsurance and insurance liabilities at 1 April 2023, assumed to be the date of acquisition of control pursuant to IFRS 3, based on the fair value of the entire portfolio.

For the purpose of defining fair value, the premium reserve net of commissions at 1 April 2023 was considered for the Non-Life business issued, while the reinsurance business was considered to be the gross ceded premium reserve, adjusted for the future contribution of reinsurance commissions collected at the acquisition date.

For the Life *business* issued, the Mathematical and Expense Provisions was taken into account, while for the Reinsurance business, the gross Mathematical and Ceded Expenses Provisions were taken into account, adjusted for the future contribution of reinsurance commissions already collected at the acquisition date.

At this stage, the allocation process must be considered as not yet final. Pursuant to IFRS 3, in fact, due to the complexity of this process, the accounting of business combinations can be finalised within twelve months from the date of acquisition.

Based on this, the provisionally estimated amounts could be subject to adjustment, for the financial statements at 31 December 2023, depending on more and/or more precise information becoming available in the coming months.

****

Letter to the market of 3 January 2023 - IAS/IFRS Consolidated Financial Statements - Disclosures on the Transition to IFRS 17 as per Annex 4 of Reg. no. 7/2007 as amended by Measure 121/2022.

As part of the revision of Regulation no. 7 of 13 July 2007, amended by IVASS measure no. 121 of 7 June 2022, in order to mainly incorporate the changes in the presentation and disclosure of insurance contracts provided for by IFRS 17, Annex 6 "Report on items in the consolidated financial statements relating to contracts issued by insurance companies" was replaced by the new Annex 4 "Report on items in the consolidated financial statements relating to contracts attributable to insurance companies", in order to take into account the provisions of IFRS 17 "Insurance Contracts".

Annex 4 provides, inter alia, that with reference to the financial year 2023 only, a disclosure on the transition to IFRS 17 must be provided, distinguishing between insurance contracts issued, outward reinsurance and investment contracts issued with discretionary participation features. This information must be submitted to the Authority together with the documentation relating to the consolidated half-yearly report, exclusively in electronic format.

Measure no. 127 of 14 February 2023 amending and supplementing IVASS Regulation no. 52 of 30 August 2022 and ISVAP Regulation no. 38 of 3 June 2011 for the implementation of the provisions on the temporary suspension of capital losses for non-durable securities, following the amendments to Decree Law Aiuti (Aid) *quater*.

The document contains the amendments to IVASS Regulation no. 52/2022, following the entry into force of Decree Aiuti (Aid) *quater*, through which the legislator provided the possibility, solely for insurance companies, to deduct from the amount of the unavailable reserve the portion, attributable to policyholders, of the non-impairment of securities, referring to the year of the financial statements and up to the five subsequent years (Shadow accounting). The amendment has the effect of tying up a smaller part of the company's equity allowing for a higher distribution of profits.

In addition, said initiative by the Legislator, made amendments to ISVAP Regulation no. 38/2011, in particular, Article 8, paragraph 2, to clarify that, in determining the minimum amount of assets to be compared to the mathematical provisions of policies pertaining to a separately managed account, companies must refer to Local Gaap criteria even if they prepare their financial statements in accordance with international accounting standards.

IVASS - Letter to the market of 16 March 2023: Dormant Policies - Request for Information on payment of policies to beneficiaries.

This follows on from the IVASS Letter to the Market of 6 December 2022 in which the Authority requested from companies operating in the life and/or accident insurance business, the list of the tax codes of insured persons in order to ascertain the possible death of insured persons and the date thereof. With the Letter of 16 March 2023, in order to allow the verification of the payment status of the sums relating to the policies resulting from the cross-referenced data, both life and accident, IVASS requests the companies to provide a report by 30 June 2023 on the activities carried out for the payment, including an update on the policies cross-referenced in past years. With regard to life insurance policies only, the enclosed prospectus, completed in accordance with the instructions contained in the file, must also be provided. The prospectus also requests a set of data on the payments of policies that have been cross-referenced in past years.

The Parent Company Poste Vita and the subsidiary Poste Assicura submitted the required information to the Supervisory Authority on 30 June 2023, while the subsidiaries Net Insurance and Net Insurance Life submitted the information in question on 28 June 2023.

IVASS - Letter to the market of 30 March 2023: Data collection on collective agreements signed in the health class.

With its Letter to the Market of 30/03/2023, IVASS intends to carry out the fifth edition of the survey on collective agreements signed in the health insurance sector in 2023. Undertakings with a registered office in Italy that have written at least 10 million direct premiums in health insurance for the financial year 2022 are required to participate.

The transmission of the data to IVASS is to be made by 28 April 2023 for the data listed in point a), i.e. the amount of gross premiums written in 2022, and by 26 May 2023 for those listed in points b), c) and d) of the aforementioned Letter concerning, respectively, the claims expenses for 2022; development by generation of paid and reserved claims at the end of the financial year 2022 and the number of risk units for the financial year 2022, in accordance with the procedures indicated.

The requested information was submitted by the subsidiary Poste Assicura on 28 April and 26 May 2023, respectively.

Commission Implementing Regulation (EU) 2023/894 of 4 April 2023 laying down implementing technical standards for the application of Directive 2009/138/EC with regard to the templates for the submission by insurance and reinsurance undertakings to their supervisory authorities of the information necessary for their supervision and repealing Implementing Regulation (EU) 2015/2450.

Commission Implementing Regulation (EU) 2023/895 of 4 April 2023 laying down implementing technical standards for the application of Directive 2009/138/EC with regard to the procedures, formats and templates for the disclosure by insurance and reinsurance undertakings of their report on their solvency and financial condition and repealing Implementing Regulation (EU) 2015/2452.

Measure no. 131 of 10 May 2023 for adaptation to European legislation on sustainable finance and Report to the Measure.

IVASS has adapted the Regulatory Provisions no. 24 of 6 June 2016, no. 38 of 3 July 2018, no. 40 of 2 August 2018 and no. 45 of 4 August 2020, in order to comply with the provisions of the European Legislator, in particular with the Solvency II regulatory framework (EU Delegated Regulation 2015/35) and the Insurance Distribution Directive “IDD” (EU Delegated Regulation 2017/2358 and EU Delegated Regulation 2017/2359) on sustainable finance.

Necessary adjustments have been addressed in the recently established ESG Working Group.

IVASS Measure no. 132 of 6 June 2023 containing amendments and additions to IVASS Regulation no. 18 of 15 March 2016 concerning the application rules for the determination of technical provisions.

It introduces two new EIOPA guidelines on the valuation of technical provisions and the determination of contractual limits, applicable from 1 January 2023.

Main new tax legislation relevant to the Company

Law 197 of 29 December 2022 (the "2023 Budget Law"): the 2023 Budget Law, among the various measures introduced for the insurance sector, has provided the possibility of franking the returns accrued at 31 December 2022 on investments made under "traditional-type" life insurance and capitalisation contracts referred to, respectively, in classes I and V of Article 2, paragraph 1 of Legislative Decree no. 209 of 2005 ("Private Insurance Code"). Individual pension plans (PIPs) and class III insurance contracts are therefore excluded.

Any return accrued up to that date may then, at the policyholder's option, be franked (with consequent recognition for tax purposes in terms of reducing the amount of capital gains taxable at maturity or upon surrender) by paying a substitute tax at a rate of 14%. The substitute tax must be paid by the insurance undertaking by 16 September 2023, with funds provided by the policyholder, and may not be offset against the tax credit referred to in Article 1, paragraph 2, of Decree Law no. 209/2002.

Paragraph 264 of Article 1 of the 2023 Budget Law also provided for a 0.05% increase (from 0.45% to 0.50%) of the tax rate on the mathematical provisions of the life business ("IRM") referred to in Article 1 of Decree Law no. 209 of 24 September 2002.

Decree Law 48 of 4 May 2023 (Employment Decree): Decree Law no. 48 of 4 May 2023 provided, among other things, for an increase in the rate of the levy on the mathematical provisions of the life classes referred to in Article 1 of Decree Law no. 209/2002. This measure follows, and in fact replaces, the similar provision contained in Article 1, paragraph 264 of the 2023 Budget Law, which had established the increase of the aforementioned rate from 0.45% to 0.50%. As a result of the provisions of Article 44, paragraph 2, sub-paragraph a) of the Employment Decree - which rewrote sub-paragraph b-*bis*) of paragraph 2-*bis* of Article 1 of the aforementioned Decree Law no. 209/2002 - the IRM rate was raised to 0.60%.

The new increased rate applies "*for the tax period following the one in progress on 31 December 2022, by way of derogation from the provisions of Article 3 of Law no. 212 of 27 July 2000 (...)*". The express derogation from the provisions of the Statute of Taxpayers' Rights prohibiting the retroactivity of tax rules leads to the assumption that the new rate of 0.60% applies to the payment of the IRM to be made, on the stock of mathematical provisions in the financial statements for the financial year ending 31 December 2022, by 30 June 2023.

Paragraph 2 of Article 44 under analysis provides, however, that the 0.60% rate is to be applied only for the tax period following the one in progress on 31 December 2022 (i.e. for 2023, for entities with a financial year coinciding with the calendar year): sub-paragraph b) of paragraph 2 in fact introduces a new sub-paragraph b-*ter*) in paragraph 2-*bis* of Article 1 of Decree Law no. 209/2002, according to which the IRM rate is reduced to 0.50% "*as from the tax period following the one in progress on 31 December 2023 (...)*".

From 2024 onwards, therefore, the rate at which the IRM will be levied - from the provisions recorded in the financial statements for the financial year ending 31 December 2023 - will be equal to 0.50% (i.e. the rate set at first by the aforementioned paragraph 264 of Article 1 of the 2023 Budget Law).

10. Significant events after period-end

On 25 July 2023, IVASS notified the Parent Company Poste Vita of the sanctioning measure in relation to the 2021 Inspection "on the governance, management and control of investments and financial risks", as illustrated in more detail in the section on "Inspections".

On 15 September 2023, the Board of Directors of Poste Vita approved the signing of final agreements on the system transaction to protect Eurovita's policyholders.

11. Business outlook

In line with the 2023 Budget and in compliance with the strategic guidelines of the strategic plan, “2024 Sustain & Innovate”, in the Life sector, the Poste Vita Group will continue to offer innovative and effective insurance solutions to customers, integrating savings and protection products into simple and highly professional solutions. The aim is to consolidate its leading position in the life market, with products ideally positioned to meet the growing demand for low-risk, reduced volatility investments, and in insurance advice.

In April 2023, the acquisition of Net Insurance and the subsidiary Net Insurance Life was finalised through the subsidiary Net Holding. These two companies are now part of the Poste Vita Group’s scope and will enable the latter, in line with the objectives defined in the business plan, to achieve significant growth in the non-life/protection insurance segment.

In the Non-Life segment, during 2023 the Group intends to: (i) foster synergies with other opportunities in the Poste Italiane Group’s network to strengthen and expand its positioning in non-life insurance consulting, (ii) evolve its retail offer by moving from an event-based approach to a need-based approach, with the extension of consulting to the family unit, (iii) rebalance the profitability of the retail and collective segments by strengthening technical governance, particularly in health products, (iv) optimise the customer experience throughout the customer journey. The Group will continue to monitor the evolution of the market environment and customer needs and evolve its modular offer. The Group will also be committed to continuing the development of the Welfare business, and will aim to enrich the corporate commercial proposition of services and products to create value for the customer, while enhancing its distinctiveness, and will closely monitor the evolution of inflation and claims management costs, evaluating tariff adjustments if necessary.

Finally, the Group will continue to develop the integrated life/non-life offer and enhance the offer of motor TPL policies through its subsidiary Poste Insurance Broker Srl.

Rome, 28 September 2023

The Board of Directors

12. Glossary

ASSET ALLOCATION
It is a strategy implemented by the investor and aimed at diversifying his or her portfolio across different asset classes, based on his or her time and expected return objectives.

ASSET CLASS
Investment category, i.e. set of financial instruments with similar characteristics and similar behaviour in the markets, e.g. bond (short-term, medium/long-term, government, corporate, high yield, etc.), equity (Europe, America, emerging countries, etc.), real estate. The choice of asset classes is crucial for portfolio construction because they are the individual components that are evaluated in the asset allocation process.

COMBINED RATIO (NET REINSURANCE)
Technical indicator of non-life business, determined as the ratio of total costs incurred (claims and payment costs, net reinsurance expenses, attributable/non-attributable operating expenses and other technical expenses and income) to gross insurance revenue.

CONTRACT BOUNDARY
Contract Boundary refers to the contract limits, i.e. the cash flows to be considered in the cash flow projection of an insurance contract.

CONTRACTUAL SERVICE MARGIN (CSM)
It represents the expected, unrealised profit to be recognised by the entity in the income statement over the life of the contract.

CONTRACTS WITH DISCRETIONARY PARTICIPATION FEATURES (DPF)
Contracts whose cash flows are asset-dependent and which therefore sets forth that:
- the policyholder is to have a return from a group of clearly identifiable underlying assets;
- the issuer expects to recognise a significant portion of the returns generated by the fair value of the underlying assets;
- a significant portion of the cash flows that the issuer expects to pay to the policyholder will change based on changes in the fair value of the underlying assets.

COHORTS
Cohort means the division of contracts according to the year of signing.

COVERAGE UNIT
This is the quantity by which the contractual service margin (CSM) release pattern is defined.

EXPECTED CREDIT LOSS (ECL)
Estimated expected loss based on the amount of receivables assessed as unlikely to be due within one year for IFRS9 purposes.

FAIR VALUE APPROACH (FVA)
IFRS17 transition approach, whereby the insurance liability is measured at the transition date without the need to retrieve historical data

FULFILMENT CASH FLOW (FCF)
The Fulfilment cash flow consists of:
- an estimate of future cash flows that will arise when the insurer fulfils its contractual obligations;
- an adjustment to reflect the time value of money - i.e. the discount - and the financial risks related to future cash flows (to the extent not already included in estimates of future cash flows);
- an adjustment for non-financial risks (risk adjustment).

FULL RETROSPECTIVE APPROACH (FRA)
IFRS17 transition approach, whereby the insurance liability is measured at the transition date as if the standard had always been applied.

GENERAL MEASUREMENT MODEL (GMM) OR BUILDING BLOCK APPROACH (BBA)
The General Measurement Model is a methodology for the valuation of insurance contracts based on the discounting of expected cash flows, on the explication of the Risk Adjustment (adjustment of cash flows for non-financial variables) and a Contractual Service Margin (expected profit).

SEPARATELY MANAGED ACCOUNT
In life insurance, a fund specifically created by the insurance undertaking and managed separately from the overall business of the undertaking. Separately managed accounts are used in Class I contracts and are characterised by a typically conservative investment composition. The return obtained by the separately managed account and retroceded to the members is used to revalue the benefits under the contract.

INFLATION LINKED
These are government bonds that provide investors with protection against rising price levels: both the principal repaid at maturity and the coupons paid are, in fact, revalued on the basis of inflation.

INVESTMENT COMPONENT
The investment component is defined as the cash flow related to an insurance contract that an entity must return to a policyholder under all circumstances and is “undistinguished” when accounted for together with the other components of the insurance contract.

LIABILITY FOR REMAINING COVERAGE (LRC)
Liability that quantifies the issuer's obligation to provide cover for insured events that have not yet occurred.

LIABILITY FOR INCURRED CLAIMS (LIC)
Liability that quantifies the issuer's obligation to compensate for insured events that have already occurred (claims incurred).

LOB SOLVENCY
Areas of activity defined by the Solvency II Directive.

LOSS-ABSORBING CAPACITY OF TECHNICAL PROVISIONS (LAC TP)
Adjustment to reflect the loss-absorbing capacity of technical provisions under Solvency II.

LOSS COMPONENT
The loss component is the loss that is recognised in the income statement upon initial recognition of "onerous" contracts if the sum of the present value of future cash flows, adjusted for risk, is negative.

MIRRORING
A technique introduced by IFRS17 in the VFA context through which it is possible to retrocede to policyholders IFRS9 income that does not exceed the over-coverage, i.e. the returns generated by the financial assets backing the policyholders' liabilities.

MODIFIED RETROSPECTIVE APPROACH (MRA)
Transition approach to IFRS17, which allows for some simplifications compared to the full retrospective approach.

ONEROUS CONTRACT TEST (OCT)
Onerousness test aimed at measuring the profitability class of groups of contracts.

HYBRID POLICY- MULTI-CLASS
In multi-class products, a part of the premium is invested in separately managed accounts and determines the guaranteed capital share, while a part is invested in unit-linked funds, which are characterised by diversified asset allocations that aim to seize return opportunities by investing in funds linked to financial market trends.

INDEX-LINKED POLICY
A life policy for which the investment risk is borne by the policyholder and whose benefits are directly linked to stock market indices or other reference values identified in the contract (stock indices, bond indices, inflation, exchange rates, etc.).

UNIT-LINKED POLICY
A life policy for which the investment risk is borne by the policyholder and whose benefits are directly linked to units in collective investment undertakings or to the value of assets held in an internal fund.

GROSS PREMIUM REVENUE
Amount accrued during the reporting period for insurance contracts, irrespective of whether these amounts have been collected or whether they relate in whole or in part to subsequent periods.

PREMIUMS WRITTEN
Gross premium revenue net of the change in premium reserve.

PREMIUM ALLOCATION APPROACH (PAA)
The PAA is a methodology for evaluating insurance contracts and is used to simplify the measurement of certain types of contracts (e.g. one-year contracts). This model is used for the following types of contracts:
- Short-term damage insurance;
- Some multi-year contracts giving the same result as the General Model

REINSURANCE
Transaction whereby an insurer (the reinsured) - for a fee - reduces its economic exposure, either on a single risk (optional reinsurance) or on a large number of risks (compulsory or treaty reinsurance), by ceding to another insurer (the reinsurer) part of its liabilities arising from insurance contracts.

SURRENDER
The policyholder's right to terminate the contract early by requesting payment of the benefit resulting at the time of the request and determined in accordance with the terms of the contract.

PREMIUM RESERVE
It is equal to the sum of the reserve for unearned premiums, which comprises the amounts of gross premium revenue pertaining to subsequent years, and the reserve for unexpired risks, which comprises the provisions to cover claims and expenses that exceed the reserve for unearned premiums.

RISK ADJUSTMENT
This refers to the adjustment that reflects the uncertainty of cash flows due to non-financial risks.

SOLVENCY CAPITAL REQUIREMENT (SCR)
Capital to be held to meet expected losses during the 12 months following the measurement date according to a 99.5% probability for Solvency II purposes.

SOLVENCY RATIO
The Solvency Ratio is calculated as the ratio between the own funds eligible to cover the capital requirement and the regulatory minimum level calculated on the basis of the Solvency II regulation.

UNBUNDLING
Separation of the non-insurance components of the insurance contract (e.g. investment, embedded derivatives and service).

UNIT OF ACCOUNT (UoA)
Set of insurance contracts managed as a single entity and with similar risks, belonging to the same underwriting year (cohort) and with similar levels of expense/profitability.

VARIABLE FEE APPROACH (VFA)
The VFA is a valuation methodology that applies to insurance contracts with direct profit participation features, such as insurance pension funds, separately managed accounts and unit-linked insurance schemes.

Page intentionally left blank


POSTA
Premura
Empatia
RISPETTO
Puntuale
APERTURA
PRECI
SIONE
VICINANZA
Cortesia
Familiarità
ASCOLTO


Tg


2
ORGANIZZAZIONE
VICINANZA

CONSOLIDATED FINANCIAL STATEMENTS

2
CONSOLIDATED FINANCIAL STATEMENTS

Contents

1. Consolidated Financial Statements

Statement of financial position - Assets

Asset items €k		2023	2022
1.	**INTANGIBLE ASSETS**	**143,937**	**-**
	of which: Goodwill	134,355	-
2.	**TANGIBLE ASSETS**	**25,603**	**11,153**
3.	**INSURANCE ASSETS**	**207,665**	**43,730**
3.1	Insurance contracts issued constituting assets	-	-
3.2	Outward reinsurance constituting assets	207,665	43,730
4.	**INVESTMENTS**	**150,511,375**	**142,460,251**
4.1	Investment property	-	-
4.2	Investments in associates and joint ventures	109,729	111,323
4.3	Financial assets measured at amortised cost	2,305,401	2,387,301
4.4	Financial assets measured at fair value through other comprehensive income	102,393,756	96,500,899
4.5	Financial assets measured at fair value through profit or loss	45,702,489	43,460,728
	a) Financial assets held for trading	32,251,794	31,725,532
	b) Financial assets designated at fair value	-	-
	c) Other financial assets mandatorily measured at fair value	13,450,695	11,735,196
5.	**OTHER FINANCIAL ASSETS**	**89,948**	**101,062**
	OTHER FINANCIAL ASSETS	89,948	101,062
6.	**OTHER ASSETS**	**4,314,047**	**3,425,008**
6.1	Non-current assets or disposal groups held for sale	-	-
6.2	Tax assets	4,279,181	3,423,637
	a) Current	2,421,873	2,493,128
	b) Deferred	1,857,308	930,509
6.3	Other assets	34,866	1,371
	Other assets	34,866	1,371
	Asset Consolidation Adjustments (CI elimin.)	(0)	-
7.	**CASH AND CASH EQUIVALENTS**	**2,943,997**	**2,729,706**
	TOTAL ASSETS	**158,236,572**	**148,770,910**

Statement of financial position - Equity and liabilities

Changes in equity and liabilities €k		2023	2022
1.	**EQUITY**	**6,176,423**	**5,986,595**
1.1	Share capital	1,216,608	1,216,608
1.2	Other equity instruments	800,000	800,000
1.3	Capital reserves	-	-
1.4	Revenue reserves and other equity reserves	3,840,915	3,248,436
1.5	Treasury shares (-)	-	-
1.6	Valuation Reserves	(239,472)	(342,637)
1.7	Equity attributable to non-controlling interests	74,155	-
1.8	Net profit (loss) for the year(+/-)	483,020	1,064,189
1.9	Net profit/(loss) for the year attributable to non-controlling interests (+/-)	1,196	-
2.	**PROVISIONS FOR RISKS AND CHARGES**	**15,328**	**20,640**
3.	**INSURANCE LIABILITIES**	**149,226,427**	**140,980,478**
3.1	Insurance contracts issued constituting liabilities	149,226,427	140,980,478
3.2	Outward reinsurance constituting liabilities	-	-
4.	**FINANCIAL LIABILITIES**	**274,141**	**264,238**
4.1	Financial liabilities measured at fair value through profit or loss	-	-
	a) Financial liabilities held for trading	-	-
	b) Financial liabilities designated at fair value	-	-
4.2	Financial liabilities measured at amortised cost	274,141	264,238
5.	**PAYABLES**	**547,799**	**560,136**
6.	**OTHER LIABILITIES**	**1,996,454**	**958,822**
6.1	Liabilities included in disposal groups held for sale	-	-
6.2	Tax liabilities	1,949,498	949,286
	a) Current	420,300	504,676
	b) Deferred	1,529,197	444,610
6.3	Other liabilities	46,956	9,536
	Other liabilities	46,956	9,536
	Consolidation adjustments payable (CI elimin.)	-	-
	TOTAL EQUITY AND LIABILITIES	**158,236,572**	**148,770,910**

Income Statement

Entries €k		30/06/23	30/06/22
1.	Insurance revenue from insurance contracts issued	1,221,365	1,177,743
2.	Costs for insurance services arising from insurance contracts issued	(552,125)	(420,201)
3.	Insurance proceeds from outward reinsurance	10,325	(1,530)
4.	Costs for insurance services arising from outward reinsurance	(18,202)	(4,090)
5.	**Result of insurance services**	**661,363**	**751,922**
6.	Gains/losses from financial assets and liabilities measured at fair value through profit or loss	1,309,122	(4,769,166)
	Gains from financial assets and liabilities measured at fair value through profit or loss	1,620,081	394,788
	Losses from financial assets and liabilities measured at fair value through profit or loss	(310,959)	(5,163,954)
7.	Gains/losses from investments in subsidiaries, associates and joint ventures	385	2,876
	Income from investments in subsidiaries	239	2,876
	Expenses from investments in subsidiaries	-	-
	Income from investments in associates	102	-
	Expenses from investments in associates	-	-
	Income from investments in joint ventures	43	-
	Expenses from investments in joint ventures	-	-
8.	Gains/losses from other financial assets and liabilities and from investment property	1,629,695	1,662,789
8.1	- Interest income calculated using the effective interest method	1,661,214	1,736,859
8.2	- *Interest expense*	(26,843)	(26,697)
8.3	- Other income/expenses	448	(6,566)
	- Other income	479	-
	- Other expenses	(31)	(6,566)
8.4	- Realised profits/losses	406	(45,402)
	- Realised gains	14,910	45,735
	- Realised losses	(14,504)	(91,137)
8.5	- Unrealised gains/losses	(5,530)	4,594
	- Unrealised gains	111	4,792
	- Unrealised losses	(5,641)	(198)
	of which: Connected with impaired financial assets	(90)	-
9.	**Investment income and expenses**	**2,939,202**	**(3,103,502)**
10.	Financial costs/revenue related to insurance contracts issued	(2,922,702)	3,055,489
	Net financial costs related to insurance contracts issued	(2,923,013)	-
	Net financial revenue related to insurance contracts issued	311	3,055,489
11.	Financial revenue/costs related to outward reinsurance	1,839	(19)
	Financial revenue related to outward reinsurance	1,842	-
	Financial costs relating to outward reinsurance	(3)	(19)
12.	**Net financial result**	**(2,920,863)**	**3,055,470**
13.	Other revenue/costs	61,965	53,150
	Other revenue	75,976	55,272
	Other costs	(14,012)	(2,122)
14.	Operating expenses:	(24,701)	(19,678)
14.1	- Investment management expenses	(4,262)	(2,997)
14.2	- Other administrative expenses	(20,438)	(16,681)

Entries €k		30/06/23	30/06/22
15.	Net provisions for risks and charges	152	(57)
16.	Impairment losses/(reversals of impairment losses) on tangible assets	(44)	(809)
	Impairment losses on tangible assets	(44)	(809)
	Reversals of impairment losses on tangible assets	-	-
17.	Impairment losses/(reversals of impairment losses) on intangible assets	-	-
	Reversals of impairment losses on intangible assets	-	-
	Impairment losses on intangible assets	-	-
	of which: goodwill adjustments	-	-
18.	Other operating income/expenses	(1,074)	(298)
	Other operating expenses	(2,143)	(298)
	Other operating income	1,069	0
	Other operating expenses - Consolidation adjustments	-	-
	Other operating income - Consolidation adjustments	(0)	-
19.	**Profit (loss) for the year before tax**	**715,999**	**736,196**
20.	Taxes	(231,782)	(210,399)
21.	**Profit (loss) for the year after tax**	**484,217**	**525,797**
22.	Profit (loss) from discontinued operations	-	-
23.	**Consolidated profit (loss)**	**484,217**	**525,797**
	of which: attributable to owners of the Parent	483,020	525,797
	of which: attributable to non-controlling interests	1,196	-

Statement of financial position by operating segment

Items/Sectors €k		Non-life business	
		30/06/2023	31/12/2022
1.	**INTANGIBLE ASSETS**	**8,252**	**-**
2.	**TANGIBLE ASSETS**	**8,060**	**2,531**
3.	**INSURANCE ASSETS**	**79,820**	**14,378**
3.1	Insurance contracts issued constituting assets	-	-
3.2	Outward reinsurance constituting assets	79,820	14,378
4.	**INVESTMENTS**	**808,761**	**572,665**
4.1	Investment property	-	-
4.2	Investments in associates and joint ventures	1,621	37
4.3	Financial assets measured at amortised cost	236,771	216,263
4.4	Financial assets measured at fair value through other comprehensive income	549,957	353,275
4.5	Financial assets measured at fair value through profit or loss	20,413	3,090
5.	**OTHER FINANCIAL ASSETS**	**9,911**	**9,227**
6.	**OTHER ASSETS**	**75,359**	**33,948**
7.	**CASH AND CASH EQUIVALENTS**	**44,116**	**41,442**
	TOTAL ASSETS	**1,034,280**	**674,190**
1.	**EQUITY**	**345,648**	**282,031**
2.	**PROVISIONS FOR RISKS AND CHARGES**	**1,810**	**1,774**
3.	**INSURANCE LIABILITIES**	**504,846**	**265,335**
3.1	Insurance contracts issued constituting liabilities	504,846	265,335
3.2	Outward reinsurance constituting liabilities	-	-
4.	**FINANCIAL LIABILITIES**	**12,685**	**2,589**
4.1	Financial liabilities measured at fair value through profit or loss	-	-
4.2	Financial liabilities measured at amortised cost	12,685	2,589
5.	**PAYABLES**	**126,331**	**120,723**
6.	**OTHER LIABILITIES**	**42,960**	**1,683**
	TOTAL EQUITY AND LIABILITIES	**1,034,280**	**674,136**

	Life business		Cross-sector eliminations		Total	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022	30/06/2023	31/12/2022
	1,330	**-**	**134,355**	**-**	**143,937**	**-**
	17,544	**8,623**	**-**	**-**	**25,603**	**11,153**
	127,845	**29,353**	**-**	**-**	**207,665**	**43,730**
	-	-	-	-	-	-
	127,845	29,353	-	-	207,665	43,730
	149,918,551	**141,915,761**	**(215,938)**	**(28,175)**	**150,511,375**	**142,460,251**
	-	-	-	-	-	-
	319,160	139,462	(211,052)	(28,175)	109,729	111,323
	2,073,516	2,171,038	(4,886)	-	2,305,401	2,387,301
	101,843,799	96,147,624	-	-	102,393,756	96,500,899
	45,682,076	43,457,638	-	-	45,702,489	43,460,728
	95,222	**106,065**	**(15,186)**	**(14,230)**	**89,948**	**101,062**
	4,259,408	**3,391,060**	**(20,720)**	**-**	**4,314,047**	**3,425,008**
	2,899,881	**2,688,264**	**-**	**-**	**2,943,997**	**2,729,706**
	157,319,781	**148,139,125**	**(117,489)**	**(42,406)**	**158,236,572**	**148,770,910**
	5,907,472	**5,732,740**	**(76,697)**	**(28,175)**	**6,176,423**	**5,986,595**
	13,518	**18,866**	**-**	**-**	**15,328**	**20,640**
	148,727,317	**140,712,594**	**(5,735)**	**2,549**	**149,226,427**	**140,980,478**
	148,727,317	140,712,594	(5,735)	2,549	149,226,427	140,980,478
	-	-	-	-	-	-
	266,341	**261,649**	**(4,886)**	**-**	**274,141**	**264,238**
	-	-	-	-	-	-
	266,341	261,649	(4,886)	-	274,141	264,238
	441,153	**456,192**	**(19,685)**	**(16,779)**	**547,799**	**560,136**
	1,963,979	**957,139**	**(10,485)**	**-**	**1,996,454**	**958,822**
	157,319,781	**148,139,180**	**(117,489)**	**(42,406)**	**158,236,572**	**148,770,910**

Income Statement operating segment

Items/Sectors €k		Non-life business 30/06/2023	Non-life business 30/06/2022
1.	Insurance revenue from insurance contracts issued	231,181	167,499
2.	Costs for insurance services arising from insurance contracts issued	(195,021)	(130,875)
3.	Insurance proceeds from outward reinsurance	4,259	(1,530)
4.	Costs for insurance services arising from outward reinsurance	(10,263)	(3,286)
5.	Result of insurance services	30,156	31,807
6.	Gains/losses from financial assets and liabilities measured at fair value through profit or loss	459	(309)
7.	Gains/losses from investments in subsidiaries, associates and joint ventures	43	-
8.	Gains/losses from other financial assets and liabilities and from investment property	8,050	5,626
9.	Investment income and expenses	8,552	5,316
10.	Financial costs/revenue related to insurance contracts issued	(1,723)	534
11.	Financial revenue/costs related to outward reinsurance	803	(19)
12.	Net financial result	(920)	514
13.	Other revenue/costs	875	72
14.	Operating expenses:	(9,890)	(6,715)
15.	Other operating income/expenses	995	(157)
	Profit (loss) for the year before tax	29,769	30,838

Life business		Cross-sector eliminations		Total	
30/06/2023	30/06/2022	30/06/2023	30/06/2022	30/06/2023	30/06/2022
998,734	1,015,617	(8,551)	(5,372)	1,221,365	1,177,743
(356,915)	(287,958)	(189)	(1,368)	(552,125)	(420,201)
6,067	-	-	-	10,325	(1,530)
(7,939)	(804)	-	-	(18,202)	(4,090)
639,946	726,855	(8,740)	(6,740)	661,363	751,922
1,308,663	(4,768,857)	-	-	1,309,122	(4,769,166)
3,517	2,876	(3,175)	-	385	2,876
1,621,645	1,657,163	-	-	1,629,695	1,662,789
2,933,825	(3,108,818)	(3,175)	-	2,939,202	(3,103,502)
(2,920,976)	3,054,956	-	-	(2,922,699)	3,055,489
1,036	-	-	-	1,839	(19)
(2,919,943)	3,054,956	-	-	(2,920,863)	3,055,470
61,115	53,077	(26)	-	61,965	53,150
(23,576)	(19,703)	8,766	6,740	(24,701)	(19,678)
(38)	(1,008)	(1,924)	-	(967)	(1,165)
691,330	705,358	(5,099)	-	715,999	736,196

Statement of Comprehensive Income

Entries €k		30/06/2023	30/06/2022
1.	**Profit/(loss) for the year**	**484,217**	**525,797**
2.	**Other comprehensive income after tax not to be reclassified to profit or loss**	**(207)**	**193**
2.1	Share of valuation reserves of equity-accounted investments	-	-
2.2	Change in valuation reserve for intangible assets	-	-
2.3	Change in valuation reserve for tangible assets	-	-
2.4	Financial revenue or costs relating to insurance contracts issued	-	-
2.5	Profits or losses for non-current assets or disposal groups held for sale	-	-
2.6	Actuarial gains/(losses) and adjustments to defined benefit plans	29	193
2.7	Gains or losses on equity instruments designated at fair value through other comprehensive income	(236)	-
2.8	Change in own credit rating for financial liabilities measured at fair value through profit or loss	-	-
2.9	Other items	-	-
3.	**Other comprehensive income after tax to be reclassified to profit or loss**	**103,348**	**(284,275)**
3.1	Change in reserve for currency translation differences	-	-
3.2	Gains or losses on financial assets (other than equity instruments) measured at fair value through other comprehensive income	1,831,102	(11,152,138)
3.3	Gains or losses on cash flow hedges	-	-
3.4	Gains or losses on hedges of a net investment in a foreign operation	-	-
3.5	Share of valuation reserves of equity-accounted investments	-	-
3.6	Financial revenue or costs relating to insurance contracts issued	(1,727,939)	10,868,190
3.7	Financial revenue or costs related to outward reinsurance	185	(327)
3.8	Profits or losses for non-current assets or disposal groups held for sale	-	-
3.9	Other items	-	-
4.	**TOTAL OTHER COMPREHENSIVE INCOME**	**103,141**	**(284,082)**
5.	**TOTAL CONSOLIDATED COMPREHENSIVE INCOME (Items 1 and 4)**	**587,358**	**241,715**
5.1	**of which: attributable to owners of the Parent**	**585,957**	**241,715**
5.2	**of which: attributable to non-controlling interests**	**1,401**	**-**

Details of other Comprehensive Income

Entries €k		30/06/2023	30/06/2022
1	**Profit/(loss) for the year**	**484,217**	**525,797**
2.	**Other comprehensive income not to be reclassified to profit or loss**	**-**	**-**
2.1	Share of valuation reserves of equity-accounted investments	-	-
2.2	Valuation reserve for intangible assets	-	-
2.3	Valuation reserve for tangible assets	-	-
2.4	Financial revenue or costs relating to insurance contracts issued	-	-
2.5	Profits or losses for non-current assets or disposal groups held for sale	-	-
2.6	Actuarial gains/(losses) and adjustments to defined benefit plans	29	193
2.7	Gains or losses on equity instruments designated at fair value through other comprehensive income:	(236)	-
	a) change in fair value	(236)	-
	b) transfers to other components of equity	-	-
3.	**Other comprehensive income to be reclassified to profit or loss**	**-**	**-**
3.1	**Reserve for currency translation differences:**	**-**	**-**
	a) changes in value	-	-
	b) reclassification to income statement	-	-
	c) other changes	-	-
3.2	Gains or losses on financial assets (other than equity instruments) measured at fair value through other comprehensive income:	1,831,102	(11,152,138)
	a) changes in fair value	1,809,664	(11,101,953)
	b) reclassification to income statement	21,438	(50,185)
	credit risk adjustments	(224)	(4,752)
	realised gains/losses	21,662	(45,433)
	c) other changes	-	-
3.3	Gains or losses on cash flow hedges	-	-
	a) changes in fair value	-	-
	b) reclassification to income statement	-	-
	c) other changes	-	-
3.4	Gains or losses on hedges of a net investment in a foreign operation:	-	-
	a) changes in fair value	-	-
	b) reclassification to income statement	-	-
	c) other changes	-	-
3.5	Share of valuation reserves of equity-accounted investments:	-	-
3.6	Financial revenue or costs relating to insurance contracts issued	(1,727,939)	10,868,190
	a) changes in fair value	(1,727,957)	10,868,190
	b) reclassification to income statement	-	-
	c) other changes	18	-
3.7	Financial revenue or costs related to outward reinsurance	185	(327)
	a) changes in fair value	190	(327)
	b) reclassification to income statement	-	-
	c) other changes	(5)	-
3.8	Profits or losses for non-current assets or disposal groups held for sale:	-	-
3.9	Other elements:	-	-
3.10	Income taxes on other income components to be reclassified to profit or loss	-	-
4.	TOTAL OTHER COMPREHENSIVE INCOME (Sum of items 2.1 to 3.10)	103,141	(284,082)
5.	**TOTAL CONSOLIDATED COMPREHENSIVE INCOME (Items 1 + 4)**	**587,358**	**241,715**
	of which: attributable to owners of the Parent	**585,957**	**241,715**
	of which: attributable to non-controlling interests	**1,401**	**-**

Significant investments: carrying amount, fair value and dividends received

Name	Type of relationship (1)	Carrying amount	Fair Value	Dividends received
Joint ventures				
-	-	-	-	-
Associates				
Europa Gestioni Immobiliari SpA	b	107,651	107,651	1,935
EURIZON CAPITAL REAL ASSET SGR SpA	b	2,041	2,041	-
Total		**109,692**	**109,692**	**1,935**

a= subsidiaries (only for IAS/IFRS financial statements);
b= associates;
c= joint ventures.

Investments: information on equity relationships

Name	Country of operating office (1)	Country of registered office	Business (2)	Type of relationship (3)	% Direct interest	% Total interest (4)	% Availability of ACTUAL votes in the ordinary shareholders' meeting	% Availability of POTENTIAL votes in the ordinary shareholders' meeting
Joint ventures								
-	-	-	-	-	-	-	-	-
Associates								
Europa Gestioni Immobiliari SpA	086	086	10	b	45%	45%	45.0%	-
EURIZON CAPITAL REAL ASSET SGR SpA	086	086	8	b	20%	20%	12.75%	-
CLP- Consorzio Logistica Pacchi SCPA	086	086	11	b	5%	5%	5%	-
Subsidiaries								
Poste Assicura SpA	086	086	1	a	100.0%	100.0%	100.0%	-
Net Holding SpA	086	086	9	a	60.0%	60.0%	60.0%	-
Poste Insurance Broker Srl	086	086	11	a	100.0%	100.0%	100.0%	-
Net Insurance SpA	086	086	1	a	58.7%	58.7%	58.7%	-
Net Insurance Life SpA	086	086	1	a	58.7%	58.7%	58.7%	-

(1) This disclosure is required only if the country of the operating office is different from the country of the registered office.
(2) 1 = Italian ins.; 2 = EU ins.; 3 = Non-EU ins.; 4 = ins. holding; 4.1 = mixed holding company; 5 = EU reins.; 6 = Non-EU reins.; 7 = banks; 8 = asset mng. co.; 9 = other holding; 10 = real estate 11 = other.
(3) a = subsidiaries (only for separate financial statements); b = associates; c = joint ventures; indicate companies classified as held for sale, in compliance with IFRS 5, with an asterisk (*) and include the key under the table.
(4) This is the sum of the equity interests related to all the companies along the ownership chain standing between the reporting entity and the company in question. If a number of subsidiaries hold direct interests in the latter, it is necessary to report the sum of the individual interests.
(5) Availability of votes in the ordinary shareholders' meeting, distinguishing between actual and potential votes. The availability of votes should only be indicated if it differs from equity interest.

Investments in wholly-owned subsidiaries

Company prog. no.	Name	Country of registered office	Country of operating office (1)	Method (2)	Business (3)	Type of relationship (4)	% Direct interest	% Total interest (5)	% Availability of ACTUAL votes in the ordinary shareholders' meeting (6)	% Availability of POTENTIAL votes in the ordinary shareholders' meeting (6)	% consolidated
4 | Poste Assicura SpA	Poste Assicura SpA	086		G	1	1	100.00	100.00	100.00	-	100.00
5 | Net Holding SpA	Net Holding SpA	086		G	9	1	60.00	60.00	60.00	-	60.00
6 | Poste Insurance Broker Srl	Poste Insurance Broker Srl	086		G	11	1	100.00	100.00	100.00	-	100.00
7 | Net Insurance SpA	Net Insurance SpA	086		G	1	1	58.69	58.69	58.69	-	58.69
8 | Net Insurance Life SpA	Net Insurance Life SpA	086		G	1	1	58.69	58.69	58.69	-	58.69

(1) This disclosure is required only if the country of the operating office is different from the country of the registered office.
(2) Consolidation method: Line by line = G; Line by line by unitary management = U.
(3) 1 = Italian ins.; 2 = EU ins.; 3 = Non-EU ins.; 4 = ins. holding; 4.1 = mixed holding company; 5 = EU reins.; 6 = Non-EU reins.; 7 = banks; 8 = asset mng. co.; 9 = other holding; 10 = real estate 11 = other companies.
(4) Type of relationship: 1 = majority of the voting rights in the ordinary shareholders' meeting 2 = dominant influence in the ordinary shareholders' meeting 3 = agreements with other shareholders 4 = other forms of control 5 = unitary management pursuant to Art. 96(1) of "Legislative Decree 209/2005" 6 = unitary management pursuant to Art. 96(2) of "Legislative Decree 209/2005".
(5) This is the sum of the equity interests related to all the companies along the ownership chain standing between the reporting entity and the company in question. If a number of subsidiaries hold direct interests in the latter, it is necessary to report the sum of the individual interests.
(6) Availability of votes in the ordinary shareholders' meeting, distinguishing between actual and potential votes.

Investments in wholly-owned subsidiaries with significant minority interests

Company prog. no. €k	Name	% minority interests	% Votes available in ordinary Shareholders' Meeting for third parties	Dividends distributed to third parties	Consolidated net profit (loss) attributable to non-controlling interests	Equity attributable to non-controlling interests
5 | Net Holding SpA	Net Holding SpA	40.00	0.40		(150)	73,116
7 | Net Insurance SpA	Net Insurance SpA	41.31	41.31		546	1,039
8 | Net Insurance Life SpA	Net Insurance Life SpA	41.31	41.31		795	-

Intangible Assets: Breakdown of assets

	Total		Total	
	30/06/2023		31/12/2022	
Assets/Values	Definite duration	Indefinite duration	Definite duration	Indefinite duration
A.1 Goodwill	**X**	**134,355**	**X**	**-**
A.1.1 attributable to owners of the Parent	X	134,355	X	-
A.1.2 attributable to non-controlling interests	X	-	X	-
A.2 Other intangible assets	**9,582**	**-**	**-**	**-**
of which software	-	-	-	-
A.2.1 Assets measured at cost:	9,582	-	-	-
a) Internally generated intangible assets	-	-	-	-
a) Other assets	9,582	-	-	-
A.2.2 Assets measured at restated value:	-	-	-	-
a) Internally generated intangible assets	-	-	-	-
a) Other assets	-	-	-	-
Total	**9,582**	**134,355**	**-**	**-**

Key:
X indicates that the information should not be provided

Tangible Assets: Breakdown of assets

Assets/Values €k	Assets for own use				Inventories from IAS 2	
	At cost		At restated value			
	30/06/2023	31/12/2022	30/06/2023	31/12/2022	30/06/2023	31/12/2022
1. Owned assets	**14,903**	**223**	**-**	**-**	**-**	**-**
a) land	7,984	-	-	-	-	-
b) buildings	6,514	-	-	-	-	-
c) office furniture and machines	387	223	-	-	-	-
d) plant and equipment	18	0	-	-	-	-
f) other assets	(0)	-	-	-	-	-
2. Rights of use acquired through leasing	**10,701**	**10,930**	**-**	**-**	**-**	**-**
a) land	-	-	-	-	-	-
b) buildings	9,873	10,281	-	-	-	-
c) office furniture and machines	-	-	-	-	-	-
d) plant and equipment	184	-	-	-	-	-
f) other assets	643	650	-	-	-	-
Total	**25,603**	**11,153**	**-**	**-**	**-**	**-**

Dynamics of the carrying amount of outward reinsurance by elements underlying the measurement

Basis of aggregation 2 = Non-Life segment

Items/Elements underlying the measurement €k	
A.	**Opening carrying amount**
1.	Outward reinsurance constituting assets
2.	Outward reinsurance constituting liabilities
3.	**Net carrying amount at 1 January**
B.	**Changes in current services**
1.	Contractual Service Margin recorded in the income statement
2.	Change for overdue non-financial risks
3.	Experience-related changes
4.	**Total**
C.	**Changes relating to future services**
1.	Changes in estimates that alter the contractual service margin
2.	Effects of contracts entered into during the year
3.	Adjustment of contractual service margin related to recoveries on initial recognition of onerous underlying insurance contracts
4.	Release of loss recovery component other than changes in cash flows of outward reinsurance contracts
5.	Changes in cash flows of outward reinsurance from onerous underlying insurance contracts
6.	**Total**
D.	**Changes related to past services**
1.	adjustments to the business for claims incurred
E.	**Effects of changes in reinsurers' default risk**
F.	**Result from insurance services (B+C+D+E)**
G.	**Financial revenue/costs**
1.	Relating to outward reinsurance
1.1.	Recorded in the income statement
1.2.	Recorded in the statement of comprehensive income
2.	Effects associated with exchange rate changes
3.	**Total**
H.	**Total amount recognised in the income statement and statement of comprehensive income (F+G)**
I.	**Other changes**
Increases	
Business combination operations - external	
L.	**Cash movements**
1.	Premiums paid net of amounts not related to claims recovered from reinsurers
2.	Amounts recovered from reinsurers
3.	**Total**
M.	**Net carrying amount at 30 June/31 December (A.3+H+I+L.3)**
N.	**Final carrying amount**
1.	Outward reinsurance constituting assets
2.	Outward reinsurance constituting liabilities
3.	**Net carrying amount at 30 June/31 December**

It should be noted that, given the insignificance of the amounts of ceded business with respect to direct business, the table for the Life segment has not been reported. Assets from outward reinsurance in the Life segment totalled € 128 million at 30 June 2023.

Elements underlying the measurement of the carrying amount of outward reinsurance							
Present value of cash flows 30/06/2023	**Adjustment for non-financial risks 30/06/2023**	**Contractual Service Margin 30/06/2023**	**Total 30/06/2023**	**Present value of cash flows 31/12/2022**	**Adjustment for non-financial risks 31/12/2022**	**Contractual Service Margin 31/12/2022**	**Total 31/12/2022**
2,810	94	659	3,563	2,650	193	561	3,404
-	-	-	-	-	-	-	-
2,810	**94**	**659**	**3,563**	**2,650**	**193**	**561**	**3,404**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	-	(1,827)	(1,827)	-	-	(207)	(207)
-	(289)	-	(289)	-	(27)	-	(27)
(2,685)	-	1,112	(1,573)	(72)	-	462	390
(2,685)	**(289)**	**(715)**	**(3,688)**	**(72)**	**(27)**	**255**	**156**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
449	(463)	14	0	158	(3)	(154)	-
(4,353)	1,567	2,786	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(3,905)	**1,104**	**2,800**	**0**	**158**	**(3)**	**(154)**	**-**
1,630	**67**	**-**	**1,697**	**(1,007)**	**(68)**	**-**	**(1,075)**
1,630	67	-	1,697	(1,007)	(68)	-	(1,075)
1	**-**	**-**	**1**	**1**	**-**	**-**	**1**
(4,959)	**882**	**2,085**	**(1,991)**	**(921)**	**(99)**	**100**	**(919)**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
666	-	152	819	(156)	-	(3)	(160)
648	-	152	800	(13)	-	(3)	(16)
19	-	-	19	(144)	-	-	(144)
-	-	-	-	-	-	-	-
666	**-**	**152**	**819**	**(156)**	**-**	**(3)**	**(160)**
(4,292)	**882**	**2,238**	**(1,172)**	**(1,077)**	**(99)**	**97**	**(1,079)**
42,462	**8,684**	**13,914**	**65,060**	**-**	**-**	**-**	**-**
42,462	**8,684**	**13,914**	**65,060**	**-**	**-**	**-**	**-**
42,462	8,684	13,914	65,060	-	-	-	-
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
5,457	-	-	5,457	(1,341)	-	-	(1,341)
(2,204)	-	-	(2,204)	2,578	-	-	2,578
3,253	**-**	**-**	**3,253**	**1,237**	**-**	**-**	**1,237**
44,233	**9,661**	**16,810**	**70,704**	**2,810**	**94**	**659**	**3,563**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
44,233	9,661	16,810	70,704	2,810	94	659	3,563
-	-	-	-	-	-	-	-
44,233	**9,661**	**16,810**	**70,704**	**2,810**	**94**	**659**	**3,563**

Financial assets measured at amortised cost: product breakdown and credit risk stages

€k	Carrying amount 30/06/2023				Carrying amount 31/12/2022			
	First stage	Second stage	Third stage	Impaired acquired or originated	First stage	Second stage	Third stage	Impaired acquired or originated
Government bonds	2,174,667	-	-	-	2,142,376	-	-	-
Other debt securities	16,748	-	-	-	16,757	-	-	-
Loans and receivables:	113,987	-	-	-	228,168	-	-	
a) due from banks	-	-	-	-	-	-	-	-
b) due from customers	113,987	-	-	-	228,168	-	-	-
- mortgages	-	-	-	-	-	-	-	-
- loans on policies	-	-	-	-	-	-	-	-
- other loans and receivables	113,987	-	-	-	228,168	-	-	-
Total 30/06/2023	**2,305,401**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total 31/12/2022	**-**	**-**	**-**	**-**	**2,387,301**	**-**	**-**	**-**

Financial assets measured at fair value through other comprehensive income: product breakdown and percentage breakdown

	30/06/2023		31/12/2022	
€k	Carrying amount	Comp. %	Carrying amount	Comp. %
Equity instruments	1,974	0%	-	0%
a) listed	38	0%	-	0%
b) unlisted	1,936	0%	-	0%
Debt securities	102,391,480	100%	96,500,899	100%
Government bonds	83,350,892	81%	77,726,214	81%
a) listed	83,223,790	81%	77,690,265	81%
b) unlisted	127,102	0%	35,948	0%
Other debt securities	19,040,587	19%	18,774,685	19%
a) listed	19,032,844	19%	18,774,685	19%
b) unlisted	7,743	0%	-	0%
Other financial instruments	302	0%	-	0%
Total	**102,393,756**	**100%**	**96,500,899**	**100%**

Key:
Comp. % = percentage breakdown

Financial assets measured at fair value through profit or loss: product breakdown and percentage breakdown

Items/Values €k	Financial assets held for trading			
	30/06/2023		31/12/2022	
	Carrying amount	Comp. %	Carrying amount	Comp. %
Equity instruments	224,588	0.7%	103,666	0.3%
a) listed	224,588	0.7%	103,666	0.3%
b) unlisted	-	0.0%	-	0.0%
Treasury shares	-	0.0%	-	0.0%
Own financial liabilities	-	0.0%	-	0.0%
Debt securities	-	0.0%	-	0.0%
a) listed	-	0.0%	-	0.0%
b) unlisted	-	0.0%	-	0.0%
UCIT units	32,027,206	99.3%	31,621,866	99.7%
Non-hedging derivatives	-	0.0%	-	0.0%
Hedging derivatives	-	0.0%	-	0.0%
Other financial instruments	-	0.0%	-	0.0%
Total	**32,251,794**	**100.0%**	**31,725,532**	**100.0%**

Key:
Comp. % = percentage breakdown

Financial assets designated at fair value				Financial assets mandatorily measured at fair value			
30/06/2023		31/12/2022		30/06/2023		31/12/2022	
Carrying amount	Comp. %	Carrying amount	Comp. %	Carrying amount	Comp. %	Carrying amount	Comp. %
-	0.0%	-	0.0%	164,661	1.2%	160,481	1.4%
-	0.0%	-	0.0%	162,425	1.2%	160,481	1.4%
-	0.0%	-	0.0%	2,235	0.0%	-	0.0%
-	0.0%	-	0.0%	-	0.0%	-	0.0%
-	0.0%	-	0.0%	-	0.0%	-	0.0%
-	0.0%	-	0.0%	2,339,018	17.4%	2,306,049	19.7%
-	0.0%	-	0.0%	2,338,758	17.4%	2,306,049	19.7%
-	0.0%	-	0.0%	260	0.0%	-	0.0%
-	0.0%	-	0.0%	10,849,540	80.7%	9,158,759	78.0%
-	0.0%	-	0.0%	-	0.0%	-	0.0%
-	0.0%	-	0.0%	-	0.0%	-	0.0%
-	0.0%	-	0.0%	97,477	0.7%	109,907	0.9%
-	**0.0%**	**-**	**0.0%**	**13,450,695**	**100.0%**	**11,735,196**	**100.0%**

Dynamics of the carrying amount of insurance contracts issued broken down by elements underlying the measurement

Basis of aggregation 1

Items/Elements underlying the measurement €k	
A.	**Opening carrying amount**
1.	Insurance contracts issued constituting liabilities
2.	Insurance contracts issued constituting assets
3.	**Net carrying amount at 1 January**
B.	**Changes in current services**
1.	Contractual Service Margin recorded in the income statement
2.	Change for overdue non-financial risks
3.	Experience-related changes
4.	**Total**
C.	**Changes relating to future services**
1.	Changes in contractual service margin
2.	Losses on groups of onerous contracts and related recoveries
3.	Effects of contracts initially recognised in the reporting year
4.	**Total**
D.	**Changes related to past services**
1.	Adjustments to the liability for claims incurred
2.	Experience-related changes
3.	**Total**
E.	**Result from insurance services (B+C+D)**
F.	**Financial costs/revenue**
1.	Related to insurance contracts issued
1.1	Recorded in the income statement
1.2	Recorded in the statement of comprehensive income
2.	Effects associated with exchange rate changes
3.	**Total**
G.	**Total amount of changes recognised in the income statement and statement of comprehensive income (E+F)**
H.	**Other changes**
Decreases	
Business combination operations - external	
I.	**Cash movements**
1.	Premiums received
2.	Payments related to contract acquisition costs
3.	Paid claims and other cash outflows
4.	**Total**
L.	**Net carrying amount at 30 June/31 December (A.3+G+H+I.4)**
M.	**Final carrying amount**
1.	Insurance contracts issued constituting liabilities
2.	Insurance contracts issued constituting assets
3.	**Net carrying amount at 30 June/31 December**

Key:
Basis of aggregation 1 = Insurance contracts issued with direct participation features - Life segment.

Elements underlying the measurement of the carrying amount of insurance contracts issued							
Present value of cash flows 30/06/2023	Adjustment for non-financial risks 30/06/2023	Contractual Service Margin 30/06/2023	Total 30/06/2023	Present value of cash flows 31/12/2022	Adjustment for non-financial risks 31/12/2022	Contractual Service Margin 31/12/2022	Total 31/12/2022
-	-	-	-	-	-	-	-
(126,081,835)	(3,024,600)	(11,298,216)	(140,404,651)	(148,858,368)	(1,281,159)	(9,155,214)	(159,294,741)
-	-	-	-	-	-	-	-
(126,081,835)	**(3,024,600)**	**(11,298,216)**	**(140,404,651)**	**(148,858,368)**	**(1,281,159)**	**(9,155,214)**	**(159,294,741)**
-	-	-	-	-	-	-	-
-	-	552,320	552,320	-	-	1,360,761	1,360,761
-	56,947	-	56,947	-	79,232	-	79,232
1,771,159	-	(1,771,159)	-	3,381,502	-	(3,381,502)	-
1,771,159	**56,947**	**(1,218,839)**	**609,267**	**3,381,502**	**79,232**	**(2,020,741)**	**1,439,993**
-	-	-	-	-	-	-	-
(1,786,779)	174,979	1,611,800	(0)	597,020	(1,624,266)	1,027,246	(0)
-	-	-	-	-	-	-	-
633,788	(115,002)	(518,786)	-	1,536,502	(198,407)	(1,338,096)	-
(1,152,991)	**59,977**	**1,093,014**	**(0)**	**2,133,522**	**(1,822,673)**	**(310,850)**	**(0)**
-	-	-	-	-	-	-	-
(292,816)	-	-	(292,816)	(94,398)	-	-	(94,398)
303,677	-	-	303,677	98,764	-	-	98,764
10,861	**-**	**-**	**10,861**	**4,366**	**-**	**-**	**4,366**
629,028	**116,924**	**(125,825)**	**620,127**	**5,519,390**	**(1,743,441)**	**(2,331,590)**	**1,444,359**
-	-	-	-	-	-	-	-
(5,458,635)	-	(22,113)	(5,480,748)	24,189,991	-	188,588	24,378,579
-	-	-	-	1,525,714	-	11,895	1,537,609
(5,458,635)	-	(22,113)	(5,480,748)	22,664,276	-	176,693	22,840,969
-	-	-	-	-	-	-	-
(5,458,635)	**-**	**(22,113)**	**(5,480,748)**	**24,189,991**	**-**	**188,588**	**24,378,579**
(4,829,606)	**116,924**	**(147,939)**	**(4,860,621)**	**29,709,381**	**(1,743,441)**	**(2,143,003)**	**25,822,937**
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(10,444,297)	-	-	(10,444,297)	(17,015,088)	-	-	(17,015,088)
188,461	-	-	188,461	287,860	-	-	287,860
7,464,807	-	-	7,464,807	9,794,381	-	-	9,794,381
(2,791,030)	**-**	**-**	**(2,791,030)**	**(6,932,847)**	**-**	**-**	**(6,932,847)**
(133,702,471)	**(2,907,675)**	**(11,446,155)**	**(148,056,301)**	**(126,081,835)**	**(3,024,600)**	**(11,298,216)**	**(140,404,651)**
-	-	-	-	-	-	-	-
(133,702,471)	(2,907,675)	(11,446,155)	(148,056,301)	(126,081,835)	(3,024,600)	(11,298,216)	(140,404,651)
-	-	-	-	-	-	-	-
(133,702,471)	**(2,907,675)**	**(11,446,155)**	**(148,056,301)**	**(126,081,835)**	**(3,024,600)**	**(11,298,216)**	**(140,404,651)**

Dynamics of the carrying amount of insurance contracts issued broken down by elements underlying the measurement

Basis of aggregation 2

Items/Elements underlying the measurement €k
A. Opening carrying amount
1. Insurance contracts issued constituting liabilities
2. Insurance contracts issued constituting assets
3. Net carrying amount at 1 January
B. Changes in current services
1. Contractual Service Margin recorded in the income statement
2. Change for overdue non-financial risks
3. Experience-related changes
4. Total
C. Changes relating to future services
1. Changes in contractual service margin
2. Losses on groups of onerous contracts and related recoveries
3. Effects of contracts initially recognised in the reporting year
4. Total
D. Changes related to past services
1. Adjustments to the liability for claims incurred
2. Experience-related changes
3. Total
E. Result from insurance services (B+C+D)
F. Financial costs/revenue
1. Related to insurance contracts issued
1.1 Recorded in the income statement
1.2 Recorded in the statement of comprehensive income
2. Effects associated with exchange rate changes
3. Total
G. Total amount of changes recognised in the income statement and statement of comprehensive income (E+F)
H. Other changes
Decreases
Business combination operations - external
I. Cash movements
1. Premiums received
2. Payments related to contract acquisition costs
3. Paid claims and other cash outflows
4. Total
L. Net carrying amount at 30 June/31 December (A.3+G+H+I.4)
M. Final carrying amount
1. Insurance contracts issued constituting liabilities
2. Insurance contracts issued constituting assets
3. Net carrying amount at 30 June/31 December

Key:
Basis of aggregation 2 = Insurance contracts issued without direct participation features - Life segment.

Elements underlying the measurement of the carrying amount of insurance contracts issued							
Present value of cash flows 30/06/2023	**Adjustment for non-financial risks 30/06/2023**	**Contractual Service Margin 30/06/2023**	**Total 30/06/2023**	**Present value of cash flows 31/12/2022**	**Adjustment for non-financial risks 31/12/2022**	**Contractual Service Margin 31/12/2022**	**Total 31/12/2022**
-	-	-	-	-	-	-	-
(185,214)	(29,230)	(93,498)	(307,943)	(82,907)	(37,188)	(93,205)	(213,300)
-	-	-	-	-	-	-	-
(185,214)	**(29,230)**	**(93,498)**	**(307,943)**	**(82,907)**	**(37,188)**	**(93,205)**	**(213,300)**
-	-	-	-	-	-	-	-
-	-	15,550	15,550	-	-	16,165	16,165
-	5,093	-	5,093	-	7,471	-	7,471
(10,511)	(113)	9,294	(1,330)	(11,211)	-	11,211	-
(10,511)	**4,980**	**24,844**	**19,312**	**(11,211)**	**7,471**	**27,376**	**23,636**
-	-	-	-	-	-	-	-
13,926	2,237	(16,163)	0	17,930	8,916	(26,846)	-
(651)	(1,862)	-	(2,512)	(142)	49	-	(93)
15,363	(3,647)	(11,717)	(0)	9,313	(8,478)	(835)	-
28,639	**(3,272)**	**(27,880)**	**(2,512)**	**27,101**	**487**	**(27,681)**	**(93)**
-	-	-	-	-	-	-	-
16,460	-	-	16,460	68,057	-	-	68,057
(11,571)	-	-	(11,571)	(50,906)	-	-	(50,906)
4,889	-	-	**4,889**	**17,151**	-	-	**17,151**
23,017	**1,708**	**(3,036)**	**21,690**	**33,042**	**7,957**	**(305)**	**40,694**
-	-	-	-	-	-	-	-
(2,525)	(10)	(3,896)	(6,431)	12,442	-	11	12,453
(3,136)	(10)	35	(3,112)	116	-	11	127
612	-	(3,931)	(3,319)	12,326	-	-	12,326
-	-	-	-	-	-	-	-
(2,525)	**(10)**	**(3,896)**	**(6,431)**	**12,442**	-	**11**	**12,453**
20,493	**1,698**	**(6,932)**	**15,259**	**45,483**	**7,957**	**(293)**	**53,148**
(172,780)	**(6,918)**	**(47,043)**	**(226,741)**	-	-	-	-
(172,780)	(6,918)	(47,043)	(226,741)	-	-	-	-
(172,780)	(6,918)	(47,043)	(226,741)	-	-	-	-
-	-	-	-	-	-	-	-
(55,448)	-	-	(55,448)	(81,397)	-	-	(81,397)
15,450	-	-	15,450	23,787	-	-	23,787
(111,592)	-	-	(111,592)	(90,180)	-	-	(90,180)
(151,590)	-	-	**(151,590)**	**(147,791)**	-	-	**(147,791)**
(489,091)	**(34,450)**	**(147,474)**	**(671,015)**	**(185,214)**	**(29,230)**	**(93,498)**	**(307,943)**
-	-	-	-	-	-	-	-
(489,091)	(34,450)	(147,474)	(671,015)	(185,214)	(29,230)	(93,498)	(307,943)
-	-	-	-	-	-	-	-
(489,091)	**(34,450)**	**(147,474)**	**(671,015)**	**(185,214)**	**(29,230)**	**(93,498)**	**(307,943)**

Dynamics of the carrying amount of insurance contracts issued broken down by elements underlying the measurement

Basis of aggregation 4

Items/Elements underlying the measurement €k	
A.	**Opening carrying amount**
1.	Insurance contracts issued constituting liabilities
2.	Insurance contracts issued constituting assets
3.	**Net carrying amount at 1 January**
B.	**Changes in current services**
1.	Contractual Service Margin recorded in the income statement
2.	Change for overdue non-financial risks
3.	Experience-related changes
4.	**Total**
C.	**Changes relating to future services**
1.	Changes in contractual service margin
2.	Losses on groups of onerous contracts and related recoveries
3.	Effects of contracts initially recognised in the reporting year
4.	**Total**
D.	**Changes related to past services**
1.	Adjustments to the liability for claims incurred
2.	Experience-related changes
3.	**Total**
E.	**Result from insurance services (B+C+D)**
F.	**Financial costs/revenue**
1.	Related to insurance contracts issued
1.1	Recorded in the income statement
1.2	Recorded in the statement of comprehensive income
2.	Effects associated with exchange rate changes
3.	**Total**
G.	**Total amount of changes recognised in the income statement and statement of comprehensive income (E+F)**
H.	**Other changes**
Decreases	
Business combination operations - external	
I.	**Cash movements**
1.	Premiums received
2.	Payments related to contract acquisition costs
3.	Paid claims and other cash outflows
4.	**Total**
L.	**Net carrying amount at 30 June/31 December (A.3+G+H+I.4)**
M.	**Final carrying amount**
1.	Insurance contracts issued constituting liabilities
2.	Insurance contracts issued constituting assets
3.	**Net carrying amount at 30 June/31 December**

Key:
Basis of aggregation 4 = Insurance contracts issued without direct participation features - Non-Motor Non-Life Segment.

Elements underlying the measurement of the carrying amount of insurance contracts issued							
Present value of cash flows 30/06/2023	**Adjustment for non-financial risks 30/06/2023**	**Contractual Service Margin 30/06/2023**	**Total 30/06/2023**	**Present value of cash flows 31/12/2022**	**Adjustment for non-financial risks 31/12/2022**	**Contractual Service Margin 31/12/2022**	**Total 31/12/2022**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(60,831)	(8,219)	(24,123)	(93,174)	(61,358)	(7,835)	(26,783)	(95,977)
-	-	-	-	-	-	-	-
(60,831)	**(8,219)**	**(24,123)**	**(93,174)**	**(61,358)**	**(7,835)**	**(26,783)**	**(95,977)**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	-	9,454	9,454	-	-	6,914	6,914
-	1,783	-	1,783	-	2,186	-	2,186
(968)	615	1,334	981	(3,281)	-	3,569	287
(968)	**2,398**	**10,788**	**12,218**	**(3,281)**	**2,186**	**10,483**	**9,388**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(118)	176	(58)	(0)	3,094	577	(3,671)	-
(55)	(8)	-	(62)	-	-	-	-
14,259	(4,031)	(10,228)	-	7,456	(3,122)	(4,334)	-
14,086	**(3,863)**	**(10,286)**	**(62)**	**10,549**	**(2,544)**	**(8,005)**	**-**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(3,559)	(209)	-	(3,768)	1,091	(26)	-	1,065
4,275	-	-	4,275	4,382	-	-	4,382
716	**(209)**	**-**	**508**	**5,473**	**(26)**	**-**	**5,447**
13,835	**(1,673)**	**501**	**12,663**	**12,741**	**(384)**	**2,478**	**14,835**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(2,532)	-	(531)	(3,063)	5,818	-	182	6,000
(1,435)	-	(531)	(1,966)	370	-	182	552
(1,097)	-	-	(1,097)	5,448	-	-	5,448
-	-	-	-	-	-	-	-
(2,532)	**-**	**(531)**	**(3,063)**	**5,818**	**-**	**182**	**6,000**
11,303	**(1,673)**	**(30)**	**9,600**	**18,559**	**(384)**	**2,660**	**20,835**
(90,305)	**(16,322)**	**(53,010)**	**(159,637)**	**-**	**-**	**-**	**-**
(90,305)	(16,322)	(53,010)	(159,637)	-	-	-	-
(90,305)	(16,322)	(53,010)	(159,637)	-	-	-	-
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(42,756)	-	-	(42,756)	(41,503)	-	-	(41,503)
17,910	-	-	17,910	18,885	-	-	18,885
7,993	-	-	7,993	4,585	-	-	4,585
(16,854)	**-**	**-**	**(16,854)**	**(18,032)**	**-**	**-**	**(18,032)**
(156,687)	**(26,215)**	**(77,163)**	**(260,065)**	**(60,831)**	**(8,219)**	**(24,123)**	**(93,174)**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(156,687)	(26,215)	(77,163)	(260,065)	(60,831)	(8,219)	(24,123)	(93,174)
-	-	-	-	-	-	-	-
(156,687)	**(26,215)**	**(77,163)**	**(260,065)**	**(60,831)**	**(8,219)**	**(24,123)**	**(93,174)**

Financial liabilities measured at amortised cost: product breakdown, percentage breakdown and fair value hierarchy

	30/06/2023						31/12/2022					
Items/Values	**Carrying amount**	**Comp. %**	**L1**	**L2**	**L3**	**Total fair value**	**Carrying amount**	**Comp. %**	**L1**	**L2**	**L3**	**Total fair value**
Participating financial instruments	-				-	-	-				-	-
Subordinated liabilities	263,073	96%			275,464	275,464	252,613	97%			263,250	263,250
Debt securities issued	-				-	-	-				-	-
Other loans	11,068	4%			11,068	11,068	11,625	3%			11,625	11,625
- from banks	-		x	x	X	X	-		x	x	X	X
- from customers	11,068	4%	x	x	X	X	11,625	3%	x	x	X	X
Total	**274,141**				**286,532**	**286,532**	**264,238**				**274,875**	**274,875**

Key:
Comp. % = percentage breakdown.
L1 = level 1.
L2 = level 2.
L3 = level 3.

Page intentionally left blank

Insurance revenue and costs arising from insurance contracts issued - Breakdown

Items/Basis of aggregation **€k**	**Basis A1** **30/06/2023**	**Basis A2** **30/06/2023**
A. Insurance revenue from insurance contracts issued measured at GMM and VFA		
A.1 Amounts related to changes in assets for remaining coverage	**819,668**	**59,217**
1. Claims incurred and other expected insurance service costs	210,401	38,936
2. Changes in the adjustment for non-financial risks	56,947	4,732
3. Contractual Service Margin recorded in the income statement for services received	552,320	15,550
4. Other amounts	-	-
A.2 Acquisition costs of recovered insurance contracts	**115,809**	**4,014**
A.3 Total insurance revenue from insurance contracts issued measured at GMM or VFA	**935,477**	**63,231**
A.4 Total insurance revenue from insurance contracts issued measured at GMM and PAA	**-**	**-**
- Life segment	X	X
- Non-life segment - motor	X	X
- Non-life segment - non-motor	X	X
A.5 Total insurance revenue from insurance contracts issued	**935,477**	**63,231**
B. Costs for insurance services arising from insurance contracts issued - GMM or VFA	**-**	**-**
1. Claims incurred and other directly attributable costs	92,599	(50,199)
2. Changes in the liability for claims incurred	(292,816)	16,460
3. Losses on onerous contracts and recovery of such losses	-	(3,481)
4. Amortisation of acquisition costs of insurance contracts	(115,809)	(4,014)
5. Other amounts	-	-
B.6 Total costs for insurance services arising from insurance contracts issued - GMM or VFA	**(316,026)**	**(41,234)**
B.7 Total costs for insurance services arising from insurance contracts issued measured at PAA	**-**	**-**
- Life segment	X	X
- Non-life segment - motor	X	X
- Non-life segment - non-motor	X	X
C. Total net costs/revenue from insurance contracts issued (A.5+B.6+B.7)	**619,451**	**21,997**

Key:
Basis of aggregation 1 = Insurance contracts issued with direct participation features - Life segment.
Basis of aggregation 2 = Insurance contracts issued without direct participation features - Life segment.
Basis of aggregation 3 = Insurance contracts issued without direct participation features - Motor Non-Life Segment.
Basis of aggregation 4 = Insurance contracts issued without direct participation features - Non-Motor Non-Life Segment.
Basis of aggregation 5 = Investment contracts issued with discretionary participation features - Life segment.

Basis A3 30/06/2023	Basis A4 30/06/2023	Basis A5 30/06/2023	Total 30/06/2023	Basis A1 30/06/2022	Basis A2 30/06/2022	Basis A3 30/06/2022	Basis A4 30/06/2022	Basis A5 30/06/2022	Total 30/06/2022
-	**23,990**	**-**	**902,875**	**896,778**	**32,259**	**-**	**9,441**	**-**	**938,478**
-	11,739	-	261,076	182,141	24,196	-	4,206	-	210,543
-	1,816	-	63,495	38,612	1,311	-	1,054	-	40,977
-	9,454	-	577,323	676,025	6,752	-	3,916	-	686,693
-	981	-	981	-	-	-	265	-	265
-	**3,084**	**-**	**122,907**	**85,766**	**813**	**-**	**423**	**-**	**87,002**
-	**27,073**	**-**	**1,025,782**	**982,544**	**33,072**	**-**	**9,864**	**-**	**1,025,480**
-	**-**	**-**	**195,583**	**-**	**-**	**-**	**-**	**-**	**152,263**
X	X	X	-	X	X	X	X	X	-
X	X	X	-	X	X	X	X	X	-
X	X	X	195,583	X	X	X	X	X	152,263
-	**27,073**	**-**	**1,221,365**	**982,544**	**33,072**	**-**	**9,864**	**-**	**1,177,743**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	(7,778)	-	34,622	128,203	(55,520)	-	(2,231)	-	70,452
-	(3,768)	-	(280,124)	(299,399)	27,187	-	904	-	(271,308)
-	(62)	-	(3,544)	-	(3,367)	-	-	-	(3,367)
-	(3,084)	-	(122,907)	(85,766)	(813)	-	(423)	-	(87,002)
-	-	-	-	-	-	-	-	-	-
-	**(14,692)**	**-**	**(371,952)**	**(256,961)**	**(32,514)**	**-**	**(1,749)**	**-**	**(291,225)**
-	**-**	**-**	**(180,173)**	**-**	**-**	**-**	**-**	**-**	**(128,977)**
X	X	X	-	X	X	X	X	X	-
X	X	X	-	X	X	X	X	X	-
X	X	X	(180,173)	X	X	X	X	X	(128,977)
-	**12,381**	**-**	**669,239**	**725,583**	**559**	**-**	**8,115**	**-**	**757,542**

Insurance costs and revenue from outward reinsurance - Breakdown

Items/Basis of aggregation €k
A. Allocation of premiums paid related to outward reinsurance measured at GMM
A.1 Amounts related to changes in assets for remaining coverage
1. Amount of claims and other expected recoverable costs
2. Changes in the adjustment for non-financial risks
3. Contractual Service Margin recorded in the income statement for services received
4. Other amounts
5. Total
A.2 Other costs directly attributable to outward reinsurance
A.3 Allocation of premiums paid related to outward reinsurance measured at PAA
B. Total costs arising from outward reinsurance (A.1+A.2+A.3)
C. Effects of changes in reinsurers' default risk
D. Amount of claims and other expenses recovered
E. Changes in assets due to claims incurred
F. Other recoveries
G. Total net costs/revenue from outward reinsurance (B+C+D+E+F)

Key:
Basis of aggregation 1 = Life segment.
Basis of aggregation 2 = Non-Life segment.

Basis of aggregation 1 30/06/2023	Basis of aggregation 2 30/06/2023	Total 30/06/2023	Basis of aggregation 1 30/06/2022	Basis of aggregation 2 30/06/2022	Total 30/06/2022
(5,368)	(4,627)	(9,996)	-	(173)	(173)
(355)	(289)	(644)	-	(15)	(15)
(2,216)	(1,827)	(4,043)	(804)	(146)	(949)
-	447	447	-	524	524
(7,939)	(6,296)	(14,235)	(804)	191	(613)
-	-	-	-	-	-
-	(3,967)	(3,967)	-	(3,477)	(3,477)
(7,939)	**(10,263)**	**(18,202)**	**(804)**	**(3,286)**	**(4,090)**
(0.2)	-	(0.2)	-	-	-
6,180	3,822	10,002	-	3,178	3,178
(113)	440	327	-	(4,705)	(4,705)
-	(3)	(3)	-	(4)	(4)
(1,873)	**(6,004)**	**(7,877)**	**(804)**	**(4,817)**	**(5,620)**

Breakdown of costs for insurance and other services

Costs /Basis of aggregation €k	Basis A1 - with DPF 30/06/2023	Basis A2 - without DPF 30/06/2023	Basis A1 + Basis A2 30/06/2023	Basis A3 30/06/2023	Basis A4 30/06/2023
Costs attributed to the acquisition of insurance contracts	(189,844)	(13,026)	(202,870)	(29,800)	(17,530)
Other directly attributable costs	(143,000)	(467)	(143,467)	(9,263)	(1,615)
Investment management expenses	X	X	(24,759)	X	X
Other costs	X	X	(36,795)	X	X
Total	**X**	**X**	**(407,892)**	**X**	**X**

Key:
Basis A1 - with DPF = Insurance contracts issued with direct participation features - Life segment.
Basis A2 - without DPF = Insurance contracts issued without direct participation features - Life segment.
Basis A1 + Basis A2 = Life Segment.
Basis A3 = Insurance contracts issued without direct participation features - Motor Non-Life Segment.
Basis A4 = Insurance contracts issued without direct participation features - Non-Motor Non-Life Segment.
Basis A3 + Basis A4 = Non-life Segment.
X indicates that the information should not be provided.

Basis A3 + Basis A4 30/06/2023	Other 30/06/2023	Basis A1 - with DPF 30/06/2022	Basis A2 - without DPF 30/06/2022	Basis A1 + Basis A2 30/06/2022	Basis A3 30/06/2022	Basis A4 30/06/2022	Basis A3 + Basis A4 30/06/2022	Other 30/06/2022
(47,330)	X	(146,380)	(11,250)	(157,630)	(21,951)	(9,602)	(31,553)	X
(10,878)	X	(115,138)	(722)	(115,860)	(7,453)	37	(7,416)	X
-	(4,061)	X	X	(23,901)	X	X	-	(2,902)
(6,150)	(19,056)	X	X	(35,979)	X	X	(5,677)	(16,253)
(64,358)	**(23,117)**	**X**	**X**	**(333,369)**	**X**	**X**	**(44,646)**	**(19,155)**


POSTE
POSTA
TELEGRAFO
shift
Premura
Empatia
DIALOGO
R·I·S·P·E·T·T·O
Familiarità
Puntuale
APERTURA
PRECISIONE
VICINANZA
Cortesia
ASCOLTO


Tg


POSTA
DIA
LO
GO
ROMA OSTIENSE
Familiarità

REPORTS AND ATTESTATIONS

3 REPORTS AND ATTESTATIONS

Contents

Attestazione della Relazione semestrale consolidata al 30 giugno 2023

1. I sottoscritti Andrea Novelli, in qualità di Amministratore Delegato, e Monica Montelatici, in qualità di Dirigente Preposto alla redazione dei documenti contabili societari di Poste Vita S.p.A. (di seguito, la "Società"), tenuto anche conto di quanto previsto dall'articolo 20 bis, comma 8, dello Statuto della Società, attestano

    - l'adeguatezza in relazione alle caratteristiche dell'impresa e
    - l'effettiva applicazione

   delle procedure amministrative e contabili per la formazione della relazione semestrale consolidata per il periodo 1° gennaio 2023 – 30 giugno 2023.

2. Al riguardo si rappresenta quanto segue:

   2.1 la valutazione dell'adeguatezza delle procedure amministrative e contabili è stata effettuata sulla base di un processo definito da Poste Vita S.p.A. prendendo come riferimento i criteri stabiliti nel modello *Internal Control – Integrated Framework* emesso dal Committee of Sponsoring Organizations of the Treadway Commission (CoSO), che rappresenta il framework di riferimento generalmente accettato a livello internazionale in tema di controllo interno. Come evidenziato in tale modello, un sistema di controllo interno, per quanto ben concepito e attuato, può fornire solo una ragionevole, non assoluta sicurezza sulla realizzazione degli obiettivi aziendali, tra cui la correttezza e veridicità dell'informativa finanziaria;

   2.2 nel corso del primo semestre 2023, è proseguito l'aggiornamento delle principali procedure amministrative e contabili e sono state effettuate le opportune verifiche al fine di accertarne l'effettiva applicazione. Dalla valutazione del sistema di controllo interno sull'informativa finanziaria non sono emersi aspetti materiali da portare all'attenzione.

3. Si attesta, inoltre, che:

   3.1 la relazione semestrale consolidata:

   a. è redatta in conformità ai Principi Contabili Internazionali applicabili riconosciuti nella Comunità Europea ai sensi del Regolamento (CE) n.

Poste Vita S.p.A.
00144, Roma (RM), Viale Europa, 190
Tel.: (+39) 06 549241 • Fax: (+39) 06 54924203
PEC: postevita@pec.postevita.it
www.postevita.it

Postevita
GruppoAssicurativoPostevita

Posteitaliane

1606/2002 del Parlamento europeo, al D.Lgs. n. 209/2005 ed ai provvedimenti, regolamenti e circolari IVASS applicabili;

b. corrisponde alle risultanze dei libri e delle scritture contabili;

c. è idonea a fornire una rappresentazione veritiera e corretta della situazione patrimoniale, economica e finanziaria della Società e dell'insieme delle imprese incluse nel consolidamento.

3.2 La relazione intermedia sulla gestione comprende un'analisi attendibile dei riferimenti agli eventi importanti che si sono verificati nei primi sei mesi dell'esercizio e alla loro incidenza sul bilancio consolidato semestrale abbreviato, unitamente a una descrizione dei principali rischi e incertezze per i sei mesi restanti dell'esercizio. La relazione intermedia sulla gestione comprende, altresì, un'analisi attendibile delle informazioni sulle operazioni rilevanti con parti correlate.

Roma, 28 settembre 2023

L'Amministratore Delegato	Il Dirigente Preposto alla redazione dei documenti contabili societari
Andrea Novelli	Monica Montelatici
Andrea Novelli	MonicaMontelatici

Poste Vita S.p.A.
00144, Roma (RM), Viale Europa, 190
Tel.: (+39) 06 549241 • Fax: (+39) 06 54924203
PEC: postevita@pec.postevita.it
www.postevita.it

Partita IVA 05927271006 • Codice Fiscale 07066630638 • Capitale Sociale Euro 1.216.607.898,00 i.v. • Registro Imprese di Roma n. 07066630638, REA n. 934547 • Iscritta alla Sezione I dell'Albo delle imprese di assicurazione al n. 1.00133 • Autorizzata all'esercizio dell'attività assicurativa in base alla delibera ISVAP n. 1144/1999, n. 1735/2000, n. 2462/2006 e n..2987/2012 • Società appartenente al gruppo assicurativo Poste Vita, iscritto all'albo dei gruppi assicurativi al n.043.• Società con socio unico, Poste Italiane S.p.A. soggetta all'attività di direzione in coordinamento di quest'ultima


POSTE
POSTA
Premura
Empatia
R·I·S·P·E·T·T·O
Puntuale
APERTURA
PRECI SIONE
VICINANZA
Cortesia
Familiarità
ASCOLTO


Tg

Poste Vita SpA

Registered Office in Rome – Viale Europa, 190
The Parent Company of the Poste Vita Group authorized to practice Insurance with provision ISVAP:
• No. 1144 12/03/1999 published on G.U. no. 68 23/03/1999
• No. 2462 14/09/2006 published on G.U. no. 225 27/09/2006
Company entered on Registry of Companies of Rome under no. 29149/2000
Company entered in Section I of the Register of Italian Insurance under no. 1.00133
Poste Vita Insurance Group entered on the Register of Italian Insurance Group under n.043
Tax Code 07066630638
VAT number 05927271006
This paper is FSC® certified,
and comes from responsibly managed forest sources, in compliance
with rigorous environmental, social and economic standards.

Edited by
Corporate Affairs - Communication
Poste Italiane SpA

January 2024

This document is available for inspection on the Company's website at
www.posteitaliane.it

Design project by

SuperHumans

Pillar artwork exhibition curator
Renato Fontana

Graphic layout by

gpt
network solutions

Printed by

Postel

FSC
www.fsc.org
MIX
Paper from
responsible sources
FSC® C105587

Poste Vita SpA
Registered Office in Rome – Viale Europa, 190
The Parent Company of the Poste Vita Group authorized to practice Insurance with provision ISVAP:
• No. 1144 12/03/1999 published on G.U. no. 68 23/03/1999
• No. 2462 14/09/2006 published on G.U. no. 225 27/09/2006
Company entered on Registry of Companies of Rome under no. 29149/2000
Company entered in Section I of the Register of Italian Insurance under no. 1.00133
Poste Vita Insurance Group entered on the Register of Italian Insurance Group under n.043
Tax Code 07066630638
VAT number 05927271006

Posteitaliane