

Posteitaliane

Postevita
Posteassicura
GruppoAssicurativoPostevita

ANNUAL REPORT 2022



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

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

BOARD OF DIRECTORS¹

Chairperson
Saverio Capolupo²

Chief Executive Officer
Andrea Novelli

Directors
Vladimiro Ceci²
Laura Furlan
Guido Maria Nola
Maria Cristina Vismara³
Fulvia Astolfi³

General Manager
Andrea Novelli

The image shows the Poste Vita logo, which consists of the word "Poste" in a blue serif font. To the right of the logo is a stylized, light gray illustration of a postman in a uniform and cap, carrying a mailbag, walking through a town with buildings and trees. The background of the illustration features a pattern of overlapping circles and dots.

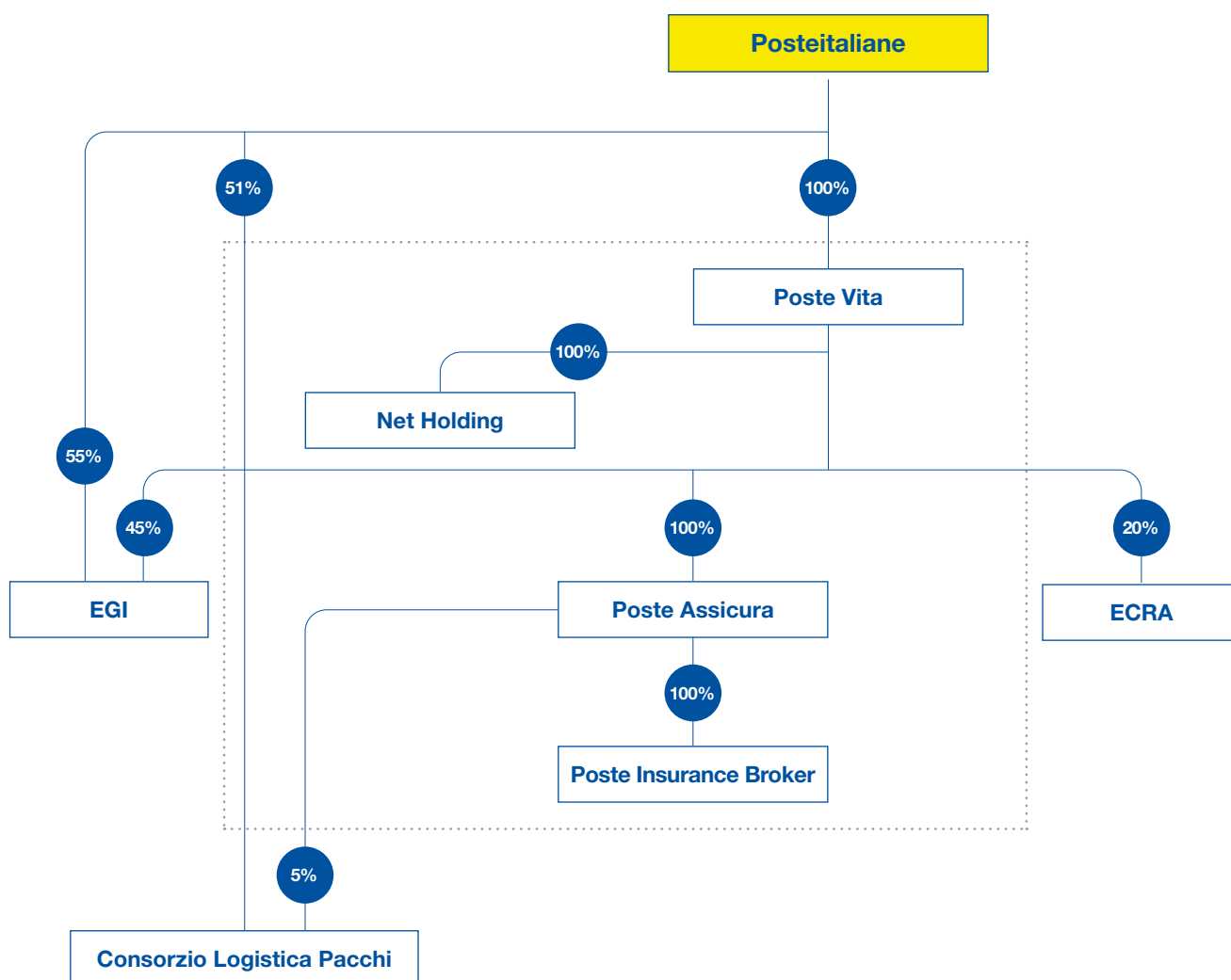
1. The Board of Directors and the Board of Statutory Auditors were appointed by the General Meeting of Shareholders held on 19 May 2020 and will serve for three-year terms of office, until approval of the financial statements for 2022.
2. On 7 September 2021, the Board of Directors, following the resignation of Vladimiro Ceci from his position as Chairperson of the Board of Directors of the Company and of Ms. Biccari from her position as Director, appointed Saverio Capolupo as a Director, pursuant to article 2386, paragraph 1 of the Civil Code and as Chairperson of the Board of Directors. At its meeting on 23 December 2021, the Shareholders' Meeting approved this appointment. Mr. Capolupo's term of office - pursuant to the provisions of Art. 2386, paragraph 3 of the Civil Code, will expire at the same time as the other members of the Board of Directors and, therefore, on the date the Shareholders' Meeting approves the Company's financial statements at 31 December 2022.
3. Independent Directors.



5. 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.
6. Vladimiro Ceci was appointed through a Board decision on 7 September 2021, to replace Monica Biccari, who had resigned from her position as Director and as Chairperson of the Internal Control and Risks and Related Party Transactions Committee.
7. Appointed by the Board of Directors on 30 September 2021.

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, an insurance company founded in 2010 to provide 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 SpA, 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 (wholly owned by Poste Vita SpA), incorporated on 12 October 2022. The share capital of € 100,000, divided into 100,000 no-par value shares, was fully subscribed and paid up on 12 October 2022. At the same meeting, the sole shareholder Poste Vita also resolved to set up a share premium reserve in the amount of € 100,000 fully paid up on the same date of 12 October 2022.

Poste Assicura SpA, Poste Insurance Broker Srl and Net Holding SpA have relations with the Parent Company Poste Vita, which are governed by specific service contracts, written and regulated at market conditions.

Poste Vita also holds a non-controlling interest, equal to 45% of the 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 Capital, in the company Eurizon Capital Real Asset SGR SpA, acquired on 31 January 2022. This is an asset management company to which Poste Vita has entrusted an alternative investment management mandate

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





REPORT ON OPERATIONS

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REPORT ON OPERATIONS

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1. Executive summary

In the period between 1 January 2022 and 31 December 2022 (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 its leadership in the life market by increasing premiums towards traditional products and consolidating high volumes towards multi-class products;
- achieving growth in the protection and welfare segment;
- in the non-life segment, the continuous development of the modular offer, significant growth in the employee benefits business and the continuation and extension of the marketing of the new integrated offer with the Parent Company Poste Vita between life products and non-life guarantees.

The reclassified statement of profit or loss at 31 December 2022 is provided below, which distinguishes between the results achieved in Life and Non-Life Business, with comparison figures from the same period in 2021. In this document, numbers indicating monetary amounts are mainly indicated in millions of Euros, which is the functional currency of the Poste Vita Group. Therefore, misalignments of the last digit in the sum of values are possible due to rounding.

RECLASSIFIED STATEMENT OF PROFIT OR LOSS (€m)	31/12/22			31/12/21		
	Non-life business	Life business	Total	Non-life business	Life business	Total
Net premium revenue	350.4	17,169.7	17,520.1	267.2	17,564.6	17,831.8
Gross premium revenue	360.2	17,179.5	17,539.7	297.0	17,574.1	17,871.1
Outward reinsurance premiums	(9.8)	(9.7)	(19.6)	(29.7)	(9.5)	(39.3)
Fee income		118.0	118.0		81.1	81.1
Net financial income on securities related to traditional products	12.4	(295.7)	(283.3)	8.5	3,365.0	3,373.5
Income	12.9	3,828.4	3,841.2	8.5	2,984.6	2,993.0
Realised gains/losses	(0.0)	(179.5)	(179.6)	0.1	162.5	162.6
Unrealised gains/losses	(0.4)	(3,944.6)	(3,945.0)	(0.0)	217.9	217.9
Net financial income on unit-linked hedging securities		(1,362.6)	(1,362.6)		590.3	590.3
Net claims expense	(224.5)	(13,590.4)	(13,814.9)	(166.0)	(19,813.2)	(19,979.3)
Claims paid	(173.6)	(9,574.8)	(9,748.4)	(134.6)	(9,498.7)	(9,633.4)
change in technical provisions	(46.5)	(4,024.9)	(4,071.4)	(43.7)	(10,320.8)	(10,364.6)
Share attributable to reinsurers	(4.3)	9.2	4.9	12.3	6.4	18.7
Investment management expenses	(1.2)	(64.1)	(65.2)	(0.9)	(60.9)	(61.8)
Operating expenses	(84.0)	(638.0)	(722.0)	(66.6)	(601.1)	(667.7)
Net commissions	(54.1)	(528.4)	(582.5)	(43.4)	(483.6)	(527.0)
Operating costs	(29.9)	(109.6)	(139.5)	(23.2)	(117.6)	(140.8)
Other net revenue/costs	(3.3)	(62.7)	(65.9)	6.2	(55.0)	(48.8)
EBIT	49.9	1,274.3	1,324.2	48.4	1,070.8	1,119.2
Net financial income from investment in free capital		111.9	111.9		100.0	100.0
Interest expense on subordinated loans	(0.0)	(47.8)	(47.8)	(0.0)	(46.1)	(46.1)
PROFIT BEFORE TAX	49.8	1,338.3	1,388.2	48.3	1,124.7	1,173.1
Taxes	(16.7)	(394.4)	(411.1)	(10.8)	(336.2)	(346.9)
NET PROFIT	33.1	944.0	977.1	37.6	788.5	826.1

Premiums from the Life segment during the Period totalled € 17.2 billion, a slight decrease of 2.2% (-0.4 billion) compared to the corresponding period of the previous year. In particular, premiums from multi-class products declined by € 2.6 billion in the Period, but still accounted for a significant proportion of total inflows (44.1%), albeit down from 57.8% in the corresponding period of 2021. This was partially offset by the increase in inflows from traditional build-up products, which grew by € 2.1 billion during the period.

Outflows for **payments** totalled € 9.6 billion and were substantially in line (+0.8%) with the figure recorded at 31 December 2021, mainly due to the growth in surrenders (€ +1.1 billion) recorded in the Period, offset by the reduction in maturities and claims, which decreased by € 0.9 billion and € 0.1 billion, respectively, compared with 2021. With regard to surrenders, the frequency with respect to average reserves was 3.5% at the end of the Period, compared to 3.1% for the same period in 2021; this figure remains well below the average market figure of 6.7¹ at 31 December 2022.

In relation to this, **net inflows** at 31 December 2022 were positive at € 7.6 billion, contributing to the growth in assets under management, albeit slightly down on the same figure for 2021 (€ 8.1 billion) given the aforementioned production trend.

In the **non-life segment**, inflows at the end of the period amounted to € 377.7 million, up € 66.5 million (+21.4%) compared to the figure for the same period of 2021 (€ 311.2 million) driven by all segments and specifically: (i) the “goods, personal and modular protection” line +19%; (ii) payment protection policies (CPI) +9%; and (iii) the “Welfare” segment, whose premiums increased from € 121.5 million recognised at the end of December 2021 to the current € 154.7 million, mainly supported by the new distribution agreements signed with corporate clients (Employee Benefits).

In addition, it should be noted that premiums totalling € 14.5 million (€ 7.6 million in 2021) were collected during the Period in respect of the integrated life and non-life offer, which, for the purposes of preparing the Consolidated Financial Statements, are netted with the corresponding costs incurred by the Parent Company Poste Vita.

During the same period, claims expenses were equal to € 220 million, growth of 23.4% compared to € 178.3 million in the same period in 2021, mainly due to the development of the corporate “Illness” business and the “Accident” class. Given these dynamics, the overall loss ratio stood at 61.1%, substantially in line with the 2021 figure (60.1% at the end of 2021).

Life business **technical provisions** at 31 December 2022, excluding the Deferred Policyholder Liability (DPL) provisions, commented on below, totalled € 153.6 billion, a slight increase (+5.5%) compared to 31 December 2021 (equal to € 145.6 billion), mainly due to positive net inflows. This item is mainly composed of: i) € 142.3 billion of mathematical provisions related to traditional products (€ 136.3 billion at the end of 2021); ii) € 9.8 billion (€ 7.8 billion at 31 December 2021) of provisions related exclusively to unit-linked products; and iii) € 1.5 billion to other provisions consisting mainly of the provision for additional expenses and the interest rate shift reserve.

With reference to the Non-life business, technical provisions at the end of the Period amounted to € 359.4 million, up by € +64.1 million compared to € 295.3 million at the end of the previous period, given the growth in business.

As far as **financial management** is concerned, investment choices continue to be based, in line with the strategic guidelines defined by the Board of Directors, on prudent objectives with a portfolio that continues to be invested mainly in Italian government bonds (whose overall exposure, although down on the previous year, given the Company's objective to reduce the concentration of risk in Italy in light of the current market conditions, represents 47.9% of the entire portfolio against 56.2% at the end of 2021). The remainder of the portfolio is mainly invested in UCITS style open-end harmonised multi-asset funds, disclosure of which is provided in the following pages, in addition to corporate bonds. The returns gained during the period by Separately Managed Accounts were positive (2.68% for the management of PostaPensione and 2.59% for PostaValorePiù), positively influenced, for an amount of € 1,088 million (of which € 1,065 million related to the pro-rata revaluation of the capital portion), by the increase in the Italian and European inflation rate with reference to “inflation-linked” securities for a nominal value of € 8.9 billion at 31 December 2022.

The dynamics of the financial markets recorded during the period, conditioned by the evolution of interest rates and spreads, gave rise to the recognition of unrealised capital losses of € 14.5 billion compared to unrealised capital gains of € 13.5 billion recognised at 31 December 2021; these capital losses refer almost exclusively to investments included in the Separately Managed Accounts, and are therefore reflected in the DPL reserve in accordance with the “Shadow Accounting” method as per IFRS^{4,2} (thus, the balance of the DPL reserve went from € 13.2 billion at 31 December 2021 to € -14 billion at 31 December 2022).

With regard to the management of “**free capital**”, the result continues to be positive (€ 111.9 million) and up (€ +11.9 million) compared to the figure for the same period of 2021 (€ 100 million), mainly due to the recognition during the period of higher

1. Source: Ania Trends – Life flows and provisions – Publication no. 4, 24 February 2023.

2. Application of the “shadow accounting” methodology, as an option adopted by the Company upon the initial application of IFRS9 on financial instruments from 2018, makes it possible to reduce the accounting mismatch existing between the fair value measurement of financial instruments according to IFRS9 and the measurement at cost of insurance liabilities according to IFRS4 (which, in turn, refers to national accounting standards).

ordinary income (€ +29.1 million) accrued on the portfolio mainly consisting of Italian bonds and attributable to inflation-related trends only partially offset by higher valuation losses (€ +15.5 million) due to financial market dynamics.

Operating costs³ came to € 139.5 million at the end of 2022, compared to € 140.8 million recognised in the same period of 2021, mainly relative to personnel expenses, commercial costs, costs for IT services and professional services/consulting to support the business. The percentage of the costs compared to premiums issued and the reserves continued to be in line with market best practices, at 0.8% and 0.1% respectively.

By virtue of the trends mentioned, **gross profit for the period** was € 1,388.2 million, up by € 215.1 million compared to € 1,173.1 million reported at 31 December 2021. Taking into account the estimated related taxation, determined with a tax rate of 29.6%, the **net result** was € 977 million, up € 150.9 million from € 826.1 million in the same period of 2021.

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)	31/12/22	31/12/21	Change	
Equity	6,793.6	5,935.8	857.8	14.5%
Solvency SII ratio	253.3%	285.4%	(32.2%)	
Technical provisions for insurance business	139,987.0	159,089.9	(19,102.9)	(12.0%)
Financial Investments*	145,192.0	163,279.9	(18,087.9)	(11.1%)
Financial Investments/Shareholders' Equity***	20.8	27.8	(7.0)	
Workforce	460	490	(29.7)	

PRINCIPAL OPERATIONAL KPIs	31/12/22	31/12/21	Change	
Gross premium revenue	17,539.7	17,871.1	(331.4)	(1.9%)
EBIT	1,324.2	1,119.2	205.0	18.3%
Net Profit	977.0	826.1	150.9	18.3%
ROE**	15.2%	14.9%	0.3%	
Return PostaValorePiù	2.59%	2.35%	0.2%	
Return PostaPensione	2.68%	2.64%	0.0%	
Surrender ratio on initial provisions	3.5%	3.1%	0.4%	
Operating costs/Premiums	0.8%	0.8%	0.0	
Operating costs/Provisions	0.1%	0.1%	0.0	

* Including cash and cash equivalents.

** Calculated as the ratio between the net result for the period and the half sum of equity for the current year and equity for the previous year net of the FVOCI reserve.

*** Shareholders' equity is expressed net of the FVOCI reserve.

3. Overheads allocated to acquisition costs and administrative expenses.

2. The economic and market context

2022 was a difficult year for financial markets characterised by a marked slowdown in the global economic cycle, affected by the repercussions of the war in Ukraine and high inflation. Internationally, inflation remained high, albeit declining in the last months of the year due to both easing price pressures in supply chains and falling energy prices. Within the OECD countries, the year-on-year change in consumer prices in November rose by 10.3% compared to 5.9% 12 months earlier, the energy component alone rose by 23.9% over the same period, but was down for the fifth consecutive month.

Against this backdrop, major central banks in advanced economies accelerated the normalisation of monetary stimulus with the aim of bringing inflation back towards their official targets. The cost of borrowing rose again in the US (where it went from 0.25% to 4.50%), in the Eurozone (where it increased from 0.00% to 2.50%) and in the UK (where it jumped from 0.25% to 3.25%).

The geopolitical scenario, inflationary dynamics and tighter monetary policies are contributing to a downward revision of economic growth expectations and fuelling the risk that the global economic slowdown could turn into a recession. Between late 2022 and early 2023 we could see a period of moderate real GDP contraction in both the US and the Eurozone, which could, in turn, help contain internal wage and price pressures and slow down the normalisation of monetary policies.

Economic growth in the US continued in the latter part of the year, supported by consumption (thanks to employment income and excess savings accumulated during the pandemic), but clearly penalised by inflation and the resulting monetary policy of the Federal Reserve. In December, year-on-year growth in consumer prices fell for the sixth consecutive month from June's highs to +6.5%, but upward pressure on prices remained broad-based and sustained both by wage dynamics, due to a persistent excess demand for labour especially in services, and by housing and more labour-related price items. In turn, the purchasing power of labour income is being eroded by rising inflation, while excess savings appear to be shrinking rapidly, exacerbating the economic slowdown generated by monetary policy. Against this backdrop, the Federal Reserve remains committed to normalising its monetary policy in order to bring inflation back towards 2.0%. Over the course of the year, the cost of borrowing rose by 425 basis points, from 0.25% to 4.50%, first by 75 basis points and, starting in December, by 50 basis points. The Federal Reserve has declared its intention to slow down the pace of hikes, while keeping its guard up against inflation: the possible peak in the cost of borrowing has, in fact, been moved upwards (to 5.25%) while the possible return of inflation is expected in 2024.

The Eurozone's post-pandemic economic recovery appears to have entered a slowdown phase due to inflationary tensions, uncertainty over energy supplies and ECB monetary policy, which have fuelled risks of a probable recession. As regards inflation, year-on-year growth in consumer prices fell for the first time since 2021 in November to +10.1% from +10.6% in October, mainly due to energy, while the core inflation component continued to be supported by services and non-energy industrial goods. The December figure shows a further slowdown to +9.2%. According to the ECB's forecasts, inflation is expected to show a downward trend during 2023, albeit slowly, but a substantial return to 2.0% is not expected until 2025. In the meantime, the ECB also started its path of interest rate increases: the cost of money went up by 250 basis points (from 0.00% to 2.50%) in 2022, slowing the pace of increases from 75 to 50 basis points in December. At its meeting on 15 December 2022, the ECB intervened decisively, correcting market expectations by indicating that interest rates will have to rise again "significantly" and at a "sustained pace" in order for inflation to return to 2.0% within a reasonable time-frame. In addition, the ECB also brought the start of the reduction of the APP portfolio forward to March: reinvestments will be reduced by € 15 billion per month on average until June.

For the UK, the outlook for economic growth appears to be conditioned by the evolving geopolitical situation and its consequences in terms of inflation, as well as the critical post-Brexit situation. In the first nine months of the year, the Bank of England raised the cost of borrowing by 300 basis points, to 3.25%, with the aim of bringing inflation back to 2.0%.

Italy remains exposed to the Russian-Ukrainian crisis and inflation, which will continue to weigh on both households' purchasing power and companies' profit margins and investments. Risks on the economic scenario appear, however, also linked to the restrictive effects of the ECB's monetary policy and the depletion of savings accumulated during the pandemic.

As far as emerging economies are concerned, economic growth in China remains affected both by the persistence of pandemic outbreaks and the lockdown of some production centres, and by the situation of the domestic real estate market. In Brazil, the central bank continued to raise the cost of borrowing, now at 13.75%, to contain inflation which, although falling, remains far from the 3.0% target. Russia is facing the economic and financial consequences of the war, as well as the effects generated by the sanctions imposed on it by other countries, with the aim of limiting its political and economic options. The last two quarters showed a contraction of real GDP, which is set to continue in the last quarter of the year.

Financial markets

The effects of the war between Russia and Ukraine first accentuated the bullish dynamics of inflation expectations in the financial markets, already fuelled by the existence of bottlenecks in the supply chains, and then induced central banks to anticipate and accelerate the normalisation of their monetary policy in order to contain upward pressure on consumer prices.

At the end of 2022, the 10-year breakeven inflation rate is in the area of 2.3% in both the US and Germany, after having risen in both cases to 3.0% in the first part of the year. On the same date, compared to the end of 2021, the Federal Reserve raised the cost of borrowing by 425 basis points and the ECB by 225 basis points. As a result, the nominal yield on the US ten-year government bond rose from 1.5% to 3.9% over the period, while the nominal yield on the German ten-year government bond rose from -0.2% to 2.6%.

At the end of September, the yield on the Italian ten-year government bond was in the 4.7% area, compared to 1.2% at the end of 2021, driven mainly by the ECB's monetary policy and the upward movement of interest rates, while the spread widened more moderately during the political-electoral phase. At 31 December, the ten-year yield spread against the German Bund stood at 214 basis points compared to 134 at the end of 2021.

On the corporate credit front, yields rose again in both the Investment Grade and High Yield segments, as a consequence of rising interest rates and, to a lesser extent, spreads, which at the end of the fourth quarter were in the 100 basis point area in the Euro Investment Grade segment and in the 400 basis point area in the Euro High Yield segment.

The performance of all major equity indices is negative at the end of 2022, due to an acceleration in the normalisation of monetary policy and fears of a significant slowdown in economic growth: World equities -19.5%, USA (S&P500) -19.4%, Europe (EuroStoxx 50) -11.8%, Germany (DAX) -13.1%, Italy (FTSEMIB) -14.5%, Emerging Markets -22.5%.

Italian life insurance market

New individual and collective life insurance policies, based on the latest available official data (source: ANIA⁴) amounted to € 76.8 billion at the end of December 2022, a decrease of 12.8% compared to the same period in 2021. If new Life business reported by EU companies is taken into account, the figure reaches € 88.1 billion, down 16.4% compared to the same period of 2021.

Analysing the data by class, premiums from Class I, confirming its leading role in the life business with a 66% share of the total at the end of 2022 (from 59% in 2021) amounted to € 50.3 billion at the end of 2022, down 3.3% 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 the period under review, a particularly negative trend was recorded, with a decrease (-30.5%) compared to the figure in 2021, against total volumes of € 23.6 billion. Although residual, inflows from capitalisation products amounted to € 1.1 billion and increased (+8.6%) during the reference period compared to the same period in the previous year, solely attributable to the performance of collective policies (+26%). The trend in new premiums relating to long-term illness policies (Class IV) continued to be limited (€ 85 million), an increase (+8.9%) compared to the same period in 2021.

New contributions related to the management of pension funds amounted to € 1.6 billion in the period, marking a significant increase (+80%) compared to the corresponding period of 2021, due to a number of extraordinary transactions involving the acquisition of new funds.

4. ANIA Report - Year XVIII - no. 12 - published on 6 February 2023.

New individual and collective Life business by class*

(data updated in December 2022 in €m)

Premiums by class/product	Premiums YTD	% change 12 2021 vs 12 2020
Life - class I	50,331	(3.3%)
Unit - Linked - class III	23,649	(30.5%)
Capitalisations - class V	1,137	8.6%
Pension funds - Class VI	1,583	80.0%
Illness - Class IV	85	8.9%
Italian insurers - non-EU	76,785	(12.8%)
EU insurers (**)	11,285	(34.7%)
Total	88,070	(16.4%)

* 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.

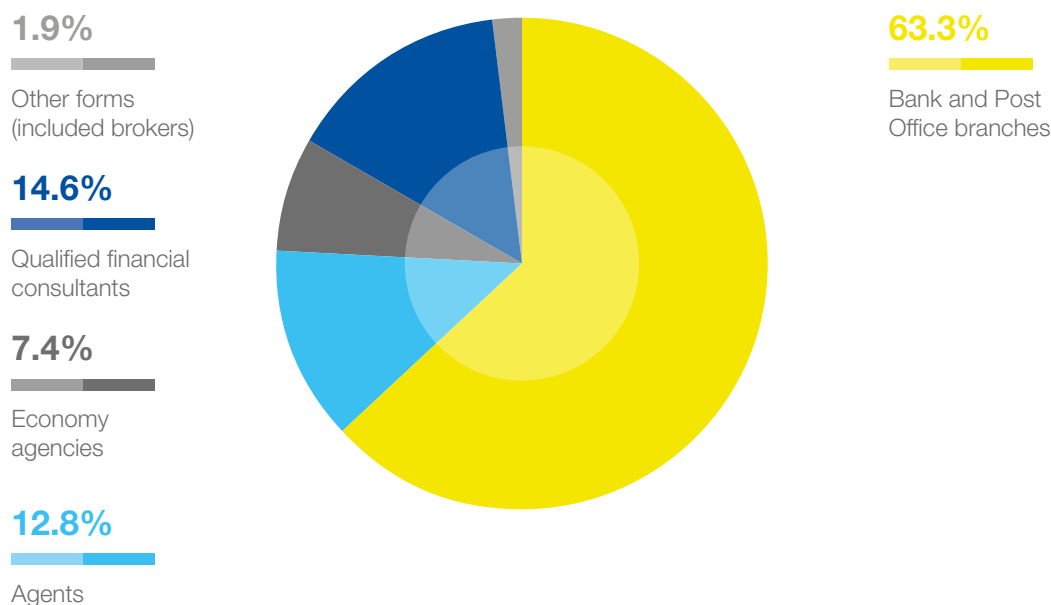
Single premiums continued to be the preferred form of payment for policyholders, representing 94.4% of total premiums written and 58.7% of policies by number.

With regard to the distribution channel, 63.3% of new business was brokered through banks and post offices at the end of 2022, with premium revenue of € 48.6 billion, a decrease (-9.3%) compared with the same period of 2021. On the other hand, with regard to the entire agency channel, the volume of new business distributed reached € 15.5 billion, marking a decrease of 6.8% in terms of volumes recorded compared to the same period of 2021, and with an incidence on total intermediated business of 20.2%.

The performance of new business obtained through authorised financial advisors was € 11.2 billion, down (-28.8%) 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 14.6%.

Finally, the broker and distance sales channel recorded a decline of 31.9% in the period in question compared to the same period of 2021, with a volume of premiums placed of € 1.4 billion (or 1.9% of the total brokered).

New individual and collective Life business by distribution channel



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: ANIA⁵), amounted to € 29 billion at the end of third quarter of 2022, an increase over the same period in 2021 (+6.3%), when the sector grew by 2.8%.

This growth is mainly attributable to the development of the non-automotive sector (+11.6%). By contrast, premiums in the motor sector still fell slightly by 0.5%, with a 2.0% decrease in premium revenue from motor TPL and a 5.1% increase in land vehicle class.

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 € 2,692 million, up 5.4%; the Illness class with premiums of € 2,585 million, up 14.5%; the General Liability class with premiums of € 3,424 million, up 12.1%; Other property damage with premiums of € 2,812 million, up 10.6%; and Fire and natural disaster with premiums of € 2,016 million, up 7.1% for the period. Also worth mentioning is the positive change achieved by the Credit and Financial Losses classes, respectively 29.9% and 25.9%, with total premium revenue of € 645 million and € 754 million, respectively.

Direct non-life portfolio premiums by class*

(data updated to September 2022 in €m)

Premiums by class**	Premiums YTD	Change % III quarter 2022 vs III quarter 2021
Total motor segment	11,918	(0.5%)
Other Non-Life classes	17,119	11.6%
Total Non-Life classes	29,037	6.3%

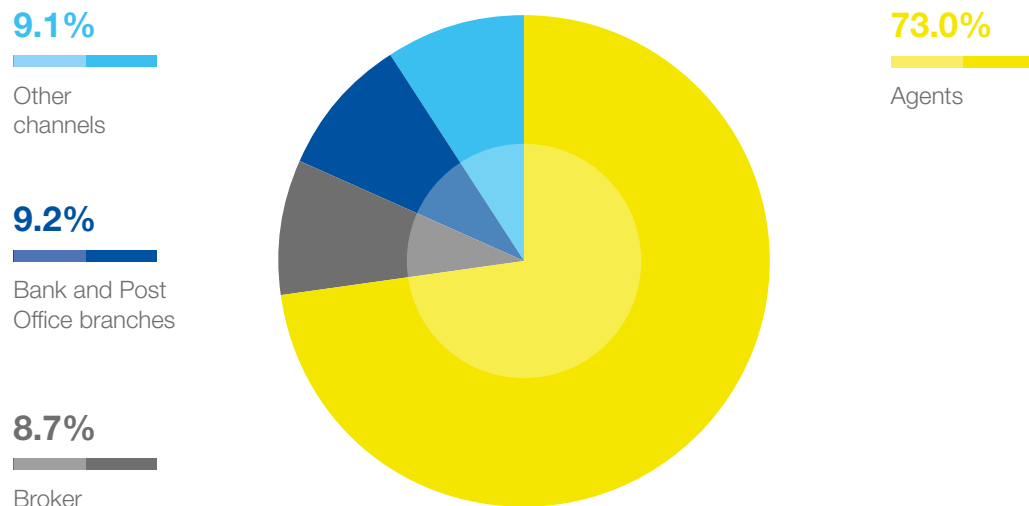
* Source: ANIA.

** Premiums refer to Italian, non-EU and EU insurers.

In terms of **distribution channels**, agents continue to lead the way with a market share of 73%, in line with the figures for the previous year (73.4% at the end of the third quarter of 2021). Brokers represent the second largest non-life premium distribution channel with a market share of 8.7% (8.4% at the end of September 2021), while bank and post offices recorded a market share of 9.2% (8.3% at the end of September 2021).

As regards direct sales as a whole (including distance, telephone and internet sales), at the end of September 2022, there was an incidence of 8.7% (down compared to 9.5% at the end of the third quarter of 2021). The remaining 0.4% (equivalent to the figure at the end of September 2021) relates to premiums brokered by qualified financial consultants.

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

During 2022, premium **revenue** net of outward reinsurance came to a total of € 17,520.1 million, down slightly by 1.7% with respect to the € 17,831.8 million recorded in the same period of 2021, thanks to the significant contribution, as noted above, from premiums associated with traditional products. The table below breaks down premium revenue, net of outward reinsurance premiums, by type of business compared with the figures in 2021.

Premium revenue for the year (€m)	31/12/22	31/12/21	Change	
Class I	16,344.4	16,618.6	(274.3)	(1.7%)
Class III	755.6	863.0	(107.5)	(12.5%)
Class IV	9.4	9.3	0.1	0.9%
Class V	70.1	83.1	(13.0)	(15.7%)
Gross "life" premium revenue	17,179.5	17,574.1	(394.6)	(2.2%)
Outward premiums	(9.7)	(9.5)	(0.2)	2.3%
Net life premium revenue	17,169.7	17,564.6	(394.9)	(2.2%)
Non-life premiums	377.7	311.2	66.5	21.4%
Outward reinsurance premiums	(9.4)	(29.5)	20.1	(68.1%)
Change in premium reserve	(17.4)	(14.2)	(3.3)	23.1%
Change in share of premium reserve attributable to reinsurers	(0.4)	(0.3)	(0.2)	54.0%
Net non-life premium revenue	350.4	267.2	83.1	31.1%
Total net premiums for the year	17,520.1	17,831.8	(311.7)	(1.7%)

Life business

As part of the strategic guidelines outlined in the "2021-2024" Plan, which envisage an improvement in the product mix in the life business with a particular focus on multi-class products, the following were launched during the period:

- **"Poste Progetto Dinamico Bonus"**, restyling of the Multiramo Poste Progetto Dinamico policy, dedicated to customers who bring in new liquidity and which provides for the possibility of repayment in the form of a bonus, starting from the 18th month from the effective date of the contract, of the cost charged on the initial single premium;
- **"Poste Progetto Capitale" policy**, launched in February 2022, is a multi-class life contract with a 10-year recurring premium, combining the stability of the Posta ValorePiù Separately Managed Account (class I) and the potential of the two available Internal Insurance Funds (one of which is ESG). There is also the possibility of repayment of the cost charged on the initial premium in the form of two bonuses: (i) one from the fifth year; (ii) the other at the end of the ten-year product life;
- **"Poste Progetto Valore 360"**, a contract on the multi-class life offer, with the option for subscribers to extend the protection component with the Temporanea Caso Morte (TCM) **"Poste Protezione Affetti 360"**. The Multiramo product includes three investment lines, all with a 30% Separately Managed Account component and a 70% component tied to one of three Internal Insurance Funds that promote ESG and diversified characteristics according to the customer's risk/return profile.

In addition, in order to reduce the country's under-insurance by raising customers' awareness of the importance of protection needs, as envisaged in the strategic plan, the marketing of the new **integrated Life/Non-life** offer continued in the period under review, whereby subscribers to specific Life policies are offered a free Non-Life policy, which during the period recorded total volumes of € 14.5 million (€ 7.6 million in 2021).

During the period, the Company's management, in line with the strategic objectives outlined in the aforementioned business plan, was mainly aimed at consolidating its leadership in the life market by increasing inflows to traditional products and consolidating the high volumes of multi-class products which, while prioritising the needs and characteristics of customers, are of higher added value, also in terms of lower capital absorption, and at the same time characterised by a risk/return profile that is in any case moderate but potentially with more attractive returns on investments for customers.

Gross premium revenue totalled € 17.2 billion, down 2.2% from the € 17.6 billion recorded in the same period of 2021, due to the reduction in the Multiramo product business (€ -2.6 billion for the period), only partially offset by the increase in volumes of traditional products (€ +2.1 billion). The following table shows the composition of the portfolio by product type, where we can see: i) a significant contribution of premium revenue from traditional revaluable products (48% of total production) and ii) an incidence on total premium revenue of Multiramo products that continues to be significant (44.1%), although down from the 57.8% recorded in the previous period.

Gross premium revenue €m	31/12/22	Impact	31/12/21	Impact	delta	delta%
Traditional revalued	8,241.0	48.0%	6,109.3	34.8%	2,131.7	34.9%
Pension products	1,086.3	6.3%	1,122.7	6.4%	(36.3)	(3.2%)
Multi-class	7,578.6	44.1%	10,152.4	57.8%	(2,573.9)	(25.4%)
Unit and index-linked	17.3	0.1%	20.1	0.1%	(2.8)	(13.8%)
Retail Protection	70.4	0.4%	67.0	0.4%	3.4	5.0%
Welfare Protection	45.0	0.3%	19.6	0.1%	25.5	130.0%
Capitalisation	140.9	0.8%	83.1	0.5%	57.8	69.5%
Total	17,179.5	100.0%	17,574.1	100.0%	(394.6)	(2.2%)

The schedule below provides an overview of **premium revenue during the period by class**, net of outward reinsurance premiums in which revalued class I products prevail (including the relevant portion of Multiramo for € 6.9 billion), accounting for 95.1% of total revenue, with a 12.5% decrease in class III revenue.

Premium revenue for the year (€m)	31/12/22	31/12/21	Change	
Class I	16,344.4	16,618.6	(274.3)	(1.7%)
Class III	755.6	863.0	(107.5)	(12.5%)
Class IV	9.4	9.3	0.1	0.9%
Class V	70.1	83.1	(13.0)	(15.7%)
Gross "life" premium revenue	17,179.5	17,574.1	(394.6)	(2.2%)
Outward premiums	(9.7)	(9.5)	(0.2)	2.3%
Net life premium revenue	17,169.7	17,564.6	(394.9)	(2.2%)

The following table shows the composition of gross premium revenue, where single premiums dominate, accounting for 89.5% of total production (89.4% with reference to 2021), with volumes achieved in the period amounting to € 15.4 billion.

Breakdown of gross premium revenue for Life business (€m)	31/12/22	impact	31/12/21	impact	Change	
Regular premiums	1,805.5	10.5%	1,863.1	10.6%	(57.5)	(3.1%)
- of which first year	164.3	1.0%	206.3	1.2%	(42.0)	(20.4%)
- of which subsequent years	1,641.2	9.6%	1,656.7	9.4%	(15.5)	(0.9%)
Single premiums	15,374.0	89.5%	15,711.1	89.4%	(337.1)	(2.1%)
Total	17,179.5	100.0%	17,574.1	100.0%	(394.6)	(2.2%)

Non-life business

During the period, with reference to its Non-life business, the Poste Vita Group continued to monitor the evolution of the market environment and customer needs, with a constant focus on customer satisfaction. In particular, the Group continued to evolve its modular offer, in order to make it more responsive to the needs of its customers, while also incentivising inflows through discount campaigns.

In particular, the increasing number of cyber attacks and the consequent greater need for protection, has prompted the Subsidiary Poste Assicura to supplement its modular *Poste VivereProtetti* offer from July 2022 with the new optional digital protection module to be combined with the third-party damage module, in order to offer its customers a tool to protect themselves from the risks and threats to which they are exposed when browsing the web.

Considering also that the incidence of healthcare expenditure that individuals and families incur privately is constantly growing, and that specialist visits and diagnostics in particular are one of the areas of need most felt by Italians, Poste Assicura has taken advantage of the flexibility of the modular offer to revise the proposal for the coverage of specialist visits and in-depth diagnostics. In connection with this, Poste Assicura has in fact introduced, as of the first half of 2022, the possibility of purchasing the aforementioned cover on a stand-alone basis.

In addition, during the same period the subsidiary Poste Assicura identified the new needs emerging in the area of micro-mobility and, when restyling the offer of the non-life protection line, expanded liability cover to protect the segment of customers who are regular users of shared travel.

With reference to the life and non-life integration project, which was launched in 2021, the Company expanded the scope of its existing products in 2022. In relation to this, premium revenue with reference to the aforementioned offer amounted to € 14.5 million at the end of 2022, up (€ +6.9 million) compared to € 7.6 million in the same period of 2021. For the purposes of preparing the Consolidated Financial Statements, the corresponding costs incurred by the Parent Company Poste Vita have been eliminated.

Finally, starting in the latter part of 2021, in line with the Parent Company's growth strategies, Poste Assicura took over the insurance offer combined with the Cessione del Quinto dello Stipendio (salary-backed loans) disbursed by Financit SpA to Poste Italiane Group employees. The offer involves a joint non-life and life proposal, in order to cover the customer who requests a salary-backed loan, in the event of loss of employment or death. With reference to the latter cover offered by Poste Assicura, the volumes collected at the end of the reporting period amounted to € 0.7 million.

Relative to initiatives established for the modular offer, the volumes of premiums associated with the "Goods, Property and Modular" line saw a 19% increase with respect to the previous year and, with reference to the "payment protection" line business, growth of 9% was achieved with respect to the same period in 2021.

The development of collective policies in the "Welfare" segment also continued during the period, with an increase in premium revenue of € 33.2 million (+27% compared to the previous year).

In relation to the aforementioned dynamics, gross premiums written in the period under review amounted to a total of € 377.7 million, a considerable increase (+21.4%) compared to the same period of the previous year (€ 311.2 million).

Gross premium revenue (€k)	31/12/22	Impact %	31/12/21	Impact %	Delta	Delta %
Retail	222.3	58.9%	189.7	60.9%	32.6	17.2%
Goods, property and personal protection line	179.1	47.4%	150.2	48.3%	28.9	19.3%
Credit protection line	43.2	11.4%	39.4	12.7%	3.7	9.4%
Collective	155.4	41.1%	121.5	39.1%	33.9	27.9%
Salary-Backed Loans	0.7	0.2%	0.0	0.0%	0.7	n/s
Welfare and other management	154.7	41.0%	121.5	39.1%	33.2	27.3%
Total	377.7	100.0%	311.2	100.0%	66.5	21.4%

The following table shows the distribution of premiums by class, from which we can see (i) the predominance of the Illness class (46%) and the Accident class (31%) with respect to total premiums; (ii) the 26% increase in the Illness class recorded during the period, due to the development of the aforementioned Employee Benefits business (iii) the 23% growth in Accident insurance premiums due to the development of the aforementioned modular offering; and iv) the 13% and 7% increases in Fire and natural disaster and Financial Losses, respectively, due to the growth of the CPI business compared to 2021.

Gross premium revenue (€m)	31/12/22	Impact %	31/12/21	Impact %	Delta	Delta %
Accident	118.6	31%	96.3	31%	22.3	23.1%
Illness	172.3	46%	136.3	44%	36.0	26.4%
Fire and natural disaster	17.7	5%	15.7	5%	2.1	13.1%
Other damage to property	12.5	3%	11.7	4%	0.8	7.2%
General liability	21.6	6%	20.3	7%	1.2	6.0%
Credit	0.7	0%	0.0	0%	0.7	n/s
Financial losses	17.8	5%	16.7	5%	1.1	6.8%
Legal expenses	3.5	1%	3.1	1%	0.4	12.8%
Assistance	12.9	3%	11.1	4%	1.9	17.1%
Total	377.7	100%	311.2	100%	66.5	21.4%

Payments and change in technical provisions

Payments amounted to € 9,748.4 million during the period in question, marking an increase of € 115 million (+1.2%) with respect to the € 9,633.4 million in the previous year, as detailed below:

Payments (€m)	31/12/22	31/12/21	Change	
Non-life business				
Claims paid	159.5	124.8	34.7	27.8%
Costs for settling claims	14.2	9.9	4.3	44.0%
Total Non-life claims paid	173.6	134.6	39.0	29.0%
Life business				
Claims paid	9,568.4	9,492.3	76.1	0.8%
<i>of which: Surrenders</i>	5,245.2	4,168.2	1,076.9	25.8%
<i>Maturities</i>	2,078.3	2,944.7	(866.4)	(29.4%)
<i>Claims</i>	2,244.9	2,379.4	(134.4)	(5.7%)
Costs for settling claims	6.4	6.5	(0.1)	(1.6%)
Total Life claims paid	9,574.8	9,498.7	76.0	0.8%
Total	9,748.4	9,633.4	115.0	1.2%

As far as the Non-life business is concerned, the item amounted to € 173.6 million, including settlement costs and direct costs of € 14.2 million, up 29% on the figure in 2021 (€ 134.6 million), mainly due to the trend in the claims rate of the "Illness" and "Accident" classes.

With reference to the life business, the item totalled € 9,574.8 million, substantially in line with the values recorded in the same period of 2021 (amounting to € 9,498.7 million) and referred to: i) maturities (including coupons) for € 2,078.3 million, down by € 866.4 million compared to the figure recorded at the end of 2021; ii) claims for € 2,244.9 million (€ 2,379.4 million in 2021); and iii) surrenders of € 5,245.2 million, up (+25.8%) compared to the figure recorded at the end of 2021 and with a ratio to opening provisions of 3.6%, up from December 2021 (which was 3.1%); and iv) settlement costs of € 6.4 million (€ 6.5 million in 2021).

The **change in technical provisions** amounted to a total of € 4,071.4 million, down significantly, due to the performance of the DPL reserve affected by financial market dynamics in the current period, compared to the € 10,364.6 million recognised in the previous twelve months, and refers mainly to the corresponding increase in insurance liabilities due to the aforementioned commercial and financial dynamics.

With regard to the mathematical provisions for class I, IV and V products, the 16% decrease compared to the figure for 2021 is mainly due to the drop in net revenue recorded for the period. The figure also includes the change in the DPL reserve related to the valuation of securities included in the Separately Managed Accounts and classified in the FVTPL category, which was negative for € 4,000.4 million during the period (positive for € 308.7 million recognised in 2021) due to the less favourable conditions of the financial markets. With regard to the mathematical provisions relating to class III products, the change recorded during the period (positive for € 1,992.6 million) and down compared to € 2,871.7 million in 2021, is attributable to the effects of the volatility of the financial markets. In addition, the change in technical provisions relating to non-life business amounted to € 46.5 million and up (+6.4%) compared to € 43.7 million recorded during the same period of 2021 due to business growth.

Change in technical provisions (€m)	31/12/22	31/12/21	Change	
Non-life technical provisions	46.5	43.7	2.8	6.4%
Class I, IV and V mathematical provisions	6,030.8	7,141.4	(1,110.6)	(15.6%)
Class III mathematical provisions	1,992.6	2,871.7	(879.0)	(30.6%)
DPL reserve	(4,000.4)	308.7	(4,309.0)	n/s
Other technical provisions	1.8	(0.9)	2.7	(302.8%)
Total Life technical provisions	4,024.9	10,320.8	(6,296.0)	(61.0%)
Total	4,071.4	10,364.6	(6,293.2)	(60.7%)

With regard to outward reinsurance, **claims expenses**, including changes in technical provisions, amounted to € 4.9 million during the period, down € 13.8 million from € 18.7 million in the same period of 2021, mainly due to the reinsurance policy adopted in the non-life segment, which is increasingly geared towards a non-proportional approach.

Claims expenses attributable to reinsurers (€m)	31/12/22	31/12/21	Change	
Non-life business				
Claims paid	4.3	14.5	(10.2)	(70.1%)
Costs for settling claims	0.1	0.2	(0.1)	(38.8%)
Total paid	4.5	14.8	(10.3)	(69.7%)
Change in technical provisions	(8.8)	(2.4)	(6.3)	259.2%
Total Non-life Business	-4.3	12.3	(16.6)	-135.0%
Life business				
Claims paid	6.8	6.2	0.6	9.0%
Costs for settling claims	0.0	0.0	0.0	0.0%
Total paid	6.8	6.2	0.6	9.0%
Change in technical provisions	2.5	0.2	2.3	n/s
Total Life Business	9.2	6.4	2.9	44.7%
Total	4.9	18.7	(13.8)	(73.7%)

Distribution

In order to place its products, the Poste Vita Group uses the post offices of the Ultimate Parent Poste Italiane SpA - Sole shareholder company- BancoPosta Ring-Fenced capital, duly registered under letter D of the single register of insurance brokers, pursuant to ISVAP Regulation 5 of 16 October 2006. The sales network of Poste Italiane SpA 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.

The Ultimate Parent Poste Italiane SpA, received a total of € 337.8 million in commissions for distribution and collection, recognised on an accruals basis for € 343.5 million (€ 341.7 million in 2021), reflecting the amortisation of pre-calculated commissions paid for the placement of pension policies.

The Poste Vita Group refers to brokers to sell collective policies, to which it paid sales commissions of € 7.9 million during the period (€ 7.7 million at 31 December 2021). In addition, during 2022, retention fees of € 234.4 million (€ 185.6 million in 2021) were paid to the Parent Company, while brokers were paid retention fees of € 0.2 million during the period.

Reinsurance strategy

Life business

For the Life business, the effects of existing treaties, entered into with leading reinsurers, relating to Term Life Insurance policies and reinsurance coverage with regard to LTC (Long-Term Care) and CPI insurance continued during the period. Outward reinsurance premiums amounted to € 9.7 million (€ 9.5 million at 31 December 2021). Claims expense, net of the change in mathematical provisions and other technical provisions, came to € 9.2 million (€ 6.4 million in the same period of 2021). In relation to this, outward policies, including commissions received from reinsurers amounting to € 1.1 million (€ 1.2 million during the same period of 2021) showed a positive balance of € 0.6 million, an improvement with respect to the € 1.9 million recognised at the end of December 2021.

Non-life business

With regard to the **Non-life business**, the reinsurance strategy adopted by the Poste Vita Group is increasingly 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 2022 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;
- 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 Legal Protection, 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 the cyber module, 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.

The ratio of outward premiums at the end of the period to gross premium revenue is 2.5%, a reduction on the figure for 2021 (9.5%).

Given the sales trends and effects of the reinsurance policy described above, the **balance of outward policies** for non-life business comes to € -11.7 million at the end of the period in question, worse than the € -10.6 million recorded during the previous period.

Complaints

During 2022, the Parent Company Poste Vita SpA received 2,523 new complaints, compared to 2,424 at the end of 2021. The average time taken to respond to complaints in the period was 24 days (28 days in the corresponding period of 2021).

The Company received 992 complaints regarding its Personal Injury Protection (PIP) product in 2022 compared to 813 at the end of the previous year. The average time taken to respond to complaints during the period was 24 days (28 days in 2021).

During 2022, the Subsidiary Poste Assicura SpA received 2,482 new complaints, while those relative to 2021 totalled 2,229. The average time taken to respond to complaints in 2022 was 21 days (29 days in 2021). However, this figure is lower than the maximum processing time of 45 days stipulated by IVASS.

4. Financial review

Below is a reclassified statement of financial position at 31 December 2022 with a comparison with the figures at the end of 2021:

ASSETS (€m)	31/12/22	31/12/21	Change	
Financial investments	142,460.3	158,695.8	(16,235.5)	-10.2%
Investments in subsidiaries, associates and joint ventures	111.3	108.8	2.5	2.3%
Financial assets measured at amortised cost	2,387.3	2,427.5	(40.2)	-1.7%
Financial assets measured at fair value through other comprehensive income	96,500.9	111,384.5	(14,883.6)	-13.4%
Financial assets measured at fair value through profit or loss	43,460.7	44,775.0	(1,314.3)	-2.9%
Cash and cash equivalents	2,731.7	4,584.1	(1,852.4)	-40.4%
Tangible and intangible assets	11.2	21.0	(9.9)	-46.9%
Non-current assets or disposal groups held for sale	-	24.6	(24.6)	n/s
Receivables and other assets	3,271.3	3,055.4	215.9	7.1%
Total Assets	148,474.4	166,380.9	(17,906.5)	-10.8%
LIABILITIES				
Equity	6,793.6	5,935.8	857.7	14.4%
Technical provisions	139,987.0	159,089.9	(19,102.9)	-12.0%
Provision for risks	20.6	19.3	1.3	6.9%
Liabilities included in disposal groups held for sale	-	6.6	(6.6)	n/s
Payables and other liabilities	1,673.2	1,329.2	343.9	25.9%
Total Liabilities	148,474.4	166,380.9	(17,906.5)	-10.8%

Financial investments

At 31 December 2022, financial investments totalled € 142,460.3 million (€ 158,695.8 million at the end of 2021).

(€m)	31/12/22	31/12/21	Change	
Investments in associates	111.3	108.8	2.5	2.3%
Financial assets measured at amortised cost	2,387.3	2,427.5	(40.2)	(1.7%)
Financial assets at fair value through other comprehensive income	96,500.9	111,384.5	(14,883.6)	(13.4%)
Financial assets at fair value through profit or loss	43,460.7	44,775.0	(1,314.3)	(2.9%)
Total Financial investments	142,460.3	158,695.8	(16,235.5)	-10.2%

Equity investments of € 111.3 million refer to the investment measured using the equity method in the subsidiary EGI, for € 109.3 million, and in the company ECRA for € 1.9 million (equity investment acquired in 2022), and for the remaining € 36.9 thousand to the cost of the investment, equal to 5% of the share capital, in the company "Consorzio Logistica Pacchi Scpa" acquired on 30 June 2020 from the Subsidiary Poste Assicura SpA

Relative to EGI, the Company, owned by the Parent Company Poste Vita SpA 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 amounts at 31 December 2022 show equity of € 243 million and net profit for the period of € 4.3 million, up with respect to the figure reported in the corresponding period of 2021 of € 3.1 million. In relation to this investee company, it should be noted that the Company's Shareholders' Meeting of 4 April 2022 resolved to pay a dividend to Poste Vita totalling € 1.4 million when allocating earnings.

With reference to Eurizon Capital Real Asset SGR SpA, a company in which the Parent Company Poste Vita holds 20% of the share capital and 12.25% of the voting rights. The figures at 31 December 2022 show equity of € 7 million and a profit for the period of € 1.2 million, compared to a net loss of € 0.8 million in the corresponding period of 2021.

Relative 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 present 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 € 2,387.3 million at 31 December 2022, showing a decrease of € 40.2 million with respect to the end of 2021 figure of € 2,427.5 million and mainly relative to Free Capital. This category included net latent capital losses of € 296.3 million at the end of the period, compared to net latent capital gains of € 209.6 million at the end of 2021.

(€m)	31/12/22	31/12/21	Change	
Equity instruments				
Debt securities	2,159.1	2,019.9	139.2	6.9%
of which: government bonds	2,142.4	2,001.0	141.3	7.1%
corporate bonds	16.8	18.9	(2.1)	(11.2%)
UCITS units				
Receivables and loans	228.2	407.5	(179.4)	(44.0%)
Total	2,387.3	2,427.4	(40.1)	(1.7%)

Receivables and loans recorded in this category (equal to € 228.2 million at the end of 2022) refer to: i) the balance of the running current account with the Ultimate Parent Poste Italiane for € 194.3 million (equal to € 383.2 million at 31 December 2021); ii) receivables for commissions on internal funds for € 33.1 million (€ 24.3 million at the end of 2021); and iii) receivables for fund units sold for € 0.8 million. The impairment at 31 December 2022 regarding loans and financial receivables measured at amortised cost, recognised as a direct adjustment to the carrying amounts of the same, amounted to € 235 thousand (€ 361 thousand at 31 December 2021).

Financial assets measured at FVTOCI amounted to a total of € 96,500.9 million (of which € 502 million related to the security issued by Cassa Depositi e Prestiti as a private placement), down € 14,883.6 million from € 111,384.5 million at the end of 2021 due to the effect of the change in fair value recorded during the current period.

These investments refer to securities assigned to Separately Managed Accounts for € 93,321.5 million and, secondarily, to the Company's Free Capital for around € 3,179.4 million.

(€m)	31/12/22	31/12/21	Change	
Equity instruments				
Debt securities	96,500.9	111,384.5	(14,883.6)	(13.4%)
of which: government bonds	77,726.2	90,034.9	(12,308.7)	(13.7%)
corporate bonds	18,774.7	21,349.6	(2,574.9)	(12.1%)
UCITS units				
Total	96,500.9	111,384.5	(14,883.6)	(13.4%)

With regard to the aforementioned category, the less favourable financial market dynamics with respect to the end of the previous year were reflected in a decrease in the fair value reserve on these instruments, which amounted to a negative value at the end of 2022 of € 11,904.8 million in net unrealised losses compared to net unrealised gains of € 11,619.8 million at the end of 2021, of which: i) € -11,639.1 million net of the ECL⁶ component (equal to € 11,536.9 million at the end of 2021) referring to financial instruments included in the Separately Managed Accounts and therefore attributed to policyholders through the shadow accounting mechanism and ii) € -265.7 million (€ 82.9 million at the end of 2021) related to net capital gains on FVOCI securities of the Company's "free capital" and therefore allocated to a specific equity reserve (equal to € -185.3 million net of the related tax effect and ECL compared to € +58.1 million at the end of the previous period).

Financial assets at fair value through profit or loss (FVTPL) amount to a total of € 43,461 million (of which € 21 million refer to the security issued by Cassa Depositi e Prestiti as a private placement), marking a decrease of € 1,314 million (-2.9%) from € 44,775 million at the end of 2021, mainly due to the negative change in Fair Value.

(€m)	31/12/22	31/12/21	Change	
Equity instruments	264.1	217.2	46.9	21.6%
Debt securities	2,306.0	2,600.6	(294.5)	(11.3%)
of which: government bonds	13.6	14.9	(1.3)	(8.8%)
corporate bonds	2,292.5	2,585.7	(293.2)	(11.3%)
UCITS units	40,780.6	41,916.2	(1,135.6)	(2.7%)
Derivative assets				
Receivables	109.9	41.0	68.9	168.2%
Total	43,460.7	44,775.0	(1,314.3)	(2.9%)

The item referred to:

- investments included in the Company's Separately Managed Accounts for € 33,644.8 million relating mainly to: i) equity and bond funds (primarily multi-asset open-end harmonised UCITS funds) for € 29,236.2 million, and ii) real estate funds for € 2,380.4 million;
- financial instruments hedging unit-linked products for € 9,608.2 million, mainly relative to mutual funds;
- financial instruments included in the Company's free capital for € 97.8 million and mainly relative to corporate bonds;
- financial receivables for € 109.9 million, regarding underwriting and capital calls on mutual investment funds for which the corresponding units have not yet been issued.

The dynamics of the financial markets, mainly affected by the events related to the conflict between Russia and Ukraine, resulted in the recognition of net unrealised losses totalling € 5,064.8 million during the period, compared to net unrealised gains of € 637 million recognised at 31 December 2021.

Said net unrealised losses recognised during the period refer to: i) € 3,945 million in investments in Separately Managed Accounts and hence entirely attributed to policyholders through the shadow accounting mechanism and ii) € 1,101.3 million in assets covering unit-linked products which, therefore, are substantially offset by the corresponding remeasurement of the reserves and iii) € 18.3 million to the Company's free capital.

Gains/losses FVTPL (€m)	31/12/22	31/12/21	Delta
	Net gains/losses	Net gains/losses	
Separately Managed Accounts	(3,945.0)	217.9	(4,162.9)
Unit/index hedging assets	(1,101.3)	422.1	(1,523.4)
Free Capital	(18.6)	(3.0)	(15.5)
Total	(5,064.8)	637.0	(5,701.8)

6. 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 31 December 2022.

The composition 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 56% of the total, down compared to 62.6% at 31 December 2021.

Country €m	FVTPL	FVOCI	AC	TOTAL	weight %
AUSTRIA	24	375	-	399	0.3%
AUSTRALIA	67	352	-	419	0.3%
BELGIUM	13	2,414	-	2,426	1.7%
BERMUDA	-	4	-	4	0.0%
CANADA	1	164	-	165	0.1%
SWITZERLAND	7	272	-	279	0.2%
CZECH REPUBLIC	-	58	-	58	0.0%
GERMANY	633	1,848	-	2,481	1.7%
DENMARK	34	175	-	209	0.1%
SPAIN	135	3,539	8	3,681	2.6%
EUROPE	-	1,505	54	1,559	1.1%
FINLAND	38	341	-	379	0.3%
FRANCE	1,412	6,363	4	7,779	5.5%
UNITED KINGDOM	1,297	1,779	-	3,077	2.2%
GREECE	-	22	-	22	0.0%
IRELAND	2,878	660	-	3,538	2.5%
ISLE OF MAN	-	16	-	16	0.0%
ITALY	8,873	68,516	2,093	79,482	56.0%
JAPAN	3	320	-	322	0.2%
CAYMAN ISLANDS	-	11	-	11	0.0%
LUXEMBOURG	27,234	776	-	28,010	19.7%
MEXICO	23	46	-	69	0.0%
NETHERLANDS	468	2,686	-	3,154	2.2%
NORWAY	-	146	-	146	0.1%
NEW ZEALAND	-	161	-	161	0.1%
POLAND	-	24	-	24	0.0%
PORTUGAL	11	413	-	424	0.3%
SWEDEN	42	623	-	666	0.5%
SINGAPORE	-	16	-	16	0.0%
USA	159	2,771	-	2,930	2.1%
VENEZUELA	-	101	-	101	0.1%
OTHER	-	5	-	5	0.0%
	43,351	96,501	2,159	142,011	100.0%

The distribution of the financial investment portfolio at 31 December 2022 by duration class is shown below, indicating that the portfolio is heavily weighted towards securities with durations of 1-10 years (50.7%).

Remaining duration €m	FVTPL	FVOCI	AC	TOTAL
up to 1	116	11,415	133	11,664
1 to 3	577	15,462	237	16,275
3 to 5	1,369	13,272	254	14,895
5 to 7	2,420	10,459	154	13,033
7 to 10	1,451	14,385	280	16,117
10 to 15	1,509	10,078	496	12,083
15 to 20	787	7,908	339	9,034
20 to 30	229	9,776	266	10,271
more than 30	34,893	3,746	-	38,639
Overall total	43,351	96,501	2,159	142,011

The performance of the Separately Managed Accounts over the observation period (1 January 2022 to 31 December 2022) was 2.59% (2.35% at the end of 2021) for PostaValorePiù and 2.68% (2.64% at the end of 2021) for PostaPensione, with a total average invested capital of € 140,486.5 million (€ 133,701.6 million the previous year):

	31/12/22		31/12/21	
	Gross Return	Average Invested Capital	Gross Return	Average Invested Capital
Separately Managed Accounts	rates %	€m	rates %	€m
Posta Valore Più	2.59%	130,102.4	2.35%	124,291.2
Posta Pensione	2.68%	10,384.1	2.64%	9,410.4
Total		140,486.5		133,701.6

Cash and cash equivalents at the end of the period amounted to € 2,731.7 million (€ 4,584.1 million at the end of 2021). These will be invested during 2023 in response to the evolution of market trends.

Tangible and intangible assets amounted to € 11.2 million (€ 21 million at 31 December 2021) and included € 10.9 million for the right to use the assets covered by contracts falling within the scope of IFRS 16 and referring mainly to the property leased by the Ultimate Parent Poste Italiane.

The item **non-current assets or disposal groups held for sale** amounted to € 24.6 million at 31 December 2021 and referred solely to assets held by the subsidiary Poste Welfare Servizi, reclassified under this item in application of IFRS 5, following the transfer of 100% of the units held by Poste Vita to the Ultimate Parent Poste Italiane, a transaction described in detail in this document. This item is therefore not valued at 31 December 2022.

Equity and solvency margin

Changes in equity during the period are shown below:

Equity

(€k)	31/12/21	Allocation of 2021 profit	dividends	ECL reserve	FVOCI reserve	Other gains or losses recognised directly through equity	Tier 1 Perpetual Capital Instrument	PWS disposal	PIB Asset Strengthening	2022 profit	31/12/22
Share capital	1,216,608										1,216,608
Other equity instruments	300,000						500,000				800,000
Revenue reserve and other equity reserves:	3,535,186	826,119	(397,339)			(5)	(11,400)	32,119	419		3,985,098
Legal reserve	242,644										242,644
Extraordinary reserve	648										648
Organisation fund	2,582										2,582
Consolidation reserve	426										426
Other provisions	8										8
Previous retained earnings	3,288,877	826,119	(397,339)			(5)	(11,400)	32,119	419		3,738,789
of which retained earnings for previous years	3,288,877	826,119	(397,339)			(5)	(11,400)	32,119	419		3,738,789
Reserve for FVOCI securities	58,091			43	(243,366)						(185,232)
of which - FVOCI Reserve	56,745				(243,366)						(186,621)
of which ECL Reserve	1,346			43							1,389
Other gains/losses recognised directly through equity	(156)					203					47
Profit for the year	826,119	(826,119)								977,046	977,046
Total	5,935,848	(0)	(397,339)	43	(243,366)	198	488,600	32,119	419	977,046	6,793,566

Below is a schedule reconciling equity and net profit for the year during the period:

Reconciliation of Parent company financial statements and consolidated financial statements IAS/IFRS

	Equity	Result	Changes in equity	Equity	Result	Changes in equity	Equity
(€k)	31/12/20	31/12/21	31/12/21	31/12/21	31/12/22	31/12/22	31/12/22
Local financial statements	4,679,785	719,538	(428,921)	4,970,403	481,714	(397,339)	5,054,777
Valuation of financial assets	321,774	71,482	-	393,256	477,818	-	871,074
Hybrid Subordinated Loan		4,895	300,000	304,895	24,411	488,600	817,905
Valuation of FVOCI securities net of deferred liabilities to policyholders	85,068	-	(31,104)	53,964	-	(218,586)	(164,622)
Actuarial differences on employee termination benefits (TFR)	(144)	-	(21)	(165)	-	159	(5)
Capital gain on sale of company	-	-	-	-	(49,079)	49,079	-
Other minor adjustments	92	(42)	-	(197)	513	-	323
Balance of undistributed profit (loss) of consolidated investee	213,954	28,967	43	242,971	41,040	(16,525)	267,494
Balance of FVOCI reserve of investee	7,079	-	(2,952)	4,127	-	(24,738)	(20,611)
Valuation of Investments using the equity method	(34,722)	1,315	(4)	(33,412)	636	7	(32,769)
Elimination of effects of intercompany transactions	39	(35)	-	5	(5)	-	(0)
Consolidated Financial Statements IAS/IFRS	5,272,685	826,119	(162,958)	5,935,848	977,046	(119,343)	6,793,567

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 the reporting date in the amount of € 11.4 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 31 December 2022, the subordinated loan issued on 18 April 2008 amounted to a total of € 250 million (the same as the amount at the end of 2021), referring solely to the loan subscribed by the Ultimate Parent Poste Italiane SpA with indefinite maturity. For Solvency purposes, this instrument can be included in its entirety when calculating Tier 2 capital until 1 January 2026.

The loan is 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, is fully available for the purpose of hedging the solvency position and is measured at amortised cost.

With regard to the **solvency position**⁷ of the Poste Vita Insurance Group, at 31 December 2022, eligible own funds amounted to € 12,805 million. In addition, capital requirements increased by a total of € 615 million (from € 4,441 million at the end of 2021 to € 5,056 million at 31 December 2022), resulting in a decrease in Poste Vita SpA's Solvency Ratio to 253.3% (down from 285.4% at 31 December 2021).

SCR coverage (€m)	31/12/2022	31/12/2021	delta
EOF with SCR coverage	12,805	12,677	(128)
SCR	5,056	4,441	(615)
Solvency Ratio	253.3%	285.4%	(32.2%)

MCR coverage (€m)	31/12/2022	31/12/2021	delta
EOF with MCR coverage	11,055	10,927	(128)
MCR	2,291	2,029	(262)
Solvency Ratio	482.5%	538.5%	(56.0%)

The decrease in the Solvency Ratio compared to 31 December 2021 was determined by an increase in the own funds of the Group, which was less than proportionate to the increase in the capital requirement.

Available own funds (€k)	31/12/2022			
	Total	TIER 1 Unrestricted	TIER 1 Restricted	TIER 2
Total available own funds to meet the SCR	12.804.895	10.064.015	727.630	2.013.250
Total available own funds to meet the MCR	11.054.895	10.064.015	727.630	263.250
Total eligible own funds to meet the SCR	12.804.895	10.064.015	727.630	2.013.250
Total eligible own funds to meet the MCR	11.054.895	10.064.015	727.630	263.250

With regard to the Capital Requirement, there was an increase of € 615 million compared to 31 December 2021, mainly due to the increase in life underwriting risk.

7. Note that the solvency figures cannot be considered official until they have been approved by the Board of Directors, which is expected to occur at the end of April 2023.

Technical provisions

As a result of the above financial trends reflected in the DPL value, commented on hereunder, the technical provisions amounted to € 139,987 million, down by € 19,103.1 million with respect to the € 159,090 million at the end of 2021, broken down as follows:

Technical provisions (€m)	31/12/22	31/12/21	Change	
Non-life business:				
Premium reserve	135.7	118.3	17.4	14.7%
Outstanding claims provisions	223.6	176.9	46.7	26.4%
Other technical provisions	0.1	0.1	(0.0)	(16.6%)
Total Non-life classes	359.4	295.3	64.1	21.7%
Life business:				
Mathematical provisions	142,885.6	136,898.5	5,987.2	4.4%
Class III technical provisions	9,839.1	7,846.4	1,992.6	25.4%
Outstanding claims provisions	816.1	789.8	26.3	3.3%
DPL reserve	(13,986.0)	13,190.5	(27,176.5)	(206.0%)
Other technical provisions	72.7	69.5	3.4	4.8%
Total Life Business	139,627.6	158,794.6	(19,167.0)	-12.1%
Total	139,987.0	159,090.0	(19,103.1)	-12.0%

Technical provisions relating to the Non-life business, gross of outward reinsurance, amounted to € 359.4 million at the end of the period (€ 295.3 million at the end of 2021), and consisted of: the premium provision of € 135.7 million and the claims provision of € 223.6 million. Outstanding claims provisions for claims incurred but not reported (IBNR) amounted to € 71.9 million.

Provisions for the Life classes came to a total of € 139,627.6 million (€ 158,794.6 million at the end of 2021) and were established to comply with all commitments relative to policyholders, including the mathematical provisions (€ 142,885.6 million), technical provisions established against unit-linked products (€ 9,839.1 million), the provision for outstanding claims (€ 816.1 million), the Deferred Policyholder Liability (DPL) reserve, established in application of the shadow accounting criteria for € -13,896 million, as well as sundry other technical provisions (€ 72.7 million). The latter includes the provision for future expenses for € 71.3 million.

In order, therefore, to report assets and liabilities intended to match each other in a consistent manner, the Company has, as in previous years, adopted the “shadow accounting” method introduced by IFRS 4.

The Deferred Policyholder Liability (DPL) reverse, whose amount is correlated to the net unrealised gains/losses of financial instruments hedging insurance liabilities recognised under Separately Managed Accounts, amount to € -13,986 million at 31 December 2022, compared to a profit of € 13,190.5 million at the end of 2021, due to the trends in the financial markets recorded in the period, which were affected by the evolution of interest rates and the spread.

Contracts classified as “insurance contracts” and those classified as “financial instruments with a discretionary participation feature”, for which use is made of the same recognition and measurement criteria as in statutory financial statement, were subjected to the LAT - Liability Adequacy Test required by paragraph 15 of IFRS 4. The test was conducted by taking into account the present value of future cash flows, obtained by projecting the expected cash flows generated by the existing portfolio as of period end, based on adequate assumptions underlying expiration causes (death, termination, surrender, reduction) and expense trends.

The outcome of this test revealed that the technical provisions recorded in the financial statements at the end of the period were fully adequate.

The provision for risks and charges at 31 December 2022, amounted to € 20.6 million (€ 19.3 million at the end of 2021) 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	31/12/22	31/12/21	delta
Legal disputes	5.9	5.4	0.5
Tax disputes	-	-	-
Other liabilities	14.8	13.9	0.8
Total	20.6	19.3	1.3

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

- outstanding legal disputes amounting to € 5.9 million (€ 5.4 million at 31 December 2021), 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 € 14.8 million relating to:
 - € 5.2 million (equal to the figure at 31 December 2021) to provisions against Intesa San Paolo’s intention to charge the Parent Company Poste Vita, by way of recourse, the VAT paid as a result of the facilitated settlement of pending litigation concerning the higher VAT ascertained by the Italian Revenue Service with reference to the years 2003 and 2004. This case concerns the collaboration relationship (failure to invoice the direct cost of personnel seconded to Poste Vita) and the co-insurance contract (failure to invoice the commissions on proxies and waivers), entered into in September 1999 between Sanpaolo Vita (later Eurizon and now Intesa San Paolo Vita) and Poste Vita. Investigations are under way with Intesa San Paolo Vita in order to verify the possibility of reaching a settlement of the dispute;
 - € 4.2 million (€ 4.7 million at 31 December 2021) relating to certain cases of fraud involving primarily the settlement of life insurance policies accompanied by falsified documentation sent directly to the Parent Company Poste Vita, as a result of which insurance payments were made to parties found not to be legitimate;
 - € 5.4 million relating to other provisions (€ 4 million at 31 December 2021), including: i) € 1.6 million relating to the provision for future charges in respect of the “Da Grande” product; ii) € 0.9 million relating to pending mediation, although the Parent Company Poste Vita is not exposed to risk in relation to these proceedings; and iii) € 1.8 million relating to provisions made during 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 relation to the phenomenon of “overinsurance”, as more fully described in the section “Other information”.

The increase in the period of € 1.3 million is mainly attributable to: i) € 0.5 million provision for legal disputes; ii) € 0.3 million provision made in the period (€ 0.5 million already allocated in 2021) in relation to the above-mentioned management of claims relating to the policy underwritten by Fondazione Enasarco; and iii) the € 1 million provision made in the period for the above-mentioned overinsurance.

The item **non-current liabilities or disposal groups held for sale** amounted to € 6.6 million at 31 December 2021 and refers solely to liabilities held by the Subsidiary Poste Welfare Servizi, reclassified under this item in application of IFRS 5, following the transfer of 100% of the units held by Poste Vita to the Ultimate Parent Poste Italiane, a transaction described in detail in this document.

Receivables and other assets

The item *receivables and other assets* amounting to € 3,271.3 million at the end of December 2022 (€ 3,055.4 million at the end of 2021) mainly referred to:

- amounts due from tax authorities for advances pursuant to Law 209/2002, for € 2,269.4 million (€ 2,290.2 at 31 December 2021) representing the advance on withholdings and the substitute tax on capital gains for life policies;
- deferred tax assets of € 487.2 million (€ 466.7 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;
- current tax receivables at the end of the period of € 153.8 million (of which € 122.6 million from the Ultimate Parent Poste Italiane SpA for tax consolidation purposes). The value at 31 December 2021 came to € 17.3 million (of which € 13.5 million due from the Ultimate Parent Poste Italiane SpA for tax consolidation purposes);
- amounts due from policyholders for stamp duty on Class III and Class V policies amounting to € 110.7 million (€ 95.2 million at the end of 2021); This item refers: i) for € 51.7 million to the amount of tax duties on policies at 31 December, balanced by the payable due to tax authorities for stamp duties commented on below and ii) for € 59 million to the advance on stamp duty paid by the Company over the years, used to offset tax due upon expiry/surrender of policies.

Payables and other liabilities

The item *payables and other liabilities* amounted to € 1,673.2 million at the end of 2022 (€ 1,329.2 million at 31 December 2021) and mainly refers to:

- financial liabilities measured at amortised cost of € 275.3 million at 31 December 2022 (€ 254.7 million at the end of 2021) related to: i) € 252.6 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) € 11.1 million in financial liabilities arising from the application of IFRS 16, balance representing the remainder of the fees to be settled at the end of the period;
- payables due to tax authorities for the advance on the mathematical provisions tax accruing during the period for € 419.7 million (€ 362.2 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 € 293 million (€ 242.4 million at the end of 2021);
- deferred tax liabilities for € 332 million (€ 214 million at the end of 2021), 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 tax authorities for the substitute tax on FIP, equal to € 21.1 million at the end of the period (€ 20.7 million at the end of 2021);
- amounts due to suppliers and Group companies for services received during the period totalling € 143.3 million (€ 62.2 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 (€ 34.3 million at the end of 2021).

5. Operating results

The reclassified statement of profit or loss by type of business for the period ended 31 December 2022 is shown below, compared with the same period of 2021:

The **Life** segment statement, commented on below, includes the data of the Parent Company Poste Vita SpA, excluding the part pertaining to the Non-life segment and the data referring to the newly established Net Holding SpA

RECLASSIFIED STATEMENT OF PROFIT OR LOSS (€m)	Life business			
	31/12/22	31/12/21	Change	
Net premium revenue	17,169.7	17,564.6	(394.9)	-2%
<i>Gross premium revenue</i>	17,179.5	17,574.1	(394.6)	-2%
<i>Outward reinsurance premiums</i>	(9.7)	(9.5)	(0.2)	2%
Fee income	118.0	81.1	36.9	45%
Net financial income on securities related to traditional products	(295.7)	3,365.0	(3,660.7)	-109%
<i>Income</i>	3,828.4	2,984.6	843.8	28%
<i>Realised gains/losses</i>	(179.5)	162.5	(342.0)	-210%
<i>Unrealised gains/losses</i>	(3,944.6)	217.9	(4,162.5)	n/s
Net financial income on unit-linked hedging securities	(1,362.6)	590.3	(1,952.9)	n/s
Net claims expense	(13,590.4)	(19,813.2)	6,222.8	-31%
<i>Claims paid</i>	(9,574.8)	(9,498.7)	(76.0)	1%
<i>Change in technical provisions</i>	(4,024.9)	(10,320.8)	6,296.0	-61%
<i>Share attributable to reinsurers</i>	9.2	6.4	2.9	45%
Investment management expenses	(64.1)	(60.9)	(3.2)	5%
Operating expenses	(638.0)	(601.1)	(36.9)	6%
<i>Net commissions</i>	(528.4)	(483.6)	(44.8)	9%
<i>Operating costs</i>	(109.6)	(117.6)	7.9	-7%
Other net revenue/costs	(62.7)	(55.0)	(7.7)	14%
EBIT	1,274.3	1,070.8	203.5	19%
Net financial income from investment in free capital	111.9	100.0	11.8	12%
Interest expense on subordinated loans	(47.8)	(46.1)	(1.7)	4%
PROFIT BEFORE TAX	1,338.3	1,124.7	213.6	19%
Taxes	(394.4)	(336.2)	(58.2)	17%
NET PROFIT	944.0	788.5	155.4	20%

Premium revenue for 2022, net of outward reinsurance premiums, amounted to € 17,169.7 million, down by 2% compared with the € 17,564.6 million recorded in the same period of 2021.

Fee and commission income from the management of internal funds linked to unit-linked products amounted to € 118 million, up € 36.9 million compared with the figure for the same period of 2021 (81.1 million) as a result of the increase in assets under management.

With regard to investment management, the **net financial income on securities related to traditional products** achieved during the period was negative for € 295.7 million, significantly lower than the result achieved in the corresponding period of 2021 (positive for € 3,365 million), due to the unfavourable market environment during the period as a result of the events related to the conflict between Russia and Ukraine, which resulted in net unrealised losses of € 3,944.6 million being recognised in 2022 compared to net unrealised gains of € 217.9 million in 2021. This effect was only partially mitigated by the growth (€ +843.8 million) in ordinary income recognised during the period due mainly to positive inflation-related dynamics. These are, however, net losses on investments included in Separately Managed Accounts and therefore entirely attributable to policyholders through the shadow accounting mechanism.

With regard to **investments hedging unit-linked products**, given the volatility of the financial markets, which resulted in the recognition of net unrealised losses totalling € 1,101.3 million in the reporting period, compared to net unrealised gains of € 422.1 million in the corresponding period of 2021, as illustrated in the following table, the overall net financial income realised was negative for € 1,362.6 million, compared to a positive result of € 590.3 million in the corresponding period of 2021. This amount is almost entirely matched by a corresponding change in technical provisions.

Settlements for insurance benefits to customers amounted to a total of € 9,574.8 million at the end of the period and were substantially in line (+1%) compared to the values recorded in the same period of 2021 and refer to: i) maturities (including coupons) of € 2,078.3 million, down by € 866.4 million compared to the figure recorded at the end of 2021; ii) claims of € 2,244.9 million (€ 2,379.4 million in 2021) and iii) surrenders of € 5,245.2 million, up (+25.8%) compared to the figure recorded at the end of 2021 and with a ratio to opening provisions of 3.6%, up compared to December 2021 (which was 3.1%).

As a result of the aforementioned commercial and financial trends, the corresponding **change in technical provisions for life business** amounted to € 4,024 million at the end of December 2022, compared with € 10,320.8 million recognised in 2021.

After taking into account the aforementioned settlements and the share attributable to reinsurers, amounting to € 9.2 million, **net claims expense** amounted to € 13,590.4 million at the end of the period, compared to € 19,813.2 million at the end of the same period in 2021.

Total **commissions** paid for distribution, collection and portfolio maintenance amounted to € 523.7 million, on an accruals basis, the amount totalled € 529.4 million (€ 484.8 million in 2021), due to the amortisation of pre-calculated commissions paid for the placement of pension products. Net of commissions received from reinsurers, the figure was € 528.4 million, compared with € 483.6 million at 31 December 2021.

Operating costs⁸ in the period under review totalled € 109.6 million, down (€ -7.9 million) from € 117.6 million in the corresponding period of 2021. The impact of costs with respect to premiums issued and provisions continues to be in line with market best practices, respectively at 0.8% and 0.1% (substantially in line with 2021).

Other net revenue (costs) at the end of the period amounted to € -62.7 million (€ -55 million at the end of December 2021) and mainly related to: i) the reversal of premiums related to previous years for € -18 million; ii) the substitute tax on the FIP for € -20.7 million; and iii) the premium to be paid under a reinsurance contract on the coverage of mass lapse risk for € -21.5 million.

In relation to the above trends, **EBITDA** at the end of the period amounted to € 1,274.3 million, an increase of € 203.5 million with respect to the € 1,070.8 million recognised during the same period in 2021.

8. Overheads allocated to acquisition costs and administrative expenses.

Net financial income from investment of “free capital”, mainly relating to ordinary fees accrued on the portfolio mainly consisting of Italian bonds, gave rise to a positive result of € 111.9 million, an increase (€ +11.8 million) compared to the figure recorded in the previous year as a result of higher net ordinary income, which grew by € 29.1 million during the period, mainly due to the favourable impact of inflationary dynamics, only partially mitigated by the growth (€ +15.5 million) of net unrealised losses compared to 2021.

Free Capital Income €m	31/12/22	31/12/21	Delta
Ordinary income	129.5	100.4	29.1
Realised gains/losses	0.9	2.7	(1.7)
Unrealised gains/losses	(18.6)	(3.0)	(15.5)
Total	111.9	100.0	11.8

Interest expense came to € 47.8 million (€ 46.1 million in 2021) and mainly referred: i) to commission expense on ancillary funds paid to the Ultimate Parent Poste Italiane SpA for € 39.9 million, based on the letter of commitment signed on 15 November 2018 and ii) to interest expense on the subordinated loan received from the same Ultimate Parent for € 7.8 million.

Interest expense €m	31/12/22	31/12/21	Delta
Commissions on Ancillary Funds	39.9	39.8	0.1
Interest on Poste Italiane subordinated loan	7.8	6.3	1.6
Other	0.1		0.1
Total	47.8	46.1	1.7

Due to the aforementioned trends, **gross profit for the period** came to € 1,338.3 million, compared to € 1,124.7 million in 2021. Considering the tax burden, determined with an estimated tax rate of 29.5%, the Company closed the period with a **net profit** of € 944 million, an increase of € 155.4 million on the € 788.5 million recorded in the same period of 2021.

The reclassified Statement of profit or loss schedule relative to **Non-Life Business**, commented on below, includes amounts for the subsidiaries Poste Assicura, and Poste Insurance Broker, as well as amounts from the Non-Life segment of the parent company Poste Vita.

It should be noted that the year 2021 also includes the figures for Poste Welfare Servizi (which contributed € 4 million to net profit); the latter was transferred to the Ultimate Parent Poste Italiane in February 2022.

RECLASSIFIED STATEMENT OF PROFIT OR LOSS (€m)	Non-life business			
	31/12/22	31/12/21	Change	
Net premium revenue	350.4	267.2	83.1	31%
Gross premium revenue	360.2	297.0	63.2	21%
Outward reinsurance premiums	(9.8)	(29.7)	19.9	-67%
Net financial income on securities related to traditional products	12.4	8.5	3.9	46%
Income	12.9	8.5	(2.8)	-33%
Realised gains/losses	(0.0)	0.1	(0.0)	-34%
Unrealised gains/losses	(0.4)	(0.1)	(0.3)	785%
Net claims expense	(224.5)	(166.0)	(58.4)	35%
Claims paid	(173.6)	(134.6)	(39.0)	29%
change in technical provisions	(46.5)	(43.7)	(2.8)	6%
Share attributable to reinsurers	(4.3)	12.3	(16.6)	-135%
Investment management expenses	(1.2)	(0.9)	(0.2)	24%
Operating expenses	(84.0)	(66.6)	(17.4)	26%
Net commissions	(54.1)	(43.4)	(10.7)	25%
Operating costs	(29.9)	(23.2)	(6.7)	29%
Other net revenue/costs	(3.3)	6.2	(9.5)	-153%
PROFIT BEFORE TAX	49.8	48.3	1.5	3%
Taxes	(16.7)	(10.8)	(6.0)	56%
NET PROFIT	33.1	37.6	(4.5)	-12%

Gross premiums earned on Non-life business and on policies placed during the period totalled 360.2 million (+21% compared with the same period of 2021), above all due to the increase in premium revenue relative to modular offers and employee benefits business; taking into account outward reinsurance, **net premiums earned** amounted to € 350.4 million compared with € 267.2 million in 2021.

Financial management, prudent and aimed at preserving the company's financial solidity generated net financial income during the period for € 12.4 million, up compared to the amount recognised in the same period in 2021 (€ 8.5 million), mainly due to the increase in fees connected with the trend in interest rates and inflation.

During the period, the **amounts paid** including settlement costs and direct expenses totalled € 173.6 million, up sharply from € 134.6 million in 2021. The **change in technical provisions**, including the provision for late claims, amounted to € 46.5 million during the period, compared with € 43.7 million in the same period of 2021).

After taking into account the reinsurers' share, amounting to € +4.3 million, **net claims expenses** amounted to € 224.5 million at the end of the period, compared to € 166 million at the end of the same period in 2021, mainly due to the increase in Health class in the Corporate segment and in the Injury segment.

For distribution and collection activities, **commissions** totalled approximately € 56.6 million, which, net of commissions received from reinsurers, amounted to € 54.1 million, up with respect to the € 43.4 million recognised in the previous twelve months, mainly due to growth in gross premium revenue. The impact of commissions (gross of the component received from reinsurers) with respect to gross premium revenue was 15.7%, down with respect to the figure recognised during the same period in 2021 (16.9%).

Operating costs totalling € 29.9 million mainly related to personnel costs, commercial/advertising costs, IT service costs and professional consultancy/services, and increased by € 6.7 million (+29%) compared to the figure for the same period of the previous year mainly due to higher intercompany costs related to IT, call centre and DTO back office fees.

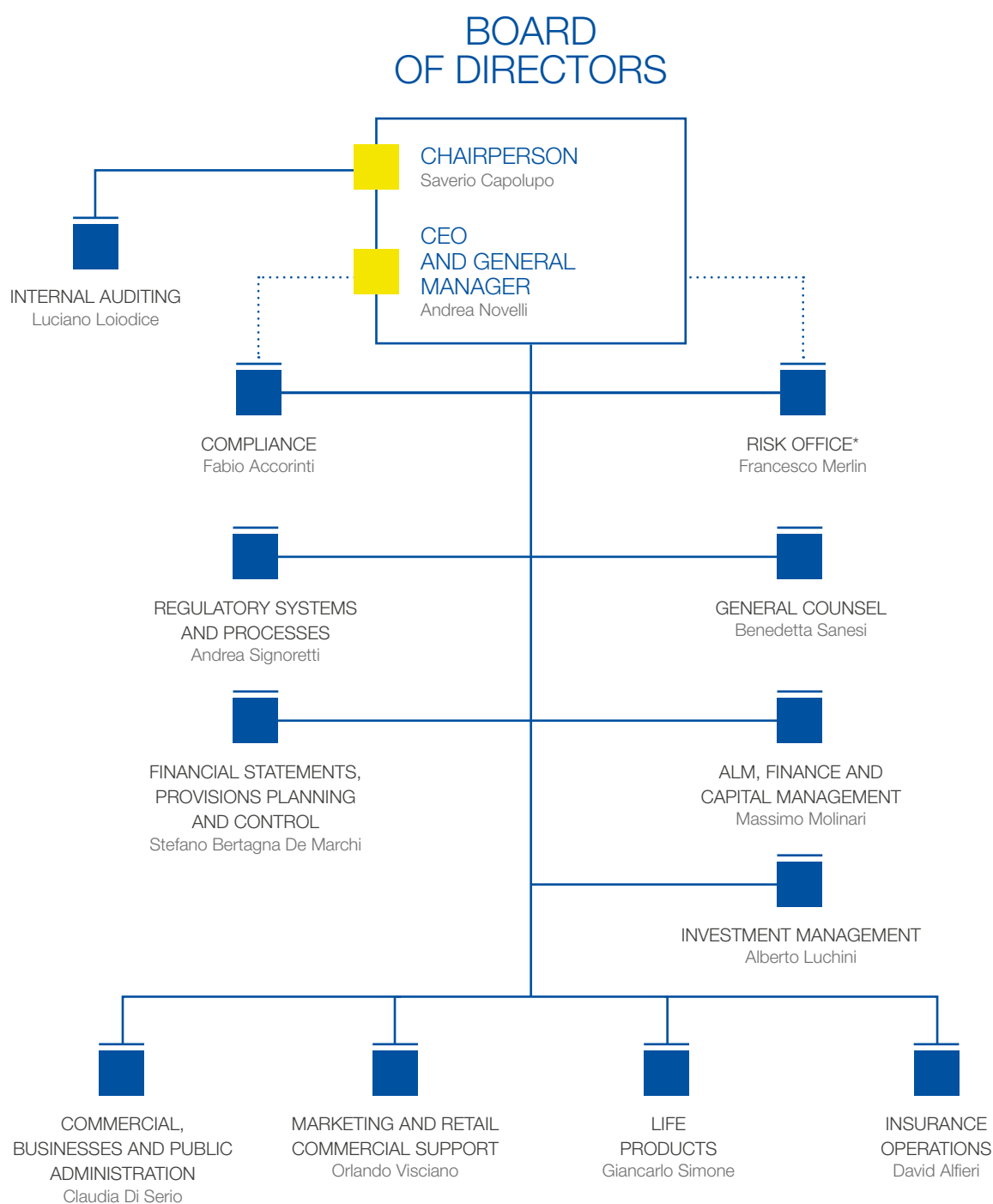
The item **Other net revenue (costs)**, amounting to € -3.3 million at the end of the period (€ +6.2 million in the same period of 2021) consisted primarily of: i) reversals of premiums issued in previous years for € -3.2 million; ii) the reversal of commissions relating to previous years for € 0.9 million and iii) the allocation to the provision for risks for the cases cited previously for € -1.3 million.

Due to the aforementioned trends, **gross profit for the period** for Non-life business came to € 49.8 million, compared to the € 48.3 million recorded in 2021. Considering the tax burden, **net profit** was € 33.1 million, down by € 4.5 million with respect to the € 37.6 million recorded in 2021.

6. Organisation of the Poste Vita Group

Organisational Structure

Below is the organisational chart for the Parent Company Poste Vita at 31 December 2022:



* Includes the Risk Management, Actuarial, Anti-Money Laundering and Information Security Functions as well as the Suspect Transactions Reporting Manager.

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 General Meeting of Shareholders held on 19 May 2020, has a term of office of three years, which will expire on the date of approval of the financial statements for 2022. 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 Company and is vested with the widest 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: Interactions 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 Risks and Related Party Transactions Committee;
- b. 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.

Additionally, consistent with the results of the process for self-assessment of complexity/risk levels, carried out in June 2020 by the subsidiary Poste Assicura SpA and in line with the option granted in the IVASS letter of 5 July 2018 to companies adopting an “ordinary” governance model, the Poste Vita Internal Control and Risks and Related Party Transactions Committee, as the Ultimate Holding Company (UHC), carried out the tasks and functions assigned to it in relation to the requirements of the subsidiary Poste Assicura SpA

The composition, the tasks entrusted to them, the powers and the functioning of each Committee are governed by specific Regulations, approved by the Board of Directors.

The Board of Statutory Auditors, elected by the General Meeting of Shareholders held on 19 May 2020, 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, is carried out by Deloitte & Touche SpA, Group Auditor, selected after a single call for tenders issued by Poste Italiane SpA, 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 Parent Company Poste Vita 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 increasingly stricter compliance with the more advanced governance models and in accordance with Poste Vita's Articles of Association, a Financial Reporting Manager has been appointed.

After outsourcing of the IT systems to the Ultimate Parent Poste Italiane SpA, 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.

Internal control system

As part of the Parent Company Poste Vita's Corporate Governance System, the Internal Control System and the Risk Management System (SCI) 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 flow 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 Company (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 in defining and implementing the same;
 - 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 Audit 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 Audit 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 Risks 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.

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 Organisation Model and the rules of conduct contained therein combine with the “Poste Italiane Group’s Code of Ethics” adopted by the Parent Company Poste Vita, 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 Parent 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).

Organisational structure and personnel

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, already undertaken in previous years, is confirmed. In this sense, activities in the areas of communication, purchasing, anti-money laundering, information systems, administration and general accounting, tender management activities in the area of offering insurance products, and activities in the area of human resources and organisation were carried out as a service by the Ultimate Parent Poste Italiane.

Below is a breakdown of Poste Vita Group's workforce, expressed in Full Time Equivalent and divided by contract type and the relative changes with respect to the previous year. The number of resources at the end of 2022 was 460 (490 at the end of 2021). In this regard, it should be noted that the figure for 2021 includes 63 staff members belonging to the company Poste Welfare Servizi (not included in the scope of consolidation at the end of 2022 as a result of the aforementioned transfer to the Ultimate Parent Poste Italiane that took place in February 2022). Net of these staff, the number of employees at 31 December 2022 would be 33 higher than at the end of 2021.

Workforce Breakdown expressed in FTE	31/12/22	31/12/21	Change
Executives	38	34	4
Middle managers	252	235	17
Operational staff	169	214	(45)
Flexible contracts	1	7	(6)
Direct employees	460	490	(30)

During the year, several resources with technical-insurance and financial expertise were brought in to support strategic projects and the functions impacted by them (USP project, IFRS17, measurement and actuarial models, risk management) by accessing the external market pool. In addition, with the aim of an overall strengthening of the workforce also in terms of heterogeneity of seniority, it should be noted that several 6-month "professional internships" were consolidated, activated at the end of 2021 and beginning of 2022. In addition, placements were made in direct support of the business, with a focus on the placement of personnel with specialised skills for the claims management of the Non-life Business.

With regard to training, in the year 2022, the delivery of training activities took place mainly in 'virtual' classroom mode (webinars) and in e-learning mode. Only the practical training activities for emergency workers within the framework of the Health and Safety at Work refresher programmes were delivered in person.

In this context, during 2022 training provided mainly involved the following areas: i) "insurance compliance", with specific reference to Anti-Money Laundering, IVASS and 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). In addition, specific focus in the first half of 2022 was given to the "We Postevita" training project. The We Poste Vita programme, which involved 45 participants, was conducted with the support of a leading training company, with the aim of developing a sense of company integration and belonging, as well as fostering knowledge and networking among people onboarded during the pandemic period. In the second half, however, a specific focus was given to the "Future Oriented" team building project. The managerial training programme, which involved 28 participants, was carried out with an external partner with the aim of strengthening the relational, collaborative and team-building dynamics of the Poste Vita Group's Top Team.

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 31 December 2022 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, primarily include products whose benefits are revalued 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 (so-called Separately Managed Accounts). For these types of product, the Company generally provides a guaranteed minimum return rate to be recognised at policy maturity (at 31 December 2022, the guaranteed minimum falls between 0% and 2.1% for existing policies). Unrealised gains and losses are returned to policyholders and recognised in a specific technical provision using shadow accounting. The calculation technique used in applying said method is based on the prospective yield on each Separately Managed Account, considering a hypothetical realisation of unrealised gains and losses over a period which is consistent with the characteristics of the assets and liabilities held in the portfolio.

The economic impact of financial risks on investments may be fully or partially absorbed by insurance liabilities. More specifically, this absorption is generally a function of 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), which for each individual Separately Managed Account, simulates the evolution of the value of financial assets and expected returns, using both a "central scenario" (based on current financial and commercial hypotheses) and a stress hypothesis, with various commercial developments. This model makes it possible to manage the risks assumed by the Parent Company Poste Vita SpA on a quantitative basis, thereby fostering reduced earnings volatility and optimal allocation of financial resources.

Unit-linked products, relating to Class III insurance products, regard policies where the premium is invested in mutual investment funds. The Parent Company Poste Vita constantly monitors developments in the risk profiles of individual products.

The non-life insurance company Poste Assicura SpA's investment policies are designed to preserve the Company's financial strength, as outlined in the Framework Resolution approved by the Board of Directors of Poste Vita SpA on 5 December 2022. 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 management of liquidity in order to meet 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 SpA, which, based on analyses by the relevant functions, provides advice to senior management on the definition, implementation and oversight of 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 2022.

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 and loss”.

The sensitivity analysis at 31 December 2022 took into account positions potentially exposed to fluctuations in value. Financial statement balances have been subjected to a stress test, based on actual volatility during the year, considered to be representative of potential market movements. The results of the sensitivity analysis carried out at 31 December 2022 for the Poste Vita Group are shown in the following table.

(€k)	Exposure	Delta value		Effect on deferred liabilities		Profit/(Loss) before tax		Equity reserves before taxes	
		Delta value +vol	Delta value -vol	Effect on def. lia. +vol	Effect on def. lia. -vol	Res. before taxes +vol	Res. before taxes -vol	Gross Eq. Res. +vol.	Gross Eq. Res. -vol.
Financial assets	-	-	-	-	-	-	-	-	-
Investments at FVOCI	-	-	-	-	-	-	-	-	-
APRE00061 - Shares at FVOCI	-	-	-	-	-	-	-	-	-
APRE00063 - Other investments at FVOCI	-	-	-	-	-	-	-	-	-
APRE00064 - Structured bonds at FVOCI	-	-	-	-	-	-	-	-	-
Financial assets at FVTPL	39,063,021	4,471,892	(4,471,892)	4,471,383	(4,471,383)	509	(509)	-	-
APRE00071 - Structured bonds at FVPL	-	-	-	-	-	-	-	-	-
APRE00073 - Other investments at FVPL	38,798,873	4,347,885	(4,347,885)	4,347,376	(4,347,376)	509	(509)	-	-
APRE00074 - Shares at FVTPL	264,148	124,007	(124,007)	124,007	(124,007)	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-	-
APRE00113 - FVTPL	-	-	-	-	-	-	-	-	-
PRE00093 - FVTPL liabilities	-	-	-	-	-	-	-	-	-
Variability at end of period	39,063,021	4,471,892	(4,471,892)	4,471,383	(4,471,383)	509	(509)	-	-

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

- investments in units of mutual investment funds held by the Poste Vita SpA Group, with a fair value of € 38,799⁹ million, including approximately € 29,635 million used to cover Class I policies, € 9,159 million used to cover Class III policies and a residual amount relating to the free capital;
- equity instruments held by Poste Vita SpA, totalling € 264 million, used to cover Class I policies linked to separately managed accounts and to cover Class III policies;
- Price risk does not involve fixed-income financial instruments (debt securities), because for the risk in question only stock market volatility is considered.

Currency risk

This is the risk that the value of a financial instrument will fluctuate as a result of changes in the exchange rates of currencies other than the accounting currency.

Sensitivity analysis of the items subject to currency risk was based on the most significant positions, assuming a stress scenario determined by the levels of exchange rate volatility applicable to each foreign currency position. More specifically, a change in the exchange rate equal to historic one-year volatility was applied, held to represent possible market changes.

Below are the results of the currency risk sensitivity analysis carried out on 31 December 2022 for the most significant Poste Vita Group's positions.

(€k)	Position in CURRENCY/000	Position in Euro/000	Delta valore		Profit/(Loss) before tax	
			Delta val. +260 days	Delta val. -260 days	Res. before taxes +260 days	Res. before taxes -260 days
Financial assets						
Investments at FVOCI						
Shares at FVOCI	-	-	-	-	-	-
Fixed income securities at FVOCI						
Other investments at FVOCI	-	-	-	-	-	-
Investments at FVTPL	105,795	99,189	10,008	(10,008)	10,008	(10,008)
Shares at FVTPL	-	-	-	-	-	-
Other investments at FVPL	105,795	99,189	10,008	(10,008)	10,008	(10,008)
Variability at end of period	105,795	99,189	10,008	(10,008)	10,008	(10,008)

Relative to the Poste Vita Group, the risk in question refers to units of certain alternative investment funds held at the end of December 2022.

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.

The analysis below mainly refers to the effects of changes in market rates on the price of fixed rate financial instruments or instruments linked to a fixed rate through a cash flow hedge and, residually, the effects of changes in market rates on the fixed component of variable rate financial instruments or instruments linked to a variable rate through fair value hedges. The impact of these effects is directly related to the financial instrument's duration.

The following interest rate sensitivity analysis was based on changes in fair value with a parallel shift in the market yield curve of +/- 100 bps. The sensitivities data shown by the analysis provide a base scenario that can be used to measure potential changes in fair value, in the presence of changes in interest rates.

9. Not included in the scope of the analysis in question are € 1,982 million of alternative funds predominantly composed of bonds.

The table below shows the sensitivity analysis for the fair value interest rate risk at 31 December 2022 for the Poste Vita Group's positions.

(€k)	Risk exposure		Delta value		Effect on deferred liabilities		Profit/(Loss) before tax		Equity reserves before taxes	
	Nominal exposure	Fair value exposure	Delta val. +100bps	Delta val. -100bps	Effect on def. lia. +100bps	Effect on def. lia. -100bps	Res. before taxes +100bps	Res. before taxes -100bps	Gross Eq. Res. +100bps	Gross Eq. Res. -100bps
Financial assets										
Investments at FVOCI	110,470,873	96,500,899	(6,307,993)	6,307,993	(6,213,834)	6,213,834	-	-	(94,159)	94,159
Fixed income securities at FVOCI	109,970,873	95,998,941	(6,305,695)	6,305,695	(6,211,536)	6,211,536	-	-	(94,159)	94,159
Other investments at FVOCI	-	-	-	-	-	-	-	-	-	-
Structured bonds at FVOCI	500,000	501,958	(2,298)	2,298	(2,298)	2,298	-	-	-	-
Financial assets at FVTPL	2,737,979	4,287,802	(315,354)	315,354	(311,936)	311,936	(3,418)	3,418		
Fixed income securities at FVPL	2,696,879	2,285,011	(81,550)	81,550	(78,131)	78,131	(3,418)	3,418		
Structured bonds at FVPL	22,000	21,038	(42)	42	(42)	42	-	-	-	-
Other investments at FVPL	19,099	1,981,753	(233,763)	233,763	(233,763)	233,763	-	-	-	-
Derivative assets	-	-	-	-	-	-	-	-	-	-
Cash flow hedges	-	-	-	-	-	-	-	-	-	-
Fair value hedges	-	-	-	-	-	-	-	-	-	-
Financial liabilities	-	-	-	-	-	-	-	-	-	-
Derivative liabilities	-	-	-	-	-	-	-	-	-	-
FVTPL liabilities	-	-	-	-	-	-	-	-	-	-
Cash flow hedge liabilities	-	-	-	-	-	-	-	-	-	-
Variability at end of period	113,208,852	100,788,701	(6,623,347)	6,623,347	(6,525,770)	6,525,770	(3,418)	3,418	(94,159)	94,159

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

- Fixed income government bonds held by Poste Vita SpA, totalling € 77,448 million; of this amount, € 75,507 million is used to cover Class I and V policies linked to separately managed accounts, and € 1,941 million relates to the Company's free capital;
- € 18,700 million in other non-government debt securities held by Poste Vita SpA, used mainly to meet obligations towards policyholders;
- Fixed income government bonds held by the Subsidiary Poste Assicura SpA, totalling € 279 million;
- Other non-government debt securities in the Poste Assicura SpA portfolio for € 75 million.

Financial assets at fair value through profit or loss, which are recognised at risk, are held almost entirely by Poste Vita SpA and are primarily used to cover commitments to policyholders. They relate to a portion of investments invested in fixed-income securities totalling € 2,285 million, of which € 3 million related to Poste Assicura, and to the position in *Other investments* consisting primarily of alternative fund units for € 1,982 million and the remaining € 21 million from the bond issued by Cassa Depositi e Prestiti as a private placement.

On the other hand, with respect to Class I and Class V policies sold by Poste Vita SpA, the duration of the hedging assets is 6.95, whilst the duration of the liabilities is 7.50.

Financial instruments covering the technical provisions for Class III have maturities which coincide with those of the liabilities.

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 securities had on the fair value of euro zone government and corporate securities, 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 so-called risk-free interest 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 variable rate securities.

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

(€k)	Risk exposure		Delta value		Effect on deferred liabilities		Profit/(Loss) before tax		Equity reserves before taxes	
	Nominal exposure	Fair value exposure	Delta val. +100bps	Delta val. -100bps	Effect on def. lia. +100bps	Effect on def. lia. -100bps	Res. before taxes +100bps	Res. before taxes -100bps	Gross Eq. Res. +100bps	Gross Eq. Res. -100bps
Financial assets										
Investments at FVOCI	110,470,873	96,500,899	(7,084,167)	7,084,167	(6,967,729)	6,967,729	-	-	(116,438)	116,438
Fixed income securities at FVOCI	109,970,873	95,998,941	(7,079,322)	7,079,322	(6,962,884)	6,962,884	-	-	(116,438)	116,438
Other investments at FVOCI	-	-	-	-	-	-	-	-	-	-
Structured bonds at FVOCI	500,000	501,958	(4,845)	4,845	(4,845)	4,845	-	-	-	-
Financial assets at FVTPL	2,737,979	4,287,802	(420,096)	420,096	(411,639)	411,639	(8,457)	8,457	-	-
Structured bonds at FVPL	22,000	21,038	(831)	831	(831)	831	-	-	-	-
Fixed income securities at FVPL	2,696,879	2,285,011	(185,502)	185,502	(177,045)	177,045	(8,457)	8,457	-	-
Other investments at FVPL	19,099	1,981,753	(233,763)	233,763	(233,763)	233,763	-	-	-	-
Derivative assets	-	-	-	-	-	-	-	-	-	-
Cash flow hedges	-	-	-	-	-	-	-	-	-	-
Fair value hedges	-	-	-	-	-	-	-	-	-	-
Financial liabilities	-	-	-	-	-	-	-	-	-	-
Derivative liabilities	-	-	-	-	-	-	-	-	-	-
FVTPL liabilities	-	-	-	-	-	-	-	-	-	-
Cash flow hedge liabilities	-	-	-	-	-	-	-	-	-	-
Variability at end of period	113,208,852	100,788,701	(7,504,263)	7,504,263	(7,379,368)	7,379,368	(8,457)	8,457	(116,438)	116,438

With regard to the Poste Vita group, the investments exposed to this risk amounted to a total of € 113,209 million fair value at 31 December 2022 and consist of € 96,501 million in financial assets at fair value through other comprehensive income and for the remaining € 4,288 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 € 7,504 million. Of this change, € 7,379 million would be allocated to deferred liabilities to policyholders through shadow accounting, € 116 million would affect the fair value reserve for securities in free capital and € 8 million would be reflected in profit or loss.

In addition to the sensitivity analysis mentioned above, the Poste Vita Group monitors spread risk by calculating the maximum value at risk (VaR), estimated on a statistical basis using a time horizon of 1 day and a 99% confidence level. Risk analysis performed through VaR takes into account the historical variability of the risk (spread) in question, in addition to modelling parallel shifts of the yield curve.

Below are the results of the spread risk sensitivity analysis carried out on 31 December 2022 with reference to Poste Vita Group positions.

(€k)	Risk exposure		
	Nominal exposure	Fair value exposure	SpreadVAR
Financial assets			
Investments at FVOCI	110,470,873	96,500,899	3,946,648
Fixed income securities at FVOCI	109,970,873	95,998,941	3,946,681
Other investments at FVOCI			
Structured bonds at FVOCI	500,000	501,958	391
Financial assets at FVTPL	2,737,979	4,287,802	16,184
Structured bonds at FVPL	22,000	21,038	67
Fixed income securities at FVPL	2,696,879	2,285,011	12,281
Other investments at FVPL	19,099	1,981,753	4,848
Derivative assets			
<i>Cash flow hedges</i>			
<i>Fair value hedges</i>			
Derivative liabilities	-	-	-
FVTPL liabilities	-	-	-
Cash flow hedge liabilities			
Variability at end of period	113,208,852	100,788,701	3,945,607

Cash flow interest rate risk

This is defined as the uncertainty related to the achievement of future cash flows following fluctuations of interest rates on the market. Such risk may arise from the mismatch – in terms of interest rate, interest rate resets and maturities – of financial assets and liabilities until their contractual maturity and/or expected maturity (banking book), with effects in terms of interest spreads and, as such, an impact on future results.

The following analysis refers to the uncertainty over future cash flows generated by floating rate instruments and floating rate instruments created through fair value hedges following fluctuations in market interest rates.

Sensitivity to cash flow interest rate risk relating to these instruments is calculated by assuming a parallel shift in the market forward interest rate curve of +/- 100 bps.

The following is the outcome of the cash flow interest rate risk sensitivity analysis carried out at 31 December 2022 on Poste Vita Group's positions, which shows a portfolio (including bank deposits of € 2,537 million) held by the Poste Vita SpA Group and subject to the risk in question with a total nominal value of € 6,971 million.

(€k)	Risk exposure	Delta value		Effect on deferred liabilities		Profit/(Loss) before tax	
	Nominal exposure	Delta val. +100bps	Delta val. -100bps	Effect on def. lia. +100bps	Effect on def. lia. -100bps	Res. before taxes +100bps	Res. before taxes -100bps
Financial assets	-	-	-	-	-	-	-
Investments at FVOCI	4,341,098	43,411	(43,411)	40,836	(40,836)	2,575	(2,575)
Fixed income securities at FVOCI	3,841,098	38,411	(38,411)	35,836	(35,836)	2,575	(2,575)
Other investments at FVOCI	-	-	-	-	-	-	-
Structured bonds at FVOCI	500,000	5,000	(5,000)	5,000	(5,000)	-	-
Financial assets at FVTPL	93,500	935	(935)	935	(935)	-	-
Other investments at FVTPL	-	-	-	-	-	-	-
Structured bonds at FVTPL	22,000	220	(220)	220	(220)	-	-
Fixed income securities at FVTPL	71,500	715	(715)	715	(715)	-	-
Cash and deposits attributable to BancoPosta	-	-	-	-	-	-	-
Bank deposits	-	-	-	-	-	-	-
Cash and cash equivalents	2,536,698	25,367	(25,367)	18,386	(18,386)	6,981	(6,981)
Bank deposits and amounts held at the Italian Treasury	2,536,698	25,367	(25,367)	18,386	(18,386)	6,981	(6,981)
Deposits with the MEF	-	-	-	-	-	-	-

Cash flow inflation risk

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

The table below shows the result of the analysis of cash flow inflation risk carried out at 31 December 2022 on the Poste Vita Group's positions.

(€k)	Risk exposure		Delta value		Effect on deferred liabilities		Profit/(Loss) before tax		Equity reserves before taxes	
	Nominal exposure	Fair value exposure	Delta val. +100bps	Delta val. -100bps	Effect on def. lia. +100bps	Effect on def. lia. -100bps	Res. before taxes +100bps	Res. before taxes -100bps	Gross Eq. Res. +100bps	Gross Eq. Res. -100bps
Financial assets										
Fixed income securities at FVOCI	9,159,453	10,389,372	39,841	(39,841)	39,687	(39,687)	1,483	(1,483)	-	-
Fixed income securities at FVTPL	72,450	88,758	12	(12)	-	-	12	(12)	-	-
Variability at end of period	9,231,903	10,478,130	39,852	(39,852)	39,687	(39,687)	1,495	(1,495)	-	-

At 31 December 2022, cash flow inflation risk relates to inflation-linked government securities not subject to cash flow hedges or fair value hedges. Of the total nominal value of € 9,232 million, € 9,193 million are held by the Parent Company Poste Vita SpA and € 39 million are held by the Subsidiary Poste Assicura.

Credit risk

This is the risk of default of the counterparties with which receivable positions exist, with the exception of investments in equities and mutual fund units.

Exposure to credit risk

For financial assets subject to the risk in question and for which provisions on impairment apply, below is an analysis of exposure to credit risk at 31 December 2022, in reference to financial assets measured at amortised cost and at fair value through other comprehensive income, for which the general deterioration model was used. The analysis shows exposure by class of financial assets, broken down by stages. The amounts refer to the gross (amortised cost before ECL), if not otherwise indicated, and do not consider guarantees or other instruments which attenuate credit risk.

Credit risk - Internal ratings

Description (€k)	from AAA to AA-			from A+ to BBB-			from BB+ to C			Not rated (carrying amount)			Total			Total carrying amount	
	Stage 1			Stage 1			Stage 1			Stage 2			Total				
	Amortised cost before ECL (GCA)	Fair value	Provision to cover expected losses	Amortised cost before ECL (GCA)	Fair value	Provision to cover expected losses	Amortised cost before ECL (GCA)	Fair value	Provision to cover expected losses	Amortised cost before ECL (GCA)	Fair value	Provision to cover expected losses	Amortised cost before ECL (GCA)	Fair value	Provision to cover expected losses		
Financial assets at amortised cost																	
Loans	-	-	-	194,453	-	(137)	-	-	-	-	-	-	194,453	-	(137)	-	194,316
Receivables	-	-	-	33,950	-	(98)	-	-	-	-	-	-	33,950	-	(98)	-	33,852
Fixed income securities	54,091,696	-	(179)	2,105,951	-	(910)	-	-	-	-	-	-	2,160,043	-	(910)	-	2,159,133
Other investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	54,091,696	-	(179)	2,334,354	-	(1,145)	-	-	-	-	-	-	2,388,446	-	(1,145)	-	2,387,301
Financial assets at FV/OCI																	
Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fixed income securities	8,709,176	7,649,679	(247,151)	97,115,283	86,471,166	(38,399)	2,057,677	1,814,529	(7,727)	58,127	51,380	(1,548)	107,953,401	95,998,941	(47,953)	-	95,998,941
Other investments	-	-	-	500,523	501,958	(238)	-	-	-	-	-	-	500,523	501,958	(238)	-	501,958
Total	8,709,176	7,649,679	(247,151)	97,615,806	86,973,123	(38,637)	2,057,677	1,814,529	(7,727)	58,127	51,380	(1,548)	108,453,923	96,500,899	(48,191)	-	96,500,899

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 31 December 2022, 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 Parent Company Poste Vita's interests in these funds were not subject to consolidation as it does not meet the "control" requirements of IFRS 10, but nonetheless fall under the scope of IFRS 12 as they are unconsolidated 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**	Amount
LU1379774190	MULTIFLEX-DIVERSIFIED DIS-CM	Immob.	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100%	30/12/22	5,272,110
LU1407711800	MULTIFLEX-DYN MLT/AST FD-CM	Immob.	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/12/22	3,769,922
LU1500341752	MULTIFLEX-DYNAMIC LT M/A-CM	Att. circ	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/12/22	501,850
LU1193254122	MULTIFLEX-GLB MA INC-CM	Immob.	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/12/22	3,611,308
LU1407712014	MULTIFLEX-GLB OPT M/A FD-CM	Immob.	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/12/22	4,412,815
LU1500341240	MULTIFLEX-LT OPTIMAL M/A-CM	Att. circ	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/12/22	778,468
LU1808839242	MULTIFLEX-OLYMP INSURN MA-CM	Att. circ	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/12/22	797,044
LU1500341166	MULTIFLEX-OLYMPIUM DYNAMIC-MULTIASSET FUND	Att. circ	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/12/22	273,451
LU1808838863	MULTIFLEX-OLYMPIUM OPT MA-CM	Att. circ	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/12/22	533,321
LU2051218035	MULTIFLEX-OLYMPIUM SEV-CMEUR	Att. circ	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/12/22	410,350
LU1407712287	MULTIFLEX-STRAT INS DIST-CM	Immob.	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/12/22	4,266,798
Total Multi-asset funds							24,627,439

ISIN (€k)	Name	LOCAL classification	Nature of entity	Fund activity	% investment*	NAV	
						Ref. date**	Amount
IT0004597396	ADVANCE CAPITAL ENERGY FUND	Att. circ	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%	30/09/2022	18,274
QU0006746865	ALC Prima European Private Credit Feeder Fund	Immob.	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%	30/09/2022	245,575
LU1581282842	Indaco SICAV SIF - Indaco CIFC US Loan	Immob.	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%	30/11/2022	80,120
QU0006738854	PrimA Credit Opportunity Fund	Att. circ	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%	30/11/2022	140,110
QU0006738052	Prima EU Private Debt Opportunity Fund	Immob.	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%	30/09/2022	486,579
QU0006744795	Prima European Direct Lending 1 Fund	Immob.	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%	30/09/2022	445,975
QU0006742476	PRIMA GLOBAL EQUITY PARTNERS FUND	Immob.	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%	30/09/2022	190,919
IE00BK1KDS71	Prima Hedge Platinum Growth	Att. circ	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%	30/11/2022	428,672
IT0005247819	DIAMOND CORE	Immob.	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%	30/06/2022	279,988
IT0005210387	DIAMOND EUROZONE RETAIL PROPERTY FUND	Immob.	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%	30/06/2022	94,647
IT0005210593	DIAMOND OTHER SECTORS ITALIA	Immob.	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%	30/06/2022	109,416

ISIN (€k)	Name	LOCAL classification	Nature of entity	Fund activity	% investment*	NAV	
						Ref. date**	Amount
IT0005215113	CBRE DIAMOND FUND	Immob.	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 estate 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%	30/09/2022	192,593
IT0005174450	DIAMOND EUROZONE OFFICE UBS FUND	Immob.	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%	30/09/2022	419,766
IT0005212193	DIAMOND ITALIAN PROPERTIES FUND	Immob.	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%	30/06/2022	162,583
IT0005386666	i3-Dante comparto Convivio Fund	Immob.	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%	30/06/2022	265,728
QU0006745081	Prima Real Estate Fund I	Immob.	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%	30/09/2022	378,241
LU1081427665	SHOPPING PROPERTY FUND 2	Immob.	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%	30/09/2022	67,335
Total other funds						4,006,521	4.006.521
Overall total							28,633,959

* 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;
- 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	5,272,110	628,667	4,643,444	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1407711800	MULTIFLEX-DYN MLT/AST FD-CM	FVTPL	3,769,922	380,653	3,389,270	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1500341752	MULTIFLEX-DYNAMIC LT M/A-CM	FVTPL	501,850	52,882	448,968	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1193254122	MULTIFLEX-GLB MA INC-CM	FVTPL	3,611,308	255,003	3,356,306	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1407712014	MULTIFLEX-GLB OPT M/A FD-CM	FVTPL	4,412,815	436,277	3,976,538	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1500341240	MULTIFLEX-LT OPTIMAL M/A-CM	FVTPL	778,468	79,944	698,524	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1808839242	MULTIFLEX-OLYMP INSURN MA-CM	FVTPL	797,044	77,078	719,966	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1500341166	MULTIFLEX-OLYMPIUM DYNAMIC-MULTIASSET FUND	FVTPL	273,451	27,903	245,549	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1808838863	MULTIFLEX-OLYMPIUM OPT MA-CM	FVTPL	533,321	54,079	479,242	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU2051218035	MULTIFLEX-OLYMPIUM SEV-CMEUR	FVTPL	410,350	81,634	328,716	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1407712287	MULTIFLEX-STRAT INS DIST-CM	FVTPL	4,266,798	392,437	3,874,361	Annual VaR at 99.5% over 5 years and a half-life of 1 year
Total Multi-asset funds			24,627,439	2,466,555	22,160,883	
IT0004597396	ADVANCE CAPITAL ENERGY FUND	FVTPL	15,754	8,495	7,259	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	245,575	28,016	217,559	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	80,120	17,129	62,991	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
QU0006738854	PrimA Credit Opportunity Fund	FVTPL	140,110	51,272	88,838	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
QU0006738052	Prima EU Private Debt Opportunity Fund	FVTPL	486,579	54,567	432,012	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets

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*
QU0006744795	Prima European Direct Lending 1 Fund	FVTPL	445,975	54,223	391,752	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
QU0006742476	PRIMA GLOBAL EQUITY PARTNERS FUND	FVTPL	190,919	96,091	94,827	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IE00BK1KDS71	Prima Hedge Platinum Growth	FVTPL	428,672	23,748	404,923	99% VaR provided by the manager
IT0005247819	DIAMOND CORE	FVTPL	279,988	99,172	180,816	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005210387	DIAMOND EUROZONE RETAIL PROPERTY FUND	FVTPL	94,647	34,873	59,773	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005210593	DIAMOND OTHER SECTORS ITALIA	FVTPL	109,416	39,134	70,283	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005215113	CBRE DIAMOND FUND	FVTPL	192,593	59,646	132,947	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005174450	DIAMOND EUROZONE OFFICE UBS FUND	FVTPL	419,766	165,304	254,462	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005212193	DIAMOND ITALIAN PROPERTIES FUND	FVTPL	162,583	59,115	103,468	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005386666	i3-Dante comparto Convivio Fund	FVTPL	265,728	66,432	199,296	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
QU0006745081	Prima Real Estate Fund I	FVTPL	378,241	170,700	207,541	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
LU1081427665	SHOPPING PROPERTY FUND 2	FVTPL	43,720	32,670	11,050	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
Total other funds			3,980,385	1,060,588	2,919,797	
Overall total			28,607,824	3,527,143	25,080,680	

* Figure provided by Risk Management Office.

Fair value changes during the period for the mentioned Funds have been assigned to the policyholders through shadow accounting, 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 31 December 2022:

ASSET CLASS* (€k)	Fair Value*
Financial instruments	28,257,743
Shares	1,495,906
Government bonds	8,499,239
Corporate bonds	13,930,066
Cash and cash equivalents	1,921,356
Other investments	2,411,176
Derivative financial instruments**	-
Exchange rates and interest rates forward contracts	361,248
Futures (exchange rates forward contracts)	-13,297
Variable Rate Hedging Swaps	2,130
Total	28,607,824

* Figures supplied by the Investment Operations Office.

** Such instruments are not included in Multi-asset Funds.

REFERENCE MARKET* (€k)	Fair Value*
Dublin	7,253
Luxembourg	114,515
Singapore	959,948
London	2,267,417
Eurotix	254,389
Euromtf	428,602
Euronext	3,449,191
Germany	4,648,936
Trace	3,583,269
New York	1,947,364
Hong Kong	274,090
Paris	748,741
Tokyo	820,732
Other	8,070,066
Funds	1,033,312
Total	28,607,824

* Figures supplied by the Investment Operations Office.

Fair value measurement techniques - IFRS 13

With reference to **the valuation of financial instruments**, approved by the Board of Directors of Poste Vita on 28 January 2021 (last update) as well as the Additional Guidelines to the Fair Value Policy of the Poste Vita Insurance Group approved by the Board of Directors at its meeting of 15 December 2021.

During the first half of 2022, the Risk Management Function, with the support of the corporate functions involved, finalised the "Technical Annex to the Additional Guidelines to the Fair Value Policy of the Insurance Group", the contents of which were already applied in the valuation of financial instruments at 31 December 2022.

It seems appropriate to recall that this document, which is necessary in order to fully implement the provisions of the Additional Guidelines, as well as the IVASS action plan approved by the Company's BoD on 26 January 2022, has the twofold objective of:

- identifying and defining the controls applied to verify the level of liquidity in the assignment of the Fair Value hierarchy, highlighting the limits, time interval and significance thresholds to be applied in performing the analyses and controls defined in the Additional Guidelines to the Fair Value Policy of the Poste Vita Insurance Group;
- describing the rules and criteria for determining the fair value of unlisted or listed but illiquid financial instruments whose Level in the fair value hierarchy is other than 1.

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 31 December 2022 the following were reclassified:

- € 1.3 billion of financial instruments from fair value level 1 to level 2, mainly referring to corporate securities that do not meet the liquidity criteria provided by the Fair Value policy for the attribution of level 1 and to ETFs reclassified following the supplementary controls carried out on the basis of the provisions of the Technical Annex to the Additional Guidelines to the FV Policy;
- € 4.4 billion of financial instruments from level 2 to level 1, mainly referring to inflation-linked and strip Italian government bonds that met the liquidity criteria at the valuation date (spread between BID price and ASK price at the valuation date);
- € 3.7 billion of financial instruments from fair value level 3 to fair value level 2, referring almost exclusively to class III funds as a result of look-through analyses.

The Company will continue to carefully monitor the effective and complete implementation of the Fair Value Policy and the related Additional Guidelines recently drafted for the Poste Vita Group, also in consideration of the Company's organisational and strategic evolutions.

In accordance with **IFRS 13 - Fair Value Measurement**, a description of the fair value measurement techniques is provided below (for a discussion of which please refer to the Notes to the Consolidated Financial Statements for the year ended 31 December 2021) used within the Poste Vita Group.

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

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 as well as the level 2 inputs also inputs not observable for the asset or liability.

Fair value hierarchy

The following table provides analysis of financial instruments measured at fair value at 31 December 2022 broken down by fair value hierarchy level.

Financial assets (€k)	Level 1	Level 2	Level 3	FV Hierarchy
Financial assets at FVOCI	88,689,811	7,768,970	42,118	96,500,899
Shares at FVOCI	-	-	-	-
Fixed income securities at FVOCI	88,689,811	7,267,013	42,118	95,998,941
Other investments at FVOCI	-	-	-	-
Structured bonds at FVOCI	-	501,958	-	501,958
Loans at FVOCI	-	-	-	-
Loans at FVOCI GRP	-	-	-	-
Receivables at FVTOCI	-	-	-	-
Receivables at FVOCI GRP	-	-	-	-
Credit FVOCI GRP	-	-	-	-
Financial assets at FVTPL	4,995,427	30,315,293	8,150,009	43,460,729
Structured bonds at FVPL	-	21,038	-	21,038
Fixed income securities at FVPL	2,138,607	146,405	-	2,285,011
Other investments at FVPL	2,599,123	30,141,400	8,040,102	40,780,626
Shares at FVTPL	257,698	6,450	-	264,148
Receivables at FVTPL	-	-	109,907	109,907
Derivative assets	-	-	-	-
TOTAL ASSETS AT FAIR VALUE	93,685,238	38,084,263	8,192,127	139,961,628
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 2022:

(€k)	from level 1	to level 2	to level 1	from level 2
Financial assets at FVOCI	(583,381)	583,381	4,361,670	(4,361,670)
Shares at FVOCI	-	-	-	-
Fixed income securities at FVOCI	(583,381)	583,381	4,361,670	(4,361,670)
Other investments at FVOCI	-	-	-	-
Structured bonds at FVOCI	-	-	-	-
Loans at FVOCI	-	-	-	-
Loans at FVOCI GRP	-	-	-	-
Receivables at FVTOCI	-	-	-	-
Receivables at FVOCI GRP	-	-	-	-
Financial assets at FVTPL	(686,262)	686,262	6,003	(6,003)
Structured bonds at FVPL	-	-	-	-
Fixed income securities at FVPL	(66,451)	66,451	6,003	(6,003)
Other investments at FVPL	(613,447)	613,447	-	-
Shares at FVTPL	(6,364)	6,364	-	-
Receivables at FVTPL	-	-	-	-
Derivative assets	-	-	-	-
Financial liabilities at FV	-	-	-	-
Derivative liabilities	-	-	-	-
net transfers between level 1 and level 2	(1,269,643)	1,269,643	4,367,673	(4,367,673)

The reclassifications from level 1 to level 2 amounted to € 1,267.9 million, mainly referring to corporate securities that do not meet the liquidity criteria provided by the Fair Value policy for the attribution of level 1 and to ETFs reclassified following the supplementary controls carried out on the basis of the provisions of the Technical Annex to the Additional Guidelines to the FV Policy.

Reclassifications from level 2 to level 1 amounting to € 4,362.7 million, mainly referring to inflation-linked and strip Italian government bonds that met the liquidity criteria at the valuation date (spread between BID price and ASK price at the valuation date);

Below are the **changes in level 3** which occurred during 2022:

(€k)	Financial assets at FVOCI	Financial assets at FVTPL	Derivative assets
Opening balance	95,090	10,918,976	
Purchases - disbursements		1,612,215	
Disposals	(29,535)	(820,404)	
Repayments made			
Change FVTPL		98,664	
Change FV vs SE from valuation			
Transfers to PL			
Effects of sales on profit or loss			
Transfers to level 3	42,118		
Transfers to other levels	(65,555)	(3,659,442)	
Amortised cost			
Write-downs			
Other Changes			
Closing balance	42,118	8,150,009	

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.

These financial instruments primarily consist of investments in private equity, private debt and real estate funds associated entirely with Class I products related to separately managed accounts and investments linked to Class III products.

Changes during the period mainly concern the purchase of new investments, redemptions of unlisted closed-end fund units and the transfer of Class III funds from Level 3 to Level 2.

In order to acknowledge the observations made by the inspection report delivered on 26 July 2021 and in accordance with the related Action Plan, including the related additions, the Company adopted Additional Guidelines supplementing the aforementioned Fair Value policy in order to regulate even more precisely the determination of fair value and the related price controls on the financial instruments in the Company's portfolio, with particular regard to the funds category.

That being said, also in order to take into account the provisions of the letter to the Market published by IVASS on 14 July 2021, it should be noted that at 31 December 2022, the allocation of the fair value levels of financial instruments was carried out using a prudential approach, taking into account the implementations still in progress necessary to carry out the "Full look through approach" on all categories of funds held in the Company's portfolio. To this end, it should be noted that the Company reclassified from fair value Level 3 to Level 2 € 3,659.4 million referring almost exclusively to class III funds.

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

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

Relations with the Ultimate Parent Poste Italiane SpA, which holds all the shares, are governed by written contracts, settled by market conditions and regard mainly:

- the sale and distribution of insurance products at Post Offices and related activities;
- Post Office current accounts;
- partial seconding 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 31 December 2022, the Company had subscribed three subordinated liabilities, of which two hybrids and issued in July 2021 and August 2022 respectively, for a total of € 1,050 million, remunerated at market conditions reflecting the credit-worthiness of the insurance company.

These assets at 31 December 2022 include the value of the 45% interest held by the Parent Company Poste Vita in the associate Europa Gestioni Immobiliare SpA (EGI) for € 109.3 million and the 5% stake held by the subsidiary Poste Assicura in Consorzio Logistica Pacchi Scpa

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

- 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. The description of these transactions is detailed in the Notes.

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 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 31 December 2022, 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 € 523 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 the quality 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 settlement phase thereof through the falsification of insurance documentation/abusive access to computer systems (i.e. Insurance Reserved Area) also by third parties.

Where applicable, the Parent Company Poste Vita nevertheless took action by implementing the appropriate initiatives in criminal matters.

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, in 2022 there was an increase in the case of apocryphal underwriting of non-life insurance policies in the name of unsuspecting clients who then refuted their authenticity.

The unlawful conduct was attributed both to persons outside the organisation and to Post Office employees; in the latter case, it was possible to learn that the conduct was, for the most part, aimed at achieving commercial objectives. There was also an increase in the number of reports of suspected wrongdoing with regard to claims not deemed genuine. Where applicable, the Subsidiary Poste Assicura took action by implementing the appropriate initiatives in criminal matters.

With regard to non-claims-related litigation, 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 Subsidiary Poste Assicura. This last position concerns the injunction notified to the Company on 14 October by an intermediary with economic claims for a total of € 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 Subsidiary Poste Assicura, which considers the other party's claims to be unfounded, and the case is still pending. With reference to the latter, in accordance with the provisions of OIC 31 and Reg. ISVAP 22/2008, this liability being “possible” but not probable, the Poste Vita Group 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), the Poste Vita Group, 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 these financial statements to the recognition of a contingent asset of € 0.1 million.

While with reference to the period (1 November 2021 - 31 October 2022), the Poste Vita Group, 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 the previous year.

Purchase of the same covers for the same insured entity (Overinsurance) - 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, the Poste Vita Group has set aside a provision of € 1 million at the end of 2022, which will be gradually released over the course of 2023 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

a. Subscription to ECRA capital increase and management mandate of alternative investments

On 31 January 2022, the subscription to ECRA capital increase by Poste Vita in the amount of € 1.7 million was finalised, with the simultaneous assignment of the alternative investment management mandate.

As a result of the subscription to the Capital Increase, the Company now holds, together with Banco Posta Fondi SGR, a total equity investment (to be split equally between the two) equal to 40% of the share capital of ECRA and 24.5% of the voting rights.

b. Proposal for the sale of the equity investment in Poste Welfare Servizi Srl

With regard to the proposed sale by the Parent Company Poste Vita to Poste Italiane of 100% of the shares held in Poste Welfare Servizi Srl, approved by the Company's Board of Directors on 26 January 2022, it should be noted that the transaction was finalised on 24 February 2022 with the filing of the deed of sale with the Companies Register. The sale, which took place for a consideration of € 70 million, generated a capital gain of € 49.1 million, which was recognised in equity under "Retained Earnings Reserves".

c. Sale of shareholding in FSI Sgr SpA

On 5 July, the Board of Directors of Poste Vita resolved on the proposed sale by Poste Vita to Magenta 71 Srl of 100% of the shares held in FSI SGR (hereinafter, "FSI").

The transaction, which is intended to strengthen FSI SGR's position in the market as an independent manager of alternative funds, is in line with the objectives relating to investments in alternative assets, as well as with the Company's investment strategy outlined in the strategic asset allocation most recently approved by the Board of Directors on 24 February 2022, which envisages gradually increasing the weight of alternative assets (including private equity) over the years through the subscription of new investment funds and not through the acquisition of equity investments in asset management companies. To determine the economic value of FSI, and thus the suitability of the agreed fee, a mandate was granted to an independent assessor (EY Advisory SpA), which issued an appraisal of FSI's economic value on 4 July. Therefore, the consideration agreed between the parties was set at € 1.6 million, a value deemed consistent within the range of FSI's economic values - between € 1.4 and € 1.7 million - identified by the aforementioned assessor.

d. Acceptance of COIMA takeover bid

On 5 July, the Board of Directors of the Parent Company Poste Vita resolved on the acceptance of the voluntary takeover bid for the purchase and exchange of all the ordinary shares of COIMA RES SpA SIIQ ("COIMA RES") promoted by Evergreen SpA and, consequently, to approve the sale of the entirety of the shares held by Poste Vita in COIMA RES, equal to 2.78% of the latter's share capital, for a consideration of € 10 million.

The transaction is in line with the objectives related to investments in alternative assets as well as with the Company's investment strategy outlined in the strategic asset allocation. The strategy is to gradually increase the weight of alternative assets (including real estate) over the years through subscriptions to new investment funds and not through listed equity exposure.

To determine the economic value of FSI, and thus the suitability of the agreed fee, a mandate was granted to an independent assessor (Lazard SpA), who deemed a consideration of € 10 per share to be congruous, a total of € 10 million for Poste Vita incorporating an average premium in line with market practice for comparable transactions.

e. Net Insurance takeover bid

On 28 September 2022, the Board of Directors of the Parent Company Poste Vita, having acknowledged the favourable opinion expressed by the Board of Directors of the Ultimate Parent Poste Italiane, approved the promotion of a voluntary takeover bid for the entirety of the shares of Net Insurance, a company that provides insurance coverage in the credit sector. The transaction confirms the growth objectives of the Poste Italiane Group's insurance company in the protection and non-life segment. Completion of the transaction, subject to obtaining regulatory and antitrust approvals, is expected by the first half of 2023. In order to carry out the aforementioned transaction, on 12 October, the Parent Company Poste Vita established Net Holding SpA, as better specified in the "overview" section.

f. Issuance of Restricted Tier 1 Subordinated Bond

On 3 August 2022, Poste Vita completed the issuance of a Restricted Tier 1 subordinated bond in euro, perpetual, non-convertible and with a fixed rate, resolved by the Company's Board of Directors meeting in extraordinary session on 27 July 2022 and by the Shareholders' Meeting on 28 July 2022, for a nominal amount of € 500 million, fully subscribed by the Ultimate Parent Poste Italiane SpA.

The instrument can be recalled after the tenth year and after each interest payment date. The fixed-rate bond is issued at par with an annual coupon of 8.4%, payment in arrears every six months (3 August and 3 February). Thereafter, in the event of no recall, the coupon will be fixed every five years (at the 5-year mid-swap rate plus margin).

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 for the alleged breach of Article 183, paragraph 1, letter "a", of the Private Insurance Code and mainly relating to the lateness of the settlement of insurance benefits beyond the contractually established deadline - there are currently no pending proceedings.

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. The Parent Company, 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

With regard to inspections, the following provides updates on the Period, namely:

COVIP

With reference to the COVIP inspection on the "Postaprevidenza Valore" Individual Pension Plan ("PIP"), whose results were notified to the Parent Company Poste Vita with a communication dated 27 May 2022, the Board of Directors of Poste Vita approved, at its meeting held on 26 July 2022, a detailed action plan aimed at strengthening the processes, in addition to what was already indicated in the action plan approved by the Board of Directors on 8 June 2022. At 31 December 2022, all the actions envisaged in the plan had been completed and the planned timetable respected.

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 - concerning profiles of governance, management and control of investments and financial risks concluded on 7 May 2021 - it should be noted that the related action plan, approved by the Board of Directors of the Parent Company Poste Vita on 22 October 2021, was fully completed in accordance with the time-frame envisaged in the plan.

IVASS - Istituto per la Vigilanza sulle Assicurazioni (the insurance regulator): Anti-Money Laundering

With regard to the inspection completed on 18 June 2021 and the results of which were notified to the Parent Company Poste Vita at the Board of Directors' meeting of 30 September 2021, it is reported that at 31 December 2022, all the actions identified had been completed in accordance with the time-frame envisaged in the plan.

Exemption from the preparation of the Non-Financial Statement

The Directors of the Parent Company Poste Vita have availed themselves of the exemption from preparing the non-financial statement pursuant to art. 6, paragraphs 1 and 2) of Legislative Decree no. 254 of 30 December 2016.

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 16 - Property, Plant and Equipment**, the purpose of which is to clarify that income from the sale of products made during the testing phase of the asset itself, as well as the related production costs, must be recognised in the statement of profit or loss;
- Amendments to **IAS 37 - Provisions, Contingent Liabilities and Contingent Assets** to clarify that, for the purpose of assessing whether a contract is onerous, it is necessary to consider not only the incremental costs of fulfilling the contract (such as labour and direct materials), but also all other costs directly attributable to the contract (such as the depreciation of assets used to fulfil that specific contract);
- Amendments to **IFRS 3 - Business Combinations** to update the references in the standard to the Conceptual Framework in the revised version of 2018, without this leading to changes in the provisions of the standard;
- Amendments to the following accounting standards in the context of routine standard improvement activities with the objective of resolving non-urgent issues related to inconsistencies in the standards or to provide clarifications of terminology:
 - **IAS 41-Agriculture;**
 - **IFRS 1-First-time adoption of International Financial Reporting Standards;**
 - **IFRS 9 - Financial Instruments;**
 - **Illustrative Examples of IFRS 16 Leases.**

Accounting standards, amendments and improvements applicable as of 1 January 2023

EU Regulation 2021/2036 introduced the new accounting standard IFRS 17 - Insurance Contracts. The new accounting standard will fully replace the current IFRS 4 from 1 January 2023 and has been introduced with the aim of:

- ensuring that an entity provides information that fairly represents the rights and obligations arising from the insurance contracts issued;
- eliminating 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
- improving comparability between entities belonging to the insurance sector by providing for specific presentation and disclosure requirements.

In order to adopt the aforementioned accounting standard in the consolidated financial statements of the Poste Vita Insurance Group, a complex implementation project with extensive involvement of the main corporate functions is operational as of 2019. In particular, the project envisaged functional workstreams dedicated to developing the methodological and interpretative aspects of the standard in line with industry market practice and operational workstreams dedicated to implementing the operational model and architecture of the target information systems. Below we provide some preliminary relevant information concerning the effects of applying IFRS 17.

Scope of application

The application of the principle requires an analysis of existing contracts in order to identify those that reflect the definition of an “insurance contract”, i.e. a contract under which one party accepts a significant insurance risk from another party, agreeing to indemnify the insured or the beneficiary in the event that the latter suffers loss as a result of a specific event, i.e. the insured event.

Therefore, insurance contracts issued by companies belonging to the Poste Vita Group, as well as reinsurance contracts held, fall within the scope of the standard.

Level of portfolio aggregation

The Poste Vita Group will apply IFRS 17 to its entire portfolio of contracts issued by Group companies and reinsurance contracts held. The level of aggregation defined envisages an initial distinction between Life and Non-life business and then a distinction into different Unit Of Accounts that accommodate contracts with similar contractual characteristics and product risk. This classification was also made taking into account the Solvency II Lines of Business, where possible.

Application of exemption to annual cohorts

As envisaged in the endorsement of the final version of the standard¹⁰, the Poste Vita Group will adopt the exemption option relating to the application of the annual cohorts¹¹, limited to the portfolios pertaining to the Line of Business “With Profit Participating” 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 by exploiting the mutualisation effect of returns¹², typical of separately managed accounts. No impact on Non-life business is expected.

10. In the endorsement of the final version of IFRS 17, an exemption from the application of the requirement to group in annual cohorts was provided for contracts characterised by intergenerational mutualisation and matching of cash flows, as according to EFRAG such grouping does not fully meet the criteria for technical approval and/or does not contribute to the European public good [SOURCE: REGULATION (EU) 2021/2036].

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

12. 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.

This exemption stems 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.

Discount rate

For the discounting of future cash flows related to insurance contracts, the 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 without Volatility Adjustment (i.e. the measure defined for Solvency II purposes that allows the effects of market volatility to be mitigated).

The Basic Risk Free curve, depending on the specific business, will 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.

Below are the details of the portfolios:

- in relation to the Separately managed account participating business and the Unit Linked portfolio connected to Separately managed accounts (Multi-branch products), it was decided to calibrate the IFRS 17 Illiquidity Premium 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, it was decided to adopt values of Illiquidity Premiums consistent with the Volatility Adjustment value provided by EIOPA, in line with Solvency II;
- in relation to the Non-life Business, it was decided to adopt only the Basic Risk Free curve, thus assuming an Illiquidity Premium of 0, in line with the Solvency II framework.

Risk adjustment

The Risk Adjustment, i.e. the remuneration that companies require for taking non-financial risks, will be calculated separately for Life and Non-life business. This measure represents an adjustment of the estimated Present Value Future Cash Flow, which will affect the determination of the CSM.

To determine the Risk Adjustment, the Poste Vita Group decided to use the percentile metric. According to this approach, the Risk Adjustment represents the potential loss in relation to the obligations assumed towards policyholders (Technical Provisions) that companies would incur, at a given level of probability (percentile level), to cover the insurance risks assumed, thus reflecting the companies’ risk appetite.

In the identification of the confidence level for the Risk Adjustment, equal to 70% for the Life business and 80% for the Non-life business, among other elements, the Solvency II valuation framework was taken into account, considering the same perimeter of underlying risks.

Evaluation models adopted

The Premium Allocation Approach, adopted exclusively for Non-life Business, will be used for all contracts that include one or more of the following features:

- duration of 720 days or less;
- single premium with duration ≤ 7 years;
- multi-year duration and membership of the Collective Business;
- multi-year duration and belonging to a Portfolio where the weight of the Multi-year Business is less than or equal to 5% in the last 3 financial years.

It is specified that, in order to determine these requirements, sensitivity analyses were conducted to identify which features of the contracts had a non-significant impact in terms of the outcome when applying the PAA compared to those that would have been obtained by applying the BBA.

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

- With Profit Participating;
- Unit-linked standalone insurance;
- Hybrid products with investment components.

The BBA model will be applied in both Non-life and Life business and adopted for portfolios other than those described above.

Definition of the Contractual Service Margin release pattern choice

With reference to the Life Business, the Poste Vita Group determines the CSM release by adopting a Coverage Unit (CU) 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.

As part of the CSM release pattern of the Non-life business, for contracts valued under the BBA Model, the Group decided to use a release driver based on earned premiums before commissions. The evaluation of the driver also takes into account the effect of any premium refunds and related commission reversals.

Method of determining contract boundaries

The valuation of a group of insurance contracts must take into account the Contract Boundaries, i.e. the contractual elements that can change the cash flows linked to the contract. The identification of these elements makes it possible to distinguish future cash flows related to existing contracts, which must be included in the estimate at the measurement date, from cash flows that will arise in the future and which must be measured separately in accordance with IFRS 17. The contract boundary identification techniques adopted by the Group are the same as those used in the Solvency II context, with the exception of the case relating to non-cancellable tacit renewals of certain Non-life business products, which define a new initial recognition and, therefore, a new cohort.

Method of determining the investment component

The investment component represents the amount under the insurance contract that the issuing entity must recognise even if the insured event does not occur. The standard expressly requires this component to be displayed separately if distinct. The Poste Vita Group identifies the investment component for certain insurance contracts and defines it as follows:

- For investment products and annuities in the accumulation phase, the investment component is equal to the difference between the liquidated value and the surrender value net of penalties;
- For annuities that are certain to be paid out, the value of the investment component corresponds to the value of the benefits paid out;

Finally, with respect to Non-life business, the investment component is identified in outward reinsurance contracts that provide scalar or profit sharing.

Insurance finance income/expenses

The recognition of insurance finance income and expenses, i.e. the effects of changes in the time value of money and financial risk, as required by the standard, will be calculated separately per measurement model:

- for the VFA portfolio, insurance finance income/expenses will be recognised in the statement of profit or loss or in Other Comprehensive Income (OCI) in relation to the result of Fair Value Underlying Items defined in accordance with IFRS 9;
- with regard to the BBA measurement model, finance income and expenses items will be calculated on the basis of the valuation curves adopted for the calculation of IFRS 17 flows.

Transition method

The Group adopts the Modified Retrospective Approach for the life investment portfolio and the Fair Value Approach for the life pure risk portfolio.

With regard to the Non-life business, for the 2021 and earlier cohorts (i.e. for products issued up to 2021) the Fair Value Approach is adopted, for the 2022 cohort a “Running” approach is applied as if the standard was already in force on 1 January 2022.

Interactions between IFRS 17 and IFRS 9

The Poste Vita Group has 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.

In order to limit accounting mismatches between IFRS 9 and IFRS 17, the Insurance Group plans to adopt the OCI option on the IFRS 17 liability portfolio, with the intention of aligning the financial and mirroring effects between the OCI reserve and the effects on the statement of profit or loss.

Quantitative impacts

The quantitative impact of the application of this standard at 1 January 2022 is shown below, distinguishing the results between the Non-life and Life Segments:

With reference to the Life business, it should be noted that shareholders' equity decreased by a total of € 652.7 million (net of tax effect), mainly due to the increase in technical provisions of the direct business.

In addition, it is specified that the measurement of contract groups according to the methodology applied by the Parent Company Poste Vita results in a Contractual Service Margin of € 9,248.4 million at 1 January 2022, which will be released in subsequent years.

With reference to the Non-life business, it should be noted that shareholders' equity decreased by a total of € 7.2 million net of the tax effect, mainly due to the increase in technical provisions of the direct business.

In addition, it is specified that the measurement of contract groups according to the Fair Value Approach resulted in a Contractual Service Margin, to be released in subsequent years, of € 26.8 million at 1 January 2022.

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 is a preliminary breakdown of liabilities for insurance contracts issued at the transition date:

LIABILITIES UNDER INSURANCE CONTRACTS (€m)	Balance at 1 January 2022
Liability for remaining coverage (LRC)	158,988
LRC Premium Allocation Approach	45
PVFC - Present Value of future cash flow	148,336
Risk Adjustment	1,324
Loss Component	8
CSM - Contractual service margin	9,275
Liability for incurred claims (LIC)	962
Cash Flow related to past services	952
Risk Adjustment	10
TOTAL	159,950

Amendments to IAS 1 - Presentation of Financial Statements and IAS 8 - Accounting Policies, 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 12 - 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.

Letter to the market of 4 March 2022 - The letter summarises the main requirements for the submission of supervisory reports with a reference date of 2022 or to be submitted during 2022 to IVASS, including how to submit them through Infostat and the relevant deadlines.

Letter to the market of 9 March 2022 - With this letter, the Institute, for financial stability monitoring purposes, requests the Companies to provide, by 15 March 2022, information with regard to the look-through of collective investment undertakings or investments in the form of funds, including when these are participations. The files must be completed with reference to the accounting dates of 31.12.2021 and 28.2.2022, at the individual level, by all companies, and at the group level, by companies submitting consolidated reports. In this regard, it should be noted that Poste Vita provided the above information on 15 March, according to the required methods.

Moreover, in the same communication, IVASS draws attention to possible cyber attacks, inviting the Companies to promptly notify the Authority, as required by Article 16 paragraph 4 of IVASS Regulation no. 38/2018, of any event that represents a serious cybersecurity incident and also requires them to intensify their monitoring and defence activities in relation to possible malware activities, adopting all the risk mitigation measures that may be necessary.

With reference to the second point, Poste Vita continues to monitor possible cyber attacks.

Measure no. 121 of 7 June 2022 - amendments and additions to ISVAP Regulation no. 7 of 13 July 2007 concerning the layouts for the financial statements of insurance and reinsurance undertakings required to adopt the international accounting standards referred to in Title VIII (Financial Statements and Accounting Records), Chapter I (General Provisions on Financial Statements), Chapter II (Separate Financial Statements), Chapter III (Consolidated Financial Statements) and Chapter V (Statutory Audits) of Legislative Decree no. 209 of 7 September 2005 (Private Insurance Code). Under this measure, IVASS has hereby amended ISVAP Regulation no. 7 of 13 July 2007 and its annexes in order, above all, to incorporate the changes introduced by IFRS 17 on the presentation and disclosure of accounting items relating to insurance contracts. It should be noted that the new international accounting standard IFRS 17 "Insurance Contracts", which replaces the existing IFRS 4 of the same name, came into force on 1 January 2023.

Letter to the market of 27 July 2022 - IVASS announces the launch of a qualitative and quantitative survey, referring to 31 December 2021, on natural catastrophe risks and those deriving from the transition to a sustainable low-carbon economy at all companies (life and non-life). The data and information to be provided are organised into two sections:

- a quantitative survey aimed at acquiring data on exposure to transition risks (investment area) and physical risks (technical-insurance area);
- a qualitative questionnaire designed to find out the level of integration of sustainability risks within the corporate governance system, organisational structure, risk management system, investment policies and underwriting policies and practices in the short, medium and long term.

The requested information was submitted by the Company in October.

IVASS Regulation no. 52 of 30 August 2022 - This Regulation was issued in implementation of the provisions contained in art. 45, paragraphs 3-octies, 3-novies and 3-decies of Decree Law no. 73 of 21 June 2022, converted with amendments into Law no. 122 of 4 August 2022, which, in view of the exceptional situation of turbulence in the financial markets, allows companies that do not adopt international accounting standards to derogate, in the year in progress at the date of entry into force of the above-mentioned decree, from the Italian Civil Code rules on the valuation criteria for “non-durable” securities, and therefore gives companies the option of valuing non-durable securities on the basis of the value resulting from the last annual financial statements.

The Company Poste Vita opted to apply the derogation permitted by the Regulation in question for the purpose of preparing the statutory financial statements at 31 December 2022.

Jointed Bank of Italy/CONSOB/IVASS press release of 27 October 2022: IAS/IFRS Financial Statements at 31/12/2022

- Disclosure on the transition to IFRS 17 and IFRS 9 - The Bank of Italy, CONSOB and IVASS published a press release concerning the disclosures to be made in the 2022 financial statements on the transition to IFRS 17 and IFRS 9. In particular, companies that prepare their financial statements - whether separate or consolidated - in accordance with IAS/IFRS will start applying IFRS 17 “Insurance Contracts” as of 1 January 2023. In addition, several insurance companies will also start adopting IFRS 9 “Financial Instruments” from the same date. International Accounting Standard (IAS) 8 “Accounting Policies, Changes in Accounting Estimates and Errors”, paragraph 30 requires an enterprise to provide information when it is in the process of implementing a new accounting standard that has been issued but has not yet come into force. To this end, paragraph 30(b) requires an entity to provide “known or reasonably estimable information relevant to assessing the possible impact that application of the new standard or interpretation will have on the entity’s financial statements in the period of initial application”. The information is both qualitative and quantitative.

IVASS - Regulation no. 54 of 29 November 2022 on the discipline of proceedings for the adoption of regulatory and general acts of IVASS referred to in Article 23 of Law no. 262 of 28 December 2005

- Regulation on the discipline of proceedings for the adoption of regulatory and general acts of IVASS referred to in Article 23 of Law no. 262 of 28 December 2005”, together with the outcome of the public consultation carried out with reference to this regulation. The Regulation implements the provisions of Article 23 of Law no. 262 of 28 December 2005 (known as the “Savings Law”), which introduced a general and uniform regime for regulatory proceedings falling within the competence of IVASS and the other Supervisory Authorities of the financial sector, with the aim of guaranteeing uniform protection and safeguards for savers. The principles laid down in the primary standards pursue the efficiency of regulatory activity, as well as the effectiveness and quality of the solutions developed, by introducing instruments that favour the transparency of regulatory options and the participation of stakeholders in the regulatory production process.

IVASS - Letter to the market of 6 December 2022: Dormant Life Policies - New request for the tax codes of policyholders to cross-reference with the Tax Registry in order to ascertain the possible death of policyholders

- IVASS announces that, pending the definition of the procedures for direct access by insurance companies to the information from the Tax Registry or the ANPR (National Resident Population Registry) provided for in the legislation on dormant policies, the Authority also offers this year to companies, in the interest of policy beneficiaries, the cross-referencing service between tax codes of policyholders and the Tax Registry, in cooperation with the Italian Revenue Agency. It therefore requests the companies addressed in the Letter to provide, by 16 December 2022 (a deadline that was later extended to 20 December 2022 by the same Authority in a letter sent to the Companies on 9 December 2022), the lists of tax codes of the policyholders of the contracts in force at 30 November 2022 present in their portfolios and issued in the exercise of the activities falling within: i) the life and ii) 1. Accidents, the latter limited to contracts providing benefits in the event of the policyholder’s death resulting from an accident. The lists of tax codes must be formally checked before transmission to IVASS and sent, according to the specifications annexed to the Letter, together with the name and contact details of a contact person, to the new certified mailboxes (PEC) indicated in the Letter.

Poste Vita sent the requested data on time.

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 2007¹³, 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) quater¹⁴, 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.

Main new tax legislation relevant to the Company

Decree Law no. 17 of 1 March 2022 (Energy Decree), converted with amendments into Law no. 34 of 27 April 2022.

It should be recalled that Decree Law no. 83/2015 had introduced new criteria for the deductibility for IRES and IRAP purposes of write-downs and losses on loans for banks, other financial companies and insurance companies (Article 16, paragraphs 1-2, Decree Law no. 83/2015 amending Article 106, paragraph 3, TUIR). In particular, starting in 2015 (for "solar" entities), write-downs and losses on loans to customers recognised in the financial statements in this capacity – in addition to losses realised through sale for consideration – are fully deductible in the year in which they are recognised in the financial statements (previously, instead, they were deductible on a straight-line basis in the year and in the following four years). At the same time, a well-structured transitional regime was introduced – valid until the 2025 tax period – whereby in the first period of application (2015, for solar taxpayers) these negative components were deducted up to a limit of 75% of their amount, while the excess over this limit – as well as the adjustments, losses, write-downs and net value recoveries relating to the aforesaid credits recognised in the financial statements until 2014 – were deducted in different percentages as from 2016 and in particular (Art. 16, paragraphs 3-4, Decree Law no. 83/2015): (i) for 5% in the tax period in progress at 31 December 2016; (ii) for 8% in the tax period in progress at 31 December 2017; (iii) for 10% in the tax period in progress at 31 December 2018 (deduction then postponed to the tax period in progress at 31 December 2026 by the 2019 Budget Law (art. 1, paragraph 1056, Law no. 145/2018); (iv) for 12% in the tax period in progress at 31 December 2019 and until the tax period in progress at 31 December 2024, the 2020 Budget Law (art. 1, paragraph 712, Law no. 160/2019) deferred the deduction of the 12% portion of the amount of the negative components provided for the tax period in progress at 31 December 2019 – on a straight-line basis – to the tax period in progress at 31 December 2022 and the following three (3% per annum); (v) for 5% in the tax period in progress at 31 December 2025.

13. Concerning the formats for the financial statements of insurance and reinsurance undertakings required to adopt international accounting standards.

14. Decree Law no. 176 of 18 November 2022, converted, with amendments, into Law no. 6 of 13 January 2023, which amended Article 45, paragraph 3-decies of Decree Law no. 73 of 21 June 2022, converted, with amendments, into Law no. 122 of 4 August 2022.

The Energy Decree (Article 42 of Decree Law no. 17/2022) also intervenes in this regard, establishing that part of the deductibility quota – equal to 12% – of the amount of the negative components envisaged, for IRES and IRAP purposes, for the tax period in progress at 31 December 2022 is deferred, on a straight-line basis, to the tax period in progress at 31 December 2023 and to the three subsequent tax periods.

In addition, the conversion law further amended the rules by providing that (Art. 42, para. 1-bis, amending Art. 1, para. 1056, Law. n. 145/2018 (2019 Budget Law). (i) the 10% portion relating to 2018 – already deferred to 2026 by the aforementioned 2019 Budget Law – is partially brought forward to 31 December 2022, in the portion corresponding to 5.3 percentage points (i.e. 53% of its amount), with the portion represented by 4.7 percentage points (47%) therefore remaining deferred to 2026; (ii) the changes introduced do not affect the calculation of IRES and IRAP advance payments due for the tax periods from 2022 to 2027.

Decree Law no. 73 of 21 June 2022 (Simplifications Decree) converted with amendments into Law no. 122 of 4 August 2022: Article 10 of Decree Law no. 73 of 21 June 2022, amended Article 11 of Legislative Decree no. 446 of 15 December 1997 (IRAP Decree), which contains common provisions for the determination of the value of net production and, in particular, regulates personnel costs deductible from the IRAP tax base. It should be recalled that IRAP regulations originally allowed only certain components of personnel costs to be deducted, in whole or in part, on the basis of “special” regulatory provisions introduced over the years, sometimes restricted to certain categories of employees (e.g., disabled or employed in research and development activities). With the introduction (as of 2015) of the deduction of the cost of personnel with an open-ended employment, the already existing “special” deductions were not changed, but the general deduction was to be quantified by the difference with what had already been deducted through the aforementioned special deductions. This has resulted in a complex system for deducting personnel costs and, therefore, in order to simplify the determination of the value of production, the decree under review provides (Article 10 of Decree Law no. 73/2022) on the one hand, the direct deduction of the total cost for personnel employed on open-ended contracts (as provided for by the reformulated paragraph 4-octies), and on the other hand, the maintenance of the current deductions for the employment of personnel only with reference to other types of contracts other than open-ended employment (apprentices, disabled persons, seasonal workers, research and development workers not employed on open-ended contracts, etc.). The new provisions could already be applied as of the tax period preceding the one in progress on the date of entry into force of this decree, i.e. as of 2021.

Law no. 197 of 29 December 2022 (2023 Budget Law), Article 1, paragraphs 112-114 - Franking of OICR units and insurance policies.

The 2023 Budget Law has provided for the possibility of franked 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.

10. Significant events after year-end

Creation of the New Separately Managed Account “Poste Valore Solidità”

On 31 January 2023, the Board of Directors resolved to set up a new separately managed account named “Poste Vita Valore Solidità” and approved its rules, providing for the establishment of a profit fund to be applied to all contracts that will be included in the managed account, to which all net realised capital gains will be allocated. At the same time, a resolution was passed to terminate the separately managed account “Poste Vita Gestione Attiva”, which was established in 2016 and to which no insurance contract is linked. In line with the provisions of Article 5, paragraph 3 of ISVAP Regulation no. 38/2011, the Company, on 13 February 2023, forwarded to IVASS the minutes of the resolution of the Administrative Body and the Regulation of the new managed account, as well as all the master data of the separately managed account.

Mass lapse risk insurance

Finally, on 14 March 2023, the Company signed a reinsurance treaty with some primary reinsurers, effective from 31 December 2022, aimed at partially insuring the risk of early mass extinction of life policies (mass lapse risk), relevant for the calculation of the Solvency II requirement.

The duration of the treaty is 3 years, with the option for Poste Vita to withdraw without conditions or penalty at the end of the second year.

The impact of the transaction on the Company's Solvency ratio at 31 December 2022 is 30 percentage points.

The cost of insurance for the Period amounted to € 21.5 million and was recognised in the consolidated financial statements under other expenses.

With reference to the voluntary takeover bid for the entirety of the shares of Net Insurance SpA, it should be noted that:

- on 8 February 2023, the Bank of Italy issued an authorisation for the acquisition of an equity investment in Net Holding SpA by Istituto Bancario del Lavoro SpA;
- on 15 February 2023, IVASS issued the authorisation for the acquisition, as a result of the takeover bids to be promoted, of a direct controlling interest in Net Insurance SpA and, consequently, of an indirect controlling interest in Net Insurance Life SpA;
- on 15 February 2023, Net Holding's Shareholders' Meeting resolved to increase the share capital by € 1 and to increase the share premium reserve by € 189,577,211, in order to provide the company with the necessary resources to achieve its corporate purpose and, in particular, to meet the financial charges necessary to pay the consideration related to the voluntary takeover bids that will be launched on Net Insurance SpA's shares and warrants as announced to the market on 28 September 2022;
- on 15 February 2023, Consob approved the offer document relating to the voluntary total takeover bids for shares and warrants of Net Insurance SpA

After obtaining the authorisations from the competent authorities, Net Holding launched the public offers. The offer acceptance period, agreed with Borsa Italiana, started on 27 February 2023 and ended on 6 April 2023.

On 7 March 2023, the Parent Company Poste Vita was notified by the Supervisory Authority of the start of an inspection to verify the management process of dormant policies.

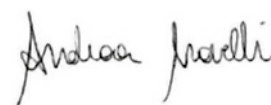
11. Outlook

In line with the Business Plan for 2021-2024 and in order to strengthen coordination with the ultimate parent Poste Italiane, the equity structure of the Poste Vita Group to support business growth, in the Life segment the Group will continue to offer innovative and effective insurance options to its customers, integrating savings and protection products in simple and highly professional solutions. The objective is the consolidation of the leadership position in the life market, through a significant share of the collection of Multiramo products. During the second quarter of 2023, the takeover bid for Net Insurance will be completed, which will enable Poste Vita, in line with the objectives set out in the business plan, to achieve significant growth in the non-life/protection insurance segment through the acquisition of a controlling stake in Net Insurance, Italy's leading company in this market 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. In particular, the launch of the restyling of the Persona line and the restyling of the CPI Loans product is planned for the first part of 2023. In addition, it will be committed to continuing the development of the Welfare business, and aims to enrich the corporate commercial proposition of services and products to create value for the customer, while enhancing its distinctiveness. Finally, the Group will continue to develop the integrated offer with its Parent Company Poste Vita, between life products and non-life guarantees, and to expand the offer of motor TPL policies through its subsidiary Poste Insurance Broker Srl

Rome, 24 March 2023

The Board of Directors





POSTA TELEGRAFO

VELOCITÀ
PREMURA
DIALOGO
RESPECTO
GO
Empatia
Puntuale
PRECISIONE
Cortesia
Familiarità
ASCOLTO
RICERCA
APERTURA
VIGILANZA
Curia





ORGANIZZAZIONE

VIGNANZA

artigianato

ASCOLTARE

RISPONDERE

SOLUZIONI
INNOVATIVE



CONSOLIDATED FINANCIAL STATEMENTS



2 CONSOLIDATED FINANCIAL STATEMENTS

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1. Consolidated accounting schedules

Below are the accounting schedules at 31 December 2022, with comparison figures from 31 December 2021.

Statement of financial position - Assets

(€k)	31/12/22	31/12/21
1 INTANGIBLE ASSETS	-	17,817
1.1 Goodwill	0	17,817
1.2 Other intangible assets	-	-0
2 TANGIBLE ASSETS	11,153	3,198
2.1 Buildings	-	-
2.2 Other tangible assets	11,153	3,198
3 TECHNICAL PROVISIONS ATTRIBUTABLE TO REINSURERS	43,588	50,439
4 INVESTMENTS	142,460,251	158,695,773
4.1 Investment property	-	-
4.2 Investments in subsidiaries, associates and joint ventures	111,323	108,845
4.3 Financial assets measured at amortised cost	2,387,301	2,427,456
4.4 Financial assets measured at fair value through other comprehensive income	96,500,899	111,384,483
4.5 Financial assets measured at fair value through profit or loss	43,460,728	44,774,990
4.5.1 Financial assets held for trading	31,725,533	34,840,492
4.5.2 <i>Financial assets designated at fair value</i>	-	-
4.5.3 Financial assets measured at fair value through profit or loss	11,735,195	9,934,498
5 SUNDRY RECEIVABLES	261,026	170,321
5.1 Receivables arising from direct insurance transactions	134,720	57,992
5.2 Receivables arising from reinsurance transactions	2,996	4,845
5.3 Other receivables	123,310	107,484
6 OTHER ASSETS	2,966,637	2,859,248
6.1 Non-current assets or disposal groups held for sale	-	24,612
6.2 Deferred acquisition costs	36,422	42,200
6.3 Deferred tax assets	487,412	466,674
6.4 Current tax assets	2,441,431	2,325,688
6.5 Other assets	1,371	74
7 CASH AND CASH EQUIVALENTS	2,731,706	4,584,068
TOTAL ASSETS	148,474,361	166,380,865

Statement of Financial Position - Equity and Liabilities

(€k)	31/12/22	31/12/21
1 EQUITY	6,793,567	5,935,848
1.1 attributable to the owners of the Parent	6,793,567	5,935,848
1.1.1 Share capital	1,216,608	1,216,608
1.1.2 Other equity instruments	800,000	300,000
1.1.3 Capital reserves	-	-
1.1.4 Revenue reserves and other equity reserves	3,985,098	3,535,186
1.1.5 (Treasury shares)	-	-
1.1.6 Reserve for currency translation differences	-	-
1.1.7 Gains or losses on financial assets at fair value through other comprehensive income	(185,232)	58,091
1.1.8 Other gains or losses recognised directly through equity	47	(156)
1.1.9 Net profit/(loss) for the year attributable to owners of the Parent	977,046	826,119
1.2 attributable to non-controlling interests	-	-
1.2.1 Share capital and reserves attributable to non-controlling interests	-	-
1.2.2 Gains or losses recognised directly through equity	-	-
1.2.3 Net profit/(loss) for the year attributable to non-controlling interests	-	-
2 PROVISIONS	20,640	19,300
3 TECHNICAL PROVISIONS	139,986,993	159,089,875
4 FINANCIAL LIABILITIES	275,293	254,694
4.1 Financial liabilities measured at fair value through profit or loss	-	-
4.1.1 Financial liabilities held for trading	-	-
4.1.2 Financial liabilities designated at fair value	-	-
4.2 Financial liabilities measured at amortised cost	275,293	254,694
5 PAYABLES	550,429	370,494
5.1 Payables arising from direct insurance transactions	353,790	259,831
5.2 Payables arising from reinsurance transactions	2,726	11,933
5.3 Other payables	193,913	98,731
6 OTHER LIABILITIES	847,438	710,654
6.1 Liabilities included in disposal groups held for sale	-	6,610
6.2 Deferred tax liabilities	332,038	214,035
6.3 Current tax liabilities	506,208	484,773
6.4 Other liabilities	9,192	5,235
TOTAL EQUITY AND LIABILITIES	148,474,361	166,380,865

Statement of profit or loss

(€k)	31/12/22	31/12/21
1.1 Net premium revenue	17,520,109	17,831,822
1.1.1 Gross premium revenue	17,539,695	17,871,106
1.1.2 Outward reinsurance premiums	(19,586)	(39,283)
1.2 Fee income	118,005	81,132
1.3 Income (expenses) from financial assets at fair value through profit or loss	(5,033,760)	1,076,542
1.3 bis Reclassification in accordance with overlay approach (*)		
1.4 Income from investments in subsidiaries, associates and joint ventures	2,176	1,411
1.5 Income from other financial instruments and investment property	3,753,773	2,999,519
1.5.1 Interest income	3,689,053	2,831,286
1.5.2 Other income	-	0
1.5.3 Realised gains	64,706	168,213
1.5.4 Fair value gains	14	19
1.6 Other revenue	6,928	13,520
1 TOTAL REVENUE AND INCOME	16,367,232	22,003,946
2.1 Net claims expense	(13,814,885)	(19,979,251)
2.1.1 Claims paid and change in technical provisions	(13,819,806)	(19,997,950)
2.1.2 Share attributable to reinsurers	4,921	18,699
2.2 Fee expenses	(8,543)	(1,105)
2.3 Expenses arising from investments in subsidiaries, associates and joint ventures	-	0
2.4 Expenses arising from other financial instruments and investment property	(304,072)	(59,767)
2.4.1 Interest expense	(53,195)	(50,494)
2.4.2 Other expenses	(7,590)	(7,385)
2.4.3 Realised losses	(247,245)	(9,166)
2.4.4 Fair value losses	3,958	7,278
2.5 Operating expenses	(544,099)	(542,843)
2.5.1 Commissions and other acquisition costs	(386,901)	(386,447)
2.5.2 Investment management expenses	(56,691)	(60,727)
2.5.3 Other administrative expenses	(100,507)	(95,669)
2.6 Other costs	(307,480)	(247,928)
2 TOTAL COSTS AND EXPENSES	(14,979,080)	(20,830,894)
PROFIT (LOSS) FOR THE YEAR BEFORE TAX	1,388,152	1,173,052
3 Taxes	(411,106)	(346,933)
PROFIT (LOSS) FOR THE PERIOD AFTER TAX	977,046	826,119
4 PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	-	0
CONSOLIDATED NET PROFIT (LOSS)	977,046	826,119
of which attributable to owners of the Parent	977,046	826,119
of which attributable to non-controlling interests	-	-

Statement of comprehensive Income

(€k)	31/12/22	31/12/21
CONSOLIDATED NET PROFIT (LOSS)	977,046	826,119
Other comprehensive income after tax not to be reclassified to profit or loss	203	19
Changes in equity of investees	-	-
Change in revaluation reserve for intangible assets	-	-
Change in revaluation reserve for tangible assets	-	-
Profits and losses for non-current assets or disposal groups held for sale	-	-
Actuarial gains/(losses) and adjustments to defined benefit plans	203	19
Gains or losses on equity instruments designated at fair value through other comprehensive income	-	-
Change in own credit rating for financial liabilities measured at fair value	-	-
Other items	-	-
Other comprehensive income after tax to be reclassified to profit or loss	(243,320)	(34,056)
Change in reserve for currency translation differences	-	-
Gains or losses on financial assets (other than equity instruments) measured at fair value through other comprehensive income	(243,320)	(34,056)
Gains or losses on cash flow hedges	-	-
Gains or losses on hedges of a net investment in a foreign operation	-	-
Changes in equity of investees	-	-
Profits and losses for non-current assets or disposal groups held for sale	-	-
Reclassification in accordance with overlay approach (*)	-	-
Other items	-	-
TOTAL OTHER COMPREHENSIVE INCOME	(243,117)	(34,037)
TOTAL CONSOLIDATED COMPREHENSIVE INCOME	733,930	792,082
of which attributable to owners of the Parent	733,930	792,082
of which attributable to non-controlling interests	-	-

Statement of changes in Equity

(€k)		Amounts at 31-12-2020	Appropriations	Adjustments due to reclassification to profit or loss	Amounts at 31-12-2021	Appropriations	Adjustments due to reclassification to profit or loss	Amounts at 31-12-2022
Equity attributable to owners of the Parent	Share capital	1,216,608	-	-	1,216,608	-	-	1,216,608
	Other equity instruments	-	300,000	-	300,000	500,000	-	800,000
	Capital reserves	-	-	-	-	-	-	-
	Revenue reserves and other equity reserves	3,182,923	352,262	-	3,535,186	449,912	-	3,985,098
	(Treasury shares)	-	-	-	-	-	-	-
	Net profit (loss) for the year	781,183	44,936	-	826,119	150,927	-	977,046
	Other comprehensive income	91,971	(30,928)	(3,108)	57,935	(235,804)	(7,316)	(185,185)
Total attributable to owners of the Parent		5,272,685	666,270	(3,108)	5,935,848	865,035	(7,316)	6,793,567
Equity attributable to non- controlling interests	Share capital and reserves attributable to non-controlling interests	-	-	-	-	-	-	-
	Net profit (loss) for the year	-	-	-	-	-	-	-
	Other comprehensive income	-	-	-	-	-	-	-
	Total attributable to non-controlling interests	-	-	-	-	-	-	-
Total		5,272,685	666,270	(3,108)	5,935,848	865,035	(7,316)	6,793,567

Statement of cash flows

(€k)	31/12/22	31/12/21
Profit (loss) for the year before tax	1,388,152	1,173,052
Change in non-cash items	11,813,713	8,887,114
Change in non-life premium reserve	17,963	14,962
Change in outstanding claims provisions and other non-life technical provisions	55,487	46,378
Change in mathematical provisions and other Life technical provisions	8,006,987	9,962,477
Change in deferred acquisition costs	5,778	6,722
Change in provisions	1,340	3,351
Non-cash income and expense from financial instruments, investment property and investments	3,724,486	(1,151,334)
Other changes	1,673	4,560
Change in receivables and payables generated by operating activities	110,446	(5,397)
Change in receivables and payables arising from direct insurance and reinsurance transactions	9,874	35,939
Change in other receivables and payables	100,572	(41,336)
Income tax paid	(408,150)	(47,933)
Net cash from/for cash items attributable to investment and financing activities	(3,748,945)	(3,807,662)
Liabilities from investment contracts issued by insurance companies	-	-
Payables due to bank and interbank clients	-	-
Loans and receivables from bank and interbank clients	-	-
Other financial assets at fair value through profit or loss	(3,748,945)	(3,807,662)
TOTAL NET CASH FROM OPERATING ACTIVITIES	9,155,216	6,199,174
Net cash from/for investment property	-	-
Net cash from/for investments in subsidiaries, associates and joint ventures	(2,478)	(1,407)
Net cash from/for financial assets measured at amortised cost	51,065	(369,295)
	-	-
Net cash from/for financial assets measured at fair value through other comprehensive income	(11,208,395)	(2,075,560)
Net cash from/for tangible and intangible assets	8,392	18,769
Other net cash from/for investment activities	-	-
TOTAL NET CASH FROM INVESTMENT ACTIVITIES	(11,151,417)	(2,427,492)
Net cash from/for equity instruments attributable to owners of the Parent	521,133	300,000
Net cash from/for treasury shares	-	-
Payment of dividends attributable to owners of the Parent	(397,339)	(428,921)
Net cash from/for capital and reserves attributable to non-controlling interests	-	-
Net cash from/for subordinated liabilities and participating financial instruments	1,328	(16)
Net cash from/for other financial liabilities	18,717	(21,516)
TOTAL NET CASH FROM FINANCING ACTIVITIES	143,839	(150,453)
Effect of translation differences on cash and cash equivalents	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,584,068	962,839
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,852,362)	3,621,229
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,731,706	4,584,068

2. Notes

Part A – General preparation criteria and accounting standards adopted

Declaration of conformity with international accounting standards

The Consolidated Financial Statements of the Poste Vita Group at 31 December 2022, consisting of the Statement of Financial Position, Statement of Profit or Loss, Statement of Changes in Shareholders' Equity, the Statement of Cash Flows, the Notes to the Financial Statements and the annexes to the Notes, were prepared in compliance with the schedules defined by the Supervisory Authority with Regulation 7 of 13 July 2007¹ and following the instructions contained in the same Regulation.

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

The Consolidated Financial Statements at 31 December 2022 were audited by Deloitte & Touche SpA².

Financial statements used for consolidation

In preparing the Consolidated Financial Statements, for companies consolidated on a line by line basis, their financial statements prepared using international accounting standards were used.

Date of the Consolidated Financial Statements

The reporting date for the consolidated financial statements is 31 December 2022, coinciding with the end of the financial year for the Parent Company Poste Vita and the companies included in the scope of consolidation.

1. Amended and supplemented by ISVAP Provision 2784 of 8 March 2010, IVASS Provision 14 of 28 January 2014, IVASS Provision 21 of 21 October 2014, IVASS Provision 29 of 27 January 2015, IVASS Provision 53 of 6 December 2016 and IVASS Provision 74 of 8 May 2018.
2. The Ordinary General Meeting of Shareholders, which met on 28 November 2019, approved the early consensual termination of the engagement of BDO Italia SpA to audit the consolidated financial statements for the years 2014-2022, effective from the date of Board approval of the Company's financial statements at 31 December 2019 and, at the same time, the engagement of Deloitte & Touche SpA to audit the consolidated financial statements of Poste Vita for the nine-year period 2020-2028, Group auditor selected following a single tender launched by Poste Italiane SpA in compliance with the provisions of Regulation (EU) no. 573 of 16 April 2014 and Legislative Decree no. 39 of 17 January 2010, as amended by Legislative Decree no. 135/2016.

Consolidation techniques

The scope of consolidation includes the Parent Company Poste Vita, the companies Poste Assicura and Net Holding, wholly-owned by Poste Vita, and Poste Insurance Broker, a wholly-owned subsidiary of Poste Assicura.

These equity investments fall under the definition provided in IFRS 10 and are consolidated on a line-by-line basis.

The balance sheet figures of Poste Welfare Servizi (transferred from Poste Vita to the ultimate parent Poste Italiane in February 2022) with reference to the year 2021 have been reclassified to special items in accordance with IFRS 5.

In line-by-line consolidation, the carrying amount of equity investments is eliminated against the corresponding part of shareholders' equity against the full inclusion of the assets and liabilities of the subsidiaries, including contingent liabilities.

In particular, the criteria used for line-by-line consolidation of the investees are as follows:

- the assets, liabilities, costs and revenue of consolidated entities are accounted for on a line-by-line basis, separating where applicable the equity and profit/(loss) amounts attributable to non-controlling interests in consolidated equity and consolidated profit or loss;
- business combinations, in which control over an entity is acquired, are accounted for using the acquisition method. The cost of a business combination is represented by the current value (fair value) at the date of acquisition of the assets sold, the liabilities assumed, the equity instruments issued and any other directly attributable accessory charges; any difference between the cost of acquisition and the fair values of the assets and liabilities acquired, following review of their fair value, is recognised as "goodwill" arising from consolidation (if positive), or recognised in profit or loss (if negative);
- acquisitions of non-controlling interests in entities already controlled by the Group are not accounted for as acquisitions, but as equity transactions; in the absence of a relevant accounting standard, the Group recognises any difference between the cost of acquisition and the related share of net assets of the subsidiary in equity;
- any gains and losses (and the related tax effects) on transactions between companies consolidated on a line by-line basis, to the extent not yet realised with respect to third parties, are eliminated, as are intercompany payables and receivables, costs and revenue, and finance costs and income;
- gains and losses deriving from the disposal of investments in consolidated companies are recognised in profit or loss based on the difference between the sale price and the corresponding share of consolidated equity disposed of.

Investments in companies over which the Group exerts significant influence (assumed when the Group holds an interest of between 20% and 50%), hereinafter "associates", are accounted for using the equity method.

The equity method calls for the following:

- the Group's share of an entity's post-acquisition profits or losses is recognised in profit or loss from the date on which significant influence or control is obtained until the date on which significant influence or control is no longer exerted by the Group; provisions are made to cover a company's losses that exceed the carrying amount of the investment, to the extent that the Group has legal or constructive obligations to cover such losses; changes in the equity of companies accounted for using the equity method not related to the profit/(loss) for the year are recognised directly in equity;
- unrealised gains and losses on transactions between the Parent Company/subsidiaries and the company accounted for using the equity method are eliminated to the extent of the Group's interest in the associate; unrealised losses, unless relating to impairment, are eliminated.

The list of and key information for subsidiaries consolidated on a line-by-line basis and associates measured with the equity method is provided in the annexes to the Notes (Annex no. 5, ISVAP Regulation 7).

Consolidation differences

The differences between the share of equity in consolidated companies and the carrying amounts for the equity investments shown in the individual financial statements is allocated directly to consolidated equity, in the consolidation reserve within the item "Revenue reserve and other equity reserves", and in the Statement of Financial Position Assets under the item "Goodwill".

Accounting standards

The Poste Italiane Group's annual accounts have been prepared on a historical **cost basis**, with the exception of certain items for which **fair value measurement** is obligatory.

The consolidated financial statements were prepared in compliance with the international financial reporting standards (IFRS), issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission.

Below are the accounting standards adopted for the measurement and preparation of the Consolidated Financial Statements.

Goodwill

The item includes goodwill acquired in business combinations as defined by IFRS 3.

Goodwill deriving from consolidation represents the greater value of the cost of acquisition with respect to that of the assets, liabilities and potential liabilities of the subsidiary, at fair value. Goodwill is recognised as an asset and recognised at cost net of impairment accumulated. It is subject to an impairment test at least once per year, pursuant to IAS 36.

Other intangible assets

This item includes intangible assets, consisting of non-monetary elements lacking in physical substance, which can be identified and controlled by the company, relative to which the company will gain future economic benefits, as established in IAS 38.

Intangible assets are initially valued at cost. Subsequently, those with a defined useful life (i.e. software) are amortised based on the residual useful life. Amortisation starts once the asset is available for use and is applied on a straight line basis in relation to the residual possibility of use, or based on its estimate useful life.

Tangible assets

This item includes furnishings, systems and equipment and electronic equipment, based on that established in IAS 16.

These assets are recognised at cost, including charges directly incurred to prepare the assets for use, as well as any expenses for dismantling and removal which will be incurred consequent to contractual requirements which require the asset to be returned to its original condition.

Subsequent valuations are carried out using the amortised cost method.

Depreciation is recognised on a straight line basis relative to the estimated residual useful life.

The residual value and residual useful life are verified annually. In the case of discrepancies relative to previous estimates, the asset is written down for impairment and the depreciation rate is revised.

Extraordinary maintenance costs which provide future economic benefits are capitalised relative to the value of the asset, while ordinary maintenance costs are recognised in the Statement of profit or loss in the year they are incurred.

As of 1 January 2019, the Company adopted accounting standard IFRS 16. Hence, this item also includes rights of use for assets falling under the scope of the standard, equal to the current value of the periodic rent/fees contractually required to make use of the asset, amortised on a straight line basis.

The Poste Vita Group has estimated the following useful lives for the various categories of plant and machinery:

Type of asset	Period of depreciation/amortisation	Depreciation/amortisation rate
Software	3 years	33%
Internal Software	5 years	20%
Start-up and expansion costs	5 years	20%
Leasehold improvements	remaining lease term	
Fixture and fittings, office equipment and internal means of transport	8 years	12%
Motor vehicles	4 years	25%
Plant and machinery	5 years	20%

Leased assets

Pursuant to the new accounting standard for leases (IFRS 16 - *Leases*), when a contract is stipulated the Group determines whether the contract is a lease or if it contains a lease component. During the contractual life, the initial measurement is revised only if there are substantial changes in the conditions of the contract (e.g. changes in the subject of the contract or in the requirements which affect the right to control the underlying asset). If a lease contract also contains a non-lease component, the Group separates them and treats that component in accordance with the relevant accounting standard, with the exception of cases in which separation cannot be achieved based on objective criteria. In this case, the Group treats the lease and non-lease components together.

At the start date of the contract a right of use of the leased asset is recognised; this is equal to the initial value of the corresponding lease liability, plus the payments due before or on the contractual start date (for example agency expenses). Subsequently this right of use is measured net of the accumulated depreciation and impairment losses. The depreciation begins from the start date of the lease, and extends over the shortest period between the contractual term and the useful life of the underlying asset.

A lease liability, with the nature of a financial liability, is initially recognised at the present value of the lease instalments not paid at the contractual start date; for the purposes of calculating the current value the Group uses the incremental borrowing rate, defined for the duration of the loan and for each Group company. The initial measurement of the lease liability includes periodic payments due and the price to exercise any option rights, if the lessee is reasonably certain of exercising them. Subsequently, the lease liabilities are reduced to reflect the lease instalments paid and increased to reflect the interest on the remaining value (using the effective interest method).

The Group redetermines the lease liability (and makes a corresponding adjustment to the related right of use) in the case of a change in the duration of the lease (e.g. early termination of the contract or an extension of the expiry date) and/or in the amounts due, following a renegotiation of the economic conditions or a change in the index or rate used to determine payments (e.g. ISTAT).

Only in the case of a significant change in the lease term or in future lease payments does the Group remeasure the remaining lease liability with reference to the incremental borrowing rate at the date of the modification; in all other cases, the lease liability is remeasured using the initial discount rate.

The Group avails itself of the option granted by the principle of non-application of the new provisions to short-term contracts (with a duration of no more than twelve months), to contracts in which the individual underlying asset is of low value (up to € 5,000) and for contracts in which the underlying asset is intangible (e.g. software licenses). For these contracts, the Group continues to adopt IAS 17 by recognising lease payments on a straight-line basis in profit or loss as a matching entry to short-term trade payables.

Impairment of assets

At the end of each reporting period, property, plant, equipment and intangible assets with finite lives are analysed to assess whether there is any indication that an asset may be impaired (as defined by IAS 36). If any such indication exists, the recoverable amount of the asset is estimated in order to determine the impairment loss to be recognised in profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell, and its value in use, represented by the present value of the future cash flows expected to be derived from the asset. In calculating value in use, future cash flow estimates are discounted using a rate that reflects current market assessments of the time value of money, the period of the investment and the risks specific to the asset. The realisable value of assets that do not generate separate cash flows is determined with reference to the cash generating unit (CGU) to which the asset belongs.

Regardless of any impairment indicator, the assets listed below are tested for impairment every year:

- intangible assets with an indefinite useful life or that are not yet available; the impairment test can take place at any time during the year, provided that it is performed at the same time in each of the following years;
- goodwill acquired in a business combination.

An impairment loss is recognised in profit or loss for the amount by which the net carrying amount of the asset, or the CGU to which it belongs, exceeds its recoverable amount. In particular, if the impairment loss regards goodwill and is higher than the related carrying amount, the remaining amount is allocated to the assets included in the CGU to which the goodwill has been allocated, in proportion to their carrying amount³. Except in the case of goodwill, if the impairment indicators no longer exist, the carrying amount of the asset or CGU is reinstated and the reversal recognised in profit or loss. The reversal must not exceed the carrying amount that would have been determined had no impairment loss been recognised and depreciation or amortisation been charged.

Technical provisions attributable to reinsurers

These are calculated based on the contractual conditions found in the reinsurance treaties, in that this method more correctly represents the specific economic results in this sector.

Equity investments in associates

This item includes the equity investments in the associates Europa Gestioni Immobiliari SpA, Eurizon Capital Real Asset SGR SpA and Consorzio Logistica Pacchi Scpa

The first two are measured using the equity method, proportional to the interest held by the Group, in that the Parent Company Poste Vita has significant influence. The third is measured at cost.

Financial instruments

Financial instruments refer to financial assets and liabilities which are classified as such at the time of initial recognition and at the relative fair value, according to the purpose for which they were acquired. Purchases and sales of financial instruments are recognised in homogeneous categories based on the date on which the Group undertakes to purchase or sell the asset (settlement date). Any changes in fair value between the transaction date and the settlement date are recognised in the financial statements.

3. When the amount of the impairment is not entirely absorbed by the carrying amount of the asset/CGU, no liability is recognised pursuant to IAS 36, unless a liability pursuant to an international accounting standard other than IAS 36 is established.

Financial assets

On initial recognition, financial assets are classified in one of the following categories, based on the business model adopted to manage them and the characteristics of their contractual cash flows:

Financial assets measured at amortised cost

This category reflects financial assets held to collect the contractual cash flows (the held to collect or HTC business model) representing solely payments of principal and interest (SPPI). These assets are measured at amortised cost, that is the value of the asset at initial recognition minus principal payments, plus or minus accumulated amortisation, using the effective interest method, on all differences between the initial value and that at maturity, adjusted for any provisions to cover losses. The business model on which the classification of financial assets is based permits the sale of such assets; if the sales are not occasional, and are not immaterial in terms of value, consistency with the HTC business model should be assessed.

Financial assets measured at fair value through other comprehensive income (OCI)

This category includes financial assets held both to collect the relevant contractual cash flows and for sale (the held to collect and sell or HTC&S business model), with the contractual cash flows representing solely payments of principal and interest. These assets are measured at fair value and unrealised gains or losses are recognised among other comprehensive income, with the exception of impairment gains or losses and gains or losses on exchange rates, until the financial asset is derecognised or reclassified. If the financial asset is derecognised, the accumulated gains/(losses) previously recognised in OCI are reclassified from equity to profit or loss. This category also includes, beyond debt securities having the above characteristics, equity instruments that would otherwise be recognised through profit or loss, for which the irrevocable election was made to recognise changes in fair value through OCI (the FVTOCI option). This option entails the recognition of dividends alone through profit or loss.

Financial assets measured at fair value through profit or loss

This category, which is residual, refers to: (a) financial assets primarily acquired for trading; (b) those designated as such at initial recognition, exercising the fair value option; (c) financial assets that must be recognised at fair value through profit or loss; (d) derivative instruments, with the exception of the effective portion of those designated as cash flow hedges; (e) instruments representing equity, for which the company does not make use of the FVTOCI options. Financial assets belonging to the category in question are measured at fair value and the related changes are recognised in profit or loss. Financial instruments in this category are classified as short-term if they are held for trading or they are expected to be disposed of within twelve months of the reporting date. Derivative instruments at fair value through profit or loss are recognised as assets or liabilities depending on whether the fair value is positive or negative; positive and negative fair values deriving from transactions with the same counterparty are offset during the collateralisation/liquidation phase, where contractually provided for.

Financial assets are derecognised when there is no longer a contractual right to receive cash flows from the investment or when all the related risks and rewards and control have been substantially transferred.

Impairment and stage allocation

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. The method utilised is the "General deterioration method", whereby:

- if on the reporting date the credit risk of a financial instrument has not increased significantly since initial recognition, a 12-month ECL is recognised (stage 1). Interest on the instrument is calculated on the gross carrying amount (amortised cost inclusive of the ECL);
- if on the reporting date the credit risk of the financial instrument has increased significantly since initial recognition, a lifetime ECL is recognised (stage 2). Interest on the instrument is calculated on the gross carrying amount (amortised cost inclusive of the ECL);
- if a financial instrument is already impaired on initial recognition or shows objective evidence of impairment as at the reporting date, lifetime expected losses are recognised. Interest is recognised on the amortised cost including ECL (stage 3).

In determining whether credit risk has increased significantly, it is necessary to compare the risk of default of the financial instrument as at the reporting date with the risk of default of the financial instrument on initial recognition.

However, there is a rebuttable default presumption if the financial instrument is more than 90 days past due, unless there is reasonable and supportable information to demonstrate that a default criterion with greater lag is more appropriate. For issuers of debt securities, default risk refers to:

- a 90-day delay in payment for corporate and bank counterparts;
- a delay in payment of even one day or debt renegotiation for sovereign counterparts.

Regarding trade receivables, a simplified approach is applied to measure the expected credit loss, if these receivables do not contain a significant interest component pursuant to IFRS 15. The simplified approach is based on a matrix of observed historical losses.

Additionally, for trade receivables, default risk was determined based on historic experience, the specific nature of the Group's assets and customers and taking into account analysis of overdue amounts, rejecting the 90 days assumption. The Group did not make use of the Low Credit Risk Exemption.

Determining fair value for financial instruments

Paragraph 2 of IFRS 13 - *Fair value measurement*, endorsed with Regulation EU 1255/2012 of 11 December 2012, establishes that "fair value is a criteria of market valuation, not specific to the entity". While for some assets and liabilities there may be observable information regarding market transactions, for other assets and liabilities this information may not be available. Nonetheless, the purpose of fair value measurement is the same in both cases: estimating the price at which a regular sale of the asset or transfer of the liability would take place between market operators on the valuation date under current market conditions (or the closing price on the valuation date from the point of view of the market operator holding the asset or liability)".

In compliance with that indicated in the standard, below is a description of the fair value measurement techniques used within the Poste Vita Group.

It is important to recall that the concept of an active market refers to a market on which prices are readily and regularly available in a price list or processed systematically using trading circuits which are "alternative" with respect to official ones, with prices considered reliable, as well as those which can be identified by contributors operating as primary intermediaries on various markets, in which the prices proposed represent potential transactions and effective market operations occurring regularly through normal trading.

These assets and liabilities are classified on the basis of a hierarchical scale that reflects the relevance of the sources used to obtain the measurements.

The hierarchy consists of 3 levels, as established in the cited accounting standard IFRS 13, specifically:

Level 1 – market prices obtained using prices expressed by an active market;

Level 2 – input data other than the above, expressing market values directly or indirectly associated with the instrument to be measured or obtained from products with similar risk characteristics;

Level 3 – input not directly or indirectly observable on the market, hence involving estimates and assumptions by the measuring entity.

More details about fair value measurement techniques are found in the section “Fair value measurement techniques”.

Derivatives

derivatives are initially recognised at fair value on the date the derivative contract is executed and if they do not qualify for hedge accounting treatment, gains and losses arising from changes in fair value are accounted for in profit or loss for the period. If, on the other hand, derivative financial instruments qualify for hedge accounting, subsequent fair value changes are accounted for in accordance with the specific criteria indicated below. Recognition of derivatives designated as hedges continues to follow the rules contained in IAS 39. The relationship between each hedging instrument and the hedged item is documented, as well as the risk management objective, the strategy for undertaking the hedge transaction and the methods used to assess effectiveness. Assessment of whether the hedging derivative is effective takes place both when each derivative instrument is obtained and during its life.

Fair value hedges⁴

When the hedge is related to recognised assets or liabilities, or an unrecognised firm commitment, the changes in fair value of both the hedging instrument and the hedged item are recognised in profit or loss. When the hedging transaction is not fully effective, resulting in differences between the above changes, the ineffective portion represents a loss or gain recognised separately in profit or loss for the period. IAS 39 allows, in addition to individual assets and liabilities, the designation of a cash amount, representing a group of financial assets and liabilities (or portions thereof) as the hedged item in such a way that a group of derivative instruments may be used to reduce exposure to fair value interest rate risk (a so-called macro hedge). Macro hedges cannot be used for net amounts deriving from differences between assets and liabilities. Like micro hedges, macro hedges are deemed highly effective if, at their inception and throughout the term of the hedge, changes in the fair value of the cash amount are offset by changes in the fair value of the hedges, and if the effective results fall within the interval required by IAS 39.

Cash flow hedges⁵

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges after initial recognition is recognised in a specific equity reserve, with movements in the reserve accounted for in Other comprehensive income (Cash flow hedge reserve). A hedging transaction is generally considered highly effective if, both at inception of the hedge and on an ongoing basis, changes in the expected future cash flows of the hedged item are substantially offset by changes in the fair value of the hedging instrument. Amounts accumulated in equity are recycled to profit or loss in the period in which the hedged item affects profit or loss. In the case of hedges associated with a highly probable forecast transaction (such as, forward purchases of fixed income debt securities), the reserve is reclassified to profit or loss in the period or in the periods in which the asset or liability, subsequently accounted for and connected to the aforementioned transaction, will affect profit or loss (for example, an adjustment to the return on the security).

If the hedging transaction is not fully effective, the gain or loss arising from a change in fair value relating to the ineffective portion is recognised in profit or loss for the period. If, during the life of the derivative, the forecast hedged transaction is no longer considered highly probable, the related gains and losses accumulated in the cash flow hedge reserve are immediately reclassified to profit or loss for the period. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, the related gains and losses accumulated in the cash flow hedge reserve at that time remain in equity and are recognised in profit or loss at the same time as the original underlying.

4. A hedge of the exposure to a change in fair value of a recognised asset or liability or of an unrecognised firm commitment attributable to a particular risk, and that could have an impact on profit or loss.

5. A hedge of the exposure to the variability of cash flows attributable to a particular risk associated with an asset or liability recognised or with a highly probable forecast transaction, and that could have an impact on profit or loss.

Sundry receivables

This item mainly includes amounts due from policyholders for premiums to be collected, as well as amounts due from intermediaries and insurance and reinsurance companies and other receivables. Receivables are measured at amortised cost, calculated using the effective return rate method. This method is not used for short-term receivables, as the discounting effect is negligible. These receivables are measured at the historic cost, which coincides with their nominal value, and are subject to impairment testing.

Other assets

Deferred acquisition costs

This item includes deferred acquisition costs linked to the acquisition of new insurance contracts. As established in IFRS 4, to recognise these costs the provisions contained in local standards are used, applied to the countries in which the individual companies included in the scope of consolidation are located.

Current and deferred tax assets

These items include assets relative to current and deferred taxes, as defined and governed by IAS 12. Tax assets relative to deferred taxes are periodically verified at the end of the year and whenever changes are made to relevant tax laws.

Other assets

“Other assets” includes, among other things, deferred fee and commission expense relative to investment contracts, which does not fall under the scope of IFRS 4 but rather that of IFRS 9 and, as such, is classified among liabilities measured at fair value through profit and loss and accrued income and prepaid expense.

Assets included in disposal groups held for sale.

This item includes assets relative to disposal groups held for sale, based on that established in IFRS 5.

Assets held for sale are recognised at the lesser of the carrying amount and the fair value net of any sales costs.

In the case the disposal of an equity investment in a subsidiary consolidated on a line by line basis is planned within the timeframe established under IFRS 5, all the assets of the entity to be disposed of are reclassified in the statement of financial position under the item “Non-current assets or disposal groups held for sale” (item 6.1 of the Assets) and the liabilities are reclassified in a similar manner under the item

“Liabilities included in disposal groups held for sale” (item 6.1 of the Liabilities). Both items are shown in the Consolidated Financial Statements net of infragroup transactions with the entity in question.

The items in the statement of profit or loss relative to assets included in a disposal group held for sale, in the case in which the group continues to operate in the sector associated with the entity to be disposed, are shown in accordance with the normal rules for line by line consolidation.

Cash and cash equivalents

Cash and cash equivalents mainly include cash and demand deposits.

Current account overdrafts are accounted for in current liabilities.

These financial assets are subject to impairment according to the general deterioration method on the basis of a 1-day time-frame.

Impairment

At each reporting date the Poste Vita Group analyses the carrying amount of its assets, to verify whether they have suffered any impairment. This is done by comparing the carrying amount of each asset with the relative estimated recoverable amount. If the latter value is lower than the former, the asset is written down. The recoverable amount is the higher of the fair value net of costs to sell and the value in use.

Any impairment loss is recognised in profit or loss. If impairment is no longer appropriate, the carrying amount of the asset, with the exception of goodwill, is increased to the new value of the estimated recoverable amount, without exceeding the carrying amount the asset would have had if the impairment had never been recognised.

Equity attributable to owners of the Parent

This category includes equity instruments ("other equity instruments") and the relative equity reserves attributable to owners of the Parent. This item includes the perpetual regulatory capital instrument issued by the Parent Company and subscribed in full by Poste Italiane, classifiable as Restricted Tier 1, when in no case gives rise to an obligation for the issuer to reimburse capital or interest to the subscriber (with the exception of liquidation or the issuer itself opting for the early reimbursement option). These instruments are recognised at the issue value, net of issuing expenses and relative tax benefits. In line with this classification, payment of coupons to subscribers are recognised, similar to the case of dividends, as a direct reduction of equity reserves.

The item "Revenue reserve and other equity reserves" includes profits or losses deriving from initial application of international accounting standards and consolidation reserves.

The item "Gains or losses on financial assets at fair value through other comprehensive income" includes profits or losses identified after measurement of financial assets at fair value, recognised through other comprehensive income, expressed net of both any deferred taxes and the part attributable to policyholders, recognised within insurance liabilities (shadow accounting).

The item "Other gains or losses recognised directly through equity" includes the direct attribution to equity of actuarial gains or losses and adjustments made to defined benefit plans (IAS 19.93A).

Provisions for risks and charges

Provisions for risks and charges are recorded to cover losses that are either probable or certain to be incurred, for which, however, there is an uncertainty as to the amount or as to the date on which they will occur.

This item includes the liabilities defined and governed by IAS 37. Provisions are recognised in the financial statements at the moment in which the Group has a current obligation as a result of a past event and it is probable it will be asked to fulfil this obligation. Amounts relative to provisions are identified based on estimates of the costs required to satisfy the obligation as of the reporting date and, if deemed significant, are discounted.

Technical provisions

A description of the measurement criteria used for the “Technical Provisions” item is found in the paragraph “Premiums and technical provisions” below.

Financial liabilities

Financial liabilities, including borrowings, trade payables and other payment obligations, are carried at amortised cost using the effective interest method. If there is a change in the expected cash flows and they can be reliably estimated, the value of borrowings is recalculated to reflect the change on the basis of the present value of estimated future cash flows and the internal rate of return initially applied. Financial liabilities are classified as current liabilities, unless there is an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. When required by the applicable IFRS (e.g. in the case of derivative liabilities), or when the irrevocable fair value option is exercised, financial liabilities are recognised at fair value through profit or loss. In this case, changes in fair value attributable to changes in own credit risk are recognised directly in equity, unless this treatment creates or enhances an accounting asymmetry, whereby the residual amount of the changes in the fair value of liabilities is recognised through profit or loss. Financial liabilities are derecognised at the moment they are extinguished or when all the risks and charges associated with the instrument are transferred. For the criteria used to establish the fair value of financial liabilities, please see that found in the previous section (Determining fair value for financial instruments).

Payables

Payables arising from direct insurance transactions

This item includes trade payables deriving from direct insurance business. These payables are recognised at the nominal value. For accounting purposes no discounting methods were used given that these payables are all short-term, the effects would not be significant.

Payables arising from reinsurance transactions

This item includes trade payables deriving from reinsurance business. These payables are recognised at the nominal value. For accounting purposes no discounting methods were used given that these payables are all short-term, the effects would not be significant.

Other payables

Other payables include items not associated with insurance. In particular, it includes employee termination benefits relative to the portion calculated using Italian accounting standards. For the item in question discounting methods are not used, in that these are short-term payables or payables which call for the payment of interest based on established contracts. In particular, categories relative to employee benefits are as follows:

Short-term benefits

The short-term employee benefits are those that will be fully paid within twelve months of the end of the year in which the employee provided his or her services. These benefits include: wages, salaries, social security contributions, holiday pay and sick pay.

The undiscounted value of short-term employee benefits to be paid to employees in consideration of employment services provided over the relevant period is recognised, on accrual, among personnel expenses.

Post-employment benefits

Post-employment benefits are divided into two categories: defined benefit plans and defined contribution plans. Under defined benefit plans, given that the amount of the benefit to be paid is only quantifiable following the termination of employment, the related effects on profit or loss or the financial position are recognised on the basis of actuarial calculations in compliance with IAS 19. Under defined contribution plans, contributions payable are recognised in profit or loss when incurred, based on the nominal value.

Defined benefit plans

Defined benefit plans include employee termination benefits payable to employees in accordance with article 2120 of the Italian Civil Code:

- For all companies with at least 50 employees subject to supplementary pension reform, from 1 January 2007 vesting employee termination benefits (TFR) must be paid into a supplementary pension fund or into a Treasury Fund set up by INPS. Accordingly, the company's defined benefit liability is applicable only to the provisions made up to 31 December 2006.
- In the case of companies with less than 50 employees, to which the supplementary pension reform does not apply, vested employee termination benefits continue to fully increase the liability accumulated by the company.

The liability is projected into the future using the Projected Unit Credit Method to calculate the probable amount to be paid on cessation of employment and then is discounted to recognise the time value of money prior to the liability being settled. The liability recognised in the financial statements is based on calculations performed by independent actuaries.

The calculation takes into account the employee termination benefits accrued for work already performed and is based on actuarial assumptions that mainly concern: demographic assumptions (such as employee turnover and mortality) and financial assumptions (such as rate of inflation and a discount rate consistent with that of the liability). In the case of companies with at least 50 employees, as the company is not liable for employee termination benefits accruing after 31 December 2006, the actuarial calculation of employee termination benefits no longer takes account of future salary increases. Actuarial gains and losses at the end of each reporting period, based on the difference between the carrying amount of the liability and the present value of the Group's obligations at the end of the period, due to changes in the actuarial assumptions above, are recognised directly in equity in the Statement of other comprehensive income.

Defined benefit plans also include pension funds to guarantee members and their survivors a supplementary pension in addition to that managed by INPS to the extent and in the manner provided for by specific regulations, collective labour contracts and the law. In relation to this case, the principles of initial recognition and subsequent measurement indicated for employee termination benefits apply. In addition, as for employee termination benefits, the liability recognised in the financial statements is based on calculations performed by independent actuaries.

Defined contribution plans

Employee termination benefits (TFR) due to employees pursuant to article 2120 of the Italian Civil Code are considered defined contribution plans solely for benefits vested subsequent to 1 January 2007 and obligatorily paid into a Supplementary Pension Fund or a Treasury Fund at INPS. Under defined contribution plans, contributions payable are recognised in profit or loss when incurred, based on the nominal value.

Termination benefits

Termination benefits payable to employees are recognised as a liability when the company decides to terminate the employment of an employee, or group of employees, prior to the normal retirement date or, alternatively, an employee or group of employees accepts an offer of benefits in consideration of a termination of employment. Termination benefits payable to employees are immediately recognised as personnel expenses.

Other long-term employee benefits

Other long-term employee benefits consist of benefits not payable within twelve months after the end of the reporting period during which the employees provided their services. The valuation of Other long-term benefits does not normally have the same degree of uncertainty as that relating to the benefits after the employment relationship, and therefore, some simplifications are envisaged by IAS 19 in the accounting methods: the net change in the value of all the components of the liability that occurred during the year are recognised entirely in profit or loss. Measurement of the other long-term employee benefits liability is recognised in the financial statements on the basis of calculations performed by independent actuaries.

Other liabilities

Liabilities in disposal groups held for sale

Please see that already stated for the corresponding item in the assets.

Current and deferred tax liabilities

These items include tax liabilities governed by IAS 12.

Current tax liabilities are calculated using the tax laws in effect for direct taxes.

Deferred liabilities are recognised for all temporary taxable differences between the carrying amounts of assets and liabilities and the corresponding amounts recognised for tax purposes, with the exception of cases expressly indicated in paragraph 15 of IAS 12. Deferred taxes calculated on items booked directly to Equity are also booked directly to Equity.

Other liabilities

In particular, the item includes:

- deferred fee and commission income relating to contracts not governed by IFRS 4;
- liabilities relating to defined benefits and other long-term employee benefits;
- accrued expenses and deferred income.

Premiums and technical provisions

Contracts classified as “insurance” based on IFRS 4 are recognised and measured using the accounting standards utilised to prepare the statutory financial statements and, consequently, observing the provisions of Legislative Decrees no. 173/2997 and no. 209/2005 and ISVAP Regulation no. 22.

In compliance with IFRS 4, contracts that transfer a significant insurance risk are classified as insurance contracts.

IFRS 4 defines as an insurance risk a risk, other than financial risk, transferred from the policyholder to the issuer of the insurance contract. In turn, financial risk is defined as “the risk of a possible future change in one or more of an interest rate, financial instrument price, commodity price, exchange rate, price or rate index, credit rating or credit index or another specific variable, on the condition that, in the case of a non-financial variable, the variable is not specific to one of the contractual counterparts”.

Insurance risk is significant if and only if an insured event could induce the insurer to pay significant additional economic benefits in any circumstance, excluding those with no identifiable effect on the economic aspect of the operation, that is even if the insured event is extremely unlikely. As IFRS 4 does not provide any specific indication of the level of significance of the level of insurance risk, it is the Company's responsibility to define a threshold above which the additional outlay in the event that the insured event occurs may generate the transfer of significant insurance risk. This threshold has been set at 5% by the Board of Directors of the Parent Company Poste Vita.

Assessment of significance was done by aggregating individual contracts in homogeneous categories based on the nature of the risk transferred to the Company.

Contracts which do not transfer significant insurance risk and can be classified as financial instruments are recognised and measured using the accounting standards utilised to prepare the statutory financial statements when they contain an element of discretionary participation.

IFRS 4.10 establishes that the separation of an insurance contract into a deposit and an insurance component is sometimes obligatory and sometimes optional. In the case of separation, the deposit component falls within the scope of IFRS 9, while the risk component falls within the scope of IFRS 4.

Separation is required if the Company can measure the deposit component separately, or without considering the insurance component, and if the accounting standards used do not allow for proper recognition of all the rights and obligations deriving from the deposit component. Taking the above into account, the Company has decided not to make use of unbundling.

Contracts (or contract components) that do not transfer significant insurance risk and lacking discretionary participation elements are recognised and measured based on IFRS 9 or IFRS 15, depending on whether they are classified as financial instruments or service contracts.

The following table illustrates, for the Non-life and Life businesses, the considerations made for the classification of the related contracts and the accounting and valuation criteria.

Non-life business

Non-life contracts have all been classified as insurance contracts given the substance of said contracts that expose the Company to significant insurance risk.

The technical provisions for non-life business are as follows:

The Premium Provision consists of the “Fractions of Premiums Provision” and the “Unexpired Risks Provision”. The Fractions of Premiums Provision is calculated on a temporary pro rata basis based on gross premium revenue, after deducting acquisition costs.

The Unexpired Risks Provision is established based on the amount allocated to cover risks weighing on the company after the end of the year, to cover all those indemnities and expenses deriving from insurance contracts signed prior to that date, to the extent the amount exceeds the Fractions of Premiums Provision and premiums that can be collected based on the contracts.

The Claims Provision is analytically measured and, based on a prudential assessment of available elements, is established using an ultimate cost logic, in order to arrive at an amount adequate to cover commitments for claims benefits and the associated direct and indirect settlement costs. This process also includes estimating claims incurred but not yet reported during the year (IBNR).

With reference to the Liability Adequacy Test (LAT), it is considered that the requirements of Italian law for the calculation of technical provisions for Non-life business comply with the minimum requirements set out in paragraph 16 of IFRS 4 and therefore, the Company is exempted from carrying out further specific adequacy checks.

Specifically, the component of the premium provision relative to the unexpired risks provision, calculated and allocated in cases in which the technical ratio for the individual asset class shows an expected claim burden that exceeds revenue accruing in subsequent years, represents a reasonable approximation of the liability adequacy test.

Also with respect to the claims provision, it is held that the determination of these items based on the ultimate cost criteria includes the estimate of the main future cash flows, not discounted and, consequently, can be considered to represent a higher amount than that which would derive from applying the LAT in accordance with IFRS 4.

The catastrophe and adjustment provisions have been reversed, taking into account that IFRS 4 does not allow recognition of other prudential provisions against future claims. The ageing provision is calculated as required under article 44, paragraph 3 of Annex 15 to ISVAP Regulation 22/2008, using the lump sum criteria in the amount of 10% of gross premium revenue for the year relative to contracts with the characteristics indicated in the Regulation in question.

Life business

In relation to the above, Class I products that include revalue clauses for the insurance benefits parametrised to returns realised in a Separately Managed Account are classified as financial contracts with discretionary participation elements (DPF, as defined in Appendix A to IFRS 4), for which IFRS 4.35 refers to the accounting standards established under local laws.

Taking into account that automatic transfer of all sums accrued within the Separately Managed Account occurs at the end of the contract, these contracts are classified as financial but, similar to that indicated in the previous paragraph, are treated as insurance contracts for accounting purposes.

Pure risk products are classified as insurance.

Class III products with significant “insurance risk” are classified as insurance.

Classification of these contracts was done based on internal analysis which, using the return distribution curves, is intended to verify the likelihood that the Company will incur significant additional benefits if an insured event occurs. In addition, in order to assess the adequacy of provisions, in accordance with IFRS 4, the Company has conducted Liability Adequacy Tests. The test was conducted by taking into account the present value of future cash flows, obtained by projecting the expected cash flows generated by the existing portfolio as of period end, based on adequate assumptions underlying expiration causes (death, termination, surrender, reduction) and expense trends.

Based on the results of this analysis, the technical provisions were found to be adequate and no additional provisioning was necessary.

Shadow Accounting

To mitigate measurement mismatches arising between financial assets in Separately Managed Accounts measured based on IFRS 9 and the mathematical provisions measured using local accounting standards, shadow accounting was made use of for contracts in Separately Managed Accounts within life business, as allowed in paragraph 30 of IFRS 4. Shadow accounting is used to resolve accounting mismatches arising from different measurement criteria applied to insurance liabilities (or statutory technical provisions), measured at cost, and that used for financial instruments in Separately Managed Accounts, measured at fair value.

IFRS 4 does not define an unambiguous methodology for the application of the shadow accounting. The Poste Vita Group has defined a going concern approach that determines the percentage of retrocession of unrealised capital gains and losses based on the difference between the prospective natural rate, according to ALM logic, and the target and management rate defined as minimum guaranteed rate plus minimum rate retained by the Group.

Fee and commission income and expense

These items include commissions and fees relative to investment contracts not falling under the scope of IFRS 4. In particular, it refers to the portion of explicit and implicit fees accruing during the year and management commissions in terms of fee and commission income and acquisition costs with regards to commission expense.

Investment income and expense

Net income from financial assets at fair value through profit or loss

These include realised gains and losses and positive and negative value changes for assets and liabilities in the category “fair value through profit or loss”. Changes in value are determined on the basis of the difference between the fair value and carrying amount of the financial instruments recognised in this category.

Income/expense from investments in subsidiaries, associates and joint ventures

These include income/expense originating from equity investments in companies associated with the Group. In particular, it refers to the portion pertaining to the Group of the profit (loss) for the period achieved by the investees in question.

Income/expense from other financial instruments and investment property

The item includes:

- income/expense and realised gains/losses on investments classified in the category “fair value through other comprehensive income”;
- income and expense from loans and receivables and other financial liabilities;
- income and expense relative to investment property.

Other revenue

The item includes, in particular:

- revenue deriving from the sale of goods, the provision of services other than financial and from third party utilisation of tangible and intangible assets and other business assets;
- other net technical income associated with insurance contracts;
- exchange differences to be recognised in profit or loss pursuant to IAS 21;
- realised gains and any write-backs relative to tangible and intangible assets.

Net claims expenses

This category includes amounts paid net of recoveries, the change in the claims provision and in other technical provisions for non-life business, the change in mathematical provisions and other technical provisions for life business and the change in technical provisions for contracts in which investment risk is held by the policyholders relative to insurance contracts and financial instruments under the scope of IFRS 4. Amounts recognised are shown before costs for settling claims and net of outward reinsurance.

Expenses from investments in subsidiaries, associates and joint ventures

This category includes expenses deriving from equity investments in subsidiaries, associates and joint ventures, recognised with a corresponding assets item.

Expenses arising from other financial instruments and investment property

The item includes expenses deriving from investment property and financial instruments not measured at fair value through profit and loss. They mainly include other investment expenses, including costs relative to investment property and, in particular, condominium fees and maintenance and repair expense which does not serve to increase the value of the investment property; losses realised after the derecognition of a financial asset or liability or investment property; unrealised losses, including negative changes deriving from amortisation/depreciation and impairment.

Operating expenses

This item includes commissions and other acquisition costs, including acquisition expense, net of outward reinsurance, relative to insurance contracts; investment management expenses, including general expenses and personnel expenses relative to management of financial instruments and investment property; other administrative expenses, which includes general and personnel expenses not allocated to claims expenses, insurance contract acquisition expenses or investment management expenses.

Other costs

The item includes, in particular:

- costs relative to the sales of goods and the provision of services of a non-financial nature;
- other net technical expenses associated with insurance contracts;
- provisioning carried out during the year;
- exchange differences to be recognised in profit or loss pursuant to IAS 21;
- realised losses, any impairment and amortisation/depreciation relative to tangible assets (when not allocated to specific items) and to intangible assets.

Uncertainties involved with the use of estimates

As requested in paragraph 116 of IAS 1, we note here that the Consolidated Financial Statements for 2022 were prepared in respect of the principles of clearly, truly and accurately representing the equity and financial situation and the economic results for the year.

The decisions made and estimation and measurement criteria adopted in applying the international accounting standards are justified in the Notes.

Use of such estimates and assumptions affects the final amounts reported in the financial statements and related disclosures. The final amounts for the items in the financial statements relative to which these estimates or assumptions have been applied may differ due to uncertainties regarding the assumptions and the conditions on which estimates are based. Estimates and assumptions are periodically reviewed and the impact of any changes is reflected in the financial statements for the period in which the estimate is revised if the revision only influences the current period, or also in future periods if the revision influences both current and future periods.

Estimates were used in the following cases during the period under review:

- in determining the fair value of financial assets and liabilities;

- in estimating the recoverability of deferred tax assets;
- in quantifying provisions for risks and charges and provisions for employee benefits, in consideration of the indeterminate nature of the amount and date on which they will arise and the actuarial assumptions applied;
- in determining the estimate of the technical provisions for life business;
- in determining amounts relative to shadow accounting, as described above;
- in determining the estimate of the technical provisions for non-life business;
- in estimating the recoverability of deferred tax assets.

Fair value measurement techniques – IFRS 13

In compliance with that indicated in IFRS 13 - Fair value measurement, endorsed with Regulation EU 1255/2012 of 11 December 2012, relative to the definition of a single fair value measurement framework, requested or allowed by the other IFRS and for the financial statements or disclosure, the provisions of which took effect as of 1 January 2013, below are the fair value measurement techniques used within the Poste Vita Group.

The assets and liabilities involved (specifically, assets and liabilities recognised at fair value and assets and liabilities recognised at cost or at amortised cost, for which the fair value is provided in the Notes to the statements) are classified on the basis of a hierarchical scale that reflects the significance of the sources used in making the measurements.

The hierarchy consists of 3 levels.

Level 1: this level includes the financial instruments for which prices listed on active markets are available. The existence of official prices on an active market constitutes the best evidence of fair value. A market is defined as active when transactions take place with sufficient frequency and volume to provide information about prices on a continuous basis. For the Poste Vita Group the following categories of financial instrument apply:

- Bonds listed on active markets: for the definition of active market for bonds, the insurance group follows the criteria defined in the Group's FV Policy and applied in the context of the "Fair Value Engine" tool. In order to classify a "Level 1" financial instrument, daily monitoring rules have been established for contributions in order to verify their liquidity. The pricing sources for the securities are:
 - a) MTS market;
 - b) MILA;
 - c) Bloomberg CBBT.

Securities are considered level 1 if during the time period of reference they have a bid-ask spread within the limit established by the Group's Fair Value Policy.

- Equity securities listed on active markets: measurement is done by considering the price deriving from the last contract traded on the measurement day on the reference stock market.
- Open-end listed mutual funds for which a daily market closing price is available, obtained from the info provider Bloomberg or the fund manager, and which also simultaneously comply with all of the following parameters:
 - calculation of the NAV carried out daily;
 - an average time required to sell the position no longer than a significant number of working days.

Price of Level 1 type bonds incorporates the credit risk component.

Level 2: this level consists of financial instruments for which measurements are obtained using inputs different from the listed prices included in Level 1 and observable directly or indirectly on the market for the asset. 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.

For the Poste Vita Group the following categories of financial instrument apply:

- Bonds either listed on inactive markets or not at all that do not meet the criteria envisaged by the Fair Value Policy for the assignment of the fair value level 1. For the valuation of these securities, a preliminary analysis was carried out on the availability of a price deemed reliable, albeit indicative of a lower level in the fair value hierarchy. This verification resulted in the presence of a BVAL score greater than 30 and in this case in the use of one of the following prices:
 - CBBT if available;
 - BVAL if available and with a score greater than or equal to 8.

For the securities not falling under the previous scope, namely for which the BVAL score was lower than 30, the measurement is made using an internal model.

- All listed open-end funds that, on the basis of the checks carried out, cannot be categorised as “Level 1” and meet the following parameters:
 - calculation of the NAV carried out at least weekly;
 - an average time required to sell the position no longer than a significant number of working days.
- All unlisted open-end funds for which the NAV provided by the info provider Bloomberg or by the fund manager is available at least monthly and that, based on the periodic analyses appropriately documented carried out using “look through” approaches, have an investment in “Level 3” financial instruments pursuant to IFRS 13 lower than a specific threshold of significance expressed as a percentage of the overall NAV of the Fund.

Level 3: this level consists of financial instruments for which fair value measurements are obtained using non-observable inputs for the asset or liability. Measurements are hence carried out using input not deriving directly from data observable on the market (only to the extent in which observable inputs are not available) and involve estimates and assumptions by the measurer, including assumptions about risk, which must be consistent with the assumptions market operators would use to determine the price of the asset or liability. A financial instrument must be classified as Level 3 if these estimates have a significant impact on the value of the financial instrument being measured.

For the Poste Vita Group the following categories of financial instrument apply:

- Residual bonds that do not meet the previous indications.
- All listed open-end funds that, on the basis of the checks carried out, cannot be categorised as “Level 2”.
- All Alternative Funds, which, by nature are characterised by a low frequency of NAV calculations and contain financial instruments that are often illiquid or have no prices listed on active markets. In particular, for Poste Vita this category includes: Private Equity Funds; Real Estate Funds; Infrastructure Equity Funds; Infrastructure Debt Funds; Private Debt Funds and Hedge Funds.
- The equity investment in the associate Europa Gestioni Immobiliare (EGI) is measured using the equity method.
- Financial liabilities measured at amortised cost.

To that end, note that the report on operations contains analysis of financial instruments measured at fair value at 31 December 2022, broken down by fair value hierarchy level and outlines Fair Value transfers and level 3 changes recorded during the period in question.

Additionally, the same document includes the disclosure at 31 December 2022 regarding equity investments in other non-consolidated entities as required under accounting standard IFRS 12 as well as the Financial Risk disclosure based on the structure outlined in the new international accounting standard IFRS 7 - *Financial instruments: disclosures*.

Accounting standards applied from 1 January 2022

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

- Amendments to **IAS 16 - Property, Plant and Equipment**, the purpose of which is to clarify that income from the sale of products made during the testing phase of the asset itself, as well as the related production costs, must be recognised in the statement of profit or loss;
- Amendments to **IAS 37 - Provisions, Contingent Liabilities and Contingent Assets** aimed at clarifying that, for the purpose of assessing whether a contract is onerous, it is necessary to consider not only the incremental costs of fulfilling the contract (such as labour and direct materials), but also all other costs directly attributable to the contract (such as the depreciation of assets used to fulfil that specific contract);
- Amendments to **IFRS 3 - Business Combinations** to update the references in the standard to the Conceptual Framework in the revised version of 2018, without this leading to changes in the provisions of the standard;
- Amendments to the following accounting standards in the context of routine standard improvement activities with the objective of resolving non-urgent issues related to inconsistencies in the standards or to provide clarifications of terminology:
 - **IAS 41-Agriculture;**
 - **IFRS 1-First-time adoption of International Financial Reporting Standards;**
 - **IFRS 9 - Financial Instruments;**
 - **Illustrative Examples of IFRS 16 Leases.**

Accounting standards, amendments and improvements applicable as of 1 January 2023

Amendments to IAS 1 - Presentation of Financial Statements and IAS 8 - Accounting Policies, 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 12 - 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.

Amendments to IFRS 17 - Insurance Contracts, the purpose of the amendment to the new standard on insurance contracts is to provide a transition option in respect of comparative information on financial assets presented at the date of initial application of IFRS 17. The amendment is intended to avoid temporary accounting mismatches between financial assets and liabilities of insurance contracts, and thus to improve the usefulness of comparative information for financial statement readers.

EU Regulation 2021/2036 introduced the new accounting standard IFRS 17 - Insurance Contracts. The new accounting standard on insurance contracts will fully replace that currently established in IFRS 4, from 1 January 2023.

The new accounting standard on insurance contracts, which will fully replace the current provisions of IFRS 4, 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.

In order to adopt the aforementioned accounting standard in the consolidated financial statements of the Poste Vita Insurance Group, a complex implementation project with extensive involvement of the main corporate functions is operational as of 2019. In particular, the project envisaged functional workstreams dedicated to developing the methodological and interpretative aspects of the standard in line with industry market practice and operational workstreams dedicated to implementing the operational model and architecture of the target information systems. Below we provide some preliminary relevant information concerning the effects of applying IFRS 17.

Scope of application

The application of the principle requires an analysis of existing contracts in order to identify those that reflect the definition of an "insurance contract", i.e. a contract under which one party accepts a significant insurance risk from another party, agreeing to indemnify the insured or the beneficiary in the event that the latter suffers loss as a result of a specific event, i.e. the insured event.

Therefore, insurance contracts issued by companies belonging to the Poste Vita Group, as well as reinsurance contracts held, fall within the scope of the standard.

Level of portfolio aggregation

The Poste Vita Group will apply IFRS 17 to its entire portfolio of contracts issued by Group companies and reinsurance contracts held. The level of aggregation defined envisages an initial distinction between Life and Non-life business and then a distinction into different Unit Of Accounts that accommodate contracts with similar contractual characteristics and product risk. This classification was also made taking into account the Solvency II Lines of Business, where possible.

Application of exemption to annual cohorts

As envisaged in the endorsement of the final version of the standard⁶, the Poste Vita Group will adopt the exemption option relating to the application of the annual cohorts⁷, limited to the portfolios pertaining to the Line of Business “With Profit Participating” 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 by exploiting the mutualisation effect of returns⁸, typical of separately managed accounts. No impact on Non-life business is expected.

This exemption stems 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.

Discount rate

For the discounting of future cash flows related to insurance contracts, the 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 without Volatility Adjustment (i.e. the measure defined for Solvency II purposes that allows the effects of market volatility to be mitigated).

The Basic Risk Free curve, depending on the specific business, will 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.

Below are the details of the portfolios:

- in relation to the Separately managed account participating business and the Unit Linked portfolio connected to Separately managed accounts (Multi-branch products), it was decided to calibrate the IFRS 17 Illiquidity Premium 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, it was decided to adopt values of Illiquidity Premiums consistent with the Volatility Adjustment value provided by EIOPA, in line with Solvency II;
- in relation to the Non-life Business, it was decided to adopt only the Basic Risk Free curve, thus assuming an Illiquidity Premium of 0, in line with the Solvency II framework.

Risk adjustment

The Risk Adjustment, i.e. the remuneration that companies require for taking non-financial risks, will be calculated separately for Life and Non-life business. This measure represents an adjustment of the estimated Present Value Future Cash Flow, which will affect the determination of the CSM.

To determine the Risk Adjustment, the Poste Vita Group decided to use the percentile metric. According to this approach, the Risk Adjustment represents the potential loss in relation to the obligations undertaken towards policyholders (Technical Provisions) that companies

would suffer, at a given probability level (percentile level), to cover the insurance risks assumed, thus reflecting the risk appetite of the companies themselves.

6. In the endorsement of the final version of IFRS 17, an exemption from the application of the requirement to group in annual cohorts was provided for contracts characterised by intergenerational mutualisation and matching of cash flows, as according to EFRAG such grouping does not fully meet the criteria for technical approval and/or does not contribute to the European public good [SOURCE: REGULATION (EU) 2021/2036].

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

8. 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.

In the identification of the confidence level for the Risk Adjustment, equal to 70% for the Life business and 80% for the Non-life business, among other elements, the Solvency II valuation framework was taken into account, considering the same perimeter of underlying risks.

Evaluation models adopted

The Premium Allocation Approach, adopted exclusively for Non-life Business, will be used for all contracts that include one or more of the following features:

- duration of 720 days or less;
- single premium with duration ≤ 7 years;
- multi-year duration and membership of the Collective Business;
- multi-year duration and belonging to a Portfolio where the weight of the Multi-year Business is less than or equal to 5% in the last 3 financial years.

It is specified that, in order to determine these requirements, sensitivity analyses were conducted to identify which features of the contracts had a non-significant impact in terms of the outcome when applying the PAA compared to those that would have been obtained by applying the BBA.

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

- With Profit Participating;
- Unit-linked standalone insurance;
- Hybrid products with investment components.

The BBA model will be applied in both Non-life and Life business and adopted for portfolios other than those described above.

Definition of the Contractual Service Margin release pattern choice

With reference to the Life Business, the Poste Vita Group determines the CSM release by adopting a Coverage Unit (CU) 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, similar to the lump-sum death benefit for pure risk contracts, and on the mathematical provisions, solely 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.

As part of the CSM release pattern of the Non-life business, for contracts valued under the BBA Model, the Group decided to use a release driver based on earned premiums before commissions. The evaluation of the driver also takes into account the effect of any premium refunds and related commission reversals.

Method of determining contract boundaries

The valuation of a group of insurance contracts must take into account the Contract Boundaries, i.e. the contractual elements that can change the cash flows linked to the contract. The identification of these elements makes it possible to distinguish future cash flows related to existing contracts, which must be included in the estimate at the measurement date, from cash flows that will arise in the future and which must be measured separately in accordance with IFRS 17. The contract boundary identification techniques adopted by the Group are the same as those used in the Solvency II context, with the exception of the case relating to non-cancellable tacit renewals of certain Non-life business products, which define a new initial recognition and, therefore, a new cohort.

Method of determining the investment component

The investment component represents the amount under the insurance contract that the issuing entity must recognise even if the insured event does not occur. The standard expressly requires this component to be displayed separately if distinct. The Poste Vita Group identifies the investment component for certain insurance contracts and defines it as follows:

- For investment products and annuities in the accumulation phase, the investment component is equal to the difference between the liquidated value and the surrender value net of penalties;
- For annuities that are certain to be paid out, the value of the investment component corresponds to the value of the benefits paid out;

Finally, with respect to Non-life business, the investment component is identified in outward reinsurance contracts that provide scalar or profit sharing.

Insurance finance income/expenses

The recognition of insurance finance income and expenses, i.e. the effects of changes in the time value of money and financial risk, as required by the standard, will be calculated separately per measurement model:

- for the VFA portfolio, insurance finance income/expenses will be recognised in the statement of profit or loss or in Other Comprehensive Income (OCI) in relation to the result of Fair Value Underlying Items defined in accordance with IFRS 9;
- with regard to the BBA measurement model, finance income and expenses items will be calculated on the basis of the valuation curves adopted for the calculation of IFRS 17 flows.

Transition method

The Group adopts the Modified Retrospective Approach for the life investment portfolio and the Fair Value Approach for the life pure risk portfolio.

With regard to the Non-life business, for the 2021 and earlier cohorts (i.e. for products issued up to 2021) the Fair Value Approach is adopted, for the 2022 cohort a "Running" approach is applied as if the standard was already in force on 1 January 2022.

Interactions between IFRS 17 and IFRS 9

The Poste Vita Group has 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.

In order to limit accounting mismatches between IFRS 9 and IFRS 17, the Insurance Group plans to adopt the OCI option on the IFRS 17 liability portfolio, with the intention of aligning the financial and mirroring effects between the OCI reserve and the effects on the statement of profit or loss.

Quantitative impacts

The quantitative impact of the application of this standard at 1 January 2022 is shown below, distinguishing the results between the Non-life and Life Segments:

With reference to the Life business, it should be noted that shareholders' equity decreased by a total of € 652.7 million (net of tax effect), mainly due to the increase in technical provisions of the direct business.

In addition, it is specified that the measurement of contract groups according to the methodology applied by the Parent Company Poste Vita results in a Contractual Service Margin of € 9,248.4 million at 1 January 2022, which will be released in subsequent years.

With reference to the Non-life business, it should be noted that shareholders' equity decreased by a total of € 7.2 million net of the tax effect, mainly due to the increase in technical provisions of the direct business.

In addition, it is specified that the measurement of contract groups according to the Fair Value Approach resulted in a Contractual Service Margin, to be released in subsequent years, of € 26.8 million at 1 January 2022.

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 is a preliminary breakdown of liabilities for insurance contracts issued at the transition date:

LIABILITIES UNDER INSURANCE CONTRACTS (€m)	Balance at 1 January 2022
Liability for remaining coverage (LRC)	158,988
LRC Premium Allocation Approach	45
PVFC - Present Value of future cash flow	148,336
Risk Adjustment	1,324
Loss Component	8
CSM - Contractual service margin	9,275
Liability for incurred claims (LIC)	962
Cash Flow related to past services	952
Risk Adjustment	10
TOTAL	159,950

Part B – Scope of consolidation

The Poste Vita Group's financial statements for the year ended 31 December 2022 has been prepared in compliance with IVASS Regulation no. 7 of 13 July 2007, as amended, as described in part A of this document. The scope of consolidation includes the Parent Company Poste Vita SpA and the subsidiary Poste Assicura SpA, an insurance company established in 2010 and operating in the Non-life segment, Poste Insurance Broker Srl, a company authorised by IVASS to carry out insurance brokerage activities, wholly-owned by Poste Assicura SpA, and Net Holding SpA, a company incorporated on 12 October 2022 with the purpose of acquiring, holding and managing equity investments and wholly-owned by the Parent Company Poste Vita.

With reference to the equity investment held by the Parent Company Poste Vita in Poste Welfare Servizi, it should be noted that on 24 February 2022, with the signing of the deed of sale, the transfer to Poste Italiane SpA of 100% of the shares held was finalised, for a consideration of about € 70 million, as better described in the Report on Operations in the section "Other Information". In relation to the same, assets and liabilities associated with this disposal are recognised in respect of the financial year 2021 respectively under items 6.1 of the Assets "Non-current assets or disposal groups held for sale" and 6.1 of the Liabilities "Liabilities included in disposal groups held for sale".

The Parent Company also holds a non-controlling interest in the companies Europa Gestioni Immobiliari SpA And ECRA SGR, engaged respectively in property management and transactions in Italy and abroad, on their own account and on behalf of third parties, and the management of investments. The aforementioned investments are measured with the equity method.

Lastly, Poste Assicura SpA, as non-controlling investor, holds 5% of the share capital of "Consorzio Logistica Pacchi Scpa"; the latter exercises primarily sorting, tracking and delivery activities relating to the Parcel service for Poste Italiane SpA. This equity investment is indirectly held by the Parent Company Poste Vita and is recognised at cost.

Name	Country	Business	Type of ownership	% Direct/indirect ownership	Consolidation Method
Poste Assicura SpA	Italy	Insurance	Subsidiary	100	Line-by-line
Poste Insurance Broker Srl	Italy	Insurance brokerage	Indirect subsidiary	100	Line-by-line
Europa Gestioni Immobiliare SpA	Italy	Real Estate Management	Associate	45	Equity Method
Eurizon Capital Real Asset SGR	Italy	Investment Management	Associate	20	Equity Method
Consorzio Logistica Pacchi Scpa	Italy	Logistics/Shipping	Associate	5	Cost
Net Holding SpA	Italy	Investment Purchase/ Management	Subsidiary	100	Line-by-line

In accordance with IFRS 10, subsidiaries are the entities over which the Parent Company exercises control. Control is obtained when the Parent Company is exposed to variable returns or holds real rights over returns, deriving from its relationship with the investee and, at the same time, is able to affect these returns by exercising its power over the entity. In particular, the Parent Company controls an investee if, and only if, it simultaneously:

- has the power over the investee (i.e. rights, not merely protective, which grant it the real ability to direct significant actions of the investee, that is activities that significantly impact the returns of the entity invested in);
- is exposed, or has rights to, variable returns from its involvement with the investee;
- has the ability to influence those returns through its power over the investee.

Determination of control is based on the substance of the economic relationship between the Group and the company to be measured and, among other things, considers current and potential voting rights.

The Group periodically and systematically assesses whether events and circumstances indicate a change in one or more elements of control.

Pursuant to IAS 28, an associate is an entity in which the investor has significant influence, but which is neither a subsidiary nor an entity under joint control. Significant influence is present if the Parent Company holds at least 20% of voting rights in the Shareholders' Meeting, either directly or indirectly. A discussion of this equity investment can be found in the section "Consolidation techniques".

Part C – Information on the consolidated statement of financial position

Assets

Intangible assets

Intangible assets were not valued at the end of 2022 (€ 17,817 thousand at the end of 2021):

(€k)	31/12/22	31/12/21	Change
Gross amount		21,036	(21,036) -100%
Accumulated amortisation		(3,219)	3,219 -100%
Net amount	-	17,817	(17,817) -100%

The following schedule provides a breakdown:

(€k)	31/12/22	31/12/21	Change
Software		2,700	(2,700) -100%
Goodwill		17,817	(17,817) -100%
Start-up and expansion costs		519	(519) -100%
Gross amount	-	21,036	(21,036) -100%

Goodwill recognised in the amount of € 17,817 thousand at 31 December 2021, arising from the difference between the cost of the investment in Poste Welfare Servizi and the corresponding fraction of shareholders' equity following the acquisition of the investment in PWS by Poste Vita to the Ultimate Parent Poste Italiane in February 2022, is not recognised in these financial statements.

The following table shows changes in the item occurring during the period:

(€k)	31/12/21	Increases	Decreases	31/12/22
Software				
- Accumulated amortisation				
Goodwill	17,817		(17,817)	-
Start-up and expansion costs	519		(519)	-
- Accumulated amortisation	(519)		519	-
Total	17,817		(17,817)	-

It should be noted that the change in this item during the period is attributable to the above-mentioned goodwill.

2. Tangible assets

they amounted to € 11,153 thousand and recorded an increase of € 7,955 thousand compared to 31 December 2021, attributable to the right of use of the leased building owned by the Ultimate Parent Poste Italiane, whose contract began to produce its effects in May 2022.

(€k)	31/12/22	31/12/21	Change	
Gross amount	24,498	22,104	2,394	11%
Accumulated depreciation	13,345	18,905	(5,560)	-29%
Net amount	11,153	3,198	7,955	249%

The following schedule provides a breakdown:

(€k)	31/12/22	31/12/21	Change	
Fixtures and fittings	22	862	(840)	-97%
Electronic equipment	201	390	(189)	-48%
Telephone/generic systems		19	(19)	-100%
Leasehold and buildings improvements		16	(16)	-100%
Properties not used in operations and guest quarters IFRS 16	10,480	1,491	8,989	n/s
Vehicles for mixed use IFRS 16	450	420	30	7%
Net amount	11,153	3,198	7,955	249%

The other tangible assets mainly include the rights of use of fixed assets falling within the scope of IFRS 16, which in this case specifically refers to the lease of the building owned by the Ultimate Parent Poste Italiane for an amount of € 10,281 thousand, the lease of apartments for guest quarters for an amount of € 199 thousand, and the contracts of the corporate fleet for an amount of € 450 thousand. The remaining € 223 thousand refers to capital assets held for business purposes, net of the related accumulated depreciation.

The following table illustrates the changes in the item, which reflects the above-mentioned increase in the value in use of the building rental contract in the current period, following the stipulation of the lease agreement, and effective, as per the contractual terms, as of 12 May 2022, with Poste Italiane, due to the transfer of the Poste Vita and Poste Assicura offices to premises owned by the Ultimate Parent Poste Italiane.

(€k)	31/12/21	Increases	Decreases	31/12/22
Electronic equipment	4,564		(4,073)	491
- Accumulated depreciation	(4,174)		3,884	(290)
Fixtures and fittings	3,255		(3,215)	40
- Accumulated depreciation	(2,393)		2,375	(18)
Telephone system	746		(64)	682
- Accumulated depreciation	(727)		45	(682)
Motor vehicles				
- Accumulated depreciation				
Leasehold improvements	1,657		(1,657)	
- Accumulated depreciation	(1,641)		1,641	
Right of use - Properties not used in operations and guest quarters IFRS 16	11,080	11,139		22,219
- Accumulated depreciation	(9,589)	(2,150)		(11,739)
Right of use - Vehicles for mixed use IFRS 16	802	264		1,066
- Accumulated depreciation	(382)	(234)		(616)
Total	3,198	9,019	(1,064)	11,153

3. Technical provisions attributable to reinsurers

The item totalled € 43,588 thousand at the end of 2022, a decrease of € 6,852 thousand compared to 31 December 2021 (€ 50,439 thousand).

(€k)	31/12/22	31/12/21	Change	
Non-life provisions	12,819	22,127	(9,308)	-42.1%
Premium reserve	1,325	1,847	(522)	-28.3%
Outstanding claims provisions	11,494	20,280	(8,786)	-43.3%
Other provisions				
Life provisions	30,769	28,312	2,457	8.7%
Outstanding claims provisions	8,075	6,201	1,874	30.2%
Mathematical provisions	22,694	22,111	583	2.6%
Other provisions				
Total	43,588	50,439	(6,851)	-13.6%

4. Investments

At 31 December 2022, financial investments totalled € 142,460,251 thousand (€ 158,695,773 thousand at the end of 2021).

(€k)	31/12/22	31/12/21	Change	
Investments in associates	111,323	108,845	2,478	2%
Financial assets measured at amortised cost	2,387,301	2,427,456	(40,155)	-2%
Financial assets at fair value through other comprehensive income	96,500,899	111,384,483	(14,883,584)	-13%
Financial assets at fair value through profit or loss	43,460,728	44,774,990	(1,314,262)	-3%
Total Financial investments	142,460,251	158,695,773	(16,235,523)	-10%

Investments in subsidiaries, associates and joint ventures

Equity investments of € 111,323 thousand refer to the investment measured using the equity method in the subsidiary EGI, for € 109,348 thousand, and in the company ECRA for € 1,938 thousand (equity investment acquired in 2022), and for the remaining € 37 thousand to the cost of the investment, equal to 5% of the share capital, in the company "Consorzio Logistica Pacchi Scpa" acquired on 30 June 2020 by the Subsidiary Poste Assicura SpA.

With regard to EGI, the Company, which is owned by Poste Vita SpA and Poste Italiane SpA with 45% and 55% equity interests, respectively, operates primarily in the real estate sector for the management and development of real estate assets no longer used by the Parent Company. The figures for 2022 show equity of € 243,014 thousand and a net profit for the year of € 4,315 thousand, up compared to the figure reported in the corresponding period of 2021 of € 3,135 thousand.

With reference to Eurizon Capital Real Asset SGR SpA, a company in which the Parent Company Poste Vita holds 20% of the share capital and 12.25% of the voting rights. The figures at 31 December 2022 show a net equity of € 6,974 thousand and a profit for the period of € 1,175 thousand, compared to a net loss of € 786 thousand in the corresponding period of 2021.

Relative 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 present period with equity of € 787.9 thousand.

The increase for the period of € 2,478 thousand is attributable for € 1,938 thousand to the equity investment in ECRA acquired in 2022 and the remainder of € 540 thousand to the revaluation of the equity investment in EGI to the extent of the share of profits earned in 2022.

In terms of the fair value level assigned to investments in this category, please see that found in Annex 5 D.3, D.4, D.5 to these financial statements.

Financial assets measured at amortised cost

Financial instruments measured at amortised cost, i.e. securities held in order to obtain cash flows represented solely by the payment of principal and interest, amounted to € 2,387,301 thousand at 31 December 2022, down slightly (-2%) compared to the end of 2021, equal to € 2,427,456 thousand and mainly related to Free Capital. With regard to this category, there were net latent capital losses of € 296,267 thousand at the end of the period compared to net latent capital gains of € 209,623 thousand recorded in 2021.

The item is as follows:

(€k)	31/12/22	31/12/21	Change	
Equity instruments				
Debt securities	2,159,133	2,019,906	139,227	6.9%
of which: government bonds	2,142,376	2,001,030	141,346	7.1%
corporate bonds	16,757	18,876	(2,119)	-11.2%
UCITS units	-			
Receivables and loans	228,168	407,550	(179,382)	-44%
Total	2,387,301	2,427,456	-40,155	-2%

Receivables recorded in this category at the end of 2022 of € 228,168 thousand mainly refer to: i) € 194,316 thousand (€ 383,172 thousand at 31 December 2021) for the balance of the current account with the Ultimate Parent Poste Italiane SpA and ii) receivables for commissions on internal funds of € 33,106 thousand (€ 24,378 thousand at the end of 2021). The impairment at 31 December 2022 regarding loans and receivables measured at amortised cost, recognised as a direct adjustment to the carrying amounts of the same, amounted to € 235 thousand (€ 361 thousand at 31 December 2021).

Financial assets measured at fair value through other comprehensive income

The item is as follows:

(€k)	31/12/22	31/12/21	Change	
Equity instruments				
Debt securities	96,500,899	111,384,483	(14,883,584)	-13%
of which: government bonds	77,726,214	90,034,883	(12,308,669)	-14%
corporate bonds	18,774,685	21,349,600	(2,574,915)	-12%
UCITS units				
Total	96,500,899	111,384,483	(14,883,584)	-13%

Financial assets measured at FVTOCI amounted to a total of € 96,500,899 thousand at the end of the reporting period (of which € 501,958 thousand related to the security issued by Cassa Depositi e Prestiti as private placement), a decrease of € 14,883,584 thousand compared to € 111,384,483 thousand at the end of 2021 due to the effect of the change in fair value recorded during the period. These investments refer to securities assigned to Separately Managed Accounts for € 93,321,491 thousand and, secondarily, to the Company's Free Capital for € 3,179,408 thousand. At the end of the period they referred solely to debt securities in the form of listed instruments issued by European governments and major European companies.

With regard to the aforementioned category, the dynamics of the financial markets conditioned by the evolution of spread and interest rates, gave rise to a decrease in the fair value reserve on these instruments, which amounted to a negative value of € -11,904,833 thousand at the end of 2022 compared to a positive value of € 11,619,786 thousand at the end of 2021, of which: i) € -11,639,148 thousand net of the ECL⁹ component (equal to € 11,536,939 thousand at the end of 2021) related to

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.

financial instruments included in the Separately Managed Accounts and therefore allocated to policyholders through the shadow accounting mechanism and ii) € -265,685 thousand (€ 82,847 thousand at the end of 2021) related to net capital gains on FVOCI securities of the Company's "free capital" and therefore, allocated to a specific equity reserve (amounting to € -185,266 thousand net of related tax effect and ECL against € 58,063 thousand at the end of the previous period). Note that the value of the fair value reserve was determined net of the ECL. Impairment at 31 December 2022 relative to fixed-income securities measured at FVOCI amounted to € 48,191 thousand (€ 52,258 thousand at 31 December 2021), of which € 46,563 thousand attributed to policyholders through shadow accounting.

In terms of the fair value level assigned to investments in this category, please see that found in Annex 5 D.3, D.4, D.5 to these financial statements.

Financial assets at fair value through profit or loss

At the end of the period, the item totalled € 43,460,728 thousand (of which € 21,038 thousand relating to the private placement of Cassa Depositi e Prestiti), against € 44,774,990 thousand recorded at the end of the previous year and the breakdown is as follows:

(€k)	31/12/22	31/12/21	Change	
Equity instruments	264,147	217,201	46,945	22%
Debt securities	2,306,049	2,600,561	(294,512)	-11%
of which: government bonds	13,594	14,904	(1,310)	-9%
corporate bonds	2,292,455	2,585,657	(293,202)	-11%
UCITS units	40,780,626	41,916,241	(1,135,616)	-3%
Receivables	109,907	40,986	68,921	168%
Total	43,460,728	44,774,990	(1,314,262)	-3%

Debt securities amounted to € 2,306,049 thousand at the end of 2022, a decrease of € 294,512 thousand compared to € 2,600,561 thousand at 31 December 2021 and are composed as follows:

- € 2,271,417 thousand from corporate instruments issued by major issuers, used to hedge the related Separately Managed Account products in the amount of € 1,903,470 thousand, the products related to Class III policies in the amount of € 288,924 thousand, and the remaining € 79,023 thousand associated with Free Capital investments;
- € 13,594 thousand in BTP Stripped and Zero Coupon most of which used to cover Class III policies;
- € 21,038 thousand relative to the security issued by Cassa Depositi e Prestiti (private placement).

Equity instruments, classified in the category financial assets at FVTPL, amounted to € 264,147 thousand, and cover Class I and Class III products. The change in the period is mainly attributable to the net investments made during the period.

The item *UCITS units*, amounting to € 40,780,626 thousand at 31 December 2022, includes units of mutual investment funds. During the period under review, net investments were made for € 3,613,769 thousand. The fair value decreased by approximately € 4,571,430 thousand, an effect almost entirely reversed to the policyholders of Class I through the Shadow Accounting method.

At the end of the period, the investments are divided into: i) UCITS units (including multi-asset funds) totalling € 36,418,440 thousand; ii) units in mutual real estate investment funds totalling € 2,380,433 thousand and iii) mutual funds that primarily invest in bonds amounting to € 1,981,753 thousand.

Mutual investment funds refer to the separately managed accounts for around € 31,616,617 thousand, while € 9,158,759 thousand related to Class III unit-linked products and the remainder (equal to € 5,250 thousand) is included in the Company's free capital.

In this item, an amount of € 28,607,824 thousand refers to unconsolidated structured entities, while an amount of € 12,172,802 thousand refers to funds that are not part of unconsolidated structured entities, the majority of which are alternative investment funds, UCITS and ETFs.

Receivables at the end of 2022 came to € 109,907 thousand (€ 40,986 thousand at 31 December 2021) and refer to subscriptions and capital calls on mutual investment funds for which the corresponding units have not yet been issued.

With regard to *operations in derivatives*, it should be noted that at 31 December 2022, there were no open positions.

In terms of the fair value level assigned to investments in this category, please see that found in Annex 5 D.3, D.4, D.5 to these financial statements.

5. Sundry receivables

Sundry receivables amounted to € 261,026 thousand at the end of the period, up € 90,705 thousand compared to 31 December 2021, when the figure was € 170,321 thousand. The item is as follows:

(€k)	31/12/22	31/12/21	Change	
Receivables arising from direct insurance transactions	134,720	57,992	76,728	132%
Receivables arising from reinsurance transactions	2,996	4,845	(1,849)	-38%
Other receivables	123,310	107,484	15,826	15%
Total sundry receivables	261,026	170,321	90,705	53%

It is held that the carrying amount of trade receivables and other receivables is in line with their fair value. Trade receivables do not accrue interest and have short-term maturity dates.

With reference to receivables due from policyholders, the Group does not have any particular concentration of credit risks, in that credit exposure is spread over a large number of counterparts.

Receivables arising from direct insurance transactions

At 31 December 2022, this item amounted to € 134,720 thousand, compared with € 57,992 thousand at the end of 2021, and consisted of the following:

(€k)	31/12/22	31/12/21	Change	
Due from policyholders	107,795	48,899	58,896	120%
Premiums receivable from agents	25,029	7,983	17,046	214%
Due from company current accounts	1,896	1,111	785	71%
Total	134,720	57,992	76,728	132%

Receivables due from policyholders, totalling € 107,795 thousand, reflecting uncollected premiums due and payable on the basis of a prudent assessment.

Receivables due from policyholders refer for € 88,434 thousand to premiums not collected for non-life business. While the remaining € 19,361 thousand refers to receivables due from policyholders for premiums relative to life business, not yet collected at the end of the period.

Note that around half of this amount, associated with collective policies, will be settled by the end of the first quarter of 2023, as they refer to policies with after the fact quarterly settlement. The increase in receivables due from policyholders totalling € 58,896 thousand as compared to the value at 31 December 2021 is mainly due to collective policies relative to Welfare business and is consistent with the increase in overall premiums relative to the same business.

Amounts due from intermediaries, totalling € 25,029 thousand at the end of 2022 (€ 7,983 thousand at 31 December 2021), refer to premiums issued in the final days of the year which, although collected by the intermediary at the reporting date, were paid to the companies of the Poste Vita Group in January 2023.

Receivables for company current accounts, for € 1,896 thousand (€ 1,111 thousand at 31 December 2021), mainly refer to receivables from companies for coinsurance relationships.

Receivables arising from reinsurance transactions

Receivables arising from reinsurance transactions amounted to € 2,996 thousand at the end of the period, compared with € 4,845 thousand at the end of the previous year. The receivable refers to recoveries to be obtained from reinsurers for claims and commissions relative to the fourth quarter of 2022.

Other receivables

Other receivables, amounting to € 123,310 thousand at the end of 2022 (€ 107,484 thousand at 31 December 2021), consist of:

(€k)	31/12/22	31/12/21	Change	
Due from policyholders for stamp duties	110,675	95,176	15,499	16%
Due from the Parent PI	3,036	2,447	589	24%
Due from other Group companies	1,358	307	1,051	n/s
Sundry receivables	8,241	9,555	(1,314)	-14%
Total	123,310	107,484	15,826	15%

Receivables for stamp duty amounting to € 110,675 (€ 95,176 thousand at the end of 2021) refer for € 51,681 thousand to the amount due from policyholders in relation to the tax referred to in art. 13, paragraph 2-ter, of the Tariff, part one, annexed to Presidential Decree no. 642/1972 for Class III and Class V policies and, for the remaining part, equal to € 58,994 thousand, to the amount due from the tax authorities due to the excess of advances paid during 2022 with respect to the tax withheld on settlements for the year.

Receivables due from the Ultimate Parent Poste Italiane, totalling € 3,036 thousand (€ 2,447 thousand at the end of 2022), primarily regards secondments (€ 2,262 thousand) and transfers of personnel (€ 498 thousand) to the subsidiaries, Poste Vita and Poste Assicura.

The item "Receivables due from other Group companies", amounting to € 1,358 thousand (€ 307 thousand at the end of 2021), mainly refers to: (i) receivables related to personnel transferred to SDA (€ 6 thousand), Postel (€ 54 thousand) and Poste Pay (€ 59 thousand); ii) invoices to be issued to Bancoposta Fondi Sgr (€ 225 thousand), SDA (€ 12 thousand) Poste Pay (€ 140 thousand), EGI (€ 63 thousand) and PWS (€ 652 thousand) for staff secondments; and iii) recoveries from Bancoposta Fondi Sgr of the remuneration of corporate bodies (€ 27 thousand) and iv) receivables from Poste Welfare Servizi relating to the service contract (€ 82 thousand).

The item "other receivables", amounting to € 8,241 thousand (€ 9,555 thousand at 31 December 2021), mainly related to: i) receivables from social security and welfare institutions (€ 315 thousand); ii) receivables due from customers, amounting to € 918 thousand; and iii) receivables related to premiums collected and not yet associated with the relative policy for € 6,703 thousand.

6. Other assets

the other assets totalled € 2,966,637 thousand (€ 2,859,248 thousand at the end of 2021). The item is as follows:

(€k)	31/12/22	31/12/21	Change	
Non-current assets or disposal groups held for sale	-	24,612	(24,612)	-100%
Deferred acquisition costs	36,422	42,200	(5,778)	-14%
Deferred tax assets	487,412	466,674	20,739	4%
Current tax assets	2,441,431	2,325,688	115,743	5%
Other assets	1,371	74	1,297	n/s
Total	2,966,637	2,859,248	107,389	4%

The item non-current assets or disposal groups held for sale amounted to € 24,612 thousand at the end of 2021 and refer exclusively to the value of the assets held by the subsidiary Poste Welfare Servizi reclassified to this item in application of IFRS 5, following the sale of 100% of the shares held by Poste Vita to the Ultimate Parent Poste Italiane in February 2022; the transaction is detailed in the Report on Operations.

Deferred acquisition costs, amounting to € 36,422 thousand at the end of the period (€ 42,200 at 31 December 2021), include the unamortised portion of expenses relating to the pre-calculated acquisition commissions of the FIP product (Individual Pension Schemes).

Deferred tax assets, amounting to € 487,412 thousand (€ 466,674 thousand at the end of 2021), are calculated as the total amount of temporary differences between the carrying amount of assets and liabilities and the respective value based on that established in IAS 12 and to the extent recovery is likely.

Changes in deferred tax assets recognised at 31 December 2022 are shown below:

(€k)	
Deferred tax assets at 31 December 2021	466,674
- change accounted for in profit or loss	22,850
- change accounted for in equity	(2,111)
- other changes	
Deferred tax assets at 31 December 2022	487,412

Temporary differences with effect on profit loss mainly refer to the receivable with reference to the non-deductible portion pursuant to paragraph 1-bis of art. 111 of Presidential Decree no. 917/1986 (Consolidated Law on Income Tax, TUIR) of the change in the obligatory technical provisions relating to the life business, accrued from the 2010 tax period but recognised from 2018 onwards as a result of the change during the year in the methods for determining said receivable according to a calculation process now carried out on an individual policy, qualified as "changes in accounting estimates" in accordance with OIC 29.

Additional temporary differences that led to the recognition of deferred tax assets involve allocations made to provisions for risks, provisioning for employees and impairment recognised on shares recorded in the Poste Vita's current assets, as well as other negative income components for which accrue for tax purposes in subsequent years, such as credit impairment and losses and the non-deductible excess of the change in the claims provision for Poste Assicura.

It should be noted that deferred tax assets and liabilities have been determined by applying the tax rates that are expected to apply in the year in which the asset will be realised, based on the information available at the end of the year.

Current tax assets, which amounted to € 2,441,431 thousand (€ 2,325,688 thousand at the end of 2021), mainly related to: i) the tax receivable on mathematical provisions pursuant to Law 209/2002 of Poste Vita, amounting to € 2,269,432 thousand, representing the advance payment of withholding and substitute taxes on capital gains on life insurance policies; ii) current tax receivables of € 153,766 thousand at the end of 2022 (of which € 122,679 thousand from the Ultimate Parent Poste Italiane SpA for tax consolidation purposes); and iii) receivables due from the tax authorities for the advance on insurance of € 17,760 thousand (€ 15,114 thousand at the end of the previous year).

(€k)	31/12/22	31/12/21	Change	
Tax credit on mathematical provisions Decree Law 209/2002	2,269,432	2,290,204	(20,772)	-0.9%
Receivables for IRES and IRAP	153,766	17,271	136,495	n/s
Payments on account of tax on insurance policies	17,760	15,114	2,646	17.5%
Other	473	3,099	(2,626)	-84.7%
Total	2,441,431	2,325,688	115,743	5.0%

7. Cash and cash equivalents

Cash and cash equivalents at the end of the period totalled € 2,731,706 thousand, compared to € 4,584,068 thousand recorded at the end of the previous year.

The item is as follows:

(€k)	31/12/22	31/12/21	Change	
Bank deposits	2,536,897	4,027,052	(1,490,155)	-37%
Postal office current accounts	194,805	557,012	(362,207)	-65%
Cash and cash equivalents	4	4	0	1%
Total	2,731,706	4,584,068	(1,852,362)	-40%

This item includes short-term bank and postal deposits, cash and revenue stamps. They refer to temporary available amounts, mainly relative to Separately Managed Accounts.

Liabilities

1. Equity

Equity amounted to € 6,793,567 thousand at 31 December 2022, an increase of € 857,719 thousand compared with the end of 2021, when it amounted to € 5,935,848 thousand. The increase was mainly attributable to the profit for the period of € 977,046 thousand as well as to the recognition, in the item other equity instruments, of the perpetual capital instrument issued by the Company on 3 August 2022 for € 500,000 thousand fully subscribed by the Ultimate Parent Poste Italiane, as better detailed below. This change was only partially offset by the payment, as resolved by the General Shareholders' Meeting of Poste Vita of 29 April 2022, to the Ultimate Parent Poste Italiane of dividends in the amount of € 397,339 thousand, as well as the negative change of € 243,323 thousand, due to the less favourable dynamics of the financial markets, in the reserve arising from the valuation of securities belonging to the FVOCI category (net of the tax effect and the ECL component). Changes in equity during the period are shown below:

(€k)	31/12/21	Allocation of 2021 profit	dividends	ECL reserve	FVOCI reserve	Other gains or losses recognised directly through equity	Tier 1 Perpetual Capital Instrument	PWS disposal	PIB Asset Strengthening	2022 profit	31/12/22
Share capital	1,216,608										1,216,608
Other equity instruments	300,000						500,000				800,000
Revenue reserve and other equity reserves:	3,535,186	826,119	(397,339)			(5)	(11,400)	32,119	419		3,985,098
<i>Legal reserve</i>	242,644										242,644
<i>Extraordinary reserve</i>	648										648
<i>Organisation fund</i>	2,582										2,582
<i>Consolidation reserve</i>	426										426
<i>Other provisions</i>	8										8
Previous retained earnings	3,288,877	826,119	(397,339)			(5)	(11,400)	32,119	419		3,738,789
of which retained earnings for previous years	3,288,877	826,119	(397,339)			(5)	(11,400)	32,119	419		3,738,789
of which FTA Reserve											0
Reserve for FVOCI securities	58,091			43	(243,366)						(185,232)
of which - AFS/FVOCI Reserve	56,745				(243,366)						(186,621)
of which ECL Reserve	1,346			43							1,389
Other gains/losses recognised directly through equity	(156)					203					47
Profit for the year	826,119	(826,119)								977,046	977,046
Total	5,935,848	(0)	(397,339)	43	(243,366)	198	488,600	32,119	419	977,046	6,793,567

The item **other equity instruments**, as mentioned above, includes the issuance value of the two perpetual, non-convertible, fixed-rate regulatory capital instruments issued on 26 July 2021 and 3 August 2022 for a nominal amount of € 300,000 thousand and € 500,000 thousand, respectively, and fully subscribed by the Ultimate Parent Poste Italiane SpA net of interest expense (net of related taxation) already paid at 31 December 2012 in the amount of € 11,400 thousand.

Below is a schedule reconciling equity and net profit for the year during the period:

Reconciliation of Parent company's financial statements and IAS/IFRS consolidated financial statements

	Equity	Net profit/ (loss)	Changes in equity	Equity	Net profit/ (loss)	Changes in equity	Equity
(€k)	31/12/20	31/12/21	31/12/21	31/12/21	31/12/22	31/12/22	31/12/22
Italian GAAP financial statements	4,679,785	719,538	(428,921)	4,970,403	481,714	(397,339)	5,054,777
Measurement of financial assets	321,774	71,482	-	393,256	477,818	-	871,074
Hybrid Subordinated Loan		4,895	300,000	304,895	24,411	488,600	817,905
Measurement of FVTOCI securities less deferred policyholder liabilities	85,068	-	(31,104)	53,964	-	(218,586)	(164,622)
Actuarial gains/(losses) on employee benefits	(144)	-	(21)	(165)	-	159	(5)
Capital gain on sale of company	-	-	-	-	(49,079)	49,079	-
Other minor adjustments	92	(42)	-	(197)	513	-	323
Consolidated subsidiary's undistributable retained earnings	213,954	28,967	43	242,971	41,040	(16,525)	267,494
Balance of investee's FVTOCI reserve	7,079	-	(2,952)	4,127	-	(24,738)	(20,611)
Measurement of investment using the equity method	(34,722)	1,315	(4)	(33,412)	636	7	(32,769)
Elimination of effects of intercompany transactions	39	(35)	-	5	(5)	-	(0)
IAS/IFRS consolidated financial statements	5,272,685	826,119	(162,958)	5,935,848	977,046	(119,343)	6,793,567

2. Provisions

At 31 December 2022, provisions amounted to € 20,640 thousand (€ 19,300 thousand at the end of 2021) and include the amounts allocated to cover any 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 (€k)	31/12/22	31/12/21	delta
Legal disputes	5,860	5,367	493
Tax disputes			
Other liabilities	14,780	13,933	846
Total	20,640	19,300	1,340

The item is as follows:

- outstanding legal disputes amounting to € 5,860 thousand, most of which related to dormant policies, falling under the perimeter of the "two-year statute of limitations" instead of the current ten-year statute of limitations;
- other liabilities of € 14,780 thousand relating to:
 - € 5,195 thousand to provisions for Intesa San Paolo's intention to charge the Parent Company Poste Vita for VAT paid following the facilitated settlement of pending litigation regarding the higher VAT assessed by the tax authorities for the 2003 and 2004 periods, due to the collaboration relation (failure to invoice the direct cost of personnel seconded to Poste Vita) and the co-insurance contract (failure to invoice the commissions on proxies and waivers) entered into in September 1999 between Sanpaolo Vita (later Eurizon and now Intesa San Paolo Vita) and Poste Vita. Investigations are under way with Intesa San Paolo to verify the possibility to reach a settlement of the dispute;
 - € 4,199 thousand relating to certain cases of fraud involving mainly the settlements of life insurance policies accompanied by falsified documentation sent directly to the Parent Company Poste Vita, as a result of which insurance payments were made to parties found not to be legitimate;
 - € 5,386 thousand primarily regarding other provisions, of which: i) € 1,604 thousand regarding provisions for future expenses in relation to the "Da Grande" product; ii) € 900 thousand regarding pending mediations, although the Parent Company Poste Vita, is not exposed to risk in relation to these proceedings; and iii) € 1,774 thousand relating to provisions made during the period by the subsidiary Poste Assicura, of which € 774 thousand in penalties for probable delays in the handling of claims relating to the policy underwritten by Fondazione Enasarco and € 1,000 thousand in relation to the phenomenon of "overinsurance", as more fully described in the "Other information" section.

The increase in the period of € 1,340 thousand was mainly due to: i) € 493 thousand to the provision for legal disputes; ii) € 274 thousand to the provision set aside in the period (€ 500 thousand already accrued in 2021) for the above-mentioned management of claims related to the policy underwritten by Fondazione Enasarco; and iii) € 1,000 thousand to the provision set aside in the period for the above-mentioned overinsurance.

3. Technical provisions

Technical provisions at 31 December 2022 amounted to € 139,986,993 thousand, a decrease of € 19,102,882 thousand compared to the figure recorded at the end of the previous year, equal to € 159,089,875 thousand, and are made up as follows:

(€k)	31/12/22	31/12/21	Change	
Non-life business:				
Premium reserve	135,696	118,255	17,441	15%
Outstanding claims provisions	223,634	176,920	46,713	26%
Other technical provisions	67	81	(13)	-17%
Total Non-life classes	359,397	295,256	64,141	22%
Life business:				
Mathematical provisions	142,885,648	136,898,455	5,987,194	4%
Technical provisions where investment risk is borne by policyholders	9,839,095	7,846,448	1,992,647	25%
Outstanding claims provisions	816,126	789,786	26,340	3%
DPL reserve	(13,986,001)	13,190,465	(27,176,466)	-206%
Other technical provisions	72,728	69,465	3,263	5%
Total Life business	139,627,597	158,794,619	(19,167,022)	-12%
Total	139,986,993	159,089,875	(19,102,882)	-12%

Non-life technical provisions

This item, shown before outward reinsurance, totalling € 359,397 thousand (€ 295,256 thousand at the end of 2021) consists of: premium provisions for € 135,696 thousand, claims provisions for € 223,634 thousand and other technical provisions referring solely to the ageing provision, for € 67 thousand, for which the provisioning was carried out pursuant to article 37, paragraph 8 of Legislative Decree no. 209 of 7 September 2005 and article 44, paragraph 3 of Annex 15 of the ISVAP Regulation no. 22/2008, using lump sum criteria, in the amount of 10% of gross premium revenue for the year relative to contracts with the features indicated in the Regulation in question.

Claims provisions include provisions for claims incurred but not reported (IBNR), amounting to € 71,880 thousand.

The trends for the premium provision and claim provision reflect business growth trends, especially relative to the Illness and the Accident segments.

Life technical provisions

For contracts classified as “insurance contracts” and those classified as “financial instruments with discretionary participation”, for which the same criteria and measurement criteria are used as in the statutory financial statements, in compliance with paragraph 15 of IFRS 4, the Liability Adequacy Test (LAT) was carried out, which involves verifying the adequacy of the net technical provisions through comparison with a “realistic provision”, determined based on the current value of cash flows, obtained by projecting expected cash flows generated by the existing portfolio on the reporting date using appropriate assumptions regarding causes of termination (mortality, withdrawal, surrender, reduction) and expense trends.

Based on the results of this analysis, the technical provisions were found to be adequate and no additional provisioning was necessary. The results of the test described in the paragraph “information on risks” demonstrated the adequacy of the provisions recognised in the financial statements.

Provisions for the life classes totalled € 139,627,597 thousand (€ 158,794,619 thousand at the end of 2021). These provisions are made to meet all of the Company's obligations and include mathematical provisions (€ 142,885,648 thousand), technical provisions for unit-linked products (€ 9,839,095 thousand), the provision for outstanding claims (€ 816,126 thousand), the Deferred Policyholder Liability (DPL) reserve made under the shadow accounting method for € -13,986,001 thousand, and other technical provisions (€ 72,728 thousand).

The item "Other provisions" of € 72,728 thousand included € 71,291 thousand for the provision for future expenses (paras. 17 and 20 of Annex 14 of ISVAP Regulation no. 22/2008 and subsequent amendments and additions) and € 1,437 thousand for the profit-sharing reserve. The Deferred Policyholder Liability (DPL) reserve was negative at the end of the period and equal to € -13,986,001 thousand, compared to a positive value of € 13,190,465 thousand recorded at the end of 2021 as a result of the decrease in Fair Value related to market dynamics conditioned during 2022 by the trend of spread and interest rates.

4. Financial liabilities

The schedule below shows the composition of financial liabilities:

(€k)	31/12/22	31/12/21	Change	
Financial liabilities at fair value through profit or loss	-	-	-	n/s
Financial liabilities measured at amortised cost	275,293	254,694	20,599	8%
Total	275,293	254,694	20,599	8%

Financial liabilities measured at amortised cost, equal to € 275,293 thousand at 31 December 2022 (€ 254,694 thousand at 31 December 2021), mainly refer, for € 252,613 thousand, to the subordinated loan with indefinite maturity, remunerated at market rates, settled under the conditions established in article 45, chapter IV, title III of Legislative Decree no. 209 of 7 September 2005, as amended, taken out with by the Parent Company Poste Vita entirely with the Ultimate Parent Poste Italiane, including the amount for interest expense accruing on the aforementioned loan (€ 2,613 thousand) and for € 10,211 thousand to financial liabilities deriving from the application of IFRS 16, representing the residual amount of rent to be paid at the end of the period. The increase in the item of € 20,599 thousand compared to 2021 is mainly attributable to the increase in financial liabilities calculated in accordance with IFRS 16 following the stipulation of the lease agreement with Poste Italiane in May 2022 following the transfer of the Poste Vita and Poste Assicura offices to premises owned by the Ultimate Parent Poste Italiane.

5. Payables

Payables amounted to € 550,429 thousand at 31 December 2022 (€ 370,494 thousand at 31 December 2021). The breakdown of the item and changes with respect to the previous year can be seen in the following schedule:

(€k)	31/12/22	31/12/21	Change	
Payables arising from direct insurance transactions	353,790	259,831	93,960	36%
Payables arising from reinsurance transactions	2,726	11,933	(9,206)	-77%
Other payables	193,913	98,731	95,182	96%
Total	550,429	370,494	179,935	49%

Payables arising from direct insurance transactions:

(€k)	31/12/22	31/12/21	Change	
Commissions payable to agents	304,235	242,382	61,853	26%
Due to policyholders	44,855	14,464	30,391	210%
Due to companies	4,700	2,985	1,715	57%
Total	353,790	259,831	93,959	36%

The item "Commissions payable to agents", totalling € 304,325 thousand (€ 242,382 thousand at 31 December 2021), refers mainly to payables to the Ultimate Parent Poste Italiane, for commissions earned on the sale and maintenance of insurance products in late 2022 and to be settled in the first quarter of 2023.

Amounts due to policyholders, which amounted to € 44,855 thousand (€ 14,464 thousand at 31 December 2021), related to the reconciliation process between premiums issued and collected.

Amounts due from company current accounts, amounting to € 4,700 thousand (€ 2,985 thousand at 31 December 2021), refer to payables deriving from coinsurance relationships in effect at the end of the period.

Payables arising from reinsurance transactions

Amounts due to reinsurers at 31 December 2022 amounted to € 2,726 thousand (€ 11,933 thousand at 31 December 2021). The item includes payables for premiums transferred based on reinsurance treaties in effect at the end of the year and relative to the fourth quarter of 2022.

Other payables

This item, totalling € 193,913 thousand at the end of 2022 (€ 98,731 thousand at 31 December 2021), breaks down as follows:

(€k)	31/12/22	31/12/21	Change	
Due to PI Group suppliers	111,216	35,646	75,570	212%
Due to suppliers	37,706	26,529	11,177	42%
Payables for funds	35,533	25,314	10,219	40%
Due to employees	7,711	6,960	751	11%
<i>of which employee termination benefits (TFR)</i>	893	1,223	(330)	-27%
Due to MEF	3,350	4,110	(760)	-18%
Sundry payables	(1,603)	172	(1,775)	n/s
Total	193,913	98,731	95,182	96%

Amounts due to suppliers of the Poste Italiane Group, which amounted to € 111,216 thousand (€ 35,646 thousand at the end of 2021), refer to payables to the Ultimate Parent Poste Italiane, for € 85,143 thousand, and to payables to Group companies, for € 26,073 thousand.

Amounts due to Poste Italiane mainly refer to: i) provision of the call centre service (€ 1,634 thousand); ii) provision of services relating to IT service contracts (€ 76,998 thousand), purchases (€ 162 thousand), communication (€ 231 thousand), anti-money laundering (€ 216 thousand), administration and accounting (€ 100 thousand), human resources (€ 263 thousand), IT security (€ 329 thousand), portfolio settlement management (€ 1,749 thousand); iii) staff secondments (€ 598 thousand); iv) staff transfers (€ 801 thousand); v) remuneration of corporate bodies (€ 896 thousand); and vi) other employee-related expenses (€ 342 thousand).

Amounts due to other investee companies of Poste Italiane mainly refer to services rendered by Postel (€ 3,589 thousand), Postepay (€ 271 thousand), Consorzio Logistica Pacchi (€ 29 thousand), Poste Welfare Servizi (€ 11,025 thousand), Bancoposta Fondi SGR (€ 4,465 thousand), ECRA (€ 634 thousand) and Anima SGR (€ 5,025 thousand).

For more information about the nature of these services, please see the section “intercompany relations”.

The item “due to suppliers”, for € 37,706 thousand (€ 26,529 thousand at the end of 2021) refers to trade payables for services rendered by companies not in the Poste Italiane Group, for which the relative invoice had not yet been received at the end of the year.

Payables for funds, of € 35,533 thousand (€ 25,314 thousand at the end of 2021), refer to payables for commissions to be paid to managers of internal funds for € 32,866 thousand and for € 2,667 thousand refer to payables for funds acquired and not yet settled at the end of 2022.

The amount due to MEF, amounting to € 3,350 thousand (€ 4,110 thousand at 31 December 2021), refers to the amounts to be paid to the Fund set up with the MEF and relating to policies prescribed after 28 October 2008, the date of entry into force of Law 166/2008, which introduced rules on “dormant policies”. This payable will be settled in May 2022.

Amounts due to employees of € 7,711 thousand (€ 6,960 thousand at the end of 2021) mainly refer to payables to employees for holidays not taken, variable compensation, contributions and employee termination benefits (discussed below).

Based on the IVASS provisions contained in Regulation 7, the liability relative to employee termination benefits is recognised under the item “other payables”.

Relative to international accounting standards, and with respect to the indications provided by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretation Committee (IFRIC), employee termination benefits (TFR) are considered a defined-benefit plan.

Actuarial measurement of the employee termination benefits is done using an “accrued benefits” methodology, with a Projected Unit Credit (PUC) criteria, as established under paragraphs 64-66 of IAS 19.

With this method, benefits accrued are measured in proportion to the work provided at the measurement date, considering all working periods which give rise to an additional unit granting rights to benefits and measuring each unit individually for the purposes of calculating the final obligation.

To determine the current value of the defined benefit obligation and the relative cost of current work provided, Plan benefits were attributed to work periods based on the formula laid out in the Fund regulations. The obligation arises at the moment in which employees provide their work in exchange for subsequent benefits at the end of the employment relationship, which the Company expects to pay in future financial years. The expected benefits were then discounted on the measurement date using a hypothesised discount rate.

Actuarial gains and losses derive from changes in the hypotheses used or in the population during the period in question, as illustrated below. In accordance with IAS 19, actuarial gains and losses are recognised in other comprehensive income (OCI).

The financial component for 2022 is recognised among financial costs, while other components of the provision of the year were recognised among personnel expense.

The changes during the year are shown below:

(€k)	31/12/22	31/12/21	Change	
Carrying amount at the beginning of the period	1,223	2,548	(1,325)	-52%
<i>Service Cost</i>	42	185	(142.8)	-77%
<i>Interest cost</i>	5	8	(3)	-34%
<i>Benefits paid</i>	(1)	(21)	20	-95%
<i>Transfers in/(out)</i>	(28)	(59)	31	-52%
<i>Actuarial (Gains)/Losses</i>	(348)	(32)	(316)	n/s
<i>Other changes</i>		(1,406)	1,406	-100%
Carrying amount at the end of the period	893	1,223	(330)	-27%

Actuarial gains recognised during the period are represented by the sum of the following components:

Details of actuarial gains/losses (€k)	31/12/22
Actuarial gains/(losses) due to changes in population	92
Actuarial gains/(losses) due to changes in demographic/financial assumptions	(440)
Total	(348)

The main actuarial assumptions applied in calculating employee termination benefits (TFR) at 31 December 2022 are detailed below, with the hypotheses adopted at the end of 2021 for comparison:

Economic and financial assumptions	31/12/22	31/12/21
Annual discount rate	3.63%	0.3%-0.44%
Inflation rates	2.30%	1.75%
Annual rate of increase of employee termination benefits	3.225%	2.813%

Demographic assumptions	31/12/21
Mortality	ISTAT 2018
Disability rates	INPS tables by age and gender
Employee turnover rate	1%-2%
Advance rate	1%-2%
Pensionable age	Reaching requirements for Obligatory General Insurance

6. Other liabilities

Other liabilities amounted to € 847,438 thousand at the end of 2022, compared to € 710,654 thousand at the end of the previous year. They are detailed in the table below:

(€k)	31/12/22	31/12/21	Change	
Liabilities included in disposal groups held for sale	-	6,610	(6,610)	-100%
Deferred tax liabilities	332,038	214,035	118,003	55%
Current tax liabilities	506,208	484,773	21,435	4%
Other liabilities	9,192	5,235	3,957	76%
Total	847,438	710,654	136,784	19%

The item liabilities included in disposal groups held for sale came to € 6,610 thousand at the end of 2021 and refers solely to liabilities held by the subsidiary Poste Welfare Servizi, reclassified under this item in application of IFRS 5, following the transfer of 100% of the units held by Poste Vita to the Ultimate Parent Poste Italiane: the transaction is described in detail in the Report on Operations.

Below are changes in deferred tax liabilities recognised at 31 December 2022:

(€k)	
Deferred tax liabilities at 31 December 2021	214,035
- change accounted for in profit or loss	226,830
- change accounted for in equity	(108,827)
Deferred tax liabilities at 31 December 2022	332,038

With regard to temporary differences with effect on profit or loss, these mainly relate to the higher finance income recognised in accordance with IAS/IFRS in the financial statements of Poste Vita, compared with as determined in accordance with tax regulations. With regard to temporary differences recognised directly in equity, these mainly relate to the fair value measurement of available-for-sale (AFS) financial assets of Poste Vita and Poste Assicura.

The item "Current tax liabilities" amounted to € 506,208 thousand at 31 December 2022 (€ 484,773 thousand at 31 December 2021).

(€k)	31/12/22	31/12/21	Change	
Advance payment in relation to Italian Decree Law 209/2002	419,652	362,176	57,476	16%
Stamp duty payable	51,681	34,328	17,353	51%
Substitute tax payable on individual pension plans (FIP) and life policies	32,187	31,819	368	1%
Current tax liabilities	961	54,338	(53,377)	-98%
Other	1,727	2,112	(385)	-18%
Total	506,208	484,773	21,435	4%

The item refers primarily to:

- € 419,652 thousand due to the tax authorities for the advance payment of tax on mathematical provisions for the period;
- the amounts due to tax authorities for estimated stamp duty at 31 December 2022 on financial policies for Life classes III and V, totalling € 51,681 thousand;
- the payable for withholdings and substitute taxes for capital paid relative to life and FIP policies recognised at 31 December 2022, for € 32,187 thousand, referring to taxes accruing in December which will be paid the next month;
- current tax payables in the amount of € 961 thousand. These payables are almost entirely offset by the corresponding current tax receivables.

Other liabilities

Other liabilities at 31 December 2022 amounted to € 9,192 thousand (€ 5,235 thousand at 31 December 2021), mainly referring to amounts due to employees for wages.

Part D – Information the consolidated statement of profit or loss

1.1 Net premium revenue

Consolidated net premium revenue amounted to € 17,520,109 thousand, down € 311,713 thousand (-2%) on the € 17,831,822 thousand of last year.

Gross premiums written amounted to € 17,557,136 thousand, a decrease of 2%, due to the reduction in production of the Multiramo (multi-class) product (€ -2,573,856 thousand for the period), which was only partially offset by the increase in volumes of traditional products (€ +2,131,733 thousand).

Total outward premiums amounted to € 19,147 thousand at 31 December 2022, compared to € 38,999 thousand at 31 December 2021.

(€k)	31/12/22	31/12/21	Change	
Gross "life" premium revenue	17,179,479	17,574,113	(394,634)	-2%
Gross non-life premium revenue	377,657	311,160	66,497	21%
Total gross premium revenue	17,557,136	17,885,273	(328,137)	-2%
Change in gross premium reserve	(17,441)	(14,168)	(3,273)	23%
Gross premium revenue	17,539,695	17,871,106	(331,411)	-2%
Outward life reinsurance premiums	(9,749)	(9,533)	(216)	2%
Outward non-life reinsurance premiums	(9,398)	(29,465)	20,067	-68%
Total outward reinsurance premiums	(19,147)	(38,999)	19,851	-51%
Change in share of premium reserve attributable to reinsurers	(438)	(285)	(154)	54%
Outward reinsurance premiums	(19,586)	(39,283)	19,698	-50%
Total net premiums for the year	17,520,109	17,831,822	(311,713)	-2%

The entire amount of gross premium revenue recognised for the portfolio of the insurance group falls under the scope of accounting standard IFRS 4.

1.2 Fee and commission income

Fee and commission income from management of internal funds related to unit-linked products amounted to € 118,005 thousand, up € 36,873 thousand compared with the figure in 2021 (€ 81,132 thousand) as a result of the increase in assets under management.

1.3 Net income from financial assets at fair value through profit or loss

Net income from financial assets at fair value through profit or loss was a negative € 5,033,760 thousand at the end of the year, compared to a positive € 1,076,542 thousand in 2021. The decrease of € 6,110,302 thousand in the item is due mainly to the negative performance of the financial markets during the period which gave rise to the recognition of net unrealised losses for € 5,064,255 thousand, compared to net unrealised gains of € 634,944 thousand in 2021.

(€k)					
31/12/22	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	95,592	109,490	(174,587)	(5,064,255)	(5,033,760)
31/12/21					
From financial assets measured at fair value through profit or loss	80,498	136,985	224,115	634,944	1,076,542
Change	15,095	(27,495)	(398,703)	(5,699,199)	(6,110,302)

1.4 - 1.5 - 2.4 Net income from investments in subsidiaries, associates and joint ventures, from other financial instruments and investment property

This item totalled € 3,451,878 thousand, compared with € 2,941,163 thousand at 31 December 2021, and consists of the following:

Financial income/expense (€k)	Interest	Other income and expenses	Total ordinary income	Realised gains/(losses)	Unrealised gains/(losses)	Total income and expenses 2022
From financial assets measured at fair value through other comprehensive income	3,611,272	(7,590)	3,603,682	(182,539)	4,067	3,425,211
From financial assets measured at amortised cost	70,420		70,420		(96)	70,324
Income from cash and cash equivalents	7,361		7,361			7,361
From other financial liabilities measured at amortised cost	(53,195)		(53,195)			(53,195)
From investments in associates					2,176	2,176
Total	3,635,858	(7,590)	3,628,268	(182,539)	6,148	3,451,878

Financial income/expense	Interest	Other income and expenses	Total ordinary income	Realised gains/(losses)	Unrealised gains/(losses)	Total income and expenses 2021
From financial assets measured at fair value through other comprehensive income	2,254,384	(7,385)	2,247,000	159,047	7,160	2,413,207
From financial assets measured at amortised cost	576,743		576,743		138	576,881
Income from cash and cash equivalents	159		159			159
From other financial liabilities measured at amortised cost	(50,494)		(50,494)			(50,494)
From investments in associates					1411	1,411
Total	2,780,792	(7,385)	2,773,407	159,047	8,708	2,941,163
Change	855,066	(205)	854,860	(341,586)	(2,560)	510,715

Net income from investments classified as financial assets through other comprehensive income amounted to € 3,425,211 thousand, an increase compared to the figure recognised in 2021 (€ 2,413,207 thousand) due to the increase in ordinary income related to inflation trends.

In the same period, there was a decrease in net income from financial assets measured at amortised cost, which went from € 576,881 thousand at the end of 2021 to the current € 70,324 thousand.

The remainder of net expense, which amounted to € 43,658 thousand (€ 48,924 thousand at 31 December 2021) mainly related to commission expense due to the Ultimate Parent Poste Italiane SpA on Ancillary Funds for € 39,882 thousand and interest expenses accrued on the subordinated loan for a total of € 7,843 thousand. The figure also includes the profit recorded by the associate EGI for the current year in the amount of € 1,941 thousand and by the associate ECRA for the remaining € 235 thousand.

1.6 Other revenue

At 31 December 2022, this item amounted to € 6,928 thousand (€ 13,520 thousand at 31 December 2021) and mainly related to: i) the reversal of commissions related to previous years for € 1,150 thousand; ii) commissions paid to the Subsidiary Poste Insurance Broker for brokerage activities for € 944 thousand; iii) the recovery of expenses from group companies mainly related to employees seconded to the Ultimate Parent Poste Italiane SpA, for € 1,636 thousand; and iv) other technical income of € 1,165 thousand mainly related to the reversal of settlements.

2.1 Claims expense

total claims expense, net of outward reinsurance, totalled € 13,814,885 thousand, compared with € 19,979,251 thousand in the previous year.

The total of the amounts paid out and the change in technical provisions, amounted to € 13,819,806 thousand at 31 December 2022 compared to € 19,997,950 thousand recognised in 2021, mainly due to the change in the DPL reserve recorded during the period, as a result of the negative financial market conditions. The item in question is comprised as follows:

(€k)	31/12/22	31/12/21	Change	
Non-life business				
Claims paid	159,460	124,781	34,678	28%
Change in outstanding claims provisions	46,551	43,749	2,803	6%
Change in other technical provisions	(13)	(16)	2	-16%
Costs for settling claims	14,182	9,851	4,330	44%
Total Non-life business	220,180	178,365	41,814	23%
Life business				
Claims paid	9,568,375	9,492,253	76,122	1%
Change in mathematical provisions	6,030,777	7,141,412	(1,110,635)	-16%
Change in technical provisions when the investment risk is borne by policyholders and deriving from pension fund management	1,992,647	2,871,676	(879,029)	-31%
Change in other technical provisions	(3,998,553)	307,760	(4,306,313)	n/s
Costs for settling claims	6,381	6,483	(103)	-2%
Total Life business	13,599,627	19,819,584	(6,219,958)	-31%
Total claims paid and change in technical provisions	13,819,806	19,997,950	(6,178,144)	-31%

The share attributable to reinsurers totalled € 4,921 thousand, down sharply from the € 18,699 thousand of the previous year, due in particular to the reinsurance policy adopted during the period with reference to the non-life business, as better illustrated in the Report on Operations.

The item is as follows:

(€k)	31/12/22	31/12/21	Change	
Non-life business				
Claims paid	4,344	14,547	(10,203)	-70.1%
Change in outstanding claims provisions	(8,787)	(2,446)	(6,341)	n/s
Change in other technical provisions				
Costs for settling claims	135	220	(85)	-38.7%
Total Non-life business	(4,308)	12,321	(16,629)	-135.0%
Life business				
Claims paid	6,772	6,211	561	9.0%
Change in outstanding claims provisions	1,874	1,390	484	34.8%
Change in mathematical provisions	583	(1,223)	1,806	-147.7%
Costs for settling claims				
Total Life business	9,229	6,378	2,851	44.7%
Total claims paid and change in technical provisions	4,921	18,699	(13,778)	-73.7%

2.5 Operating expense

Operating expense amounted to € 544,099 thousand at the end of the period, up slightly from € 542,843 thousand at the end of 2021.

The following table shows a breakdown of operating expense by business (Life or Non-life):

(€k)	31/12/22	31/12/21	Change	
Non-life business				
Commissions and other acquisition costs:	66,889	59,406	7,484	12.6%
<i>Acquisition commissions</i>	56,568	50,256	6,312	12.6%
<i>Other acquisition costs</i>	10,321	9,150	1,171	12.8%
Commissions and share of profits received from reinsurers	(2,424)	(6,847)	4,423	-64.6%
Total Non-life business	64,465	52,558	11,907	22.7%
Life business				
Commissions and other acquisition costs:	323,503	335,127	(11,624)	-3.5%
<i>Acquisition commissions</i>	294,821	299,164	(4,342)	-1.5%
<i>Other acquisition costs</i>	28,681	35,963	(7,282)	-20.2%
Commissions and share of profits received from reinsurers	(1,066)	(1,238)	172	-13.9%
Total Life business	322,436	333,889	(11,452)	-3.4%
Investment management expenses	56,691	60,727	(4,036)	-6.6%
Other administrative expenses	100,507	95,669	4,838	5.1%
Total operating expenses	544,099	542,843	1,256	0.2%

Acquisition commissions, net of the change in unamortised commissions, totalling € 351,389 thousand at 31 December 2022 (€ 349,419 thousand at 31 December 2021) reflect commissions related to the sale of insurance products. Commissions relating to long-term contracts are amortised in accordance with ISVAP Regulation 22 of 4 April 2008.

Other acquisition costs, amounting to € 39,003 thousand (€ 45,113 thousand at 31 December 2021), include expenses arising from the sale of insurance policies, other than acquisition commissions. Specifically, this sub-item includes advertising expenses incurred to market insurance products, administrative expenses incurred in handling applications and drawing up policies, as well as employee expenses allocated, in whole or in part, to operational units or operations.

Costs not (directly or indirectly) attributable to the acquisition of premiums and policies, to the settlement of claims or to investment management represent other administrative expenses and totalled € 100,507 thousand for 2022, compared with 95,669 thousand in 2021.

Commissions and share of profit received from reinsurers, amounting to € 3,490 thousand (€ 8,086 thousand at 31 December 2021) include commissions paid to the Company by Reinsurers, calculated on the share of outward premiums under the relevant treaties.

Investment management expenses amounted to € 56,691 thousand at the end of the period, compared to € 60,727 for 2021. These include portfolio management fees of € 36,759 thousand, fees for the custody of securities of € 2,990 thousand, and overheads of € 16,942 thousand allocated to this item.

2.6 Other costs

this item amounted to € 307,480 thousand at the end of the period, compared to € 247,928 thousand for the previous year and related mainly to:

- maintenance commissions paid to the Ultimate Parent Poste Italiane for € 234,370 thousand;
- the reversal of premiums related to previous years for € 21,232 thousand;
- substitute tax of € 20,742 thousand payable on revaluations of mathematical provisions for pension products;
- € 21,500 thousand for the premium to be paid under a reinsurance contract covering the mass lapse risk;
- € 3,209 thousand to charges for dormant policies.

3. Taxes

Taxes for the year recorded in profit or loss totalled € 411,106 thousand. They consist of current IRES and IRAP taxes of € 207,126 thousand, in addition to net expense related to the net change in deferred tax assets and liabilities totalling € 203,980 thousand.

(€k)	31/12/22
Current taxes	207,126
- IRES	165,164
- IRAP	41,962
Deferred tax liabilities:	203,980
- deferred tax liabilities arising during the year	227,127
- deferred tax liabilities used during the year	(297)
- deferred tax assets arising during the year	(31,405)
- deferred tax assets used during the year	8,554
Total	411,106

The table below provides a reconciliation between taxes recognised in the financial statements and the theoretical tax burden, calculated using the IRES nominal rate of 24%. The effects of IRAP were not included, given that the taxable base for this tax uses criteria that are different from those established for IRES in the tax laws.

(€k)	31/12/22	
	Amount	Rate
Profit before tax	1,388,152	
Income tax based on statutory tax rate (only IRES at 24%)	333,156	24.0%
Non-deductible interest expenses	435	0.0%
Non-deductible extraordinary expenses	351	0.0%
Tax free dividends	(446)	0.0%
IRAP deduction from IRES	(1,210)	-0.1%
ACE (aid for economic growth) relief	(10,065)	-0.7%
PEX capital gains	(11,490)	-0.8%
Other	11,276	0.8%
Corporate income tax (IRES)	322,008	23.2%
Regional income tax (IRAP)	89,098	6.4%
Income tax for the year	411,106	29.6%

Management and coordination

The Parent Company Poste Vita is wholly-owned by Poste Italiane SpA, which directs and coordinates the Group. The following schedule provides the key figures from the most recently approved financial statements of Poste Italiane SpA (31 December 2021). Reference should be made to the financial statements of Poste Italiane SpA which, together with the independent auditors' report, are available in the forms and manner required by law. For the sake of completeness, it should be noted that the Ultimate Parent Poste Italiane also prepares the Consolidated Financial Statements.

Key figures of the Financial Statements of Poste Italiane SpA

STATEMENT OF FINANCIAL POSITION (€/000)		
ASSETS	31 December 2021	31 December 2020
Non-current assets	83,842,991	80,180,362
Current assets	37,229,519	34,753,563
Non-current assets held for sale	0	0
TOTAL ASSETS	121,072,510	114,933,925
LIABILITIES AND EQUITY	31 December 2021	31 December 2020
Equity		
Share capital	1,306,110	1,306,110
Treasury shares	(39,809)	(40,000)
Reserves	3,485,766	3,819,911
Retained earnings	2,282,304	2,153,084
Total	7,034,371	7,239,105
Non-current liabilities	18,822,087	22,275,723
Current liabilities	95,216,052	85,419,097
TOTAL LIABILITIES AND EQUITY	121,072,510	114,933,925
STATEMENT OF PROFIT OR LOSS FOR THE YEAR (€/000)		
	FY 2021	FY 2020
Revenue from sales and services	8,487,732	8,226,156
Other income from financial activities	523,114	515,880
Other operating income	680,375	299,410
Total revenue	9,691,221	9,041,446
Cost of goods and services	2,485,746	2,318,027
Other expenses from financial activities	177,864	235,035
Personnel expenses	5,235,410	5,445,825
Depreciation, amortisation and impairments	715,251	621,516
Capitalised costs and expenses	(30,766)	(31,912)
Other operating costs	209,129	67,225
Impairment losses/(reversals of impairment losses) on debt instruments, receivables and other assets	14,083	55,398
Operating profit/(loss)	884,504	330,332
Financial expenses	64,136	79,404
Financial income	76,054	82,067
Impairment losses/(reversals of impairment losses) on financial assets	(184)	183
Profit/(Loss) before tax	896,606	332,812
Income tax expense	99,414	8,057
PROFIT FOR THE YEAR	797,192	324,755

Part E – Other information

Information on related party transactions

Transactions between the Parent Company, Poste Vita SpA, and its subsidiaries Poste Assicura SpA and Net Insurance SpA, as well as transactions with Poste Insurance Broker, have been eliminated from the consolidated financial statements as part of the elimination of intercompany transactions and, therefore, are not shown in this section.

These transactions mainly involve:

- personnel secondment and transfer;
- operational organisation and use of equipment necessary to carry out business;
- collective policies covering critical illness and accidents;
- sub-leases of company offices;
- operational procedures relating to compliance with occupational health and safety regulations;
- operation and management of data protection procedures;
- operating management;
- management of Supervisory Reporting;
- centralisation of internal control, actuarial, organisation, legal and corporate affairs, investments and treasury, tax compliance, training and network support functions.

Below are the balances of commercial and financial operations carried out between Group companies, including the Parent Company, and the internal and external entities related to the same.

Internal related parties

Related party (€k)	31/12/22		31/12/21	
	Assets	Liabilities	Assets	Liabilities
Associate	109,411	-	108,808	6
Other related parties	570,643	1,452,048	1,004,708	863,910
Total	680,054	1,452,048	1,113,516	863,916

Internal related parties

Related party (€k)	31/12/22		31/12/21	
	Income	Costs	Income	Costs
Associate	2,224	-6	1,426	10
Other related parties	7,112	763,432	3,622	695,726
Total	9,336	763,426	5,048	695,736

“Internal related parties” means companies in the Poste Italiane Group.

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

Relations with the Ultimate Parent Poste Italiane SpA, which holds all the shares, are governed by written contracts, settled by market conditions and regard mainly:

- the sale and distribution of insurance products at Post Offices and related activities;
- Post Office current accounts;
- partial seconding 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, IT security, human resources, administration and accounting functions;
- policies in the Accident class;
- management of portfolio liquidation activities.

Additionally, at 31 December 2022, the Ultimate Parent Poste Italiane had subscribed subordinate loans issued by the Company Poste Vita for a total of € 1,050 million, remunerated at market conditions reflecting the credit standing of the insurance Company.

At 31 December 2022, assets include the value of the investment held in the associate Europa Gestioni Immobiliare SpA (EGI) for € 109,348 thousand and income includes the profit recorded by the associate for the current year equal to € 2,176 thousand.

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 Accounts (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 relating to the Accident line (Bancoposta Fondi SgR), the General Liability line (PostePay) and the All Risk policies (Consorzio Logistica Pacchi and EGI);
- services involving e-Procurement of forms, consumables, stationery and related services (Consorzio Logistica Pacchi);
- liquidation management (Poste Welfare Servizi);
- services related to electricity utility (EGI).

These types of transactions are also regulated on an arm's length basis. A description of the above operations is provided in these Notes.

Below is a table summarising relations with external related parties at 31 December 2022:

External related parties

Related party (€k)	31/12/21		31/12/20	
	Assets	Liabilities	Assets	Liabilities
Other related parties	522,996	3,350	561,864	485
Total	522,996	3,350	561,864	485

External related parties

Related party (€k)	31/12/21		31/12/20	
	Income	Costs	Income	Costs
Other related parties	19,319	3,580	18,236	1,720
Total	19,319	3,580	18,236	1,720

With regard to “external related parties”, assets totalling € 522,996 thousand at the end of 2022 include only the balance of unlisted securities issued by the Cassa Depositi e Prestiti Group.

Liabilities, which amounted to € 3,350 thousand at the end of 2022, include the amount due to MEF for dormant policies.

Revenue, totalling € 19,319 thousand in 2022, mainly includes: i) financial income relative to CDP securities (€ 16,291 thousand) and ii) premiums received from the Fondo di Assistenza Sanitaria Integrativa Poste Vita (€ 2,903 thousand) and from the Enel Group (€ 125 thousand) for insurance coverage offered by Companies in the Poste Vita Group.

Charges, which totalled € 3,580 thousand at the end of 2022, included the cost payable to ENI for expenses, utilities and fuel for employees, in the amount of € 163 thousand; the cost payable by the Company to ENEL in connection with the contractual agreement that provides for the policyholder to share in profits, in the amount of € 208 thousand; and the cost payable to the MEF for dormant policies, in the amount of € 3,209 thousand.

Human resources

The number of direct employees at 31 December 2022 was 460 (expressed in full time equivalent), compared to 490 at 31 December 2021. In this regard, it should be noted that the figure for 2021 includes 63 staff members belonging to the company Poste Welfare Servizi (not included in the scope of consolidation at the end of 2022 as a result of the aforementioned transfer to the Ultimate Parent Poste Italiane that took place in February 2022). Net of these staff, the number of employees at 31 December 2022 would be 33 higher than at the end of 2021.

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	31/12/22	31/12/21	Change
Executives	38	34	4
Middle managers	252	235	17
Operational staff	169	214	(45)
Flexible contracts	1	7	(6)
Direct employees	460	490	(30)

Disclosure of independent auditors' fees and services provided other than auditing

In compliance with that established in article 149-duodecies of the CONSOB Issuers Regulation, the fees accruing during the year for independent auditing of the Poste Vita Group consolidated financial statements, carried out by Deloitte & Touche SpA, amounted to € 1,473 thousand, of which:

- € 831 thousand related to the audit of the Parent Company Poste Vita (of which € 222 thousand for the Solvency II financial statements);
- € 308 thousand for auditing relative to the Subsidiaries (of which € 80 thousand for the Solvency II financial statements);
- € 334 thousand referred to attestation services.

Significant subsequent events

Creation of the New Separately Managed Account “Poste Valore Solidità”

On 31 January 2023, the Board of Directors resolved to set up a new separately managed account named “Poste Vita Valore Solidità” and approved its rules, providing for the establishment of a profit fund to be applied to all contracts that will be included in the managed account, to which all net realised capital gains will be allocated. At the same time, a resolution was passed to terminate the separately managed account “Poste Vita Gestione Attiva”, which was established in 2016 and to which no insurance contract is linked. In line with the provisions of Article 5, paragraph 3 of ISVAP Regulation no. 38/2011, the Company, on 13 February 2023, forwarded to IVASS the minutes of the resolution of the Administrative Body and the Regulation of the new managed account, as well as all the master data of the separately managed account.

Mass lapse risk insurance

Finally, on 14 March 2023, the Company signed a reinsurance treaty with some primary reinsurers, effective from 31 December 2022, aimed at partially insuring the risk of early mass extinction of life policies (mass lapse risk), relevant for the calculation of the Solvency II requirement.

The duration of the treaty is 3 years, with the option for Poste Vita to withdraw without conditions or penalty at the end of the second year.

The impact of the transaction on the Company's Solvency ratio at 31 December 2022 is 30 percentage points.

The cost of insurance for the Period amounted to € 21.5 million and was recognised in the consolidated financial statements under other expenses.

With reference to the voluntary takeover bid for the entirety of the shares of Net Insurance SpA, it should be noted that:

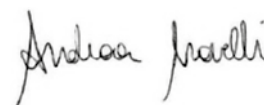
- on 8 February 2023, the Bank of Italy issued an authorisation for the acquisition of an equity investment in Net Holding SpA by Istituto Bancario del Lavoro SpA;
- on 15 February 2023, IVASS issued the authorisation for the acquisition, as a result of the takeover bids to be promoted, of a direct controlling interest in Net Insurance SpA and, consequently, of an indirect controlling interest in Net Insurance Life SpA;
- on 15 February 2023, Net Holding's Shareholders' Meeting resolved to increase the share capital by € 1 and to increase the share premium reserve by € 189,577,211, in order to provide the company with the necessary resources to achieve its corporate purpose and, in particular, to meet the financial charges necessary to pay the consideration related to the voluntary takeover bids that will be launched on Net Insurance SpA's shares and warrants as announced to the market on 28 September 2022;
- on 15 February 2023, Consob approved the offer document relating to the voluntary total takeover bids for shares and warrants of Net Insurance SpA.

After obtaining the authorisations from the competent authorities, Net Holding launched the public offers. The offer acceptance period, agreed with Borsa Italiana, started on 27 February 2023 and ended on 6 April 2023.

On 7 March 2023, the Parent Company Poste Vita was notified by the Supervisory Authority of the start of an inspection to verify the management process of dormant policies.

Rome, 24 March 2023

The Board of Directors



3. Annexes

Statement of changes in Equity

			Amounts at 31-12-2020		Change to closing balances		Appropriations		Adjustments due to reclassification to profit or loss		Transfers	
Equity attributable to owners of the Parent	Share capital	1	1,216,608	22	-	43	-		-	85	-	
	Other equity instruments	2	-	23	-	44	300,000		-	86	-	
	Capital reserves	3	-	24	-	45	-		-	87	-	
	Revenue reserves and other equity reserves	4	3,182,923	25	-	46	352,262		-	88	-	
	(Treasury shares)	5	-	26	-	47	-		-	89	-	
	Net profit (loss) for the year	15	781,183	36	-	57	44,936		-	99	-	
	Other comprehensive income	241	91,971	243	-	245	-30,928	247	-3,108	249	-	
	Total attributable to owners of the Parent	16	5,272,685	37	-	58	666,270	79	-3,108	100	-	
Equity attributable to non- controlling interests	Share capital and reserves attributable to non-controlling interests	17	-	38	-	59	-		-	101	-	
	Net profit (loss) for the year	19	-	40	-	61	-		-	103	-	
	Other comprehensive income	242	-	244	-	246	-	248	-	250	-	
	Total attributable to non-controlling interests	20	-	41	-	62	-	83	-	104	-	
Total		21	5,272,685	42	-	63	666,270	84	-3,108	105	-	

(€k)

		Changes in investments		Amounts at 31-12-2021		Change to closing balances		Appropriations		Adjustments due to reclassification to profit or loss		Transfers		Changes in investments		Amounts at 31-12-22
		-	106	1,216,608	127	-	148	-		-	190	-		-	211	1,216,608
		-	107	300,000	128	-	149	500,000		-	191	-		-	212	800,000
		-	108	-	129	-	150	-		-	192	-		-	213	-
263		-	109	3,535,186	130	-	151	449,912		-	193	-	270	-	214	3,985,098
		-	110	-	131	-	152	-		-	194	-		-	215	-
		-	120	826,119	141	-	162	150,927		-	204	-		-	225	977,046
264		-	251	57,935	253	-	255	-235,804	257	-7,316	259	-	271	-	261	-185,185
265		-	121	5,935,848	142	-	163	865,035	184	-7,316	205	-	272	-	226	6,793,567
266		-	122	-	143	-	164	-		-	206	-	273	-	227	-
		-	124	-	145	-	166	-		-	208	-		-	229	-
267		-	252	-	254	-	256	-	258	-	260	-	274	-	262	-
268		-	125	-	146	-	167	-	188	-	209	-	275	-	230	-
269		-	126	5,935,848	147	-	168	865,035	189	-7,316	210	-	276	-	231	6,793,567

Statement of financial position by operating segment

		Non-life business		Life business	
		31/12/22	31/12/21	31/12/22	31/12/21
1	INTANGIBLE ASSETS	1 -	31 1,105	1 -	31 16,712
2	TANGIBLE ASSETS	2 2,531	32 222	2 8,623	32 3,114
3	TECHNICAL PROVISIONS ATTRIBUTABLE TO REINSURERS	3 12,819	33 22,127	3 30,769	33 28,312
4	INVESTMENTS	4 584,370	34 511,184	4 141,905,521	34 158,234,285
4.1	Investment property	5 -	35 -	5 -	35 -
4.2	Investments in subsidiaries, associates and joint ventures	6 1,537	36 637	6 139,427	36 157,904
4.3	Financial assets measured at amortised cost	7 216,263	37 175,742	7 2,171,038	37 2,251,714
4.4	Financial assets measured at fair value through other comprehensive income	8 363,480	38 331,350	8 96,137,419	38 111,053,133
4.5	Financial assets measured at fair value through profit or loss	9 3,090	39 3,456	9 43,457,638	39 44,771,534
4.5.1	Financial assets held for trading	-	-	31,725,533	34,840,492
4.5.2	Financial assets designated at fair value	-	-	-	-
4.5.3	Financial assets measured at fair value through profit or loss	10 3,090	40 3,456	10 11,732,104	40 9,931,042
5	SUNDRY RECEIVABLES	11 103,322	41 59,247	11 175,211	41 131,699
6	OTHER ASSETS	12 31,183	42 52,326	12 2,935,454	42 2,806,922
6.1	Deferred acquisition costs	13 -	43 -	13 36,422	43 42,200
6.2	Other assets	14 31,183	44 52,326	14 2,899,032	44 2,764,722
7	CASH AND CASH EQUIVALENTS	15 42,130	45 13,354	15 2,689,376	45 4,570,714
	TOTAL ASSETS	16 776,354	46 659,565	16 147,744,953	46 165,791,759
1	EQUITY				
2	PROVISIONS	18 1,774	48 500	18 18,866	48 18,800
3	TECHNICAL PROVISIONS	19 359,397	49 295,256	19 139,627,597	49 158,794,619
4	FINANCIAL LIABILITIES	20 5,240	50 312	20 270,106	50 254,583
4.1	Financial liabilities measured at fair value through profit or loss	21 -	51 -	21 -	51 -
4.1.1	Financial liabilities held for trading	-	-	-	-
4.1.2	Financial liabilities designated at fair value	-	-	-	-
4.2	Financial liabilities measured at amortised cost	22 5,240	52 312	22 270,106	52 254,583
5	PAYABLES	23 119,839	53 61,904	23 447,961	53 329,140
6	OTHER LIABILITIES	24 1,487	54 9,201	24 845,951	54 701,453
	TOTAL EQUITY AND LIABILITIES				

(€k)

... (*)		Cross-sector eliminations		Total	
31/12/22	31/12/21	31/12/22	31/12/21	31/12/22	31/12/21
-	-	-	-	1 -	31 17,817
-	-	-0	-138	2 11,153	32 3,198
-	-		-	3 43,588	33 50,439
-	-	(29,641)	(49,696)	4 142,460,251	34 158,695,773
-	-		-	5 -	35 -
-	-	(29,641)	(49,696)	6 111,323	36 108,845
-	-	-	-	7 2,387,301	37 2,427,456
-	-	-	-	8 96,500,899	38 111,384,483
-	-		-	9 43,460,728	39 44,774,990
			-	31,725,533	34,840,492
			-	-	-
-	-		-	10 11,735,195	40 9,934,498
-	-	(17,507)	(20,625)	11 261,026	41 170,321
-	-		-	12 2,966,637	42 2,859,248
-	-		-	13 36,422	43 42,200
-	-	-	-	14 2,930,215	44 2,817,048
-	-		-	15 2,731,706	45 4,584,068
-	-	(47,148)	(70,459)	16 148,474,361	46 166,380,865
-	-			17 6,793,567	47 5,935,848
-	-		-	18 20,640	48 19,300
-	-		-	19 139,986,993	49 159,089,875
-	-	-52	-201	20 275,293	50 254,694
-	-			21 -	51 -
-	-	-52	-201	22 275,293	52 254,694
-	-	(17,452)	(20,550)	23 550,429	53 370,494
-	-		-	24 847,438	54 710,654
-	-			25 148,474,361	55 166,380,865

Statement of profit or loss by operating segment

		Non-life business		Life business	
		Totale 31-12-2022	Totale 31-12-2021	Totale 31-12-2022	Totale 31-12-2021
1.1	Net premium revenue	1 364,848	21 274,864	1 17,169,729	21 17,564,580
1.1.1	Gross premium revenue	2 374,684	22 304,614	2 17,179,479	22 17,574,113
1.1.2	Outward reinsurance premiums	3 (9,836)	23 (29,750)	3 (9,749)	23 (9,533)
1.2	Fee income	4 -	24 -	4 118,005	24 81,132
1.3	Income (expenses) from financial assets at fair value through profit or loss	5 -339	25 -21	5 -5,033,421	25 1,076,563
1.4	Income from investments in subsidiaries, associates and joint ventures	6 -	26 -	6 2,176	26 1,411
1.5	Income from other financial instruments and investment property	7 13,275	27 8,639	7 3,740,498	27 2,990,880
1.6	Other revenue	8 2,480	28 16,966	8 10,444	28 8,185
1	TOTAL REVENUE AND INCOME	9 380,264	29 300,448	9 16,007,432	29 21,722,750
2.1	Net claims expense	10 (224,488)	30 (166,044)	10 (13,590,397)	30 (19,813,206)
2.1.1	Claims paid and change in technical provisions	11 (220,180)	31 (178,365)	11 (13,599,627)	31 (19,819,584)
2.1.2	Share attributable to reinsurers	12 (4,309)	32 12,321	12 9,229	32 6,378
2.2	Fee expenses	13 -	33 -	13 -8,543	33 -1,105
2.3	Expenses arising from investments in subsidiaries, associates and joint ventures	14 -	34 -	14 -	34 -
2.4	Expenses arising from other financial instruments and investment property	15 (413)	35 (47)	15 (303,659)	35 (59,719)
2.5	Operating expenses	16 (92,119)	36 (89,528)	16 (472,359)	36 (472,528)
2.6	Other costs	17 (5,311)	37 (5,141)	17 (302,169)	37 (242,791)
2	TOTAL COSTS AND EXPENSES	18 (322,331)	38 (260,761)	18 (14,677,126)	38 (20,589,351)
	PROFIT (LOSS) FOR THE YEAR BEFORE TAX	19 57,933	39 39,687	19 1,330,306	39 1,133,399

(€k)

... (*)		Cross-sector eliminations		Total	
Totale 31-12-2022	Totale 31-12-2021	Totale 31-12-2022	Totale 31-12-2021	Totale 31-12-2022	Totale 31-12-2021
		-14,468	-7,622	1 17,520,109	21 17,831,822
		(14,468)	-7,622	2 17,539,695	22 17,871,106
	0		0	3 (19,586)	23 (39,283)
			-	4 118,005	24 81,132
			-	5 -5,033,760	25 1,076,542
			-	6 2,176	26 1,411
		-	-0	7 3,753,773	27 2,999,519
		(5,997)	(11,631)	8 6,928	28 13,520
		(20,465)	(19,252)	9 16,367,232	29 22,003,946
			0	10 (13,814,885)	30 (19,979,251)
			0	11 (13,819,806)	31 (19,997,950)
			0	12 4,921	32 18,699
			-	13 -8,543	33 -1,105
			-	14 -	34 -
		0	0	15 (304,072)	35 (59,767)
		20,460	19,213	16 (544,099)	36 (542,843)
		0	5	17 (307,480)	37 (247,928)
		20,460	19,218	18 (14,979,080)	38 (20,830,894)
-	-	-5	-35	19 1,388,152	39 1,173,052

Scope of consolidation

(€k)

Name	Country registered Office	Country operating office	Method (1)	Business (2)	% Direct interest	% Total interest (3)	% Availability of votes in the ordinary shareholders' meeting (4)	% consolidated
<i>Poste Assicura SpA</i>	086	086	G	1	100	100	100	100
<i>Net Holding SpA</i>	086	086	G	9	100	100	100	100
<i>Poste Insurance Broker Srl</i>	086	086	G	11	100	100	100	100

(1) Consolidation method: Line by line = G, Proportionate = P, Line by line due to coordinated management = U.

(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) 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 interests in the latter, it is necessary to report the sum of the individual interests.

(4) Total percentage of the available voting rights, if different from the direct or indirect equity interest held.

(5) This disclosure is required only if the country of operation is different from the country of registration.

Details of non-consolidated equity investments

(€k)

Name	Country registered Office	Country operating office	Business (1)	Type (2)	% Direct interest	% Total interest (3)	% Availability of votes in the ordinary shareholders' meeting (4)	Carrying amount
EGI SPA	086	086	10	b	45	45	45	109,348
CLP- Consorzio Logistica Pacchi	086	086	11	b	5	5	5	37

- (1) 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.
- (2) a = subsidiaries (IFRS 10); b = associates (IAS 28); c = joint ventures (IFRS 11); indicate companies classified as held for sale, in compliance with IFRS 5, with an asterisk (*) and include the key under the table.
- (3) 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 interests in the latter, it is necessary to report the sum of the individual interests.
- (4) Total percentage of the available voting rights, if different from the direct or indirect equity interest held.

Details of tangible and intangible assets

(€k)

	Cost		Remeasured amount or fair value		Total carrying amount
Investment property	1	-	2	-	-
Other properties	3	-	4	-	-
Other tangible assets	5	11,153	6	-	11,153
Other intangible assets	7	-	8	-	-

Details of technical provisions attributable to reinsurers

(€k)

	Direct business				Indirect business				Total carrying amount			
	31/12/22		31/12/21		31/12/22		31/12/21		31/12/22		31/12/21	
Non-life provisions	1	12,819	31	22,127	11	-	41	-	21	12,819	51	22,127
Premium reserve	2	1,325	32	1,847	12	-	42	-	22	1,325	52	1,847
Outstanding claims provisions	3	10,783	33	19,471	13	-	43	-	23	10,783	53	19,471
Other provisions	4	710	34	810	14	-	44	-	24	710	54	810
Life provisions	5	30,769	35	28,312	15	-	45	-	25	30,769	55	28,312
Outstanding claims provisions	6	8,075	36	6,201	16	-	46	-	26	8,075	56	6,201
Mathematical provisions	7	22,694	37	22,111	17		47	-	27	22,694	57	22,111
Technical provisions where the investment risk is borne by the policyholders and provisions deriving from the management of pension funds	8	-	38	-	18	-	48	-	28		58	-
Other provisions	9	-	39	-	19	-	49	-	29	-	59	-
Total technical provisions attributable to reinsurers	10	43,588	40	50,439	20	-	50	-	30	43,588	60	50,439

Details of financial assets

	Financial assets measured at amortised cost		Financial assets measured at fair value through other comprehensive income		
	31/12/22	31/12/21	31/12/22	31/12/21	
	-	-	-	-	
Equity instruments	-	-	-	-	
<i>of which listed</i>	-	-	-	-	
Debt securities	2,159,133	2,019,906	96,500,899	111,384,483	
<i>of which listed</i>	2,155,961	2,019,906	96,500,899	111,384,483	
UCITS units	-	-	-	-	
Loans and receivables due from banks	-	-	-	-	
Interbank loans and receivables	-	-	-	-	
Deposits with credit entities	-	-	-	-	
Assets of investment components of insurance contracts	-	-	-	-	
Other loans and receivables	228,168	407,550	-	-	
Non-hedging derivatives	-	-	-	-	
Hedging derivatives	-	-	-	-	
Other financial investments	-	-	-	-	
Total	2,387,301	2,427,456	96,500,899	111,384,483	

(€k)

	Financial assets measured at fair value through profit or loss						Total carrying amount	
	Financial assets held for trading		Financial assets held for trading		Financial assets measured at fair value through profit or loss			
	31/12/22	31/12/21	31/12/22	31/12/21	31/12/22	31/12/21	31/12/22	31/12/21
	-	-	-	-	-	-	-	-
	103,666	7,777	-	-	160,481	209,424	264,148	217,201
	103,666	7,480	-	-	160,481	209,424	264,148	216,904
	-	-	-	-	2,306,049	2,600,561	100,966,081	116,004,950
	-	-	-	-	2,306,049	2,600,561	100,962,909	116,004,950
	31,621,867	34,832,715	-	-	9,158,759	7,083,526	40,780,626	41,916,241
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	109,906	40,986	338,074	448,536
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	31,725,533	34,840,492	-	-	11,735,195	9,934,498	142,348,928	158,586,928

Details of assets and liabilities related to contracts issued by insurance companies where investment risk is borne by policyholders and derives from the management of pension funds

(€k)

	Benefits linked to investment funds and market indices		Benefits linked to pension fund management		Total	
	31/12/22	31/12/21	31/12/22	31/12/21	31/12/22	31/12/21
On-balance-sheet assets	9,846,499	7,846,556	-	-	9,846,499	7,846,556
Intercompany assets*	-	-	-	-	-	-
Total Assets	9,846,499	7,846,556	-	-	9,846,499	7,846,556
On-balance-sheet financial liabilities	-	-	-	-	-	-
On-balance-sheet technical provisions	9,839,095	7,846,448	-	-	9,839,095	7,846,448
Intercompany liabilities*	-	-	-	-	-	-
Total liabilities	9,839,095	7,846,448	-	-	9,839,095	7,846,448

* Assets and liabilities eliminated during the consolidation process.

Details of technical provisions

(€k)

	Direct business		Indirect business		Total carrying amount	
	31/12/22	31/12/21	31/12/22	31/12/21	31/12/22	31/12/21
Non-life provisions	1 359,397	61 295,256	21 -	81 -	41 359,397	101 295,256
Premium reserve	2 135,696	62 118,255	22 -	82 -	42 135,696	102 118,255
Outstanding claims provisions	3 223,634	63 176,920	23 -	83 -	43 223,634	103 176,920
Other provisions	4 67	64 81	24 -	84 -	44 67	104 81
<i>of which provisions made after liability adequacy test</i>	5	65 -	25	85 -	45 -	105 -
Life provisions	6 139,627,597	66 158,794,619	26 -	86 -	46 139,627,597	106 158,794,619
Outstanding claims provisions	7 816,126	67 789,786	27 -	87 -	47 816,126	107 789,786
Mathematical provisions	8 142,885,648	68 136,898,455	28 -	88 -	48 142,885,648	108 136,898,455
Technical provisions where the investment risk is borne by the policyholders and provisions deriving from the management of pension funds	9 9,839,095	69 7,846,448	29 -	89 -	49 9,839,095	109 7,846,448
Other provisions	10 -13,913,273	70 13,259,931	30 -	90 -	50 -13,913,273	110 13,259,931
<i>of which provisions made after liability adequacy test</i>	11 -	71 -	31 -	91 -	51 -	111 -
<i>of which deferred policyholder liabilities</i>	12 -13,986,001	72 13,190,465	32 -	92 -	52 -13,986,001	112 13,190,465
Total technical provisions	13 139,986,993	73 159,089,875	33 -	93 -	53 139,986,993	113 159,089,875

Details of financial liabilities

(€k)

	Financial liabilities measured at fair value through profit or loss								Financial liabilities measured at amortised cost				Total carrying amount	
	Financial liabilities held for trading				Financial liabilities designated at fair value									
	31/12/22		31/12/21		31/12/22		31/12/21		31/12/22		31/12/21		31/12/22	31/12/21
Participating financial instruments	1	-	101	-	21	-	121	-	41		141	-	-	-
Subordinated liabilities	2	-	102	-	22	-	122	-	42	252,613	142	251,285	252,613	251,285
Liabilities from investment contracts issued by insurance companies deriving	3	-	103	-	23	-	123	-	43	-	143	-	-	-
From contracts where investment risk is borne by policyholders	4	-	104	-	24	-	124	-	44	-	144	-	-	-
From pension fund management	5	-	105	-	25	-	125	-	45	-	145	-	-	-
From other contracts	6	-	106	-	26	-	126	-	46	-	146	-	-	-
Deposits received from reinsurers	7	-	107	-	27	-	127	-	47	-	147	-	-	-
Liabilities of investment components of insurance contracts	8	-	108	-	28	-	128	-	48	-	148	-	-	-
Debt securities issued	9	-	109	-	29	-	129	-	49	-	149	-	-	-
Due to banks	10	-	110	-	30	-	130	-	50	-	150	-	-	-
Interbank payables	11	-	111	-	31	-	131	-	51	-	151	-	-	-
Other loans	12	-	112	-	32	-	132	-	52	-	152	-	-	-
Non-hedging derivatives	13	-	113	-	33	-	133	-	53	-	153	-	-	-
Hedging derivatives	14	-	114	-	34	-	134	-	54	-	154	-	-	-
Sundry financial liabilities	15	-	115	-	35	-	135	-	55	22,680	155	3,409	22,680	3,409
Total		-	-	-	-	-	-	-	-	275,293		254,694	275,293	254,694

Details of underwriting business

(€k)

		31/12/22				31/12/21					
		Importo lordo		quote a carico dei riassicuratori	Importo netto	Importo lordo		quote a carico dei riassicuratori	Importo netto		
Non-life business											
NET PREMIUM REVENUE		1	374,684	2	(9,836)	364,848	41	304,614	42	(29,750)	274,864
a	Premium revenue	3	392,125	4	(9,398)	382,727	43	318,782	44	(29,465)	289,316
b	Change in premium reserve	5	(17,441)	6	(438)	(17,879)	45	(14,168)	46	(285)	(14,452)
NET CLAIMS EXPENSE		7	(220,180)	8	(4,309)	(224,488)	47	(178,365)	48	12,321	(166,044)
a	Claims paid	9	(173,793)	10	4,478	(169,315)	49	(136,544)	50	14,767	(121,777)
b	Change in outstanding claims provisions	11	(46,713)	12	(8,787)	(55,500)	51	(43,947)	52	(2,446)	(46,393)
c	Change in recoveries	13	313	14	0	313	53	2,110	54	0	2,110
d	Change in other technical provisions	15	13	16	0	13	55	16	56	0	16
Life business											
NET PREMIUM REVENUE		17	17,179,479	18	(9,749)	17,169,729	57	17,574,113	58	(9,533)	17,564,580
NET CLAIMS EXPENSE		19	(13,599,627)	20	9,229	(13,590,397)	59	(19,819,584)	60	6,378	(19,813,206)
a	Claims paid	21	(9,548,416)	22	6,772	(9,541,644)	61	(9,509,623)	62	6,211	(9,503,412)
b	Change in outstanding claims provisions	23	(26,340)	24	1,874	(24,466)	63	10,886	64	1,390	12,277
c	Change in mathematical provisions	25	(6,029,340)	26	583	(6,028,757)	65	(7,141,412)	66	(1,223)	(7,142,635)
d	Change in technical provisions when the investment risk is borne by policyholders and deriving from pension fund management	27	(1,992,647)	28	0	(1,992,647)	67	(2,871,676)	68	0	(2,871,676)
e	Change in other technical provisions	29	3,997,116	30	0	3,997,116	69	(307,760)	70	0	(307,760)

Financial and investment income and expenses

		Interest		Other income		Other expenses		Realised gains		Realised losses	
Investment income and expenses	1	3,777,284	2	227,632	3	-125,732	4	101,492	5	-458,618	
a From investment property	14	-	15	-	16	-	17	-	18	-	
b From investments in subsidiaries, associates and joint ventures	27	-	28	-	29	-	30	-	31	-	
c From financial assets measured at amortised cost	40	70,420	41	-	42	-	43	-	44	-	
d From financial assets measured at fair value through other comprehensive income	53	3,611,272	54	-	55	-7,590	56	64,706	57	-247,245	
e From financial assets held for trading	66	-	67	-	68	-	69	-	70	-	
f From financial assets measured at fair value	79	95,592	80	227,632	81	-118,142	82	36,786	83	-211,373	
g From other financial assets mandatorily measured at fair value	92	-	93	-	94	-	95	-	96	-	
Income and expenses from sundry receivables	105	-	106	-	107	-	108	-	109	-	
Income from cash and cash equivalents	118	7,361	119	-	120	-	121	-	122	-	
Income and expenses from financial liabilities		(53,195)	132	0	133	0	134	0	135	0	
a From financial liabilities held for trading	144	-	145	-	146	-	147	-	148	-	
b From financial liabilities measured at fair value through profit or loss	157	-	158	-	159	-	160	-	161	-	
c From financial liabilities measured at amortised cost	170	(53,195)	171	0	172	0	173	0	174	0	
Income and expenses from payables	183	-	184	-	185	-	186	-	187	-	
Total	196	3,731,450	197	227,632	198	-125,732	199	101,492	200	-458,618	

(€k)

		Total realised gains/(losses)		Fair value gains				Fair value losses			Total unrealised gains/(losses)		Total income and expenses 31.12.2022		Total income and expenses 31.12.2021	
				Unrealised gains		Write-back		Unrealised losses		Impairment						
	6	3,522,058	7	339,126	8	-	9	-5,397,232	10	-	11	-5,058,106	12	-1,536,048	13	4,068,040
	19	-	20	-	21	-	22	-	23	-	24	-	25	-	26	-
	32	-	33	2,176	34	-	35	-	36	-	37	1,411	38	1,411	39	1,411
	45	70,420	46	14	47	-	48	-110	49	-	50	138	51	70,558	52	576,881
	58	3,421,143	59	-	60	-	61	4,067	62	-	63	4,067	64	3,425,211	65	2,413,207
	71	-	72	-	73	-	74	-	75	-	76	-	77	-	78	-
	84	30,495	85	336,935	86	-	87	-5,401,190	88	-	89	-5,064,255	90	-5,033,760	91	1,076,542
	97	-	98	-	99	-	100	-	101	-	102	-	103	-	104	-
	110	-	111	-	112	-	113	-	114	-	115	-	116	-	117	-
	123	7,361	124	-	125	-	126	-	127	-	128	-	129	7,361	130	159
	136	(53,195)	137	0	138	0	139	0	140	0	141	0	142	(53,195)	143	-50,494
	149	-	150	-	151	-	152	-	153	-	154	-	155	-	156	-
	162	-	163	-	164	-	165	-	166	-	167	-	168	-	169	-
	175	(53,195)	176	0	177	0	178	0	179	0	180	0	181	(53,195)	182	-50,494
	188	-	189	-	190	-	191	-	192	-	193	-	194	-	195	-
	201	3,476,224	202	339,126	203	-	204	-5,397,232	205	-	206	-5,058,106	207	-1,581,882	208	4,017,705

Details of underwriting expenses

(€k)

		Non-life business		Life business	
		31/12/22	31/12/21	31/12/22	31/12/21
Gross commissions and other acquisition costs net of provisions and share of profits received from reinsurers		1 (66,889)	21 (59,406)	11 (323,503)	31 (335,127)
a	Acquisition commissions	2 (56,568)	22 (50,256)	12 (287,277)	32 (290,678)
b	Other acquisition costs	3 (10,321)	23 (9,150)	13 (28,681)	33 (35,963)
c	Change in deferred acquisition costs	4 0	24 0	14 (5,778)	34 (6,722)
d	Collection fees	5 0	25 0	15 (1,767)	35 (1,765)
Commissions and share of profits received from reinsurers		6 2,424	26 6,847	16 1,066	36 1,238
Investment management expenses		7 (1,164)	27 (941)	17 (55,527)	37 (59,785)
Other administrative expenses		(26,490)	28 (36,028)	18 (94,396)	38 (78,854)
Total		-92,119	-89,528	-472,359	-472,528

Financial assets and liabilities measured at fair value on a recurring and non-recurring basis: breakdown by fair value level

(€k)

		Level 1				Level 2				Level 3				Total			
		31/12/22		31/12/21		31/12/22		31/12/21		31/12/22		31/12/21		31/12/22		31/12/21	
Assets and liabilities measured at fair value on a recurring basis																	
Financial assets measured at fair value through other comprehensive income			88,689,811	41	99,433,852	11	7,768,970	51	11,855,541	21	42,118	61	95,090	31	96,500,899	71	111,384,483
Financial assets measured at fair value through profit or loss	Financial assets held for trading	2	103,666	42	7,480	12	24,627,439	52	28,344,543	22	7,104,334	62	6,529,455	32	31,835,439	72	34,881,478
	Financial assets measured at fair value through profit or loss	3	-	43	-	13	-	53	-	23	-	63	-	33	-	73	-
	Other financial assets mandatorily measured at fair value	4	4,891,761	44	5,393,802	14	5,687,854	54	110,188	24	1,045,674	64	4,389,521	34	11,625,289	74	9,893,512
Investment property		81	-	121	-	91	-	131	-	101	-	141	-	111	-	151	-
Tangible assets		82	-	122	-	92	-	132	-	102	-	142	-	112	-	152	-
Intangible assets		83	-	123	-	93	-	133	-	103	-	143	-	113	-	153	-
Total assets measured at fair value on a recurring basis			93,685,238	124	104,835,134	94	38,084,263	134	40,310,273	104	8,192,126	144	11,014,066	114	139,961,627	154	156,159,473
Financial liabilities measured at fair value through profit or loss	Financial liabilities held for trading	5	-	45	-	15	-	55	-	25	-	65	-	35	-	75	-
	Financial liabilities designated at fair value	6	-	46	-	16	-	56	-	26	-	66	-	36	-	76	-
Total liabilities measured at fair value on a recurring basis		7	-	47	-	17	-	57	-	27	-	67	-	37	-	77	-
Assets and liabilities measured at fair value on a non-recurring basis																	
Non-current assets or disposal groups held for sale		85	-	125	-	95	-	135	-	105	-	145	-	115	-	155	-
Liabilities included in disposal groups held for sale			-	126	-	96	-	136	-	106	-	146	-	116	-	156	-

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

	Financial assets measured at fair value through other comprehensive income	
	1	95,090
Purchases/Issues	2	-
Sales/Repurchases	3	(29,535)
Redemptions	4	-
Gain or loss through profit or loss	5	0
- of which unrealised gains/losses	81	
Gain or loss through other components of comprehensive income	6	-
Transfers to level 3	7	42,118
Transfers to other levels	8	-65,555
Other changes	9	-
Closing balance	10	42,118

(€k)

	Financial assets measured at fair value through profit or loss					Investment property	Tangible assets		Intangible assets		Financial liabilities measured at fair value through profit or loss					
	Financial assets held for trading		Financial assets designated at fair value		Other financial assets mandatorily measured at fair value						Passività finanziarie detenute per la negoziazione		Passività finanziarie designate a Fair value			
	11	6,529,455	21	-	89	4,389,521	51	-	61	-	71	-	31	-	41	-
	12	981,343	22	-	90	630,872	52	-	62	-	72	-	32	-	42	-
	13	-584,568	23	-	91	(235,836)	53	-	63	-	73	-	33	-	43	-
	14	-	24	-	92	-	54	-	64	-	74	-	34	-	44	-
	15	178,104	25	-	93	-79,441	55	-	65	-	75	-	35	-	45	-
	82	178,104	83		94	-79,441	84	-	85		86	-	87	-	88	-
	16	-	26	-	95	-	56	-	66		76	-	36	-	46	-
	17	-	27	-	96	-	57	-	67	-	77	-	37	-	47	-
	18	-	28	-	97	-3,659,442	58	-	68	-	78	-	38	-	48	-
	19	-	29	-	98	-	59	-	69	-	79	-	39	-	49	-
	20	7,104,335	30	-	99	1,045,674	60	-	70	-	80	-	40	-	50	-

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

	Carrying amount			
	31/12/22		31/12/21	
Assets		-		-
Financial assets measured at amortised cost		2,387,301	51	2,427,456
<i>Investments in subsidiaries, associates and joint ventures</i>		111,323	52	108,845
Investment property		-	53	-
Tangible assets		11,153	54	3,198
Total assets		2,509,777	55	2,539,499
Liabilities		-	56	-
Financial liabilities measured at amortised cost		275,293	57	254,694

(€k)

	Fair value															
	Level 1				Level 2				Level 3				Total			
	31/12/22		31/12/21		31/12/22		31/12/21		31/12/22		31/12/21		31/12/22		31/12/21	
		-		-		-		-		-		-		-		-
11	2,064,897	61	1,771,110	21	94,236	71	248,796	31	228,168	81	407,550	41	2,387,301	91	2,427,456	
12	-	62	-	22	-	72	-	32	111,323	82	108,845	42	111,323	92	108,845	
13	-	63	-	23	-	73	-	33	-	83	-	43	-	93	-	
14	-	64	-	24	-	74	-	34	11,153	84	3,198	44	11,153	94	3,198	
15	2,064,897	65	1,771,110	25	94,236	75	248,796	35	350,644	85	519,593	45	2,509,777	95	2,539,499	
16	-	66	-	26	-	76		36	-	86	-	46	-	96	-	
17	-	67	-	27	-	77	-	37	275,293	87	254,694	47	275,293	97	254,694	

Interests in unconsolidated structured entities

Name of structured entity	Revenue earned by structured entity during the reporting period	Carrying amount (as of the transfer date) for assets transferred to the structured entity during the reporting period	Carrying amount of assets recognised in financial statements and attributable to structured entity	
MXF - GLOBAL FUND - ASSET GLOBAL FUND (PIMCO MULTI ASSET)			3,611,308	
MULTIFLEX - Global Optimal Multi Asset Fund			4,412,815	
MULTIFLEX - Dynamic Multi Asset Fund			3,769,922	
MULTIFLEX - Strategic Insurance Distribution			4,266,798	
MULTIFLEX-OLYMPIUM DYNAMIC-MULTIASSET FUND			273,451	
PRIMA HEDGE PLATINUM GROWTH ISIN			428,672	
SHOPPING PROPERTY FUND 2			43,720	
DIAMOND EUROZONE OFFICE UBS FUND			419,766	
ADVANCE CAPITAL ENERGY FUND			15,754	
CBRE DIAMOND FUND			192,593	
DIAMOND EUROZONE RETAIL PROPERTY FUND			94,647	
DIAMOND ITALIAN PROPERTIES			162,583	
DIAMOND OTHER SECTOR ITALIA			109,416	
Prima EU Private Debt Opportunity Fund			279,988	
Prima EU Private Debt Opportunity Fund			486,579	
Prima European Direct Lending 1 Fund			445,975	
Prima Real Estate Europe Fund I			378,241	
Indaco SICAV SIF - Indaco CIFC US Loan			80,120	
MULTIFLEX-DYNAMIC LT M/A-CM			501,850	
MULTIFLEX-LT OPTIMAL M/A-CM			778,468	
Prima Credit Opportunity Fund			140,110	
MULTIFLEX-DIVERSIFIED DIS-CM			5,272,110	
MULTIFLEX-OLYMP INSURN MA-CM			797,044	
MULTIFLEX-OLYMPIUM OPT MA-CM			533,321	
OLYMPIUM SEVERUM FUND			410,350	
PRIMA GLOBAL EQUITY PRITNERS FUND			190,919	
ALC Prima European Private Credit Feeder Fund			245,575	
i3-Dante comparto Convivio Fund			265,728	

(€k)

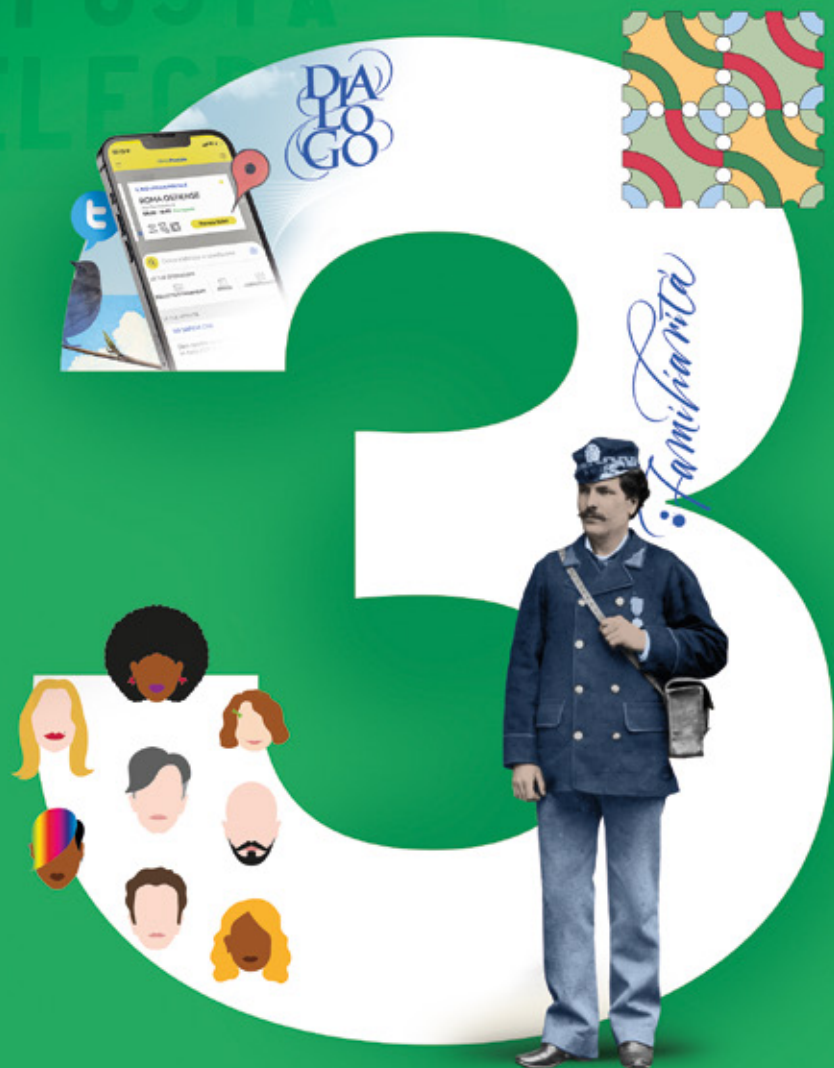
	Asset class in the statement of financial position	Carrying amount of liabilities recognised in financial statements and attributable to structured entity	Liability class in the statement of financial position	Maximum loss exposure
	Financial assets measured at fair value through profit or loss			255,003
	Financial assets measured at fair value through profit or loss			436,277
	Financial assets measured at fair value through profit or loss			380,653
	Financial assets measured at fair value through profit or loss			392,437
	Financial assets measured at fair value through profit or loss			27,903
	Financial assets measured at fair value through profit or loss			23,748
	Financial assets measured at fair value through profit or loss			32,670
	Financial assets measured at fair value through profit or loss			165,304
	Financial assets measured at fair value through profit or loss			8,495
	Financial assets measured at fair value through profit or loss			59,646
	Financial assets measured at fair value through profit or loss			34,873
	Financial assets measured at fair value through profit or loss			59,115
	Financial assets measured at fair value through profit or loss			39,134
	Financial assets measured at fair value through profit or loss			99,172
	Financial assets measured at fair value through profit or loss			54,567
	Financial assets measured at fair value through profit or loss			54,223
	Financial assets measured at fair value through profit or loss			170,700
	Financial assets measured at fair value through profit or loss			17,129
	Financial assets measured at fair value through profit or loss			52,882
	Financial assets measured at fair value through profit or loss			79,944
	Financial assets measured at fair value through profit or loss			51,272
	Financial assets measured at fair value through profit or loss			628,667
	Financial assets measured at fair value through profit or loss			77,078
	Financial assets measured at fair value through profit or loss			54,079
	Financial assets measured at fair value through profit or loss			81,634
	Financial assets measured at fair value through profit or loss			96,091
	Financial assets measured at fair value through profit or loss			28,016
	Financial assets measured at fair value through profit or loss			66,432



POSTA TELEGRAFO

VELOCITÀ
DIALOGO
CORTESIA
ASCOLTO
RISPETTO
FAMILIARITÀ
PREMURA
COMPATIA
PUNTUALE
APERTURA
PRECISIONE
VIGILANZA
ESPERIENZA







REPORTS AND ATTESTATIONS



3

REPORTS AND ATTESTATIONS

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Attestazione del Bilancio Consolidato al 31 dicembre 2022

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’art. 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 del bilancio consolidato per il periodo 1° gennaio 2022 – 31 dicembre 2022.

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 dell’anno 2022, sono proseguite le attività finalizzate all’aggiornamento delle principali procedure amministrative e contabili e sono state effettuate le opportune verifiche al fine di accertarne l’effettiva applicazione. Dalla valutazione nel complesso del sistema di controllo interno sull’informativa finanziaria non sono emersi aspetti materiali da portare all’attenzione.

3. Si attesta, inoltre, che:

3.1 Il bilancio consolidato:

- a. è redatto in conformità ai Principi Contabili Internazionali riconosciuti nella Comunità Europea ai sensi del Regolamento (CE) n. 1606/2002 del Parlamento europeo e del Consiglio del 19 luglio 2002, nonché al D. Lgs. N. 173/1997, al D.Lgs. n. 209/2005, al Regolamento ISVAP n. 7/2007 ed agli altri provvedimenti, regolamenti e circolari IVASS applicabili;



- b. corrisponde alle risultanze dei libri e delle scritture contabili;
- c. è idoneo 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 sulla gestione comprende un'analisi attendibile dell'andamento e del risultato della gestione, nonché della situazione della Società e dell'insieme delle imprese incluse nel consolidamento, unitamente alla descrizione dei principali rischi e incertezze cui sono esposti.

Roma, 24 marzo 2023

L'Amministratore Delegato

Il Dirigente Preposto alla redazione dei documenti contabili societari

Andrea Novelli

Monica Montelatici



Relazione del Collegio Sindacale di Poste Vita S.p.A. relativa all'esercizio 2022

All'Azionista Unico di Poste Vita S.p.A.

1. Premessa

Nel corso dell'esercizio chiuso al 31 dicembre 2022 il Collegio Sindacale ha svolto le attività di vigilanza previste dalla legge, secondo le Norme di comportamento del Collegio Sindacale emanate dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili e in base alle disposizioni IVASS in materia di controlli societari.

Nel corso dell'esercizio 2022, il Collegio Sindacale ha continuato a svolgere le funzioni di vigilanza disciplinate dall'art. 2403 c.c., dal D. Lgs. 58/1998 e dal D. Lgs. 39/2010, effettuando le riunioni prescritte dall'art. 2404 c.c. con particolare attenzione sul funzionamento del sistema dei controlli interno.

Gli amministratori di Poste Vita si sono avvalsi dell'esonero dalla predisposizione della dichiarazione di carattere non finanziario ai sensi dell'art. 6, comma 1 (art. 6 comma 2) del D. Lgs. 30 dicembre 2016, n. 254.

Si precisa che tra gli scriventi componenti del Collegio Sindacale:

- a) il Dott. Luca Guarna riveste la carica di revisore in Consorzio Poste Motori;
- b) il Dott. Marco De Iapinis riveste la carica di Sindaco Supplente in Consorzio Per i Servizi di Telefonia Mobili S.c.p.A.;

tutte Società facenti parte del Gruppo Poste Italiane.

2. Vigilanza sull'osservanza della legge e dello statuto

Il Collegio Sindacale ha accertato la conformità alla legge, allo statuto sociale e ai principi di corretta amministrazione delle operazioni svolte dalla società, assicurandosi che le medesime non fossero manifestamente imprudenti o azzardate, in contrasto con le delibere assunte dall'Assemblea degli azionisti o tale da compromettere l'integrità del patrimonio aziendale; le operazioni con parti correlate sono state sottoposte alle procedure di trasparenza previste dalle disposizioni in materia.

Il Collegio Sindacale ha acquisito le informazioni strumentali allo svolgimento dei compiti di vigilanza ad esso attribuiti mediante la partecipazione alle riunioni del Consiglio di Amministrazione e dei Comitati endoconsiliari, le audizioni del management della Società, gli incontri con il revisore legale e con i corrispondenti organi di controllo di società del Gruppo, l'analisi dei flussi informativi acquisiti dalle competenti strutture aziendali, nonché ulteriori attività di controllo.

Il Collegio Sindacale, nel corso dell'anno 2022, si è riunito 8 volte e ha assistito alle n. 14 riunioni del Consiglio di Amministrazione. Il Collegio Sindacale ha assistito inoltre alle n. 13 riunioni del "Comitato per il Controllo Interno e Rischi e Operazioni con Parti Correlate" e alle n. 5 riunioni del "Comitato per le remunerazioni".

3. Attività di vigilanza rispetto ai principi di corretta amministrazione

Il Collegio Sindacale dà atto che le scelte gestionali sono state ispirate ad un principio di corretta informazione e di ragionevolezza e che gli amministratori, nel corso del dibattito consiliare, hanno mostrato di essere consapevoli circa la rischiosità e gli effetti delle delibere assunte.

Il Collegio Sindacale ha preso atto del piano pluriennale della società e del Gruppo, del budget annuale, del progetto di bilancio di esercizio e di bilancio consolidato, non riscontrando operazioni atipiche e inusuali effettuate con terzi o con parti correlate, ivi comprese con le società del Gruppo. Il Collegio Sindacale ricorda che la Società è sottoposta ad attività di direzione e coordinamento da parte dell'azionista unico Poste Italiane S.p.A.

Poste Vita S.p.A., a sua volta, in qualità di capogruppo (USCI) del Gruppo assicurativo Poste Vita e di controllante delle società Posta Assicura S.p.A., svolge attività di direzione e coordinamento.

Le informazioni relative alle principali operazioni infragruppo e con le altre parti correlate, realizzate nell'esercizio 2022, nonché la descrizione delle loro caratteristiche e dei relativi effetti economici, sono contenute nelle note di commento al bilancio separato di Poste Vita e al bilancio consolidato del Gruppo e comunque sintetizzate nei paragrafi 9 e 10 della presente Relazione.

In relazione alla posizione di solvibilità della Compagnia Poste Vita al 31 dicembre 2022, il Collegio Sindacale rileva mezzi propri ammissibili pari a 12.805 milioni di euro, ed un incremento dei requisiti patrimoniali complessivamente di circa 558 milioni di Euro (dai 4.409 milioni di Euro a fine 2021 ai 4.967 milioni di Euro al 31 dicembre 2022), determinando un valore del Solvency Ratio di Poste Vita 257,8% (in diminuzione rispetto al 287,5% del 31 dicembre 2021). La posizione di solvibilità dell'intero gruppo Assicurativo Poste Vita al 31 dicembre 2022, evidenzia mezzi propri pari a 12.805 milioni di Euro, in aumento di 128 milioni rispetto al 2021 ed un incremento dei requisiti patrimoniali di circa 615 milioni di Euro (dai 4.441 milioni di Euro a fine 2021 ai 5.056 milioni di Euro evidenziati al 31 dicembre 2022).

La diminuzione del Solvency Ratio rispetto al 31 dicembre 2021 è stata determinata da un aumento dei fondi propri disponibili dell'impresa, meno che proporzionale rispetto alla crescita del requisito patrimoniale.

Si riportano di seguito i principali rapporti pendenti con le Autorità di Vigilanza:

1. Con riferimento all'ispezione COVIP sul Piano Individuale Pensionistico "Postaprevidenza Valore" ("PIP"), i cui esiti sono stati notificati alla Compagnia con comunicazione del 27 maggio 2022, il Consiglio di Amministrazione della Compagnia ha approvato, nella seduta del 26 luglio 2022, un piano di interventi volto al rafforzamento dei processi. Alla data del 31 dicembre 2022, risultano completate tutte le azioni previste dal piano.
2. Anche con riguardo all'ispezione IVASS - avente ad oggetto profili di governo, gestione e controllo degli investimenti e dei rischi finanziari conclusa il 7 maggio 2021 – si rende noto che il relativo piano di azione, approvato dal CDA della Compagnia il 22 ottobre 2021, è stato interamente completato. Anche in ambito antiriciclaggio Con riguardo all'accertamento ispettivo che si è concluso il 18 giugno 2021 in ambito antiriciclaggio e i cui esiti sono stati notificati alla Compagnia nella seduta del Consiglio di Amministrazione del 30 settembre 2021,

si rappresenta che al 31 dicembre 2022, tutte le azioni individuate sono state completate nelle tempistiche pianificate.

Nel corso del 2022, la Compagnia ha ricevuto 2.523 nuovi reclami, rispetto a 2.424 registrati alla fine del 2021. Il tempo medio di evasione dei reclami nel corso del periodo è stato pari a circa 24 giorni (28 giorni nell'analogo periodo del 2021).

Relativamente al prodotto PIP, la Compagnia ha ricevuto, nel corso del 2022, 992 reclami a fronte di 813 reclami rilevati alla fine dell'esercizio precedente. Il tempo medio di evasione è stato pari a circa 24 giorni (28 giorni nel corrispondente periodo del 2021).

Tra le principali problematiche rilevate in ambito contenzioso possono evidenziarsi, a titolo meramente esemplificativo, quelle inerenti i) alle c.d. "polizze dormienti" specificatamente connesse a temi di prescrizione del diritto alla prestazione assicurativa, ii) a vicende riconducibili a profili di inadempimento contrattuale, iii) a questioni di carattere liquidativo (i.e. conflitti tra beneficiari in ambito successorio, individuazione dei soggetti legittimati alla prestazione assicurativa, calcolo quote di spettanza, carenza documentale etc..) e iv) a contestazioni in materia "privacy" per mancata comunicazione dei dati riferiti a terzi soggetti beneficiari di polizza.

Si segnalano, inoltre: (a) le procedure concorsuali in capo a datori di lavoro per omesso versamento di contributi volontari ed obbligatori (TFR) in favore di aderenti al Piano Individuale Pensionistico (PIP) "Postaprevidenza Valore" e in relazione ai quali, Poste Vita, si è costituita al fine di procedere con il recupero delle relative somme, supportandone i relativi costi; (b) le procedure esecutive che vedono coinvolta la Compagnia quale soggetto terzo pignorato anche in relazione a somme dovute agli assicurati.

I procedimenti di natura penale attivati da Poste Vita riguardano, in linea di massima, ipotesi di reato integrate da condotte illecite di terzi soggetti che si sostituiscono fraudolentemente agli aventi diritto allo scopo di ottenere la liquidazione di polizze vita.

4. Attività di vigilanza sull'adeguatezza dell'assetto organizzativo

Il Collegio Sindacale, sulla base delle informazioni acquisite, ritiene che l'assetto organizzativo sia complessivamente adeguato, in termini di struttura, procedure, competenze e responsabilità, alle dimensioni della società, nonché alla natura e alle modalità di perseguimento dell'oggetto sociale.

Il Collegio Sindacale rileva che la Relazione sul governo societario prevista ai sensi dell'art. 123 Bis del D. Lgs. 58/1998 (Testo Unico della Finanza), limitatamente alle informazioni richieste dal comma 2, lettera b, non costituisce un documento autonomo, ma è contenuta nella Relazione degli Amministratori al bilancio.

Preliminarmente si fa presente che il Collegio Sindacale, nell'attuale composizione, è stato nominato per la durata di un triennio dall'Assemblea degli Azionisti in data 19 maggio 2020, che ha contestualmente rinnovato, altresì, la composizione del Consiglio di Amministrazione. Si segnala che sia il Consiglio di Amministrazione che il Collegio Sindacale scadranno con l'approvazione del bilancio 2022.

In linea con le previsioni del Regolamento IVASS n. 38 del 3 luglio 2018, il Consiglio di Amministrazione di Poste Vita ha dato corso all'autovalutazione riferita all'esercizio 2022; i

risultati della Board review sono complessivamente positivi, con qualche spunto di miglioramento.

Nel corso della verifica annuale effettuata, il Consiglio di Amministrazione, preso atto delle dichiarazioni rese dagli interessati e tenuto conto delle informazioni a disposizione, ha ritenuto di confermare la permanenza dei requisiti di indipendenza in capo agli Amministratori dichiaratisi tali all'atto della nomina. Il Collegio Sindacale ha convenuto con le conclusioni cui è pervenuto il Consiglio di Amministrazione. Parimenti, il Collegio Sindacale ha verificato e confermato la permanenza dei requisiti di indipendenza in capo a ciascuno dei suoi componenti.

La composizione e la dimensione del Consiglio di Amministrazione della Società sono da considerarsi nel complesso adeguati. I lavori consiliari ed endoconsiliari si sono svolti in modo ordinato ed efficiente.

Il numero dei dipendenti diretti al 31 dicembre 2022 è pari a 460 unità espressi in “*full time equivalent*” (FTE) in diminuzione rispetto a quella al 31 dicembre 2021, pari a 490. Nel corso del 2022 sono state inserite diverse risorse con competenze tecnico-assicurative e finanziarie a supporto delle progettualità strategiche e delle funzioni da esse impattate (progetto USP, IFRS17, valutazione e modelli attuariali, risk management) accedendo al bacino del mercato esterno.

Per quanto è possibile rilevare, le funzioni aziendali hanno operato con efficienza, fornendo al Consiglio di Amministrazione informazioni adeguate.

Il Collegio Sindacale ha presidiato le politiche di remunerazione e incentivazione relative all'anno 2022, tenendo conto delle Raccomandazioni di EIOPA, ESRB e IVASS rese nel corso dell'esercizio.

5. Attività di vigilanza sull'adeguatezza del sistema di controllo interno

Il Collegio Sindacale ha vigilato sulla tenuta del sistema controllo interno e di gestione dei rischi, monitorando le attività svolte dai principali attori e l'attuazione delle azioni di miglioramento e di mitigazione dei rischi.

La Direttiva Solvency II richiede che le imprese ed i gruppi si dotino di “un sistema efficace di governance che consenta una gestione sana e prudente dell'attività” e che sia proporzionato alla natura, alla portata e alla complessità dei rischi attuali e prospettici, con l'obiettivo di consentire alla Compagnia di ottimizzare il proprio profilo di rischio-rendimento, tramite la generazione di redditività ed il mantenimento di un livello adeguato di capitale economico/regolamentare, garantendo, nel contempo, le aspettative degli azionisti e degli assicurati.

Il Regolamento 38 di IVASS impone l'obbligo di definire un vero e proprio sistema di governo societario di gruppo adeguato alla struttura, al modello di business e alla natura, portata e complessità dei rischi del gruppo nel complesso e delle singole società partecipate e controllate e che sia tale da consentire di esercitare un controllo:

1. strategico sull'evoluzione delle diverse aree di attività in cui il gruppo opera e dei rischi correlati;
2. gestionale volto ad assicurare l'equilibrio economico, finanziario e patrimoniale delle singole società e del gruppo nell'insieme;
3. tecnico-operativo finalizzato alla valutazione dei profili di rischio apportati al gruppo delle singole controllate.

In generale, il Sistema di Gestione dei Rischi (SGR) ha l'obiettivo di garantire processi decisionali *risk-based* in conformità con le normative nazionali ed europee di riferimento. Tale Sistema è costituito da un insieme di strategie, di processi e di procedure necessarie per individuare, misurare e valutare, monitorare, gestire e segnalare, su base continuativa, i rischi a cui Poste Vita è esposta. In particolare, il SGR prevede processi strategici funzionali alla definizione e alla valutazione della cornice di riferimento entro la quale si collocano i processi più operativi. In particolare, tra i processi strategici rientrano:

1. la definizione del *Risk Appetite Framework* (RAF);
2. l'esecuzione della Valutazione attuale e prospettica del profilo di rischio e della solvibilità (*Own Risks and Solvency Assessment* - ORSA);
3. la definizione dei Piani di Emergenza.

Il Collegio Sindacale da atto che il Piano di Azione approvato dal Consiglio di Amministrazione a seguito del rapporto ispettivo IVASS del 26 luglio 2021 è stato portato a completamento.

Il Collegio Sindacale ha scambiato informazioni con i corrispondenti organi di controllo delle società controllate, prendendo atto delle valutazioni di complessiva adeguatezza del relativo sistema di controllo interno e di gestione del rischio e del fatto che non sono state evidenziate situazioni di criticità che meritassero di essere segnalate al Collegio Sindacale.

La Società adotta da tempo un modello organizzativo ex D. Lgs. 231/2001 finalizzato a prevenire la possibilità di commissione degli illeciti rilevanti ai sensi del decreto e, conseguentemente, la responsabilità amministrativa dell'Emittente ("Modello 231"). L'ultimo aggiornamento del Modello è stato approvato dal Consiglio di Amministrazione del 19 maggio 2022, al fine di recepire le più recenti evoluzioni della normativa di riferimento.

In base alle relazioni periodiche fornite dai comitati endoconsiliari, dall'Organismo di Vigilanza e dalle funzioni societarie, il Collegio Sindacale, non avendo rilevato criticità, ritiene che il sistema di controllo interno sia nel complesso adeguatamente presidiato e che le funzioni aziendali rispondano tempestivamente alle azioni correttive individuate.

6. Attività di vigilanza sull'adeguatezza del sistema amministrativo-contabile e sull'attività di revisione legale dei conti

Il Collegio Sindacale ha vigilato sul rispetto dei principi di corretta amministrazione mediante la partecipazione alle riunioni del Consiglio di Amministrazione e dei comitati endoconsiliari e mediante incontri con il Dirigente Preposto alla redazione dei documenti contabili societari.

Per quanto è stato possibile accertare, le delibere del Consiglio di Amministrazione sono conformi alla disciplina applicabile, adottate nell'interesse della Società, compatibili con le risorse e il patrimonio aziendale e adeguatamente supportate da processi di informazione, analisi e verifica, anche con il ricorso, quando ritenuto necessario, all'attività consultiva dei comitati e a professionisti esterni.

Il Collegio Sindacale, a tale riguardo prende atto delle attestazioni rilasciate dall'Amministratore Delegato e dal Dirigente Preposto alla redazione dei documenti contabili societari della Società, che confermano l'adeguatezza dei processi in relazione alle caratteristiche dell'impresa e l'effettiva applicazione delle procedure amministrative e contabili per la formazione del bilancio d'esercizio e del bilancio consolidato nel corso dell'esercizio 2022.

Il Collegio Sindacale prende altresì atto della “Relazione Attuariale sulle Riserve Tecniche di cui all’articolo 23-bis, comma 3, del regolamento n. 22 del 4 aprile 2008 per il Bilancio dell’Esercizio 2022 di Poste Vita predisposta dalla Funzione Attuariale; essa contiene l’illustrazione delle metodologie di calcolo delle stesse e l’attestazione che l’importo delle riserve tecniche è nel complesso sufficiente per far fronte ai costi e alle obbligazioni assunte nei confronti degli assicurati, in conformità alle vigenti disposizioni di legge e regolamentari.

La società di revisione Deloitte ha rilasciato, in data 4 aprile 2023, le relazioni ai sensi dell’art. 14 del D. Lgs. n. 39/2010, dell’art. 10 del Regolamento UE n. 537/2014 e dell’art. 102 del D. Lgs. 209/2005, nelle quali attesta che:

- il bilancio consolidato fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria del Gruppo al 31 dicembre 2022, del risultato economico e dei flussi di cassa per l’esercizio chiuso a tale data, in conformità agli IFRS adottati dall’Unione Europea, nonché al Regolamento emanato in attuazione dell’art. 90 del D. Lgs. 7 settembre 2005, n. 209;
- il bilancio di esercizio fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria della Società al 31 dicembre 2022 del risultato economico per l’esercizio chiuso a tale data, in conformità alle norme italiane che ne disciplinano i criteri di redazione.

Si segnala come per la chiusura del bilancio d’esercizio al 31 dicembre 2022 la Compagnia si è avvalsa della facoltà concessa dall’articolo 45, comma 3-octies del decreto legge 21 giugno 2022, n. 73, convertito con modificazioni con legge 4 agosto 2022, n. 122, che, in relazione all’evoluzione della situazione di turbolenza dei mercati finanziari, consente di valutare i titoli non durevoli in base al loro valore di iscrizione, come risultante dall’ultimo bilancio annuale regolarmente approvato o, per i titoli non presenti nel portafoglio a tale data, al costo d’acquisizione, fatta eccezione per le perdite di carattere durevole. Questa disposizione è stata oggetto del Regolamento IVASS n. 52 del 30 agosto 2022. L’utilizzo di tale deroga ai criteri di valutazione comporta un effetto positivo nel bilancio di esercizio per 5.184,2 migliaia di Euro (3.586,4 migliaia di Euro al netto della relativa fiscalità), in relazione alle minori minusvalenze valutative che l’applicazione della deroga ha consentito di sospendere.

Nel corso dell’esercizio, il Collegio Sindacale ha tenuto riunioni con i responsabili della società di revisione, nel corso delle quali sono stati svolti opportuni scambi informativi e non sono emersi altri fatti o situazioni meritevoli di essere evidenziati. Il Collegio Sindacale: (i) ha analizzato l’attività svolta dalla società di revisione, ed in particolare, l’impianto metodologico, l’approccio di revisione utilizzato per le diverse aree significative di bilancio e la pianificazione del lavoro di revisione e (ii) ha condiviso con la società di revisione le problematiche relative ai rischi aziendali, potendo così apprezzare l’adeguatezza della risposta pianificata dal revisore con i profili, strutturali e di rischio, della Società e del Gruppo.

La società di revisione Deloitte, in data 4 aprile 2023, ha inoltre rilasciato la “Relazione per il comitato per il controllo interno e la revisione contabile” ai sensi dell’art. 11 del Regolamento UE 537/2014, che illustra i risultati della revisione legale dei conti, senza individuare carenze specifiche o non conformità a leggi, regolamenti o disposizioni statutarie. In tale Relazione Deloitte ha confermato, ai sensi dell’art. 6 paragrafo 2) del Regolamento Europeo 537/2014, di aver rispettato i principi in materia di etica di cui agli artt. 9 e 9-bis D. Lgs. 39/2010 e che non sono state riscontrate situazioni che abbiano compromesso l’indipendenza ai sensi degli artt. 10 e 17 del D. Lgs. 39/2010 e degli artt. 4 e 5 del Regolamento Europeo 537/2014.

Il Collegio Sindacale provvederà ad informare l'organo di amministrazione della Società in merito agli esiti della revisione legale, trasmettendo a tal fine la relazione aggiuntiva di cui all'art. 11 del Regolamento Europeo 537/2014, corredata da eventuali osservazioni, ai sensi dell'art. 19 del D. Lgs. 39/2010, come aggiornato dal D. Lgs 135/2016 in attuazione della Direttiva 2014/56/UE che modifica la Direttiva 2006/43/CE e dal Regolamento Europeo 537/2014.

Ai sensi dell'art. 19 del D. Lgs n. 39/2010, così come modificato dal D. Lgs n. 135/2016 il Collegio Sindacale ha proseguito anche nel 2022 la verifica e il monitoraggio dell'indipendenza della società di revisione legale a norma degli articoli 10, 10-bis, 10-ter, 10-quater e 17 del sopra citato Decreto e dell'articolo 6 del Regolamento europeo, in particolare per quanto concerne l'adeguatezza della prestazione di servizi diversi dalla revisione, conformemente all'articolo 5 di tale Regolamento.

Tenuto conto:

- a) della dichiarazione relativa all'indipendenza di cui all'art.6, paragrafo 2 lettera a) del Regolamento (UE) n. 537 del 16 aprile 2014, contenuta nella Relazione per il comitato per il controllo interno rilasciata da Deloitte, e della relazione di trasparenza prodotta dalla stessa ai sensi dell'art.18, comma 1, del D. Lgs. 39/2010;
- b) della dichiarazione inerente all'assenza di incarichi conferiti alla stessa ed alle società appartenenti alla sua rete da Poste Vita e dalle società del Gruppo;

il Collegio Sindacale ritiene che sussistano le condizioni per attestare l'indipendenza della società di revisione Deloitte.

Il Collegio prende inoltre atto che il Consiglio di Amministrazione, in data 24 marzo 2023, ha approvato il reporting package IAS della Compagnia riferito alla data del 31 dicembre 2022, predisposto ai fini del consolidamento nel bilancio annuale del Gruppo Poste Italiane, in coerenza con le linee guida emanate dalla Capogruppo e sulla base di un unico piano dei conti, definito dalla Capogruppo stessa, in conformità ai principi contabili IAS/IFRS; il reporting package include il prospetto di riconciliazione del patrimonio netto e del risultato economico tra principi civilistici e principi IAS/IFRS.

Esso è altresì accompagnato dalla Relazione del Dirigente Preposto rivolta al Consiglio di Amministrazione, il quale ha dichiarato che le procedure amministrative e contabili per la formazione del package di consolidamento sono adeguate in relazione alle caratteristiche dell'impresa e che il package stesso è idoneo a fornire una rappresentazione veritiera e corretta della situazione patrimoniale, finanziaria ed economica della Società.

Il Collegio Sindacale ha svolto le proprie funzioni di "Comitato per il Controllo Interno e la revisione contabile", assunte in forza dell'art. 19 del D. Lgs. n. 39/2010, così come modificato dal D. Lgs. 135/2016, vigilando su:

- a) il processo relativo all'informativa finanziaria;
- b) l'efficacia dei sistemi di controllo interno, di revisione interna e di gestione del rischio;
- c) la revisione legale dei conti annuali e di quelli consolidati;
- d) la relazione di trasparenza e la relazione aggiuntiva redatte dalla società di revisione in osservanza dei criteri di cui al Reg. 537/2014, rilevando che, sulla base delle informazioni acquisite, non sono emersi aspetti critici in relazione all'indipendenza della società di revisione;
- e) gli aspetti relativi all'indipendenza della società di revisione, con particolare riferimento ai servizi da quest'ultima prestati all'ente revisionato, diversi dalla revisione contabile;
- f) la corretta applicazione delle disposizioni di cui al Regolamento UE 537/2014 in relazione alla prestazione da parte del revisore di servizi diversi dalla revisione.

7. Proposte in ordine al bilancio e alla sua approvazione e alle materie di competenza del Collegio Sindacale

Il Collegio Sindacale ha vigilato sulla impostazione generale del bilancio d'esercizio e sulla sua conformità alla normativa, sia generale che specifica delle imprese assicurative. Si fa presente che il Consiglio di Amministrazione ha approvato il progetto di bilancio in data 24 marzo 2023.

Il progetto di bilancio chiuso al 31 dicembre 2022 della Società risulta composto da quanto richiesto dalla norma; esso è corredato dalla Relazione sulla gestione, nella quale viene fornita, tra l'altro, illustrazione dell'andamento aziendale, dei fatti di rilievo avvenuti dopo la chiusura dell'esercizio e dell'evoluzione prevedibile della gestione.

Contiene, altresì, quali ulteriori allegati, oltre alla presente Relazione e a quelli previsti dal Regolamento ISVAP n. 22 del 4 aprile 2008, i seguenti documenti:

1. l'attestazione del bilancio d'esercizio da parte dell'Amministratore Delegato e del Dirigente Preposto alla redazione dei documenti contabili societari;
2. la relazione attuariale sulle riserve tecniche di cui all'articolo 23 bis, comma 3, del Regolamento ISVAP n. 22 del 4 aprile 2008;
3. la relazione della Società di Revisione;
4. il rendiconto finanziario;
5. i prospetti di rilevazione delle variazioni delle voci di patrimonio netto, della disponibilità delle poste di patrimonio netto, del portafoglio titoli (a reddito fisso e azioni e quote), dei principali dati di bilancio delle società controllate, delle imposte differite.

Il progetto di bilancio dell'esercizio chiuso al 31 dicembre 2022 evidenzia un utile netto di 481,7 milioni di euro e un patrimonio netto di 5.054,8 milioni di euro.

A livello di Gruppo i premi lordi raccolti dalla Società sono pari a 17.520,1 milioni di euro, in linea con il dato dell'anno precedente (17.831,8 milioni di euro).

Le riserve tecniche ammontano, a livello di Gruppo, a 139.987,0 milioni di euro, di cui 139.627,6 milioni di euro riferibili al ramo vita e 359,4 milioni di euro riferibili ai rami danni. Si puntualizza che:

- a) le riserve dei rami vita includono: la riserva matematica (142.885,6 milioni di euro), le riserve tecniche costituite a fronte di prodotti unit linked (9.839,1 milioni di euro), la riserva per somme da pagare (816,1 milioni di euro), la riserva relativa a passività differite verso assicurati, accantonata in applicazione al criterio dello *shadow accounting* (*Deferred Policyholder Liabilities* - "DPL") per -13.986 milioni di euro, nonché le altre riserve tecniche diverse (72,7 milioni di euro);
- b) le riserve tecniche afferenti ai rami danni sono costituite: dalla riserva premi per un importo pari a 135,7,3 milioni di euro, riserva sinistri per 223,6 milioni di euro. Nell'ambito delle riserve sinistri, le riserve stanziare a fronte di sinistri avvenuti e non ancora denunciati (IBNR) ammontano a 71,9 milioni di euro.

Il bilancio è stato redatto nella prospettiva della continuità aziendale e sulla base dei criteri generali e particolari di valutazione previsti dalla legge, dai Regolamenti IVASS, degli standard contabili, nonché dalle indicazioni dell'ANIA.

Il bilancio consolidato comprende, oltre al bilancio della Società, i bilanci delle Società sulle quali la stessa esercita il controllo, opportunamente rettificati e riclassificati al fine di renderli omogenei con le norme di redazione del bilancio della Capogruppo e coerenti con gli standard contabili. A tali bilanci non si è esteso il controllo del Collegio Sindacale. Per quanto consta, la determinazione dell'area di consolidamento, la scelta dei principi di consolidamento delle partecipazioni e delle procedure adottate riflettono le prescrizioni previste dalla legge. La Relazione sulla gestione illustra in modo adeguato la situazione economica, patrimoniale e finanziaria del Gruppo, nonché l'andamento della gestione nel corso del 2022, contiene altresì un'adeguata informativa sui rapporti intercorsi tra le società appartenenti al gruppo e sui fatti di rilievo avvenuti dopo la chiusura dell'esercizio.

Alla luce di quanto esposto, delle informazioni fornite dalla società di revisione e del giudizio senza rilievi rilasciato dalla stessa ai sensi di legge, il Collegio Sindacale non ha rilievi da formulare in ordine al Progetto di Bilancio al 31 dicembre 2022.

8. Modalità di concreta attuazione delle regole di governo societario

Come detto, la Relazione sul governo societario prevista ai sensi dell'art. 123 Bis del D. Lgs. 58/1998 (TUF), limitatamente alle informazioni richieste dal comma 2, lettera b, non costituisce un documento autonomo, ma è contenuta nella Relazione degli Amministratori al bilancio. Si rinvia a tale Relazione per disporre di elementi informativi sulle composizioni e funzioni dei comitati endoconsiliari, nonché sulla corporate governance della Società, rispetto alla quale il Collegio Sindacale esprime una valutazione positiva.

9. Attività di vigilanza sui rapporti con società controllate e controllanti

Come detto, la Società è sottoposta ad attività di Direzione e coordinamento da parte del socio unico Poste Italiane S.p.A.

I rapporti con la controllante Poste Italiane S.p.A., che detiene l'intero pacchetto azionario, sono disciplinati da contratti scritti, regolati a condizioni di mercato e riguardano principalmente:

- a) l'attività di collocamento e distribuzione dei prodotti assicurativi presso gli uffici postali e attività connesse;
- b) rapporti di conto corrente postale;
- c) distacco di personale da e verso la capogruppo;
- d) servizio di ritiro, imbustamento e spedizione della corrispondenza ordinaria;
- e) servizio di call center;
- f) service delle funzioni acquisti, comunicazione, antiriciclaggio, IT, amministrazione e contabilità e attività in ambito di organizzazione risorse umane;

Inoltre, alla data del 31 dicembre 2022 risultano sottoscritti dalla Capogruppo prestiti subordinati emessi dalla Compagnia per complessivi 1050 milioni di Euro, remunerati a condizioni di mercato.

In data 3 agosto 2022 Poste Vita ha completato l'emissione di un titolo subordinato restricted Tier 1 in Euro, perpetuo, non convertibile e a tasso fisso, per un importo nominale di 500 milioni di Euro, sottoscritto integralmente dalla Capogruppo Poste Italiane S.p.A..

La compagnia ha ceduto alla Capogruppo Poste Italiane S.p.A. il 100% delle quote detenute

in Poste Welfare Servizi S.r.l., deliberata dal Consiglio di Amministrazione della Compagnia il 26 gennaio 2022; l'operazione è stata perfezionata in data 24 febbraio 2022, con il deposito dell'atto di compravendita presso il Registro delle imprese.

La Compagnia intrattiene rapporti regolati da apposito contratto di service e a condizioni di mercato con la controllata Poste Assicura S.p.A.

Ulteriori rapporti operativi della Compagnia all'interno del Gruppo riguardano altre Società, tra cui, in particolare: Bancoposta Fondi SGR, Anima SGR, Postel, EGI, Poste Mobile, Poste Tutela, Europa Gestioni Immobiliari, Mistral Air, Poste Tributi.

I rapporti che la Società intrattiene con altre società del Gruppo sono regolati a condizioni di mercato. Il Collegio, nel corso dell'anno, ha vigilato sull'osservanza delle disposizioni previste dal Regolamento IVASS n. 30 del 26 ottobre 2016 e della "Linea Guida delle operazioni infragrupo". La Nota integrativa descrive adeguatamente i rapporti con la Controllante e con le Società del Gruppo.

10. Attività di vigilanza sulle operazioni con parti correlate

Il Collegio Sindacale ha vigilato sulla conformità alle norme di legge e regolamentari della procedura per l'effettuazione di operazioni con parti correlate, sulla sua effettiva attuazione e sul suo concreto funzionamento.

Per la gestione delle Operazioni con Parti Correlate, la Compagnia ha adottato la Linea Guida per la gestione delle Operazioni con Parti Correlate e Soggetti Collegati (di seguito, anche "Linea Guida OPC"), aggiornata dal Consiglio di Amministrazione del 29 aprile 2020. Ai sensi dell'art. 2391-bis c.c., per quanto consta al Collegio Sindacale, le operazioni con parti correlate esaminate sono state effettuate sulla base di regole che ne assicurano la trasparenza e nel rispetto dei principi generali e delle norme di governance societaria.

Sono parti correlate (oltre alle Società del Gruppo Poste Italiane S.p.A.) il Ministero dell'Economia e delle Finanze e le entità dallo stesso controllate, Cassa Depositi e Prestiti e i Dirigenti con responsabilità strategiche della Compagnia. Con specifico riferimento a Cassa Depositi e Prestiti, si rileva che Poste Vita S.p.A. detiene titoli verso CDP per un valore nominale pari a 522 milioni di Euro e un valore di mercato pari a 523 milioni di Euro;.

11. Omissioni e fatti censurabili rilevati. Pareri resi e iniziative intraprese

Al Collegio Sindacale non sono pervenute denunce ex art. 2408 c.c., né esposti da parte di terzi. Nel corso dell'attività di vigilanza il Collegio Sindacale non ha individuato omissioni, fatti censurabili o irregolarità.

Il Collegio Sindacale ha rilasciato i pareri, le osservazioni e le attestazioni di volta in volta richiesti dalla normativa vigente primaria o secondaria. Inoltre si è espresso in tutti i casi in cui ciò è stato richiesto dal Consiglio di Amministrazione, anche in adempimento alle disposizioni che, per talune decisioni, richiedono la preventiva consultazione del medesimo.

Osservazioni e proposte in ordine al Bilancio e alla sua approvazione

Per quanto concerne il bilancio di esercizio, il Collegio Sindacale ha vigilato, per quanto di sua competenza, sull'impostazione generale del bilancio di esercizio in conformità alla legge e alla

normativa specifica dei bilanci assicurativi. In ossequio a quanto richiesto dal Regolamento IVASS n. 52, la Relazione sulla Gestione evidenzia l'effetto della mancata svalutazione dei titoli non durevoli ai fini di bilancio e la Nota integrativa dettaglia i criteri per l'individuazione e la svalutazione dei titoli per i quali la facoltà è stata esercitata, il raffronto con il valore di mercato, gli effetti dell'utilizzo della deroga sull'utile e l'ammontare della riserva indisponibile. Il Collegio, preso atto del giudizio positivo espresso nella relazione della società di revisione Deloitte S.p.A., ritiene che il bilancio di Poste Vita S.p.A. al 31 dicembre 2022 sia suscettibile della Sua approvazione, unitamente alla proposta del Consiglio di Amministrazione relativa alla destinazione dell'utile di esercizio.

* * *

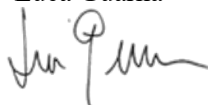
La presente relazione è approvata all'unanimità da parte del Collegio Sindacale, collegati in video-conferenza. Il Collegio Sindacale autorizza il Presidente a sottoscrivere la relazione e a trasmetterla tramite la propria PEC alla PEC della società.

Roma/Milano, 13 aprile 2023

Per il Collegio Sindacale di Poste Vita S.p.A.

Il Presidente

Luca Guarna



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**RELAZIONE DELLA SOCIETÀ DI REVISIONE INDIPENDENTE
AI SENSI DELL'ART. 14 DEL D. LGS. 27 GENNAIO 2010, N. 39, DELL'ART. 10
DEL REGOLAMENTO (UE) N. 537/2014
E DELL'ART. 102 DEL D. LGS. 7 SETTEMBRE 2005, N. 209**

All'azionista unico di
Poste Vita S.p.A.

RELAZIONE SULLA REVISIONE CONTABILE DEL BILANCIO CONSOLIDATO

Giudizio

Abbiamo svolto la revisione contabile del bilancio consolidato del Gruppo Poste Vita (il "Gruppo"), costituito dallo stato patrimoniale al 31 dicembre 2022, dal conto economico, dal conto economico complessivo, dal prospetto delle variazioni di patrimonio netto, dal rendiconto finanziario per l'esercizio chiuso a tale data e dalle relative note illustrative.

A nostro giudizio, il bilancio consolidato fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria del Gruppo al 31 dicembre 2022, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data, in conformità agli International Financial Reporting Standards adottati dall'Unione Europea, nonché al Regolamento emanato in attuazione dell'art. 90 del D. Lgs. 7 settembre 2005, n. 209.

Elementi alla base del giudizio

Abbiamo svolto la revisione contabile in conformità ai principi di revisione internazionali (ISA Italia). Le nostre responsabilità ai sensi di tali principi sono ulteriormente descritte nella sezione *Responsabilità della società di revisione per la revisione contabile del bilancio consolidato* della presente relazione.

Siamo indipendenti rispetto alla società in conformità alle norme e ai principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano alla revisione contabile del bilancio. Riteniamo di aver acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio.

Aspetti chiave della revisione contabile

Gli aspetti chiave della revisione contabile sono quegli aspetti che, secondo il nostro giudizio professionale, sono stati maggiormente significativi nell'ambito della revisione contabile del bilancio consolidato dell'esercizio in esame. Tali aspetti sono stati da noi affrontati nell'ambito della revisione contabile e nella formazione del nostro giudizio sul bilancio consolidato nel suo complesso; pertanto su tali aspetti non esprimiamo un giudizio separato.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Valutazione degli strumenti finanziari non quotati su mercati attivi

Descrizione dell'aspetto chiave della revisione

Nel bilancio consolidato al 31 dicembre 2022 risultano iscritti nella voce "4.4 Attività finanziarie valutate al fair value con impatto sulla redditività complessiva" e nella voce "4.5 Attività finanziarie valutate al fair value rilevato a conto economico" strumenti finanziari non quotati su mercati attivi, per un valore complessivo rispettivamente pari a Euro 7.811,1 milioni e Euro 38.465,3 milioni. Sulla base della natura e del grado di osservabilità sul mercato degli *input* utilizzati nelle tecniche di valutazione adottate dal Gruppo, le Attività finanziarie valutate al fair value con impatto sulla redditività complessiva sono classificate per Euro 7.769,0 milioni come strumenti finanziari di livello 2 della gerarchia del *fair value* e per Euro 42,1 milioni come strumenti finanziari di livello 3; le Attività finanziarie valutate al fair value rilevato a conto economico sono classificate per Euro 30.315,3 milioni come strumenti finanziari di livello 2 e per Euro 8.150,0 milioni come strumenti finanziari di livello 3.

Come evidenziato dagli Amministratori nella "Parte A - Criteri generali di redazione e principi contabili adottati" delle note illustrative, la definizione del *fair value* degli strumenti finanziari, qualora non sia direttamente osservabile su un mercato attivo, si basa su complesse valutazioni soggettive e stime legate all'esperienza storica e su assunzioni che vengono di volta in volta considerate ragionevoli e realistiche in funzione delle relative circostanze, che risentono altresì delle incertezze connesse all'attuale contesto macroeconomico. L'applicazione di tali stime e assunzioni influenza i valori indicati nei prospetti contabili e nell'informativa fornita.

Il Gruppo descrive nella "Parte A - Criteri generali di redazione e principi contabili adottati" delle note illustrative nella sezione "Tecniche di valutazione del fair value - IFRS 13", i criteri utilizzati per la determinazione del *fair value* delle attività finanziarie e le principali tecniche di valutazione applicate per le diverse tipologie di strumenti finanziari detenuti in portafoglio.

In considerazione della rilevanza dell'ammontare degli strumenti finanziari non quotati su mercati attivi, del grado di soggettività insito nella valutazione di tali strumenti finanziari, anche tenuto conto delle incertezze connesse alla corretta e completa identificazione degli stessi e all'attuale contesto macroeconomico, abbiamo considerato la valutazione degli strumenti finanziari non quotati su mercati attivi un aspetto chiave della revisione del bilancio consolidato del Gruppo Poste Vita al 31 dicembre 2022.

Procedure di revisione svolte

Abbiamo preliminarmente acquisito una conoscenza del processo di investimento seguito dal Gruppo che ha incluso la comprensione degli indirizzi gestionali e strategici. In tale ambito le procedure di revisione hanno incluso la rilevazione e comprensione dei controlli rilevanti posti in essere dal Gruppo e lo svolgimento di procedure di verifica in merito alla conformità alle direttive aziendali e alle politiche di gestione degli investimenti.

Con riferimento agli strumenti finanziari non quotati su mercati attivi abbiamo svolto le seguenti principali procedure:

- comprensione e rilevazione dei controlli posti in essere dal Gruppo nell'identificazione di tali strumenti finanziari e nel processo di determinazione del *fair value* degli stessi;
- verifica, su una selezione di tali strumenti finanziari, della corretta identificazione da parte della Direzione della tipologia degli strumenti finanziari stessi;
- comprensione dei modelli di valutazione e dei relativi dati di *input* utilizzati dal Gruppo per la determinazione del *fair value* degli Strumenti finanziari non quotati su mercati attivi e analisi della loro ragionevolezza, anche rispetto agli *standard* o *best practice* di mercato;
- analisi delle fonti utilizzate e verifica dell'attendibilità dei principali dati di *input* inseriti nel modello di valutazione, mediante confronto con i principali *infoprovider*;
- verifica della coerenza della valorizzazione di una selezione di strumenti finanziari con le evidenze documentali fornite da terze parti ed eventuale reperforming del *fair value*;
- verifica della completezza e dell'adeguatezza dell'informativa fornita dal Gruppo nelle note illustrative rispetto a quanto previsto dalla normativa applicabile.

Valutazione delle riserve matematiche

Descrizione dell'aspetto chiave della revisione

Al 31 dicembre 2022 il Gruppo ha iscritto nel bilancio consolidato nella voce "3. Riserve Tecniche" riserve matematiche per un ammontare complessivo di Euro 142.885,6 milioni, al lordo dell'effetto delle passività differite verso gli assicurati di Euro 13.986,0 milioni.

Come evidenziato dagli Amministratori nella "Parte A - Criteri generali di redazione e principi contabili adottati" delle note illustrative, la determinazione delle riserve tecniche si basa su complesse valutazioni soggettive e stime legate all'esperienza storica e su assunzioni che vengono di volta in volta considerate ragionevoli e realistiche in funzione delle relative circostanze, che risentono altresì delle incertezze connesse all'attuale contesto macroeconomico. L'applicazione di tali stime e assunzioni influenza i valori indicati nei prospetti contabili e nell'informativa fornita.

Il Gruppo riporta nella "Parte A - Criteri generali di redazione e principi contabili adottati" delle note illustrative i criteri seguiti e le metodologie applicate nella determinazione delle riserve matematiche.

In considerazione della significatività dell'ammontare delle riserve matematiche iscritte nel bilancio consolidato e dell'esistenza della componente discrezionale insita nella natura estimativa correlata alle assunzioni ed ipotesi di natura tecnica, attuariale, demografica, finanziaria, nonché, con riferimento alla stima di alcune tipologie di riserve aggiuntive, alle previsioni dei flussi di cassa futuri rivenienti dai contratti di assicurazione stipulati e in essere alla data di chiusura dell'esercizio, abbiamo ritenuto che il processo di valutazione delle riserve matematiche costituisca un aspetto chiave della revisione del bilancio consolidato del Gruppo Poste Vita al 31 dicembre 2022.

Procedure di revisione svolte	<p>Le procedure di revisione, svolte anche avvalendoci del supporto di specialisti appartenenti al <i>network</i> Deloitte, hanno incluso, tra le altre, le seguenti:</p> <ul style="list-style-type: none"> • comprensione del processo di formazione delle riserve matematiche che ha incluso la conoscenza degli indirizzi gestionali ed assuntivi e degli eventuali mutamenti intervenuti nel quadro normativo e regolamentare di settore; • rilevazione e verifica dei controlli rilevanti posti in essere dal Gruppo sul processo di valutazione delle riserve tecniche; • svolgimento di procedure di verifica in relazione alla completezza e adeguatezza dei portafogli presi a riferimento e dei relativi dati di base; • lettura ed analisi delle relazioni sulle riserve tecniche predisposte dalle competenti funzioni aziendali; • verifica del calcolo delle riserve matematiche attraverso l'applicazione di metodi semplificati (c.d. "metodo ricorrente contabile") al fine di valutare la ragionevolezza dei valori di riserva determinati dalla Direzione del Gruppo; • ricalcolo, per una selezione di contratti assicurativi in portafoglio, del valore della componente di riserva matematica al 31 dicembre 2022, utilizzando le formule di calcolo contenute nelle note tecniche di polizza e analizzando la conformità del calcolo alle procedure aziendali e alla normativa di riferimento; • analisi della ragionevolezza dei metodi e delle principali ipotesi tecniche ed evolutive sulle quali si sono basate le stime delle riserve aggiuntive incluse nelle riserve matematiche, avuto riguardo a quanto disposto dalla normativa di riferimento;
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- ottenimento e analisi della documentazione predisposta dalla Direzione del Gruppo ai fini della valutazione di congruità delle riserve tecniche iscritte nel bilancio consolidato del Gruppo Poste Vita (cosiddetto: "Liability Adequacy Test");
- verifica dell'adeguatezza delle metodologie adottate per la determinazione delle passività differite verso gli assicurati, anche mediante il ricalcolo, per una selezione di strumenti finanziari, della quota di plusvalenze/minusvalenze non realizzate di competenza degli assicurati e verifica della corretta rilevazione contabile di tale componente;
- verifica della completezza e dell'adeguatezza dell'informativa fornita dal Gruppo nelle note illustrative rispetto a quanto previsto dalla normativa applicabile.

Responsabilità degli Amministratori e del Collegio Sindacale per il bilancio consolidato

Gli Amministratori sono responsabili per la redazione del bilancio consolidato che fornisca una rappresentazione veritiera e corretta in conformità agli International Financial Reporting Standards adottati dall'Unione Europea, nonché al Regolamento emanato in attuazione dell'art. 90 del D. Lgs. 7 settembre 2005, n. 209 e, nei termini previsti dalla legge, per quella parte del controllo interno dagli stessi ritenuta necessaria per consentire la redazione di un bilancio che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli Amministratori sono responsabili per la valutazione della capacità del Gruppo di continuare ad operare come un'entità in funzionamento e, nella redazione del bilancio consolidato, per l'appropriatezza dell'utilizzo del presupposto della continuità aziendale, nonché per una adeguata informativa in materia.

Gli Amministratori utilizzano il presupposto della continuità aziendale nella redazione del bilancio consolidato a meno che abbiano valutato che sussistano le condizioni per la liquidazione della capogruppo Poste Vita S.p.A. o per l'interruzione dell'attività o non abbiano alternative realistiche a tali scelte.

Il Collegio Sindacale ha la responsabilità della vigilanza, nei termini previsti dalla legge, sul processo di predisposizione dell'informativa finanziaria del Gruppo.

Responsabilità della società di revisione per la revisione contabile del bilancio consolidato

I nostri obiettivi sono l'acquisizione di una ragionevole sicurezza che il bilancio consolidato nel suo complesso non contenga errori significativi, dovuti a frodi o a comportamenti o eventi non intenzionali, e l'emissione di una relazione di revisione che includa il nostro giudizio.

Per ragionevole sicurezza si intende un livello elevato di sicurezza che, tuttavia, non fornisce la garanzia che una revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia) individui sempre un errore significativo, qualora esistente. Gli errori possono derivare da frodi o da comportamenti o eventi non intenzionali e sono considerati significativi qualora ci si possa ragionevolmente attendere che essi, singolarmente o nel loro insieme, siano in grado di influenzare le decisioni economiche prese dagli utilizzatori sulla base del bilancio consolidato.

Nell'ambito della revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia), abbiamo esercitato il giudizio professionale e abbiamo mantenuto lo scetticismo professionale per tutta la durata della revisione contabile. Inoltre:

- Abbiamo identificato e valutato i rischi di errori significativi nel bilancio consolidato, dovuti a frodi o a comportamenti o eventi non intenzionali; abbiamo definito e svolto procedure di revisione in risposta a tali rischi; abbiamo acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio. Il rischio di non individuare un errore significativo dovuto a frodi è più elevato rispetto al rischio di non individuare un errore significativo derivante da comportamenti o eventi non intenzionali, poiché la frode può implicare l'esistenza di collusioni, falsificazioni, omissioni intenzionali, rappresentazioni fuorvianti o forzature del controllo interno.
- Abbiamo acquisito una comprensione del controllo interno rilevante ai fini della revisione contabile allo scopo di definire procedure di revisione appropriate nelle circostanze e non per esprimere un giudizio sull'efficacia del controllo interno del Gruppo.
- Abbiamo valutato l'appropriatezza dei principi contabili utilizzati nonché la ragionevolezza delle stime contabili effettuate dagli Amministratori, inclusa la relativa informativa.
- Siamo giunti ad una conclusione sull'appropriatezza dell'utilizzo da parte degli Amministratori del presupposto della continuità aziendale e, in base agli elementi probativi acquisiti, sull'eventuale esistenza di una incertezza significativa riguardo a eventi o circostanze che possono far sorgere dubbi significativi sulla capacità del Gruppo di continuare ad operare come un'entità in funzionamento. In presenza di un'incertezza significativa, siamo tenuti a richiamare l'attenzione nella relazione di revisione sulla relativa informativa di bilancio ovvero, qualora tale informativa sia inadeguata, a riflettere tale circostanza nella formulazione del nostro giudizio. Le nostre conclusioni sono basate sugli elementi probativi acquisiti fino alla data della presente relazione. Tuttavia, eventi o circostanze successivi possono comportare che il Gruppo cessi di operare come un'entità in funzionamento.
- Abbiamo valutato la presentazione, la struttura e il contenuto del bilancio consolidato nel suo complesso, inclusa l'informativa, e se il bilancio consolidato rappresenti le operazioni e gli eventi sottostanti in modo da fornire una corretta rappresentazione.
- Abbiamo acquisito elementi probativi sufficienti e appropriati sulle informazioni finanziarie delle imprese o delle differenti attività economiche svolte all'interno del Gruppo per esprimere un giudizio sul bilancio consolidato. Siamo responsabili della direzione, della supervisione e dello svolgimento dell'incarico di revisione contabile del Gruppo. Siamo gli unici responsabili del giudizio di revisione sul bilancio consolidato. Abbiamo comunicato ai responsabili delle attività di *governance*, identificati ad un livello appropriato come richiesto dagli ISA Italia, tra gli altri aspetti, la portata e la tempistica pianificate per la revisione contabile e i risultati significativi emersi, incluse le eventuali carenze significative nel controllo interno identificate nel corso della revisione contabile.



Abbiamo fornito ai responsabili delle attività di *governance* anche una dichiarazione sul fatto che abbiamo rispettato le norme e i principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano e abbiamo comunicato loro ogni situazione che possa ragionevolmente avere un effetto sulla nostra indipendenza e, ove applicabile, le azioni intraprese per eliminare i relativi rischi o le misure di salvaguardia applicate.

Tra gli aspetti comunicati ai responsabili delle attività di *governance*, abbiamo identificato quelli che sono stati più rilevanti nell'ambito della revisione contabile del bilancio consolidato dell'esercizio in esame, che hanno costituito quindi gli aspetti chiave della revisione. Abbiamo descritto tali aspetti nella relazione di revisione.

Altre informazioni comunicate ai sensi dell'art. 10 del Regolamento (UE) 537/2014

L'assemblea degli azionisti di Poste Vita S.p.A. ci ha conferito in data 28 novembre 2019 l'incarico di revisione legale del bilancio d'esercizio e consolidato della Società per gli esercizi dal 31 dicembre 2020 al 31 dicembre 2028.

Dichiariamo che non sono stati prestati servizi diversi dalla revisione contabile vietati ai sensi dell'art. 5, par. 1, del Regolamento (UE) 537/2014 e che siamo rimasti indipendenti rispetto alla Società nell'esecuzione della revisione legale.

Confermiamo che il giudizio sul bilancio consolidato espresso nella presente relazione è in linea con quanto indicato nella relazione aggiuntiva destinata al Collegio Sindacale, nella sua funzione di Comitato per il Controllo Interno e la Revisione Contabile, predisposta ai sensi dell'art. 11 del citato Regolamento.

RELAZIONE SU ALTRE DISPOSIZIONI DI LEGGE E REGOLAMENTARI

Giudizio ai sensi dell'art. 14, comma 2, lettera e), del D. Lgs. 27 gennaio 2010, n. 39

Gli Amministratori di Poste Vita S.p.A. sono responsabili per la predisposizione della relazione sulla gestione del Gruppo Poste Vita al 31 dicembre 2022, inclusa la sua coerenza con il relativo bilancio consolidato e la sua conformità alle norme di legge.

Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) n. 720B al fine di esprimere un giudizio sulla coerenza della relazione sulla gestione con il bilancio consolidato del Gruppo Poste Vita al 31 dicembre 2022 e sulla conformità della stessa alle norme di legge, nonché di rilasciare una dichiarazione su eventuali errori significativi.

A nostro giudizio, la relazione sulla gestione è coerente con il bilancio consolidato del Gruppo Poste Vita al 31 dicembre 2022 ed è redatta in conformità alle norme di legge.

Con riferimento alla dichiarazione di cui all'art. 14, comma 2, lettera e), del D. Lgs. 27 gennaio 2010, n. 39, rilasciata sulla base delle conoscenze e della comprensione dell'impresa e del relativo contesto acquisite nel corso dell'attività di revisione, non abbiamo nulla da riportare.



8

Esonero dalla predisposizione della dichiarazione non finanziaria

Come descritto nella relazione sulla gestione, gli Amministratori di Poste Vita S.p.A. si sono avvalsi dell'esonero dalla predisposizione della dichiarazione non finanziaria ai sensi dell'art. 6, comma 2 del D.Lgs. 30 dicembre 2016, n. 254.

DELOITTE & TOUCHE S.p.A.

A handwritten signature in blue ink, appearing to read "V. Frigerio", written over a horizontal line.

Vittorio Frigerio
Socio

Roma, 4 aprile 2023



POSTA TELEGRAFO

VELOCITÀ
DIA
LO
GO
Cortesie
ASCOLTO
RICROSTA

RISPETTO

Familiari

Premura

Empatia

Puntuale

APERTURA
PRECISIONE

VIGILANZA

Curia

ALLEGRIA



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

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Corporate Affairs - Communication
Poste Italiane SpA

August 2023

This document is available for inspection on the Company's website at
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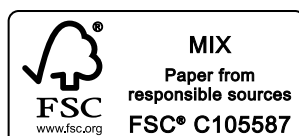
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The logo for Posteitaliane, featuring the word "Posteitaliane" in a bold, dark blue sans-serif font, centered within a bright yellow rectangular background.

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