



REPORTS AND ACCOUNTS 2023



REALE
MUTUA

2023 STATUTORY FINANCIAL STATEMENTS

195th year from foundation
Meeting of Delegates of 29 April 2024

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REPORT ON OPERATIONS

1.1 MACROECONOMIC SCENARIO AND MARKETS

1.1.1 MACROECONOMIC SCENARIO

The year 2023 was defined by an international macroeconomic context in which, more than three years after the global economy suffered the biggest shock of the last 75 years, the wounds are still healing and the differences in growth between the various economic regions are increasing. After a strong, initial post-COVID-19 recovery, the pace of growth in the largest economies has slowed down, with various forces competing to curb it. As well as the long-term consequences of the pandemic and the impact of the war in Ukraine, in terms of greater uncertainty and repercussions on the supply side of commodities, there has also been the recent destabilisation in the Middle East following the Hamas attack in Israel.

The restrictive monetary policy phase now seems close to ending, even though the time frames and scale of the loosening remain uncertain since inflation is still at levels way above the goal and global growth, though modest, is still expected to be positive in 2024.

Despite some positive surprise in the United States, **global economic** activity is registering a moderate, but widespread, slowdown, with inflation that is falling but broadly higher than that observed in recent decades. In recent forecasts, the International Monetary Fund estimates that global GDP will slow down from 3.5% in 2022, to 3.0% in 2023, to 2.9% in 2024.

For the **emerging markets** and developing economies, growth should decrease relatively modestly from 4.1% in 2022 to 4.0% both in 2023 and in 2024 (IMF estimates). But this trend conceals regional differences: the bigger emerging countries have proved their strength in the last three years, considering the number and seriousness of the shocks that occurred in succession. The improvement in their credibility has played an important role, where structural and policy reforms have improved macroeconomic stability. Some emerging countries will maintain expected growth rates, while others will experience weaker growth due to internal obstacles. A strong push from governments and companies to diversify their supply chains has led them to move away from Chinese supply chains and geopolitical tensions have created the opportunity for emerging countries to capture a greater share of global trade.

In the **United States**, the GDP growth rate was, surprisingly, positive. Having avoided the widely feared recession, it should stand at 2.1% (as in 2022) for 2023, according to the International Monetary Fund, with an upwardly revised forecast for 2024 of 1.5%. This is owing to greater company investments and resilience in household consumption, reflected by a still solid labour market. In addition, the direction of public administration budgetary policy should be expansive both in 2023 and 2024.

The post-COVID-19 recovery of the **Chinese economy** has been disappointing, even if the slowdown seems to have reached an end. After the sharp deceleration of economic activity in the second quarter due to a strong decline in the real estate sector, recent indicators of activity show signs of stabilisation. The most recent figures indicate a two-speed economy: the reduction of investments in the real estate industry continues, while economic activity in the other sectors, particularly the automotive industry, appears to be more robust. GDP grew by 4.9% in 2023, an improvement on the 3.2% of the previous year and in line with the forecasts of the IMF for 2024, which stand at 4.7%. Inflation is likely to remain contained in a context of domestic weakness and rising foreign demand.

In the **eurozone**, the slowdown in the economy in 2023 is more marked compared to that in the United States. The growth rate estimated by the International Monetary Fund actually dropped from 3.3% recorded in 2022 to 0.7% in 2023. The slowdown recorded in 2023 in Europe can be attributed to the general uncertainty that weakens both consumption and investments, together with the more restrictive financial conditions. In fact, the European Central Bank aggressively continued the phase of official rate hikes. Thanks to these monetary policy measures, and to the expected slowdown in the economy, the drop in commodity prices (especially energy) and the normalisation of production chains, the IMF's inflation forecast is down both for 2023 (+5.6%) and for 2024 (+2.8%), while still remaining above the ECB target.

Italy has shown a more vigorous post-pandemic recovery than that seen in the other major eurozone countries, both in 2021 and 2022 (+3.7%). However, this over-performance seems to have vanished in the last year: after a good start in 2023, Italy seems to have entered a stagnation phase due to high inflation and the negative effects of monetary tightening. There are no signs of a restart in industry, while services have lost impetus due to the effect of the normalisation of activity and the increase of prices; even the expected push from the projects envisaged by the National Recovery and Resilience Plan (PNRR) was lower than expected. In 2023, according to IMF estimates, growth is expected to be significantly reduced to 0.7% and not dissimilar also in 2024, with a more marked increase of 1.2% expected in 2025, thanks to the recovery of disposable income and the easing of monetary policy as a result of lower inflation. In fact, the drop in inflation in Italy too was significant. The most recent available ISTAT data stands at 1.7%, while the adjusted “core” component, removing volatile factors like energy and food, remains at 4.2%, well above the ECB goal.

1.1.2 FINANCIAL MARKETS

The year 2023 was a surprising one, since the recession expected due to the monetary policy restrictions did not occur. Instead, there has only been a slowdown in some economies while in others, like the USA, growth was still solid. In contrast, inflation took longer than expected to return to sustainable levels, though it is still down. The global financial markets, thanks to this context and above all to the expectations of a change of pace of the central banks, recorded excellent results both in the bond components and above all in stocks, with the exclusion of China, where the real estate crisis and the risks of geopolitical fragmentation prevailed.

In the USA, the persistence of inflation, sustained mainly by an excess of demand with a labour market still under pressure, forced the FED to continue the phase of raising interest rates. Four additional rate hikes were carried out in the year, increasing from a reference range of 4.25%-4.50% to 5.25-5.50% at the end of 2023. At the same time, quantitative tightening was implemented.

The eurozone faced a difficult year with more-or-less stagnant growth and inflation that, only in the second half, started to signal a return towards the central bank goals. As a result, the latter continued with the hike in money rates until the meeting in September in order to definitively counter inflation dynamics.

The Central Bank’s action concerned the rise in all reference rates, the lending rate increased from 2.5% to 4.5% at the end of the year. At the December 2023 meeting, it confirmed quantitative tightening with no reinvestment of the maturing securities attributable to the purchase plans decided upon previously and, in particular, since last June for the PEPP (the Pandemic Emergency Purchase Programme) as well.

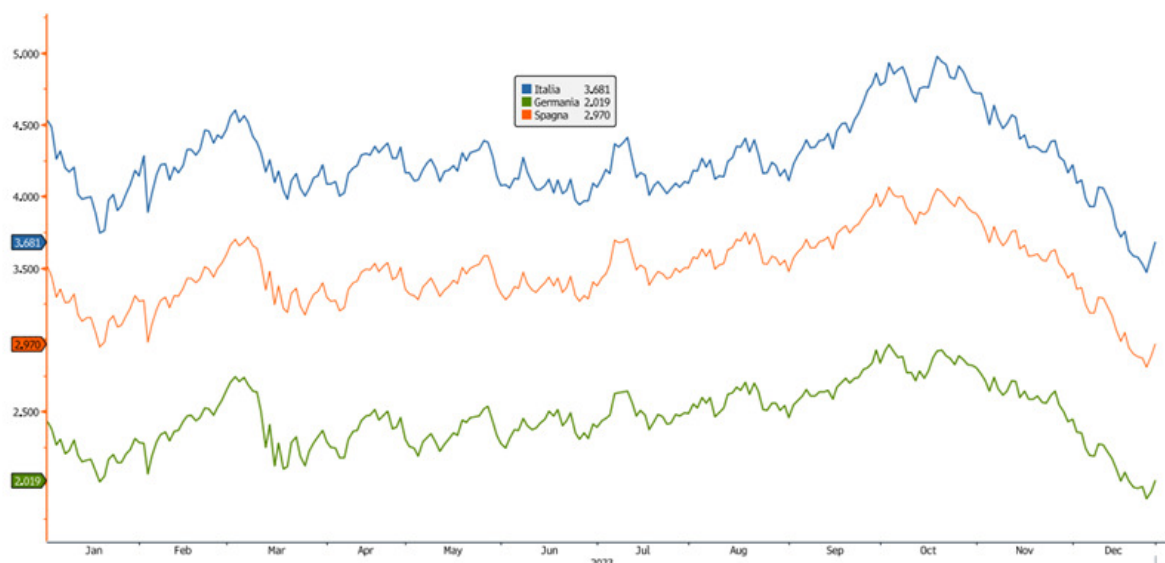
In this context, short-term interest rates rose in line with the monetary policy adopted by the ECB: the Euribor 6 months rose from 2.69% at the beginning of the year to 3.86% at the end of December 2023.

The ten-year rates for Italian government bonds dropped from 4.68% at the end of December 2022 to 3.70% at the end of 2023. In any case, the BTP yield rose during the year, almost reaching 5% in October, following concern regarding out-of-control inflation. Subsequently, the change in tone of the Central Banks, which declared that the fight against inflation has achieved the desired results and that consequently monetary rates had reached their peak, paved the way for a drop of more than one percentage point in the last two months of the year.

The ten-year German government bond yield went from 2.56% at the beginning of the year to 2.02% at the end of 2023. The yield differential compared to 10-year German securities thus dropped from 232 base points at the end of 2022 to 165 at the end of December 2023, thanks to perceived political stability and welcome rigour in the financial measures adopted in the budget plan.

The ten-year Spanish Bono yield closed the year at 2.97% (from 3.63% at the end of 2022), with a constant trend in line with the eurozone reference rates.

Ten-year government bond yields ITALY - SPAIN - GERMANY

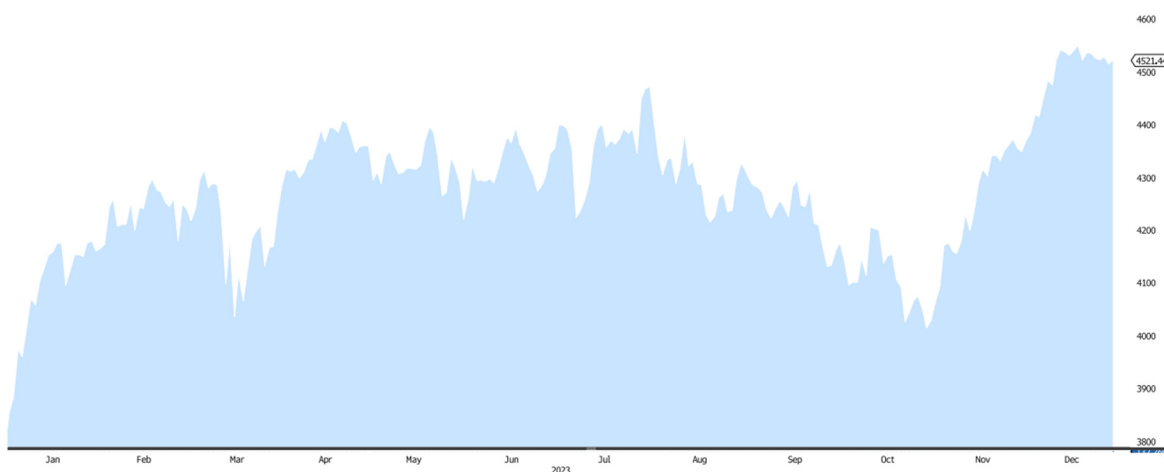


In 2023 the yield of corporate bonds also reduced, in line with the drop in reference interest rates. The level of spread significantly reduced from the start of the year, both for the riskiest credit categories and for investment grade ones. This is despite the more uncertain reference macroeconomic context globally, but thanks in part to expectations of more expansive monetary policy.

The global share markets closed the year with one of the best performances ever, strongly counter to the expectations at the start of the year.

The American S&P 500 rose 24.23% by the end of 2023, the NASDAQ closed with an increase of no less than +43.42%, driven by the optimism generated by the development of Artificial Intelligence. There were similar trends for the European markets: the Eurostoxx 50 index grew by 19.19%, the recovering Italian FTSEMIB index was one of the best in the eurozone with a 28.03% increase, the German DAX grew by 20.31%, the French CAC by 16.52%, and the Spanish Ibex by 22.76%.

Prices on the European Euro Stoxx index (31/12/2022 - 31/12/2023)



In terms of currency markets, the aggressive push of the ECB sustained the euro in relation to the main currencies. After the strong recovery of 2022, the American dollar fell -4.45% in relation to the euro, closing the year with an exchange rate of 1.1044. The monetary policy of the Bank of Japan, which went against the trend, continuing to maintain negative interest rates, penalised the Yen, which lost 11.24% in relation to the euro.

1.1.3 THE INSURANCE MARKET

According to the data provided by ANIA for the 4th quarter of 2023, the **Italian insurance market** (Italian companies and non-EU representative offices) premium income was approximately € 129 billion, a 0.7% decrease compared to the same period of the previous year.

In particular, the **Non-life business** reported income of approximately € 38.0 billion and an increase of 6.6% as compared to 2022. Premium income in the **Motor** segment recorded an increase of 6.1% due, above all, to the increase in premiums in the Comprehensive and Collision business (+12.1%) and, in part, also in the Motor TPL Business that recorded an increase of 4.3%. These lines accounted for 42.4% of total Non-life premiums (42.6% in 2022).

The **Non-Motor** segment premium income grew by 6.9%. Among the most significant, in terms of premium volume, the trend in the following businesses: Health (10.9%), TPL (+7.1%), Other property damage (7.4%), and Fire (7.6%) should be noted. The premium income generated by Non-motor classes accounted for 57.6% of total Non-life premium income (57.4% in 2022).

The **Life** Businesses show a contraction of 3.5% compared to the previous year of approximately € 91.2 billion in premium income, attributable to the class III (-32.0%) and class V (-24.2%) policies. In contrast, there has been an increase in the class I (9.2%), class IV (24.0%), and class VI (22.9%) products.

1.2 REGULATORY DEVELOPMENTS

Regulations concerning the insurance sector

During the year, the Supervisory Authority issued the following Regulations/Provisions:

- Measure No. 127 of 14 February 2023 containing amendments and supplements to IVASS Regulation No. 52 of 30 August 2022 and ISVAP Regulation No. 38 of 3 June 2011 (concerning, respectively, the implementation of provisions on the temporary suspension of **capital losses** for securities in the short-term portfolio introduced by Decree-Law No. 73 of 21 June 2022 and the establishment and administration of the **separately managed accounts** of companies that offer life insurance, pursuant to article 191(1)(1) of the CAP (Private Insurance Code));
- Measure No. 128 of 20 February 2023 relating to **professional requirements and internet domains**, which amends IVASS Reg. No. 40/2018 containing provisions regarding **insurance and reinsurance distribution** referred to in Title IX (general provisions regarding distribution) of the CAP;
- Measure No. 132 of 6 Jun 2023, containing amendments and supplements to IVASS Regulation No. 18 of 15 March 2016 concerning the application rules for calculating **technical provisions**;
- Measure No. 134 of 25 July 2023 which amends and supplements IVASS Regulation No. 40 of 2 August 2018, containing provisions regarding **insurance and reinsurance distribution**;
- Measure No. 135 of 27 July 2023, containing amendments and supplements to IVASS Regulation No. 36 of 28 February 2017, concerning new provisions regarding **data transmission** relating to the investigation into actual prices of the Motor TPL guarantee (IPER);
- Measure No. 138 of 26 September 2023 and Measure No. 143 of 12 March 2024, containing amendments to IVASS Regulation No. 52 of 30 August 2022, concerning the implementation of provisions on the temporary suspension of **capital losses** for securities in the short-term portfolio, which was extended by the Decree of the Minister of the Economy and Finance of 14 September 2023 for the year 2023.

We also note:

- **Letter to the market of 3 January 2023**, – relating to the policy on the transition to **IFRS 17**, concerning the **financial statement schedules** of insurance and reinsurance companies that are obliged to adopt international reporting standards;
- **Letter to the market of 1 March 2023** that defines the main obligations for sending IVASS the **Supervisory reports** with reference date 2023 or to be sent during 2023 via the Infostat infrastructure, including the transmission operating methods and related deadlines;
- **Letter to the market of 18 July 2023**, relating to IVASS Regulation No. 51 of 22 June 2022, which provides some interpretive clarifications aimed at the user's better understanding of the Preventivass operations and purposes of the **basic contract**;
- **Letter to the market of 27 July 2023**, relating to the issuing of **Motor TPL contracts** with invalid registration (DU) for circulating;
- **Letter to the market of 22 November 2023** relating to the **dormant policies**, containing instructions for accessing the National Registry of the Resident Population via the National Digital Data Platform (PDND).

In terms of **national legislation**, Legislative Decree No. 24 of 10/03/2023, regarding **Whistleblowing**, implementing Directive (EU) 2019/1937 on protecting people who report breaches of EU law and national legislation, should be recalled.

At a European level, the following should also be noted: Implementing Regulation (EU) 2023/894 of the Commission of 4 April 2023 that sets forth technical implementation rules for applying Directive 2009/138/EC of the European Parliament and of the Council as far as concerns the forms for insurance and reinsurance companies to submit **the necessary information for their supervision** to their supervisory authorities; and Implementing Regulation (EU) 2023/895 of the Commission of 4 April 2023 that establishes technical implementation rules for applying Directive 2009/138/EC of the European Parliament and of the Council as far as regards the procedures, formats, and forms for publication by insurance and reinsurance companies of their **solvency and financial condition report**.

With reference to **anti-money laundering legislation**, the Official Gazette of 9 October 2023 published the Decree of the Ministry of Enterprises and Made in Italy of 29 September 2023, relating to the operation of the data communication system and **information regarding beneficial ownership**. The efficacy of the decree is currently suspended by order of the Lazio TAR (regional court) of December 2023, issued as a result of an appeal against the Decree in question.

New Regulations concerning sustainable finance

The year 2023 was defined by the European Union's continued commitment to promoting the sustainable transition, including by issuing regulations to accelerate and guide company processes and plans towards greater transparency and discipline regarding ESG issues.

The year involved the coming into force of new obligations and the implementation of technical requirements set forth by Regulation (EU) 2019/2088 (Sustainable Finance Disclosure Regulation-SFDR), in force as of 10 March 2021. This concerns sustainability disclosure in the financial services sector that is part of the EU action plan for sustainable finance.

In relation to the adoption and consequent entry into force of the European regulations regarding sustainable finance, IVASS deemed it appropriate to first undertake action aligning and updating the regulatory provisions directly concerned by the new regulations by issuing IVASS Measure No. 131 of 10 May 2023. This contains amendments and supplements to IVASS Regulations 24, 38, 40, and 45.

In detail, on 17 February, the Official Journal of the European Union published the **Delegated Regulation (EU) 2023/363** of the Commission of 31 October 2022. This amends and rectifies the regulatory technical standards (RTS) established in the Delegated Regulation (EU) 2022/1288 as far as regards the content and presentation of information in the disclosure in pre-contractual documents and in the regular reports for financial products that invest in environmentally sustainable economic activities. Last 21 November, the Official Journal of the European Union also published the Environmental Delegated Act - **Delegated Regulation (EU) 2023/2486** - which supplements Regulation (EU) 2020/852 ("Taxonomy Regulation -TR"). It establishes the technical screening criteria based on which certain economic activities provide a substantial contribution to one or more of the non-climate related environmental goals of the Regulation, and amends the Disclosure Delegated Act with reference to the information to provide on such economic activities.

In addition, last 13 June, the European Commission published the Sustainable Finance Package, a new set of measures aimed at promoting sustainable finance in the EU. The package comprises the text of the Environmental Delegated Act of the Taxonomy Regulation and some amendments to other acts delegated by the Regulation itself. It also supplements a proposal to regulate the transparency and integrity of the ESG rating activity, a proposal aimed at increasing the transparency of methodologies, goals, characteristics, and sources of ESG rating data.

In terms of sustainability reporting, as of 31 July 2023, the European Commission adopted the **Delegated Regulation (EU) 2023/2772**. This supplements Directive 2013/34/EU of the European Parliament and of the Council as far as regards sustainability reporting principles (European Sustainability Reporting Standard (ESRS) – so-called standard sector-agnostic) as established by the Corporate Sustainability Reporting Directive (CSRD). This adoption follows the public consultation phase on the proposal for the delegated act published by the same Commission in June, following the Technical Advice provided to it by EFRAG in November 2022. For companies already subject to the NFRD (Reale Group), the disclosure obligation according to the new standards will start in 2025 (2024 FY).

Finally, on 20 December 2023, the Official Journal of the European Union published Regulation (EU) 2023/2859 of the European Parliament and of the Council of 13 December 2023, which establishes a single European access point (so-called ESAP, European Single Access Point), providing centralised access to the information accessible to the public relating to financial services, capital markets, and sustainability.

Changes to tax regulations

On 30 December 2023, the Official Gazette published Law 213/2023 (so-called "**Budget Law**").

The main changes introduced regarding **direct taxes** include:

- the temporary increase, for 2024, of the non-taxable thresholds for fringe benefits;
- the amendments to the temporary system of the deductibility of write-downs and losses on banking and insurance credits and changes to withholding taxes on commissions paid to insurance agents and brokers.

Regarding **local taxes**, the following are significant:

- the extension of the resolutions for 2023 for IMU (Single Municipal Tax) or other local taxes and payment of any greater IMU if owing;
- extensions of the ILIA/IRPEF replacement effect since 2023.

The other, particularly significant changes relevant to the insurance sector include:

- **Introduction of the obligation to purchase insurance to protect against catastrophic risks by 31/12/2024** of companies with registered office in Italy and companies that have a registered office abroad with a permanent establishment in Italy required to be enrolled in the Companies Register under art. 2188 of the Civil Code.

The policy covers damage:

- relating to the assets identified by art. 2424(1) of the Italian Civil Code, Assets section, item B-II, no. 1, 2, and 3 (land and buildings, plant and machinery, industrial and commercial equipment);
- directly caused by natural disasters and catastrophic events that occurred in Italy (earthquakes, landslides, flooding and overflows).

It is established that insurance companies shall apply:

- a potential deductible or excess fees of no more than 15% of the damage;
- premiums proportional to the risk.

The insurance companies may offer coverage either by directly assuming the whole risk, or via co-insurance, or in the form of a consortium.

If the insurance companies refuse or avoid the obligation to contract, including in the event of a renewal, IVASS will issue a pecuniary administrative sanction between 100,000 and 500,000 euro.

An MEF (Ministry of Economy and Finance) and MIMIT (Ministry of Enterprises and Made in Italy) Decree will establish additional implementing and operating methods for the relevant insurance schemes and update the maximum percentage of deductible or excess fees that the contractual party is to pay.

- **Establishment of the Life Business insurance guarantee fund**

The Life Business insurance guarantee fund was established that, if the insurance company fails, pays the benefits to which the policyholders are entitled. Italian insurance companies authorised to carry out activities in one or more of the life businesses are obliged to join the Life Business insurance guarantee fund. Failure to join the Fund, or being excluded from it, entails the withdrawal of the authorisation to perform life business insurance activities or, for intermediaries, cancellation from the Register.

Finally, it should be noted that art. 5 of Legislative Decree No. 216/2023 stipulated the **abolition of the ACE tax** from the tax period following the current one as of 31 December 2023. The year 2023 is, therefore, the last one in which companies can make use of this benefit, except for carrying over any remaining surplus.

Among the other more significant regulations, the following should be noted:

- **Conversion Law no. 6 of 13/01/2023 of Decree-Law No. 176/2022 of 18/11/2022** (so-called “*Decreto Aiuti quater*”, *Aid Decree quater*) which stipulated amending the Superbonus to 90% starting from 1 January 2023;
- **Law No. 14 of 24/02/2023** converting Decree-Law No. 198/2022 (so-called “*Decreto Milleproroghe*”, *Thousand Extensions Decree*);
- **Decree-Law No. 11 of 16/02/2023** converted, with amendments, by Law No. 38 of 11/04/2023 (so-called “*Decreto Cessioni*”, *Transfers Decree*) that stipulated a radical amendment to the rules concerning tax credit transfers relating to the expenses for works concerning building renovation (Renovation Bonus), energy efficiency (Ecobonus), superbonus 110%, earthquake safety measures (Sismabonus), façades, solar power panels, charging columns, and architectural barriers (Barriers Bonus 75%);
- **Decree-Law No. 34 of 30/03/2023** converted, with amendments, by Law No. 56 of 26/05/2023 (so-called “*Decreto Bollette*”, *Bills Decree*);
- **Decree-Law No. 48 of 04/05/2023** converted, with amendments, by Law No. 85 of 03/07/2023 (so-called “*Decreto Lavoro*”, *Work Decree*) that introduces urgent measures for social inclusion and employment access through (i) establishing the inclusion allowance, (ii) forward contract measures, (iii) measures to support workers to reduce tax pressure, (iv) reduction of administrative penalties in the event of failure to pay social security contributions that may be amended;

- **Decree-Law No. 51 of 10/05/2023** converted, with amendments, by Law No. 87 of 05/07/2023 (so-called “*Decreto Ominibus*”, *Omnibus Decree*) that, among its significant measures, introduces (i) the extension of the so-called scrapping-quater, applications for which should have been presented by 30/06/2023 (instead of 30/04/2023); (ii) the extension from 01/01/2024 to 01/07/2024 of the entry into force of some amendments to the VAT rules;
- the **Council Decision (EU) No. 1552 of 25/07/2023** published in the Official Journal of the European Union Law 188 of 27 July, whereby Italy was authorised to continue to provide for the split payment method until 30/06/2026;
- **Decree-Law No. 104 of 10/08/2023** converted, with amendments, by Law No. 136 of 09/10/2023, published in the Official Gazette No. 236 of 09/10/2023 (so-called “*Decreto Omnibus bis*”, *Omnibus Decree bis*) that, among the significant measures, stipulates: (i) the establishment for 2023 of an extraordinary tax to be paid by financial intermediaries, (ii) the introduction of the obligation to disclose the non-usability of credits deriving from the exercise of options referred to in art. 121(1)(a) and (b) of Decree-Law No. 34 of 19/05/2020;
- **Decree-Law No. 145 of 18/10/2023** converted, with amendments, by Law No. 191 of 15/12/2023 (so-called “*Decreto Anticipi*”, *Advances Decree*), which stipulates, among the significant measures, the amendment to the methods for calculating fringe benefits in the form of employee loans;
- **Legislative Decree No. 209 of 27/12/2023**, which stipulates, inter alia: (i) the review of the rules regarding the tax residency of natural persons, companies, or organisations other than companies as the connecting factor for taxation, in line with international practice and conventions to avoid double taxation; (ii) the simplification and rationalisation of the foreign subsidiaries’ regime; (iii) transposition of Directive (EU) 2022/2523 of the Council, of 14/12/2022, aimed at ensuring a global minimum taxation level for large multinational groups of companies and national groups on a large scale in the European Union (global minimum tax);
- **Decree-Law No. 212 of 29/12/2023** (so-called “*Salva-superbonus Decree*”), currently awaiting converted. The following significant measures should be noted: (i) the introduction of a clause to protect the SAL (progress billing) superbonus until 31/12/2023 in the event that works are not finished; (ii) the crystallisation of the request deadline for the qualifying title to benefit from discounts and transfers under art. 121 of Decree-Law No. 34/2020 in relation to demolition and reconstruction works; (iii) the introduction of the obligation to ensure property damaged by the earthquake and recovered with the superbonus 110%;
- **Decree-Law No. 215 of 30 December 2023** (so-called “*Thousand Extensions Decree*”) currently being converted, which provides, in particular, for the extension of the ban on issuing electronic invoices for health workers for 2024 as well;
- **Legislative Decree No. 220 of 30/12/2023**, which makes various amendments to Legislative Decree 546/1992 regarding the tax process, implementing guidance principles and criteria for reviewing the rules and organisation of tax disputes.

1.3 REALE GROUP STRATEGY

In a global context defined by great political instability, macro-economic uncertainty, and financial volatility, in 2023 Reale Group continued its strategic “mindset” transformation in relation to people, processes, ways of working, technological aspects and business models. In a medium- to long-term vision, the Group is preparing for the challenges of future years, while at the same time preserving the mutualistic values and sustainable, socially responsible approach to its Stakeholders that have always distinguished its positioning in the markets where it operates. Reale Group therefore needed to define a strong “ambition”, a guide for continuing its path to excellence, optimising Stakeholder satisfaction and realising sustainable growth over the next decade. Over the year, therefore, the redefinition of the Group’s identity, of its Purpose, Vision, and Mission, was brought to a close. This laid the foundations for redefining Reale Group’s long-term positioning ambitions. These ambitions were subsequently solidified within a document called the “Ambition Letter” that will represent, for upcoming years, a strategic guidance tool that orients choices in an increasingly complex and volatile context. The Ambition letter directs the strategic guidelines and initiatives of Reale Group, reflecting a continuous and cross-business commitment to **service excellence and a focus on the collective interest** with the intention of strengthening its positioning as a **leader in securing the trust** of its Stakeholders. Combining a complete offering for Customers, which responds to growing and changing safety and service needs, with the creation of future economic value, to strengthen the Group’s financial soundness, was the main guideline for the year’s activities.

The main areas of the Group’s strategic guidance, which will be further explored in this chapter, are listed below in more detail:

- enhancement of human resources;
- impact sustainability;
- profit growth, centrality of Agents and Distribution Networks;
- digital innovation and technological transformation;
- internationalisation;
- capital management and financial soundness.

Enhancement of Human Resources

In Reale Group’s vision, the strategies for enhancing human resources start from the assumption that all colleagues are different, unique people who, with their expertise, passions, ambitions, and experiences, work every day to be leaders and drivers of growth in the organisation. It is HR’s task, therefore, to create a favourable context for developing the talent and well-being of everyone in the organisation. This is why, with reference to the Code of Ethics values, the Benefit Corporation principles, and the statements expressed in the Ambition Letter, in the Purpose, Vision, and Mission, the Group directs its efforts to enhance human resources with a single objective in mind. This objective is to take care of everyone and their ability to be the heart of every innovation, responding to both personal and organisational needs, ensuring that they can work in a way that favours their well-being, as a fundamental condition guaranteeing the prosperity of the business. This is precisely the vision that characterises Reale Group’s **People Strategy 2023**, the annual document that represents the point of synthesis between the company strategies, HR activities, and Business Plan programmes. This is a programmatic and operational roadmap shared with the Group’s senior executives with the aim of creating the conditions whereby the organisation becomes an “ecosystem” composed of individuals and teams ready to best interpret the complexity of our times and sudden market developments. The 2023 edition of the People Strategy was developed by the HR managers from various countries (Italy, Spain, Chile, and the International Division) and comprises approximately eighty projects divided into four “topics” that are deeply interconnected: **Wellbeing, Attraction-Retention, Smart Organization, and People&Culture**. Sharing, communication, and involvement in all the Group levels were the key elements of success for implementing the People Strategy during the year.

Impact Sustainability

In line with previous years, ESG issues represented distinctive elements in Reale Group's strategic positioning, one of the main drivers for generating value in relation to Stakeholders, confirming these as such in the long-term ambitions too. The **"impact-oriented"** corporate strategy aims to achieve complete, prior integration of the ESG aspects as significant assets in the planning, design, risk analysis and investment processes, as outlined by the most recent sector regulatory lines. This choice will enable the progressive evolution of the Group's business model towards a "targeted impact" model, i.e. one oriented towards generating and measuring impacts, risks, and opportunities of corporate activities, in a "double materiality" approach. In line with the prospect of integrating sustainability beforehand in the planning, design, risk analysis, and investment processes, the Group has launched a strategic, three-year project called "ESG in Corporate Strategy". The goal is to help the Group towards effective integration of the environmental, social, and good governance in business aspects by defining a strategic and operational Group ESG plan. In line with the projects implemented in previous years, this setting aims to enable both punctual and proper compliance with regulations in this area and to maintain the Group's strong positioning in terms of sustainability. The scope of activities will comprise the insurance business, the banking one, the real estate one, and services one. It will involve all the Companies in various countries where the Group operates and will embrace, across businesses, the majority of corporate functions. In this context, Reale Group's Corporate Foundation Reale Foundation has also developed its own strategy during the year. In a continuous international dialogue between the various Countries where it operates, it supports more and more initiatives with a high social and environmental impact that can be developed based on a self-sustainability and profitability model. For this reason, and in line with its mission, Reale Foundation will enable contribution beneficiaries to be identified both as recipients of "impact" initiatives and as actors in a new social enterprise economic model capable of getting results in the medium to long term.

Profit growth and centrality of Agents and Distribution Networks

The evolution of the general context and external events has necessitated the introduction of some new elements to the strategic guidelines of previous years. But it has also fundamentally confirmed the consolidated guidelines of a strategy that always places the Member/Policyholder-Customer at the centre and sees the relationship with the Distribution networks as key to a collaboration aimed at improving the consultancy approach. The Group's customer-centric vocation, as attentive to developing its Customer portfolio as to maintaining high profit margins across all the business lines, has required and will, in the future, increasingly require a greater focus on evolving ways of relating with our Members/Policyholders-Customers. This will involve both innovation and renewal of tools and processes and an evolution in internal organisation and business models. The main challenges that await us in upcoming years will, therefore, be maintaining overall profit growth mainly of the "core insurance business" and an increase in quality of "execution", a key piece in the puzzle for improving the Group's competitiveness and modernisation. Such modernisation also involves a new conception of Agency that is increasingly in line with the times, as planned by the "Agenzia Direzione Futuro" ("Future Direction Agency") project, which was recently presented to Reale Group's corporate bodies and senior management. In parallel, the development of innovative products and services continued during the year in the health and protection area. Such work confirmed the Group's ambition to become a top-tier actor in Welfare ecosystems, strengthening the relationship with our Members/Policyholders-Customers by promptly responding to their needs in these areas. The continuous evolution of the Group's banking and real estate units, to maintain a high level in the integrated offering framework, including in the financial and real estate area, rounded out the strategic guidelines. Combined with these elements, the international Brand and communication strategy aimed and will increasingly aim to enhance the Purpose, mutualistic imprinting, business, and proximity to all Stakeholders in various regions, always under the banner of the consolidated payoff "Together More".

Digital innovation and Technological transformation

Reale Group's transformation journey continued and will continue in upcoming years, with the goal of making the Group businesses increasingly agile, flexible, and capable of responding to digital challenges with a precise innovation strategy. The latter is needed to face the future and provide suitable, timely responses to Stakeholders' evolving needs and expectations and market trends. The increasingly widespread research and use of innovative technologies (whether digital or not) to be integrated into traditional business models will enable relationships with Members/Policyholders-Customers, but also with the Agents and Distribution Networks, to evolve.

In this way, the strategy of digital transformation aimed, and will continue to aim, at developing and consolidating six innovation areas previously identified, i.e.

- **Corporate Venturing:** directed at screening and assessing opportunities for investment in start-ups (not just insurance ones);
- **Reale Lab 1828:** innovation laboratory that explores the most relevant strategies and technologies for the future of insurance and services related to it;
- **Digital Factory:** Agile and Design Thinking skills centre that provides new professionals required to support areas or planning;
- **Data Science Centre of Excellence (CoE):** centre of excellence and data science expertise, a strategic area in which new technologies and processes are experimented with and implemented in order to obtain a “new added value from data”;
- **Digital and Omnichannel:** oriented towards the two-fold goal of becoming a centre of excellence in the digital field, with a specific focus on UX/UI, and developing the digital business of insurance companies, assisting the traditional channels and/or facilitating any agreements with third-party distributors using digital processes;
- **Ecosystems and Partnerships:** directed at identifying and developing strategic partnerships.

The strategic action perimeter of the latter, in particular, was the subject of expansion and redefinition in 2023. In fact, in the current market panorama, characterised by strong macro-economic and geopolitical volatility and uncertainty, Reale Group embarked on a path of know-how creation and of defining its role within nascent business ecosystems during the year, in line with the long-term strategic directives and ambitions.

The two specific areas of action identified along this path are listed below:

- “**wellbeing**” area, especially the “**health ecosystem**”, with the goal of offering, from prevention to cure, an experience of professional, immediate, accessible, and high-quality services;
- “**living property**” area, especially the “**condominium ecosystem**”, with the goal of creating an offering of services aimed at improving the ordinary and extraordinary management of properties and resolving needs linked to individual residential units and families.

The technology component is consolidated as a strategic key element in Reale Group’s transformation journey. This is entrusted to Reale ITES (Italy and Spain), i.e. to the two Companies that have the task of ensuring the Group operations by delivering sustainable and cutting-edge technological services, aimed at assisting in the development of business models, products, and services offered. During 2023, Reale ITES continued redesigning the Group's technological hub by building a new **Strategic ICT Programme**. As of 2024, and in compliance with strategic business directives, this will be directed at closing the gaps detected by the market comparison (i.e. limiting and optimising expenditure, simplifying infrastructure and applications, and increasing organisational efficacy/efficiency). At the same time, it will increase the service quality for all the Group’s technological Stakeholders. Moreover, the digital transformation, facilitated by the introduction of the “Agile” methodology in building products and services, continued its experiments with a redesign of the operational/organisational model. The goal is to support the main development processes, ensuring better protection in the production chain and governance of applications provided.

The main projects continued or started in 2023 include:

- the “**TOM**” project, in Italy, which continued the transformation of IT system applications in the Motor segment by adopting a unified front-end for placing products distributed through the Agency Networks and a series of functional improvements and processes aimed at facilitating the product placement and underwriting stages;
- the “**Life**” project, in Italy, which enabled the creation of new front-end Agency functionalities, especially for making post-sales processes more efficient and optimised;
- the “**Non-Motor Non-Life**” project, in Italy, which worked to make the management of various business segments more efficient, laying the foundations for initiatives to digitally transform future business models;
- the “**Journey to Cloud**” project, in Italy and Spain, whereby the “in cloud” migration of “non-productive” environments continued;
- the “**Digital Payments (Fabrick)**” project, in Italy, which involved developing “pilots” for including new payment methods within various Group sales points (Branches, Banks, Financial Spaces, etc.);
- the “**CIS**” project, in Spain, where the activities for defining the new product configurator (Fenxi) and for evolving the portfolio back-end (AIRE) continued.

In terms of **Cybersecurity**, instead, the year’s activities were focused on strengthening all the control services and levels in terms of IT security, including because there was a significant increase in hacker attacks. In addition, in the IT Risk Analysis area, all the Group’s Legal Entities actively supported the usual annual “IT risk” assessment process, drafting the strategic action plan. Finally, in terms of technological architecture, development actions aimed at acquiring an increasingly open, flexible, scalable, stable, and high-performing architecture, which encourages development in the “Agile” methodology, and the use of the Cloud potential, continued.

Internationalisation

In 2023, the activities aimed at realising the Group's International ambition led to the signing of the agreement to purchase the Greek company Ydrogios that will be completed in the early months of 2024. In addition, in October, **Reale International S.r.l.** was founded, the company that will merge the foreign insurance companies already present in the Group during 2024. During the year, the International Division also pursued its mission performing a series of analyses on other potential development opportunities in new markets. This confirmed the ambition, for the future, of diversifying its presence in contexts and countries carefully selected based on their geopolitics and socio-economics and their potential for good profit development opportunities.

Capital management and financial soundness

Based on the recent Capital management policies and methodologies defined and approved by the Boards of Directors of all Group companies, the optimisation of capital allocation among various Legal Entities was pursued during the year, to maximise benefits and returns. In addition, to consolidate management and control of financial soundness and solvency within the Solvency II regulatory regime, the work begun in the previous year with the Supervisory Authority to extend the Internal Model to the Life Business, supplementing the Internal Model already available for the Non-life Business, continued in 2023. The outcome has been successful. IVASS issued its approval in the early months of 2024, and the internal model will be adopted in the life business as well at the end of 2023.

1.4 MAIN EVENTS DURING THE FINANCIAL YEAR

State of emergency for the Emilia-Romagna and Marche Regions as a result of the natural events that occurred starting from 1 May 2023: Reale Mutua initiatives to benefit its Members

As with other catastrophic events that affected various zones of our country in previous years, Reale Mutua and the Group decided to act in a concrete manner, offering assistance to the populations hit by the floods that concerned Emilia-Romagna and the Marche in May.

In particular, to practically demonstrate its proximity to Policyholders, Reale Mutua provided Members with a dedicated toll-free number. It also prepared to act, in favour of its Members residing/with their offices (registered or operational) in the towns belonging to the Emilia-Romagna and Marche regions, who make such a request through the Agencies, with the following main measures:

- extension of the term for overdue payments, with reference to securities with a maturity date (including interim ones) in the period 16 April 2023 – 4 May 2024;
- opening of claims by Blue Assistance in addition to the traditional agency channel;
- possibility to request, free of charge, the sending of a tow truck for all vehicles insured with “Assistance” guarantee;
- launch of the free, 24-hour telephone medical consultancy, without needing to book or have a webcam and internet connection;
- granting, as an exception to what is normally stipulated, a free replacement vehicle when certain conditions are met;
- strengthening of the expert network in the zones hit by the floods.

Additional actions, for Policyholders who request them through Intermediaries, included the following:

- suspension of credit recovery;
- renouncing objecting to expired limitation periods and forfeitures that have accrued.

In addition, the overdue payment terms for securities with subsequent maturity date were extended for Reale Mutua's Members/Policyholders, both for the motor businesses and for non-motor non-life businesses. The overdue payment term for Life Term and Long-Term Care policies was extended to 60 days, the credit recovery activities were suspended and the company waived the right to claim limitation periods and forfeitures that had accrued. Valuation time frames were accelerated, reclamation work immediately activated, and claims anticipated.

Finally, in light of the urgency of the work and the fact that it was impossible to identify, in real time, the definitive actions to undertake, the Group set aside an additional amount totalling € 3 million to be allocated to activities deemed priorities to benefit Members/Policyholders and the community, on a case-by-case basis.

Signing of an agreement to purchase control of Ydrogios Insurance and Reinsurance S.A.

On 5 July 2023, the Parent company signed the agreement to purchase a controlling interest in an insurance company that operates in non-life business, with headquarters in Greece (Athens) called Ydrogios Insurance and Reinsurance S.A.. The authorisation and communication process with the Greek and Italian Supervisory Authorities was completed and it is expected that the transaction will be finalised, indicatively, by the first quarter of 2024.

Founded in 1973, Ydrogios is an independent company in the Greek insurance market, operating exclusively in Non-life business. A significant proportion of its portfolio consists of the Motor business lines. It is in 7th place among the Non-life companies operating in the Greek market and has a premium income totalling € 89.4 million. At the end of 2022, it held a market share of 4.7%. The distribution model is based on a network of 2,000 multi-firm agents and small brokers. The commercial network operates throughout Greece and its distribution capacity is particularly strong in the suburban areas and the islands where the market share of the company exceeds, in some cases, 20%.

By purchasing a stake of Ydrogios, Reale Mutua will encourage the company's industrial growth. It will generate additional expansion of the Non-auto segments, thanks to its expertise, thus strengthening cross-selling to current customers.

Establishment of Reale International S.r.l.

On 9 October 2023, Reale International S.r.l. was set up. It is a holding company, 100% controlled by Reale Mutua, whose corporate purpose is to purchase, by way of stable investment, sell, and manage holdings in foreign insurance companies.

For markets where the Group is already present, the technical, administrative, and financial coordination, strategic planning and strengthening of subsidiaries, as well as the development of their financial and strategic investments, will be the task of the holding.

The Company will also be responsible for the strategy, management, and coordination of Reale Group's international development, undertaking research, data analysis, due diligence, assessments, and support and investigating new countries where the Group intends to enter. It will grasp opportunities offered by the market and in line with the Group's internationalisation strategy.

Mutuality Prize

In the first half of 2023, the project concerning the first Mutuality Prize concluded.

The initiative of Reale Mutua and ITAS Mutua, the call addresses Foundations, Mutual Insurers, Associations, Cooperatives, and Social Enterprises and provides a financial contribution of € 100,000 to implement a mutualistic project.

This call, which was opened online between 27 February and 30 April 2023, garnered broad participation: 207 total Entities registered, 69 of which were admitted to the second stage since they had completed the necessary due diligence.

The Advisory Committee selected the Verona association Quid Impresa Sociale as the Prize winner with the ONELAB – INNESTI project, a start-up programme in the top ethical and sustainable Made in Italy textile production district born from the nonprofit. Its goal is to make the small models of solidarity sourcing, merchandising, and textile accessories scalable.

The Mutuality Prize winner was announced last 26 May during the Festival of Economics in Trent, while the awards Ceremony was held in Rome on Tuesday, 30 May 2023 at the Casa dell'Aviatore.

The selected project was also presented as part of the Festival of Economics of Turin, which was held from 1-4 June 2023.

Certification of Great Place to Work for Reale Group in Italy

At the end of 2023, the fifth corporate climate survey was conducted, addressed to all employees of the Group's Italian companies. The "Trust Index", an index that globally measures the corporate climate and the index of trust in the company, recorded 65% (as in 2021 and 2022), enabling the Group to achieve its "Great Place to Work" certification. The results obtained confirm the trends that already emerged in the previous survey.

Financial strength rating

Last 7 March, Fitch Ratings confirmed the financial strength rating (IFS) of Reale Mutua as "A-", with a "stable" outlook. Following this, on 30 November, Fitch confirmed the Company's financial strength rating (IFS) as "A-", upgrading the outlook from "stable" to "positive". The positive outlook reflects the Agency's expectations of a reduction in the risk of concentrating investments in the Italian government and additional improvement in its capitalisation, today assessed as "very strong". The rating is confirmed as two notches above Italy's rating, continuing to reflect the excellent results of the Group, the business profile, and sufficient reserves.

Mutual advantages

During the last Meeting, held on 2 December 2023, the disbursement of Mutuality Benefits for Members/Policyholders amounting to € 9.8 million was resolved upon for 2024.

Net Promoter Score recognition

The number of Clients/Members of the Company recognised at 31 December 2023 stands at 1,437,662, a 2.3% increase as compared to the previous year. The retention rate was 90.2%, slightly up compared to 2022 (89.1%).

At the end of 2023, a selected customer sample was used to determine the **Net Promoter Score** (hereinafter NPS). This is an index that measures the extent to which the company can be recommended by its customers (with a value from +100 to -100) and that, therefore, is one of the most important indicators for evaluating the Customer Experience. The NPS at the end of 2023 stood at 53.36, whereas at the end of 2022 it was 54.84. This indicator is considered very positive, as the number generally considered excellent is +50.

1.5 SUMMARY OF RESULTS

The Company's operating results for the year, with comparative figures for the previous year, are set out below:

	(in thousands of euro)		
	2023	2022	Change
Balance on the technical account for Non-life business	-77,680	-5,269	-72,411
Balance on the technical account for Life business	17,463:	-87,398:	104,861:
Total	-60,217:	-92,667:	32,450:
Net income from investments in Non-life business	73,207:	101,539	-28,332:
(minus allocated investment return transferred to the	-41,508:	-56,253	14,745:
Allocated investment return transferred from the Life	9,885:	0:	9,885:
Balance of other income and charges	12,581:	17,672	-5,091:
Income from ordinary operations	-6,053:	-29,709	23,655:
Balance of extraordinary income and charges	1,897:	2,815	-918:
Profit (loss) before taxes	-4,157:	-26,894:	22,737:
Income taxes for the year	16,577:	32,846	-16,269:
Net Profit for the year	12,420:	5,952:	6,468:

The main **balance sheet data** with comparable data as at 31 December 2022 are set forth in the table below:

	(in € thousands)		
	31/12/2023	31/12/2022	% variation
Investments	9,149,068:	9,266,291:	-1.3%
Technical provisions, net	8,045,229:	7,985,819	0.7%
Shareholders' equity	2,427,757:	2,413,521:	0.6%

Further **information** is provided in the table below:

	2023:	2022:	Change
Combined operating ratio Non-life	106.7%	103.6%	3.10 p.p
Life operating result related to volumes managed	0.40%	0.34%	0.06 p.p
ROE (Return On Equity)	0.5%	0.2%	0.3 p.p
Solvency ratio II	393.8%	369.6%	24.2 p.p
Number of Clients/Members (*)	1,437,662:	1,405,203:	32,459:
Net Promoter Score	53.36:	54.84	-1.48:

(*) data in units

1.6 PROGRESS ACHIEVED

The **Company** ended 2023 with a **net profit** of € 12,420 thousand, compared to a profit of € 5,952 thousand at 31 December 2022. The Non-life segment showed a loss of € 14,466 thousand (profit of € 68,443 thousand in 2022), while the Life segment showed a profit of € 26,886 thousand (loss of € 62,491 thousand in 2022).

It should be noted that the company's results enable the adoption of the Decree of the Ministry of the Economy and Finance of 14 September 2023. This concerns the "temporary suspension of the valuation losses for securities in the short-term portfolio in financial statements prepared according to the provisions of the Italian Civil Code", providing for the application of Decree-Law No. 73 of 21 June 2022 in 2023.

This right generated a positive effect on the year's profit net of taxes equal to € 178,027 thousand (including € 74,918 thousand relating to the Non-life business and € 103,109 thousand relating to the Life business). In 2022, it had a positive effect on the profit net of taxes totalling € 343,320 thousand.

It should also be noted that the 2022 result was significantly influenced by the value re-adjustments, totalling € 125,161 thousand, recorded as a result of the transfer of a part of the securities portfolio from the short-term portfolio to the long-term one. This impact was also significant for analysing the 2023 result.

Overall, the **gross premiums written** recorded in 2023 amount to € 2,828,069 thousand, a 10.7% increase compared to the previous year, due to the development both in the Non-life business (+6.8%) and Life business (+18.8%).

The Non-life business recorded an increase both in the Motor business (+10.8%), which is attributed to the growth in Comprehensive and Collision vehicle insurance (+15.2%), the TPL land vehicle business (+9.2%), and the Non-motor sector (+4.7%).

As far as regards the Life business, the increase can be attributed to classes I and V (+33.7% overall), while class III records a decrease (-49.6%).

A summary of the premium income in 2023 is provided in the following table:

	(in thousands of euro)		
	2023	2022	% change
Direct business - Non-Life	1,838,028:	1,721,072:	6.8%
Direct business - Life	987,931:	831,275:	18.8%
Total direct business	2,825,959:	2,552,347	10.7%
Inward reinsurance	2,110:	2,644	-20.2%
Grand total	2,828,069:	2,554,991	10.7%
of which:			
Non-life business	1,840,124:	1,723,701:	6.8%
Life business	987,945:	831,290:	18.8%

Claims paid, including claim settlement costs, amounted to € 2,473,303 thousand, an increase of 33.6% in relation to 2022, including € 1,310,307 thousand for Non-life business (+17.9%) and € 1,162,996 thousand referring to Life business (+57.2%).

Total Non-Life and Life **acquisition costs** (which include acquisition and collection commissions and other acquisition costs) amounted to € 455,470 thousand (€ 444,570 thousand in 2022), with a ratio to premiums earned of 16.1% (17.4% in 2022). In particular, the ratio of Non-life business was equal to 22.9% (23.9% in 2022) while, for Life business, it corresponded to 3.4%, as compared to 3.9% in the previous year.

Other administrative expenses for Non-life and Life businesses amounted to € 123,494 thousand (€ 116,259 thousand in 2022) and account for 4.4% of premiums written (4.6% in 2022). In particular, the ratio for Non-life business was equal to 5.6%, as compared to 5.5% the previous year, while, for Life business, it corresponded to 2.0% (2.5% in 2022).

The **Non-life business** shows an **operational underwriting performance** marked by an increase of the combined operating ratio that stands at 106.7% (103.6% in 2022). This trend reflects the increase in the loss ratio, which increases from 70.1% to 85.3%. This was partially compensated for by the reduction in the expenses ratio, which stands at 29.4% (30.0% in 2022), and by the balance of the other items (Reinsurance and Other technical items), which drops from +3.5% to -8.0%. The **technical balance** is negative and equals € 77,680 thousand (negative for € 5,269 thousand in 2022).

The **balance on the Non-life insurance technical account** was positive for € 17,463 thousand, compared with a loss of € 87,398 thousand in 2022. The positive trend compared to last year is mainly linked to the transfer of a share of bonds from the short-term portfolio to the long-term one that occurred on 31/12/2022. The result of the Life technical account is expressed by the ratio between operating result and volumes managed that stands at 0.40% (up compared to the figure as of 31 December 2022, standing at 0.34%).

Total equity income amounted to € 206,336 thousand (€ 123,745 thousand in 2022). This change is mainly attributable to the above-mentioned value re-adjustments recorded in 2022 as a result of the transfer of a share of the bond portfolio from the short-term portfolio to the long-term one.

The adoption of the right not to align the carrying amounts recognised in the current portfolio at the price assumed from the market trend as of 31 December 2022 led to the recognition of smaller capital losses on securities for an overall amount of € 234,247 thousand.

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Investments reached € 9,149,068 thousand (a 1.3% decrease with respect to 31 December 2022). These comprised investment property for € 59,225 thousand, equity investments in subsidiaries, associates, and joint ventures for € 1,973,079 thousand, other financial investments for € 7,116,090 thousand and investments in deposits with ceding companies for € 674 thousand.

Net technical provisions amounted to € 8,045,230 thousand compared with € 7,985,819 thousand as at 31 December 2022 (+0.7%).

Shareholders' equity amounted to € 2,427,757 thousand compared with € 2,413,521 thousand as at 31 December 2022 (+0.6%). The restricted reserve, according to what is set forth by IVASS Regulation No. 52, amounts to € 95,611 thousand (including € 74,918 thousand relating to the Non-life business and € 20,693 thousand to the Life business) compared with total available reserves of € 2,126,422 thousand (including € 1,692,143 thousand relating to Non-life business and € 434,279 thousand to Life business).

1.6.1 NON-LIFE INSURANCE OPERATIONS

Gross premiums written in the Non-life business amounted to € 1,840,125 thousand; the percentage changes for each class of business in relation to the previous year are shown in the table below:

(in thousands of euro)

	2023	Composition	2022	Composition	% Change
Accident	99,444	5.4%	105,003	6.1%	-5.3%
Health	239,782	13.0%	232,046	13.5%	3.3%
Comprehensive and Collision	171,665	9.3%	149,028	8.7%	15.2%
Hulls railway rolling stock	202	0.0%	100	0.0%	102.0%
Hulls aircraft	8	0.0%	7	0.0%	14.3%
Hulls marine, lake, river craft	5,451	0.3%	4,614	0.3%	18.1%
Goods transported	5,881	0.3%	5,288	0.3%	11.2%
Fire and other natural forces	198,080	10.8%	188,265	10.9%	5.2%
Other property damage	283,869	15.4%	264,048	15.3%	7.5%
TPL land vehicles	475,914	25.9%	435,635	25.3%	9.2%
TPL aircraft	119	0.0%	97	0.0%	22.7%
TPL marine, river, lake craft	1,723	0.1%	1,553	0.1%	10.9%
Non-motor TPL	259,513	14.1%	248,155	14.4%	4.6%
Credit	1	0.0%	1	0.0%	0.0%
Surety	40,707	2.2%	36,263	2.1%	12.3%
Sundry pecuniary losses	9,261	0.5%	7,363	0.4%	25.8%
Legal fees	20,439	1.1%	19,270	1.1%	6.1%
Assistance	25,970	1.4%	24,336	1.4%	6.7%
Total direct business	1,838,029	100.0%	1,721,072	100.0%	6.8%
Inward reinsurance	2,096		2,629		-20.3%
Total Non-life business	1,840,125		1,723,701		6.8%

Direct **premium** income increased by 6.8% in relation to the previous year. The Non-life business recorded an increase both in the Motor business (+10.8%), which is attributed to the growth in Comprehensive and Collision vehicle insurance (+15.2%) and the TPL land vehicles sector (+9.2%), and the Non-motor sector (+4.7%). The latter registered a good performance in all businesses – specifically, growth in the Health macro-business (+0.6%), in the Non-motor TPL business (+4.6%), and in the Property insurance business (+6.9%) is noted.

The increase in the gross premiums written for 2023 concerns both the “subsidiary agencies” channel, which grew 1.3%, and the “contracted” channel, which grew by +7.4%.

The **claims paid** for direct business amounted to € 1,308,799 thousand, a 17.9% increase as compared to 31 December 2022.

As regards **claims reported**, 1,826,695 claims were received during the year, a 49.3% increase compared to the previous year, a phenomenon mainly related to the increase in the Health business portfolio.

The **combined operating ratio** (inclusive of the reinsurance component and other technical items) amounted to 106.7% (103.6% in 2022) as a result of:

- an increase in the loss ratio for the year of 15.2 percentage points compared to 2022 (85.3% compared with 70.1% in 2022), which can be attributed to the Non-motor sector and mainly to weather events that occurred in May and July;
- a decrease in the expenses ratio that reaches 29.4% (30.0% in 2022);
- a positive balance between the Outward Reinsurance and Other Technical Items result that stands at -8.0% (3.5% in 2022), which can be attributed to higher transferred claims linked to the above exceptional events

Provisions for unearned premiums and provisions for outstanding claims in Non-life business, before the reinsurers' share, amounted, respectively, to € 809,837 thousand, with a y/y increase of 7.4%, and € 2,138,922 thousand, with a y/y increase of 13.3% compared with 2022.

The ratio between technical provisions and premiums written moved from 153.3% in 2022 to 160.2% in 2023.

The balance on the technical account was negative for € 77,680 thousand (negative balance of € 5,269 thousand in 2022). The allocated investment return transferred from the non-technical account amounted to € 41,508 thousand as compared to € 56,253 thousand of the previous year.

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Referring to direct business only, the **claims trend**, in terms of sums paid, number of claims reported, and the ratio of claims to premiums earned, as related to each line of business, is illustrated in the table below:

	Claims paid (€ thousands)			Claims reported (number) (*)			Loss ratio	
	2023	2022	Change %	2023	2022	Change %	2023	2022
Accidents	47,765	41,876	14.1%	13,116	14,152	-7.3%	46.5%	53.4%
Health	233,874	168,369	38.9%	1,434,208	876,490	63.6%	103.4%	95.1%
Comprehensive and	100,555	86,255	16.6%	60,255	51,182	17.7%	74.2%	60.3%
Hulls railway rolling stock	27	0	0.0%	4	1	300.0%	97.7%	36.7%
Hulls aircraft	26	1	1982.2%	0	2	-100.0%	-4.9%	-175.0%
Hulls marine, lake, river	3,999	3,329	20.1%	339	284	19.4%	85.5%	66.8%
Goods transported	1,932	1,512	27.7%	874	590	48.1%	47.7%	33.9%
Fire and other natural forces	211,750	145,320	45.7%	40,586	23,071	75.9%	203.1%	76.9%
Other property damage	200,077	153,308	30.5%	114,651	100,791	13.8%	78.4%	64.9%
TPL land vehicles	342,181	340,395	0.5%	75,358	77,285	-2.5%	74.3%	78.7%
TPL Aircraft	0	0	0.0%	0	0	0.0%	0.0%	0.0%
TPL marine, lake, river craft	3,602	2,995	20.3%	216	167	29.3%	13.7%	747.1%
Non-motor TPL	129,687	123,545	5.0%	27,563	27,464	0.4%	51.0%	55.5%
Credit	0	0	0.0%	0	0	0.0%	0.0%	0.0%
Surety	13,601	24,904	-45.4%	223	246	-9.3%	20.6%	44.4%
Sundry pecuniary losses	848	940	-9.8%	1,264	774	63.3%	9.0%	16.5%
Legal fees	3,332	3,033	9.9%	2,271	2,109	7.7%	16.4%	14.2%
Assistance	15,540	13,973	11.2%	55,767	48,882	14.1%	61.9%	57.8%
Total	1,308,799	1,109,756	17.9%	1,826,695	1,223,490	49.3%	85.3%	70.1%

(*) late claims are included

For the main business lines, **claim settlement times** (by number) for claims generated in the current and previous years, net of claims without follow-up, are shown in the table below:

	Generated in current year		Generated in previous years (*)	
	2023	2022	2023	2022
Accidents	41.3%	44.4%	63.7%	66.8%
Health	83.5%	78.4%	92.2%	86.8%
Comprehensive and Collision	79.6%	86.0%	86.6%	87.5%
Fire and other natural forces	58.5%	73.0%	73.6%	74.6%
Other property damage	76.9%	79.0%	82.7%	85.2%
TPL land vehicles (**)	71.5%	71.4%	57.4%	57.5%
Non-motor TPL	52.6%	58.4%	42.3%	42.0%
Other business	83.0%	84.4%	54.7%	51.8%

(*) late claims are included in the claims generated in previous years

(**) claims as CDI agent/CARD manager are included and those as debtor are excluded

With reference to the claim settlement times for the current year, there were improvements in the Health business (+5.1 percentage points), the TPL land vehicles business was stable (+0.1 percentage points), while the following businesses: Fire (-14.5 percentage points), Comprehensive and Collision vehicle insurance (-6.4 percentage points), Non-motor TPL (-5.8 percentage points), Accident (-3.1 percentage points), and Building insurance (-2.1 percentage points) deteriorated.

* * *

The main aspects of the underwriting performance of each business are discussed below:

Accident

Direct premium income amounted to € 99,444 thousand, a decrease as compared to the previous year (-5.3%). This decrease can be attributed to the “corporate” segment (-18.0%) due to the failure to renew an important Tandem accident/health policy in December 2023. In contrast, the “retail” segment is up (+2.6%) where the Motor Sector (+7.3%), understood as driver accidents, recorded an excellent performance.

The number of claims reported decreased overall (-7.3%). As far as regards the “corporate” segment (-16.3%), the decrease was influenced by fewer claims from contracts assigned by third parties and also the exit of a significant contract in the first quarter of 2023 from the portfolio. The retail segment recorded an increase of +3.9%, which can mainly be attributed to late claims.

The loss ratio for the year, which corresponded to 52.0%, slightly improved in relation to the previous year (53.7%). The loss ratio, of 46.5%, showed a more marked improvement compared to the previous year (53.4%), though benefiting from a more favourable run-off of previous-year claims.

The technical result, net of reinsurance, closed with a profit of € 17,603 thousand.

Health

In this business line direct premium income increased by +3.3% to € 239,782 thousand, matching the preliminary estimates despite the fact that a significant Tandem accident/health contract was not renewed in December 2023. Continued growth in the corporate area (+3.1%) is, in fact, confirmed both thanks to some acquisitions that occurred during and at the end of the year, and due to significant increases in the current portfolio. The “retail” compartment demonstrates a good growth rate (+4.5%).

The number of claims reported is noticeably up (+63.6%); this dynamic can be attributed to the “corporate” segment (+64.6%), but also to the “retail” segment (+16.7%), due to the National Health System's inability to cope with all the requests.

The loss ratio, which corresponded to 100.9%, improved in relation to 2022 (92.3%). The decisive improvement in the performance of the claim settlement time meant the reserved cost had a smaller impact on the total cost of claims for the current year. However, the result deteriorated due to a mix skewed towards collective coverage, a significant increase in the frequency of claims, and an increase in “large” claims made during the year. Moreover, as required by law, the appropriation of the provision for unexpired risks for an amount totalling € 8,265 thousand, which impacted the loss ratio for the year by 2.1 pp, proved necessary for 2023 as well. The loss ratio corresponded to 103.4%, a deterioration in relation to 2022 (95.1%).

The technical result, net of reinsurance, was a loss of € 47,752 thousand.

Comprehensive and Collision

This business line reported a 15.2% upswing in direct premium income, which totalled € 171,665 thousand. This increase is consistent with the market trend and can be found both in the individual sector (+12.4%) and in the commercial motor (fleets) one (+24.0%). The growth concerned almost all the guarantees.

The loss ratio for the year corresponded to 74.2%, up compared to that of 2022 (60.3%), as a direct result of the seriousness of claims from natural events that hit insured vehicles.

The technical result, net of reinsurance, closed with a profit of € 11,117 thousand.

Goods transported

This business reported direct premium income equal to € 5,881 thousand, an 11.2% increase in relation to the previous year.

The ratio of claims to premiums earned corresponded to 47.7%, compared with 33.9% in 2022.

The technical result, net of reinsurance, closed with a profit of € 608 thousand.

Fire and other natural forces

Direct premium income amounted to € 198,080 thousand, with a 5.2% increase in relation to the previous year.

Due to the truly extraordinary natural events, which struck various areas of the country, especially in the North, the number of claims reported increased (+75.9%) and their cost also significantly increased (+157.1%) due to the special severity of the events.

The loss ratio corresponded to 203.1%, a deterioration in relation to 2022 (76.9%). This result was driven, above all, by the magnitude of the above-mentioned events.

The technical result, net of reinsurance, was a loss of € 89,561 thousand.

Other property damage

Total direct premium income for the business amounted to € 283,869 thousand, with an increase of 7.5% in relation to the same period of the previous year.

The ratio of claims to premiums earned corresponded to 78.4%, compared with 64.9% in 2022.

The Hail business, in particular, reported a ratio of claims to premiums earned of 108.9%, a deterioration in relation to 2022 (69.1%). The result was conditioned by the unfavourable climate trend, in particular for weather events.

The ratio of claims to premiums earned for the Theft portfolio, which corresponded to 31.6%, worsened slightly in relation to 2022 (30.3%).

Lastly, the ratio of claims to premiums earned for risks other than Theft and Hail was 80.5%, deteriorating compared to the previous year (71.9%).

The technical result, net of reinsurance, closed with a loss of € 45,552 thousand.

TPL Land vehicles

The business posted total direct premium income of € 475,914 thousand, with a y/y increase of 9.2%.

The dynamics concerning the TPL Land Vehicles coverage were influenced by actions to recover the average premium, whose rise is essential considering the inflationary spikes underway that concern the claims components.

As far as regards claims, a slight decrease in the number reported (-2.5%) was observed, while the frequency remains largely unchanged.

The average cost of attritional claims decreased -2.2% as compared to 2022, whereas for large claims, there was a decrease in their number (-4%) but their cost increased (+4.1%).

The current loss ratio stands at 83.0%, better than in 2022 (85.5%). In contrast, the ratio of claims to premiums earned corresponded to 74.3%, a 4.4% improvement in relation to 2022 (78.7%).

As regards disputes, at the end of 2023 there were 4,888 lawsuits underway (5,377 in 2022), equal to 8.1% of claims reserved (9.7% in 2022). The number of summons received fell 41.83%, from 4,506 to 2,621.

The technical result, net of reinsurance, closed with a profit of € 24,774 thousand.

Non-motor TPL

This business registered direct premium income for 2023 equal to € 259,513 thousand a 4.6% increase as compared to the previous year, mainly in the “Companies”, “Public Authorities”, and “Healthcare Facilities” sectors.

The ratio of claims to premiums earned, which corresponded to 51.0%, improved in relation to 2022 (55.5%).

This year, in contrast, it deteriorated by 1 percentage point, especially due to the increase of “large” claims (+15.0% in value); a positive run-off of reserves from previous years continues.

The technical result, net of reinsurance, closed with a profit of € 38,256 thousand.

Surety

The premium income shows an increase of 12.3% compared to the same period in 2022, standing at € 40,707 thousand. This increase is mainly attributable to the activities connected with the NRRP; in general, the premium income continues to be characterised by particularly prudent assumption criteria due to the current economic situation.

The loss ratio of the current year improved in relation to the previous year (34.9% compared to 57.0% in 2022).

The loss ratio for the year corresponded to 20.6%, compared with 44.4% in 2022; the positive result benefits from significant recoveries recorded in the claims of previous years.

The technical result, net of reinsurance, closed with a profit of € 1,913 thousand.

Sundry pecuniary losses

This business, which comprises covers such as damage caused by interruption of business, product and driving licence withdrawal, reported total direct premium income of € 9,261 thousand, a 25.8% increase compared with 2022.

The ratio of claims to premiums earned stood at 9.0%, compared to 16.5% the previous year, reaffirming very high profit margins.

The technical result, net of reinsurance, closed with a profit of € 2,669 thousand.

Legal fees

Direct premium income was up 6.1% in relation to the same period of the previous year, to € 20,439 thousand. In detail, the Motor business posted a 5.4% increase, and the Non-motor sector grew by 5.6%.

The loss ratio this year, at 16.4%, deteriorated as compared to the previous year (14.2%), but maintained high profit margins.

The technical result, net of reinsurance, closed with a profit of € 6,990 thousand.

Assistance

This business reported direct premium income of € 25,970 thousand, with an increase in premium income (+6.7%), attributable, above all, to the Motor sector (+9.6%); the Non-Motor segment decreased (-7.0%). The loss ratio for the year corresponded to 61.9%, up compared to the figure for 2022 (57.8%). The technical result, net of reinsurance, closed with a profit of € 27 thousand.

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Research and development - New products

As far as regards research and development of new products, with reference to the Welfare segment, the following products were marketed during 2023:

- **“RealmenteInSalute DayByDay”**: marketed starting on 20 April. This targets a public with a limited budget, contributing, therefore, to achieving the social sustainability goals for those who cannot afford a traditional policy for reimbursing medical expenses. It also has the possibility of using specialist video consultations. The target product purchasers are retail Customers, who have the possibility of extending coverage to the whole immediate family.
The structure of the new product breaks down as follows:
 - daily allowance for hospitalisation: it disburses a daily amount for each day of hospitalisation in a health facility;
 - specialist video consultations: these can be used via the dedicated online platform, to respond to the need to consult a specialist doctor quickly and online; home assistance service;
 - reimbursement of expenses for specialist examinations and diagnostic tests: to privately supplement non-hospital services without, however, incurring significant financial expenditure.
- **“RealmenteInSalute 2023”**: marketed since 24 July. This is for Retail customers with the chance to extend the coverage to the whole immediate family. The review of this product entails a development of the offering previously in the catalogue, especially in terms of assumption/management. It is intended to respond to some critical issues raised by Agents over the years, such as filling in the health questionnaire during the renewal stage and coverage continuity.
The main restyling changes are the following:
 - inclusion of the whole life formulation both for the hospitalisation component and for the non-hospitalisation component;
 - development of the preventive medicine component that is differentiated based on the Policyholders' needs;
 - in order to encourage the channelling of claims towards Blue Assistance-affiliated healthcare facilities, as well as the differentiation of excess fee levels between the network and outside the network, the redoubling of the liability limit when using affiliated healthcare facilities will also be stipulated.

At the same time as the release of the new product, the “RealmenteInSalute Extra” and “RealmenteInSalute Focus” formulas were eliminated in order to streamline the catalogue offering, since the “Realmente InSalute DayByDay” product was also provided for the same target.

As far as regards the research and development of new products and initiatives in the **Assets and Property** sector, in the first half of 2023, the new version of “Ecologica Reale 2023” (“Ecological Reale 2023”) was marketed. This is an update of the offering due to a particularly negative technical trend and the hoped-for, significant increase in requests for coverage following the introduction of the NRRP.

In September, a restyling was carried out on the Unità da Diporto product (new name: “In Buone Acque Reale”) updating its offering with the inclusion of the Assistance Section and tariff mechanism.

In addition, a new edition of the Postuma Decennale Danni Diretti all’Immobile product was marketed in November, as a result of a legislative obligation (Ministerial Decree 154/2022).

Finally, again in 2023, a series of development actions was implemented to perform suitable, ordinary maintenance of the offer catalogue.

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Fraud prevention activities

As envisaged under art. 30(2) of Law No. 27 of 24 March 2012, and in accordance with the instructions issued by IVASS in its letter to the market dated 11 March 2014 concerning fraud prevention activities, the Company estimates that the cost of claims deriving from fraud was reduced by around **€ 10.4 million** (€ 8.1 million at 31 December 2022) as a result of systematic monitoring and suppression. This estimation considers the savings achieved in respect of claims and positions found to be the result of fraudulent activities that were closed without follow-up during the year by the Company's Anti-Fraud and Special Investigations departments, with the support of the settlement network.

1.6.2 LIFE INSURANCE OPERATIONS

2023 **gross premiums written** in Life business are shown below, with 2022 comparables:

	(in thousands of euro)				
	2023	Composition	2022	Composition	% Change
I - Insurance on the duration of human life	758,639	76.8%	617,491	74.3%	22.9%
III - Insurance linked to investment funds	76,518	7.7%	152,001	18.3%	-49.7%
IV - Health insurance	5,500	0.6%	4,231	0.5%	30.0%
V - Operations of capital redemption	92,483	9.4%	23,683	2.8%	290.5%
VI - Pension fund administration	54,791	5.5%	33,869	4.1%	61.8%
Total direct business	987,931	100.0%	831,275	100.0%	18.8%
Inward reinsurance	14		15		-6.7%
Total Life business	987,945		831,290		18.8%

At 31 December 2023, direct premium income amounted to € 987,931 thousand, with an 18.8% increase in relation to the same period in 2022. As far as regards the dynamics relating to the individual businesses, an increase is recorded in class I (+22.9%) mainly owing to the contribution of the “contracted” channel that records growth of 30.5%, while the “subsidiary agencies” channel registers a drop of 6.1%. Contrary dynamics concerned class III that shows a decrease of 49.7% compared to 31 December 2022, due to less premium income in the “multi-class” policy segment. Finally, the positive premium income of the class VI business (+61.8%), thanks to greater contributions paid by the members of the pension fund and to the transfer of provisions from pre-existing pensions funds, should be noted.

The breakdown of **sums paid** in 2023, referring to direct business only, is as follows:

	(in € thousands)		
	2023	2022	% change
Claims	51,975	70,028	-25.8%
Principle and annuities matured	158,205	195,896	-19.2%
Surrenders	951,537	472,704	101.3%
Claim settlement costs	1,196	1,189	0.6%
Total sums paid	1,162,913	739,817	57.2%
Change in the provisions for claims to be paid	3,690	12,032	-69.3%
Total charges for claims	1,166,603	751,849	55.2%
of which:			
I - Insurance on the duration of human life	887,568	572,826	54.9%
III - Insurance linked to investment funds	117,442	100,550	16.8%
IV - Health insurance	464	1,231	-62.3%
V - Operations of capital redemption	139,692	59,972	132.9%
VI - Pension fund administration	21,437	17,272	24.1%

Total sums paid grew +57.2% compared with the previous year.

In comparison with the same period in the previous year, surrenders increased by 101.3% with an increase in absolute value of € 478,833 thousand. The surrenders dynamic can be attributed to the increase in interest rates as a result of the monetary policy implemented by the ECB, which leads customers to divest their portfolio in separately managed accounts, preferring investments in government bonds, which are more profitable today. The surrenders were monitored on a weekly basis and actions were implemented to mitigate life net flows.

The amounts paid for principle and annuities matured decreased by 19.2%, while the claims settlements, which stand at € 51,975 thousand, decreased by 25.8%. With reference to the Life Term policy segment, the amounts paid for claims dropped by 25%.

The change in sums to be paid as at 31 December 2023 was positive for € 3,690 thousand.

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Research and development - New products

As far as regards the study and development of new products, it should be noted that, in 2023, the company included the following products in the catalogue:

- **"MultiPower Reale ESG"**, connected to the sustainable, themed share fund called "Reale Crescita Sostenibile e Tematica".
The financial instruments used for managing the fund are ESG compliant instruments and are selected based on criteria that take into account investment policies aimed at environmental sustainability or "climate resilience", social sustainability or a "just transition", and the simplification of daily life or "smart life".
- **"Opportunità Reale Doppia Gestione"**, which constitutes a totally new investment product for customers with a risk-averse attitude thanks to the combination of profit from two historic, separately managed accounts: Reale and Reale Uno.
This is a newly conceived product dedicated to new capital and the reinvestment of capital reaching maturity and is a revaluable whole-life, single premium insurance investment product.
- As of 3 August 2023, the new version of the **"LTC Realmente Sereno"** offering has been marketed, dedicated to retail customers. Realmente Sereno a product ensuring whole life coverage by disbursing a deferred, monthly lifetime income if it is certified that the policyholder is no longer self-sufficient.
- **"Straordinaria Reale"** which consists of an innovative investment product dedicated both to new capital and to reinvesting in expired policies. The product, conceived with the help of Banca Reale's expertise, provides for the combination of the separate account "Reale Uno" with a specific provision for assets; for this provision, the fixed, annual, gross revaluation rate will be guaranteed by the Company. The product is a single-premium, whole-life product belonging to Class I.

1.6.3 REINSURANCE

The Non-life reinsurance structure for 2023 comprised proportional-type coverage (quota share, surplus share or a combination of the two) and non-proportional coverage (excess of loss or stop loss) to protect the part retained or as single coverage.

The main proportional treaties concern the Fire, Technological Risks, Suretyship, Legal Fees and Hail businesses.

The main non-proportional treaties refer to the Fire and Technological risks business (per risk/per event), Comprehensive and Collision, TPL Land vehicles, Non-motor TPL, Theft, Accidents, Health, Suretyship and Aviation.

The portfolio held in the Hail business is protected by a Stop Loss treaty.

The Treaty called "Incendio Group Layer" was renewed in the Property sector; this treaty is the Group top layer that hedges the portfolio of Reale Mutua and Italiana.

Life business reinsurance consists of proportional treaties for single risks, for group policies ("directors, executives, employees and groups, members and directors" conventions) and for Accident complementary guarantees. The Life business retained portfolio is protected by excess of loss catastrophic claims coverage. The discretionary cession was, as usual, fairly limited.

Discretionary reinsurance was mainly used in cases where the type and size of the insured risk required a "tailor-made" protection or due to exclusions in compulsory treaties or to protect the balance and, in some cases, due to insufficient reinsurance capabilities of the compulsory treaties.

In addition, discretionary reinsurance was, as always, used in the context of the INI (International Network of Insurance) of which the Company is a "Full Member".

In 2023, reinsurance generated a positive result of € 150,995 thousand, distributed as follows: € 155,385 thousand in the Non-life business and € -4,390 thousand in the Life business.

Inward reinsurance

Inward reinsurance of the company consists in the discretionary acceptance of ad hoc risks, participation in various schemes of the Italiana Assicurazioni subsidiary (proportional treaties covering art exhibitions and collections and technological risks relating to the production of an agency specialised in such sectors) and in market pools.

As regards inward reinsurance, risks retained generated a negative result for € 1,326 thousand, distributed as follows: € 1,327 thousand in the Non-life business and € -0.3 thousand in the Life business.

1.6.4 FOREIGN OPERATIONS

In 2023, premium income from activities carried out abroad in a regime of freedom of service amounted to € 2,198 thousand, in relation to € 2,013 thousand in the previous year, an increase of 9.1%.

Activities were carried out in 23 member states of the European Economic Area.

1.7 DISCLOSURE CONCERNING SOLVENCY II PRUDENTIAL SUPERVISORY

The capital adequacy of the Company is checked in compliance with the regulations of Solvency II, which came into force on 1 January 2016.

The main applicable regulatory references are provided below:

- Framework Directive 2009/138/EC (“SII Directive”), implemented in the Italian legal system with Legislative Decree no. 74 of 12 May 2015, which amended Italian Leg. Decree 209/2005 (Private Insurance Code);
- Delegated Acts, issued with EU Delegated Regulation no. 35/2015, as amended and supplemented (“Regulation”), that integrate the SII Directive;
- Guidelines issued by EIOPA, which were implemented through the regulations issued by IVASS, which, in particular, include:
 - IVASS Regulation No.18 of 15 March 2016 containing the applicative rules and methods to adopt for the determination of technical provisions;
 - IVASS Regulation No.25 of 26 July 2016 containing provisions concerning the identification, assessment, and classification of the elements of basic own funds;
 - IVASS Regulation No.32 of 9 November 2016 containing the provisions concerning risk and solvency assessment;
 - IVASS Regulation No.34 of 7 February 2017 containing the provisions concerning the assessment of the assets and liabilities in the Solvency II financial statements other than technical provisions;
 - IVASS Regulation No.35 of 7 February 2017 containing the provisions regarding the adjustment for the loss-absorbing capacity of technical provisions and deferred taxes when determining the solvency capital requirement;
 - IVASS Regulation No. 38 of 3 July 2018 containing provisions concerning the corporate governance system.

1.7.1 SOLVENCY CAPITAL REQUIREMENTS AND RELATIVE COVERAGE INDEXES

As at 31 December 2023, the company has a surplus of its Own Funds for the Solvency Capital Requirement (SCR), equal to 393.8% and a surplus of its Own Funds for the Minimum Capital Requirement (MCR) equal to 875.1%. The following table shows the amount of the Own Funds permissible for covering SCR and MCR (with details per individual levels) and the amount of SCR and MCR with the relative comparison with data at the end of 2023.

	31/12/2023	31/12/2022	Change
Own funds permissible for covering the Solvency Capital Requirement (SCR)	3,683,663	3,566,050	117,613
<i>of which TIER 1</i>	<i>3,683,663</i>	<i>3,566,050</i>	<i>117,613</i>
<i>of which TIER 2</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>of which TIER 3</i>	<i>0</i>	<i>0</i>	<i>0</i>
Own funds permissible for covering the Minimum Capital Requirement (MCR)	3,683,663	3,566,050	117,613
<i>of which TIER 1</i>	<i>3,683,663</i>	<i>3,566,050</i>	<i>117,613</i>
<i>of which TIER 2</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>of which TIER 3</i>	<i>0</i>	<i>0</i>	<i>0</i>
Solvency Capital Requirement (SCR)	935,446	964,739	-29,293
SII Ratio (SCR)	393.8%	369.6%	24.2
Minimum Capital Requirement (MCR)	420,951	418,681	2,270
SII Ratio (MCR)	875.1%	851.7%	23.4

The solvency capital requirements are calculated using the partial internal model in order to evaluate the company's risk profile in a more plausible manner than the Standard Formula.

It should be noted that the year-end data will be sent to IVASS by the regulatory deadline of 08 April 2024 and that the numbers were not yet verified pursuant to IVASS Regulation no. 42 of 2 August 2018.

1.7.2 PARTIAL INTERNAL MODEL

Reale Mutua Assicurazioni calculates its solvency capital requirement ("SCR") using the Partial Internal Model ("PIM"). Compared to the Standard Formula, this model makes it possible to more suitably grasp the actual risk profile of the company both in terms of granularity and in terms of volatility and the correlation between various risk factors.

The Partial Internal Model, used to calculate Reale Mutua's capital requirement, was approved for regulatory purposes by the Supervisory Authority on 17 April 2018 starting from 31 December 2017. It should be noted that, on 18/03/2024, the Supervisory Authority approved the Major Model Change request relating to the extension of the scope of the Partial Internal Model to risks relating to the Life Business, as of 31/12/2023.

In particular, the company evaluates the following risk modules using the PIM:

- Premium and Retention risk Non-life and health similar to non-life.
- Life Underwriting Risk.
- Market Risk.
- Default Risk.
- Catastrophic Earthquake Risk.

Given the low materiality of risks linked to redemption of Non-life contracts, these are not included in the scope of calculation of the PIM; nonetheless, the impact of this simplification is regularly monitored with a view to their possible inclusion in the results.

The **Premium Risk** is assessed via the use of a frequency-severity model that produces the distribution of the ultimate cost for the subsequent twelve months. The ultimate cost results from the sum of the claims losses and the cost of the acquisition costs. The claims are classified, by means of a threshold, into "attritional" and "large" and are modelled using different distributions that adapt best to the nature of the claim.

The **Retention Risk** is assessed using the stochastic TSCL (Time Series Chain-Ladder) model, used to produce the probability distribution of the passive cash flows generated by accidents that took place during the years prior to the date of assessment.

The **Catastrophic Earthquake Risk** sub-module is assessed by means of a third-party proprietary model that provides an estimate of the loss distribution for the company deriving from earthquakes, using information concerning the seismic risk (hazard), the vulnerability curves that compare the intensity of the earthquake with the damage to the insured item (vulnerability), and the portfolio exposure (exposure). The earthquake risk is aggregated with the other catastrophic risk sub-modules for natural events (CAT NAT) using the Standard Formula approach.

The **Market risk** is calculated through the application of different models and different calibration methods depending on the risk module. The analysis is carried out by separately assessing the portfolios containing both assets and liabilities, divided by risk margins (Interest, Spread, Equity, Property, and Currency), and the portfolios containing just one asset or liability component. The Group's Partial Internal Model provides for the simultaneous simulation of risk factors and, as a result, the calculation of a Probability Distribution Forecast (PDF) of the Net Asset Value (NAV) of the Company in T=0. The calculation process for constructing the market PDFs uses the Monte Carlo simulation for market risk factors. The dynamics of the risk sources is given by the G2++ model for interest rates; the Black-Scholes one for share prices, property values, and exchange rates; the Jumps Duffie and Singleton model for the spread risk. The capital requirement relating to strategic investments is calculated using the approach proposed by the Standard Formula and aggregated ex-post using an "adjusted" algorithm.

As far as regards Type I credit risks, the **Credit risk** is assessed based on the dynamics of deposits and postal accounts recorded between the time t and the time $t+1$, in conjunction with the dynamics of credits, deposits from reinsurance transactions, and claims reserves (business ceded) recorded between the time t and time $t+1$. For each component, the change in Loss Given Default is calculated and the resulting impact on the capital requirement based on the weight given to the contribution of a unit of capital estimated in relation to the expected value of the loss. Type II credit risks are assessed similarly, following the dynamics of exposures of receivables from policyholders and receivables from insurance intermediaries recorded between the time t and the time $t+1$ with the resulting impact on the capital requirement.

The forecast for **Life Business underwriting risk** is made using the calculation of the Best Estimate assessed in $t+1$ at the end of all the transactions of the year combined with the calculation of an amount with stressed technical assumptions in terms of life tables, surrender tables, and expenditure assumptions that, at the time t , quantified the SCR as 99.5%.

Within the Partial Internal Model, the **aggregation process** provides that the individual risk modules are aggregated in VarCovar via the correlation matrix defined using Expert Judgement during the annual Internal Model calibration process. In the last step, the overall BSCR is then aggregated with the SCR for operational risk and the adjustment for deferred taxes (ADJ DT), calculated with the Standard Formula at the company level, obtaining the global PDF SCR.

Finally, the validation activities are controlled by a validation policy of the internal model, which specifies the processes, methods, frequency and remedial activities to implement if problems are detected in the model. Validation is a useful tool for managing the Company to understand the strengths and limitations of the model and obtain an independent view of the results and their appropriateness.

Finally, the Company uses annual qualitative analyses to assess and also monitor the following risk classes as well:

- **Operational risk (including cyber risk):** related to potential losses that the company may incur as a result of inefficiencies of people, processes, and systems or as a consequence of external events. The operational risks include IT risks as a sub-component of the risk itself. The IT risk is defined as the risk connected to processing (confidentiality, integrity, and availability) of a company's IT system information (data bases, hardware, software), which are breached, stolen, or deleted due to events deriving from internal processes or external events such as malicious actions (for example, cyberattacks);
- **Risk of non-compliance with regulations (including anti-money laundering and anti-terrorism risk):** the risk of facing legal or administrative sanctions, incurring losses or damage to reputation as a result of failure to comply with directly applicable laws, regulations, and European standards or measures of the Supervisory Authorities or self-regulatory rules, such as by-laws, codes of conduct or self-regulatory codes, and the risk deriving from unfavourable changes in the regulatory framework or in case law.
- **Group membership risk:** this is the "contagion" risk and derives from transactions between the company and other group entities that cause difficulties for one member of the same Group, which could spread and have negative repercussions on solvency.
- **Reputational risk:** the risk of damage to the company's image and conflict with policyholders, also due to the provision of services that are not up to standard, inadequacy of policies or of behaviour during sales, after-sales, and settlement.
- **Strategic risk:** defined as the current or prospective risk of a decline in profits or capital and of the sustainability of the business model. This includes the risk of being unable to generate an adequate return on capital on the basis of the risk appetite set by the company, resulting from changes in the operating environment or from incorrect business decisions, inadequate implementation of decisions, improper group risk management, or poor responsiveness to changes in the competitive environment.

- **Emerging risks:** these refer to new sources of risk which become important in connection with changes in the internal or external environment.
- **Concentration Risk:** the concentration risk occurs in the case of excessive exposure of Group companies to the same subject or group of subjects outside of the Group, individual or interconnected; in other words, concentration risk can be defined as the risk of incurring losses due to an insufficient diversification of the asset and liability portfolio.
- **Sustainability Risks:** these are risks relating to ESG (Environmental, Social, and Governance) factors that could influence the Group's risk profile in terms of potential negative impacts attributable to environmental, social, and governance issues, such as, for example, financial losses or reputational risks deriving from sustainability factors, i.e. environmental, social, and personnel-related problems, respect for human rights, and matters relating to anti-corruption and bribery matters;
- **Liquidity risk** refers to the risk of an enterprise not having sufficient financial resources to fulfil its contractual obligations as they fall due.

Reale Mutua has drawn up a Contingency Plan, submitted for approval to the Group Management Committee and the Board of Directors, to safeguard people and assets and guarantee business continuity; the plan includes a Disaster Recovery Plan designed to minimise loss of information and recovery times in particularly critical situations. Finally, the Company has adopted a procedure regulating the exchange of information and controls aimed at supervising intra-group transactions in compliance with IVASS regulations no. 38 and no. 30, as well as a related Policy and Report.

1.8 INVESTMENT MANAGEMENT

At the end of 2023, the carrying amount of **Class C investments on the Balance Sheet** amounted to € 9,149,068 thousand, including € 9,089,843 thousand of equities and € 59,225 thousand of real estate.

The values of the items: “Fixed-income securities”, “Shares and interests”, and “Other financial investments”, set out in the table below, are affected by the application of the asset measurement criteria set forth in IVASS Regulation No. 52, whose effects are better detailed in Section 2 - investments (item C) of the Explanatory Notes.

The overall situation of these investments, with 2022 comparables, is detailed below:

(in thousands of euro)

	31/12/2023	Composition	31/12/2022	Composition	% Change
Real estate	59,225	0.6%	55,778	0.6%	6.2%
Bonds and other fixed-income securities	6,729,066	73.5%	6,726,323	72.6%	0.0%
Equity investments	1,973,079	21.6%	1,971,120	21.3%	0.1%
Shares and interests	31,673	0.3%	82,261	0.9%	-61.5%
Other financial investments	325,337	3.6%	399,919	4.3%	-18.6%
Loans and mortgages	29,196	0.3%	29,288	0.3%	-0.3%
Deposits with credit institutions	819	0.0%	818	0.0%	0.0%
Active reinsurance deposits	674	0.0%	784	0.0%	-14.1%
Total class C investments	9,149,068	100.0%	9,266,291	100.0%	-1.3%

As in the past, **real estate transactions** during 2023 were mainly directed towards management of Reale Mutua-owned real estate assets consisting of instrumental buildings used as offices and to house accessory parts of the corporate structure and of buildings in Paris rented to third parties. In particular, within the project called “New Ways of Working”, the completion of the renovation of the Via Sant’Agostino wing and inner courtyard for the first, third, and fourth floors of the Via corte d’Appello office should be noted, while designing the ground floor of the same wings continues. In addition, the energy diagnosis study contract for the whole building of Via Corte d’Appello and Palazzo S. Giorgio was awarded, in order to assess the energy behaviour of the building and identify any actions and costs for improving the energy performance of the buildings. Finally, the planning of a redesign of the courtyards (main and secondary) was launched, and the strengthening of the underground floor pillars was started.

The market assessment of the property investments stands at approx. € 125,333 thousand.

The company managed **investment activities** according to the usual criteria of prudence, pursuing a portfolio asset allocation that allowed limiting financial risks and market volatility while still taking advantage of opportunities that were created in the markets, in particular in terms of tactical positioning to support the income of the portfolios.

As regards **bonds**, the Company pursued a strategy aimed at achieving a balance between the soundness of investments and portfolio profitability, by ensuring adequate diversification of issuers, combining the traditional considerations of a financial risk/return nature with an analysis of the factors correlated to environmental, social and governance sustainability. The portfolio risk level remained consistent with the Company’s overall risk profile.

The value of Italian government bonds in the portfolio stood at 41% of the total portfolio managed. Exposure in corporate bonds amounted to approximately 32% of the total portfolio managed.

The duration of the bond portfolio went from 6.4 to 6.5, mainly due to the rise in rates recorded especially in the last quarter of the year. In the Non-life segment, duration increased from 3.7 to 3.8, in line with the risk profile of the liabilities held, while in the Life segment, where ALM techniques are used in order to match assets with commitments towards subscribers, duration increased from 7.1 to 7.5, also as an effect of the rate reduction.

The credit rating of debt security investments was maintained at investment grade.

In order to limit the volatility of the portfolios, the **share portfolio** was reduced during the reference period both in terms of exposure and percentage. This decision was conditioned by the context defined, especially in the Eurozone, by the slowdown in the economy and inflation not yet seeing consolidated reduction and, as a result, not such as to decisively impact the monetary policy choices of the Central Banks, which remained restrictive during the course of the year. At the end of the year, the portfolio amounted to approximately 0.4% of the total portfolio managed.

The Company used derivative and structured financial instruments for hedging purposes, to limit the investment risk, and also to enhance its portfolio management and achieve its investment goals more quickly, more easily, more economically or more flexibly than would be possible using the underlying assets. The notional value of derivative instruments amounted to € 95,734 thousand (no exposure for Class D investments) and structured financial instruments had a carrying value of € 61,800 thousand (no exposure for Class D investments). All investment activities, with regard to structured securities and derivatives as well, are regulated by specific resolutions of the Board of Directors in accordance with the strategic guidelines and the financial situation of the Company. The competent bodies verify these activities at regular intervals, on the basis of financial risk measurement parameters, and submit periodical reports on their findings to the Board. Use of derivative and structured instruments did not generate any significant losses or potential risks in 2023.

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Class D investments on the Balance Sheet (investments for the benefit of Life policyholders who bear the risk and those deriving from the administration of pension funds) amounted to € 1,306,467 thousand and, in 2023, generated an overall positive balance of € 110,222 thousand.

1.8.1 INCOME AND EXPENSE ON INVESTMENTS

Results for **income on investments** are set out in the table below:

	(in € thousands)		
	2023	2022	Change
Net income	215,782	227,359	-11,577
Value re-adjustments	-15,945	-124,886	108,941
Net gains on disposals	-5,346	16,236	-21,582
Total	194,491	118,709	75,782

In 2023 overall, the bonds portfolio, excluding class D securities, generated average returns of 2.33% in terms of flows of ordinary income, compared to 2.05% in 2022, due to the investment of business flows and those from reinvestment of maturities at rates on average higher than the previous year. If you also consider the profits and losses from trading, the return stands at 2.28%, while, also considering the value re-adjustments, the average profitability falls to 2.04% compared to 0.43% the previous year. It should also be noted that net income, despite overall profitability of investments being up, underwent a contraction mainly attributable to the reduction in dividends from equity investment in the companies Italiana Assicurazioni and Reale Immobili.

Value re-adjustments on bonds stand at € 15,612 thousand. It should be noted that the value re-adjustments item is influenced by the right established by the Decree of the Ministry of the Economy and Finance of 14 September 2023, regarding the “temporary suspension of the valuation losses for securities in the short-term portfolio in financial statements prepared according to the provisions of the Italian Civil Code”. This provided for the application of Decree-Law No. 73 of 21 June 2022 in 2023. The scope of application, for 2023, consists of the short-term portfolio capital losses except for bonds expiring by 2024 and those with a latter expiry, if needed to meet the requirement that emerged from the cash flow scenario prepared in compliance with the supervisory authority’s requirements. This application caused the recognition of smaller capital losses on securities for a total amount standing at € 234,247 thousand (including € 98,577 thousand for the Non-life business and € 135,670 for the Life business).

Results on trading in the bond portfolio are negative and amounted to € -4,559 thousand.

As far as regards the equity markets, the results from ordinary income and trading are positive and stand at € 3,052 thousand and the balance of value re-adjustments is positive and stands at € 299 thousand, again considering the application of IVASS Regulation No. 52.

Shares in common investment funds generated positive ordinary income and trading results for € 2,868 thousand; net recoveries amounted to € 595 thousand.

1.8.2 STRATEGIC INVESTMENTS

Strategic investment activities continued to be directed towards strengthening and expanding Reale Group in Italy and abroad.

In March 2023, the subsidiary Blue Assistance purchased, by transferring the TPA (Third Party Administrator) arm to InSalute Servizi S.p.A., an equity investment worth 35% of the share capital of the above-mentioned company, controlled by Intesa Sanpaolo Vita S.p.A.

During March, Blue Assistance set up the company Blue Health Centre S.r.l., intended to deliver health services, including telemedicine, by developing and managing a technological platform. During the second half of 2023, Blue Health Center benefited from the transfer of the “Digital Health” business arm of Blue Assistance.

On 23 June 2023, the subsidiary Italiana Assicurazioni purchased a controlling interest in Plurima Servizi Assicurativi S.r.l., a company active in developing, producing, and marketing innovative products and services with a high technological value in the insurance sector and in insurance brokerage.

In July this year, Reale Mutua signed the agreement to purchase a controlling interest in an insurance company that operates in Non-life business, with headquarters in Greece (Athens) called Ydrogios Insurance and Reinsurance S.A.. The authorisation and communication process with the Greek and Italian Supervisory Authorities was completed and it is expected that the transaction will be finalised, indicatively, by the first quarter of 2024.

On 9 October 2023, Reale Mutua set up the company Reale International S.r.l., fully owned, intended to implement a project to better safeguard foreign insurance business. The new company will, therefore, be in charge of guiding, coordinating, and developing foreign insurance business.

The activity of the Chilean company Reale Chile Seguros Generales SA, set up in 2016 and operating in the Non-Life Business, is fully supported by the Spanish subsidiary Reale Seguros through capital payments to the holding company Reale Group Latam. In October 2023, a share capital increase totalling approximately € 4.6 million (4.5 billion Chilean pesos) was approved and paid. As of 31 December 2023, the overall share capital paid amounts to € 71.8 million (€ 56.8 billion Chilean pesos). The share capital increase transaction was needed in order to equip the Chilean company with greater economic and financial solvency, as well as to allow it to take on growth challenges and adequately cope with the development of its business.

On 20 December 2023, Reale Mutua, which already held 18.60% of Pharmercure S.r.l., an innovative start-up specialised in the domestic delivery of medicines, purchased an additional share of the company equal to 18.72%. As a result of this transaction, Reale Mutua has a significant investment of 37.32% in its share capital.

1.8.3 FINANCIAL ASSET RISK MANAGEMENT POLICIES

The management policies for the financial asset risk concern the interest rate risk, the equity risk, the spread risk and the liquidity risk, as examined below.

The Company's financial activities are managed according to a prudent approach based, as regards **interest rate risk**, on asset liability management techniques.

The total duration of the bond portfolio is around 7.5 years for Life business and 3.8 years for Non-life business.

With regard to **equity risk**, which refers to possible losses due to negative changes in fair value following changes in market prices, the share investment component represents around 1.90% of the entire portfolio; the Company's exposure, net of strategic equity investments in Group companies, is mainly directed towards the "Finance and banking" and "Service" sectors. Average annual volatility of the equity component during 2023 was equal to 21.64%.

Investments in foreign currency amounted to around 0.18% of the entire portfolio. Exposure to the risk of exchange rate fluctuations is therefore marginal in view of the low percentage of investments in foreign currencies.

As far as **spread risk** is concerned, meaning the risk of loss due to negative changes in fair value as a result of changes in the level of credit yield spreads, restrictions and guidelines are applied. Checks are performed on an ongoing basis and the results are regularly brought to the attention of the Group Investment Commission.

The average rating of debt securities in the portfolio is BBB+, according to Fitch Ratings. Non-investment grade instruments account for around 1.33% of the entire portfolio.

Derivatives instruments are used solely for the purpose of promoting balanced and prudent portfolio management, in order to hedge the investment risk or achieve investment goals more easily, more economically or more flexibly than would be possible using the underlying assets. The counterparties in such transactions are those envisaged by IVASS Regulation no. 24/2016 and are appropriately diversified.

Investment management policies are summarised in the Investment policy, Liquidity risk management policy and Policy on integrated management of assets and liabilities, pursuant to IVASS Regulation No. 24.

Liquidity risk, which refers to the risk of an enterprise not having sufficient financial resources to fulfil its contractual obligations as they fall due, is constantly monitored using relevant indicators to assess the liquidity situation.

Thresholds are defined for each performance indicator and a scoring system is used to measure the level of risk. The indicators and their thresholds are calibrated on historical data, the type of undertaking and type of management; specific stress test/scenario analysis exercises are carried out at least once a year, the risk is monitored by specific stress tests/scenario analysis to monitor financial and/or technical liquidity risk factors.

Unrealised capital gains/losses are monitored at least once every three months.

This risk is also monitored by adopting an integrated asset liability management (ALM) model, the aim of which is to mitigate the risk of possible misalignment deriving from the diverse structure of flows generated by the Company's assets and liabilities.

Bonds, according to maturity, are set forth in the table below:

(in € thousands)

Expiry	Government	Corporate	Total
≤ 1 year	911,737	138,388	1,050,125
> 1 ≤ 3 years	639,419	414,629	1,054,048
> 3 ≤ 5 years	391,712	408,224	799,936
> 5 ≤ 7 years	315,212	242,655	557,867
> 7 ≤ 10 years	360,236	360,980	721,216
>10 years	1,609,662	607,242	2,216,904
Total	4,227,978	2,172,118	6,400,096

1.9 OTHER INFORMATION

1.9.1 HUMAN RESOURCES

At 31 December 2023, the Company **workforce** consisted of 1,212 persons. The breakdown of personnel according to qualification with comparables as of 31 December 2022 is provided in the table below:

	2023	2022
Management	60	59
Middle management and Office staff	1,152	1,128
Total	1,212	1,187

In Reale Mutua and Reale Group's vision, the strategies for enhancing human resources are inspired by the assumption that all employees are different, unique people who, with their expertise, passions, ambitions, and experiences, work every day to be leaders and drivers of growth in the organisation. The Company is directing its initiatives to enhance human resources with a single goal: taking care of all people and their ability to be the soul of every innovation, responding to personal and organisational needs and ensuring that they can work in a state of well-being.

Training

As part of the professional development and growth Paths, the G.O.A.T. (Youth Oriented to Transformation) project was launched, targeting "under 35" employees, and activities dedicated to the "Expert" population continued. Special attention was paid to "Employer Branding", with an important programme of campaigns aimed at enhancing the Company's strategic assets through LinkedIn and Joinrs. The training also concerned issues linked to digitalisation and artificial intelligence, data-governance, design thinking, agile methodology, cyber security, and sustainability.

Wellbeing

Enhancing and developing the wealth of initiatives that the Company has always dedicated to people's wellbeing was the main mission undertaken in 2023 by the Corporate Wellbeing Group function. The initiatives concerned the issue of health, with the flu campaign that involved the administration of approximately 1,300 vaccine doses within the Group. This was followed by launching the "Virtual Hospital" that provided employees and their family members with the network of affiliated health facilities at reduced prices and kicking off experiments with Gymnasio, a digital, video-fitness exercises platform integrated with artificial intelligence.

Work and Artificial Intelligence

The Company and Reale Group carefully monitor the evolution of "Artificial intelligence" (AI), aware that this technology will increasingly favour the adoption of new working methods. Thus, all Real employees were provided with GPT, the first generative AI tool. At the same time, a set of initiatives was finalised that, between workshops, training and informational materials, intends to raise people's awareness about a mindful use of AI.

Diversity and equal opportunities

The initiatives touching issues of diversity, equity, and inclusion aim to make the organisation more fair, open, and inclusive, pursuing a real gender balance and transforming this mix into a competitive factor on the market. To promote a structured and measurable approach to inclusion and to monitor progress in the most significant indicators over time, the Company adopted the Inclusion Impact Index Plus, a tool developed by the Valore D partner that enables the mapping and measuring of diversity, equity, and inclusion policies. The initiative is aimed at obtaining the UNI PdR 125:2022 certification for gender equality. Finally, the "Reale Equality" initiatives continued. These entrust an online community with the task of simulating cultural change regarding the issue of inclusion and diversity, with a special focus on issues linked to gender.

Personnel initiatives

During 2023, two traditional events dedicated to employees and their families returned – after the break resulting from the pandemic. The first was "Kids at the office with Mum and Dad" that opened the doors of the business to children between the age of 0 and 13 years, who could visit the offices where their parents work. In addition, there was "Reale Christmas" organised by the Reale Mutua recreational club (CRAL) on 20

December. Accompanied by their parents, children and kids aged between 0 and 14 years took part in a show especially devised to celebrate Christmas festivities and the value of family ties in the Group's vision.

Other

Starting from March, experimentation with the hybrid work organisation model began. The in-person working mode – that according to role and responsibilities is considered the main one – is combined with the remote working mode for a maximum of eight days per month, in line with the “New Now” plan guidelines.

Pursuant to art. 2428 of the Italian Civil Code, in 2023 there were no cases of death or serious injury at work; the Company did not receive any claims in connection with occupational diseases among its employees or former employees, nor episodes of mobbing.

1.9.2 DISTRIBUTION NETWORK AND COMMERCIAL ACTIVITIES

Distribution channels

The development of distribution channels has enabled the Company to establish a network of agencies that, at 31 December 2023, included 367 agencies under contract and 576 insurance distribution agents/brokers. In addition to the Agencies under contract, it has four subsidiary agencies and one for employees. Through the Agencies under contract and the subsidiary agencies, the Company had, at 31 December 2023, 22 standing distribution agreements with banks, leasing firms and SIM (19 included in Section D of the RUI [Single Register of Insurance Brokers] and 3 included in the list annexed to RUI), for the sale of both Life and Non-life policies. During the 2nd half of 2023, renewals of the main agreements that regulate the relationships between the Company and Agents were signed with the Agency Network representatives; these agreements transpose the content of the previous ones without major changes.

Commercial/training activities

In 2023, the **Sales** function followed up the implementation of the Business Plan by defining and developing, in synergy with the technical departments, actions aimed at improving the positioning of the Company, especially in the Welfare segment.

The Company also launched suitable initiatives to support re-pricing actions and protect profitability. In line with past years, the big focus of the portfolio, both in the Protection area and in the Single Premiums one, was maintained, grasping opportunities linked to the interest rate hike. The commercial results obtained were excellent and led to fully achieving the goals of the Business Plan as a whole.

In the **Welfare Distribution** area, the action dedicated to Focused Welfare specialists continued. This is an important strategic project that continues to draw the appreciation of the Agency Network: in 2023, in fact, the number of Focused Welfare specialists increased by more than 50 units, reaching a total of 457 consultants (+15% compared to 2022).

In the context of the **Digital Distribution**, 2023 recorded overall premium income of € 5.7 million, with a change of +6% compared to last year. A significant increase in new production (+51%) should be highlighted; this reversed the negative trend recorded in the post-COVID years. Customers registered in the Reserved Area and App remain up with 24,520 new registrations as updated in November 2023. During the year, the projects linked to the development of the digital B2B2C strategy continued. Both the platforms brought into production are the subject of planning that involves a growing number of Agencies. The goal is to reach new consumer targets thanks to a new offering of totally digital insurance solutions.

In 2023, the **Customer Experience** unit continued its monitoring of the main satisfaction metrics of Members-Policyholders on a twofold front: satisfaction and likelihood of being recommended by our Customers. During 2023, the Agency Network demonstrated appreciation of the new section within the “Forza10” platform called Customer Data. This can be used to monitor the main metrics relating to its business and the satisfaction of its customers, registrations on the Reale 1828 Per Te loyalty platform, the situation regarding refunds distributed and able to be distributed, and the performance of the main Campaigns.

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In the **Digit** area, 2023 saw the consolidation of the OTP signature system that has now become the main digital asset in use at the Agencies. Approximately 46% of the newly issued or replacement policies and more than 40% of the instalments are now managed by our network digitally. The expansion of the range of instruments present on the “Forza 10” system continued with the release of the new instrument for managing portfolio reforms and, in the last quarter of the year, the efficiency project for the Agency target model review programme was launched. This is a gradual path that will develop all the main Agency systems in less than 12 months and whose first stage saw the release of the New Agency Front End with its first components. During 2023, the **Network assistance take-up model** was also optimised thanks to a project co-managed by the Sales Division and Strategic Marketing Division. The project’s main actions included the rationalisation of assistance ticket classifications, the review of the SLAs, the reorganisation of the telephone channel, and the identification and expansion of some autonomies that make it possible to save time, removing the necessity to manage tickets. As part of the new **“Beyond Insurance” offering**, a project aimed at enabling Agencies to “alert” Customers, from time to time and on a voluntary basis, to the **Long-Term Rental** service, or mediate as Blue Assistance sales sub-agents, was launched. This service was developed by ALD Automotive (part of the Société Générale Group and market leader in Europe) in partnership with Reale Mutua Assicurazioni and Blue Assistance. Blue Assistance, a Group Service Company, has actually obtained authorisation to operate as sales agent and has signed an agency agreement with ALD to promote and place the LTR service it offers.

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The 2023 training plan set a goal of providing the distribution network with an offering that primarily supported the Company’s Sale Plan; the main lessons included Master Welfare, Master Welfare Family, and Master Protection Forum.

The 2023 training offering is based on Online Courses, Virtual Classrooms, and Physical Classrooms distributed throughout the country. Its construction was mainly based on specific Agency roles and Higher Training initiatives like the SME Master, the Insurance Executive Program, and “Master Giovani Agenti 1828”.

The training activities delivered during the year to the Reale Mutua Agencies were implemented through:

- 75 physical classroom courses, for a total of 280 editions;
- 97 virtual classroom lessons, for a total of 331 editions;
- 35 new online courses that are added to the e-learning collection that thus numbers more than 270 lessons.

The total number of hours delivered was more than 36,000 and corresponds to approximately 10,000 total participants; the individual online course completions correspond to more than 80,700, for a total of approximately 120,000 hours; and the number of hours delivered internally by the Sales Training Office corresponds to 85% of the 2023 total hours (approx. 148,000). The remaining 15% (approx. 26,000) was carried out with external bodies.

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In terms of **Product Management and Control**, the development of the Company’s IBIP product assessment model was continued, based on European and national legislative provisions, as well as continuous dialogue with the Market Conduct Supervisory Service. This development concerned the product testing and Value for Money methodology for insurance investment products (IBIPs), both in the product design and monitoring phases, based on the following two indicators: Return in the RHP in the moderate scenario and Customer Profit test. The new methodology was included in the new version of the POG policy, approved by the Board of Directors on 27 April 2023.

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Marketing and Communication

The **AGRIcoltura100** initiative also continued in 2023, developed in collaboration with Confagricoltura. The initiative is intended to promote the contribution of agriculture to the Country's sustainable growth and involves a communication campaign, scheduled to cover the next few months.

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Passing to the world of national sponsorships, as far as regards the sports world, the collaboration with the Italian Tennis Federation continues as Official Sponsor of the Italian Open Rome event, thanks also to the contemporaneous presence of Lorenzo Sonego. The partnerships with Basket Torino, Chieri '76, and Torino '81 as Title Sponsor and that with Dinamo Sassari as Main Sponsor continue. For better strategy affinity and to best enhance and include the network, Benetton Rugby became a regional sponsor in collaboration with the Padova Fair agency.

Regarding events, the DeeJay Ten and RADIO DEEJAY partnership, as Official Sponsor, concluded.

Finally, in the food area, the sponsorship with Slow Food Italia as Official Supporter was renewed. This means Reale Mutua will be involved in various events, the next will be Slow Wine Fair in February in Bologna, Live Wine and Osterie.

On the **social media** side, the year's editorial plan continues to support some of the sales plan events with product content, communication campaigns with informative content alternating with more institutional content that channels company initiatives and promotes current sponsorships.

1.9.3 LITIGATION

In addition to insurance-related litigation, litigation is also in course with the agency network and with former employees and collaborators, professionals and service providers who worked with the company in the past. Provisions for risks and charges, which amounted to € 3,064 thousand at 31 December 2023, are sufficient to cover the liabilities deriving from pending lawsuits.

As far as regards the tax disputes, it should be noted that the Revenue Agency – Piedmont Regional Division started a tax audit of Reale Mutua in relation to the correct application of the IRES (Corporate Income Tax) deduction for investments in innovative start-ups (under art. 29, Decree-Law No. 179/2012), regarding 2018 and 2019. The audit concluded by issuing, on 5 June 2023, an Official Tax Audit Report in which the investigators contested this deduction. With reference to this notification, the Company has still not received a tax assessment notice.

1.9.4 REALE FOUNDATION

Reale Foundation, Reale Group's Corporate Foundation, is a cross-business and international tool for supporting initiatives with a high social impact that can create value over time. Embodying the principles of mutuality that have been guiding the actions of Reale Group companies for 195 years, its policy of sustainability and of serving the community, Reale Foundation supports initiatives in Italy, Spain and Chile, in line with the UN 2030 Agenda for sustainable development, with a specific focus on the following three areas: Health & Welfare, Social Inclusion, Environment, and Sustainable Communities, Culture and inclusive Sport.

During the year the Company made a contribution of € 728 thousand to the Foundation.

1.9.5 COMPLAINTS MANAGEMENT

As regards **complaints management**, in accordance with ISVAP Regulation No. 24/2008 as subsequently amended, 2,104 complaints were filed with the Company in 2023, which is slightly up compared to 2022 (2063).

The percentage of complaints filed that were resolved in 2023, as compared to the total complaints received, is 96%, in line with the previous year (97%); the average response time was 15 days, in line with 2022 (14 days).

1.9.6 OTHER INFORMATION

Pursuant to Legislative Decree no. 254 of 30 December 2016 implementing Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014, as a public-interest entity and parent undertaking of a large group, Reale Mutua is required to **disclose non-financial and diversity information**.

As of 2017, therefore, the Parent has been required to present a specific consolidated non-financial statement containing details about its subsidiaries and information relating to environmental, social and employee-related matters, respect for human rights, anti-corruption and bribery matters deemed relevant in view of the activities and characteristics of the Group.

The report also provides all the information necessary to understand the business model for the organisation and control of Group activities, including in relation to the management of the above matters, the policies pursued by the Group, including due diligence processes implemented, the outcome of those policies and the relevant non-financial key performance indicators, the principal risks, generated or sustained, related to those matters linked to the Group's activities, its products, services or business relationships, including supply and subcontracting chains.

Beginning in the 2021 financial year, Reale Group decided to include its Consolidated Non-Financial Statement within the Report on Operations, preparing its first integrated statement at the Group level.

This document is prepared pursuant to Legislative Decree 254/2016 and according to the GRI Standards (2021 version) using the accounting methods "in compliance with the GRI Standards", which enables the Group to ensure maximum transparency regarding its Stakeholders in relation to the organisation's impact on the economy, people, and the environment.

In addition, with a view to providing a representation at a sector level, some "Financial Services Sector Supplement" and "NGO Sector Supplement" indicators, belonging to the "GRI-G4 Financial Services Sector Disclosures" guidelines, and "Sustainability Accounting Standards Board- Insurance Sector" (SASB) indicators, were reported on.

The Integrated Report was also prepared considering the principles recalled by the International <IR> Framework (hereinafter, also "<IR> Framework" or "Framework"), in the version updated by the International Integrated Reporting Council (IIRC) in January 2021.

Reale Group's Integrated Financial statements are available on the Group website www.realegroup.eu.

The financial statements are accompanied by the attestation issued by the auditor pursuant to article 3(10) of Legislative Decree no. 254/2016.

1.10 RELATIONSHIPS WITH SUBSIDIARIES AND ASSOCIATED COMPANIES

The Company is the Parent of the Reale Mutua Group, registered under number 006 in the Register of insurance companies set up by ISVAP with Regulation No. 15 of 20 February 2008.

The Company is not subject to the management and coordination of third parties pursuant to article 2497 *et seq.* of the Italian Civil Code; it manages and coordinates its subsidiaries in accordance with the aforementioned provision.

* * *

A) Italian Subsidiaries

Activities and services common to the various Italian companies of Reale Group have been concentrated in accordance with a Group strategy based on synergy, coordination and control.

In particular, for the Italian subsidiaries, Reale Mutua has concentrated management of settlement activities, general services, services relating to administrative activities (such as general and financial accounting, preparation of the financial statements, payroll and contributions, legal, fiscal and labour law assistance and consulting), various commercial, organisation, training and personnel selection as well as technical services within its own departments. The Parent also manages Risk Management, Compliance and Anti-money laundering activities for the Italian subsidiaries.

During 2023, these services generated total revenues for the Company of € 42,252 thousand.

At the same time, Reale Mutua received services relating mainly to IT services, financial, and asset management, real property and logistics, cost accounting, call centre activities and the management and liquidation of the portfolio, for a total amount of € 144,716 thousand. Such services are furnished on an arm's length basis and do not have any substantial effects on the operating and financial situation of the Company.

As regards the provision of Group services and coordination, as of 31 December 2023, 34 employees of Reale Mutua, including 10 senior managers, were seconded to subsidiary companies. On the same date, 335 employees of Group Companies, including 5 managers, were seconded to the Company.

The main data for each Italian subsidiary at 31 December 2023 are set forth below.

Italiana Assicurazioni S.p.A. - Milan

At 31 December 2023, this Company reported premium income from direct business and inward reinsurance of € 1,678,813 thousand, up 1.5% compared to 2022, including € 869,198 thousand for Non-life business, with an increase of 6.9%, and € 809,615 thousand for Life business, with a decrease of 3.7%.

The year closed with a loss of € 3,767 thousand compared with a loss of € 52,794 thousand in the previous year. In particular, Non-life business recorded a loss of € 25,818 thousand, compared with a profit of € 37,873 thousand in 2022, and Life business recorded a profit of € 22,051 thousand, compared with a loss of € 90,667 thousand in 2022.

Banca Reale S.p.A. - Turin

In terms of the main balance sheet and income statement items, total customer deposits stood at € 16,806,584 thousand at 31 December 2023, an increase of 0.1% compared with the previous year. The direct income amounted to € 1,124,069 thousand (+0.2%), whereas indirect income amounted to € 15,682,515 thousand (+0.1%). Net loans to customers amounted to € 733,210 thousand at the end of the year, an increase of 2.9% compared to 2022.

The income statement for 2023 closed with an intermediation margin of € 48,597 thousand (with an increase of 10.4% in relation to 2023).

Profit from current operations, before taxes, amounted to € 11,347 thousand (+30.4% compared with 2022), while the net profit for the financial year stands at € 7,423 thousand and shows an increase of 32.5% compared with 31 December 2022.

Reale Immobili S.p.A. - Turin

As regards the economic results, the net profit for 2023, amounts to 46,336 thousand compared with € 41,656 thousand in the previous year. This increase is mainly attributable to the reduction in service and other costs, partially compensated for by the reduction in revenue from rent and capital gain from disposal of real estate. 2023 ended with an EBITDA of € 78,608 thousand, with a share in the production revenue of 66.4% (57.8% in 2022), up compared to the results of last year mainly due to the effect of the contraction in production costs.

Blue Assistance S.p.A. - Turin

The net profit in 2023 amounted to € 39,620 thousand compared with € 297 thousand in the previous year. The increase is attributable to the effects of transferring the “TPA (Third Part Administrator) InSalute” business arm to the InSalute Servizi S.p.A. company. Mainly consisting of the technological platform for managing claims in the health arm, the affiliated facilities network, and dependent work contracts, the arm was transferred for a carrying amount totalling € 3,594 thousand and generated a gain of € 39,906 thousand. The year closed with an EBITDA equal to € 41,418 (€ 2,634 thousand in the previous year).

Reale Ites S.r.l. - Turin

The Company reported revenues from services equal to € 119,884 thousand, which refer to fees for IT services supplied to Group companies. At year-end, investments in hardware and software amounted to € 116,233 thousand.

The Company closed with a net profit of € 62 thousand.

Italnext S.r.l.

The Company, established in 2015 and controlled by Italiana Assicurazioni, carries out brokerage activities for the sale of insurance products and for promoting social security and welfare protection, develops innovative commercial initiatives in the Non-life and Life businesses through agreements with other intermediaries, and tests evolved processes and instruments for providing insurance back office services. It activated collaboration agreements with more than 400 agencies and brokers. In addition, it provides administrative, management, consultancy, and support services linked to insurance brokerage activities. Service revenue and sales amounted to a total of € 3,201 thousand.

The Company closed with a profit equal to € 212 thousand, confirming the result of the previous year.

Plurima Servizi Assicurativi S.r.l.

This Company is a digital broker (insurtech) that acts as a digital platform for the provision of market insurance products to other intermediaries, according to the “horizontal collaboration” approach. Service revenue and sales amounted to a total of € 453 thousand.

The Company reported a loss of € 451 thousand.

Rem Intermediazioni S.r.l. (Formerly Uniqa Intermediazioni S.r.l.)

Rem Intermediazioni, 100% controlled by Italiana Assicurazioni, was founded in 2004 and performs agency activities. Revenues from sales and services amounted to a total of € 429 thousand.

The Company closed with a profit equal to € 280 thousand, confirming the result of the previous year.

Blue Health Centre S.r.l. – Turin

The Company reported a loss of € 1,285 thousand. Earnings from sales and services amount to € 754 thousand, while the production costs for the year, net of returns, discounts, rebates, and bonuses amount to € 2,434 thousand. It should be noted that intangible fixed assets amount to € 6,853 thousand.

Reale International S.r.l. – Turin

Reale International is a holding company fully owned by Reale Mutua whose corporate purpose is to purchase, by way of stable investment, sell, and manage holdings in foreign insurance companies.

* * *

B) Foreign Subsidiaries

The main data concerning intra-group relations with each foreign subsidiary at 31 December 2023 are set forth below.

Reale Mutua manages services on behalf of its Spanish subsidiary Reale Seguros Generales for the administration and control of financial and real property investments, equity and finance services and risk management activities, as regards the development and management of the internal model. It manages services for the administration and control of financial and real property investments, equity and finance services and services related to actuarial activities for the Life business on behalf of the Spanish subsidiary Reale Vida y Pensiones. It manages services relating to treasury activities and purchasing management for the subsidiary Reale Ites Esp.

During 2023, these services generated total revenues for the Company of € 2,749 thousand, and costs for € 1,982 thousand.

At 31 December 2023, 5 employees from Reale Seguros Generales and 4 employees of Reale Ites Esp were seconded to Reale Mutua and, at the same time, 3 employees from Reale Mutua were seconded to Reale Seguros Generales and 3 employees of Reale Mutua were seconded to Reale Seguros Chile.

Reale Seguros Generales S.A. – Madrid

In 2023, the Company reported a premium volume of € 1,020.3 million, with an increase of 5.8% compared to the previous year. The Motor business increased 6.4% whereas the Non-motor business grew 4.8%.

The combined operating ratio records a slight increase, from 100.8% at 31 December 2022 to 101.0% at the closure of the current year, due to the combined effect of:

- a decrease in the loss ratio for the year of 0.4 percentage points (66.3% as compared to 66.7% in 2022);
- a slight increase in the expenses ratio that reaches 32.6% (32.1% in 2022);
- a negative balance between the reinsurance result and other technical items that were basically stable compared to 2022 (2.1% in 2023 compared to 2.0% 2022).

The year closed with a net profit of € 5.4 million, compared with € 8.8 million the previous year.

Reale Vida y Pensiones S.A. – Madrid

In 2023, the Company achieved a premium volume of € 62.8 million, showing an increase equal to 33.5%. This increase is the result of the combined effect of increased income from risk policies (+11.5%) and in savings policies (+55.4%).

The year closed with a net profit of € 3.2 million, compared with € 3.0 million in 2022.

Reale Immobili España S.A.

In terms of 2023 economic results, the Company confirms a positive result equal to € 1,707 thousand, up as compared to 2022 (€ 408 thousand). The Gross Operating Margin (EBITDA) increased as compared to the previous year, amounting to € 4,280 thousand (€ 2,475 thousand at December 2022).

Reale Ites Esp S.l.

Service revenues and sales amounted overall to € 29,708 thousand consisting of fees for IT services provided to the Group's Spanish companies. As of 31 December 2022, investments in hardware and software amounted to € 26,159 thousand. The Company closed the year with a profit equal to € 81 thousand, as compared to a profit of € 68 thousand at 31 December 2022.

Reale Group Latam S.p.A. – Santiago

The company is an insurance holding and is 100% controlled by Reale Seguros which is in turn controlled 99.65% by the Reale Group Chile.

The Company reported a loss of € 7 thousand.

Reale Group Chile S.p.A. – Santiago

The company is an insurance holding and is 99.65% controlled by the Reale Group Latam, which is in turn controlled 99.99% by Reale Chile Seguros.

The Company reported a loss of € 284 thousand.

Reale Chile Seguros S.A. – Santiago

The Company reported a direct business premium volume of € 163.8 million, with an increase of 17.0% compared with the previous year. In particular, the Motor business has increased 12.7% whereas the Non-motor business has increased 24.8%.

The combined operating ratio has deteriorated, going from 101.6% at the end of the previous year to 109.1% at the closure of the current year due to the combined effect of:

- an increase in the loss ratio for the year of 9.7 percentage points (64.5% as compared to 54.8% in 2022);
- an improvement in the expenses ratio that stands at 26.5% (30.4% in 2022);
- a negative balance between the reinsurance result and other technical items that increased compared to 2022 (18.1% in 2023 compared to 16.4% 2022).

The year recorded a loss of € 5.0 million compared with a profit of € 2.2 million in 2022.

* * *

C) Associated companies

The main data for each associated company at 31 December 2023 are set forth below.

Credemassicurazioni S.p.A. - Reggio Emilia

This Non-life company is owned on an equal basis by Reale Mutua and the Credem banking group. In financial 2023, Credemassicurazioni garnered premium income for € 58,449 thousand, compared with € 51,898 thousand in the previous year. Financial 2023 closed with a profit of € 12,054 thousand compared with € 7,700 thousand the previous year. The proposal to be submitted to the Meeting envisages the distribution of a dividend of € 6,010 thousand.

Pharmercure S.r.l – Turin

The company, of which Reale Mutua owns 37.32%, is an innovative company launched in Turin in 2018. It consists of a platform that manages the ordering and home delivery of all pharmacy products, including prescription medicines. The Company reported a loss of € 728 thousand.

Casamia Servizi S.p.A. - Turin

The company, of which Blue Assistance owns 35%, is the new company of the Intesa Sanpaolo Insurance Division, fruit of the partnership between Intesa Sanpaolo Vita and Blue Assistance, devised for innovative assistance during the whole health service management process. The Company reported a net profit of € 30 thousand.

1.11 SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 12 February 2024, the Supervisory Institute sent the Company an administrative sanction proposal amounting to € 639 thousand at the end of the sanctioning procedure launched by the Institute itself with the penalty notification ref. no. 0163630-22 dated 24 August 2022. With this notification, Reale Mutua was accused of not having prepared – neither subsequently to 1 May 2019 (date of entry into force of the IVASS Regulation no. 44/2019) nor up to 21 September (date of request for supplementary information) – suitable procedures and forms to ensure full compliance with certain obligations. These concerned the suitable verification of customers by distributor intermediaries and an appropriate control system for identifying procedures and practices that do not comply.

While waiting for the review by the IVASS Directorate of the defence arguments sent by the Company, an appropriate fund for future charges was set aside in the 2023 Financial statements.

On 19 February 2024, Reale Mutua completed the purchase of a controlling interest of 76.6% of the outstanding share capital (which corresponds to 75.5% of the whole share capital) of the Greek Non-life insurance company **Ydrogios**. Three years having passed since the above-mentioned completion date; the current agreement provides for an additional purchase of shares totalling 10.1% of the current outstanding share capital. The transaction fits into the geographic diversification goal that the Group has included in its strategic plan and Greece represents a dynamic market, characterised by significant growth and insurance penetration rates still below the European average. This is not just about business affinity, but shared values. As for Ydrogios, the centrality of people, integrity, innovation, the importance of agents and brokers, and the goal of protecting people and communities have been Reale Group's fundamental values for almost 200 years.

No further significant events have occurred after the closure of the accounts that could have a significant effect on the information provided in the balance sheet or income statement.

1.12 BUSINESS OUTLOOK

The business outlook during 2024 is defined by various elements of uncertainty linked to geopolitical factors: from the evolution of the war between Russia and Ukraine to the destabilisation of the Middle Eastern scenario following Hamas's attack on Israel, to the numerous political elections that will be held during 2024, which notably include the European Parliament and United States Presidential elections.

With regard to financial markets, after a very positive last quarter in 2023 – both with regard to the share and bonds segment – the launch of the new year is more cautious, in expectation of greater clarity regarding the behaviour of the central banks. Growth and inflation remain crucial in the consensus assessments and if, on the one hand, price downturn signals are more and more convincing, on the other hand, a possible, more marked slowdown in expectations regarding global GDP worries investors. The disinflation process should not encounter particular obstacles during 2024, neither in the United States nor in Europe: oil prices seem to be under control, in particular thanks to the increase in American production. In addition, the recovery in production chains will continue to produce deflationary effects, monetary aggregates are contracting, and, finally, especially in the United States, the rebalancing of the labour market is underway. The policies of Central Banks will still remain decisive for countering inflationary dynamics. In the most recent meetings, there was a pause in the rate hike phase, leaving it to be understood that the majority of work in the battle against inflation has now been done and the conditions for easing monetary policies could soon be in place. In these conditions, the market has bet on a very rapid reduction of reference rates in 2024; in any case, this situation creates exposure to possible fragility in the event that successive inflation data should not prove to be in line with expectations.

The end-of-year context thus strengthens the hypothesis of a soft landing for the economy and reduces the probability of a possible return of inflation, which would lead to a new hardening of monetary policy; the probability of significant weakening in growth caused by the delayed effects of the reduction in interest rates remains low.

The performance of financial markets during 2024 is not expected to be as positive as in 2023, but the context leaves margins for optimism both for the bond and share markets, although variability in macroeconomic data and decisions that will be taken by central banks will probably lead to greater volatility on markets.

* * *

As far as regards the **Italian insurance sector**, according to the latest forecasts available provided by Prometeia in October 2023, the 2024 insurance market is expected to grow by 2.8% with a positive contribution both in the Life segment (+1.4%) and in the Non-life one (+5.7%), with an increase of +3.7% in the Motor segment and +7.1% in the Non-Motor one.

In this context, indications regarding the Company's business confirm the projections examined during the Meeting of Delegates of 02 December 2023.

The Company's overall premium income is estimated to be up by 1.0%, due to the combined effect of an increase in the Non-life segment (+4.1%) and a decrease in the Life one (-4.5%). Specifically, for the Non-life business, the Motor income is expected to increase by 3.6%. Here, a significant recovery of the average premium for individual policies is expected, aimed at countering the negative impacts linked to inflation, to balance the technical profitability of the business in the medium term.

As far as regards the Non-motor sector, income is expected to be up by 4.4%, reflecting significant repricing transactions in the portfolio aimed at improving technical profitability.

With regard to the Life segment, it should be noted that the current reference context, with high medium-to-long term rates, is generating strong pressure on products from other financial instruments with a similar risk (state bonds and bonds in general). The latter have high profits and a very strong appeal for Customers, generating strong competitive pressure in relation to the Class I Life products. The guidelines for 2024 provide for maintaining strong Separately Managed Account production primarily to return net flows to positive territory in the three-year period and, at the same time, to encourage their growth in profits, to make them more appetising for customers. At the same time, it will be important to stabilise the profitability of the Life portfolio by marketing TCM and Unit products characterised by greater marginality for the Company.

1.13 AUDITING

Pursuant to article 102 of Legislative Decree No. 209 of 7 September 2005, and articles 14-16 of Legislative Decree No. 39 of 27 January 2010, the annual accounts at 31 December 2023 have been audited by PricewaterhouseCoopers S.p.A.

1.14 MOTIONS ON THE PROFIT FOR THE YEAR

To the Delegates,

the Board of Directors has submitted the Financial Statements of the Company Reale Mutua di Assicurazioni at 31 December 2023 for your approval, together with the Report on Operations, which shows an overall Net profit for the Year of € 12,420,411.95, of which -14,465,507.99 related to Non-life business (Net loss) and € 26,885,919.94 related to Life business (Net profit).

Furthermore, the Board of Directors submits for your approval the proposed allocation of the net result for the year as at 31 December 2023, as follows:

- Repayment, as a refund, of part of the contributions received during the year to which the Income Statement refers, as follows:

Life business	€ 12,500,000.00
---------------	-----------------

The proposal complies with art. 17 of the Articles of Association and the Refunds Regulations. In particular, the Life business shows a positive Operating surplus (condition for the resolution to distribute refunds) equal to € 17,463,158.51; this amount corresponds to the lesser amount between the Business's Net profit (€ 26,885,919.94 euro) and the Business's Technical Account Profit (€ 17,463,158.51) as stipulated by art. 6 of the Regulation.

The Non-life Business does not show a positive Operating surplus so that the condition does not exist for refund distribution.

- The use of the Ordinary Reserve of the Non-life Business, for € 14,465,507.99, to cover the loss in the Non-life Section;
- Allocation of the residual Profit of the Life business, equal to € 14,385,919.94 to the Ordinary Reserve of the Life business.

* * *

The closing of the 2023 financial year marks the end of the three-year term office of the Board of Directors and of the Electoral Committee. The Meeting will therefore be asked to appoint the new Members thereof.

* * *

To conclude this Report, the Board of Directors wishes to thank the Delegates, Directors, members of the Board of Statutory Auditors, Company management, all staff and agents for their unfailing cooperation and commitment.

THE BOARD OF DIRECTORS



BALANCE SHEET AND INCOME STATEMENT

Values of the previous year

			181	0
	182	0		
183	0			
184	0	185	0	
		186	0	
		187	0	
		188	0	
		189	120,580	190
				120,580
		191	27,451,118	
		192	28,327,074	
		193	0	
		194	0	
		195	0	196
				55,778,192
197	0			
198	1,936,689,723			
199	0			
200	23,597,551			
201	10,832,890	202	1,971,120,164	
203	0			
204	0			
205	0			
206	0			
207	0	208	0	
209	0			
210	0			
211	0			
212	0			
213	0	214	0	215
				1,971,120,164
	to be carried forward			
				120,580

BALANCE SHEET
ASSETS

Values of the year

		carried forward				128,694
C.	INVESTMENTS (continued)					
III	- Other financial investments					
	1. Shares and interests					
	a) Listed shares	36	13,659,163			
	b) Unlisted shares	37	5,417,878			
	c) Interests	38	12,595,677	39	31,672,718	
	2. Shares in common investment funds			40	325,337,381	
	3. Bonds and other fixed-income securities					
	a) listed	41	6,677,993,277			
	b) unlisted	42	51,072,449			
	c) convertible debentures	43	0	44	6,729,065,726	
	4. Loans					
	a) loans secured by mortgage	45	26,995,535			
	b) loans on policies	46	715,910			
	c) other loans	47	1,484,261	48	29,195,706	
	5. Participation in investment pools			49	0	
	6. Deposits with credit institutions			50	818,852	
	7. Other financial investments			51	0	52
	IV - Deposits with ceding undertakings					53
						54
						673,832
						9,149,068,032
D.	INVESTMENTS FOR THE BENEFIT OF LIFE POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS					
I	- Investments relating to contracts linked to investment funds and market indices			55	966,996,208	
II	- Investments relating to the administration of pension funds			56	339,470,732	57
						1,306,466,940
D bis.	REINSURERS' SHARE OF TECHNICAL PROVISIONS					
	I - NON-LIFE BUSINESS					
	1. Provision for unearned premiums	58	45,481,079			
	2. Provision for claims outstanding	59	299,348,819			
	3. Provisions for profit-sharing and premium refunds	60	0			
	4. Other technical provisions	61	40,877	62	344,870,775	
	II - LIFE BUSINESS					
	1. Provisions for policy liabilities	63	5,427,061			
	2. Unearned premium provision for supplementary coverage	64	0			
	3. Provision for sums to be paid	65	760,979			
	4. Provision for profit-sharing and premium refunds	66	0			
	5. Other technical provisions	67	0			
	6. Technical provisions for policies where the investment risk is borne by the policyholders and relating to the administration of pension funds	68	0	69	6,188,040	70
						351,058,815
						10,806,722,481
						to be carried forward

Values of the previous year

	carried forward		120,580
216	69,247,343		
217	417,878		
218	12,595,677	219	82,260,898
		220	399,918,743
221	6,726,322,710		
222	0		
223	0	224	6,726,322,710
225	26,849,026		
226	706,698		
227	1,732,184	228	29,287,908
		229	0
		230	818,451
		231	0
		232	7,238,608,710
		233	784,083
		234	9,266,291,149
		235	927,543,232
		236	293,969,539
		237	1,221,512,771
		238	44,182,753
		239	169,025,362
		240	0
		241	46,402
		242	213,254,517
		243	4,503,096
		244	0
		245	726,343
		246	0
		247	0
		248	0
		249	5,229,439
		250	218,483,956
	to be carried forward		10,706,408,456

BALANCE SHEET

ASSETS

Values of the year

		carried forward				10,806,722,481			
E.	RECEIVABLES								
I	- Receivables arising out of direct insurance operations:								
	1. Policyholders								
	a) for premiums current year	71	210,140,667						
	b) for premiums previous years	72	13,470,605	73	223,611,272				
	2. Insurance intermediaries			74	226,881,180				
	3. Current accounts with insurance			75	38,494,904				
	4. Policyholders and third parties for recoveries			76	46,086,385	77	535,073,741		
II	- Receivables arising out of reinsurance operations:								
	1. Insurance and reinsurance companies			78	111,815,894				
	2. Reinsurance intermediaries			79	17,172,304	80	128,988,198		
III	- Other receivables					81	676,275,212	82	1,340,337,151
F.	OTHER ASSETS								
I	- Tangible assets and inventories:								
	1. Furniture, office machines and internal transport vehicles			83	3,159,598				
	2. Vehicles listed in public registers			84	0				
	3. Machinery and equipment			85	1,874,801				
	4. Inventories and other goods			86	0	87	5,034,399		
II	- Cash at bank and in hand								
	1. Bank and postal accounts			88	60,548,887				
	2. Cheques and cash on hand			89	2,090	90	60,550,977		
III	- Own shares or equity interests					91	0		
IV	- Other								
	1. Deferred reinsurance items			92	2,027				
	2. Miscellaneous assets			93	219,102,530	94	219,104,557	95	284,689,933
G.	ACCRUALS AND DEFERRED INCOME								
	1. Accrued interest					96	54,910,903		
	2. Rents					97	0		
	3. Other accruals and deferred income					98	824,448	99	55,735,351
	TOTAL ASSETS						100	12,487,484,916	

Values of the previous year

	carried forward		10,706,408,456
251	211,629,788		
252	12,551,623	253	224,181,411
		254	263,219,880
		255	37,220,692
		256	43,153,096
		257	567,775,079
		258	68,083,121
		259	14,428,044
		260	82,511,165
		261	505,848,898
		262	1,156,135,142
		263	3,038,010
		264	0
		265	2,488,908
		266	0
		267	5,526,918
		268	56,817,739
		269	1,994
		270	56,819,733
		271	0
		272	2,027
		273	199,072,571
		274	199,074,598
		275	261,421,249
		276	52,878,498
		277	0
		278	814,596
		279	53,693,094
		280	12,177,657,941

BALANCE SHEET
LIABILITIES AND SHAREHOLDERS' EQUITY

Values of the year

A. SHAREHOLDERS' EQUITY				
I	- Subscribed capital or equivalent fund	101	60,000,000	
II	- Share premium account	102	0	
III	- Revaluation reserves	103	136,222,768	
IV	- Legal reserve	104	241,335,371	
V	- Statutory reserves	105	0	
VI	- Reserves for own shares and shares of the parent company	400	0	
VII	- Other reserves	107	1,977,779,394	
VIII	- Profit (loss) brought forward	108	0	
IX	- Net profit (loss) for the year	109	12,420,411	
X	- Negative reserve for own shares held	401	0	110 2,427,757,944
B. SUBORDINATED LIABILITIES				111 0
C. TECHNICAL PROVISIONS				
I - NON-LIFE BUSINESS				
	1. Provision for unearned premiums	112	809,836,733	
	2. Provision for claims outstanding	113	2,138,922,271	
	3. Provision for profit-sharing and premium refunds	114	0	
	4. Other technical provisions	115	1,889,938	
	5. Equalisation provision	116	11,891,513	117 2,962,540,455
II - LIFE INSURANCE BUSINESS				
	1. Provisions for policy liabilities	118	5,331,612,074	
	2. Unearned premium provision for supplementary coverage	119	186,306	
	3. Provision for sums to be paid	120	73,430,751	
	4. Provision for profit-sharing and premium refunds	121	0	
	5. Other technical provisions	122	28,518,756	123 5,433,747,887 124 8,396,288,342
D. TECHNICAL PROVISIONS WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDERS AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS				
I	- Provisions relating to contracts linked to investment funds and market indices	125	966,882,982	
II	- Provisions relating to the administration of pension funds	126	339,457,600	127 1,306,340,582
	to be carried forward			12,130,386,868

Values of the previous year

	281	60,000,000	
	282	0	
	283	136,222,768	
	284	241,335,371	
	285	0	
	500	0	
	287	1,970,010,945	
	288	0	
	289	5,952,146	
	501	0	290 2,413,521,230
			291 0
292	754,222,395		
293	1,887,383,266		
294	0		
295	1,765,524		
296	17,423,415	297 2,660,794,600	
298	5,447,820,059		
299	176,293		
300	69,740,501		
301	0		
302	25,771,176	303 5,543,508,029	304 8,204,302,629
		305 927,453,564	
		306 293,960,113	307 1,221,413,677
to be carried forward			11,839,237,536

BALANCE SHEET
LIABILITIES AND SHAREHOLDERS' EQUITY

Values of the year

		carried forward		12,130,386,868	
E.	PROVISIONS FOR RISKS AND CHARGES				
1.	Provisions for pensions and similar obligations	128	23,528,739		
2.	Tax provision	129	0		
3.	Other provisions	130	37,773,908	131	61,302,647
F.	DEPOSITS RECEIVED FROM REINSURERS			132	2,623,359
G.	PAYABLES AND OTHER LIABILITIES				
I	- Payables arising out of direct insurance operations:				
1.	Insurance intermediaries	133	34,764,060		
2.	Current accounts with insurance companies	134	2,731,324		
3.	Premium deposits and premiums due to policyholders	135	17,492,683		
4.	Guarantee funds in favour of policyholders	136	646,325	137	55,634,392
II	- Payables arising out of reinsurance operations:				
1.	Insurance and reinsurance companies	138	3,592,998		
2.	Reinsurance intermediaries	139	4,483,721	140	8,076,719
III	- Debenture loans			141	0
IV	- Amounts owed to banks and credit institutions			142	0
V	- Loans guaranteed by mortgages			143	0
VI	- Miscellaneous loans and other financial			144	0
VII	- Provision for employees' leaving indemnities			145	6,177,898
VIII	- Other payables				
1.	Premium taxes	146	30,044,554		
2.	Other tax liabilities	147	19,423,171		
3.	Social security	148	5,382,658		
4.	Miscellaneous payables	149	94,601,615	150	149,451,998
IX	- Other liabilities				
1.	Deferred reinsurance items	151	0		
2.	Commissions for premiums in course of collection	152	57,633,527		
3.	Miscellaneous liabilities	153	15,100,350	154	72,733,877
	to be carried forward			155	292,074,884
					12,486,387,758

Values of the previous year

carried forward			11,839,237,536
	308	24,382,961	
	309	0	
	310	38,892,006	311 63,274,967
			312 2,592,309
313	35,799,200		
314	6,098,366		
315	17,447,625		
316	0	317 59,345,191	
318	3,266,669		
319	3,201,248	320 6,467,917	
		321 0	
		322 0	
		323 0	
		324 0	
		325 6,856,161	
326	23,643,141		
327	10,198,159		
328	5,276,937		
329	89,641,382	330 128,759,619	
331	0		
332	56,378,387		
333	13,441,081	334 69,819,468	335 271,248,356
to be carried forward			12,176,353,168

BALANCE SHEET
LIABILITIES AND SHAREHOLDERS' EQUITY

Values of the year

	carried forward			12,486,387,758
H. ACCRUALS AND DEFERRED INCOME				
1. Accrued interest	156	0		
2. Rents	157	1,091,186		
3. Other accruals and deferred income	158	5,972	159	1,097,158
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			160	12,487,484,916

Values of the previous year

carried forward				12,176,353,168
	336	251,479		
	337	1,053,294		
	338	0	339	1,304,773
			340	12,177,657,941

PROFIT AND LOSS ACCOUNT

Values of the year

I. TECHNICAL ACCOUNT – NON-LIFE INSURANCE BUSINESS			
1.	PREMIUMS EARNED, NET OF REINSURANCE:		
	a) Gross premiums written	1	1,840,124,705
	b) (-) Outward reinsurance premiums	2	184,926,743
	c) Change in the gross provision for unearned premiums	3	55,614,339
	d) Change in the provision for unearned premiums, reinsurers' share	4	2,482,262
		5	1,602,065,885
2.	(+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT (ITEM III. 6)	6	41,508,230
3.	OTHER TECHNICAL INCOME, NET OF REINSURANCE	7	19,266,634
4.	CLAIMS INCURRED, NET OF RECOVERIES AND REINSURANCE		
	a) Claims paid		
	aa) Gross amount	8	1,310,306,911
	bb) (-) reinsurers' share	9	150,305,202
		10	1,160,001,709
	b) Change in recoveries, net of reinsurers' share		
	aa) Gross amount	11	38,762,789
	bb) (-) reinsurers' share	12	0
		13	38,762,789
	c) Change in the provisions for outstanding claims		
	aa) Gross amount	14	251,538,605
	bb) (-) reinsurers' share	15	158,637,008
		16	92,901,597
		17	1,214,140,517
5.	CHANGE IN OTHER TECHNICAL PROVISIONS NET OF REINSURANCE	18	129,939
6.	PREMIUM REFUNDS AND PROFIT-SHARING, NET OF REINSURANCE	19	0
7.	OPERATING EXPENSES:		
	a) Acquisition commissions	20	239,647,281
	b) Other acquisition costs	21	78,655,475
	c) Change in commissions and other acquisition costs to be amortised	22	0
	d) Collecting commissions	23	103,326,537
	e) Other administrative expenses	24	103,521,007
	(-) Reinsurance commissions and profit-sharing	25	29,568,520
		26	495,581,780
8.	OTHER TECHNICAL CHARGES, NET OF REINSURANCE	27	36,200,766
9.	CHANGE IN THE EQUALISATION PROVISION	28	-5,531,902
10.	BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE BUSINESS (Item III. 1)	29	-77,680,351

Values of the previous year

			111	1,723,701,367	
			112	176,015,078	
			113	33,459,177	
			114	2,349,279	115
					1,516,576,391
					116
					56,252,725
					117
					18,214,440
			118	1,111,313,856	
			119	122,166,395	120
					989,147,461
			121	24,530,346	
			122	0	123
					24,530,346
			124	96,025,032	
			125	-17,412,854	126
					113,437,886
					127
					1,078,055,001
					128
					97,212
					129
					0
			130	227,912,357	
			131	85,744,724	
			132	0	
			133	98,143,295	
			134	95,493,435	
			135	31,970,191	136
					475,323,620
					137
					40,610,573
					138
					2,226,241
					139
					-5,269,091

PROFIT AND LOSS ACCOUNT

Values of the year

II. TECHNICAL ACCOUNT - LIFE INSURANCE BUSINESS			
1. PREMIUMS EARNED, NET OF REINSURANCE:			
a) Gross premiums written	30 987,945,248		
b) (-) Outward reinsurance premiums	31 11,191,990	32	976,753,258
2. INVESTMENT INCOME:			
a) From shares and interests	33 8,239,028		
(of which: from Group companies and other shareholdings	34 4,300,000)		
b) From other investments:			
aa) income from land and buildings	35 0		
bb) income from other investments	36 140,439,821	37	140,439,821
(of which: from Group companies and other shareholdings	38 0)		
c) Value re-adjustments on investments	39 699,923		
d) Gains on the disposal of investments	40 3,210,444		
(of which: from Group companies and other shareholdings	41 0)	42	152,589,216
3. INCOME AND UNREALISED GAINS ON INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS		43	153,893,011
4. OTHER TECHNICAL INCOME, NET OF REINSURANCE		44	16,113,416
5. CLAIMS INCURRED, NET OF REINSURANCE:			
a) Claims paid			
aa) Gross amount	45 1,162,996,339		
bb) (-) Reinsurers' share	46 3,197,480	47	1,159,798,859
b) Change in the provisions for claims to be paid			
aa) Gross amount	48 3,690,249		
bb) (-) Reinsurers' share	49 74,515	50	3,615,734
51	1,163,414,593		
6. CHANGE IN PROVISIONS FOR POLICY LIABILITIES AND IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE			
a) Provisions for policy liabilities:			
aa) Gross amount	52 -114,547,943		
bb) (-) Reinsurers' share	53 934,267	54	-115,482,210
b) Unearned premium provision for supplementary coverage:			
aa) Gross amount	55 10,013		
bb) (-) Reinsurers' share	56 0	57	10,013
c) Other technical provisions			
aa) Gross amount	58 2,747,580		
bb) (-) Reinsurers' share	59 0	60	2,747,580
d) Provisions for policies where the investment risk is borne by the policyholders and relating to the administration of pension funds			
aa) Gross amount	61 84,926,905		
bb) (-) Reinsurers' share	62 0	63	84,926,905
64	-27,797,712		

Values of the previous year

		140	831,290,631			
		141	10,427,087	142	820,863,544	
		143	15,555,667			
(of which: from Group companies and other shareholdings		144	13,031,838)		
		145	0			
		146	129,110,344	147	129,110,344	
(of which: from Group companies and other shareholdings		148	0)		
		149	418,316			
		150	17,121,086			
(of which: from Group companies and other shareholdings		151	0)	152	162,205,413
				153	39,773,289	
				154	15,696,676	
		155	740,000,427			
		156	5,156,646	157	734,843,781	
		158	12,031,044			
		159	-76,265	160	12,107,309	
		161		161	746,951,090	
		162	66,962,887			
		163	396,068	164	66,566,819	
		165	16,000			
		166	0	167	16,000	
		168	2,689,057			
		169	0	170	2,689,057	
		171	-136,366,545			
		172	0	173	-136,366,545	
		174		174	-67,094,669	

PROFIT AND LOSS ACCOUNT

Values of the year

7.	PREMIUM REFUNDS AND PROFIT-SHARING, NET OF REINSURANCE			65	0
8.	OPERATING EXPENSES:				
	a) Acquisition commissions	66	21,644,860		
	b) Other acquisition costs	67	10,875,527		
	c) Change in commissions and other acquisition costs to be amortised	68	0		
	d) Collecting commissions	69	1,319,971		
	e) Other administrative expenses	70	19,972,808		
	(-) Reinsurance commissions and profit-sharing	71	2,583,547	72	51,229,619
9.	INVESTMENT MANAGEMENT AND FINANCIAL CHARGES:				
	a) Investment management charges, including interest	73	15,738,064		
	b) Value adjustments on investments	74	9,598,847		
	c) Losses on the disposal of investments	75	5,967,930	76	31,304,841
10.	INVESTMENT MANAGEMENT AND FINANCIAL CHARGES AND UNREALISED CAPITAL LOSSES ON INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND INVESTMENTS DERIVING FROM THE ADMINISTRATION OF PENSION FUNDS			77	43,671,567
11.	OTHER TECHNICAL CHARGES, NET OF REINSURANCE			78	10,178,158
12.	(-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-TECHNICAL ACCOUNT (Item III. 4)			79	9,884,677
13.	BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (Item III. 2)			80	17,463,158
III. NON-TECHNICAL ACCOUNT					
1.	BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE BUSINESS (Item I.10)			81	-77,680,351
2.	BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (Item II. 13)			82	17,463,158
3.	NON-LIFE INVESTMENT INCOME:				
	a) From shares and interests	83	59,944,502		
	(of which: from Group companies and other shareholdings	84	56,823,816		
	b) From other investments:				
	aa) income from land and buildings	85	3,779,496		
	bb) income from other investments	86	41,480,288	87	45,259,784
	(of which: from Group companies and other shareholdings	88	213,000		
	c) Value re-adjustments on investments	89	310,526		
	d) Gains on the disposal of investments	90	7,089,042		
	(of which: from Group companies and other shareholdings	91	0	92	112,603,854

Values of the previous year

			175	0
		176	21,449,864	
		177	10,080,901	
		178	0	
		179	1,238,469	
		180	20,765,591	
		181	1,968,121	182
				51,566,704
		183	16,039,523	
		184	125,161,144	
		185	3,834,843	186
				145,035,510
				187
				239,522,091
				188
				9,956,634
				189
				0
				190
				-87,398,438
				191
				-5,269,091
				192
				-87,398,438
		193	84,873,986	
(of which: from Group companies and other shareholdings		194	80,452,874)
		195	3,245,917	
		196	23,554,495	197
(of which: from Group companies and other shareholdings				26,800,412
				198
				205,000
		199	950,002	
		200	6,537,866	
(of which: from Group companies and other shareholdings		201	0)
				202
				119,162,266

PROFIT AND LOSS ACCOUNT

Values of the year

4.	(+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (Item II. 12)		93	9,884,677
5.	INVESTMENT MANAGEMENT AND FINANCIAL CHARGES NON-LIFE BUSINESS:			
	a) Investment management charges, including interest	94	22,363,384	
	b) Value adjustments on investments	95	7,356,423	
	c) Losses on the disposal of investments	96	9,677,294	97
				39,397,101
6.	(-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-LIFE INSURANCE BUSINESS TECHNICAL ACCOUNT (Item I 2)		98	41,508,230
7.	OTHER INCOME		99	78,760,373
8.	OTHER CHARGES		100	66,179,823
9.	INCOME FROM ORDINARY OPERATIONS		101	-6,053,443
10.	EXTRAORDINARY INCOME		102	5,817,872
11.	EXTRAORDINARY CHARGES		103	3,921,121
12.	EXTRAORDINARY PROFIT OR LOSS		104	1,896,751
13.	PROFIT BEFORE TAXES		105	-4,156,692
14.	INCOME TAXES		106	-16,577,103
15.	NET PROFIT (LOSS) FOR THE YEAR		107	12,420,411

Values of the previous year

			203	0
			204	12,942,086
			205	1,093,184
			206	3,587,783
		207	17,623,053	
		208	56,252,725	
		209	81,753,363	
		210	64,080,404	
		211	-29,708,082	
		212	5,857,374	
		213	3,042,924	
		214	2,814,450	
		215	-26,893,632	
		216	-32,845,778	
		217	5,952,146	

A stylized fingerprint graphic in light gray, consisting of several curved, overlapping lines that form a circular pattern, positioned behind the text.

NOTES TO THE FINANCIAL STATEMENTS

FOREWORD

These Financial Statements, accompanied by the Directors' report, comprise the schedules of the Balance Sheet and Income Statement, the Explanatory Notes and related Annexes, as well as the Statement of Cash Flows, prepared in accordance with the provisions of Legislative Decree No. 209 of 7 September 2005, as amended, ISVAP Regulation No. 22 of 4 April 2008 (as amended by ISVAP Orders No. 2771/2010 and No. 2845/2010, IVASS Order No. 53/2016 and IVASS Order No. 68/2018), Legislative Decree No. 173 of 26 May 1997. For any matters not specifically covered by the laws applicable to the insurance sector, reference should be made to the general rules on financial statements as set forth in the Italian Civil Code and to the accounting principles issued by the Italian Accounting Board (IOC).

The assessment criteria adopted are the same applied for the preparation of the 2022 Financial statements. The Company adopted the Decree of the Ministry of the Economy and Finance of 14 September 2023, regarding the "temporary suspension of the valuation losses for securities in the short-term portfolio in financial statements prepared according to the provisions of the Italian Civil Code". This provided for the extension of Decree-Law No. 73 of 21 June 2022, regulated by IVASS Regulation No. 52 of 30 August 2022, for 2023. In consideration of the exceptional turbulence in financial markets, the decree introduced the right for parties that do not adopt international reporting standards to assess securities not destined to remain permanently in their equity based on their book value from the latest, duly approved annual financial statements or, for securities not present in the portfolio on that date, at the cost of purchase.

In compliance with article 95 of Legislative Decree No. 209/2005 (Code of Private Insurance), as amended, and article 19 of ISVAP Regulation No. 7 of 13 July 2007, as amended, the Company has prepared the consolidated Financial Statements at 31 December 2023 in compliance with the international accounting standards introduced by European Union Regulation No. 1606 of 19 July 2002. Beginning in the 2021 financial year, Reale Group decided to include its Consolidated Non-Financial Statement within the Report on Operations, preparing its first integrated statement at the Group level.

This document is prepared pursuant to Legislative Decree 254/2016 and according to the GRI Standard (option "in accordance"), recognised internationally, published in 2016 by the Global Reporting Initiative, supplemented with the amendments subsequently published by the organisation, on a pro tempore basis. The amendments to the GRI Standards introduced in 2021 (and applicable as of 01/01/23) were, therefore, considered, mainly relating to the so-called "Universal Standard".

The accounts have been prepared considering continuation of company business in the next twelve months, taking into account its high net worth, which amply exceeds the minimum solvency requirements established by current regulations, and its industrial plans that forecast positive results in the next few years.

The accounts have been prepared using the euro as presentation currency; all amounts stated in the schedules and in the related Notes are rounded to the nearest thousand.

Items denominated in a foreign currency have been translated into euro at the exchange rates prevailing at year-end. The effects of such transactions, and also of those carried out on the basis of the exchange rates prevailing on the dates of the individual transactions, are recognised directly in the income statement.

The financial statements have been audited by PricewaterhouseCoopers S.p.A., appointed as auditors for the period from 2021 until 2029.

PART A: VALUATION CRITERIA

The main valuation criteria adopted in preparing the financial statements are set out below.

Intangible assets

Other multi-year costs

These items are booked at purchase cost including any additional charges and are amortised systematically according to their remaining possibilities of use and in any case, in a maximum period of five years.

Investments

Land and buildings

These items are entered at purchase or construction cost plus any incidental and financial charges.

In particular, the buildings include expenses incurred for restructuring and improvements that have effectively increased their value; the book values also include revaluations made according to the law.

When the carrying amount of the assets as at the reporting date is permanently impaired with respect to the book value, the necessary write-downs are performed. These write-downs are maintained in subsequent financial years for as long as the reasons for the original write-down still exist.

Real estate rented to third parties is not depreciated in view of the Company's policy of attentive, continuous upkeep which maintains the value of the property in time.

The property used in business operations is subject to depreciation, which is charged on a straight-line basis over the estimated residual useful life of the property at a fixed rate of 3% per year and is only applicable to the building, not to the land.

Long-term financial investments

In accordance with article 16 of Legislative Decree No. 173/97 and IVASS Regulation No. 24 of 6 June 2016, and as resolved by the Board of Directors, this category includes securities with the following characteristics:

- strategic investments;
- shares in other listed or unlisted companies (including convertible debentures), in the case of investments useful to achieve or further Company purposes, regardless of the quota interest and/or which the Company intends to hold for the longer term in the case of written agreements or not;
- euro-denominated bonds, listed or unlisted, that will be held to maturity or which have been acquired for the purpose of long-term investment, consistently with the operating-financial performance of the undertaking, including securities purchased to cover specific insurance products;
- securities or property funds, including closed-end and reserved funds, acquired for the purpose of long-term investment or that will be held to maturity.

These items are booked at purchase cost, including any incidental charges, calculated according to the continuous weighted average method. For bonds, the purchase cost is adjusted by the difference between the cost of the securities and their redemption value, amortised according to the straight-line method in the period between the date of purchase and date of maturity. This value is written down in the case of permanent impairment of value. Any write-downs are reversed in subsequent years if the underlying assumptions are no longer correct.

Short-term investments

These items are carried at the lower of purchase cost, calculated according to the continuous weighted average method, and presumed realisable value according to market trends. The original cost is restored in subsequent years if the underlying reasons for the write-downs are no longer correct.

For bonds, the purchase cost is adjusted by the difference between the issue price and the redemption value, amortised according to the straight-line method in the period between the date of purchase and date of maturity. The fair value of such investments coincides with the price recorded on the last day of trading of the year for instruments traded on an active market. In the absence of an active market, the fair value is represented by the price of recent transactions or of similar instruments or, alternatively, the values resulting from application of commonly used valuation models, that take into account the correlated risk factors and are based on market observables (e.g. cash flow discount).

The right introduced by IVASS Regulation No. 52 sets forth the valuation of securities in the short-term portfolio based on the book value as showing in the 2021 annual financial statements or, for securities not present in the portfolio as of 31 December 2021, at the cost of purchase, except for impairments. This right was applied to the scope of securities (shares, mutual funds, state and other bonds) of the Non-life and Life management short-term portfolio, recognised under Class C in the financial statements, whose market value as of 31 December 2023 was less than the book value referred to above. Bonds expiring in 2024 and those with a later expiry, if needed to meet the requirement emerging from the related expected cash flows, were excluded.

Measure No. 143 of 12 March 2024 amended IVASS Regulation No. 52, reintroducing the company's right, already provided for last year, to also consider the effect on existing commitments to policyholders relating to the financial year and up to five successive years in calculating the restricted reserve. The Company decided to apply this right in 2023 as well.

The calculation of the effect on commitments to policyholders was done according to the “going concern” principle. According to this, in relation to commitments for maturities/surrenders/claims, the Companies can count on future cash flows deriving from the collection of premiums and/or collection of coupons/dividends and on the reimbursement at the expiry of bonds. The calculation methodology is based, in summary, on the following elements:

- potential capital losses at the reference date of the period are consistently recognised along a timeframe of the lesser of either the duration of the Separate Account or 5 years;
- the reference performance on which to measure the impact of the settlement of the capital losses referred to in the above point is the “natural prospective performance” of the individual Separate Account. The natural rate is defined as the performance rate, before any possible settlement and, theoretically, comprises income from share investments, income from investment property, income flows, issue spreads, bond trading and liquidity performance. It follows that the natural rate expresses the profitability of the Separate Account irrespective of the administration policies implemented by the companies;
- the calculation of the effect of commitments to policyholders takes into account the minimum guaranteed contractual rate, the minimum fee held by the companies for managing the contracts, and the percentage fall in performance, if present. The analysis was done for each Separate Account and, within the same, per bracket of minimum guaranteed.

The tables required by Annex A of Measure No. 143 of 12 March 2024, which take into account the effects of commitments to policyholders, are included below:

(in thousands of euro)

2022 – Net equity - suspended capital losses - available reserve	Values
Net equity - suspended capital losses (a)	196,203
Net equity - suspended capital losses - effect of commitments to policyholders - available reserve (b)	152,725
Effect of commitments to policyholders % (c)=(b)/(a)	77.84%
Net equity – suspended capital losses - restricted reserve (d)=(a)-(b)	43,479
Dividends distributed using available reserve due to commitments to policyholders (e)	0
Dividends distributed using available reserve due to commitments to policyholders % (f)=(e)/(b)	0.00%

(in thousands of euro)

2023 – Net equity - suspended capital losses - available reserve	Values
Net equity - suspended capital losses (g)	98,337
Net equity - suspended capital losses - 2022 (a)	196,203
Change in suspended capital losses (h)=(g)-(a)	-97,866
Net equity - suspended capital losses - effect of commitments to policyholders - available reserve (i)	82,426
Effect of commitments to policyholders % (l)=(i)/(g)	83.82%
Net equity - suspended capital losses - effect of commitments to policyholders - adjusted available reserve (m)=(i)-max [0;e+(h)*(c)]	82,426
Net equity – suspended capital losses - restricted reserve (n)=(g)-(m)	15,911
Dividends distributed using adjusted available reserve - effect of commitments to policyholders (o)	0
Dividends distributed using adjusted available reserve - effect of commitments to policyholders % (p)=(o)/(m)	0.00%

The tables highlighting suspended capital losses referred to in Decree-Law 73/22, Article 45(3)(g), net of the related tax charge, with reference to which the Company has not taken into account the effect of commitments to policyholders to calculate the restricted reserve, are included below.

(in thousands of euro)

2022 – Suspended capital losses	Values
Net equity - suspended capital losses (a)	147,116

(in € thousands)

2023 – Suspended capital losses	Values
Net equity - suspended capital losses (b)	79,690
Net equity - suspended capital losses - 2022 (a)	147,116
Change in suspended capital losses (c)=(b)-(a)	-67,426

(in € thousands)

2023 – Net equity - suspended capital losses - Restricted reserve	Values
Net equity – suspended capital losses - restricted reserve as of 31/12/2022 (a)	147,116
Change in the year (c)	-67,426
Net equity – suspended capital losses - restricted reserve as of 31/12/2022 (d)=(a)+(c)	79,690

In addition, for those securities for which para. 3(j), first, second, and third point and para. 3(j), first and second point, was applied, the comparison of the recognised value at the reference date with the related value assumed from the market trend, separately for the Life and Non-life businesses for 2022 and 2023, is included below.

(in thousands of euro)

2022	Market value	Carrying amount	Effect use of right Reg. 52
Non-life	1,434,856	1,612,068	177,211
Life	2,710,855	2,985,379	274,525
Total	4,145,711	4,597,447	451,736

(in € thousands)

2023	Market value	Carrying amount	Effect use of right Reg. 52
Non-life	784,068	882,646	98,577
Life	1,597,806	1,733,475	135,670
Total	2,381,874	2,616,121	234,247

(in € thousands)

2022	Market value	Carrying amount	Effect use of right Reg. 52
Securities for which the effect of commitments towards policyholders was not taken into account	1,740,775	1,934,349	193,574
Securities for which the effect of commitments towards policyholders was taken into account	2,404,936	2,663,098	258,162
Total	4,145,711	4,597,447	451,736

(in € thousands)

2023	Market value	Carrying amount	Effect use of right Reg. 52
Securities for which the effect of commitments towards policyholders was not taken into account	894,440	999,295	104,855
Securities for which the effect of commitments towards policyholders was taken into account	1,487,434	1,616,826	129,392
Total	2,381,874	2,616,121	234,247

It should be noted that, if the suspended capital losses had been recorded in the income statement, the result for 2022 would have totalled € -478,630 thousand, before taxes, and € -337,368 thousand net of taxes.

Similarly to the result for 2023, it would have totalled € -238,403 thousand, before taxes, and € -165,607 thousand net of taxes.

Options on securities

Derivative contracts on hand at year-end are entered consistently with the underlying asset. In particular, premiums on options referring to securities not held as long-term investments are stated at the lower of purchase cost and the price that can be assumed according to market trends. Premiums collected or paid for options on securities of macro-class C are stated respectively under items G.VI "Miscellaneous loans and other financial liabilities" and C.III.7 "Miscellaneous financial investments". Capital gains or losses on trading in options are recognised in the income statement of the year in which the related sales contracts are performed.

Deposits with ceding undertakings

This item comprises deposits with ceding companies, in relation to risks assumed in reinsurance, which are stated at their nominal value.

Investments for the benefit of Life policyholders who bear the investment risk and relating to the administration of pension funds

These items are stated at fair value, which is equal to the price recorded on the last day of trading of the year for instruments traded on an active market. In the absence of an active market, the fair value is represented by the price of recent transactions or of similar instruments or, alternatively, the values resulting from application of commonly used valuation models, that take into account the correlated risk factors and are based on market observables (e.g. cash flow discount).

Receivables

These items are booked at presumed realisable value in accordance with article 16(9) of Legislative Decree No. 173 of 26 May 1997. This is determined by offsetting the nominal value against the write-downs calculated using analytical methods for receivables deriving from dealings with agents, reinsurance undertakings and other technical receivables and using the lump sum method for those deriving from dealings with policyholders, taking into account past experience and previous trends in collections of receivables.

In compliance with what is set forth in the OIC 15, the item comprises the tax receivables introduced by Decree-Laws no. 18/2020 (so-called "Decreto Cura Italia", Cure Italy Decree) and no. 34/2020 (so-called "Decreto Rilancio", Relaunch Decree) and assessed with the criterion of amortised cost.

Other assets

Tangible assets and inventories

Tangible assets, stated at purchase cost, are written down according to their remaining possibility of use. For purchases during the year, the rates are reduced by half to take into account their coming on stream during the year.

Inventories are expensed during the year.

Cash at bank and in hand

This item comprises demand deposits, bank cheques and bank drafts, cash and revenue stamps, which are stated at face value.

Miscellaneous assets

This item comprises those assets not included in the items described above. It also includes the connection account between Life and Non-life business.

Technical provisions - Non-life business

Provision for unearned premiums

In the Italian direct insurance portfolio, the components of the provision for unearned premiums item are determined in accordance with the provisions and valued using the methods set forth in Annex 15 to ISVAP Regulation 22 of 4 April 2008.

The provision for unearned premiums comprises:

- The provision for premium instalments, calculated for all classes of business according to the *pro-rata temporis* method, based on gross premiums booked less acquisition commissions and other directly ascribable acquisition costs. For the risks of suretyship, hail, damages caused by natural disasters such as earthquakes, tsunamis, volcanic eruptions and related phenomena, as well as damages caused by atomic energy, the provision for premium instalments has been integrated according to the criteria defined by ISVAP Regulation No. 22 of 4 April 2008, as amended.
- In accordance with the clarification regarding the additional provision for insurance to cover damage caused by hail and other natural disasters issued by the Supervisory Authority on 21 February 2011, as from financial 2011 the Company only sets aside the additional provision with reference to Hail business products characterised by cover that does not expire on or before 31 December of that year.
- The provision for unexpired risks, to hedge risks arising after the end of the financial year, in order to provide for all claims in connection with insurance contracts that have originated the provision for premium instalments, to the extent that the amount exceeds that of the provision for premium instalments and the premiums that will be payable on the basis of such contracts. Such provision has been calculated according to the empirical method based on the projection of the forecast claims rate as established by Annex 15 to ISVAP Regulation No. 22 of 4 April 2008.

Provisions for claims outstanding

The provision for outstanding claims is determined on the basis of a prudent estimation of loss based on objective and expected facts taking all foreseeable future charges into account but not correlated financial aspects. The provision is deemed adequate to cover payment of claims incurred and not yet reported at the end of the year and related claim settlement costs.

In accordance with article 27 of ISVAP Regulation No. 16 of 4 April 2008, the provision is calculated separately for each risk on an ultimate cost basis taking into account all foreseeable future charges over the established time frame for the settlement of claims, also based on historical and reliable prospective data with reference to the specific characteristics of the claims and of the Company.

The analytical provision for claims outstanding, which is also taken as the basis for ultimate cost actuarial estimates, is determined by the Group Claims Handling departments referring to the investigation documents on hand at 31 December of the year, quantifying the presumable future cost of each claim through application of uniform criteria for assessment of the loss, including interest and revaluations accrued and legal expenses – in and out of court – and court-appointed technical consultants.

In addition to the analytical provisioning model, the value of claims generated is also calculated using statistical and actuarial models to determine the adequacy of the inventory provisions stated: projections using different actuarial techniques have been made considering claims experience historical data (amounts and numbers) for each class of business and year of occurrence. In particular, the conditions of applicability of these and compliance with hypotheses regarding the business context of the company were verified beforehand. The methods adopted are well-known and widely-used in actuarial practice: Chain Ladder Paid, Chain Ladder Incurred, Bornhuetter-Ferguson Paid, Bornhuetter-Ferguson Incurred and Average Paid.

When such estimates indicate a value greater than the inventory value, the inventory provisions are increased accordingly.

A provision has been made for claims incurred but not reported on the reporting date (IBNR) according to the claims experience of previous years, taking into account the frequency (measured by applying the Chain Ladder method to the number of claims) and the average costs of late claims and the average cost of claims reported during the year.

This provision reflects the ultimate cost component due to this particular type of claim.

Other technical provisions

These consist exclusively of the provision for increasing age set aside for multi-year or annual Health business contracts with the obligation of renewal on expiry, whose premiums are determined, for the entire period of coverage, according to the policyholder's age at the time of stipulating the contract. The provision for increasing age is determined analytically according to actuarial methods pursuant to Annex 15 to ISVAP Regulation No. 22 of 4 April 2008.

Equalisation provision

This provision includes amounts set aside to offset fluctuations in the rate of claims in future years or to cover specific risks such as credit risk, the risk of natural disasters and damages caused by atomic energy, in accordance with the provisions set forth in Annex 15 to ISVAP Regulation No. 22 of 4 April 2008.

Technical provisions - Life business

Technical provisions have been determined according to Annex 14 to ISVAP Regulation No. 22 of 4 April 2008.

Technical provisions for the Italian direct insurance business comprise:

- Mathematical provisions, which include the provision for premiums carried forward and the provision for health and professional additional premiums;
- The unearned premium provision for supplementary coverage;
- The provision for sums to be paid, set aside in a measure equal to the total amount of the sums necessary to pay principle and annuities matured, surrenders and claims to be paid at the end of the year;
- The provision for future charges.

The mathematical provision relating to direct Life insurance is calculated separately for each contract according to pure premiums, without deducting any policy acquisition costs and referring to the actuarial assumptions (technical interest rates, demographic assumptions of termination due to death or disability) used to calculate the premiums of existing contracts and comprises all revaluations pursuant to contractual clauses. This provision is never less than the surrender value.

The provision for policy liabilities includes the additional provision for mortality risk related to Class III and VI contracts, which guarantees cover in the event of death of the insured during the term of the contract, the additional provision for financial risk and the provision for demographic basis alignment calculated separately using the most recent technical bases and annuity preference coefficients available at the reporting date.

Technical provisions where the investments risk is borne by the policyholders and provisions relating to the administration of pension funds

As set forth in Annex 14 to ISVAP Regulation No. 22 of 4 April 2008, for unit-linked policies and for class VI contracts related to open-ended pension funds, mathematical reserves have been calculated according to the number and value of the shares of the respective investment lines in force on the valuation date, or to the market value of the corresponding hedge assets.

Inward reinsurance technical provisions

Technical provisions for inward reinsurance are determined on the basis of information provided by the ceding companies and appropriate assessments by the Company to meet the commitments assumed.

Provisions for risks and charges

Reserves for risks and charges are intended to cover losses or specific liabilities, the existence of which is certain or probable but the amount or date of occurrence of which could not be determined at the end of the year.

Deposits received from reinsurers

This item reflects amounts payable to reinsurers, recognised at face value, for deposits held against reinsurance treaties.

Payables and other liabilities

Payables

These items are booked at face value.

Employee leaving indemnities

Employee leaving indemnities are calculated in accordance with the provisions of article 2120 of the Italian Civil Code, Law No. 296 of 27 December 2006 and employment contracts.

The provision, net of advances paid, covers the Company's liability towards its employees accrued at the end of the year.

Accruals and deferrals

Accruals and deferrals are stated on an accruals basis to reflect the correct apportionment of cost and revenue transactions covering more than one accounting period.

Gross premiums written

Pursuant to article 45 of Legislative Decree No. 173/1997, this item includes amounts maturing during the year for insurance contracts, regardless of whether these amounts have been collected or refer entirely or in part to subsequent years. These are determined net of cancellations pursuant to the aforesaid law.

Portion of the investment return to be transferred

The allocated investment returns to be transferred to the Non-life technical account and to the Life technical account have been quantified in accordance with articles 22 and 23 of ISVAP Regulation No. 22/2008, as amended.

Other income statement items

Costs and revenues have been recognised according to the principles of accrual-based accounting. Specifically, for items typical of insurance business, reference has been made to the "rules applicable to the income statement" established by Legislative Decree No. 173/1997 and the instructions set forth in ISVAP Regulation No. 22/2008, as amended.

Taxes

Current taxes for the year are allocated on an accruals basis, in accordance with the law in force. Deferred tax assets and liabilities are stated on the temporary differences between the value attributed to assets or liabilities according to statutory criteria and the values attributed to the same assets and liabilities for tax purposes.

Advance tax assets have been recognised, in line with the principle of prudence, if there is a reasonable certainty of a taxable income, in the years in which the respective temporary differences will be carried over, that exceeds the amount of the differences that will be cancelled out.

Deferred tax liabilities have not been recorded when the related charge is unlikely to occur.

Allocation of common Non-life and Life costs and revenues

Economic items common to both segments mainly regard personnel costs, general expenses and contributions paid to intermediaries not ascribed to a specific section. In accordance with ISVAP Regulation No. 17 of 11 March 2008, these costs are initially posted to suspense accounts, referring to the entire company management, which identify the type of cost incurred; they are then attributed, in accordance with the terms of articles 8 and 9 of said Regulation, to the respective Life or Non-life operating expense items and the suspense accounts are reduced to zero. Costs common to the two types of business are allocated via the analytical accounting system which permits attribution of costs according to assets on the balance sheet and by individual type of Life or Non-life business.

Analytical accounting is based on associating each cost movement recorded in general accounting with a cost centre code indicating the entity that benefits from the expense and a "census" that records the activities carried out by such entity in relation to the Life and Non-life segments and to the destinations established by the insurance plan of accounts (settlement, acquisition, management of securities, management of real estate and other administrative expenses).

The costs are allocated to the two segments according to specific parameters for each asset on the balance sheet that reflect the measure to which each segment contributes to determining the various types of common cost and which can be summed up as follows:

- other acquisition costs: allocation based on the percentage ratio of premiums written in each class to total premiums written, by applying weighting to Life premiums;
- securities management: allocation based on the percentage ratio of technical provisions, Non-life and Life, to total technical provisions;
- other administrative costs: allocation based on the percentage ratio of premiums written in each class to total premiums written, by applying weighting to Life premiums;
- claim settlement costs: allocation based on the percentage ratio of premiums written, with allocation to the Non-life segment based on the number of claims reported and allocation to the Life segment based on claims settled.

Any revenues common to the two segments are allocated according to the relationship with assets that have generated these or with the correlated costs.

PART B: COMMENTARY ON THE BALANCE SHEET AND INCOME STATEMENT

BALANCE SHEET ASSETS

Section 1 – Intangible assets (Item B)

Intangible assets amounted to € 128 thousand and increased by € 8 thousand compared with 31 December 2022. These reflected purchases worth € 65 thousand and accumulated amortisation for € 57 thousand. This item consists of other deferred costs related to leasehold improvements. Changes in this item are reported in Annex 4.

Section 2 – Investments (Item C)

Land and buildings (Item C.I)

	(in € thousands)		
	31/12/2023	31/12/2022	Change
Real estate used in company operations	30,666	27,451	3,215
Property rented to third parties	28,559	28,327	232
Total	59,225	55,778	3,447
Current value	125,333	124,705	628

Changes during the year are set forth in the table below:

	(in € thousands)	
	31/12/2023	31/12/2022
Gross initial balance (+)	73,710	70,870
Increases for purchases and upkeep expenses (+)	4,673	2,840
Decreases due to disposals (-)	0	0
Gross final balance (a)	78,383	73,710
Accumulated depreciation:		
Initial balance (+)	17,932	16,839
Depreciation for the year (+)	1,226	1,093
Decreases due to disposals (-)	0	0
Final balance of accumulated depreciation (b)	19,158	17,932
Carrying amount (a-b)	59,225	55,778

The gross increases mainly relate to extraordinary expenditure incurred on the property of the Turin Via Corte d'Appello, 11 site for € 4,307 thousand.

The value of Company real estate is tested regularly. In particular, insurance companies are required to comply with the provisions of the Supervisory Authority regarding the calculation of the market value of property used in company operations.

As of 31 December 2020, the Company determined the current value of the land and buildings owned using appraisals done by independent experts. The market value was calculated using the equity method, based on the intrinsic and extrinsic features of the assets and their profitability. Company-specific factors not economically relevant for the market are not taken into account.

The carrying amount of real estate used in company operations was € 65,481 thousand lower than the market value.

Investments in Group companies and other shareholdings (Item C.II)

Shares and interests in Group companies and other shareholdings, all referring to the long-term investment portfolio, amounted to € 1,973,080 thousand with a year-on-year increase of € 1,960 thousand.

The main movements during the year are set forth below:

- contributions to the share capital of YAGO S.r.l. for € 136 thousand;
- contributions to the share capital, for € 750 thousand, for the subsidiary BRIDGE INSURANCE SERVICE S.r.l.;
- contributions to the starting share capital, for € 100 thousand, to set up the subsidiary REALE INTERNATIONAL S.r.l.;
- purchase of 1,959 shares of the investment in PHARMERCURE S.r.l., for an equivalent value of € 974 thousand. Purchase of significant influence that brings the holding to 37.32%, thus shifting from a subsidiary to an affiliated company.

Annexes 5, 6 and 7 provide information regarding the investee companies and the analytical statement of changes, respectively.

The highlights of subsidiary and associated companies and other companies in which an interest is held are set forth below:

(in € thousands)

Type	Company name	Registered office	Shareholders' equity	of which profit (+) or loss (-) for the year	Direct interest %	Pro-quota shareholders' equity	Book value
subsidi.	BANCA REALE SPA	TURIN	83,887	7,423	95.00	79,693	40,119
subsidi.	BLUE ASSISTANCE SPA	TURIN	51,754	39,620	100.00	51,754	5,511
subsidi.	ITALIANA ASSICURAZIONI SPA	MILAN	636,177	-3,253	99.92	635,668	594,923
subsidi.	REALE IMMOBILI ESPA#A S.A.	MADRID	91,530	2,282	46.81	42,845	31,555
subsidi.	REALE IMMOBILI SPA	TURIN	971,684	46,336	85.92	834,871	934,590
subsidi.	REALE INTERNATIONAL S.R.L.	TURIN	100	0	100.00	100	100
subsidi.	REALE ITES S.R.L. RMA	TURIN	90,335	62	88.13	79,612	76,390
subsidi.	REALE SEGUROS GENERALES	MADRID	422,726	5,355	95.00	401,590	252,743
subsidi.	REALE VIDA Y PENSIONES S.A.	MADRID	20,071	3,157	5.00	1,004	860
assoc.	CREDEMASSICURAZIONI SPA	REGGIO	79,399	12,054	50.00	39,700	23,598
assoc.	PHARMERCURE S.R.L.	TURIN	491	-728	37.32	183	1,682
other	BRIDGE INSURANCE SERVICE	LUCCA			3.28		922
other	EURAPCO AG	ZURICH			12.50		980
other	GAA GESTIONI ASSICURAZIONI	ROME			9.90		210
other	HUBFARM S.P.A.	ROME			19.99		800
other	SARA ASSICURAZIONI SPA ORD.	ROME			11.16		4,940
other	SARA ASSICURAZIONI SPA PRIV.	ROME			3.49		2,248
other	SOS SRL	MILAN			16.00		500
other	YAGO S.R.L.	BOLOGNA			17.87		409
Total							1,973,080:

Reale Mutua holds 85.92% of Reale Immobili worth €935 million. The pro-quota shareholders' equity amounts to € 835 million. Therefore, it is approximately € 100 million below the carrying amount of the investment. The difference mainly arose in 2007, the year in which Reale Immobili adopted international accounting standards (IAS/IFRS) for the first time to prepare its financial statements. The difference between the pro-quota shareholders' equity and the book value did not generate a reduction in the value of the shareholding in the financial statements of Reale Mutua because it was lower than the overall value of the latent gains in the values of the property owned by the subsidiary.

Other financial investments (Item C.III)

(in € thousands)

	31/12/2023	31/12/2022	Change
Shares and interests	31,673	82,261	-50,588
Shares in common investment funds	325,337	399,919	-74,582
Bonds and other fixed-income securities	6,729,065	6,726,323	2,742
Loans	29,196	29,288	-92
Deposits with credit institutions	819	818	1
Total	7,116,090	7,238,609	-122,519

The composition of other financial investments and also the breakdown into long-term and short-term investments are provided in Annex 8. Changes in the long-term portfolio are set forth in Annex 9.

As stated in the introduction, the Company made use of the right introduced by IVASS Regulation No. 52 that establishes the valuation of securities in the short-term portfolio based on the book value as showing in the 2023 annual financial statements or, for securities not present in the portfolio as of 31 December 2023, at the cost of purchase, except for impairments. This right was applied to the scope of securities (shares, shares in mutual funds, state and other bonds) recognised in the short-term portfolio of Class C.III, whose market value as of 31 December 2023 was less than the book value referred to above. Bonds expiring in 2024 and those with a later expiry, if needed to meet the requirement emerging from the related expected cash flows, were excluded.

Included below is a table for comparing the carrying amount as of 31 December 2023 (or the cost of purchase) and the related market value as of 31 December 2023 for the securities subject to the application of the Regulation.

(in thousands of euro)

	Market value as of 31/12/2023	Carrying amount as of 31/12/2023 / Purchase value	Effect of exerting right Regulation 52
NON-LIFE			
Shares	0	0	0
Mutual funds	27,439	30,494	3,055
State bonds	348,884	400,088	51,203
Bonds	407,745	452,064	44,318
Total Non-life	784,068	882,645	98,577
LIFE			
Shares	0	0	0
Mutual funds	56,047	58,165	2,118
State bonds	942,984	1,019,941	76,957
Bonds	598,775	655,370	56,595
Total Life	1,597,805	1,733,476	135,670
TOTAL			
Shares	0	0	0
Mutual funds	83,486	88,659	5,173
State bonds	1,291,868	1,420,028	128,160
Bonds	1,006,520	1,107,434	100,913
Total	2,381,874	2,616,121	234,247

In addition, for those securities for which para. 3(j), first, second, and third point and para. 3(j), first and second point, was applied, as required by Measure No. 143 of 12 March 2023, the comparison of the recognised value at the reference date with the related value assumed from the market trend for 2023, is included below.

(in thousands of euro)

2023	Market value	Carrying amount	Effect use of right Reg. 52
Securities for which the effect of commitments towards policyholders was not taken into account	894,440	999,295	104,855
Securities for which the effect of commitments towards policyholders was taken into account	1,487,434	1,616,826	129,392
Total	2,381,874	2,616,121	234,247

Shares and interests: these amounted to € 31,673 thousand with a y/y decrease of € 50,588 thousand.

The detail of this item is as follows:

	(in € thousands)		
	31/12/2023	31/12/2022	Change
Listed shares	13,659	69,247	-55,588
Unlisted shares	5,418	418	5,000
Interests	12,596	12,596	0
Total	31,673	82,261	-50,588
<i>of which:</i>			
Long-term portfolio	13,610	8,610	5,000
Short-term portfolio	18,063	73,651	-55,588
Total	31,673	82,261	-50,588

The change refers mainly to the short-term portfolio and comprises write-backs for € 299 thousand. The current value at year-end was € 35,204 thousand.

Shares in common investment funds: these amounted to € 325,337 thousand with a y/y decrease of € 74,582 thousand, including write-backs of € 595 thousand. The current value at year-end was € 357,402 thousand.

Bonds and other fixed-income securities: these amounted to € 6,729,065 thousand with an increase of € 2,742 thousand in relation to the previous year.

The item is summarised in the table below:

	(in € thousands)		
	31/12/2023	31/12/2022	Change
Listed	6,677,993	6,726,323	-48,330
Unlisted	51,072	0	51,072
Total	6,729,065	6,726,323	2,742
<i>of which:</i>			
Long-term portfolio	2,202,587	2,044,343	158,244
Short-term portfolio	4,526,478	4,681,980	-155,502
Total	6,729,065	6,726,323	2,742

Changes during the year are detailed in the table below:

(in € thousands)

	Long-term portfolio	Short-term portfolio	Total
Initial balance	2,044,343	4,681,980	6,726,323
Purchases and subscriptions	172,934	2,100,296	2,273,230
Sales	0	-736,021	-736,021
Repayments	-28,986	-1,508,139	-1,537,125
Reversals of write-downs	0	116	116
Value re-adjustments	0	-15,729	-15,729
Positive issue spreads	5,468	5,336	10,804
Negative issue spreads	-138	-8,152	-8,290
Positive trading differences	11,271	7,376	18,647
Negative trading differences	-2,305	-582	-2,887
Other changes	0	-3	-3
Final balance	2,202,587	4,526,478	6,729,065
Current value	2,013,342	4,331,948	6,345,290

The most significant items according to issuer are as follows:

(in € thousands)

Issuing institute	31/12/2023
State - Italy	2,927,634
State - Spain	429,658
State - Germany	284,373
State - France	263,144
State - Portugal	102,881
State - Ireland	69,932
Intesa Sanpaolo SpA	60,048
State - Belgium	53,022

Miscellaneous financial investments: for the breakdown and any changes in this item, reference should be made to the section entitled “Operations on derivatives and structured financial instruments”.

Loans: these amounted to € 29,196 thousand and are detailed in the table below:

(in thousands of euro)

	31/12/2023	31/12/2022	Change
Loans secured by mortgages	26,996	26,849	147
Loans on policies	716	707	9
Other loans	1,484	1,732	-248
Total	29,196	29,288	-92

Loans secured by mortgages reflect loans to employees for the purchase of housing, while the other loans mainly refer to loans to employees for € 1,088 thousand, other loans for € 314 thousand, and loans to Agencies for € 83 thousand.

The changes during the year are set forth in Annex 10.

Deposits with credit institutions: this item amounted to € 818 thousand and consists of a number of bank passbooks opened to settle claims awaiting legal resolution.

Deposits with ceding undertakings (Item C.IV)

Deposits with ceding undertakings amount to € 674 thousand and are down by € 110 thousand compared to 31 December 2022.

Section 3 - Investments for the benefit of Life policyholders who bear the investment risk and relating to the administration of pension funds (Item D)

Investments for the benefit of Life policyholders who bear the investment risk amounted to € 966,996 thousand (€ 927,542 thousand at 31 December 2022). The detail of the assets can be found in Annex 11, while Annexes 11/1, 11/2, 11/3 provide a breakdown of the assets by each type of product.

Investments relating to the administration of pension funds amounted to € 339,469 thousand (€ 293,969 thousand at 31 December 2022). Details of these assets can be found in Annex 12 while Annexes 12/1, 12/2, 12/3 and 12/4 refer to the individual pension lines.

The changes during the year according to category of assets as regards the investments of points D-I and D-II are provided in the tables:

(in € thousands)

D-I	Shares in common investment	Shares	Bonds	Other financial inv.	Other assets/liabilities	Total
Initial balance	483,372	152,698	249,069	0	42,403	927,542
Increases during the	371,003	147,166	247,909	0	10,512	776,590
of which:						
purchases	297,156	120,996	234,726	0	0	652,878
write-backs	45,150	21,854	13,161	0	0	80,165
other changes	28,697	4,316	22	0	10,512	43,547
Decreases during	373,599	141,945	204,015	0	17,577	737,136
of which:						
sales and	342,361	136,913	203,938	0	0	683,212
write-downs	373	630	61	0	0	1,064
other changes	30,865	4,402	16	0	17,577	52,860
Final balance	480,776	157,919	292,963	0	35,338	966,996

(in € thousands)

D-II	Shares	Bonds	Other financial inv.	Other assets/liabilities	Total
Initial balance	82,366	184,864	0	26,739	293,969
Increases during the	84,066	209,293	0	0	293,359
of which: purchases	64,224	201,416	0	0	265,640
write-backs	14,777	7,678	0	0	22,455
other changes	5,065	199	0	0	5,264
Decreases during	70,104	171,220	0	6,535	247,859
of which: sales and	64,552	170,657	0	0	235,209
write-downs	487	0	0	0	487
other changes	5,065	563	0	6,535	12,163
Final balance	96,328	222,937	0	20,204	339,469

The assets resulting from the administration of pension fund by business line are listed in the table below:

(in € thousands)

TESEO Pension Fund	Business lines				Total
	Prudenziale etica	Bilanciata etica	Sviluppo etica	Garantita etica	
Shares and interests	0	32,371	63,958	0	96,329
Bonds and fixed-income securities	64,930	49,486	5,557	102,965	222,938
Other assets and liabilities	3,958	4,883	5,715	5,646	20,202
Total	68,888	86,740	75,230	108,611	339,469

Section 4 – Reinsurers' share of technical provisions (Item D bis)

(in € thousands)

	31/12/2023	31/12/2022	Change
Non-life business			
Provision for unearned premiums	45,481	44,183	1,298
Provision for claims outstanding	299,349	169,025	130,324
Other technical provisions	41	46	-5
Total	344,871	213,254	131,617
Life business:			
Provisions for policy liabilities	5,427	4,503	924
Provision for sums to be paid	761	726	35
Total	6,188	5,229	959
Total technical provisions	351,059	218,483	132,576

The Other technical provisions entirely consist of the ageing reserve of the Health business.

Section 5 – Receivables (Item E)

	(in € thousands)		
	31/12/2023	31/12/2022	Change
Receivables arising out of direct insurance operations	535,072	567,775	-32,703
Receivables arising out of reinsurance operations	128,987	82,510	46,477
Other credits	676,278	505,849	170,429
Total	1,340,337	1,156,134	184,203

Receivables arising out of direct insurance operations (Item E.I).

	(in € thousands)		
	31/12/2023	31/12/2022	Change
Premiums receivable from policyholders	223,612	224,181	-569
Insurance intermediaries	226,881	263,220	-36,339
C/a with companies	38,493	37,221	1,272
Policyholders and third parties for recoveries	46,086	43,153	2,933
Total	535,072	567,775	-32,703

Receivables from policyholders for premiums amounted to € 223,612 thousand (of which € 163,444 thousand relating to Non-life business and € 60,168 thousand to Life business). These items are shown net of the allowance for doubtful accounts of € 21,674 thousand (€ 21,478 thousand relating to Non-life business and € 197 thousand relating to Life operations). The write-down was determined according to the ratio of cancellations for non-collection recorded during the year to total receivables and represents estimated future losses for cancellations of receivables from policyholders.

The allowance for doubtful accounts mainly refers to the following businesses: Surety for € 13,194 thousand, TPL Land Vehicles for € 1,875 thousand, Accidents for € 807 thousand, Non-motor TPL for € 1,881 thousand, Fire for € 1,281 thousand, and Other property damage for € 1,290 thousand.

Receivables collected in the first two months of the current year amounted to € 91,971 thousand.

The Insurance intermediaries item amounted to € 226,881 thousand, with a y/y decrease of € 36,339 thousand.

Current accounts with insurance companies, net of the allowance for doubtful accounts, amounted to € 38,493 thousand, with a y/y increase of € 1,272 thousand. The item mainly comprises receivables relating to the coinsurance relationships and to the asset items from the CARD convention. The allowance for doubtful accounts amounted to € 1,720 thousand and is stated as adjusting receivables from companies in compulsory receivership deriving from co-insurance relationships.

Receivables from insured and third parties for recoveries amounted to € 46,086 thousand (referring entirely to Non-life business) compared with € 43,153 thousand in the previous year.

Receivables arising out of reinsurance operations (Item E.II)

	(in € thousands)		
	31/12/2023	31/12/2022	Change
Insurance and reinsurance companies	111,815	68,083	43,732
Reinsurance intermediaries	17,172	14,427	2,745
Total	128,987	82,510	46,477

The gross value of receivables arising out of reinsurance operations, standing at € 129,059 thousand, has been adjusted by the amount of € 72 thousand, taken from the allowance for doubtful accounts to cover losses relating to certain reinsurers.

Other receivables (Item E.III)

The detail of other receivables is set forth in the table below:

	(in € thousands)		
	31/12/2023	31/12/2022	Change
Receivables from Tax Authorities	615,904	471,025	144,879
Receivables from claims paid in the name and on behalf	4,129	5,128	-999
Receivables from personnel management	1,753	1,624	129
Subsidiaries	39,621	12,316	27,305
Sundry receivables	14,871	15,756	-885
Total	676,278	505,849	170,429

Receivables from Tax Authorities include receivables for withholding tax, VAT, IRES and IRAP advances, the advance paid on premium taxes in the Non-life business, the tax credit on the Life business provision for policy liabilities, and tax credits for which reimbursement has been requested with the related interest. The item also includes, for a value of € 277,409 thousand (€ 161,885 as of 31/12/22), the tax credits (Ecobonus) connected to the Decree-Laws No. 18/2020 (so-called “Cure Italy Decree”) and no. 34/2020 (so-called “Relaunch Decree”), purchased as a result of the sale by the direct beneficiaries or previous purchasers.

Receivables from Subsidiaries include the amounts due in connection with the national tax consolidation scheme for € 20,491 thousand. They are up by € 19,171 thousand on the previous year end.

Section 6 – Other assets (Item F)

	(in € thousands)		
	31/12/2023	31/12/2022	Change
Tangible assets and inventories	5,035	5,527	-492
Cash at bank and in hand	60,551	56,820	3,731
Other asset items	219,104	199,075	20,029
Total	284,690	261,422	23,268

Tangible assets and inventories (Item F.I)

This item amounted to € 5,035 thousand, net of the related accumulated depreciation. A breakdown of movements on this item is provided in the table:

(in € thousands)

	Furniture, office machines and internal transport vehicles	Machinery and equipment	Total
Gross initial balance (+)	37,221	53,255	90,476
Increases during the year (+)	979	265	1,244
Decreases due to disposals (-)	0	0	0
Gross final balance (a)	38,200	53,520	91,720
Accumulated depreciation:			
Initial balance (+)	34,183	50,766	84,949
Depreciation for the year (+)	857	879	1,736
Decreases due to disposals (-)	0	0	0
Final balance of accumulated depreciation (b)	35,040	51,645	86,685
Carrying amount (a-b)	3,160	1,875	5,035

The increases for the year are mainly due to the work carried out on the building housing the company's offices, as described in the chapter: "Investment Management" of the "Report on Operations".

Cash and cash equivalents (Item F.II)

(in € thousands)

	31/12/2023	31/12/2022	Change
Bank and postal accounts	60,549	56,818	3,731
Cheques and cash on hand	2	2	0
Total	60,551	56,820	3,731

Bank and postal accounts of the Banca Reale subsidiary amounted to € 52,887 thousand.

Other assets (Item F.IV)

This item amounted to € 219,104 thousand and refers entirely to miscellaneous assets, the main items of which are shown in the table below:

(in thousands of euro)

	31/12/2023	31/12/2022	Change
Payment of premiums to be collected in subsequent years	113,064	95,486	17,578
Non-life/Life connection account	185	317	-132
Advance tax assets	101,926	97,940	3,986
Other asset items	3,929	5,332	-1,403
Total	219,104	199,075	20,029

Advance tax assets are stated considering the reasonable certainty of future recovery.

Other assets mainly comprise mandate discontinuation indemnities paid while awaiting debiting to incoming agents for € 2,040 thousand.

Section 7 – Prepayments and accrued income (Item G)

	(in € thousands)		
	31/12/2023	31/12/2022	Change
Accrued interest	54,911	52,878	2,033
Other accruals and deferred income	824	815	9
Total	55,735	53,693	2,042

Accrued interest refers mainly to interest matured on the coupons of debt securities. The duration of all prepayments and accrued income is less than one year.

BALANCE SHEET – LIABILITIES AND SHAREHOLDERS' EQUITY

Section 8 – Shareholders' equity (Item A)

	(in € thousands)		
	31/12/2023	31/12/2022	Change
Share capital or Guarantee fund	60,000	60,000	0
Revaluation reserves	136,223	136,223	0
Legal reserve	241,335	241,335	0
Other reserves	1,977,779	1,970,011	7,768
Profit (loss) for the year	12,420	5,952	6,468
Total	2,427,757	2,413,521	14,236

The schedule below illustrates the changes in shareholders' equity in the last two years:

	(in € thousands)					
	Guarantee fund	Revaluation reserves	Legal reserve	Other reserves	Net profit (loss) for the year	Total Shareholders' equity
Balances at 31/12/2021	60,000	136,223	236,513	1,892,387	92,446	2,417,569
Allocation of 2021 net profit as resolved by the Meeting of 29 April 2022						
- Provisions to reserves	0	0	4,822	77,624	-82,446	0
- Refunds	0	0	0	0	-10,000	-10,000
Result for the year	0	0	0	0	5,952	5,952
Balances at 31/12/2022	60,000	136,223	241,335	1,970,011	5,952	2,413,521
Allocation of 2022 net profit as resolved by the Meeting of 28 April 2023						
- Provisions to reserves	0	0	0	5,952	-5,952	0
- Refunds	0	0	0	1,816	0	1,816
Result for the year	0	0	0	0	12,420	12,420
Balances at 31/12/2023	60,000	136,223	241,335	1,977,779	12,420	2,427,757

Guarantee fund (Item A.I)

The guarantee fund amounted to € 60,000 thousand.

Revaluation reserves (Item A.III)

(in € thousands)

	31/12/2023	31/12/2022	Change
Revaluation reserve under Law No. 576 of 2 Dec. 1975	51,700	51,700	0
Revaluation reserve under Law No. 413 of 30 Dec. 1991	82,958	82,958	0
Integration Fund under art. 36 of Law No. 295 of 10 June	1,565	1,565	0
Total	136,223	136,223	0

Other reserves (Item A.VII)

(in € thousands)

	31/12/2023	31/12/2022	Change
Ordinary reserve fund	1,969,134	1,961,366	7,768
Extraordinary reserve	1,931	1,931	0
Money accounts adjustment fund	6,714	6,714	0
Total	1,977,779	1,970,011	7,768

Schedule of availability and utilisation of shareholders' equity items pursuant to article 2427 of the Italian Civil Code:

(in € thousands)

	31/12/2023	Possibility of utilisation	Available portion	Utilisations in the previous three years	
				to cover losses	for other reasons
Guarantee fund	60,000		0	0	0
Revaluation reserve	136,223	A, B	136,223	0	0
Legal reserve	241,335	B	0	0	0
Other reserves:					
- Ordinary reserve fund	1,969,135	A, B	1,969,135	66,481	0
- Extraordinary reserve	1,931	A, B	1,931	0	0
- Reserve fund for alignment of numeric values	6,713	A, B	6,713	0	0
Total other reserves	1,977,779		1,977,779		
Total	2,415,337		2,114,002		

LEGEND:
A: for share capital increase
B: to cover losses
C: for distribution to shareholders

Regarding the lack of availability of reserves according to what is established by IVASS Regulation No. 52, please refer to point 1 of Part C - Other information in this Note.

Section 9 – Subordinated liabilities (Item B)

No liabilities have been stated in this section.

Section 10 – Technical provisions (Item C.I – Non-life business and C.II – Life business)

	(in € thousands)		
	31/12/2023	31/12/2022	Change
Provision for unearned premiums	809,837	754,222	55,615
Provision for claims outstanding	2,138,922	1,887,383	251,539
Other technical provisions	1,890	1,766	124
Equalisation provision	11,892	17,423	-5,531
Total Non-life business	2,962,541	2,660,794	301,747
Provisions for policy liabilities	5,331,612	5,447,820	-116,208
Unearned premium prov. for suppl. coverage	186	176	10
Provision for sums to be paid	73,431	69,741	3,690
Other technical provisions	28,519	25,771	2,748
Total Life business	5,433,748	5,543,508	-109,760
Total technical provisions	8,396,289	8,204,302	191,987

Non-life business (Item C.I)

Non-life business technical provisions amounted to € 2,962,541 thousand with a y/y increase of € 301,747 thousand compared to the 2022 financial year.

The breakdown of the provision for unearned premiums and provision for outstanding claims for direct business and inward reinsurance and for each line of business is provided in the table below:

	(in € thousands)		
	Provision for unearned premiums Provision for premium	Unexpired risks	Provision for claims outstanding
Accident	71,451	0	72,098
Health	78,136	8,265	134,887
Comprehensive and Collision	51,713	0	54,267
Hulls railway rolling stock	71	0	167
Hulls aircraft	4	0	2
Hulls marine, lake, river craft	1,895	0	4,433
Goods transported	1,519	0	3,240
Fire and natural forces	121,424	0	371,210
Other property damage	133,121	0	122,957
TPL land vehicles	167,649	0	621,555
TPL aircraft	36	0	0
TPL marine, lake, river craft	728	152	4,789
Non-motor TPL	96,963	0	661,736
Credit	2	0	0
Suretyship	56,625	0	61,261
Sundry pecuniary losses	3,888	0	1,433
Legal fees	7,400	0	15,079
Assistance	8,118	0	4,584
Total direct business	800,743	8,417	2,133,698
Inward reinsurance	505	172	5,224
Grand total	801,248	8,589	2,138,922

Annex 13 shows the change in the provision for unearned premiums in relation to the previous year.

The provision for premium instalments has been calculated according to the *pro-rata temporis* method and comprises the further provisions established by Annex 15 to ISVAP Regulation No. 22 of 4 April 2008 for the risks of suretyship, hail, damages caused by natural disasters such as earthquakes, tsunamis, volcanic eruptions and related phenomena and damages caused by atomic energy.

As described in the valuation criteria, an assessment has been made of the need to accrue provisions for risks in course, comparing the aggregate consisting of the provision for premium instalments and premiums that will fall due on contracts stipulated before the end of the year and the expected charge for reimbursements and expenses arising on such contracts. In quantifying this liability, reference was made to the calculation model based on the ratio of claims to premiums earned for the year of current generation only, adjusted if necessary in the case of exceptional and therefore statistically distorting events, according to the general approach suggested by the Supervisory Authority.

According to the results of the model adjusted as above, the provision for claims outstanding has been supplemented for a total amount of € 8,417 thousand, divided as follows: € 8,265 thousand in the Health business, € 152 thousand in the TPL marine, river, lake craft business.

In the other sectors of Non-life business, the positive trend of current generation claims confirms the adequacy of the provision made with the pro-rata component only of the provision for unearned premiums.

The values for each class of business are set forth below:

(in € thousands)

	Forecast claims %*	Forecast claims amount	Provision for premium instalments + instalments due	Surplus / insufficiency of reserve
Accident	60.1%	25,915	43,096	17,180
Health	109.7%	93,163	84,898	-8,265
Comprehensive and Collision	87.5%	55,335	63,216	7,881
Hulls railway rolling stock	52.6%	37	71	34
Hulls aircraft	0.0%	0	5	5
Hulls marine, lake, river craft	97.2%	2,234	2,298	64
Goods transported	64.8%	1,730	2,669	939
Fire and natural forces	92.2%	96,708	104,895	8,187
Other property damage	82.3%	97,698	118,691	20,993
TPL land vehicles	94.0%	198,045	210,783	12,738
TPL aircraft	0.0%	0	69	69
TPL marine, lake, river craft	121.2%	884	729	-155
Non-motor TPL	77.1%	89,628	116,246	26,618
Suretyship	36.9%	11,848	32,119	20,271
Sundry pecuniary losses	22.7%	1,045	4,612	3,567
Legal fees	24.9%	2,175	8,718	6,543
Assistance	80.8%	8,112	10,042	1,930
Total	86.9%	684,559	803,160	118,601

* equal to the ratio of claims to premiums of the current year calculated net of acquisition costs

In addition to the provision for reimbursements, the provision for outstanding claims also includes the provision for direct expenses, the provision for claim settlement costs and the IBNR provision.

With regard to the methods used to determine the provision for outstanding claims, reference should be made to the valuation criteria illustrated in Part A of these Notes.

A breakdown of the provision for unearned premiums and of the provision for outstanding claims and also of the changes in relation to 2022 is provided in Annex 13.

Other technical provisions amount to € 1,890 thousand and are up by € 124 thousand compared to 2022. These include only the Health business provision for increasing age set up in accordance with Annex 15 to ISVAP Regulation No. 22 of 4 April 2008.

Equalisation provisions amounted to € 11,892 thousand with a year-on-year decrease of € 5,531 thousand compared to the 2022 financial year. These have been determined as set forth in Annex 15 to ISVAP Regulation No. 22 of 4 April 2008; the table below provides the detail by type of business of the provisions and related allocations/utilisations:

	(in € thousands)		
	31/12/2023	31/12/2022	Change
Accident	1,418	1,356	62
Comprehensive and Collision	5,060	4,574	486
Goods transported	74	57	17
Fire and natural forces	0	4,860	-4,860
Other property damage	5,295	6,548	-1,253
Other business	45	28	17
Total	11,892	17,423	-5,531

Life business (Item C.II)

Life business technical provisions amounted to € 5,433,748 thousand, recording a decrease of € 109,760 thousand compared to 31 December 2022.

Mathematical provisions stand at € 5,331,612 thousand, comprising the provision for pure premiums of € 5,260,265 thousand, the fractions of premiums relating to contracts with annual payment of the premiums for € 15,640 thousand, supplementary provisions for € 47,642 thousand and the additional provisions for mortality risk relating to index-linked or pension fund contracts of € 8,065 thousand. The supplementary provisions comprise provisions for demographic risk for € 21,743 thousand and additional provisions for financial risk for € 25,899 thousand. The latter comprise additional provisions for guaranteed interest rate risks for € 25,167 thousand, calculated in accordance with Annex 14a to ISVAP Regulation No. 22 of 4 April 2008 using Method B “Additional provision for single level of financial guarantee – offsetting between annual periods” described in the Annex. The breakdown and changes in this item are detailed in Annex 14.

The Unearned premium provision for supplementary coverage amounted to € 186 thousand.

The Provision for sums to be paid amounts to € 73,431 thousand and is up by € 3,690 on 31 December 2022.

Other technical provisions amount to € 28,519 thousand and are up by € 2,748 thousand compared to 2022. These consist entirely of the provision for future charges, determined according to Annex 14 to ISVAP Regulation No. 22 of 4 April 2008.

The detail of other technical provisions by class is set forth in the table below:

	31/12/2023	31/12/2022	Change
Class I	23,120	20,444	2,676
Class III	2,041	1,993	48
Class IV	228	10	218
Class V	3,127	3,321	-194
Total	28,519	25,771	2,748

Section 11 – Technical provisions where the investment risk is borne by the policyholders and provisions relating to the administration of pension funds (Item D)

Provisions relating to contracts linked to investment funds and market indices (Item D.I)

(in € thousands)

Products	31/12/2023	31/12/2022	Change
Contracts linked to the value of shares of internal funds	966,883	927,454	39,429
Total	966,883	927,454	39,429

Provisions relating to the administration of pension funds (Item D.II)

This item amounted to € 339,458 thousand and refers entirely to the Teseo open pension fund which comprises four investment lines.

(in € thousands)

Fund lines	31/12/2023	31/12/2022	Change
Prudenziale etica	68,888	61,825	7,063
Bilanciata etica	86,739	73,935	12,804
Sviluppo etica	75,226	63,659	11,567
Garantita etica	108,605	94,542	14,063
Total	339,458	293,960	45,498

With regard to the individual pension plans established pursuant to article 13(1)(a) and (b) of Legislative Decree no. 252 of 5 December 2005, no new products were created during the year.

Section 12 – Provisions for risks and charges (Item E)

(in € thousands)

	31/12/2023	31/12/2022	Change
Provisions for pensions and similar obligations	23,529	24,383	-854
Other provisions	37,774	38,892	-1,118
Total	61,303	63,275	-1,972

Changes during the year are detailed in Annex 15.

The provision for pensions and similar obligations consisted for € 8,816 thousand of the Office Staff and Executives Company Supplementary Pension Fund and for € 14,713 thousand of the provision for payment of indemnities due to Agents on discontinuation of the agency relationship already matured and which are not expected to be paid during the year.

Other provisions of € 37,774 thousand were used for € 15,321 thousand during the year, while accruals amount to € 14,188 thousand. These provisions mainly refer to future personnel costs for € 28,646 thousand, to costs for prize competitions for € 2,069 thousand, and to costs relating to disputes with former collaborators for € 3,064 thousand. Personnel costs include the costs related to the launch of the company solidarity Fund (€ 1,424 thousand), subject to discounting.

Deposits received from reinsurers (Item F)

These items amounted to € 2,623 thousand and represent liabilities for deposits held by the Company against outward reinsurance treaties. There was an increase of € 31 thousand in this item compared to 31 December 2022.

Section 13 – Payables and other liabilities (Item G)

	(in € thousands)		
	31/12/2023	31/12/2022	Change
Direct insurance payables	55,634	59,345	-3,711
Reinsurance payables	8,076	6,467	1,609
Provision for employee leaving indemnities	6,178	6,856	-678
Other payables	149,453	128,759	20,694
Other liabilities	72,735	69,819	2,916
Total	292,076	271,246	20,830

Payables arising out of direct insurance operations (Item G.I).

	(in € thousands)		
	31/12/2023	31/12/2022	Change
Insurance intermediaries	34,764	35,799	-1,035
Current accounts with insurance companies	2,731	6,098	-3,367
Premium deposits and premiums due to policyholders	17,493	17,448	45
Total	55,634	59,345	-3,711

Payables arising out of reinsurance operations (Item G.II)

	(in € thousands)		
	31/12/2023	31/12/2022	Change
Insurance and reinsurance companies	3,593	3,266	327
Reinsurance intermediaries	4,483	3,201	1,282
Total	8,076	6,467	1,609

Provision for employee leaving indemnities (Item G.VII)

This item amounted to € 6,178 thousand at 31 December 2023. Changes during the year are detailed in Annex 15.

Other payables (Item G.VIII)

(in € thousands)

	31/12/2023	31/12/2022	Change
Premium taxes	30,045	23,643	6,402
Other tax liabilities	19,423	10,198	9,225
Social security	5,383	5,277	106
Miscellaneous payables	94,602	89,641	4,961
Total	149,453	128,759	20,694

Tax liabilities amount to € 19,423 thousand and mainly comprise withholding taxes.

Miscellaneous creditors amounted to € 94,602 thousand and comprise:

(in thousands of euro)

	31/12/2023	31/12/2022	Change
Payables to suppliers	20,971	24,988	-4,017
Payables relating to personnel management	10,982	9,110	1,872
Payables to subsidiaries	51,112	36,234	14,878
Other payables	11,537	19,309	-7,772
Total	94,602	89,641	4,961

The Subsidiaries item mainly reflects financial liabilities for intra-group services.

Other liabilities (Item G.IX)

(in € thousands)

	31/12/2023	31/12/2022	Change
Commissions for premiums in course of collection	57,635	56,378	1,257
Miscellaneous liabilities	14,915	13,124	1,791
Non-life/Life connection account	185	317	-132
Total	72,735	69,819	2,916

Miscellaneous liabilities include liabilities related to technical accounting for € 8,712 thousand and deferred tax liabilities for € 1,847 thousand. For the breakdown of this item, reference should be made to section 21 of the Income Statement under income taxes.

Section 14 – Accruals and deferred income (Item H)

Prepayments and accrued income amount to € 1,097 thousand and relate to lease fees for € 1,091 thousand.

Further details about interest rate swap contracts are provided in "Operations on derivative and structured financial instruments".

Section 15 – Assets and liabilities relating to Group companies and other shareholdings

The main intra-group relationships, excluding equity investments, are set forth in the table below. For more complete information, reference should be made to Annex 16 which illustrates assets and liabilities relating to Group companies and other shareholdings.

(in € thousands)

Activity	Subsidiaries	Associated companies	Other related parties	Total
Investments relating to contracts linked to investment funds and market indices	36,915	0	0	36,915
Receivables arising out of direct insurance operations	410	323	0	733
Other credits	39,621	0	0	39,621
Bank and postal accounts	52,887	0	0	52,887
Total	129,833	323	0	130,156

Investments relating to contracts linked to investment funds and market indices entirely refer to current accounts at the Banca Reale subsidiary in Class D assets.

Other receivables, amounting to € 39,621 thousand, refer to receivables for services to group companies and to amounts arising from the national tax consolidation scheme due from Reale immobili (€ 13,790 thousand), Italiana Assicurazioni (€ 3,119 thousand), Banca Reale (€ 2,479 thousand), Blue Assistance (€ 573 thousand), Reale ITES (€ 469 thousand), and Italnex (€ 61 thousand).

Bank deposits are entirely held at Banca Reale.

(in € thousands)

Liabilities	Subsidiaries	Associated companies	Other related parties	Total
Payables arising out of direct insurance operations	753	0	0	753
Reinsurance payables	577	0	0	577
Miscellaneous payables	51,112	0	22	51,134
Total	52,442	0	22	52,464

Miscellaneous payables to subsidiaries amount to € 51,112 thousand and mainly relate to payables arising from the national tax consolidation scheme due to Italiana Assicurazioni (€ 21,639 thousand), Reale Immobili (€ 12,961 thousand), Banca Reale (€ 1,040 thousand), Reale ITES (€ 1,021 thousand), Blue Assistance (€ 301 thousand), Blue Health Center (€ 241 thousand), and Italnex (€ 7 thousand), and to payables for services provided by group companies (€ 13,902 thousand).

In 2023, there were no assets relating to other related parties. Liabilities relating to other related parties regarded fees payable to Directors and Statutory Auditors for € 22 thousand.

Section 16 – Payables and receivables

These items are stated under items C and E of assets and under items F and G of liabilities and fall due as follows:

	(in € thousands)	
	above 12 months	of which above 5 years
Loans and mortgages	25,477	15,676
Receivables	277,606	91,578
Payables and other liabilities	2,507	2,507
Total	305,590	109,760

The receivables mainly consist of recharges to agents and of tax credits introduced by Decree-Laws no. 18/2020 (so-called “Cure Italy Decree”) and no. 34/2020 (so-called (“Relaunch Decree”).

Payables and other liabilities mainly comprise liabilities for deferred taxes.

Section 17 - Guarantees, commitments and other memorandum accounts

	(in € thousands)		
	31/12/2023	31/12/2022	Change
Guarantees received:			
- guarantees secured by mortgages	26,996	26,849	147
- sureties given by third parties	18,012	18,778	-766
Guarantees issued by third parties in the interest of the			
- CARD/SISCO consortium and third party sureties	90,311	80,687	9,624
Commitments:			
- derivative products	95,734	89,458	6,276
Securities deposited with third parties	8,402,134	8,426,658	-24,524
Total	8,633,187	8,642,430	-9,243

Guarantees received, for € 45,008 thousand, comprise bank guarantees given by agents and guarantees secured by mortgages on housing loans granted to employees.

Guarantees issued by third parties in the interest of the company, for € 90,311 thousand, include bank guarantees issued to CONSAP and ANIA in relation to the interest of Reale Mutua in the CARD and SISCO Consortiums and bank guarantees issued to public authorities for participation in tenders.

Commitments, of € 95,734 thousand, refer to derivative contracts as discussed in more detail in the specific section on “Operations on derivatives and structured financial instruments”.

Company securities deposited with third parties totalled € 8,402,134 thousand compared with € 8,426,658 thousand in 2022, and are divided as follows according to the entity with which they are deposited:

(in thousands of euro)

	31/12/2023	31/12/2022	Change
Subsidiary credit institutions	7,695,280	7,795,693	-100,413
Other credit institutions	479,464	453,093	26,371
Associated companies	30,786	30,786	0
Other companies	196,604	147,086	49,518
Total	8,402,134	8,426,658	-24,524

As at the reporting date the Company had no contingent liabilities other than those disclosed in the Balance Sheet.

INCOME STATEMENT

Section 18 – Information relating to the technical account of Non-life insurance business (I)

Premiums earned, net of reinsurance (Item I.1)

	(in € thousands)		
	2023	2022	Change
Direct business income	1,838,028	1,721,072	116,956
Inward reinsurance income	2,096	2,629	-533
Gross premiums written	1,840,124	1,723,701	116,423
Premiums ceded and retroceded in reinsurance	-184,927	-176,015	-8,912
Change in the gross provision for unearned premiums	-55,614	-33,460	-22,154
Change in the provision for unearned premiums, reinsurers'	2,483	2,350	133
Total premiums earned	1,602,066	1,516,576	85,490

The detail of gross premiums written by class of business is provided in the Report on Operations.

Allocated investment return transferred from the non-technical account

The allocated investment return to transfer from the non-technical account, in the amount of € 41,508 thousand, has been calculated according to the method determined by ISVAP with a specific provision.

Other technical income net of reinsurance (Item I.3)

Other technical income of € 19,266 thousand (€ 18,214 thousand in 2022) reflects commissions and discounts relating to prior year premiums cancelled during the year for € 4,682 thousand, utilisation of the allowance for doubtful accounts receivable from policyholders for € 13,227 thousand, and miscellaneous technical items other than direct business for € 1,357 thousand.

Claims incurred, net of recoveries and reinsurance (Item I.4)

	(in € thousands)		
	2023	2022	Change
Gross claims paid	1,310,307	1,111,315	198,992
Reinsurers' share	-150,306	-122,167	-28,139
Change in recoveries: gross amount	-38,766	-24,530	-14,236
Change in the gross provision for outstanding claims	251,539	96,025	155,514
Reinsurers' share	-158,633	17,413	-176,046
Total	1,214,141	1,078,056	136,085

Gross claims paid amount to € 1,310,307 thousand and are up by 17.9%. The breakdown is shown in the table below:

	(in thousands of euro)		
	2023	2022	Change
Compensation	1,159,525	970,292	189,233
Direct expenses	19,307	18,899	408
Claim settlement costs	120,373	111,836	8,537
Road Victims Fund	11,102	10,288	814
Total	1,310,307	1,111,315	198,992

The development of claims for previous years generated a positive balance of € 87,468 thousand, equal to around 4.64% of the initial reserves, as a result of the prudent quantification required by law. As regards performance of the individual classes of business, the Accident, Fire, MTPL, and Non-motor TPL lines posted a significant surplus, due to the particularly favourable run-off of technical reserves during the year, to be ascribed to good savings on payments.

Change in other technical provisions net of reinsurance (Item I.5)

The € 130 thousand increase refers entirely to the provision for increasing age set aside pursuant to ISVAP Regulation No. 22 of 4 April 2008, Annex 15.

Operating expenses - (Item I.7)

	(in € thousands)		
	2023	2022	Change
Acquisition costs net of commissions and profit participation received from reinsurers	392,060	379,830	12,230
Other administrative expenses	103,521	95,493	8,028
Total	495,581	475,323	20,258

Other technical charges net of reinsurance (Item I.8)

Other technical charges amount to € 36,201 thousand (2022: € 40,611 thousand) and comprise cancellations of prior year premiums for € 21,892 thousand, accrual to the allowance for doubtful accounts receivable from policyholders for € 10,047 thousand, CARD negative components for € 2,523 thousand and miscellaneous technical items for € 1,739 thousand.

Change in equalisation provisions (Item I.9)

The € 5,531 thousand decrease (a € 2,226 thousand increase in 2022) reflects the provision accrued pursuant to Annex 15 to ISVAP Regulation no. 16 of 4 April 2008. The components per business line of these provisions are set forth in section 10.

For information on the Non-life business technical account, refer to Annexes 19, 25, 26 and 29.

Section 19 – Information regarding the technical account of Life insurance business (II)

Premium income, net of reinsurance (Item II.1)

	(in € thousands)		
	2023	2022	Change
Direct business income	987,931	831,275	156,656
Inward reinsurance income	14	15	-1
Gross premiums written	987,945	831,290	156,655
Premiums ceded and retroceded in reinsurance	-11,192	-10,426	-766
Total premiums for the year	976,753	820,864	155,889

The amount of gross premiums by class of business is indicated in the Report on Operations. The composition of direct business and inward reinsurance premium income is detailed in Annex 20.

Investment income (Items II.2 and II.3)

	(in € thousands)					
	Ordinary income	Value re- adjustments	Gains on disposals	2023	2022	Change
Investments in Group companies and other	4,300	0	0	4,300	13,032	-8,732
Other financial investments:						
of which: shares and interests	3,939	0	0	3,939	2,524	1,415
fixed-income securities	140,428	105	1,783	142,316	145,192	-2,876
other financial investments	12	595	1,427	2,034	1,457	577
Class D investments	18,067	102,701	33,125	153,893	39,773	114,120
Total	166,746	103,401	36,335	306,482	201,978	104,504

Income from investments is detailed in Annexes 21 and 22.

Other technical income net of reinsurance (Item II.4)

Other technical income amounted to € 16,113 thousand compared with € 15,697 thousand in the previous year and consisted mainly of commissions on management of the assets of internal funds and management commissions retroceded by external fund management companies.

Claims incurred, net of recoveries and reinsurance (Item II.5)

	(in € thousands)		
	2023	2022	Change
Gross claims paid	1,162,996	740,000	422,996
Reinsurers' share	-3,197	-5,157	1,960
Gross change in the provision for claims to be paid	3,690	12,032	-8,342
Reinsurers' share	-75	76	-151
Total	1,163,414	746,951	416,463

Gross claims paid are detailed as follows:

	(in € thousands)		
	2023	2022	Change
Claims	51,975	70,028	-18,053
Policies matured	154,636	192,788	-38,152
Surrenders	951,537	472,704	478,833
Perpetual annuities	3,653	3,291	362
Claim settlement costs	1,195	1,189	6
Total	1,162,996	740,000	422,996

It should be noted that the difference between the amount of the provision for claims to be paid existing at the start of the year and sums paid to the beneficiaries of the contracts during the year for claims incurred in previous years, and also the amount of the related provisions at the end of the year is not significant.

As far as regards the trend in surrenders, please refer to the section on insurance operations in the Report on Operations.

Change in provisions for policy liabilities and in other technical provisions, net of reinsurance (Item II.6)

The negative change in Life business provisions amounted to € 27,798 thousand. For details, refer to the commentary on the balance sheet.

Operating expenses - (Item II.8)

	(in € thousands)		
	2023	2022	Change
Acquisition costs net of commissions and profit participation received from reinsurers	31,257	30,801	456
Other administrative expenses	19,973	20,766	-793
Total	51,230	51,567	-337

Investment management and financial charges (Items II.9 and II.10)

	(in € thousands)					
	Management charges	Value re-adjustments	Losses on disposals	2023	2022	Change
Other financial investments:						
of which: shares and interests	0	0	0	0	0	0
fixed-income securities	15,358	9,599	5,270	30,227	142,902	-112,675
other financial investments	380	0	698	1,078	2,134	-1,056
Class D investments	23,038	1,551	19,083	43,672	239,522	-195,850
Total	38,776	11,150	25,051	74,977	384,558	-309,581

Annexes 23 and 24 provide the analytical schedule of investment management and financial charges.

Other technical charges net of reinsurance (Item II.11)

Other technical charges amounted to € 10,178 thousand compared with € 9,957 thousand in the previous year.

The item comprises maintenance commissions for € 8,748 thousand, fund management commissions for € 1,426 thousand, and miscellaneous technical items for € 4 thousand.

Allocated investment return transferred to the non-technical account (Item II.12)

The allocated investment return to be transferred to the non-technical account is equal to € 9,885 thousand. For information regarding the technical account of Life business lines, refer to Annexes 27 and 28.

Section 20 – Changes in technical items by business

Non-life and Life business

The Company has adopted the analytical accounting procedure to allocate operating expenses (costs of personnel and general expenses) to the specific items of the accounts. The application made it possible to allocate the costs, recorded and classified by the general accounting system, to the items of the accounts. The criteria adopted to post items common to several business lines to each individual business line used, as parameters, the number of claims handled, configured differently according to the type of cost to be allocated and the percentage composition of the premiums written.

All the information required by this section is set forth in Annexes 25, 26, 27, 28 and 29. As regards the commentary on the trends of the various business lines, reference should be made to the Report on Operations.

Section 21 – Information regarding the non-technical account (III)

Income from investments – Non-life business (Item III.3)

(in € thousands)

	Ordinary income	Value re- adjustments	Gains on disposals	2023	2022	Change
Land and buildings	3,779	0	0	3,779	3,246	533
Investments in Group companies and other	56,824	0	0	56,824	80,453	-23,629
Other financial investments:						
of which: shares and interests	3,121	299	4,326	7,746	5,523	2,223
fixed-income securities	41,211	11	0	41,222	25,650	15,572
other financial investments	269	0	2,763	3,032	4,290	-1,258
Total	105,204	310	7,089	112,603	119,162	-6,559

The analytical schedule of investment income is provided in Annex 21.

Investment management and financial charges – Non-life business (Item III.5)

(in € thousands)

	Management charges	Value re- adjustments	Losses on disposals	2023	2022	Change
Land and buildings	3,849	1,226	0	5,075	5,089	-14
Other financial investments:						
of which: shares and interests	147	0	2,928	3,075	901	2,174
fixed-income securities	18,112	6,130	1,072	25,314	11,299	14,015
other financial investments	255	0	5,677	5,932	334	5,598
Total	22,363	7,356	9,677	39,396	17,623	21,773

The value re-adjustment relating to land and buildings refers to the depreciation charged for the premises that house the Company headquarters.

Annex 23 provides the analytical schedule of Investment management and financial charges of Non-life business.

Other income (Item III.7)

(in € thousands)

	2023	2022	Change
Recoveries from third parties of admin. expenses and charges	48,117	45,964	2,153
Other income and recoveries	594	549	45
Interest on receivables	12,429	5,387	7,042
Interest on bank deposits	2,383	175	2,208
Utilisation of provisions for risks and charges	15,237	29,678	-14,441
Total	78,760	81,753	-2,993

As regards utilisation of provisions for risks and charges, refer to the commentary in Section 12 of the Balance Sheet.

Interest on receivables comprises € 4,103 thousand and ordinary income relating to the tax credits introduced by Decree-Laws No. 18/2020 (so-called “Cure Italy Decree”) and no. 34/2020 (so-called “Relaunch Decree”).

Other charges (Item III.8)

	(in € thousands)		
	2023	2022	Change
Administrative costs and expenses on behalf of third parties	48,117	45,964	2,153
Interest expense and bank expenses	1,463	1,304	159
Accruals to provisions for risks and charges	14,828	15,124	-296
Amortisation of intangible assets	57	130	-73
Other charges	1,714	1,559	155
Total	66,179	64,081	2,098

As regards provisions for risks and charges, refer to the commentary in Section 12 of the Balance Sheet.

Extraordinary income (Item III.10)

Extraordinary income amounted to € 5,818 thousand. The detail is as follows:

	(in thousands of euro)		
	2023	2022	Change
Excess of prior year taxes accrued	0	1,850	-1,850
Out-of-period income and other extraordinary income	5,818	4,008	1,810
Total	5,818	5,858	-40

The Excess of prior year taxes accrued item from the previous year included the economic impact, totalling € 1,850 thousand, relating to the difference generated between the taxes calculated in the 2021 financial statements and the definitive taxes assessed in November 2022 with the submission of the UNICO 2022. This difference generated a cost for the current year.

Extraordinary charges (Item III.11)

Extraordinary charges amounted to € 3,921 thousand. The breakdown is as follows:

	(in thousands of euro)		
	2023	2022	Change
Prior year taxes not accrued	391	0	391
Out-of-period expenses and other extraordinary charges	3,530	3,043	487
Total	3,921	3,043	878

Income taxes for the year (Item III.14)

Income taxes for the year showed a negative balance of € 16,577 thousand and are the result of the following tax items:

(in € thousands)

	IRES	IRAP	Total
Taxes on the result of the period	-12,594	0	-12,594
Change in prepaid taxes	-4,969	986	-3,983
Total	-17,563	986	-16,577

The Company's participation, beginning from the 2004 tax period, in the national consolidation tax scheme as the consolidating entity for IRES purposes resulted in the recognition of a benefit for current IRES of € 12,594 thousand on the share of tax loss, equal to € 52,475 thousand, absorbed by the positive taxable income of the consolidated companies.

For the purposes of IRES with reference to the result for the period, the main components relate to the decrease in share dividends for € 59,706 thousand and the increase in provisions for outstanding claims € 69,676 thousand.

The IRAP production revenue is negative.

The change in IRES deferred tax assets, totalling € 4,969 thousand, is mainly due to the recognition of deferred tax assets on the 2022 and 2023 share of tax losses not compensated for in the tax consolidation scheme for € 7,019 and on the 2022 and 2023 ACE benefit not used since exceeding the Group's overall net revenue for € 1,713 thousand. The recovery of deferred tax assets on ordinary temporary differences between the carrying amounts and the amounts calculated for tax purposes (comprising changes in provisions for risks and charges, doubtful accounts and losses on receivables from policyholders and the change in provision for outstanding claims) should also be noted.

Prepaid tax assets have been stated considering the reasonable certainty of future recovery.

The reconciliation between the theoretical tax charge and the actual tax charge for IRES and IRAP, with changes in relation to the previous year, is the following:

(in € thousands)

	2023	2022	Change
Profit before taxes	-4,157	-26,894	22,737
Theoretical IRES (24%)	998	6,455	-5,457
Tax effect of permanent differences:			
Increases:	-3,247	-2,101	-1,146
- Dividend Washing	-163	-6	-157
- Non-recurring expenses	-1,092	-627	-465
- Taxes and other non-deductible costs	-769	-691	-78
- Charitable donations	-277	-294	17
- Entertainment expenses	-81	-60	-21
- Change in the provision for policy liabilities - Life business	0	-253	253
- Other changes	-865	-170	-695
Decreases:	17,733	25,227	-7,494
- Dividends excluded	14,330	21,978	-7,648
- Change in the provision for policy liabilities - Life business	406	0	406
- Non-recurring income	18	452	-434
- Refunds	0	2,400	-2,400
- Teseo Fund Result	2,667	0	2,667
- Other changes	312	397	-85
IRES Adjustment to deferred tax assets 2021	0	-132	132
IRES Adjustment to deferred tax assets loss 2022	366	0	366
IRES Adjustment to deferred tax assets ACE 2021 2021	-381	4,001	-4,382
IRES Adjustment to deferred tax assets 2023 ACE	2,094	0	2,094
IRES for the year	17,563	33,450	-15,887
Technical balance	0	0	0
Theoretical IRAP (6.82%)	0	0	0
Tax effect of permanent differences:			
IRAP Adjustment deferred tax assets	-986	-603	-383
IRAP for the year	-986	-603	-383
Total income tax	16,577	32,847	-16,270

The table below details the changes made in the assets and liabilities for deferred tax liabilities compared to the previous year:

(in thousands of euro)

	2022		Transfer		Change		2023	
	base	tax	base	tax	base	tax	base	tax
Prepaid								
IRES								
- Change in	152,847	36,683			15,298	3,672	168,145	40,355
- Write-down of equity	1,120	271			-541	-130	579	141
- Provisions to reserves for	50,579	12,139	15	4	-1,085	-261	49,509	11,882
- Write-down of	62,716	15,052			-20,597	-4,943	42,119	10,109
- Write-down of other receivables	4,030	966			505	121	4,535	1,087
- Losses on receivables from p/holders for premiums	28,225	6,774			-9,288	-2,229	18,937	4,545
- Tax loss exceeding ACE 2021 - 2023	79,483	19,076			29,246	7,019	108,729	26,095
- Other	16,671	4,001			7,137	1,713	23,808	5,714
- Other	424	100			33	7	457	107
Total IRES	396,095	95,061	15	4	20,708	4,969	416,818	100,034
IRAP								
- Losses on receivables from p/holders for premiums	28,225	1,926			-9,288	-633	18,937	1,293
- Write-down of receivables from p/holders for premiums	10,982	748			-3,614	-246	7,368	502
- Solidarity fund	2,993	204			-1,568	-107	1,425	97
- Amortisation of goodwill	0	1			0	0	0	1
Total IRAP	42,200	2,879	0	0	-14,470	-986	27,730	1,893
Total	438,295	97,940	15	4	6,238	3,983	444,548	101,927
Deferred								
IRES								
- Depreciation of real estate	4,044	972			0	0	4,044	972
- Revaluations of equity	3,649	875			0	0	3,649	875
Total	7,693	1,847	0	0	0	0	7,693	1,847

The Transfer item comprises prepaid taxes on the seniority bonuses fund relating to an employee who, in the course of the year, was transferred from Blue Assistance: to Reale Mutua.

Section 22 – Various information regarding the income statement

Section 22.1 - Relations with group companies and other shareholdings

The detail of income and charges relating to Group companies and other shareholdings is provided in Annex 30.

A summary of the total amounts is provided below:

	(in € thousands)				
	Subsidiaries	Associated companies	Other	Other related	Total
Income	105,184	2,187	2,290	1,514	111,175
Charges	53,447	275	0	2,653	56,375

Income and charges relating to Subsidiaries mainly refer to the costs charged by Reale Mutua to supply the services under the contracts in force and the chargeback of costs relating to seconded personnel for € 45,250 thousand.

They also include income for dividends on shares and interest for € 56,922 thousand and charges for financial management services paid to Banca Reale for € 8,197 thousand.

Income from other related parties refers to collection of insurance premiums for € 1,514 thousand.

Charges relating to other Related Parties refer to compensation paid on policies for € 102 thousand and fees paid during the year to Directors and Auditors for € 2,551 thousand.

Section 22.2 - Premiums written for direct business

Annex 31 includes the summary of premiums written for direct business.

Section 22.3 - Costs relating to personnel, directors and statutory auditors

Annex 32 illustrates the costs relating to personnel, Directors, and Statutory auditors.

Section 22.4 – Effects of the application of IVASS Regulation No. 52

The use of the right to value securities, established by the Decree of the Ministry of the Economy and Finance of 14 September 2023, which provided for the application of Decree-Law No. 73 of 21 June 2022 for 2023, made it possible to nullify the value re-adjustments. It thus entails a positive effect for the profit net of taxes totalling € 178,027 thousand (€ 74,918 thousand for Non-life business and € 103,109 thousand for the Life Business).

The table below shows the effects of the sales, carried out in the second half of 2023, of the assets subject to the above-mentioned Decree during the Interim Financial Statements:

	(in thousands of euro)		
	Carrying amount	Sale value	Plus/Minus Trading
NON-LIFE			
Shares	0	0	0
Mutual funds	32,631	31,891	-740
State bonds	0	0	0
Bonds	0	0	0
Total Non-life	32,631	31,891	-740
LIFE			
Shares	0	0	0
Mutual funds	11,162	11,191	29
State bonds	34,500	34,433	-67
Bonds	0	0	0
Total Life	45,662	45,624	-38
TOTAL			
Shares	0	0	0
Mutual funds	43,793	43,082	-711
State bonds	34,500	34,433	-67
Bonds	0	0	0
Total	78,293	77,515	-778

The securities in the short-term portfolio for which the company used the temporary suspension of capital losses for the 2023 Interim Financial Statements and that, at the date of preparation of the financial statements, were no longer within its scope of application were:

- in the **non-life portfolio**, bonds for a carrying amount of € 2,885 thousand with a write-back of approximately € 11 thousand.
- in the **life portfolio**, bonds for a carrying amount of € 77,241 thousand with a value re-adjustment of approximately € 2,836 thousand; mutual funds for a carrying amount of € 36,371 thousand with a write-back of approximately € 337 thousand;

As established by Measure no. 143 of 12 March 2024, it should be noted that, if the suspended capital losses had been recorded in the income statement, the Result for 2023 would have totalled € -238,403 thousand, before taxes, and € -165,607 thousand net of taxes.

Section 22.5 - Information on results on derivative instruments

The information on business operations on derivative and structured financial instruments is appropriately set forth in part C - Other Information.

PART C: OTHER INFORMATION

This section provides the following additional information:

1. Development in Shareholders' Equity
2. Transactions on derivative and structured financial instruments
3. Public funding
4. Fees for auditing and for services other than auditing
5. Cash flow statement

1. DEVELOPMENT IN SHAREHOLDERS' EQUITY

Effects of the proposed allocation of the net profit for the year

The following tables show, for the Non-life and Life businesses respectively, the composition of shareholders' equity reflecting the effects of the proposed allocation of the net profit for the year.

The proposed allocation of the Net Profit as of 31 December 2023, is as follows:

- Repayment, as a refund, of part of the contributions received during the year to which the Income Statement refers, as follows:

Life business € 12,500,000.00

The proposal complies with art. 17 of the Articles of Association and the Refunds Regulations. In particular, Life business shows a positive Operating surplus (condition for the resolution to distribute refunds) equal to € 17,463,158.51. This amount corresponds to the lesser amount between the Business's Net profit (€ 26,885,919.94 euro) and the Business's Technical Account Profit (€ 17,463,158.51) as stipulated by art. 6 of the Regulation.

The Non-life Business does not show a positive Operating surplus so that the condition does not exist for refund distribution.

- The use of the Ordinary Reserve of the Non-life Business, for € 14,465,507.99, to cover the loss in the Non-life Section;
- Allocation of the residual Profit of the Life business, equal to € 14,385,919.94 to the Ordinary Reserve of the Life business.

(in € thousands)

Shareholders' equity for Non-life business	31/12/2023	Proposed allocation to the Shareholders' Meeting	Updated shareholders' equity
Share capital or Guarantee fund	45,000	0	45,000
Revaluation reserves	111,817	0	111,817
Legal reserve	190,391	0	190,391
Other reserves	1,594,792	-14,466	1,580,326
Profit (loss) for the year	-14,466	14,466	0
Total	1,927,534	0	1,927,534

(in € thousands)

Shareholders' equity for Life business	31/12/2023	Proposed allocation to the Shareholders' Meeting	Updated shareholders' equity
Share capital or Guarantee fund	15,000	0	15,000
Revaluation reserves	24,406	0	24,406
Legal reserve	50,944	0	50,944
Other reserves	382,987	14,386	397,373
Profit (loss) for the year	26,886	-26,886	0
Total	500,223	-12,500	487,723

Effects of the application of IVASS Regulation No. 52

The provisions referred to in the Decree of the Ministry of the Economy and Finance of 14 September 2023, which established the application, for 2023, of “Decree-Law no. 73 of 21 June 2022” and ISVAP Regulation no. 52 of 30 August 2022, and subsequent amendments, were applied. Thus, the Company allocated a share of profit (profit for the year and retained earnings) equal to the difference between the values recognised in the financial statements or, for securities not present in the portfolio as of 31 December, between the purchase cost and the market values recognised as of 31 December 2023, net of the related tax charge and the effect on existing commitments to the policyholders relating to the year of the financial statements and up to five following years, to setting up a specific restricted reserve. Measure no. 143 of 12 March 2024 introduced the company’s right, in calculating the restricted reserve, to also consider the effect on existing commitments to policyholders with reference to the year of the financial statements and up to five successive years if provided for by the Decree of the Ministry of the Economy and Finance referred to in article 45(3-duodecies) of the Decree-Law. The Company decided not to apply this right in 2023.

The restricted reserve thus consists of:

	(in thousands of euro)		
Restricted reserve	Non-life	Life	Total
Restricted reserve net tax charges consisting of:			
- net income for the year	74,918	20,693	95,611
- retained earnings and	0	20,693	20,693
	74,918	0	74,918

2. OPERATIONS ON DERIVATIVES AND STRUCTURED FINANCIAL INSTRUMENTS

Derivatives and structured financial instruments are acquired in accordance with the Company's strategic plan established with a Board resolution and IVASS Regulation No. 24 of 6 June 2016 and comply with the requirements established by the system of control of the securities portfolio.

Derivatives and structured financial instruments are used solely for the purpose of promoting balanced and prudent portfolio management, in order to hedge the investment risk or achieve investment goals more easily, more economically or more flexibly than would be possible using the underlying assets.

A) STRUCTURED FINANCIAL INSTRUMENTS

The open positions at the close of 2023 in structured debt securities in the **Life portfolio**, have a total carrying amount of € 61,800 thousand, including € 9,352 thousand in the assets of separately managed accounts.

The table below provides a summary of the structured debt securities in the Company's securities portfolio within the perimeter defined by the Solvency II rules implemented by Delegated Resolution (EU) 2015/35, supplementing Directive 2009/138/EC:

(in € thousands)

	Carrying amount		Market Value		Income/Expense		
	2023	2022	2023	2022	Ordinary	Trading	Valuation
Life portfolio							
52-Interest rate risk	10,728	14,599	11,894	17,214	1,964	0	105
59-Other	51,072	0	52,684	0	759	0	0
TOTAL	61,800	14,599	64,578	17,214	2,723	0	105

In the second half, the securitised bond IBISCO SPV/ABS 2028 was purchased for an equivalent value of approximately € 50,313 thousand in the long-term portfolio to cover the reserve with specific provisions; the underlying assets mainly comprise tax credits introduced by Decree-Law no. 34/2020 (so-called "Relaunch Decree").

During the year, transactions in the **Life portfolio** generated ordinary income for € 2,723 thousand.

For 2023, there were no open positions or transactions in structured debt securities relating to the **Non-life portfolio**, the **Life portfolio under art. 41 of Legislative Decree 209/05** and the portfolio of the **Teseo open-ended pension fund**.

B) DERIVATIVES

The main derivatives at the end of the year are shown below with the related notional amount recognised in the memorandum accounts:

In the **Non-life portfolio**:

- a contract stipulated with Credito Emiliano S.p.A. that, within the framework of the joint interest in Credemassicurazioni S.p.A., envisages granting put options to Reale Mutua (notional value of € 46,122 thousand) and call options to Credito Emiliano S.p.A. (notional amount of € 46,122 thousand) on the entire investment held by Reale Mutua in Credemassicurazioni S.p.A. (1,366,000 shares equal to 50% of the company's capital). They can be exercised in certain contractually defined cases;
- a contract signed with Confagri Consult s.r.l., which stipulates the granting of put options to Reale Mutua, options that may be exercised in the event of the sale of the whole equity investment in GAA Gestioni Assicurazioni Agricole. Overall notional amount of € 210 thousand and expiry date October 2026.

In the **Life portfolio**, four interest rate swaps: two with Natwest Markets Plc (total notional amount € 1,780 thousand) and two with Société Générale (total notional amount € 1,500 thousand). They were entered into for the effective management of the cash flows generated by interest rate changes.

There are no open positions in derivatives in the **Life portfolio under art. 41 of Legislative Decree No. 209/05** or in the **portfolio of the Teseo open-ended pension fund**.

Operations and results for the year on transactions in derivatives are set forth below:

(in € thousands)						
Category of contracts	Portfolio	Counterparty	Credit rating	Current value	Fair value	Income / Charges
Operations in course:						
Swap RBS(NW) - 01/09/2025	Life	Natwest Markets PLC	adequate	1,780	-106	-148
Swap SG - 01/09/2025	Life	Société Générale	high	1,500	-110	-152
Put option on Credemassicurazioni S.p.A. shares	Non-life	Credito Emiliano	adequate	46,122	N.A.	0
Call option on Credemassicurazioni S.p.A. shares	Non-life	Credito Emiliano	adequate	46,122	N.A.	0
Put options on GAA Gestioni Assicurazioni Agricole shares	Non-life	Consult S.r.l.	N.A.	210	0	0
Total operations in course				95,734	-216	-300

In the **Life portfolio**, the notional amounts of the interest rate swaps decreased during the year as envisaged by the instruments' amortisation plan.

In the **Non-life portfolio**, in the **Life portfolio under art. 41 of Legislative Decree 209/05** and in the **portfolio of the Teseo Open Pension Fund** no transactions were carried out on derivative instruments.

3. PUBLIC FUNDING

With reference to the regulations on the transparency of public disbursements introduced by art. 1, para. 125 and 125-bis of Law no. 124/2017 as amended and supplemented, we note that the Italian National State Aid Registry, which can be publicly consulted in the transparency section on the related website, publishes the aid measures and related individual aid granted and recorded in the system by the Granting Authority for the benefit, direct or indirect, of the Company Reale Mutua.

4. AUDIT FEES AND FOR SERVICES OTHER THAN AUDITING

Disclosure of auditing fees and for services other than auditing

(article 149.12 of the CONSOB Issuers Regulation)

Type of service	Supplier of the service	Recipient	Fees (in € thousands)
<i>Auditing</i>	PricewaterhouseCoopers S.p.A.	Società Reale Mutua di Assicurazioni	327
<i>Certification (**)</i>	PricewaterhouseCoopers S.p.A.	Società Reale Mutua di Assicurazioni	230
<i>Other services</i>	PricewaterhouseCoopers S.p.A.	Società Reale Mutua di Assicurazioni	28
	PricewaterhouseCoopers Business Services S.r.l.		350

(*) Note: the item includes audit fees concerning: checks for the signing of tax returns, the review of Reale Group's consolidated non-financial statement, separate accounts, internal insurance funds, and review, pursuant to IVASS Regulation No. 42, of chapters D "Solvency Capital Assessment", E1 "Own Funds" and E.2 "Solvency Capital Requirement and Minimum Capital Requirement" of the Solvency and Financial Condition Report and the QRTs attached to the Solvency and Financial Condition Report "Balance Sheet", "Own Funds" and "Solvency Capital Requirement for undertakings using the standard formula and the partial internal model".

5. CASH FLOW STATEMENT

(in € thousands)

	2023		2022	
I. CASH FLOW FROM BUSINESS OPERATIONS				
1. PRE-TAX PROFIT FOR THE YEAR	1	-3,518	32	-26,894
2. CHANGES IN NON-CASH ITEMS				
a) Change in technical provisions - Non-life business	2	170,130	33	147,602
b) Change in technical provisions - Life business	3	-25,793	34	-57,338
c) Change in accumulated depreciation	4	-127	35	-106
d) Change in termination benefits and in provisions for pensions and similar	5	-1,532	36	-788
e) Change in other provisions	6	-1,757	37	-14,926
f) Non-monetary income and expenses deriving from investments	7	-3,555	38	115,466
g) Gains and losses on disposal of investments	8	-43,498	39	98,296
Total	9	93,868	40	288,206
3. CHANGE IN RECEIVABLES AND PAYABLES GENERATED BY OPERATIONS				
a) Change in receivables and payables arising from direct operations	10	28,991	41	-42,224
b) Change in receivables and payables arising from reinsurance operations	11	-44,869	42	4,132
c) Change in other receivables and payables	12	-144,631	43	-136,541
d) Change in other assets and liabilities	13	-14,356	44	-2,266
Total	14	-174,865	45	-176,899
4. TAX PAID	15	6,498	46	6,075
TOTAL NET CASH FLOW ARISING FROM BUSINESS OPERATIONS	16	-78,017	47	90,488
II. CASH FLOW FROM INVESTMENT ACTIVITIES				
1. NET CASH FLOW GENERATED/ABSORBED BY INVESTMENTS				
a) Land and buildings	17	-3,580	48	-1,825
b) Equity investments in subsidiaries, associates, other equity investments	18	-1,958	49	-5,804
c) Bonds, shares and interests, shares of collective investment funds	19	120,636	50	-101,717
d) Loans	20	92	51	675
e) Other financial investments	21	109	52	109
f) Investments for the benefit of Life policyholders who bear the investment risk and relating to the administration of pension funds	22	-36,112	53	21,778
Total	23	79,187	54	-86,784
2. NET CASH FLOW GENERATED/ABSORBED BY OTHER ITEMS				
a) Intangible assets	24	65	55	129
b) Tangible assets	25	680	56	1,720
Total	26	745	57	1,849
3. REFUNDS	27	1,816	58	-10,000
TOTAL NET CASH FLOW ARISING FROM INVESTMENT ACTIVITIES	28	81,748	59	-94,935
III. CHANGE IN CASH AND CASH EQUIVALENTS				
1. Cash and cash equivalents at the beginning of the year	29	56,820	60	61,267
2. Cash and cash equivalents at the end of the year	30	60,551	61	56,820
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR	31	3,731	62	-4,447



**BENEFIT
CORPORATION IMPACT
REPORT**

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1. Letter from the Impact Manager

I am very proud to present Reale Mutua's 2023 Impact Report to you. Now in its second edition, it is a pivotal moment in our status as Benefit Corporation, enabling us to describe the impact generated through our activities to pursue the common benefit.

The Impact Report actually conveys multiple meanings, which go beyond the disclosure obligations required by Law. In these pages, you will not only have the opportunity to check our results but also to learn about and appreciate our commitment to continuous improvement aimed at generating and returning the value created for our Stakeholders.

The choice to become a Benefit Corporation was crucial for Reale Mutua since, as well as marking a very important milestone for the Company, it outlined a sustainable development path that the Group wishes to progress along in upcoming years.

Starting from our history, our roots, our founding Mutuality and Sustainability principles, and thanks to the generative thrust that the Benefit Corporation imposes, we have launched an internal path towards a "profit for purpose" business model that integrates Sustainability along the whole value chain.

As proof of our commitment to authentic and integrated sustainability, in March 2023 we decided to adhere to the United Nations' Principles for Sustainable Insurance (PSI), convinced that the international context can further stimulate implementation of our business's ESG principles.

In the year just been, we achieved important results. We have also resolutely pursued a profound process of reflection regarding our way of doing business and sustainability, what we are today, and what we wish to become in ten years' time. The goal is to be ready to respond to and cope with evolving challenges in the economic and social context where we operate.

Starting with our Purpose, "Taking care of people for a better world, together", we have been engaged in developing transformative projects aimed at generating positive impacts that can be measured along the whole value chain.

In the first place, this involved taking care of the most important People in our organisation, our Employees, establishing a new function dedicated to Corporate Wellbeing. We are convinced that taking care of and promoting the holistic well-being of our employees encourages and generates change and multiplying societal impacts.

In addition, we took care of the regions and social economy of our Country. We created networks between associations, companies, and non-profit bodies, establishing, the "Mutuality Prize" alongside the other Italian mutualistic insurer Itas Mutua. This awarded € 100,000 to the most ethical project in terms of mutualistic distribution.

You will find evidence of this and many other things in the pages that follow, which I invite you to read with curiosity. I hope that they may also inspire other organisations that, like us, are on the path to implementing sustainable and impactful growth.

Enjoy your reading.

Virginia Antonini

Impact Manager

2. Methodological Notes

In 2021, Reale Mutua launched the process for acquiring the Benefit Corporation status (Law No. 208 of 28 December 2015), approved by the Italian Insurance Supervisory Authority (IVASS) in February 2022.

This choice strengthens and better defines the Company's nature as a mutual insurer, having always been focused on pursuing "sustainable success" by creating value in the medium and long term. Such a choice ensures solidity and corporate permanence so as to return part of the wealth generated to the Members/Policyholders and to the communities where it operates, not only pursuing profit maximisation as the ultimate goal.

Based on what is stipulated by art. 1(382) of the above-mentioned law, the Company has been obliged to prepare the Annual Report (hereinafter, also called the "Report") concerning the pursuit of its Common Benefit Purposes (hereinafter, also "CBP").

The following Report therefore refers to the impact activities implemented by Reale Mutua in the period 1/1/2023-31/12/2023 within the Company's scope.

It should be noted that, in some cases, and for particular projects that also involved other Group Companies, it was impossible to isolate the data for the "Reale Mutua" scope alone. In these situations, quali- and quantitative disclosures, indicating the extension analysed, were provided.

The Report is composed of the following parts:

- the **description of the specific goals, methods, actions implemented by the Directors and the results achieved** in pursuing six Common Benefit Purposes formalised in the Company By-laws, including any circumstances that have impeded it or slowed it down;
- **the assessment of the impact generated during 2023**, according to an external assessment standard that has the requirements outlined in Annex 4 of Law no. 208/2015;
- **planning the new actions and goals for 2024**, in relation to the six Common Benefit Purposes formalised in the By-laws;

The work producing the Report was coordinated by the Impact Manager and by the Group Sustainability Function under the expert supervision of Triadi. Triadi is a Benefit Corporation and an innovative start-up founded in 2022 as a spin-off of the Politecnico di Milano Tiresia, a research centre on impact. The Company entrusted it with the creation of the impact measurement methodology illustrated in section 5 "Assessment of the performance on Common Benefit Purposes".

For any notice or communication in relation to this, please refer to the Group Sustainability Function, which can be contacted at the following email address: direzionesostenibilitadigruppo@realemutua.it.

The Report was published on the Company website in the "Sustainability" section, attached to the 2023 Financial Statements of Reale Mutua and included, in a dedicated section, in the 2023 Integrated Consolidated Financial Statements. The Report was also filed with the Chamber of Commerce, accompanying documents that compose the Statutory Financial Statements.

The Report has also been made available to the Group Sustainability Committee and to the Board of Statutory Auditors of the Company, so that it could verify its compliance with the legal rules and include them in its own report pursuant to art. 2426 of the Italian Civil Code.

¹The methodology developed by Triadi to measure the impact¹ generated by Reale Mutua in pursuing the CBPSs involved a path divided into various steps, listed below:

- **analysis of the context and Stakeholders;**
- **mapping change and identification of the causal links between actions, products, and services of Reale Mutua and their impacts on Stakeholders; construction of impact measurement and management infrastructure;**
- **construction of impact measurement and management infrastructure;**
- **collection and analysis of data.**

Analysis of the context and Stakeholders

Triadi conducted a **context analysis** of Reale Mutua to gain a detailed understanding of its specificities, goals, and main activities, as well as exploring the reference sector within which it operates.

Some of the most significant Stakeholders of the Company were identified, i.e. the parties influenced by the business's activities.

The goal was to identify the main actors, their needs, and interests to involve them in the impact measurement process.

The following Stakeholders were identified: **Members / Policyholders, Employees, Suppliers, Distribution Network, Communities, and Environment.**

These investigations were carried out via *desk* activities, analysing the scientific and grey literature on the issue and project documents provided by Reale Mutua.

Mapping change and identification of the causal links between actions, products, and services of Reale Mutua and their impacts on Stakeholders

Having defined the context and Stakeholders, Triadi created the “**Theory of Change**” of Reale Mutua.

Starting from the analysis of the six Common Benefit Purposes (CBPs), the effects and changes on Stakeholders (Outcomes) needed to achieve the CBPs were identified and, inversely, the activities, products, and services (Outputs) and resources (Inputs) through which Reale Mutua intends to generate these changes.

¹ For more information, please refer to:

Bandini, F., Boni, L., Fia, M., and Toschi L. (2022). ‘Mission, governance, and accountability of benefit corporations: Toward a commitment device for achieving commercial and social goals’. *European Management Review*, 20: 477/492.

De Silva, M. J., Breuer, E., Lee, L., Asher, L., Chowdhary, N., Lund, C., and Patel V., 2014. ‘Theory of change: a theory-driven approach to enhance the Medical Research Council's framework for complex interventions’. *Trials* 15 1: 1-13.

Funnell, S. C., and Rogers, P. J. 2011. *Purposeful program theory: Effective use of theories of change and logic models*.

Rawhouser, H., Cummings, M., and Newbert S. L. 2019. *Social impact measurement: Current approaches and future directions for social entrepreneurship research. Entrepreneurship theory and practice*. 43 1: 82-115.

Following this, the change was modelled (impact generation process) through the “**Social value chain**” tool²(Figure 1).

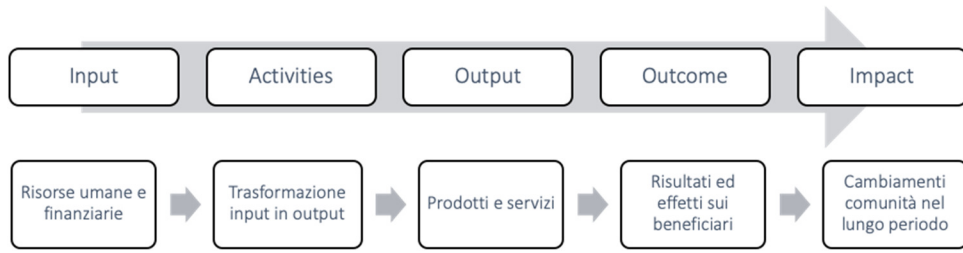


Figure 1: Social value chain.

This mapping was completed through desk activities analysing the scientific and grey literature of the insurance sector and documents provided by Reale Mutua.

These analyses were combined with project meetings with Reale Mutua staff, during which the previously imagined value dimensions of the social value chain were confirmed and the causal connections that describe the change processes.

² Clark *et. al.* 2004; Dufour 2018; Rawhouser *et al.* 2019.

An extract of the Reale Mutua social value chain is included in the Figure below.

Output	Outcome	Common Benefit Purposes	Beneficiary stakeholders
Policies	▶ Increase in customers' perceived well-being and satisfaction due to policies	▶ Offering products and services aimed at continuous improvement in the relationship with Members / Policyholders that generate economic, social, and environmental value and promote the mutualistic dimension of the Company	▶ Members/Policyholders
Gender diversity aspects	▶ Equity of treatment perceived by employees	▶ Developing projects and initiatives aimed at promoting health, well-being, and inclusion	▶ Employees
Flexibility in work dynamics	▶ Increase in productivity perceived by employees		
Sustainability training initiatives	▶ Degree of awareness on sustainability issues	▶ The personal and professional growth of employees, collaborators, administrators, including through training and cultural activities and the development of corporate welfare initiatives	▶ Employees
Social activism	▶ Sense of belonging to the organisation		
Consumption and emissions	▶ Change in mobility habits of employees and directors	▶ Mitigating environmental impacts of its activities to contribute to protecting the environment and ecosystem	▶ Environment
Initiatives targeting supply chain sustainability	▶ Increase in awareness regarding social and environmental sustainability issues and skills needed to assess the impact generated via supplier activities	▶ Operating in a responsible and transparent way in relation to commercial partners and suppliers, adopting preferential selection criteria for parties that responsibly manage environmental and social impacts	▶ Suppliers

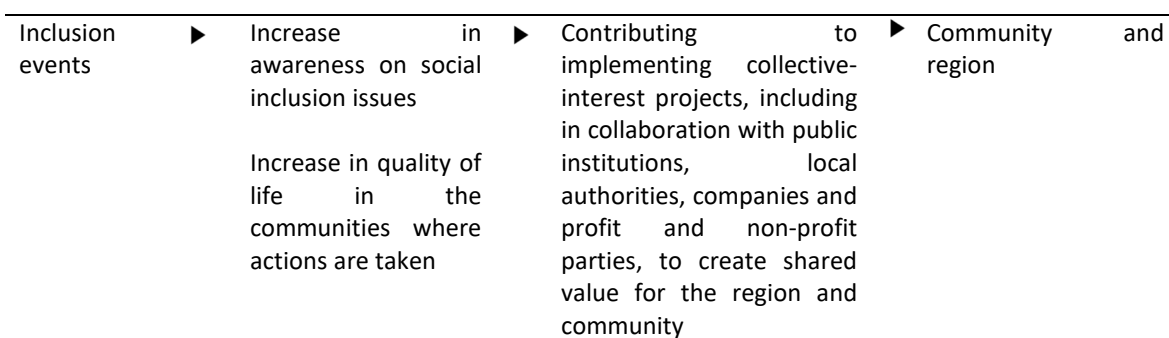


Figure 2: Diagram of the Reale Mutua social value chain, forecast for 2023-2024.

Construction of impact measurement and management infrastructure

An extract from the impact measurement infrastructure (from hereon in, also “Benefit Plan”) is included in the Table below.

Purpose	SDGs	Impact goal breakdown of Reale Mutua	Activity/Action	Specific class of target stakeholders of Reale Mutua	Chain value - Indicator	Type of KPI	Source	ESRS standard reference	ESRS description	KPI measurement	Risks (due diligence/double materiality perspective)	Detection	Year
Developing projects and initiatives aimed at promoting health, well-being, and inclusion.	5,8,10	Making Reale Mutua a dynamic, inclusive organisation attentive to the feelings of its employees and collaborators, which makes the workplace a pleasant and flexible environment in relation to people's lives.	Abolishing the gender-pay gap, providing the conditions for remunerative equity irrespective of gender	Employees	Diversity in governance bodies and among employees, measuring the man/woman ratio for every category/level in the hierarchy	Output	GRI 405-1	ESRS S1 Own workforce S1-16 compensation indicators	Characteristics of undertaking's employees - number of employees by gender (table)	Diversity in governance bodies	Binary dimension indicator: little relevance for other D&I issues (IMP Evidence risk)	Annually	2022-2023
				Employees	Adoption of measures aimed at reducing gender-pay gap	Output	GRI 405-2	ESRS S1 Own workforce S1-16 compensation indicators	Gender pay gap	Ratio of base salary and remuneration of women compared to men	Binary dimension indicator: possibility of not catching other pay-gap causes (IMP Evidence Risk); Weighting with corporate welfare/added benefits (IMP Efficiency risk)	Annually	2022-2023

Table 1 Extract of the Reale Mutua impact measurement infrastructure, forecast for 2023.

The infrastructure is composed thus:

- **6 CBPs** defined by By-laws;
- **6 impact goals** connected to the CBPs and aligned with one or more Sustainable Development Goal (SDGs) and material aspect of the 2023 Double Materiality Analysis conducted by the Group;
- various **actions/activities** to implement to achieve the impact goals linked to the CBPs, whose performance is demonstrated by:
 - **Output KPIs** (measures of quantitative performance for activities, products, and/or services provided);
 - **Outcome KPIs** (the results and direct effects of actions/activities on beneficiaries/Stakeholders).

For each KPI, the source is indicated, i.e. whether it is an *ad-hoc* KPI, customised based on the needs of Reale Mutua, or deriving from international standards (IRIS+, GRI, SDGs, IMP, ESRS), and the specific measurement methods (survey, number, etc.).

Following publication by the European Financial Reporting Advisory (EFRAG) of the delegated act on the first

set of European Sustainability Reporting Standards (ESRS), each KPI was associated with the ESRS topic and a specific metric.

Each activity/action is connected with one or more KPIs; for each KPI identified, an indication is provided on the frequency of detecting data based on its specific characteristics.

The detection frequency is annually.

In particular, the infrastructure for 2023 aimed to measure 38 KPIs; of these the performance relating to 28 indicators was actually measured.

The infrastructure also provides an indication of the possible negative effects on the organisation, society, and environment linked to the activities/actions identified (by way of example: an increase in management costs, an increase in CO2/GHG emissions, an increase in the collective risk for Members / Policyholders, etc.).

Collection and analysis of data

Data collection and analysis in 2023 were needed to measure a set of indicators (Key Performance Indicators - KPIs) to map and measure the impact and change generated by a series of activities/actions associated with each of the six CBPs recognised in the By-laws.

During the year, data collection was carried out in line with what was done during 2022 consulting the main corporate functions involved in the reporting activities (General Secretariat, Group Human Resources Department, Change Management, Group Purchases, Group Investments and Finance, Group Sustainability and Institutional Communication, Chief Digital Innovation Officer).

At various levels, these functions were also involved in a participatory process aimed at updating qualitative and quantitative KPIs in light of the new actions/activities implemented during the year and at updating the 2024 Plan target commitments.

The work was focused on revising the impact measurement methodology, updating the reporting standards, leveraging new European models (especially the EFRAG), and setting up and strengthening a data collection system within the organisation to have information useful for quantifying the output dimensions for 2023.

Regarding outcome measurements, the Company is launching a process for organising ad-hoc data collection.

This path constituted a precious opportunity for guiding the impact activities linked to being a Benefit Corporation back to the Group's values positioning, the Company's sustainability strategy, and the Business Plan. The goal is to direct the short- and medium-term planning to reach broader strategic guidelines in the ESG area.

3. Introduction

For Reale Mutua, the acquisition of the Benefit Corporation status constituted a step along an ambitious path launched in 2020, within the Group, with the goal of “embedding” sustainability into the corporate processes.

This path was divided into a structured set of project activities, which culminated with the launch of a strategic project entitled “ESG in Corporate Strategy” at the end of 2023. The goal is to achieve, in the medium term, the complete integration of ESG goals into the Group’s strategic and industrial plan.

In this respect, acquiring the Benefit Corporation status constituted a key step in this path, in line with the model of “integrated sustainability” already launched in previous years (for example, since 2021, Reale Group has reported on its financial and non-financial performance in an integrated way). This model represented the Company’s desire to take on specific commitments in the social, environmental, and governance realm, crystallizing them in the Articles of Association.

For Reale Group, in fact, pursuing authentic sustainability means jointly taking into consideration the environmental dimension, the social one, and that of internal operations (governance). Such consideration gives credibility and duration to the commitments undertaken through concrete, measurable, and intentional actions, which are continuously monitored in their impact dimension.

The acquisition of the Benefit Corporation status led to an amendment in the Reale Mutua Company By-laws. Here, the goal of pursuing impacts on six Common Benefit Purposes, consistent with the 17 United Nations Sustainable Development Goals (SDGs) and material aspects identified in the Double Materiality Analysis, is embedded in the Company’s mission, in addition to economic profit.

This step determined a shift in the centre of gravity of the sustainability strategy from a more conventional approach based on voluntary and discretionary actions in the ESG area towards the pursuit of a “benefit purpose” aimed at generating intentional, measurable, and additional impacts along the whole value chain.

The actions undertaken by Reale Mutua to achieve the Common Benefit Purposes positively reflect the way of doing business of all the Group Companies. The business model considers and integrates, in advance, the ESG aspects as significant assets in planning, risk analysis, and investment processes. Besides this, it also evolves towards a model centred on the intentional generation and measurement of the impact itself (externally and internally, in a “double materiality” approach), as outlined by the recent legal guidelines on the issue.

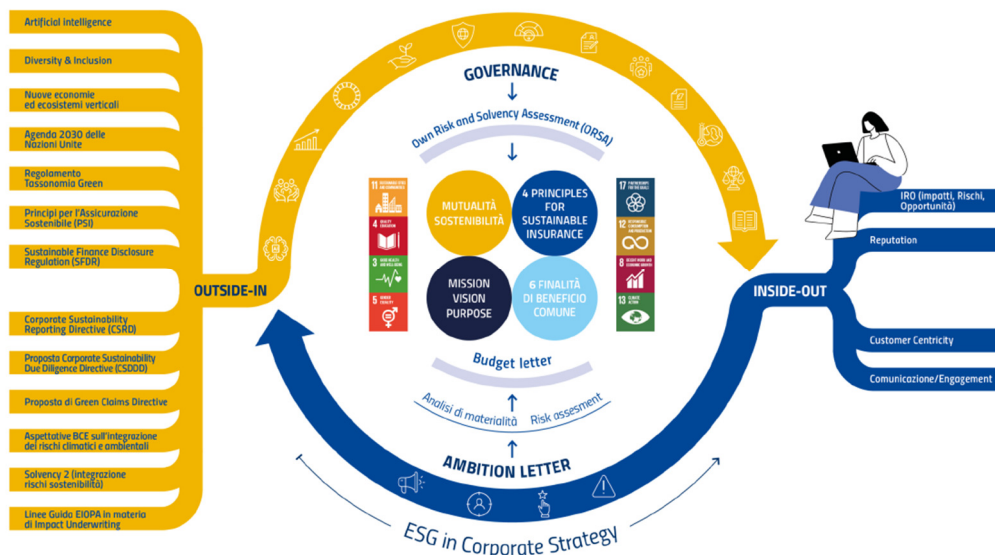


Figure 3: The Integrated Sustainability Model

The evolution of the Business model towards an impactful, integrated sustainability model, is divided into a series of interconnected project activities:

- defining a plan for measuring the impact (from hereon in, also “Plan”), in order to monitor the impact and change generated by activities and actions that were (and will be) implemented for the pursuit of Common Benefit Purposes;
- gradually integrating the Risk Assessment process in the double materiality analysis process, with the aim of ensuring excellent mapping of impacts, risks, and opportunities (IROs – impacts, risks, and opportunities);
- tracing back six CBPs to the material aspects that emerged from the Group’s Double Materiality Analysis, so as to ensure complete synergy between the definition of the business goals and the impact goals of the Parent Company as Benefit Corporation;
- launching a Group strategic project to define a social impact assessment methodology for initiatives the Company implements, also integrating the application of the Social Return on Investment (SROI) methodology, which makes it possible to summarise the social impact generated by the initiative promoted, against the economic investment made;
- carrying out engagement actions as preparation for drafting the Ambition Letter.

In particular, in May 2023, a workshop intended for Group Managers was organised to identify a series of impact goals, or outcomes, associated with each of the CBPs and the related enablers needed for their implementation, with a short- to medium-timeframe.

The work, in which more than 80 people participated, was carried out in groups to facilitate dialogue and productive reflection. It was moderated by trainers specialised in the sustainability area.

In September, at the Pistoia Dynamo Camp headquarters, the Corporate Bodies and members of Senior Management participated in a workshop dedicated to presenting the Ambition Letter and Budget Letter. The event recorded almost full participation (81 participants).

As part of this path, the Benefit Plan was traced back to and made uniform with the broadest, multi-stakeholder strategic goals of Reale Mutua and the six CBPs became one of the pillars of the Company’s integrated sustainability strategy. The latter is the hinge on which to structure the business activities during the next few years so as to generate positive, measurable, and additional impacts for all Stakeholders (please see Figure 4).

In 2023, the Plan was revised and partially updated to be as aligned as possible with the framework of the new sustainability reporting standards (ESRS - European Sustainability Reporting Standards, defined by EFRAG) that will be reported on next year, with the goal of optimising the impact measurement activities with the strategic goals and regulatory requirements in sustainability reporting (CSRD - Corporate Sustainability Reporting Directive).

It was, therefore, deemed useful to keep some KPIs in the original Plan that are indicative of distinctive impact aspects of our reality as a mutualistic Company but that the ESRS do not allow us to measure. These enable us to maintain a strong identity in relation to monitoring those impact goals that relate to our organisation.

In line with what was launched in the previous year, Reale Mutua secured help in defining the plan for measuring impacts from Triadi, a leader in the area of academic research, in order to ensure not only maximum compliance with the regulations, but also the highest level of transparency and accountability in terms of these issues.

In addition, as set forth by Article 1(380) of Law 208/15, the monitoring of impacts was supervised by the “Impact Manager”, in the person of Virginia Antonini, Director in charge of the Group’s Sustainability Department. Ms Antonini is entrusted with the functions and tasks aimed at pursuing the common benefit of the Benefit Corporation.

4. Common Benefit Purposes – 2023 Results and Performance and 2024 Commitments

During 2021, Reale Mutua launched a path for determining specific “Common Benefit” Purposes that were included in the corporate purpose through a by-law amendment.

The “Common Benefit” consists in the pursuit of one or more positive effects, or in the reduction of negative ones, on people, communities, the environment, starting from one of the key principles of Mutuality, i.e. generating positive and measurable impacts not just in relation to Members/Policyholders but all Stakeholders.

These Purposes were identified within the Company through a shared process that led to strategic and operational reflections; the Benefit Plan was constructed, and the impact assessment and measurement tool was determined, based on these.

The 6 Common Benefit Purposes included in the Reale Mutua By-laws are listed below:

- 1. Offering products and services aimed at continuously improving the relationship with Members / Policyholders that generate economic, social, and environmental value and promote the mutualistic dimension of the Company.**
- 2. Developing projects and initiatives aimed at promoting health, well-being, and inclusion.**
- 3. Supporting the personal and professional growth of employees, collaborators, and administrators, including through training and cultural activities and the development of corporate welfare initiatives.**
- 4. Mitigating environmental impacts of its activities, to contribute to protecting the environment and ecosystem.**
- 5. Operating in a responsible and transparent way in relation to commercial partners and suppliers, adopting preferential selection criteria for parties that responsibly manage environmental and social impacts.**
- 6. Contributing to implementing collective-interest projects, including in collaboration with public institutions, local authorities, companies and profit and non-profit parties, to create shared value for the region and community.**

This year too, some of the main functions of the Company were involved in the path defining the 2024 Benefit Plan, in order to better integrate the sustainability objectives connected with the pursuit of the CBPs with the business goals. Various factors such as feasibility, potential estimated impact, necessary, available economic and human resources, and Reale Mutua’s business strategy were considered, according to a model based on continuously improving the activities/actions undertaken (output KPIs) and impact indicators (outcome KPIs).

In particular, the process for defining the activities for 2024 was structured across a series of dedicated discussion meetings held at the end of 2023 during the data collection period. Representatives of the functions involved attended to share commitments-goals, actions-activities, and monitoring KPIs for 2024.

These results, which were published in this Report, were presented by the Impact Manager to the Group Sustainability Committee for information and approval.

In preparation for the significant regulatory change expected in the area of sustainability reporting and which will be applicable to our business starting from 1 January 2024 (CSRD), the Company will proceed as follows in defining the 2025-2026 Plan:

- **collection of the results for the Double Materiality Analysis 2024**, conducted in synergy with the Risk Assessment activities, in order to identify the significance of the material aspects as established by the CSRD;
- analysis of the current Benefit Plan to assess potentially **tying it back to the material aspects set forth by the ESRS**;
- **discussion and sharing of the 2025-2026 Benefit Plan** during one of the regular managerial meetings and during the meeting to define the Three-year Strategic Plan;
- **presentation and approval of the 2025-2026 Benefit Plan by the Sustainability Committee**;
- **presentation of the 2025-2026 Benefit Plan to the Reale Mutua Board of Directors for ratification.**

The activities/actions taken by the Company during the year to pursue the six CBPSs, the performance, and results obtained, and the commitments for the year to come are presented below.

As required by the Benefit Corporation regulations, the impact assessment area to which each individual Purpose contributes is also stated.

COMMON BENEFIT PURPOSE NO. 1

Sustainable products and investments

“Offering products and services aimed at continuous improvement in the relationship with Members / Policyholders that generate economic, social, and environmental value and promote the mutualistic dimension of the Company”

IMPACT AREA: MEMBER-POLICYHOLDERS

MATERIAL ASPECTS: Customer Centricity - Reputation, ethics, and business integrity – Direct environmental impacts and climate change – Community support and impact philanthropy – Privacy & Cyber Security - Importance of distribution channels - Sustainable products and investments – Innovation and digital transformation - Economic performance and creation of sustainability value



OBJECTIVE:

With this Purpose, Reale Mutua undertakes to design and develop innovative and accessible impact products and services, to widen the group of potential Members / Policyholders, ensuring them broad accessibility and inclusivity and protecting, with a fully mutual spirit, all categories of policyholders.

Shares	2022 Final balance	2023 Final balance
Measuring Brand Reputation	Brand Reputation index Reale Group): 69.2pt	Reale Group: 68.6pt (-0.6 points compared to 2022) Reale Mutua: 66.8pt ³
Product development and promotion sustainability features (according to what is set out in the “Group Guidelines for Classifying Insurance Products”)	A round table was launched to define “Group Guidelines for Classifying Insurance Products”, an internal classification document that will enable the rationalisation of the portfolio and the development of new products with a specific environmental and/or social benefit.	During 2023, the “Group Guidelines for Classifying Insurance Products” Document was completed and updated, adapting it to the regulatory changes that occurred. During 2023, the number of products with a specific environmental or social benefit according to what is set forth in the “Group Guidelines for Classifying Insurance Products” document increased. Below are the new products launched

³ This value of the Brand Reputation index only relates to the Parent company, a measurement that started beginning in December 2022.

	<p>Two multi-class products were launched with a specific environmental and/or social benefit: 1) "Multipower Reale Doppio Vantaggio Sostenibile"; 2) "Multipower Reale ESG".</p> <p>The "Pedala Start&Stop" product was launched, the first digital native product dedicated to covering bicycles and scooters.</p> <p>Monitoring of the premium income and number of customers who purchase products with sustainability features was launched.</p>	<p>during 2023 that comply with these features: "Opportunità Reale Doppia Gestione", an insurance investment product with two underlying Separate Accounts.</p> <p>The product is classified as being under art. 8 of the SFDR Reg.</p> <p>"Straordinaria Reale", separate account with a specific provision of assets underlying 50% and the "Reale Uno" fund 50% with the components classified as being under art. 8 pursuant to the SFDR Reg.</p> <p>"Multipower Reale ESG", multi-class product wholly classified as being under art. 8 pursuant to the SFDR Reg. where the underlying Separate Management and underlying Internal Fund proactively include ESG criteria in its investments, excluding issuers that do not pay sufficient attention to sustainability factors and encouraging issuers that are positively distinguished in relation to ESG issues.</p> <p>"Realmente Sereno", Long Term Care product that ensures whole life coverage by disbursing a deferred, monthly lifetime income if it is certified that the policyholder is no longer self-sufficient, contributing to the maintenance of a suitable quality of life, both for the person who is no longer self-sufficient and for their caregivers.</p> <p>"RealmenteInSalute DayByDay", healthcare policy devised for those who rely on the National Health Service (SSN) for hospitalisations. The product incorporates the SSN service with a daily allowance for hospitalisation and guarantees reimbursement or payment of appointments and diagnostic tests if carried out at private facilities.</p> <p>It also offers the possibility of accessing specialist video consultations, to manage your health issues remotely.</p>
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Collection of premium income from products with sustainability features (out of total premium income)		€ 530,940,819.36 (18.8% of the total premium income)
No. of customers who purchased products with sustainability features (out of the total number of customers who took out at least one new policy during the year)		13,139 customers (5.1% of the total customers) who took out at least one new policy during the year)
Measurement of Customer Experience (Net Promoter Score)	Net Promoter Score (NPS): 54.9 (with value from +100 – 100)	53.86 (with value from +100 – 100)
Development of NPS sub-index for monitoring customer satisfaction in relation to products with sustainability features launched during the reference year.		75.3 (with value from +100 – 100)
Development and promotion of supplementary Welfare products for customers and businesses	Monitoring of the following indicators began: 1) number of agencies that market welfare products 2) welfare product premiums collected out of Total premium income 3) Total customers who purchase welfare products out of total customers who took out at least one new policy during the year.	1) 372 branches (out of 389) market supplementary welfare insurance products. 2) € 240,206,577 (8.5% premium income) from supplementary welfare products) 3) 26,526 customers (10.3% of the total customers) who took out at least one new policy during the year).

<p>Development of specific products to encourage insurance inclusion and access to prevention and greater awareness and training in development of behaviour to reduce risk in the health and welfare area and mindful management of the risk, encouraging environmentally friendly behaviour.</p>	<p>In the context of the new Group strategic plan, the activity will be managed within cross-business working groups aimed at integrating insurance products and services.</p> <p>The number of products in the portfolio with sustainability features is continuously monitored, according to what is set forth in the “Group Guidelines for Classifying Insurance Products”</p>	<p>Reale Mutua has renewed its Long Term Care offering by revising the Realmente Sereno product, a product that guarantees whole life coverage by disbursing a deferred, monthly lifetime income if it is certified that the policyholder is no longer self-sufficient.</p> <p>The product contributes to maintaining a suitable quality of life, protecting both the person who is not self-sufficient and their caregivers.</p>
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2024 Commitments
<ul style="list-style-type: none"> - Increase in the number of products with sustainability features marketed; - Increase in premium income from products with sustainability features out of total of income; - Increase in number of customers who purchased products with sustainability features; - Gradual increase in customer satisfaction regarding products with sustainability features; - Increase in number of agencies that market supplementary welfare products; - Increase in supplementary welfare product premiums collected (out of total premium income); - Increase in the number of customers who purchase supplementary welfare products (out of total customers in the portfolio); - Launch of projects aimed at creating Non-life products aligned with the Green Taxonomy (Reg. 852/2020); - Increase in number of ESG banking products present in the commercial catalogue available for Banca Reale branches and Reale Mutua and Italiana Assicurazioni agencies; - Increase in Banca Reale investment stock with purposes linked to environmental and social sustainability issues; - Increase in number of women customers among Reale Mutua and Italiana Assicurazioni customers who have purchased Banca Reale banking and financial products and services.

COMMON BENEFIT PURPOSE No. 2

“Developing projects and initiatives aimed at promoting health, well-being, and inclusion”.

IMPACT AREA: EMPLOYEES

MATERIAL ASPECTS: Development and enhancement of human capital and Culture of inclusion - Health, safety, and welfare of workers - Customer Centricity - Reputation, ethics, and business integrity – Direct environmental impacts and climate change – Community support and impact philanthropy – Privacy & Cyber Security– Importance of distribution channels - Sustainable products and investments – Innovation and digital transformation– Economic performance and creation of sustainability value



OBJECTIVE:

With this Purpose, Reale Mutua undertakes to protect and enhance the diversity of its Employees and Collaborators, encouraging their self-expression in a work environment respectful of the characteristics and specificities of each person. The Company recognises and responds to the needs of the “Other”, expressing their vocation as a dynamic organisation that protects the mental and physical well-being and the health of its People.

Actions	2022 Final balance	2023 Final balance
Increase in under-30 hires	35 new hires under 30, or 37.6% of the total of new hires (+16.9% compared to 2021).	22 new hires under 30, or 45.8% of the total of new hires (+8.2% compared to 2022).
Determination of the staff selection process in terms of gender equity and balance.	55 women hired, or 59.1% of the total of new hires (+47.4% compared to 2021).	25 women hired, or 52.1% of the total of new hires (-7.0% compared to 2022).
Implementation of merit-based middle manager and manager promotion policies aimed at ensuring gender equity and disparity reduction in career progression between men and women.	57.9% women promoted to middle management positions (out of total promotions in this band). 33.3% women promoted to management positions (out of total promotions in this band).	46.2% women promoted to middle management positions out of total promotions. During the year, 1 promotion to a management position was made in Reale Mutua, which was given to a woman. The percentage of women in middle management positions rose to 29.1%, compared with 27.4% the previous year (+1.7%). The percentage of women in management positions rose to 18.3% , compared with 16.9% the previous year (+1.4%).

Adoption of measures aimed at remuneration equity between men and women.	Monitoring of Gender Pay Equity was launched ⁴ .	% gender Pay Equity: -24,1% ⁵ .
Identification of women with great potential to guide towards career paths.	Development paths addressing women with high potential were launched ⁶ .	For all high-potential women, HiPo paths were launched, for a total of 38 paths launched during the year. 91% of succession plans , relating to key, Senior Management roles, include at least one woman.
Measurement of employees' sense of well-being and belonging.	The "Great Place To Work® Italia 2022" certification was obtained. Trust Index ⁷ stands at 66 (compared with 2021). "Respect" Indicator ⁸ stands at 69 (+ 1 pointed compared with 2021).	The " Great Place To Work® Italia 2023 " certification was obtained (the survey recorded an 84% response rate). Trust Index: 65 (-1pt compared with the previous year) "Respect" Indicator: 68 (-1pt compared with the previous year).
Measurement of employees' perception of inclusion.	Monitoring of the "Inclusion impact index" was launched ⁹ .	"Inclusion Impact Index": 52.6 (+0.4pt compared with the previous year).
Monitoring of the abandonment rate of women coming back from maternity leave.	A monitoring system for the abandonment rate of women coming back from maternity leave was introduced. There are no cases of dismissals/firings of employees coming back from maternity leave during the year to be reported.	There are no cases of dismissals/firings of employees coming back from maternity leave during the year to be reported.
Establishment of a	The "Reale Equality" Community was	The Equality Transformation Group

⁴ The calculation of the gap in terms of gross annual salary by gender was calculated as the difference in the average gross annual salary of women and the average gross annual salary of men, compared to the average gross annual salary of men.

⁵ The indicator expresses the overall salary gap calculation without taking into account differences in role and experience. In fact, the result highlights the presence of a "salary pyramid" that favours men who, today, hold positions of greater responsibility. If we compared the pay of men and women in the same circumstances, e.g. management level and seniority, the gap would be marginal

⁶ Hi-Po Program is a programme devised to identify people with great potential not yet fully realised and to construct a policy that is more attentive to diversity and inclusion in managing people.

⁷ Great Place to Work survey indicator that measures the corporate climate and index of trust in the company.

⁸ Great Place to Work survey indicator that measures the focus on professional development, involvement, and care for Employees.

⁹ Index developed by Value D that provides a complete framework of Diversity, Equity, and Inclusion (DEI) policies in the company.

<p>“Diversity&Inclusion” Committee.</p>	<p>set up.</p> <p>A Group Policy dedicated to diversity issues was prepared.</p> <p>The Equality Transformation Group was set up.</p>	<p>(ETG) operates within the Gender Equality Project launched in 2022, with the goal of making the organisation more equal, open, and inclusive, using the gender mix as a competitive factor.</p> <p>Among the main actions in 2023, the ETG prepared and monitored the annual activities Plan, monitoring the implementation steps and designing and implementing the first internal communication campaign.</p> <p>In addition, the ETG launched the “Inclusion Impact Index Plus” measurement, a tool for mapping and measuring Diversity, Equity, and Inclusion policies, as well as the gender equality Certification path, according to the reference practice: UNI PdR 125:2022.</p> <p>In addition, the gender equality certification provides for implementing an all-embracing Policy that represents the strategic orientation of Reale Mutua in this area.</p> <p>Finally, the “Reale Equality” initiatives were monitored to entrust an online community with the task of simulating cultural change regarding the issue of inclusion and diversity, with a special focus on issues linked to gender.</p>
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2024 Goals
<ul style="list-style-type: none"> - Starting the path towards gender equality Certification, which requires the publication and dissemination of a gender equity policy, including through the Reale Equality Community. This will be used as an additional tool for dissemination and engaging people; - Review of the Gender Equality Steering Committee, as preparatory to obtaining the Certification; - Maintenance of the Great Place To Work certification; - Ensuring equality in male/female career progression via regular monitoring of data to assess progress and identify the areas for improvement, with the commitment to continuously consolidating the presence of women among the middle manager and manager staff; - Launch of the new portal for disseminating Wellbeing services; - Implementation of the Programme dedicated to Prevention in Health; - Launch of the dietary education Programme; - Launch of the experiment to install period kits in company bathrooms; - Repeat of the flu vaccine distribution campaign; - Maintaining a strong focus on the issue of occupational safety and work-related stress.

COMMON BENEFIT PURPOSE No. 3

“Supporting the personal and professional growth of employees, collaborators, administrators, including through training and cultural activities and the development of corporate welfare initiatives”.

IMPACT AREA: EMPLOYEES

MATERIAL ASPECTS: Development and enhancement of human capital and Culture of inclusion - Health, safety, and welfare of workers - Customer Centricity - Reputation, ethics, and business integrity – Community support and impact philanthropy – Privacy & Cyber Security – Sustainable products and investments – Innovation and digital transformation– Economic performance and creation of sustainability value



OBJECTIVE:

With the third Common Benefit Purpose, Reale Mutua undertakes to strengthen and promote the professionalism of its people through continuous training, with the goal of developing new knowledge and encouraging innovative and efficient working methods.

The Company is developing a corporate culture based on enhancing the professionalism and talents of each person, with a view to creating a pleasant and stimulating, collaborative and flexible work environment in relation to the needs, inclinations, and personal and professional development goals of its Employees and Collaborators.

Shares	2022 Final balance	2023 Final balance
Involvement of Employees in extracurricular activities with general/social purposes.	<p>29 Employees joined corporate volunteering (-51% compared to the previous year).</p> <p>436 hours donated (-65%).</p> <p><i>This significant decrease was caused by the exceptional commitment offered by volunteer employees in the Reale Hub CV-19 during 2021 (9,580 hours donated by more than 200 volunteers).</i></p> <p>1,002 Ordinary members enrolled in the Company Recreational Centre (CRAL) (+5% compared to 2021) and 1,115 family members (+10.8% compared to 2021).</p>	<p>13 Employees joined corporate volunteering (-55.2% compared to the previous year).</p> <p>159.5 hours donated (-63.4% compared to the previous year).</p> <p><i>This reduction was caused by two kinds of factors: on the one hand, a reorganisation of the offering and availability of host associations that underwent significant organisational changes as a result of new, post-COVID protocols. On the other hand, the path to broaden the scope of the corporate volunteering programme, which will extend across the country.</i></p> <p>1,021 Ordinary members enrolled in the Company Recreational Centre (CRAL) (+1.9% compared to 2022) and 1,205 family members (+8% compared to 2022)</p>

	1,080 Employees subscribing to the “Company Solidarity” fund¹⁰ (91% of total Employees)	1,093 Employees subscribing to the “Company Solidarity” fund (+1% compared with 2022)
Delivery of training on environmental and social impact issues via courses/workshops/meetings.	<p>443 training courses delivered by the Group Academy Training School for Employees, 31 of which were dedicated to ESG issues (+1.7% compared to 2021).</p> <p>3,631 hours of courses on ESG issues (-5% compared to the previous year).</p> <p>2,589 participants (+6.5% compared to 2021).</p> <p>557 Employees participating in courses on Well-being issues (+2.2% compared to 2021).</p> <p>2,869 hours of courses on Well-being issues (+5% compared to 2021).</p> <p>Overall approval rating of the courses delivered by the Academy: 81 points (out of 100).</p>	<p>520 training courses delivered by the Group Academy Training School for Employees, including: 56 dedicated to ESG issues (+12.5% compared with 2022).</p> <p>6,655 hours of courses on ESG issues (+83.3%)</p> <p>3,695 participants (+42.7% compared to the previous year)</p> <p>2,193 Employees participating in courses on Well-being issues (+394% compared to 2022)</p> <p>3,882 hours of courses on Well-being issues (+35% compared to 2022)</p> <p>The Overall approval rating was 81.8% (0.8% compared to the previous year).</p>
Organisation of training courses to support new Leadership, with goals to develop soft skills that favour collaborative and inclusive leadership at all levels of the organisation.	<p>The following training courses for the Corporate Bodies and Senior Management were delivered:</p> <ul style="list-style-type: none"> - “IFRS Project: 2022-2024 Reale Group Plan and development of performance indicators”; - “The evolution of the development processes for the insurance offering in light of the implementation of the POG regulations and Value for Money of products”. - “Sustainability Seminar” (seminar also extended to Delegates). 	<p>The following training courses for the Corporate Bodies and Senior Management were delivered:</p> <ul style="list-style-type: none"> - “General macroeconomic scenario: inflation, interest rates, and Reale Group strategy” (2h, 79% redemption rate) - “Artificial Intelligence” (AI) (2h, 60%) - “Phase 2 of the internal model and pre-application” (seminar addressed to Corporate Bodies of the Group’s Italian insurance companies) (1.20h, 97%) - “Ambition Letter and Budget Letter: Reale Group’s strategies, priorities, and goals” (4h, 80%) - “The new challenges regarding sustainability and Reale Group strategies” (2.20h, 63%)

¹⁰ This mechanism (“mutual in the mutual”) has the purpose of financially assisting colleagues who, due to exceeding the time frames contractually stipulated for absence due to sickness or injury, lost the right to their salary.

	<p>309 people including Employees (including Directors), Outsourced workers, and Interns were involved in training courses for “a new Leadership”, for a total of 3,119 training hours.</p> <p>Increase from 71% to 94% of Managers trained.</p> <p>The “Digital Breakfast” Project was launched, regular digital events for dialogue with Management on issues linked to managing change.</p> <p>The “Mindfulness in Action” Project continued: thematic paths open to all Employees to practise the benefits of Mindfulness.</p>	<ul style="list-style-type: none"> - “The Agency of the future: how the architecture of an Agency changes as the Agency changes” (2h, 63%) - “Explore AI - Artificial Intelligence and Cybersecurity” (webinar extended to Delegates as well) (1.5h, 65%) - “Catastrophic climate risks: new challenges to confront in relation to climate change” (2h, 65%) - “Health” (workshop extended to Delegates as well) (2h, 64%) <p>The training offering to support a new leadership was enriched with new courses. These were intended to help middle management take holistic decisions, adopt a relational approach facilitating the creation and consolidation of teams, and strengthen their wellbeing expertise, taking care of themselves and their team.</p> <p>416 people (+34.6% compared with the previous year) including Employees (including Directors), Outsourced workers, and Interns were involved in training courses for “a new Leadership”, for a total of 3,669 training hours (+17.6% compared to the previous year).</p> <p>99.2% Managers trained (+5.2% compared with 2022)</p> <p>“Innovation Bites”: events on the culture of innovation, fully streamed, continued; the theme this year was the “culture of data”, which is central for a company that wants to consolidate itself as a Data Driven Company.</p> <p>“Digital Breakfasts”: digital events with management discussing current issues linked to change (for example, generative Artificial Intelligence), continued.</p> <p>The “Mindfulness in Action” Project continued: thematic paths open to all Employees to practise the benefits of Mindfulness.</p>
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<p>Communication and engagement activities to raise awareness on sustainability-related topics and, in general, to exchange good practices for cross-fertilization across various corporate areas.</p>		<p>Indicator of Pride in the Great Place To Work survey: 67pt (-2pt compared to 2022).</p>
<p>Launch of cross-business training laboratories and exchange of good practices with a cross-fertilization approach among the different business areas.</p>		<p>During the year, evolutionary changes that concerned the employment world and our market made it necessary to carry out a new focus on strategic guidelines that define the Group's "2023 People Strategy", as far as regards the "New ways of working" topic.</p> <p>Three main threads were developed in the area of "cross-fertilization":</p> <ol style="list-style-type: none"> 1. the gradual dissemination of the Agile methodology, projects to improve business with the "matrix" work model and, finally, intergenerational dialogue. <p>The Agile methodology consists in transforming business and IT sectors into Agile teams that develop solutions according to the Agile/Scrum methodology, using work models based on greater autonomy, widespread responsibility, and sharing.</p> <ol style="list-style-type: none"> 2. Matrix working is a model developed within the Group Transformation Program, in which four vertical, thematic threads (Motor, Non-Motor, Life, and Welfare) interact and co-generate transformation dossiers working in close contact with another eight, cross-business functions, like Networks, Payments, Customer Centricity, Data driven, Digital Transformation, etc.

		<p>3. Intergenerational dialogue: this activity was implemented thanks to the generational Tandem. The latter is an assistance path in which a senior Tutor and a junior Tutor exchange points of view, exploit demographic and experience differences, and develop skills with a cross-business vision. The project had the goal of encouraging the inclusion of new generations, improving the communication skills and technological know-how of senior Tutors, expanding the personal network of junior Tutors and thinking about their, and transmitting commitment and values. Approximately 60 colleagues from the whole Group were brought to the classroom for three days of in-person training.</p>
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<p>Valuing, promoting, and developing a culture of well-being for Employees.</p>	<p>A department dedicated to Well-being was set up, with the task of encouraging an internal context that improves the well-being of people, their participation in company development processes, and their engagement.</p> <p>During the year, the department analysed the as-is situation of benefits and services currently offered to employees of the Group to plan a first prevention service in order to take care of health holistically, with a set of initiatives aimed at promoting behaviours in order to stay healthy.</p>	<p>The path for implementing a monitoring system aimed at listening to and taking into consideration colleagues' needs is one of the strategic assets of the Corporate Wellbeing function, set up in the second half of 2022.</p> <p>During 2023, the founding elements of the function, i.e. its strategic vision, work model, and the sum of all the wellbeing institutes that have, for years, characterised the welfare offering within the Reale Group ecosystem were defined.</p> <p>The focus as the model is being created are the Italy Group's Legal Entities with a view to customising what has been created in terms of special infrastructure, contractual specificities, and the needs of individual countries.</p> <p>In this launch phase, after having created a specific area dedicated to storytelling in Really, a technological platform was identified for building a better employee experience in using services and benefits. In addition, awareness-raising campaigns and systematic listening were undertaken through the instant pooling functionality, a listening method that will be combined with the results of dedicated surveys and focus groups for thorough verifications.</p> <p>The platform, which is currently being developed, will be operational in the first half of 2024.</p> <p>In parallel, various initiatives that concerned the "health" topic, in particular, were implemented.</p> <p>One example is the flu vaccination campaign that recorded administering approximately 1,300 vaccine doses to employees and their family members in October in the main offices of the Italy Group. This will be followed by the activation of the "Virtual Hospital", which occurred in November, providing a suite of services linked to health.</p>
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<p>Increase in support measures for employees to obtain higher training certificates and for the development of professional skills (for example, degrees and Master's degrees).</p>		<p>The initiatives and institutes offered to colleagues in the higher training area have the complementary company-level employee agreements as their reference-guide. These agreements stipulate benefits for studying. In particular, this involves leave for preparing exams and the Degree Thesis, to attend University or Master's degrees. With the renewal of contracts carried out in 2022, all the study support already provided for was confirmed for 2023.</p> <p>This was combined with the offering of the Corporate University Academy that provided – in its catalogue – various higher-training paths created with various leading institutions in the region, in order to improve both the technical and managerial skills of colleagues.</p>
<p>Communication and engagement to increase awareness of sustainability issues.</p>	<p>Reale Foundation Contest dedicated to Employees “OurPeople4People 2022”: 25 candidate projects, 175 voting Employees, 11,859 votes.</p>	<p>Reale Foundation Contest dedicated to Employees “OurPeople4People 2023”: 16 candidate projects, 12,272 voting employees, € 40,000 disbursed.</p>

2024 Goals
<ul style="list-style-type: none"> - Helping new hires when they join the company through onboarding paths and encouraging exchange and sharing among various generations; - Encouraging job rotation and increasing the number of international experiences; - Encouraging the development of an international culture and the circulation of information about all the Group countries to create awareness about the various organisations; - Assisting people involved in the strategic project dedicated to ESG through change management initiatives; - Creating awareness in relation to the emerging issue of Artificial intelligence and its responsible, ethical use; - Launch of the Caregiving service and engagement of the corporate population; - Creation of individual development plans with the individual colleague and line manager, based on employees’ key strengths and areas for development; - Continuation of the GOAT Project for under-35s.

COMMON BENEFIT PURPOSE No. 4

“Mitigating environmental impacts of its activities, in order to contribute to protecting the environment and ecosystem”.

IMPACT AREA: ENVIRONMENT

MATERIAL ASPECT: Customer Centricity - Reputation, ethics, and business integrity – Direct environmental impacts and climate change – Community support and impact philanthropy – Privacy & Cyber Security– Sustainable products and investments – Innovation and digital transformation– Economic performance and creation of sustainable value



OBJECTIVE:

The issues of caring for and respecting the environment are oriented to reducing the environmental impact of Company activities through measures that integrate sustainability components into the processes, products, and investments in order to disseminate and support ethical and resilient behaviours.

Shares	2022 Final balance	2023 Final balance
Increase in the allocation of financial resources according to art. 9 of the SFDR (Sustainable Finance Disclosure Directive) regulations.	Total value of investments in EU financial products under art. 9 pursuant to the SFDR Regulation out of the Entire Portfolio of Reale Mutua: € 49,573,691.11 (0.5% out of total entire portfolio).	<p>During 2023, both the implementation of the 2nd-level regulatory technical standards of the SFDR (Sustainable Finance Disclosure Directive) and the regulatory clarifications regarding investments underlying the products under art. 9, led management companies to reclassify their own funds. Dark green products were downgraded to light green ones and, thus, from art. 9 funds pursuant to the SFDR to SFDR art. 8 funds.</p> <p>This reclassification led to a reduction of art. 9 instruments present in our portfolios that, at the end of December 2023, amount to 24,849,429.60 (equal to 0.2% of the total of the overall portfolio).</p> <p>To be able, in any case, to positively affect the environmental impact generated by our portfolio, the share invested in green bonds, as part of the impact investing strategy established by Reale Group's Sustainable real estate investment policy, was increased.</p>

Submission of the Reale Immobili real estate portfolio to the GRESB Rating.	Reale Immobili has carried out a GRESB (Global Real Estate Sustainability Benchmark) pre-assessment to understand its positioning in terms of ESG performance in the international market scenario.	Official 2023 GRESB rating points - total score PERFORMANCE (69/100) (GRESB average 75/100) - total score DEVELOPMENT (84/100) (GRESB average 83/100)
Mitigation of the depletion of natural resources.	Monitoring of electricity and water consumption and of waste produced (paper and toner) began. The commuting policy, with an incentive to use public transport, was updated.	The 'Nando' the intelligent bin pilot project was launched, devised by the Re Learn start-up that, by using artificial intelligence and robotics, is able to recognise and sort waste inserted inside. The purpose is to better contribute to separate waste collection. Launch of the "Re-Cig" pilot project for recycling cigarette butts , in order to recover and reuse the plastic material inside them.
Business travel	Monitoring of km travelled for business trips was launched: - 3.3 million km travelled by plane for business trips (1 million in 2021); - 5.5 million km in train (3 million in 2021); - 3.2 million km by car (data not measured in 2021); - 12 million total km travelled for business trips. <i>The increase in km travelled for trips in 2022 was owing to the recovery in travel after the mobility restrictions during the COVID-19 pandemic.</i>	The number of kilometres per business trip is listed below: - 3.9 million km travelled by plane for business trips (+18%); - 5.7 million km in train (+4%); - 3.6 million km by car (+12%); - 13.2 million total km travelled for business trips.
Training and awareness-raising aimed at changing Employees' mobility attitudes.	In 2022 as well, the commuting questionnaire was given to Employees. 1169 respondents replied; 735 stated that they used sustainable means	In 2023, the commuting questionnaire was given to 1207 Employees; 738 stated that they used sustainable means, in line with the trend from the previous year.

2024 Goals

- In 2024, there will be further emphasis on increasing impact investing securities. Not only will the environmental dimension be targeted but, potentially, also social bonds and sustainability bonds, seeking to anticipate market dynamics that may result from the issuing of the Social Taxonomy;
- Launch of a pilot project dedicated to energy transition services for Reale Mutua and Italiana customers, specifically SMEs and condominiums;
- Testing a digital platform for streamlining the management of condominiums in terms of consumption, spaces, and community engagement;
- Confirmation of the trend to gradually improve consumption efficiency in the RMA offices;
- Confirmation of the trend to gradually replace the corporate fleet with low-impact vehicles;
- Continuous monitoring of consumption in terms of optimising and reducing the same, through targeted actions (plant engineering, architecture, and behaviour) for the RMA operating office, which entail improved data compared to 2023;
- Continuous monitoring of waste with a view to optimising and reducing the same compared to 2023;
- Continuation of the path to improve the GRESB score by pursuing actions in the real estate portfolio (green certifications, Net Zero Carbon Policy, physical risk monitoring, improvement of relationships with stakeholders).

COMMON BENEFIT PURPOSE No. 5

“Operating in a responsible and transparent way in relation to commercial partners and suppliers, adopting preferential selection criteria for parties that responsibly manage environmental and social impacts”.

IMPACT AREA: SUPPLY CHAIN

MATERIAL ASPECTS: Health, safety, and welfare of workers – Customer Centricity - Reputation, ethics, and business integrity – Direct environmental impacts and climate change – Community support and impact philanthropy – Privacy & Cyber Security – Importance of distribution channels - Sustainable products and investments – Innovation and digital transformation – Economic performance and creation of sustainability value



OBJECTIVE:

With the fifth Common Benefit Purpose, Reale Mutua undertakes to ensure sustainable management of its supply chain and all the procurement process, production, and distribution directly driven by the company or attributable to it through its Suppliers and network of commercial and operational partners.

Shares	2022 Final balance	2023 Final balance
Assessment of the social and environmental impact of suppliers.	<p>In collaboration with the ABC - Procurement & Cost Management Consortium, an ESG assessment was kicked off of 123 active suppliers registered with the Suppliers Registry, selected according to the principle of Purchase Orders (>50K for the Group and >10K for Reale Immobili).</p> <p>Results of the ESG Rating conducted in 2022:</p> <ul style="list-style-type: none"> - 49 Suppliers out of 123 are ESG+++ (40%); - 29 Suppliers ESG++ (24%); - 25 Suppliers ESG+ (20%); - 20 Suppliers ESG 0 (16%). 	<p>The ESG assessment conducted in 2023 by the ABC Consortium was extended to assessing 206 Suppliers (15% Active Suppliers in 2023).</p> <p>ESG Rating:</p> <ul style="list-style-type: none"> - 88 Suppliers out of 206 are ESG+++ (43%) - 50 Suppliers out of 206 are ESG++ (24%) - 39 Suppliers out of 206 are ESG+ (19%) - 29 Suppliers out of 206 are ESG 0 (14%) <p>At the same time, in collaboration with the Group Risk Governance and Group Sustainability functions, the need was discussed to develop a sustainable purchasing strategy, starting with the integration of ESG principles in procurement decisions and processes, reducing exposure to any reputational and compliance risks.</p> <p>It was therefore decided to launch a market investigation to research an “ESG rating provider”, specialised in the ESG assessment of the supply chain, to gain a broader and more representative assessment of the group of Italy and overseas suppliers.</p>

2024 Goals
<ul style="list-style-type: none"> - Choice of one or more providers with whom to launch the supplier ESG Rating; - Increase in % of suppliers assessed with the ESG rating out of total suppliers; - Integration of the sustainability principles in the Group Purchases Regulations, only within the scope directly managed by Group Procurement, to ensure that the process to select suppliers to award contracts is in line with the principles defined by the Group. - Gradual introduction of appropriate reference social or environmental clauses in the contractual documents (new relationships and/or renewals); - Introduction of possession of UNI ISO 20121 as a preferential Supplier parameter, during call/negotiation/awarding of appointment; - Definition of improvement actions, targets, and plans to be implemented starting from 2025 based on starting the collaboration with the Provider during 2024 and related, resulting assessment.

COMMON BENEFIT PURPOSE No. 6

“Contributing to implementing collective-interest projects, including in collaboration with public institutions, local authorities, companies and profit and non-profit parties, in order to create shared value for the region and community”.

IMPACT AREA: COMMUNITY

MATERIAL ASPECTS: Development and enhancement of human capital and Culture of inclusion - Health, safety, and welfare of workers - Customer Centricity - Reputation, ethics, and business integrity – Direct environmental impacts and climate change – Community support and impact philanthropy – Privacy & Cyber Security– Sustainable products and investments – Innovation and digital transformation– Economic performance and creation of sustainability value



OBJECTIVE:

Reale Mutua stimulates dialogue with companies, public bodies, civil society, and institutions, constructs and maintains continuous, proactive, and transparent relationships with the community, actively supporting and collaborating in the co-creation of projects and initiatives with great social and cultural value, spreading the culture of sustainability within the regions where the Company operates.

Shares	2022 Final balance	2023 Final balance
Promotion and support in the development of events/programmes concerning issues of sustainability, mutuality, inclusion, and social diversity, climate change, and environmental protection addressing young people and schools in particular.	<p>The Reale Mutua History Museum set up some teaching projects for schools to promote sustainability issues:</p> <ul style="list-style-type: none"> - “Agenda 2030: a Reale goal!”; - “Sostenibilità – Lab”: a laboratory dedicated to high school students. 	<p>The Reale Mutua History Museum launched some educational projects with social purposes:</p> <ul style="list-style-type: none"> - PCTO (Pathways for Transversal Skills and Orientation) for a young student affected by multiple disabilities (8 hours of training divided into a personalised visit to the Museum and workshop activities)

	<p>Educational events were promoted on the issues of mutuality, sustainability, and inclusion:</p> <ul style="list-style-type: none"> - “The Mutuality Way”: debate organised and hosted by RMA as part of the Festival of Economics on the issue of mutuality, Benefit Corporations, and impact economics; - F@MU Days – Families at the Museum on the issue of “Different but Equal”. <p>A visitor’s path for the Museum for refugees was also launched.</p>	<p>Educational events were promoted on the issues of mutuality, sustainability, and inclusion:</p> <ul style="list-style-type: none"> - “Una Notte al Museo” (“A Night at the Museum”) - concert by “Il duo Alterno – Arie di Danza”, in collaboration with Centro Bisacco di Torino, dedicated to adults with cognitive disabilities - Giornate F@MU - Famiglie al Museo – “Aprite Museo” (F@MU Days - Families at the Museum - “Open Museum”) activities through the Digitally Excluded website of the ETF and ITC-LILO to experiment with the theme of (in)accessibility. - FORMA: “la pedalata dei Babbi Natale” (FORMA: “the Father Christmas bike ride”) and exhibition of 80 drawings made by schools for children hospitalised at the Regina Margherita Children's Hospital
External perception of the Company's commitment (“Citizenship”) in relation to society and the region.	“Citizenship - Positive influence on society” Indicator 68.2 (68.4 in 2021).	65.4pt (-2.8pt compared to 2022)
Collaboration with public and private bodies in the region to support initiatives in favour of environmental and social regeneration.	Reale Foundation contributed to the environmental upgrade of the tree-lined avenue of Piazza Arbarello in Turin that restored new shared green spaces to the citizens.	<p>In partnership with the Turin Council, Reale Foundation funded the upgrading of the public green area of Via Mascagni of Turin, giving residents of the Aurora district, a peripheral one in the city, sports equipment and a new hub for social and sports gathering.</p> <p>In another collaboration with the Municipality of Torino, Reale Foundation also funded the upgrading of Corso Siccardi in Turin.</p>
Collaboration with cultural and training bodies in the region to develop professional training paths through the development of teaching projects or theses		Reale Foundation has made a contribution to the Fondazione De Sono Associazione per la Musica, to set up scholarships for talented youth of the Conservatorio di Torino.

<p>Development of projects aimed at socio-economic and cultural integration for people belonging to disadvantaged categories.</p>	<p>During the year, Reale Mutua disbursed € 816,000 to Reale Foundation to develop impact philanthropy projects in the following areas of intervention:</p> <ul style="list-style-type: none"> - Health and Welfare: chronic disease prevention; - Social: inclusion and socio-economic development of young people; - Environment and Sustainable Communities: resilience to natural disasters; - Enhancement and preservation of cultural assets. <p>Among the projects aimed at socio-economic and cultural integration of persons belonging to disadvantaged categories, the following are noted:</p> <ul style="list-style-type: none"> - School of languages and integration of mothers (Associazione Sudanese Torino);- <p>Refugee students - a path towards the future (Mosaico – Actions for Refugees);</p> <ul style="list-style-type: none"> - Welcome. Working for Refugee Integration (UNHCR). 	<p>During 2023, Reale Mutua disbursed € 727,500 to Reale Foundation to develop impact philanthropy projects in the following areas of intervention:</p> <ul style="list-style-type: none"> - Health and Welfare: chronic disease prevention; - Social: inclusion and socio-economic development of young people. In this area, in 2023, the Foundation promoted the socio-economic and cultural inclusion of people belonging to disadvantaged groups through numerous projects including “Audiovisual napolihub” dedicated to young NEETs of the outskirts of Naples and ATT impresa sociale. This organisation works to find employment for young people with autism in school renovation. - Environment and Sustainable Communities: resilience to natural disasters. Reale Foundation has funded a series of projects in this area, including, by way of example: the Forest Summer School organised by the Giant Trees Foundation, with the goal of recovering the Alpine ecosystem, protecting communities that live there (an estimated 10K direct and indirect beneficiaries); ‘FAI per essere’ (“DO to be”) a project of the Italian National Trust (FAI) aimed at stimulating youth leadership through actions to protect the culture and landscape; BEZOOM, project of the Parco Zoom Foundation focusing on environmental biomonitoring through bees.
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Development of projects promoting history and culture of insurance through the activities of the Reale Mutua History Museum.	"Realmente Protetti al Museo" ("Really Protected at the Museum"): citizenship education paths dedicated to students	The " Realmente Protetti al Museo " citizenship education paths continued; these involved 235 students from 11 first- and second-year high-school classes (10% of teachers retained).

2024 Goals
<ul style="list-style-type: none"> - Increase in number of multistakeholder projects with positive social impact; - Strengthening of activities underway to enhance their social impact, involving more and more younger generations with a view to cultural and intergenerational exchange; - Renewal of the exhibition spaces of the Reale Mutua History Museum with a view to public participation in the exhibition concept; - Strengthening of workshops and courses on sustainability with secondary schools; - Expansion of the scope of Stakeholders involved in the Materiality Analysis.

In addition to the indicators stipulated by the infrastructure for measuring the impact and impact areas mentioned above, during the year, the Company also monitored the progress of a series of indicators relating to **Corporate governance**, as set forth by Annex 5 of Law 208/15. This was done to assess the degree of transparency and responsibility of the Company in pursuing the CBPs, with a special focus on the purpose of the Company, the level of involvement of stakeholders, and the degree of transparency of internal policies and practices.

The positioning of the Company on nine good governance indicators is included below.

Governance Indicators	2023 Results and Performance
<p>Manager with responsibilities linked to the corporate mission</p>	<p>All the Company managers carry out their professional duties in line with the corporate Purpose, Vision, and Mission, ensuring the quality and reliability of services for the Members/Policyholders-Customers and sound and prudent economic management that generates value and positive impacts for society and the environment.</p>
<p>Managers with incentives for sustainability performance</p>	<p>The Group’s remuneration policy involves the application of performance indicators linked to ESG factors, which ensure the integration of sustainability risks in incentives systems.</p> <p>In particular, sustainability goals were introduced that impact the variable annual component of top management. The goal is to improve Reale Mutua’s sustainability reputation and performance using a percentage-based approach according to which the bonus associated with achieving pre-determined goals is issued.</p> <p>The introduction of the indices linked to sustainability is in line with the Group strategy and confirms the growing awareness of the strategic role that sustainability has in all business decisions.</p> <p>100% of Senior Management has 30% of performance incentives linked to satisfying Stakeholders and sustainability (10% Net Promoter Score (NPS), 10% Trust Index, 10% Citizenship).</p>
<p>Gender Diversity among the governance members (presence of women on the Board of Directors)</p>	<p>In 2023, the percentage of female members of the Board of Directors stood at 13.3%, up compared to 2022 (12.5%).</p>
<p>Age Diversity among the governance members (presence of people between 30 and 45 years on the Board of Directors)</p>	<p>Currently, no member appointed to the Board of Directors is less than 45 years old.</p>
<p>Presence of a written statement or formal policy in relation to the dissemination of its directors’ remuneration data.</p>	<p>At the moment, the Company does not have a document that specifically relates to this aspect, since it is not a regulatory requirement.</p>
<p>Whistleblowing practices</p>	<p>To respond to regulatory developments (Legislative Decree 24/2023), during the year, a new Procedure for submitting and managing reports of breaches (so-called “Whistleblowing”) was implemented.</p>

	For Employees, Collaborators, Suppliers, and Intermediaries of all the Group Companies, the possibility of reporting any “breaches” that they become aware of through an IT platform (so-called “Whistleblowing Platform”) remains unchanged. The platform enables the submission of reports in a written form or with voice registration and is accessible from Really, the digital corporate workplace, and each Company’s website.
Confirmed incidents of corruption	During the year, there were no confirmed incidents of corruption.
Members of the Board who received specific communications on internal anti-corruption practices and policies	No member of the Board received specific communications on internal anti-corruption practices and policies. In any case, a process to review the Group’s anti-corruption policy, with a view to better alignment with ESG regulations and policies, is underway.
Extension of the Code of Ethics to all the Group companies	The Code of Ethics is an integral part of the Organisation and Control Model of all the Companies and adopted by all the Group Companies.

5. Assessment of the performance on Common Benefit Purposes¹²

Construction of the impact measurement infrastructure: indicators, metrics, and methods

Downstream of the activities referred to above, we proceeded to develop Reale Mutua's impact measurement and management infrastructure aimed at capturing the measurable aspects of the value dimensions identified in the TOC. Specifically, the infrastructure made it possible to separate the individual output and outcome value dimensions of Reale Mutua's TOC into a set of impact performance indicators (Key Performance Indicators - KPIs), for which the following were specified:

- the CBPSs with which the indicators are associated;
- the SDGs and the related reference targets to which they refer;
- the reference Reale Mutua Stakeholders impacted for data collection;
- the reference source (e.g. whether the indicator is an international standard or autonomous);
- the associated ESRs topic and metric;
- the reference metrics;
- the risks associated with each indicator in terms of whether it can be measured, significance, costs and benefits;
- frequency (e.g. half-yearly, annually) and measurement year (e.g. 2022, 2023).

To define and develop the indicators and metrics, reference was made to some international standards (refer to the Table below). Where necessary, some indicators were adapted or created ad-hoc to respond to the specific measurement needs of Reale Mutua's activities.

To identify and qualify risks, the Impact Management Project (IMP) was relied upon, as illustrated in the Table below.

Data bases	
GRI	<p>The Global Reporting Initiative (GRI) offers guidelines to direct companies in preparing the sustainability financial statements. In this sense, the GRI sets forth various sets of indicators that enable companies to measure their economic, environmental, and social impacts. The GRI, in its latest version adopted in 2021 and in force since 2023, is divided into a "general disclosure" part that refers to the minimum reporting type that each organisation must submit, specific guidelines for analysing significant issues for the business sector (currently only available for some sectors, excluding the insurance sector), and three series with indication of the significant economic, environmental, and social issues.</p> <p>This infrastructure takes into consideration some indicators of the 300 series (environmental issues) and the 400 series (social issues).</p>
Family Audit	<p>The Family Audit is a management tool available to organisations that wish to certify their commitment in adopting measures aimed at encouraging work-life balance. The main aim of the Family Audit is to promote and support the corporate climate and well-being of workers with the introduction of measures in line with the needs of reconciling work and private life, balancing them with the interests of the organisation itself. In this case, some actions, with the related indicators, which aim to promote the work-life balance within the company and the organisation or work for the purposes of balance, were taken into consideration.</p>

¹² Section prepared by Triadi.

IMP	Impact Management Project (IMP) is a management tool provided to organisations that wish to undertake a strategic path towards standardising the impact assessment. The IMP unites the Theory of Change and the idea that impact must be intentional, additional, and measurable. In the Reale Mutua context, the IMP was used to develop risk scenarios in terms of due diligence/double materiality in line with the Group Integrated Financial statements and the materiality topics of interest for the business. The identification of risk scenarios through the IMP has the ultimate goal of preparing the Company to best manage its impacts by maintaining an equilibrium between economic profitability and the impact-generating potential of the CBPs and the actions identified in the measurement infrastructure presented.
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CSRD Alignment

As mentioned above, following publication by the European Financial Reporting Advisory (EFRAG) of the delegated act on the first set of European Sustainability Reporting Standards (ESRS), each KPI, defined in the impact measurement infrastructure, was associated with a topic established by the ESRS and a specific metric. The adoption of the ESRS via delegated acts is actually established by the joint legislators in the Corporate Sustainability Reporting Directive (CSRD - Directive (EU) 2022/2464) adopted in December 2022.

The delegated Act and attachments were published in the Official Gazette on 22 December 2023.

Today, the impact measurement infrastructure has been aligned, as far as possible, with the European sustainability reporting standards (ESRS).

The goal for 2024 is to further refine the infrastructure and align it as closely as possible with the new standards.

Preparation and calculation of the performance index

An organisation's impact generation is identified in the adoption and integration of the principles of intentionality, measurability, additionality into corporate processes, practices and strategies.

The methods whereby the three components are divided and developed depend on the organisational specificities and speed of implementation of new practices and processes.

The Reale Mutua path towards generating social and environmental impact was launched in 2021 and defined with the official acquisition of the Benefit Corporation status. With this voluntary choice, the Company decided to adopt a business model aimed at generating impact that involved the prior definition of intentional impact goals. These are the six CBPs included in the By-laws.

Intentionality of impact is, thus, the essential piece on which Reale Mutua has founded the construction of the CBPs, implementing a cultural change marked by the generation of value based on authentic sustainability and integrated into the way of doing business.

In 2022 and 2023, the Company was supported by Triadi, a Politecnico di Milano spin-off, in defining an impact measurement infrastructure connected to each of the CBPs. The goal is to monitor Reale Mutua's path towards this purpose.

The measurability of qualitative and quantitative aspects is, therefore, the element guaranteeing the authentic nature of Reale Mutua's operations as a Benefit Corporation. Additionality, the principle that is translated into the proactive search for and investment in businesses that pursue the creation of social and environmental value as their objective, will involve gradually including specific KPIs into the infrastructure aimed at measuring progress towards transforming the insurance business, by adopting sustainable products and services.

Therefore, during the year, the Company undertook to disseminate the impact measuring infrastructure among the various corporate departments, continuing a cultural change path within the organisation that, traditionally, involved a subsequent measurement of aspects linked to sustainability.

The introduction of this model, which involves measuring every single KPI functional to organisational conduct aimed at the ex-ante intention of generating social and environmental impact, will be a stimulus for creating, in the medium term, new value shared with all the Stakeholders.

To this end, a **performance index** was defined, based on two essential criteria:

1. the implementation of measuring the KPIs in the plan;
2. the measurement of the trend of KPIs in the plan compared to the previous year, where possible.

The impact index was constructed so as to enhance and speed up implementing new performance indicators linked to achieving the CBPs, as well as to improve progress in the positive performance of output KPIs.

Performance index

The performance index is a value expressed in a range between -100% and 100% and weighs the shift of the KPIs with the capacity to measure the infrastructure as a whole.

If we manage to measure all the KPIs and these have a **positive** shift, the index may achieve a value equal to +100.

If we do not manage to measure all the KPIs and these have a **negative** shift, the index may achieve a value equal to -100.

The lack of a KPI measurement generates a **neutral** value of 0.

By way of example, if the plan provides for 5 KPIs for the Common Benefit Purposes #X, and the measurement was successful for 3 of these 5, including 2 with a positive shift compared to the previous year and 1 with no change, every 1/5 with a positive shift obtains a “full” score of 20%, while the score with no change obtains half points, thus 10%. The non-calculation of two KPIs does not enter the equation, while a negative shift may lead to a “full” score with an opposite sign. The total, therefore, of the impact index for that common benefit purpose for 2022 is 50% (20+20+10).

The following table indicates the value of the performance index for each CBP relating to 2023.

Purpose 4 and 6 are the best performing. Respectively, for purpose 4, it was observed that 9 of the KPIs established for 2022-2023 were measured and 8 KPIs were improved; for purpose 6, 3 KPIs established for 2022-2023 were measured and all are improved.

Purposes 1, 2, and 5 also record indicators in net improvement compared to last year.

There is still potential for improvement in relation to purpose 3 that records 2 KPIs that have deteriorated in relation to the 6 KPIs that were measured.

	No. of planned KPIs	No. of measured KPIs	KPI improved	KPI (unchanged)	KPI deteriorated	Index for improved KPI	Index for unchanged KPI	Index for deteriorated KPIs	index
Purpose 1	2	1	1	0	0	0.50	0.00	0.00	0.50
Purpose 2	9	6	4	1	1	0.44	0.08	-0.11	0.42
Purpose 3	8	6	3	1	2	0.38	0.08	-0.25	0.21
Purpose 4	11	9	8	1	0	0.73	0.06	0.00	0.78
Purpose 5	4	3	2	1	0	0.50	0.17	0.00	0.67
Purpose 6	4	3	3	0	0	0.75	0.00	0.00	0.75

The value of the index average for the CBPs is +0.55 (on a scale of -100 to +100), whose normalised value on a percentage scale is 50.28 (+0.5%).

This represents a substantial consolidation of the performance of the index compared to 2022.

The data is supported by a positive performance for Purpose 4, which improves its performance in 2022 by 0.23 points, without showing any deterioration data. The KPIs that show a worse performance (3) diminished compared with 2022 (7). This data acquires significance considering the increase in KPIs measured in 2023 compared to 2022 (+6). Overall, the performance index consolidated the value of 2022, demonstrating stability in relation to a greater measuring effort.

The outcome dimensions

The impact measurement infrastructure for 2023 involved quantifying new outcome dimensions (effects and changes generated for Stakeholders), i.e.:

- **Perceived wellbeing and customer satisfaction with policies**, linked to purpose 1
- **Equity of treatment perceived by employees**, linked to purpose 2
- **Increase in productivity perceived by employees**, linked to purpose 2
- **Degree of awareness on sustainability issues of employees**, linked to purpose 3
- **Increase in Reale Mutua's sense of belonging**, linked to purpose 3
- **Change in mobility habits of Employees**, linked to purpose 4
- **Increase in awareness regarding social and environmental sustainability issues and skills needed to assess the impact generated via supplier activities**, linked to purpose 5
- **Increase in awareness on social inclusion issues of employees**, linked to purpose 6
- **Increase in quality of life in the communities where actions are taken**, linked to purpose 6

Indicators were defined for each outcome and, looking at the various data collection activities present in the Reale Mutua group, proxies for quantifying them. For 2023, the first year collecting data on these outcomes, the goal was actually to define the baseline value. In future years, the goal will be to understand changes in improvement (or deterioration) in relation to these dimensions. In light of this, it was possible to quantify the baseline values of five outcomes: increase in equitable treatment as perceived by employees; increase in employees' sense of belonging to Reale Mutua; changes in Employees' mobility habits; increase in awareness regarding social and environmental sustainability issues and skills needed to assess the impact generated via supplier activities; and improvement in quality of life in the communities where actions are taken.

In relation to the first two dimensions - equity of treatment perceived by employees and sense of belonging to Reale Mutua - the Trust Index of the Great Place To Work® and the 'Pride' dimension underlying the Trust Index were used as proxies. The composite Trust Index is actually the average value of five dimensions (credibility, respect, equity, pride, and cohesion), which are assessed by employees of the organisation through a questionnaire with 60 items divided across five dimensions. The results of the survey show that 67% of employees are proud of working in Reale Mutua group and that the Trust Index value stands at 65%. Both these values, already measured in 2022, recorded a drop of 1%. As in 2022, Reale Mutua obtained the Great Place To Work® certification and the goal of 2024 is to keep it, aiming to further improve the indices thanks to a series of internal initiatives aimed at employee well-being.

In order to quantify the outcome relating to the change in employee's mobility habits, in 2023 a commute questionnaire was given to a sample of employees. 69.7% of these stated that they used sustainable means (against 67.7% in 2022). In addition, 44% of interviewees would be willing to change their habits in order to use sustainable means. These data will be monitored in upcoming years to verify the change in employee mobility habits, which today already seem to have registered a positive shift of +2%.

To understand the current degree of awareness and compliance of Reale Mutua's supply chain, the ESG assessment was conducted by the ABC Consortium on 206 Suppliers (15% of Active Suppliers in 2023). The results show that 43% of Suppliers have an ESG+++ rating, 24% an ESG++ rating, 19% an ESG+ rating, and, finally, 14%, an ESG 0 rating. At the same time, in collaboration with the Group Risk Governance and Group

Sustainability functions, the need was discussed to develop a sustainable purchasing strategy. The first step would be to integrate CSR – Corporate Social Responsibility – principles in procurement decisions and processes, reducing exposure to any reputational and compliance risks. In addition to choosing one or more Providers with which to launch the Suppliers ESG rating and increasing the percentage of ESG-rating assessed suppliers out of total suppliers, the goal for 2024 is to increase the number of suppliers with the ESG+++ and ESG++ rating. Looking at the 2022 results, where 123 suppliers were involved, the suppliers with the ESG+++ and ESG++ rating increased from 64% to 67% (increase of +3%).

Finally, in relation to the community-linked outcome, i.e. improvement in quality of life, the SROI assessment performed on the “Powercoders” project, supported in 2022 through Reale Foundation, was selected as a proxy. Downstream of the analysis conducted, an SROI indicator emerged that is close to € 5; this means that, for every euro invested in the initiative, the social return for stakeholders concerned is more than four times that. The proxy of this outcome will be reviewed in light of other impact assessments that will be done in 2024 compared to the various projects that the Group supports in the regions and communities.

For 2024, the goals in relation to outcome dimensions are:

- continuous monitoring of proxy values and any actions to counter potential negative shifts;
- defining a detailed data collection system for the outcome dimensions that, in 2023, it was impossible to measure using a proxy.

6. Conclusions

Drafting the second Impact Report as a Benefit Corporation has allowed Reale Mutua to transparently communicate its pursuit of the common benefit, maintaining its commitment to Stakeholder accountability. But it has also meant Reale Mutua can measure results achieved in terms of positive impact on society and the environment regarding commitments taken the previous year.

Analysing the impact generated with the actions-activities implemented during the year provided a precious opportunity to weigh up what had been done and to define even more ambitious impact goals to pursue the six Common Benefit Purposes included in the By-laws.

Reale Mutua wishes to play a key role in building a sustainable economy and to do so it has launched a strategic Group project: "ESG in Corporate Strategy", with the goal of completely integrating ESG goals in the Group strategy.

7. Sustainability Committee Report

In March 2022, the Sustainability Committee was set up in Reale Mutua, an operating body within Reale Group with the function of advising, informing, and making proposals regarding sustainability and to support the Board, including in terms of the obligations involved in obtaining the status of Benefit Corporation.

The Committee is a corporate body composed of 7 directors of the main Group companies, as identified by the Reale Mutua Board, including the Chairperson, who ensure broad representation.

During the year, the Committee carried out an analysis of the sustainability profiles and alignment with the sustainability strategy of the Group and the activities aimed at achieving the Common Benefit Purposes of the Benefit Corporation. It analysed and approved the Benefit Plan, the methodology adopted and used to measure and monitor the goals to be achieved.

The Committee was also updated at every meeting by the Impact Manager regarding the actions identified through dialogue with the corporate departments and their progress.

This Report was submitted and approved by the Sustainability Committee at the meeting of 15 March 2024 and, following this, submitted and ratified by the Board of Directors of Reale Mutua on 22 March 2024.

Carlo Pavesio

Chairperson of the Sustainability Committee

8. Glossary

Additionality: feature of investments with a social or environmental impact, which intervene in under-capitalised areas, or in those activities that would, otherwise, be ignored by any other investor.

Common benefit: the pursuit, in conducting Benefit Corporation business activities, of one or more positive effects, or the reduction of negative effects.

Corporate Sustainability Reporting Directive (CSRD): the CSRD is a European Union (EU) regulation, in force since 5 January 2023, which requires EU companies - including the qualified EU branches of non-EU companies - to report on the environmental and social impact of their activities and the business impact of their efforts and environmental, social, and governance (ESG) initiatives.

Double Materiality: the materiality analysis is part of a broader process that aims to integrate sustainability into the strategic decisions, taking into account the expectations expressed by Stakeholders. In sustainability reporting, it is the principle that determines which significant issues are such as to make reporting necessary since a) they significantly influence the perception of Stakeholders, and/or b) they reflect the significant impacts of the business on people and the environment.

European Financial Reporting Advisory Group (EFRAG): advisory body of the European Commission in the field of corporate reporting that is responsible for reporting standards internationally.

Impact: result of the action of Benefit Corporations, which, by including specific Common Benefit Purposes in their corporate by-laws, seek to create value not just for themselves, i.e. for profit, but for all the stakeholders (customers, employees, the community), society, and the environment.

Intentionality: feature of an impact goal, which is intentionally sought-after (prior declaration) and openly pursued through activities and investments that have the purpose of generating a positive result for the community or environment.

European Sustainability Reporting Standard (ESRS): series of new standards and indicators whose goal is to standardise non-financial reporting. These principles will come into force from 1 January 2024 with reference to financial statement reports that start from 1 January 2024. The sustainability reporting standards have the purpose of ensuring the quality of the information communicated, requesting that these are understandable, pertinent, verifiable, comparable, and honestly represented.

Measurability: feature of an impact goal that, in addition to being established in advance, is defined so as to be able to be measured, to verify whether the expected impacts were actually and effectively achieved.

Impact Manager: the Impact Manager is a professional who supervises and directs the corporate paths aimed at achieving common benefits, standing with the administrative body of the Benefit Corporations and supporting it with the necessary skills (of an economic-corporate, legal, or technical nature) to assess the impact of the activities on the community or environment.



ANNEXES TO THE NOTES

Company SOCIETA' REALE MUTUA DI ASS.NI

BALANCE SHEET – NON-LIFE INSURANCE BUSINESS

ASSETS

Values of the year

A. SUBSCRIBED SHARE CAPITAL UNPAID					1	0
of which called-up capital	2	0				
B. INTANGIBLE ASSETS						
1. Deferred acquisition commissions	4	0				
2. Other acquisition costs	6	0				
3. Start-up and expansion costs	7	0				
4. Goodwill	8	0				
5. Other multi-year costs	9	129			10	129
C. INVESTMENTS						
I - Land and buildings						
1. Property used in company operations	11	30,666				
2. Property rented to third parties	12	28,559				
3. Other properties	13	0				
4. Other property rights	14	0				
5. Assets under construction and payments on account	15	0	16	59,225		
II - Investments in Group companies and other shareholdings						
1. Shares and interests:						
a) parent companies	17	0				
b) subsidiaries	18	1,623,827				
c) affiliated companies	19	0				
d) associated companies	20	25,280				
e) other companies	21	11,010	22	1,660,117		
2. Bonds issued by:						
a) parent companies	23	0				
b) subsidiaries	24	0				
c) affiliated companies	25	0				
d) associated companies	26	0				
e) other companies	27	0	28	0		
3. Loans to:						
a) parent companies	29	0				
b) subsidiaries	30	0				
c) affiliated companies	31	0				
d) associated companies	32	0				
e) other companies	33	0	34	0	35	1,660,117
				to be carried forward		129

Values of the previous year

			181	0
	182	0		
	184	0		
	186	0		
	187	0		
	188	0		
	189	121	190	121
	191	27,451		
	192	28,327		
	193	0		
	194	0		
	195	0	196	55,778
197	0			
198	1,623,727			
199	0			
200	23,598			
201	10,833	202	1,658,158	
203	0			
204	0			
205	0			
206	0			
207	0	208	0	
209	0			
210	0			
211	0			
212	0			
213	0	214	0	215
		to be carried forward	1,658,158	
				121

BALANCE SHEET – NON-LIFE INSURANCE BUSINESS

ASSETS

				Values of the year	
			carried forward		129
C.	INVESTMENTS (continued)				
III	- Other financial investments				
	1. Shares and interests				
	a) Listed shares	36	13,659		
	b) Unlisted shares	37	5,418		
	c) Interests	38	12,596	39	31,673
	2. Shares in common investment funds			40	113,125
	3. Bonds and other fixed-income securities				
	a) listed	41	1,731,639		
	b) unlisted	42	0		
	c) convertible debentures	43	0	44	1,731,639
	4. Loans				
	a) loans secured by mortgage	45	26,996		
	b) loans on policies	46	0		
	c) other loans	47	1,484	48	28,480
	5. Participation in investment pools			49	0
	6. Deposits with credit institutions			50	819
	7. Other financial investments			51	0
				52	1,905,736
IV	- Deposits with ceding undertakings			53	92
				54	3,625,170
D bis.	REINSURERS' SHARE OF TECHNICAL PROVISIONS				
	I - NON-LIFE BUSINESS				
	1. Provision for unearned premiums	58	45,481		
	2. Provision for claims outstanding	59	299,349		
	3. Provision for profit-sharing and premium refunds	60	0		
	4. Other technical provisions	61	41	62	344,871
			to be carried forward		3,970,170

Values of the previous year

		carried forward			121
216	69,247				
217	418				
218	12,596	219	82,261		
		220	189,594		
221	1,498,802				
222	0				
223	0	224	1,498,802		
225	26,849				
226	0				
227	1,732	228	28,581		
		229	0		
		230	818		
		231	0	232	1,800,056
				233	118
				234	3,514,110
		238	44,183		
		239	169,025		
		240	0		
		241	46	242	213,254
		to be carried forward			3,727,485

BALANCE SHEET – NON-LIFE INSURANCE BUSINESS

ASSETS

				Values of the year	
	carried forward				3,970,170
E.	RECEIVABLES				
I	- Receivables arising out of direct insurance operations:				
	1. Policyholders				
	a) for premiums current year	71	154,566		
	b) for premiums previous years	72	8,877	73	163,443
	2. Insurance intermediaries			74	199,718
	3. Current accounts with insurance companies			75	38,451
	4. Policyholders and third parties for recoveries			76	46,086
				77	447,698
II	- Receivables arising out of reinsurance operations:				
	1. Insurance and reinsurance companies			78	110,508
	2. Reinsurance intermediaries			79	17,132
				80	127,640
III	- Other receivables			81	383,727
				82	959,065
F.	OTHER ASSETS				
I	- Tangible assets and inventories:				
	1. Furniture, office machines and internal transport vehicles			83	2,718
	2. Vehicles listed in public registers			84	0
	3. Machinery and equipment			85	1,875
	4. Inventories and other goods			86	0
				87	4,593
II	- Cash at bank and in hand				
	1. Bank and postal accounts			88	32,402
	2. Cheques and cash on hand			89	2
				90	32,404
IV	- Other				
	1. Deferred reinsurance items			92	2
	2. Miscellaneous assets			93	196,883
	of which connection account with Life business			94	196,885
				95	233,882
				901	0
G.	ACCRUALS AND DEFERRED INCOME				
	1. Accrued interest			96	9,702
	2. Rents			97	0
	3. Other accruals and deferred income			98	824
				99	10,526
	TOTAL ASSETS			100	5,173,643

Values of the previous year

	carried forward		3,727,485
251	155,672		
252	8,655		
		253	164,327
		254	243,372
		255	37,220
		256	43,153
		257	488,072
		258	67,779
		259	14,427
		260	82,206
		261	338,458
		262	908,736
		263	2,789
		264	0
		265	2,489
		266	0
		267	5,278
		268	34,015
		269	2
		270	34,017
		272	2
		273	175,278
		274	175,280
		275	214,575
		903	317
		276	8,445
		277	0
		278	815
		279	9,260
		280	4,860,056

BALANCE SHEET – NON-LIFE INSURANCE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

		Values of the year	
A. SHAREHOLDERS' EQUITY			
I	- Subscribed capital or equivalent fund	101	45,000
II	- Share premium account	102	0
III	- Revaluation reserves	103	111,817
IV	- Legal reserve	104	190,391
V	- Statutory reserves	105	0
VI	- Reserves for own shares and shares of the parent company	400	0
VII	- Other reserves	107	1,594,792
VIII	- Profit (loss) brought forward	108	0
IX	- Net profit (loss) for the year	109	-14,466
X	Negative reserve for own shares held	401	0
		110	1,927,534
B. SUBORDINATED LIABILITIES			
		111	0
C. TECHNICAL PROVISIONS			
I - NON-LIFE BUSINESS			
	1. Provision for unearned premiums	112	809,837
	2. Provision for claims outstanding	113	2,138,922
	3. Provision for profit-sharing and premium refunds	114	0
	4. Other technical provisions	115	1,890
	5. Equalisation provision	116	11,892
		117	2,962,541
	to be carried forward		4,890,075

Values of the previous year

		281	45,000	
		282	0	
		283	111,817	
		284	190,391	
		285	0	
		500	0	
		287	1,524,896	
		288	0	
		289	68,443	
		501	0	290
				1,940,547
				291
				0
	292	754,222		
	293	1,887,383		
	294	0		
	295	1,766		
	296	17,423		297
				2,660,794
	to be carried forward			4,601,341

BALANCE SHEET – NON-LIFE INSURANCE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

		Values of the year		
	carried forward			4,890,075
E.	PROVISIONS FOR RISKS AND CHARGES			
1.	Provisions for pensions and similar obligations	128	12,110	
2.	Tax provision	129	0	
3.	Other provisions	130	34,006	131 46,116
F.	DEPOSITS RECEIVED FROM REINSURERS			132 1,685
G.	PAYABLES AND OTHER LIABILITIES			
I	- Payables arising out of direct insurance operations:			
1.	Insurance intermediaries	133	26,778	
2.	Current accounts with insurance companies	134	2,731	
3.	Premium deposits and premiums due to policyholders	135	2,527	
4.	Guarantee funds in favour of policyholders	136	646	137 32,682
II	- Payables arising out of reinsurance operations:			
1.	Insurance and reinsurance companies	138	2,852	
2.	Reinsurance intermediaries	139	3,093	140 5,945
III	- Debenture loans			141 0
IV	- Amounts owed to banks and credit institutions			142 0
V	- Loans guaranteed by mortgages			143 0
VI	- Miscellaneous loans and other financial liabilities			144 0
VII	- Provision for employees' leaving indemnities			145 5,362
VIII	- Other payables			
1.	Premium taxes	146	29,918	
2.	Other tax liabilities	147	4,897	
3.	Social security	148	5,383	
4.	Miscellaneous payables	149	87,141	150 127,339
IX	- Other liabilities			
1.	Deferred reinsurance items	151	0	
2.	Commissions for premiums in course of collection	152	53,194	
3.	Miscellaneous liabilities	153	10,148	154 63,342
	of which connection account with Life business	902	185	155 234,670
			to be carried forward	5,172,546

Values of the previous year

	carried forward			4,601,341
		308	12,811	
		309	0	
		310	35,091	311 47,902
				312 1,623
	313	28,131		
	314	6,098		
	315	2,369		
	316	0	317 36,598	
	318	2,503		
	319	2,606	320 5,109	
			321 0	
			322 0	
			323 0	
			324 0	
			325 5,920	
	326	23,515		
	327	4,651		
	328	5,277		
	329	66,962	330 100,405	
	331	0		
	332	51,485		
	333	8,620	334 60,105	335 208,137
	904	0		
	to be carried forward			4,859,003

BALANCE SHEET – NON-LIFE INSURANCE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

		Values of the year	
	carried forward		5,172,546
H. ACCRUALS AND DEFERRED INCOME			
1. Accrued interest		0	
2. Rents		1,091	
3. Other accruals and deferred income		6	1,097
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		160	5,173,643

Values of the previous year

				4.859,003
	336	0		
	337	1,053		
	338	0	339	1,053
		340	4,860,056	

Company SOCIETA' REALE MUTUA DI ASS.NI

BALANCE SHEET – LIFE INSURANCE BUSINESS

ASSETS

		Values of the year	
A.	SUBSCRIBED SHARE CAPITAL UNPAID		1
	of which called-up capital	2	0
B.	INTANGIBLE ASSETS		
	1. Deferred acquisition commissions	3	0
	2. Other acquisition costs	6	0
	3. Start-up and expansion costs	7	0
	4. Goodwill	8	0
	5. Other multi-year costs	9	0
			10
C.	INVESTMENTS		
I	- Land and buildings		
	1. Property used in company operations	11	0
	2. Property rented to third parties	12	0
	3. Other properties	13	0
	4. Other property rights	14	0
	5. Assets under construction and payments on account	15	0
			16
II	- Investments in Group companies and other shareholdings		
	1. Shares and interests:		
	a) parent companies	17	0
	b) subsidiaries	18	312,963
	c) affiliated companies	19	0
	d) associated companies	20	0
	e) other companies	21	0
		22	312,963
	2. Bonds issued by:		
	a) parent companies	23	0
	b) subsidiaries	24	0
	c) affiliated companies	25	0
	d) associated companies	26	0
	e) other companies	27	0
		28	0
	3. Loans to:		
	a) parent companies	29	0
	b) subsidiaries	30	0
	c) affiliated companies	31	0
	d) associated companies	32	0
	e) other companies	33	0
		34	0
			35
			312,963
			to be carried forward
			0

Values of the previous year

			181	0
182	0			
183	0			
186	0			
187	0			
188	0			
189	0		190	0
191	0			
192	0			
193	0			
194	0			
195	0	196		0
197	0			
198	312,963			
199	0			
200	0			
201	0	202	312,963	
203	0			
204	0			
205	0			
206	0			
207	0	208	0	
209	0			
210	0			
211	0			
212	0			
213	0	214	0	215
		to be carried forward		312,963
				0

BALANCE SHEET – LIFE INSURANCE BUSINESS

ASSETS

		Values of the year	
	carried forward		0
C.	INVESTMENTS (continued)		
III	- Other financial investments		
1.	Shares and interests		
a)	Listed shares	36	0
b)	Unlisted shares	37	0
c)	Interests	38	0
		39	0
2.	Shares in common investment funds	40	212,212
3.	Bonds and other fixed-income securities:		
a)	listed	41	4,946,354
b)	unlisted	42	51,072
c)	convertible debentures	43	0
		44	4,997,426
4.	Loans		
a)	loans secured by mortgage	45	0
b)	loans on policies	46	716
c)	other loans	47	0
		48	716
5.	Participation in investment pools	49	0
6.	Deposits with credit institutions	50	0
7.	Other financial investments	51	0
		52	5,210,354
IV	- Deposits with ceding undertakings	53	582
		54	5,523,899
D.	INVESTMENTS FOR THE BENEFIT OF LIFE POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS		
I	- Investments relating to contracts linked to investment funds and market indices	55	966,996
II	- Investments relating to the administration of pension funds	56	339,471
		57	1,306,467
D bis.	REINSURERS' SHARE OF TECHNICAL PROVISIONS		
II	- LIFE BUSINESS		
1.	Provisions for policy liabilities	63	5,427
2.	Unearned premium provision for supplementary coverage	64	0
3.	Provision for sums to be paid	65	761
4.	Provision for profit-sharing and premium refunds	66	0
5.	Other technical provisions	67	0
6.	Technical provisions where the investment risk is borne by the policyholders and relating to the administration of pension funds	68	0
			69
		to be carried forward	6,188
			6,836,554

Values of the previous year

	carried forward		0
216	0		
217	0		
218	0	219	0
		220	210,324
221	5,227,521		
222	0		
223	0	224	5,227,521
225	0		
226	707		
227	0	228	707
		229	0
		230	0
		231	0
		232	5,438,552
		233	666
		234	5,752,181
		235	927,543
		236	293,970
		237	1,221,513
		243	4,503
		244	0
		245	726
		246	0
		247	0
		248	0
	to be carried forward	249	5,229
			6,978,923

BALANCE SHEET – LIFE INSURANCE BUSINESS

ASSETS

		Values of the year	
	carried forward		6,836,554
E.	RECEIVABLES		
I	- Receivables arising out of direct insurance operations:		
	1. Policyholders		
	a) for premiums current year	71 55,574	
	b) for premiums previous years	72 4,593	73 60,167
	2. Insurance intermediaries	74 27,164	
	3. Current accounts with insurance companies	75 43	
	4. Policyholders and third parties for recoveries	76 0	77 87,374
II	- Receivables arising out of reinsurance operations:		
	1. Insurance and reinsurance companies	78 1,308	
	2. Reinsurance intermediaries	79 39	80 1,347
III	- Other receivables		81 292,551
			82 381,272
F.	OTHER ASSETS		
I	- Tangible assets and inventories:		
	1. Furniture, office machines and internal transport vehicles	83 442	
	2. Vehicles listed in public registers	84 0	
	3. Machinery and equipment	85 0	
	4. Inventories and other goods	86 0	87 442
II	- Cash at bank and in hand		
	1. Bank and postal accounts	88 28,147	
	2. Cheques and cash on hand	89 0	90 28,147
IV	- Other		
	1. Deferred reinsurance items	92 0	
	2. Miscellaneous assets	93 22,219	94 22,219
	of which connection account with Non-life business	901 185	95 50,808
G.	ACCRUALS AND DEFERRED INCOME		
	1. Accrued interest		96 45,209
	2. Rents		97 0
	3. Other accruals and deferred income		98 0
			99 45,209
	TOTAL ASSETS		100 7,313,843

Values of the previous year

	carried forward			6,978,923
251	55,958			
252	3,897	253	59,855	
		254	19,848	
		255	0	
		256	0	257 79,703
		258	304	
		259	0	260 304
				261 167,388 262 247,395
		263	249	
		264	0	
		265	0	
		266	0	267 249
		268	22,803	
		269	0	270 22,803
		272	0	
		273	23,795	274 23,795 275 46,847
		903	0	
				276 44,433
				277 0
				278 0 279 44,433
				280 7,317,598

BALANCE SHEET – LIFE INSURANCE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

		Values of the year	
A. SHAREHOLDERS' EQUITY			
I	- Subscribed capital or equivalent fund	101	15,000
II	- Share premium account	102	0
III	- Revaluation reserves	103	24,406
IV	- Legal reserve	104	50,944
V	- Statutory reserves	105	0
VI	- Reserves for own shares and shares of the parent company	400	0
VII	- Other reserves	107	382,987
VIII	- Profit (loss) brought forward	108	0
IX	- Net profit (loss) for the year	109	26,886
X	Negative reserve for own shares held	401	0
		110	500,223
B. SUBORDINATED LIABILITIES			
		111	0
C. TECHNICAL PROVISIONS			
II - LIFE INSURANCE BUSINESS			
	1. Provisions for policy liabilities	118	5,331,612
	2. Unearned premium provision for supplementary coverage	119	186
	3. Provision for sums to be paid	120	73,431
	4. Provision for profit-sharing and premium refunds	121	0
	5. Other technical provisions	122	28,519
		123	5,433,748
D. TECHNICAL PROVISIONS WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDERS AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS			
I	- Provisions relating to contracts linked to investment funds and market indices	125	966,883
II	- Provisions relating to the administration of pension funds	126	339,458
		127	1,306,341
		to be carried forward	7,240,312

Values of the previous year

	281	15,000	
	282	0	
	283	24,406	
	284	50,944	
	285	0	
	500	0	
	287	445,115	
	288	0	
	289	-62,491	
	501	0	290 472,974
			291 0
298	5,447,820		
299	176		
300	69,741		
301	0		
302	25,771		303 5,543,508
	305	927,454	
	306	293,960	307 1,221,414
to be carried forward			7,237,896

BALANCE SHEET – LIFE INSURANCE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

		Values of the year		
	carried forward			7,240,312
E.	PROVISIONS FOR RISKS AND CHARGES			
1.	Provisions for pensions and similar obligations	128	11,418	
2.	Tax provision	129	0	
3.	Other provisions	130	3,768	131 15,186
F.	DEPOSITS RECEIVED FROM REINSURERS			132 939
G.	PAYABLES AND OTHER LIABILITIES			
I	- Payables arising out of direct insurance operations:			
1.	Insurance intermediaries	133	7,986	
2.	Current accounts with insurance companies	134	0	
3.	Premium deposits and premiums due to policyholders	135	14,966	
4.	Guarantee funds in favour of policyholders	136	0	137 22,952
II	- Payables arising out of reinsurance operations:			
1.	Insurance and reinsurance companies	138	741	
2.	Reinsurance intermediaries	139	1,390	140 2,131
III	- Debenture loans			141 0
IV	- Amounts owed to banks and credit institutions			142 0
V	- Loans guaranteed by mortgages			143 0
VI	- Miscellaneous loans and other financial			144 0
VII	- Provision for employees' leaving indemnities			145 816
VIII	- Other payables			
1.	Premium taxes	146	127	
2.	Other tax liabilities	147	14,526	
3.	Social security	148	0	
4.	Miscellaneous payables	149	7,461	150 22,114
IX	- Other liabilities			
1.	Deferred reinsurance items	151	0	
2.	Commissions for premiums in course of collection	152	4,440	
3.	Miscellaneous liabilities	153	4,953	154 9,393
	of which connection account with Non-life business	155	0	156 57,406
		902	0	
	to be carried forward			7,313,843

Values of the previous year

	carried forward			7,237,896
		308	11,572	
		309	0	
		310	3,801	311 15,373
				312 969
	313	7,668		
	314	0		
	315	15,079		
	316	0	317 22,747	
	318	763		
	319	595	320 1,358	
			321 0	
			322 0	
			323 0	
			324 0	
			325 936	
	326	128		
	327	5,547		
	328	0		
	329	22,679	330 28,354	
	331	0		
	332	4,893		
	333	4,821	334 9,714	335 63,109
	904	317		
	to be carried forward			7,317,347

BALANCE SHEET – LIFE INSURANCE BUSINESS
LIABILITIES AND SHAREHOLDERS' EQUITY

		Values of the year	
	carried forward		7,313,843
H. ACCRUALS AND DEFERRED INCOME			
1. Accrued interest		156	0
2. Rents		157	0
3. Other accruals and deferred income		158	0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		160	7,313,843

Values of the previous year

carried forward				7,317,347
	336	251		
	337	0		
	338	0	339	251
			340	7,317,598

Company SOCIETA' REALE MUTUA DI ASS.NI

Financial 2023

Breakdown of the operating result between Non-life and Life business

		Non-life business	Life business	Total	
Result of the technical account	1	-77,680	21 17,463	41	-60,217
Investment income.....	+ 2	112,604		42	112,604
Investment management and financial charges.....	- 3	39,397		43	39,397
Allocated investment return transferred from the technical account of Life business.....	+ 4		24 9,885	44	9,885
Allocated investment return transferred to the technical account of Non-life business.....	- 5	41,508		45	41,508
Intermediate operating result	6	-45,981	26 27,348	46	-18,633
Other income.....	+ 7	70,517	27 8,242	47	78,759
Other charges.....	- 8	64,656	28 1,524	48	66,180
Extraordinary income.....	+ 9	5,689	29 129	49	5,818
Extraordinary charges.....	- 10	3,501	30 420	50	3,921
Profit (loss) before taxes	11	-37,932	31 33,775	51	-4,157
Income taxes for the year.....	- 12	23,466	32 6,889	52	-16,577
Net Profit for the year	13	-14,466	33 26,886	53	12,420

Financial 2023

Company SOCIETA' REALE MUTUA DI ASS.NI

Changes during the year in intangible assets (Item B) and land and buildings (Item C.I)

		Intangible assets B	Land and buildings C.I
Gross initial balance.....	+ 1	2,295	31 73,710
Increases during the year.....	+ 2	65	32 4,673
for: purchases or additions.....	3	65	33 4,673
write-backs.....	4	0	34 0
revaluations.....	5	0	35 0
other changes.....	6	0	36 0
Decreases during the year.....	- 7	0	37 0
for: sales or decreases.....	8	0	38 0
long-term write-downs.....	9	0	39 0
other changes.....	10	0	40 0
Gross final balance (a)	11	2,360	41 78,383
Amortisation and depreciation:			
Initial balance.....	+ 12	2,175	42 17,932
Increases during the year.....	+ 13	57	43 1,226
for: amortisation and depreciation for the year.....	14	57	44 1,226
other changes.....	15	0	45 0
Decreases during the year.....	- 16	0	46 0
for: reductions following disposals.....	17	0	47 0
other changes.....	18	0	48 0
Final values of amortisation (b) (*)	19	2,232	49 19,158
Carrying amount (a - b)	20	128	50 59,225
Current value.....	21		51 125,333
Total revaluations.....	22	0	52 0
Total write-downs.....	23	0	53 0

Company SOCIETA' REALE MUTUA DI ASS.NIFinancial 2023

Assets – Changes during the year in investments in Group companies and other shareholdings: shares and interests (Item C.II.1), bonds (Item C.II.2) and loans (Item C.II.3)

		Shares and interests C.II.1	Bonds C.II.2	Loans C.II.3
Initial balance.....	+	1 1,971,120	21 0	41 0
Increases during the year:.....	+	2 3,642	22 0	42 0
for: purchases, subscriptions or issues.....		3 1,074	23 0	43 0
write-backs.....		4 0	24 0	44 0
revaluations.....		5 0	25 0	
other changes.....		6 2,568	26 0	46 0
Decreases during the year:.....	-	7 1,682	27 0	47 0
for: sales or repayments.....		8 0	28 0	48 0
write-downs.....		9 0	29 0	49 0
other changes.....		10 1,682	30 0	50 0
Carrying amount.....		11 1,973,080	31 0	51 0
Current value.....		12 2,057,717	32 0	52 0
Total revaluations.....		13 13,068	33 0	
Total write-downs.....		14 174,120	34 0	54 0

Item C.II.2 includes:

Listed bonds.....	61	0
Unlisted bonds.....	62	0
Carrying amount.....	63	0
of which convertible debentures.....	64	0

Assets – Information regarding investee companies (*)

No. ord. (**)	Type (1)	Listed or unlisted (2)	Activity performed (3)	Name and registered offices	Currency
1	b	UL	3	BANCA REALE SPA - TURIN	EUR
2	b	UL	2	BLUE ASSISTANCE SPA - TURIN	EUR
3	b	UL	1	ITALIANA ASSICURAZIONI SPA - MILAN	EUR
4	b	UL	4	REALE IMMOBILI ESPA#A S.A. - MADRID	EUR
5	b	UL	4	REALE IMMOBILI SPA - TURIN	EUR
6	b	UL	9	REALE INTERNATIONAL S.R.L. - TURIN	EUR
7	b	UL	9	REALE ITES S.R.L. RMA - TURIN	EUR
8	b	UL	1	REALE SEGUROS GENERALES S.A. - MADRID	EUR
9	b	UL	1	REALE VIDA Y PENSIONES S.A. - MADRID	EUR
10	d	UL	1	CREDEMASSICURAZIONI SPA - REGGIO EMILIA	EUR
11	d	UL	9	PHARMERCURE S.R.L. - TURIN	EUR
12	e	UL	9	BRIDGE INSURANCE SERVICE SRL - LUCCA	EUR
13	e	UL	9	EURAPCO AG - ZURICH	CHF
14	e	UL	1	GAA GESTIONI ASSICURAZIONI AGR - ROME	EUR
15	e	UL	9	HUBFARM S.P.A. - ROME	EUR
16	e	UL	1	SARA ASSICURAZIONI SPA ORD. - ROME	EUR
17	e	UL	1	SARA ASSICURAZIONI SPA PRIV. - ROME	EUR
18	e	UL	9	SOS SRL - MILAN	EUR
19	e	UL	9	YAGO S.R.L. BOLOGNA	EUR

(*) Group companies and other companies in which a direct interest is held also through trust companies or through a third person must be listed.

(**) The order number must be higher than "0"

(1) Type

- a = Parent companies
- b = Subsidiaries
- c = Affiliated
- d = Associated
- e = Others

(2) Indicate L for securities traded on regulated markets and UL for the others

(3) Business

- 1 = Insurance company
- 2 = Finance company
- 3 = Credit institution
- 4 = Real estate company
- 5 = Trust company
- 6 = Unit trust management or distribution company
- 7 = Consortium
- 8 = Industrial company
- 9 = Other company or body

(4) Amounts in original currency

(5) Indicate the total percentage ownership

Share capital		Shareholders' equity (***) (4)	Net income or loss of the previous year (***) (4)	Percentage interest		
Amount (4)	Number of shares			Direct %	Indirect %	Total %
30000	30,000,000	83,887	7,423	95.00	5.00	100.00
3,120	3,120,000	51,754	39,620	100.00		100.00
57,626	37,178,295	636,177	-3,253	99.92		99.92
67,665	1,125,872	91,530	2,282	46.81	53.19	100.00
209,500	20,950,000	971,684	46,336	85.92	14.07	99.99
100	1	100	0	100.00		100.00
86,268	5	90,335	62	88.13	11.87	100.00
87,426	4,040,000	422,726	5,355	95.00	5.00	100.00
15,000	15,000	20,071	3,157	5.00	95.00	100.00
14,097	2,732,000	79,399	12,054	50.00		50.00
10	10,461	491	-728	37.32		37.32
117	116,904			3.28		3.28
5,919	73,990			12.50		12.50
10	10,403			9.90		9.90
125	124,984			19.99		19.99
54,675	18,225,000			11.16		11.16
54,675	18,225,000			3.49		3.49
13	12,675			16.00		16.00
76	76,395			17.87		17.87

Company SOCIETA' REALE MUTUA DI ASS.NI

Assets – Detailed schedule of changes in investments in Group companies and other shareholdings:
shares and interests

No. ord. (1)	Type (2)	(3)	Company name	Increases during the year		
				For purchases		Other increases
				Quantity	Current	
1	B	D	BANCA REALE SPA	0		
2	B	D	BLUE ASSISTANCE SPA	0		
3	B	D	ITALIANA ASSICURAZIONI SPA	0		
3	B	V	ITALIANA ASSICURAZIONI SPA	0		
4	B	D	REALE IMMOBILI ESPA#A S.A.	0		
5	B	D	REALE IMMOBILI SPA	0		
5	B	V	REALE IMMOBILI SPA	0		
6	B	D	REALE INTERNATIONAL S.R.L.	1	100	
7	B	D	REALE ITES S.R.L. RMA	0		
8	B	D	REALE SEGUROS GENERALES S.A.	0		
9	B	D	REALE VIDA Y PENSIONES S.A.	0		
10	D	D	CREDEMASSICURAZIONI SPA	0		
11	D	D	PHARMERCURE S.R.L.	3,904	0	1,682
12	E	D	BRIDGE INSURANCE SERVICE SRL	0		750
13	E	D	EURAPCO AG	0		
14	E	D	GAA GESTIONI ASSICURAZIONI AGRICOLE S.R.L.	0		
15	E	D	HUBFARM S.P.A.	0		
16	E	D	SARA ASSICURAZIONI SPA ORD.	0		
17	E	D	SARA ASSICURAZIONI SPA PRIV.	0		
18	E	D	SOS SRL	0		
19	E	D	YAGO S.R.L.	0		136
20	E	D	PHARMERCURE	1,959	974	
			Totals C.II.1		1,074	2,568
	a		Parent companies		0	0
	b		Subsidiaries		100	0
	c		Affiliated companies		0	0
	d		Associated companies		0	1,682
	e		Other		974	886
			Total D.I		0	0
			Total D.II		0	0

(1) Must match that indicated in Annex 6

(2) Type

- a = Parent companies
- b = Subsidiaries
- c = Affiliated
- d = Associated

(3) Indicate:

- D for investments assigned to Non-life business (Item C.II.1)
- V for investments assigned to Life business (Item C.II.1)
- V1 for investments assigned to Life business (Item D.1)
- V2 for investments assigned to Life business (Item D.2)
- The same number must be assigned to the shareholding even if split

Decreases during the year			Carrying amount (4)		Purchase cost	Current value
For sales		Other decreases	Quantity	Current		
Quantity	Current					
0			28,500,000	40,119	56,938	40,119
0			3,120,000	5,511	6,812	5,511
0			16,112,735	385,802	511,492	385,802
0			21,036,993	209,120	226,401	209,120
0			527,060	31,555	31,555	31,555
0			16,000,000	830,747	830,747	830,747
0			2,000,000	103,843	103,843	103,843
0			1	100	100	100
0			1	76,390	76,390	76,390
0			3,838,000	252,743	252,743	252,743
0			750	860	860	860
0			1,366,000	23,598	23,598	23,598
0			3,904	1,682	1,682	1,682
0			3,835	922	922	922
0			9,248	980	980	1,155
0			1,030	210	210	210
0			24,984	800	800	800
0			2,033,505	4,941	4,901	69,804
0			636,457	2,248	2,248	21,847
0			2,028	500	500	500
0			13,652	409	409	409
3,904		1,682				
	0	1,682		1,973,080	2,134,131	2,057,717
	0	0		0	0	0
	0	0		1,936,790	2,097,881	1,936,790
	0	0		0	0	0
	0	0		25,280	25,280	25,280
	0	1,682		11,010	10,970	95,647
	0	0		0	0	0
	0	0		0	0	0

(4) Indicate whether valued by the equity method with an (*) (only for Type b and d)

Company SOCIETA' REALE MUTUA DI ASS.NIFinancial 2023

Breakdown of other financial investments according to use: shares and interests in companies, shares in common investment funds, bonds and other fixed-income securities, participation in investment pools and other financial investments (Items C.III.1, 2, 3, 5, 7)

I – Non-life business

	Long-term investment portfolio				Short-term financial assets portfolio				Total			
	Carrying amount		Current value		Carrying amount		Current value		Carrying amount	Current value		
1. Shares and interests:.....	1	13,610	21	16,731	41	18,063	61	18,474	81	31,673	101	35,205
a) Listed shares	2	8,116	22	11,236	42	5,543	62	5,954	82	13,659	102	17,190
b) Unlisted shares.....	3	5,398	23	5,399	43	20	63	20	83	5,418	103	5,419
c) Interests.....	4	96	24	96	44	12,500	64	12,500	84	12,596	104	12,596
2. Shares in common investment funds	5	0	25	0	45	113,125	65	118,716	85	113,125	105	118,716
3. Bonds and other fixed-income securities	6	21,492	26	20,740	46	1,710,146	66	1,626,312	86	1,731,638	106	1,647,052
a1) listed Government securities	7	21,492	27	20,740	47	1,112,061	67	1,070,280	87	1,133,553	107	1,091,020
a2) other listed securities.....	8	0	28	0	48	598,085	68	556,032	88	598,085	108	556,032
b1) unlisted Government securities	9	0	29	0	49	0	69	0	89	0	109	0
b2) other unlisted securities.....	10	0	30	0	50	0	70	0	90	0	110	0
c) convertible debentures.....	11	0	31	0	51	0	71	0	91	0	111	0
5. Participation in investment pools.....	12	0	32	0	52	0	72	0	92	0	112	0
7. Other financial investments	13	0	33	0	53	0	73	0	93	0	113	0

II – Life business

	Long-term investment portfolio				Short-term financial assets portfolio				Total			
	Carrying amount		Current value		Carrying amount		Current value		Carrying amount	Current value		
1. Shares and interests:.....	121	0	141	0	161	0	181	0	201	0	221	0
a) Listed shares	122	0	142	0	162	0	182	0	202	0	222	0
b) Unlisted shares.....	123	0	143	0	163	0	183	0	203	0	223	0
c) Interests.....	124	0	144	0	164	0	184	0	204	0	224	0
2. Shares in common investment funds	125	0	145	0	165	212,212	185	238,686	205	212,212	225	238,686
3. Bonds and other fixed-income securities	126	2,181,094	146	1,992,602	166	2,816,333	186	2,705,636	206	4,997,427	226	4,698,238
a1) listed Government securities	127	1,378,748	147	1,228,137	167	1,933,013	187	1,875,971	207	3,311,761	227	3,104,108
a2) other listed securities.....	128	751,274	148	711,781	168	883,320	188	829,665	208	1,634,594	228	1,541,446
b1) unlisted Government securities	129	0	149	0	169	0	189	0	209	0	229	0
b2) other unlisted securities.....	130	51,072	150	52,684	170	0	190	0	210	51,072	230	52,684
c) convertible debentures.....	131	0	151	0	171	0	191	0	211	0	231	0
5. Participation in investment pools.....	132	0	152	0	172	0	192	0	212	0	232	0
7. Other financial investments	133	0	153	0	173	0	193	0	213	0	233	0

Company SOCIETA' REALE MUTUA DI ASS.NIFinancial 2023

Assets – Changes during the year in other financial investments held as long-term investments: shares and interests, shares in common investment bonds and other fixed-income securities, participation in investment pools and other financial investments (Items C.III.1, 2, 3, 5, 7)

		Shares and interests C.III.1	Shares in common investment funds C.III.2	Bonds and other fixed-income C.III.3	Participation in investment pools C.III.5	Other financial investments C.III.7
Initial balance.....	+	1 8,610	21 0	41 2,044,343	81 0	101 0
Increases during the year:.....	+	2 5,000	22 0	42 189,673	82 0	102 0
for: purchases.....		3 5,000	23 0	43 172,911	83 0	103 0
write-backs.....		4 0	24 0	44 0	84 0	104 0
transfer from short-term portfolio.....		5 0	25 0	45 0	85 0	105 0
other changes.....		6 0	26 0	46 16,762	86 0	106 0
Decreases during the year:.....	-	7 0	27 0	47 31,429	87 0	107 0
for: sales.....		8 0	28 0	48 0	88 0	108 0
write-downs.....		9 0	29 0	49 0	89 0	109 0
transfer to short-term portfolio.....		10 0	30 0	50 0	90 0	110 0
other changes.....		11 0	31 0	51 31,429	91 0	111 0
Carrying amount.....		12 13,610	32 0	52 2,202,587	92 0	112 0
Current value.....		13 16,731	33 0	53 2,013,342	93 0	113 0

Notes to the Financial Statements – Annex 10

Financial 2023Company SOCIETA' REALE MUTUA DI ASS.NI

Assets – Changes during the year in loans and deposits with credit institutions (Items C.III.4, 6)

		Loans C.III.4	Deposits with credit institutions C.III.6
Initial balance.....	+	1 29,288	21 818
Increases during the year:.....	+	2 4,696	22 179
for: issues.....		3 4,696	
write-backs.....		4 0	
other changes.....		5 0	
Decreases during the year:.....	-	6 4,788	26 179
for: repayments.....		7 4,788	
write-downs.....		8 0	
other changes.....		9 0	
Carrying amount.....		10 29,196	30 818

Company SOCIETA' REALE MUTUA DI ASS.NIFinancial 2023

Assets – Schedule of assets relating to contracts linked to investment funds and market indices (Item D.I)

Fund code: 2 Description: CONTRACTS TIED TO THE VALUE OF SHARES OF INTERNAL FUNDS

	Current value		Purchase cost	
	Financial	Previous year	Financial	Previous year
I. Land and buildings	1 0	21 0	41 0	61 0
II. Investments in Group companies and other				
1. Shares and interests	2 0	22 0	42 0	62 0
2. Bonds	3 0	23 0	43 0	63 0
3. Loans	4 0	24 0	44 0	64 0
III. Shares in common investment funds	5 480,776	25 483,372	45 448,338	65 510,898
IV. Other financial investments:				
1. Shares and interests	6 157,920	26 152,699	46 126,716	66 142,481
2. Bonds and other fixed-income securities	7 292,963	27 249,069	47 305,444	67 292,550
3. Deposits with credit institutions	8 0	28 0	48 0	68 0
4. Other financial investments	9 0	29 0	49 0	69 0
V. Other asset items	10 14,609	30 4,097	50 14,609	70 4,097
VI. Cash at bank and in hand	11 36,915	31 42,452	51 36,915	71 42,452
VII. Other liabilities	12 -16,187	32 -4,147	52 -16,187	72 -4,147
.....	13	33	53	73
Total	14 966,996	34 927,542	54 915,835	74 988,331

Company SOCIETA' REALE MUTUA DI ASS.NIFinancial 2023

Assets – Schedule of assets relating to contracts linked to investment funds and market indices (Item D.I)

Fund code: Description: TOTAL

	Current value				Purchase cost			
	Financial		Previous year		Financial		Previous year	
I. Land and buildings	1	0	21	0	41	0	61	0
II. Investments in Group companies and other								
1. Shares and interests	2	0	22	0	42	0	62	0
2. Bonds	3	0	23	0	43	0	63	0
3. Loans	4	0	24	0	44	0	64	0
III. Shares in common investment funds	5	480,776	25	483,372	45	448,338	65	510,898
IV. Other financial investments:								
1. Shares and interests	6	157,920	26	152,699	46	126,716	66	142,481
2. Bonds and other fixed-income securities	7	292,963	27	249,069	47	305,444	67	292,550
3. Deposits with credit institutions	8	0	28	0	48	0	68	0
4. Other financial investments	9	0	29	0	49	0	69	0
V. Other asset items	10	14,609	30	4,097	50	14,609	70	4,097
VI. Cash at bank and in hand	11	36,915	31	42,452	51	36,915	71	42,452
VII. Other liabilities	12	-16,187	32	-4,147	52	-16,187	72	-4,147
.....	13		33		53		73	
Total	14	966,996	34	927,542	54	915,835	74	988,331

Company SOCIETA' REALE MUTUA DI ASS.NIFinancial 2023

Assets – Schedule of assets resulting from administration of pension funds (Item D.II)

Code: 1 Pension fund description: ETHICAL PRUDENTIAL LINE

	Current value				Purchase cost			
	Financial		Previous year		Financial		Previous year	
I. Investments in Group companies and other shareholdings:								
1. Shares and interests	1	0	21	0	41	61	0	0
2. Bonds	2	0	22	0	42	62	0	0
II. Other financial investments:								
1. Shares and interests	3	0	23	0	43	63	0	0
2. Bonds and other fixed-income securities	4	64,930	24	56,081	44	68,786	64	66,848
3. Shares in common investment funds	5	0	25	0	45	65	0	0
4. Deposits with credit institutions	6	0	26	0	46	66	0	0
5. Other financial investments	7	0	27	0	47	67	0	0
III. Other asset items	8	1,693	28	2,070	48	1,693	68	2,070
IV. Cash at bank and in hand	9	2,423	29	3,821	49	2,423	69	3,821
VI. Other liabilities	10	-158	30	-147	50	-158	70	-147
.....	11		31		51	71		
Total	12	68,888	32	61,825	52	72,744	72	72,592

Notes to the Financial Statements – Annex 12

Company SOCIETA' REALE MUTUA DI ASS.NIFinancial 2023

Assets – Schedule of assets resulting from administration of pension funds (Item D.II)

Code: 2 Pension fund description: LINEA BILANCIATA ETICA

	Current value				Purchase cost			
	Financial		Previous year		Financial		Previous year	
I. Investments in Group companies and other shareholdings:								
1. Shares and interests	1	0	21	0	41	61	0	0
2. Bonds	2	0	22	0	42	62	0	0
II. Other financial investments:								
1. Shares and interests	3	32,371	23	28,353	43	26,062	63	25,679
2. Bonds and other fixed-income securities	4	49,486	24	39,628	44	51,607	64	46,479
3. Shares in common investment funds	5	0	25	0	45	65	0	0
4. Deposits with credit institutions	6	0	26	0	46	66	0	0
5. Other financial investments	7	0	27	0	47	67	0	0
III. Other asset items	8	941	28	2,315	48	941	68	2,315
IV. Cash at bank and in hand	9	4,185	29	3,858	49	4,185	69	3,858
VI. Other liabilities	10	-243	30	-217	50	-243	70	-217
.....	11		31		51	71		
Total	12	86,740	32	73,937	52	82,552	72	78,114

Company SOCIETA' REALE MUTUA DI ASS.NIFinancial 2023

Assets – Schedule of assets resulting from administration of pension funds (Item D.II)

Code: 3 Pension fund description: LINEA SVILUPPO ETICA

	Current value		Purchase cost	
	Financial	Previous year	Financial	Previous year
I. Investments in Group companies and other shareholdings:				
1. Shares and interests	1 0	21 0	41 0	61 0
2. Bonds	2 0	22 0	42 0	62 0
II. Other financial investments:				
1. Shares and interests	3 63,958	23 54,014	43 51,579	63 49,069
2. Bonds and other fixed-income securities	4 5,557	24 0	44 5,537	64 0
3. Shares in common investment funds	5 0	25 0	45 0	65 0
4. Deposits with credit institutions	6 0	26 0	46 0	66 0
5. Other financial investments	7 0	27 0	47 0	67 0
III. Other asset items	8 0	28 1,837	48 0	68 1,837
IV. Cash at bank and in hand	9 6,388	29 8,028	49 6,388	69 8,028
VI. Other liabilities	10 -673	30 -218	50 -673	70 -218
.....	11	31	51	71
Total	12 75,230	32 63,661	52 62,831	72 58,716

Company SOCIETA' REALE MUTUA DI ASS.NIFinancial 2023

Assets – Schedule of assets resulting from administration of pension funds (Item D.II)

Code: 4 Pension fund description: LINEA GARANTITA ETICA

	Current value		Purchase cost	
	Financial	Previous year	Financial	Previous year
I. Investments in Group companies and other shareholdings:				
1. Shares and interests	1 0	21 0	41 0	61 0
2. Bonds	2 0	22 0	42 0	62 0
II. Other financial investments:				
1. Shares and interests	3 0	23 0	43 0	63 0
2. Bonds and other fixed-income securities	4 102,965	24 89,155	44 101,200	64 92,275
3. Shares in common investment funds	5 0	25 0	45 0	65 0
4. Deposits with credit institutions	6 0	26 0	46 0	66 0
5. Other financial investments	7 0	27 0	47 0	67 0
III. Other asset items	8 717	28 745	48 717	68 745
IV. Cash at bank and in hand	9 5,102	29 4,797	49 5,102	69 4,797
VI. Other liabilities	10 -173	30 -151	50 -173	70 -151
.....	11	31	51	71
Total	12 108,611	32 94,546	52 106,846	72 97,666

Company SOCIETA' REALE MUTUA DI ASS.NIFinancial 2023

Assets – Schedule of assets resulting from administration of pension funds (Item D.II)

Code: Pension fund description: TESEO OPEN-ENDED PENSION FUND

	Current value				Purchase cost			
	Financial		Previous year		Financial		Previous year	
I. Investments in Group companies and other shareholdings:								
1. Shares and interests	1	0	21	0	41	0	61	0
2. Bonds	2	0	22	0	42	0	62	0
II. Other financial investments:								
1. Shares and interests	3	96,329	23	82,367	43	77,641	63	74,748
2. Bonds and other fixed-income securities	4	222,938	24	184,864	44	227,130	64	205,602
3. Shares in common investment funds	5	0	25	0	45	0	65	0
4. Deposits with credit institutions	6	0	26	0	46	0	66	0
5. Other financial investments	7	0	27	0	47	0	67	0
III. Other asset items	8	3,351	28	6,967	48	3,351	68	6,967
IV. Cash at bank and in hand.....	9	18,098	29	20,504	49	18,098	69	20,504
VI. Other liabilities.....	10	-1,247	30	-733	50	-1,247	70	-733
.....	11	0	31	0	51	0	71	0
Total.....	12	339,469	32	293,969	52	324,973	72	307,088

Company SOCIETA' REALE MUTUA DI ASS.NIFinancial 2023

Liabilities - Changes during the year in components of the reserve for unearned premiums (Item C.I.1) and the provision for outstanding claims (Item C.I.2) of the Non-life branches

Type	Financial	Previous year	Change
Provisions for unearned premiums:			
Provision for premium instalments.....	1 801,248	11 749,702	21 51,546
Provision for unexpired risks.....	2 8,589	12 4,520	22 4,069
Carrying amount.....	3 809,837	13 754,222	23 55,615
Provisions for claims outstanding:			
Provision for damages and direct expenses.....	4 1,826,039	14 1,594,049	24 231,990
Provision for claim settlement costs.....	5 73,414	15 70,601	25 2,813
Provision for claims incurred and not notified.....	6 239,469	16 222,733	26 16,736
Carrying amount.....	7 2,138,922	17 1,887,383	27 251,539

Company SOCIETA' REALE MUTUA DI ASS.NIFinancial 2023

Liabilities - Changes during the year in the components of the provisions for policy liabilities (item C.II.1) and in the provisions for profit-sharing and premium refunds (Item C.II.4)

Type	Financial	Previous year	Change
Actuarial reserve for pure premiums.....	1 5,260,265	11 5,369,857	21 -109,592
Premiums carried forward.....	2 15,640	12 15,084	22 556
Provision for mortality risk.....	3 8,065	13 11,493	23 -3,428
Integration provisions.....	4 47,642	14 51,386	24 -3,744
Carrying amount.....	5 5,331,612	15 5,447,820	25 -116,208
Provision for profit-sharing and premium refunds.....	6 0	16 0	26 0

Company SOCIETA' REALE MUTUA DI ASS.NIFinancial 2023

Liabilities – Changes during the year in the provisions for other risks and charges (Item E) and in the provisions for employee leaving indemnities (Item G.VII)

		Provisions for pensions and similar obligations	Provisions for taxation	Other provisions	Provisions for employee leaving indemnities
Initial balance	+	1 24,383	11 0	21 38,892	31 6,856
Provisions for the year	+	2 136	12 0	22 14,188	32 158
Other increases	+	3 0	13 0	23 15	33 26
Utilisation during the year	-	4 990	14 0	24 15,321	34 357
Other decreases	-	5 0	15 0	25 0	35 505
Carrying amount		6 23,529	16 0	26 37,774	36 6,178

Company SOCIETA' REALE MUTUA DI ASS.NIFinancial 2023

Detailed statement of assets and liabilities relating to Group companies and other shareholdings

I: Activity

	Parent	Subsidiaries	Affiliated	Associated	Other	Total
Shares and interests	1 0	2 1,936,790	3 0	4 25,280	5 11,010	6 1,973,080
Bonds	7 0	8 0	9 0	10 0	11 0	12 0
Loans	13 0	14 0	15 0	16 0	17 0	18 0
Participation in investment pools	19 0	20 0	21 0	22 0	23 0	24 0
Deposits with credit institutions	25 0	26 0	27 0	28 0	29 0	30 0
Other financial investments	31 0	32 0	33 0	34 0	35 0	36 0
Deposits with ceding undertakings	37 0	38 0	39 0	40 0	41 0	42 0
Investments relating to contracts linked to investment funds and market indices	43 0	44 36,915	45 0	46 0	47 0	48 36,915
Investments relating to the administration of pension funds	49 0	50 0	51 0	52 0	53 0	54 0
Receivables arising out of direct insurance	55 0	56 410	57 0	58 323	59 0	60 733
Receivables arising out of balance	61 0	62 0	63 0	64 0	65 0	66 0
Other credits	67 0	68 39,621	69 0	70 0	71 0	72 39,621
Bank and postal accounts	73 0	74 52,887	75 0	76 0	77 0	78 52,887
Miscellaneous assets	79 0	80 0	81 0	82 0	83 0	84 0
Total	85 0	86 2,066,623	87 0	88 25,603	89 11,010	90 2,103,236
of which subordinated assets	91 0	92 0	93 0	94 0	95 0	96 0

Detailed statement of assets and liabilities relating to Group companies and other shareholdings

II: Liabilities

	Parent companies	Subsidiaries	Affiliated companies	Associated companies	Other	Total
Subordinated liabilities	97 0	98 0	99 0	100 0	101 0	102 0
Deposits received from reinsurers	103 0	104 0	105 0	106 0	107 0	108 0
Accounts payable arising out of direct insurance	109 0	110 753	111 0	112 0	113 0	114 753
Accounts payable arising out of balance	115 0	116 577	117 0	118 0	119 0	120 577
Amounts owed to banks and credit institutions ...	121 0	122 0	123 0	124 0	125 0	126 0
Loans guaranteed by mortgages	127 0	128 0	129 0	130 0	131 0	132 0
Miscellaneous loans and other financial liabilities	133 0	134 0	135 0	136 0	137 0	138 0
Miscellaneous payables	139 0	140 51,112	141 0	142 0	143 0	144 51,112
Miscellaneous liabilities	145 0	146 0	147 0	148 0	149 0	150 0
Total	151 0	152 52,442	153 0	154 0	155 0	156 52,442

Company SOCIETA' REALE MUTUA DI ASS.NIFinancial 2023

Detail of "Guarantees, commitments and other memorandum accounts"

	Financial	Previous year
I. Guarantees given:		
a) sureties and endorsements given in the interest of parent companies, subsidiaries and affiliated companies	1 0 31	0
b) sureties and endorsements given in the interest of associated companies and other shareholdings	2 0 32	0
c) sureties and endorsements given in the interest of third parties	3 0 33	0
d) other personal guarantees given in the interest of parent companies, subsidiaries and affiliated companies	4 0 34	0
e) other personal guarantees given in the interest of associated companies and other shareholdings	5 0 35	0
f) other personal guarantees given in the interest of third parties	6 0 36	0
g) guarantees secured by mortgages given for obligations of parent companies, subsidiaries and affiliated companies	7 0 37	0
h) guarantees secured by mortgages given for obligations of associated companies and other shareholdings	8 0 38	0
i) guarantees secured by mortgages given for obligations of third parties	9 0 39	0
l) guarantees given for obligations of the Company	10 0 40	0
m) assets deposited for inward reinsurance	11 0 41	0
Total	12 0 42	0
II. Guarantees received:		
a) from Group companies, associates and other shareholdings	13 0 43	0
b) from third parties	14 45,008 44	45,627
Total	15 45,008 45	45,627
III. Guarantees issued by third parties in the interest of the Company:		
a) from Group companies, associates and other shareholdings	16 0 46	0
b) from third parties	17 90,311 47	80,687
Total	18 90,311 48	80,687
IV. Commitments:		
a) commitments for purchases with obligation of resale	19 0 49	0
b) commitments for sales with obligation of repurchase	20 0 50	0
c) other commitments	21 95,734 51	89,458
Total	22 95,734 52	89,458
V. Assets relating to pension funds managed in the name and on behalf of third parties	23 0 53	0
VI. Securities deposited with third parties	24 8,402,134 54	8,426,658
Total	25 8,402,134 55	8,426,658

Schedule of commitments for transactions on derivatives

Derivatives	Financial						Previous year									
	Purchase		Sale		Purchase		Sale		Purchase		Sale					
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)				
Futures:																
on shares	1	0	101	0	21	0	121	0	41	0	141	0	61	0	161	0
on bonds	2	0	102	0	22	0	122	0	42	0	142	0	62	0	162	0
on currencies	3	0	103	0	23	0	123	0	43	0	143	0	63	0	163	0
on rates	4	0	104	0	24	0	124	0	44	0	144	0	64	0	164	0
other	5	0	105	0	25	0	125	0	45	0	145	0	65	0	165	0
Options:																
on shares	6	46,122	106	0	26	46,332	126	0	46	42,164	146	0	66	42,374	166	0
on bonds	7	0	107	0	27	0	127	0	47	0	147	0	67	0	167	0
on currencies	8	0	108	0	28	0	128	0	48	0	148	0	68	0	168	0
on rates	9	0	109	0	29	0	129	0	49	0	149	0	69	0	169	0
other	10	0	110	0	30	0	130	0	50	0	150	0	70	0	170	0
Swaps:																
on currencies	11	0	111	0	31	0	131	0	51	0	151	0	71	0	171	0
on rates	12	3,280	112	-216	32	0	132	0	52	4,920	152	-582	72	0	172	0
other	13	0	113	0	33	0	133	0	53	0	153	0	73	0	173	0
Other transactions	14	0	114	0	34	0	134	0	54	0	154	0	74	0	174	0
Total	15	49,402	115	-216	35	46,332	135	0	55	47,084	155	-582	75	42,374	175	0

Only transactions on derivatives existing at the date of the accounts that involve commitments for the Company must be stated. If the contract does not correspond precisely to the figures described or in the case in which it is characterised by elements of several types, it must be stated in the closest contractual category. Offsetting of items is not permitted except in relation to purchase/sale transactions relating to the same type of contract (same content, expiry, underlying assets, etc.).

Contracts that envisage swapping of two currencies must be indicated once only referring, by convention, to the currency to be purchased. Contracts that envisage interest rate and currency swaps must be indicated only under contracts on currency. Interest swap derivatives are classified conventionally as "purchases" or as "sales" according to whether they involve the purchase or sale of the fixed rate for the insurance company.

(1) For derivative contracts that involve or may involve the exchange of capital at term the settlement price of these must be indicated; in all other cases, the nominal value of the reference capital must be indicated.

(2) Indicate the fair value of derivative contracts:

Company SOCIETA' REALE MUTUA DI ASS.NIFinancial 2023

Summary information relating to the technical account of Non-life insurance business

	Gross written	Gross for the year	Gross charge for claims	Management costs	Reinsurance balance
Direct business:					
Personal accident and Health (classes 1 and 2)	1 339,226	2 338,157	3 291,559	4 79,758	5 -121
TPL land vehicles (class 10)	6 475,914	7 453,853	8 337,208	9 98,490	10 -2,751
Comprehensive and Collision (class 3)	11 171,665	12 163,867	13 121,512	14 45,494	15 13,666
Marine, Aviation and Transport (classes 4, 5, 6, 7, 11 and 12)	16 13,384	17 13,843	18 7,630	19 3,701	20 -918
Fire and other property damage (classes 8 and 9).	21 481,949	22 465,625	23 603,833	24 164,992	25 159,735
Non-motor TPL (class 13)	26 259,513	27 256,337	28 130,922	29 95,720	30 -931
Credit and Suretyship (classes 14 and 15)	31 40,707	32 36,762	33 7,589	34 15,232	35 -10,054
Sundry Pecuniary Losses (class 16)	36 9,261	37 8,489	38 767	39 3,477	40 -1,533
Legal Fees (class 17)	41 20,439	42 20,167	43 3,305	44 8,305	45 -1,713
Assistance (class 18).....	46 25,970	47 25,475	48 15,756	49 9,751	50 0
Total direct business	51 1,838,028	52 1,782,575	53 1,520,081	54 524,920	55 155,380
Reinsurance business	56 1,754	57 1,593	58 3,059	59 144	60 -32
Total Italian portfolio	61 1,839,782	62 1,784,168	63 1,523,140	64 525,064	65 155,348
Foreign portfolio	66 342	67 342	68 -60	69 85	70 0
Grand total	71 1,840,124	72 1,784,510	73 1,523,080	74 525,149	75 155,348

Company SOCIETA' REALE MUTUA DI ASS.NI

Financial 2023

Summary statement concerning life insurance business referring to premiums and the reinsurance balance

	Direct business		Inward reinsurance		Total	
Gross premiums:	1	987,931	11	14	21	987,945
a) 1. for individual policies	2	838,584	12	14	22	838,598
2. for group policies	3	149,347	13	0	23	149,347
b) 1. periodic premiums	4	347,603	14	14	24	347,617
2. single premiums	5	640,328	15	0	25	640,328
c) 1. for contracts without profit-sharing	6	911,414	16	14	26	911,428
2. for contracts with profit-sharing	7	0	17	0	27	0
3. for contracts when the investment risk is borne by the policyholders and for pension funds	8	76,517	18	0	28	76,517
Balance of reinsurance	9	-4,391	19	-10	29	-4,401

Company SOCIETA' REALE MUTUA DI ASS.NIFinancial 2023

Investment income (Items II.2 and III.3)

	Non-life business		Life business		Total	
Income from shares and interests:						
Dividends and other income from shares and interests						
of Group companies and shareholdings	1	56,824	41	4,300	81	61,124
Dividends and other income from shares and interests in other companies	2	3,121	42	3,939	82	7,060
Total	3	59,945	43	8,239	83	68,184
Income from investments in land and buildings	4	3,778	44	0	84	3,778
Income from other investments:						
Income from bonds of Group companies and shareholdings	5	0	45	0	85	0
Interest on loans to Group companies and shareholdings	6	0	46	0	86	0
Income from shares in common investment funds.....	7	0	47	0	87	0
Income from bonds and other fixed-income securities	8	41,211	48	140,428	88	181,639
Interest on loans	9	169	49	0	89	169
Income from shares in investment pools	10	0	50	0	90	0
Interest on deposits with credit institutions	11	1	51	0	91	1
Income from other financial investments	12	98	52	5	92	103
Interest on deposits with ceding undertakings	13	2	53	7	93	9
Total	14	41,481	54	140,440	94	181,921
Value re-adjustments on investments in:						
Land and buildings.....	15	0	55	0	95	0
Shares and interests of Group companies and shareholdings	16	0	56	0	96	0
Bonds issued by Group companies and shareholdings	17	0	57	0	97	0
Other shares and interests.....	18	299	58	0	98	299
Other bonds.....	19	11	59	105	99	116
Other financial investments	20	0	60	595	100	595
Total	21	310	61	700	101	1,010
Income from the disposal of investments:						
Gains on disposal of land and buildings	22	0	62	0	102	0
Gains on shares and interests in Group companies and shareholdings	23	0	63	0	103	0
Income from bonds issued by Group companies and shareholdings	24	0	64	0	104	0
Gains on other shares and interests.....	25	4,326	65	0	105	4,326
Gains on other bonds.....	26	0	66	1,783	106	1,783
Gains on other financial investments.....	27	2,763	67	1,427	107	4,190
Total	28	7,089	68	3,210	108	10,299
GRAND TOTAL	29	112,603	69	152,589	109	265,192

Company SOCIETA' REALE MUTUA DI ASS.NIFinancial 2023

Income and unrealised gains on investments for the benefit of policyholders who bear the Investment risk and on investments relating to the administration of pension funds (Item II.3)

I. Investments relating to contracts linked to investment funds and market indices

	Amounts	
Income from:		
Land and buildings	1	0
Investments in Group companies and shareholdings	2	0
Shares in common investment funds	3	0
Other financial investments	4	10,302
- of which income from bonds	5	4,864
Other asset items	6	743
Total	7	11,045
Gains on the disposal of investments		
Gains on disposal of land and buildings	8	0
Gains on investments in Group companies and shareholdings	9	0
Gains on common investment funds	10	14,288
Gains on other financial investments	11	12,861
- of which bonds	12	1,821
Other income	13	204
Total	14	27,353
Unrealised gains	15	80,165
GRAND TOTAL	16	118,563

II. Investments relating to the administration of pension funds

	Amounts	
Income from:		
Investments in Group companies and shareholdings	21	0
Other financial investments	22	6,576
- of which income from bonds	23	3,318
Other asset items	24	446
Total	25	7,022
Gains on the disposal of investments		
Gains on investments in Group companies and shareholdings	26	0
Gains on other financial investments	27	5,769
- of which bonds	28	1,850
Other income	29	3
Total	30	5,772
Unrealised gains	31	22,536
GRAND TOTAL	32	35,330

Company SOCIETA' REALE MUTUA DI ASS.NI

Financial 2023

Investment management and financial charges (Items II.9 and III.5)

	Non-life business		Life business		Total	
Investment management charges and other charges						
Charges relating to shares and interests.....	1	147	31	0	61	147
Charges relating to investments in land and buildings.....	2	3,849	32	0	62	3,849
Charges relating to bonds.....	3	18,112	33	15,358	63	33,470
Charges relating to common investment funds.....	4	213	34	69	64	282
Charges relating to participation in investment pools.....	5	0	35	0	65	0
Charges relating to miscellaneous financial investments.....	6	0	36	300	66	300
Interest on deposits received from reinsurers.....	7	42	37	11	67	53
Total.....	8	22,363	38	15,738	68	38,101
Value adjustments on investments referring to:						
Land and buildings.....	9	1,226	39	0	69	1,226
Shares and interests of Group companies and shareholdings.....	10	0	40	0	70	0
Bonds issued by Group companies and shareholdings.....	11	0	41	0	71	0
Other shares and interests.....	12	0	42	0	72	0
Other bonds.....	13	6,130	43	9,599	73	15,729
Other financial investments.....	14	0	44	0	74	0
Total.....	15	7,356	45	9,599	75	16,955
Capital losses on disposal of investments						
Losses on the sale of land and buildings.....	16	0	46	0	76	0
Losses on shares and interests.....	17	2,928	47	0	77	2,928
Losses on bonds.....	18	1,072	48	5,270	78	6,342
Losses from other financial investments.....	19	5,677	49	698	79	6,375
Total.....	20	9,677	50	5,968	80	15,645
GRAND TOTAL.....	21	39,396	51	31,305	81	70,701

Company SOCIETA' REALE MUTUA DI ASS.NI

Financial 2023

Investment management and financial charges and unrealised losses on investments for the benefit of policyholders who bear the investment risk and on investments relating to the administration of pension funds (Item II.10)

I. Investments relating to contracts linked to investment funds and market indices

	Amounts	
Operating expenses resulting from:		
Land and buildings	1	0
Investments in Group companies and shareholdings	2	0
Shares in common investment funds	3	3
Other financial investments	4	1,530
Other asset items	5	12,878
Total.....	6	14,411
Capital losses on disposal of investments		
Losses on disposal of land and buildings	7	0
Losses on investments in Group companies and shareholdings	8	0
Losses on common investment funds	9	4,724
Losses from other financial investments	10	5,495
Other charges	11	5,905
Total.....	12	16,124
Unrealised losses	13	1,064
GRAND TOTAL.....	14	31,599

II. Investments relating to the administration of pension funds

	Amounts	
Operating expenses resulting from:		
Investments in Group companies and shareholdings	21	0
Other financial investments	22	517
Other asset items	23	8,110
Total.....	24	8,627
Capital losses on disposal of investments		
Losses on investments in Group companies and shareholdings	25	0
Losses from other financial investments	26	2,959
Other charges	27	0
Total.....	28	2,959
Unrealised losses	29	487
GRAND TOTAL.....	30	12,073

Non-life business - Summary statement of the technical account by line of business - Italian portfolio

	Accounting class 01		Accounting class 02	
	Accident		Health	
	(name)		(name)	
Direct business gross of reinsurance				
Premiums written	+	1 99,444	1 239,782	
Change in the provisions for unearned premiums (+ or -).....	-	2 -2,764	2 3,833	
Charges relating to claims	-	3 47,514	3 244,045	
Change in miscellaneous technical provisions (+ or -) (1)	-	4 0	4 124	
Balance of other technical items (+ or -)	+	5 -781	5 -1,548	
Operating expenses	-	6 37,248	6 42,510	
Technical balance direct business (+ or -).....	A	7 16,665	7 -52,278	
Result of outward reinsurance (+ or -).....	B	8 -1,239	8 1,118	
Net result of inward reinsurance (+ or -).....	C	9 17	9 4	
Change in the equalisation provision (+ or -).....	D	10 62	10 0	
Allocated investment return transferred from the non-technical account	E	11 2,221	11 3,404	
Result of the technical account (+ or -)..... (A + B + C - D + E)		12 17,602	12 -47,752	

	Accounting class 07		Accounting class 08	
	Goods transported		Fire and natural forces	
	(name)		(name)	
Direct business gross of reinsurance				
Premiums written	+	1 5,881	1 198,080	
Change in the provisions for unearned premiums (+ or -).....	-	2 162	2 6,438	
Charges relating to claims	-	3 2,725	3 389,127	
Change in miscellaneous technical provisions (+ or -) (1)	-	4 0	4 0	
Balance of other technical items (+ or -)	+	5 -35	5 -2,394	
Operating expenses	-	6 1,915	6 72,570	
Technical balance direct business (+ or -).....	A	7 1,044	7 -272,449	
Result of outward reinsurance (+ or -).....	B	8 -498	8 173,116	
Net result of inward reinsurance (+ or -).....	C	9 4	9 -418	
Change in the equalisation provision (+ or -).....	D	10 16	10 -4,860	
Allocated investment return transferred from the non-technical account	E	11 74	11 5,280	
Result of the technical account (+ or -)..... (A + B + C - D + E)		12 608	12 -89,611	

	Accounting class 13		Accounting class 14	
	Non-motor TPL		Credit	
	(name)		(name)	
Direct business gross of reinsurance				
Premiums written	+	1 259,513	1 1	
Change in the provisions for unearned premiums (+ or -).....	-	2 3,176	2 0	
Charges relating to claims	-	3 130,922	3 0	
Change in miscellaneous technical provisions (+ or -) (1)	-	4 0	4 0	
Balance of other technical items (+ or -)	+	5 -2,882	5 0	
Operating expenses	-	6 95,720	6 0	
Technical balance direct business (+ or -).....	A	7 26,813	7 1	
Result of outward reinsurance (+ or -).....	B	8 -931	8 0	
Net result of inward reinsurance (+ or -).....	C	9 391	9 0	
Change in the equalisation provision (+ or -).....	D	10 1	10 0	
Allocated investment return transferred from the non-technical account	E	11 11,755	11 0	
Result of the technical account (+ or -)..... (A + B + C - D + E)		12 38,027	12 1	

(1) In addition to the change in "Other technical provisions", this item also includes the change in the "Provisions for profit-sharing and premium refunds".

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Accounting class Comprehensive and Collision (name)	Accounting class Hulls railway rolling stock (name)	Accounting class Hulls aircraft (name)	Accounting class Hulls marine, lake, river craft (name)
1 171,665	1 202	1 8	1 5,451
2 7,798	2 35	2 -21	2 334
3 121,512	3 162	3 -1	3 4,375
4 0	4 0	4 0	4 0
5 -463	5 0	5 0	5 -24
6 45,494	6 44	6 1	6 1,337
7 -3,602	7 -39	7 29	7 -619
8 13,666	8 -4	8 -7	8 -293
9 7	9 0	9 0	9 63
10 486	10 1	10 0	10 16
11 1,532	11 4	11 0	11 100
12 11,117	12 -40	12 22	12 -765

Accounting class Other property damage (name)	Accounting class TPL land vehicles (name)	Accounting class TPL aircraft (name)	Accounting class TPL Marine (name)
1 283,869	1 475,914	1 119	1 1,723
2 9,886	2 22,060	2 7	2 -975
3 214,709	3 337,208	3 0	3 368
4 0	4 0	4 0	4 0
5 -1,907	5 -2,967	5 0	5 0
6 92,422	6 98,490	6 27	6 377
7 -35,055	7 15,189	7 85	7 1,953
8 -13,382	8 -2,752	8 -103	8 -13
9 -1,703	9 10	9 0	9 0
10 -1,253	10 0	10 0	10 0
11 3,296	11 12,328	11 0	11 91
12 -45,591	12 24,775	12 -18	12 2,031

Accounting class Suretyship (name)	Accounting class Sundry pecuniary losses (name)	Accounting class Legal Fees (name)	Accounting class Assistance (name)
1 40,706	1 9,261	1 20,439	1 25,970
2 3,945	2 772	2 272	2 495
3 7,589	3 767	3 3,304	3 15,755
4 0	4 0	4 0	4 0
5 -2,841	5 -127	5 -109	5 -145
6 15,232	6 3,477	6 8,305	6 9,751
7 11,099	7 4,118	7 8,449	7 -176
8 -10,054	8 -1,532	8 -1,712	8 0
9 -17	9 -1	9 0	9 0
10 0	10 0	10 0	10 0
11 884	11 83	11 253	11 203
12 1,912	12 2,668	12 6,990	12 27

Company SOCIETA' REALE MUTUA DI ASS.NIFinancial 2023

Summary statement of the technical account of all the Non-life branches
Italian portfolio

	Risks of direct insurance		Risks of indirect insurance		Risks preserved	
	Direct risks	Risks ceded	Risks assumed	Risks retroceded	Total	
	1	2	3	4	5 = 1 - 2 + 3 - 4	
Premiums written	+ 1 1,838,028	11 184,925	21 1,754	31 2	41 1,654,855	
Change in the provisions for unearned premiums (+ or -)	- 2 55,454	12 2,480	22 161	32 1	42 53,134	
Charges relating to claims	- 3 1,520,081	13 308,966	23 3,059	33 -26	43 1,214,200	
Change in miscellaneous technical provisions (+ or -)	- 4 124	14 -6	24 0	34 0	44 130	
Balance of other technical items (+ or -)	+ 5 -16,223	15 702	25 0	35 6	45 -16,931	
Operating expenses	- 6 524,920	16 29,567	26 144	36 1	46 495,496	
Technical balance (+ or -)	7 -278,774	17 -155,380	27 -1,610	37 32	47 -125,036	
Change in the equalisation provision (+ or -)	-				48 -5,531	
Allocated investment return transferred from the non-technical account ..	+ 9 41,418		29 90		49 41,508	
Result of the technical account (+ or -)	10 -237,356	20 -155,380	30 -1,520	40 32	50 -77,997	

Company SOCIETA' REALE MUTUA DI ASS.NI

Financial 2023

Life business – Summary statement of the technical accounts by individual branch – Italian portfolio

	Accounting class 01		Accounting class 02		Accounting class 03	
	(name)	(name)	(name)	(name)	(name)	(name)
Direct business gross of reinsurance						
Premiums written.....	1	758,638	1	0	1	76,517
Charges relating to claims.....	2	887,569	2	0	2	117,442
Change in provisions for policy liabilities and in other technical provisions (+ or -).....	3	-76,567	3	0	3	39,067
Balance of other technical items (+ or -).....	4	-4,936	4	0	4	9,008
Operating expenses.....	5	39,043	5	0	5	7,258
Income from investments net of the allocated investment return transferred to the non-technical account (*)	6	95,035	6	0	6	87,276
Result of direct business gross of reinsurance (+ or -).....	A	7	7	0	7	9,034
Result of outward reinsurance (+ or -).....	B	8	8	0	8	0
Net result of inward reinsurance (+ or -).....	C	9	9	0	9	0
Result of the technical account (+ or -)..... (A + B + C)	10	-4,735	10	0	10	9,034

	Accounting class 04		Accounting class 05		Accounting class 06	
	(name)	(name)	(name)	(name)	(name)	(name)
Direct business gross of reinsurance						
Premiums written.....	1	5,500	1	92,484	1	54,792
Charges relating to claims.....	2	464	2	139,691	2	21,437
Change in provisions for policy liabilities and in other technical provisions (+ or -).....	3	2,294	3	-34,054	3	42,479
Balance of other technical items (+ or -).....	4	0	4	-261	4	2,125
Operating expenses.....	5	1,369	5	4,034	5	2,108
Income from investments net of the allocated investment return transferred to the non-technical account (*)	6	100	6	15,830	6	23,380
Result of direct business gross of reinsurance (+ or -).....	A	7	7	-1,618	7	14,273
Result of outward reinsurance (+ or -).....	B	8	8	0	8	0
Net result of inward reinsurance (+ or -).....	C	9	9	0	9	0
Result of the technical account (+ or -)..... (A + B + C)	10	511	10	-1,618	10	14,273

(*) Algebraic sum of items referring to the class and to the Italian portfolio included in items II.2, II.3, II.9, II.10 and II.12 of the Income Statement

Company

SOCIETA' REALE MUTUA DI ASS.NI

Financial 2023

Summary statement of the technical account of all Life business

Italian portfolio

	Risks of direct insurance				Risks of indirect insurance				Risks preserved	
	Direct risks		Risks ceded		Risks assumed		Risks retroceded		Total	
	1	2	3	4	5 = 1 - 2 + 3 - 4					
Premiums written.....	+ 1	987,931	11	11,178	21	13	31	13	41	976,753
Charges relating to claims.....	- 2	1,166,603	12	3,191	22	84	32	82	42	1,163,414
Change in provisions for policy liabilities and other technical (+ or -).....	- 3	-26,781	13	1,016	23	-85	33	-82	43	-27,800
Balance of other technical items (+ or -).....	+ 4	5,936	14	0	24	0	34	0	44	5,936
Operating expenses.....	- 5	53,812	15	2,581	25	3	35	3	45	51,231
Income from investments net of the allocated investment return non-technical account (*).....	+ 6	221,621			26	0			46	221,621
Result of the technical account (+ or -).....	7	21,854	17	4,390	27	11	37	10	47	17,465

(*) Algebraic sum of items referring to the Italian portfolio included in items II.2, II.3, II.9, II.10 and II.12 of the Income Statement

Company SOCIETA' REALE MUTUA DI ASS.NI

Financial 2023

Summary schedule relating to the Non-life and Life technical accounts – Foreign portfolio

Section I: Non-life business

	Total classes	
Direct business gross of reinsurance		
Premiums written.....	+ 1	0
Change in the provisions for unearned premiums (+ or -).....	- 2	0
Charges relating to claims.....	- 3	0
Change in miscellaneous technical provisions (+ or -).....	- 4	0
Balance of other technical items (+ or -).....	+ 5	0
Operating expenses.....	- 6	0
Technical balance direct business (+ or -).....	A	0
Result of outward reinsurance (+ or -).....	B	0
Net result of inward reinsurance (+ or -).....	C	317
Change in the equalisation provision (+ or -).....	D	0
Allocated investment return transferred from the non-technical account.....	E	0
Result of the technical account (+ or -)..... (A + B + C - D + E)	12	317

Section II: Life business

	Total classes	
Direct business gross of reinsurance		
Premiums written.....	+ 1	0
Charges relating to claims.....	- 2	0
Change in provisions for policy liabilities and in other technical provisions (+ or -).....	- 3	0
Balance of other technical items (+ or -).....	+ 4	0
Operating expenses.....	- 5	0
Income from investments net of the allocated investment return transferred to the non-technical account (1).....	+ 6	0
Result of direct business gross of reinsurance (+ or -).....	A	0
Result of outward reinsurance (+ or -).....	B	0
Net result of inward reinsurance (+ or -).....	C	0
Result of the technical account (+ or -)..... (A + B + C)	10	0

(1) Algebraic sum of items referring to the foreign portfolio included in items II.2, II.3, II.9, II.10 and II.12 of the Income Statement

Company SOCIETA' REALE MUTUA DI ASS.NIFinancial 2023

Relationship with Group companies and other shareholdings

I: Income

	Parent companies	Subsidiaries	Affiliated companies	Associated companies	Other	Total
Investment income						
Income from land and buildings	1 0	2 213	3 0	4 0	5 0	6 213
Dividends and other income from shares and interests	7 0	8 56,922	9 0	10 1,912	11 2,290	12 61,124
Income from bonds	13 0	14 0	15 0	16 0	17 0	18 0
Interest on loans	19 0	20 0	21 0	22 0	23 0	24 0
Income from other financial investments.....	25 0	26 0	27 0	28 0	29 0	30 0
Interest on deposits with ceding undertakings	31 0	32 0	33 0	34 0	35 0	36 0
Total	37 0	38 57,135	39 0	40 1,912	41 2,290	42 61,337
Income and unrealised gains on investments for the benefit of policyholders who bear the investment risk and relating to the of pension funds						
.....	43 0	44 462	45 0	46 0	47 0	48 462
Other income						
Interest on receivables	49 0	50 0	51 0	52 0	53 0	54 0
Refunds of administrative expenses and charges	55 0	56 45,250	57 0	58 275	59 0	60 45,525
Other income and recoveries	61 0	62 2,334	63 0	64 0	65 0	66 2,334
Total	67 0	68 47,584	69 0	70 275	71 0	72 47,859
Income from the disposal of investments (*)	73 0	74 0	75 0	76 0	77 0	78 0
Extraordinary income.....	79 0	80 3	81 0	82 0	83 0	84 3
GRAND TOTAL	85 0	86 105,184	87 0	88 2,187	89 2,290	90 109,661

Relationship with Group companies and other shareholdings

II: Charges

	Parent companies	Subsidiaries	Affiliated companies	Associated companies	Other	Total
Investment management charges and interest expense:						
Charges relating to investment pools.....	91 0	92 8,197	94 0	93 0	95 0	96 8,197
Interest on subordinated liabilities.....	97 0	98 0	100 0	99 0	101 0	102 0
Interest on deposits received from reinsurers.....	103 0	104 0	106 0	105 0	107 0	108 0
Interest on liabilities arising out of direct insurance	109 0	110 0	112 0	111 0	113 0	114 0
Interest on liabilities arising out of reinsurance operations.....	115 0	116 0	118 0	117 0	119 0	120 0
Amounts owed to banks and credit institutions	121 0	122 0	124 0	123 0	125 0	126 0
Interest on loans guaranteed by mortgages	127 0	128 0	130 0	129 0	131 0	132 0
Interest on other loans	133 0	134 0	136 0	135 0	137 0	138 0
Losses on receivables.....	139 0	140 0	142 0	141 0	143 0	144 0
Administrative costs and expenses on behalf of third	145 0	146 45,250	148 0	147 275	149 0	150 45,525
Other charges	151 0	152 0	154 0	153 0	155 0	156 0
Total	157 0	158 53,447	160 0	159 275	161 0	162 53,722
Expenses and unrealised losses on investments for the benefit of policyholders who bear the investment risk and relating to the of pension funds	163 0	164 0	166 0	165 0	167 0	168 0
Losses on the disposal of investments (*)	169 0	170 0	172 0	171 0	173 0	174 0
Extraordinary charges	175 0	176 0	178 0	177 0	179 0	180 0
GRAND TOTAL	181 0	182 53,447	184 0	183 275	185 0	186 53,722

(*) With reference to the other party in the operation

Company SOCIETA' REALE MUTUA DI ASS.NIFinancial 2023

Summary statement of premiums written for direct business

	Non-life business		Life business		Total	
	Establishment	F.P.S.	Establishment	F.P.S.	Establishment	F.P.S.
Premiums written:						
in Italy	1 1,835,956	5 0	11 987,806	15 0	21 2,823,762	25 0
in other EU countries	2 0	6 1,795	12 0	16 115	22 0	26 1,910
in non-EU Countries	3 0	7 277	13 0	17 10	23 0	27 287
Total	4 1,835,956	8 2,072	14 987,806	18 125	24 2,823,762	28 2,197

Company SOCIETA' REALE MUTUA DI ASS.NIFinancial 2023

Statement of costs relating to personnel, directors and statutory auditors

I: Expenses for personnel

	Non-life business		Life business		Total	
Personnel costs:						
Italian portfolio:						
- Wages and salaries	1	75,706	31	7,159	61	82,865
- Social security contributions.....	2	20,794	32	1,966	62	22,760
- Allocation to the provision for employee leaving indemnities and similar obligations.....	3	4,614	33	436	63	5,050
- Sundry personnel expenses.....	4	20,626	34	1,950	64	22,576
Total.....	5	121,740	35	11,511	65	133,251
Foreign portfolio:						
- Wages and salaries	6	0	36	0	66	0
- Social security contributions.....	7	0	37	0	67	0
- Sundry personnel expenses.....	8	0	38	0	68	0
Total.....	9	0	39	0	0	0
Grand total.....	10	121,740	40	11,511	0	133,251
Costs of self-employed personnel:						
Italian portfolio.....	11	52,436	41	0	71	52,436
Foreign portfolio.....	12	0	42	0	72	0
Total.....	13	52,436	43	0	73	52,436
Total expenses for personnel.....	14	174,176	44	11,511	74	185,687

II: Description of items entered

	Non-life business		Life business		Total	
Investment management charges	15	486	45	1,155	75	1,641
Charges relating to claims.....	16	70,158	46	148	76	70,306
Other acquisition costs.....	17	35,858	47	4,226	77	40,084
Other administrative expenses	18	34,298	48	5,982	78	40,280
Administrative costs and expenses on behalf of third parties	19	33,376	49	0	79	33,376
.....	20	0	50	0	80	0
Total.....	21	174,176	51	11,511	81	185,687

III: Average number of staff during the year

	Number of	
Top management	91	59
Office staff.....	92	1,123
Blue collar	93	0
Other.....	94	0
Total.....	95	1,182

IV: Directors and statutory auditors

	Number of		Fees	
Directors	96	12	98	1,891
Statutory Auditors.....	97	3	99	314



OTHER ANNEXES

STATEMENT PURSUANT TO LAW No. 72 OF 19 MARCH 1983

This statement discloses assets still held by the Company to which monetary revaluation has been applied or for which valuation criteria have been waived according to Article 2425(3) of the previously valid Civil Code

MONETARY REVALUATION							(amounts in € thousands)
	Acquisition costs	Incremental	Law No. 576 02/12/1975	Law No. 72 19/03/1983	Law No. 413 30/12/1991	Other revaluations	Carrying amounts
REAL ESTATE							
<hr/>							
Used in business operations	27,277	4,178	213	686	2,810	0	35,164
<hr/>							
Rented to third parties	10,787	163	259	1,106	857	0	13,172
<hr/>							
EQUITY INVESTMENTS IN ITALIAN COMPANIES							
<hr/>							
In listed companies	581,894	0	0	1,666	0	11,362	594,922
<hr/>							
In unlisted companies	4,901	0	12	28	0	0	4,941
<hr/>							

Class C.II, C.III, D.I, D.II: list of long-term investments in shares, bonds, common investment funds
Pursuant to Art. 15, Section 1 of Law No. 173/1997

Financial 2023

Class	Category of assets	Type (1)	(2)	Company name	Currency	Nom. value in quantity	Carrying amount in € thousands
C.II	P	b	D	BANCA REALE SPA	EUR	28,500,000	40,119
C.II	P	b	D	BLUE ASSISTANCE SPA	EUR	3,120,000	5,511
C.II	P	b	D	ITALIANA ASSICURAZIONI SPA	EUR	16,112,735	385,802
C.II	P	b	V	ITALIANA ASSICURAZIONI SPA	EUR	21,036,993	209,120
C.II	P	b	D	Reale Immobili España S.A.	EUR	527,060	31,555
C.II	P	b	D	REALE IMMOBILI SPA	EUR	16,000,000	830,747
C.II	P	b	V	REALE IMMOBILI SPA	EUR	2,000,000	103,843
C.II	P	b	D	REALE INTERNATIONAL S.R.L.	EUR	1	100
C.II	P	b	D	REALE ITES S.r.l. RMA	EUR	1	76,390
C.II	P	b	D	REALE SEGUROS GENERALES S.A.	EUR	3,838,000	252,743
C.II	P	b	D	REALE VIDA Y PENSIONES S.A.	EUR	750	860
C.II	P	d	D	CREDEMASSICURAZIONI SPA	EUR	1,366,000	23,598
C.II	P	d	D	PHARMERCURE S.R.L.	EUR	3,904	1,682
C.II	P	and	D	BRIDGE INSURANCE SERVICE srl	EUR	3,835	922
C.II	P	and	D	EURAPCO AG	CHF	9,248	980
C.II	P	and	D	GAA Gestioni Assicurazioni Agricole S.r.l.	EUR	1,030	210
C.II	P	and	D	HUBFARM S.P.A.	EUR	24,984	800
C.II	P	and	D	SARA ASSICURAZIONI SPA ORD.	EUR	2,033,505	4,940
C.II	P	and	D	SARA ASSICURAZIONI SPA PRIV.	EUR	636,457	2,248
C.II	P	and	D	SOS SRL	EUR	2,028	500
C.II	P	and	D	YAGO S.r.l.	EUR	13,652	409
C.III	O	f	V	ABBVIE 09/19-18/11/31 TF 1.25% M.WHOLE+CALL	EUR	6,000,000	5,676
C.III	O	f	V	ABEILLE VIE SA D'ASSU 09/22-09/09/33+MW+SUB	EUR	2,000,000	1,972
C.III	O	f	V	ABN AMRO BANK NV 11/22-	EUR	4,000,000	3,992
C.III	O	f	V	AEGON NV 04/14-25/04/44 SUB+CALL LT II	EUR	8,500,000	8,592
C.III	O	f	V	AGEAS 11/20-24/11/51 FIXtoF+SUBLTII+CALL	EUR	5,000,000	4,466
C.III	O	f	V	ALLIANZ 09/19-25/09/491.301 FIXTOF+SUB	EUR	5,000,000	4,581
C.III	O	f	V	ALLIANZ SE 01/17-6/07/47LTII FIXtoF+CALL+SUB	EUR	4,500,000	4,506
C.III	O	f	V	ANHEUSER-INBEV 04/20-02/04/40 TF 3.70%	EUR	1,500,000	1,494
C.III	O	f	V	APT PIPELINES LTD 03/21-15/03/33+MW+CALL TF	EUR	3,000,000	2,682
C.III	O	f	V	ARGENTA SPAARBANK 01/20-29/01/27 TF 1%	EUR	5,500,000	5,347
C.III	O	f	V	ARGENTUM 02/19-19/02/49 FIXTOF+CALL+SUB LTII	EUR	2,000,000	1,913
C.III	O	f	V	ASML HOLDING NV 05/22-17/05/32 TF2.25%	EUR	5,000,000	4,979
C.III	O	f	V	ASR NEDERLAND NV 11/22-	EUR	3,000,000	3,015
C.III	O	f	V	ASSGEN 5.5% 10/15 27/10/47+SUB LTII FIXTOF+CALL	EUR	3,000,000	3,072
C.III	O	f	V	AT&T INC 09/19-14/09/39 TF 1.8% + MW+CALL	EUR	5,000,000	4,604
C.III	O	f	V	AUTOSTRADA PER L'ITALIA 01/23-	EUR	9,000,000	8,886
C.III	O	f	V	AVIVA PLC 06/15-04/12/45 FIXTOF+SUB LTII+CALL	EUR	3,000,000	2,991
C.III	O	f	V	AXA SA 03/16-06/07/47 FIXTOF+SUB LT II+CALL	EUR	9,000,000	9,068
C.III	O	f	V	AXA SA 03/18-28/05/49 FIXTOF+CALL+SUB LT II	EUR	2,000,000	1,974
C.III	O	f	V	AXA SA 04/21-07/10/41+CALL+SUB+FIXTOF	EUR	700,000	555
C.III	O	f	V	AXA SA 05/22-10/03/43 FIXTOF+CALL+SUBLT2	EUR	1,000,000	933
C.III	P	f	D	BANCA D'ALBA SCRL	EUR	17,974	46
C.III	O	f	V	BANCO SANTANDER 10/20-22/10/30TF1.625+SUB	EUR	2,500,000	2,357
C.III	O	f	V	BANK PLC 09/21-08/12/28 TF 0.375%	EUR	5,000,000	4,667
C.III	O	f	V	BANQUE FED CRED 06/22-	EUR	200,000	200
C.III	O	f	V	BANQUE OUEST AFRIC 01/21-22/01/33	EUR	2,500,000	2,347
C.III	O	f	V	BASF SE 11/17-15/11/37 TF 1.625% MAKE	EUR	3,500,000	3,251
C.III	O	f	V	BAXTER INTERN 05/19-15/05/29	EUR	5,000,000	4,859
C.III	O	f	V	BECTON DICKINSON 02/21-12/02/36 TF1.213%	EUR	5,000,000	4,470
C.III	O	f	V	BECTON DICKINSON 08/21-13/08/41+MW+CALL	EUR	3,750,000	3,123
C.III	O	f	V	BEI ZC 11/96 - 05/11/26	EUR	10,624,645	8,856
C.III	O	f	V	BELFIUS BANK SA/NV10/21-	EUR	5,500,000	4,741
C.III	O	f	V	BELGIUM 03/14-22/06/34 TF 3%	EUR	8,500,000	8,692
C.III	O	f	V	BONOS SPAGNA 01/20-30/04/30 TF 0.5%	EUR	20,000,000	19,155
C.III	O	f	V	BONOS T OBBLIG DEL ESTADO 03/16-31/10/46 TF 2.9	EUR	1,000,000	994
C.III	O	f	V	BONOS Y OB DE ESTADO 03/20-31/10/50 TF 1%	EUR	15,500,000	11,929
C.III	O	f	V	BONOS Y OBLIG DEL ESTADO 06/20-31/10/40 TF 1.2%	EUR	2,000,000	1,806
C.III	O	f	V	BOOKING HOLDINGS INC 03/21-08/03/28+MW+CALL	EUR	2,500,000	2,397
C.III	O	f	V	BORGWARNER INC 05/21-19/05/31+MW+CALL TF1%	EUR	5,000,000	4,494
C.III	O	f	V	BOT 05/21-15/07/28 TF0.5%	EUR	13,000,000	11,512
C.III	O	f	V	BOUYGUES SA 05/22-30/06/37+MW+CALL TF3.25%	EUR	9,000,000	8,913
C.III	O	f	V	BOUYGUES SA 11/22-30/06/42+MW+CALL TF5.375	EUR	500,000	560
C.III	O	f	V	BP CAPITAL MARKETS 04/20-07/04/32 TF 2.822%	EUR	4,200,000	4,201
C.III	O	f	V	BP CAPITAL MARKETS PLC 11/19-15/11/34 TF 1.104%	EUR	10,000,000	8,989
C.III	O	f	V	BPCE SA 02/22-02/02/34+FIXTOF+CALL+SUB	EUR	5,000,000	4,539
C.III	O	f	V	BPCE SA 04/22-26/04/32 TF2.375%	EUR	6,500,000	6,485
C.III	O	f	V	BTP 01/15-01/09/46 TF 3.25%	EUR	48,900,000	49,868

Class C.II, C.III, D.I, D.II: list of long-term investments in shares, bonds, common investment funds
Pursuant to Art. 15, Section 1 of Law No. 173/1997

Financial 2023

Class	Category of assets	Type (1)	(2)	Company name	Currency	Nom. value in quantity	Carrying amount in € thousands
C.III	O	f	V	BTP 01/19-01/03/35 TF 3.35%	EUR	42,700,000	42,880
C.III	O	f	V	BTP 01/20-01/09/2050 TF 2.45%	EUR	112,800,000	108,363
C.III	O	f	V	BTP 01/21-15/03/28 TF0.25%	EUR	2,900,000	2,520
C.III	O	f	V	BTP 01/22-01/09/52 TF 2.15%	EUR	42,800,000	38,415
C.III	O	f	V	BTP 02/20-01/03/36 TF 1.45%	EUR	2,000,000	1,840
C.III	O	f	V	BTP 02/21-01/08/31 TF 0.6%	EUR	12,000,000	9,412
C.III	O	f	V	BTP 03/02-01/02/33 TF 5.75%	EUR	6,500,000	6,933
C.III	O	f	V	BTP 03/17-01/03/48 TF 3.45%	EUR	1,000,000	999
C.III	O	f	V	BTP 03/20-01/08/30 TF 0.95%	EUR	33,900,000	27,893
C.III	O	f	V	BTP 03/21-01/04/26 ZC	EUR	10,000,000	9,746
C.III	O	f	V	BTP 03/21-30/04/45 TF 1.5% new	EUR	41,400,000	35,265
C.III	O	f	V	BTP 03/22 01/04/27 TF1.1%	EUR	4,500,000	4,191
C.III	O	f	V	BTP 04/21-01/03/72 TF 2.15%	EUR	47,000,000	38,734
C.III	O	f	V	BTP 05/13-01/09/44 TF 4.75%	EUR	8,700,000	10,477
C.III	O	f	V	BTP 05/22-01/03/38 TF3.25%	EUR	23,000,000	21,367
C.III	O	f	V	BTP 05/22-01/12/32 TF 2.5%	EUR	2,400,000	2,055
C.III	O	f	V	BTP 05/22-15/06/29 TF 2.8%	EUR	1,000,000	943
C.III	O	f	V	BTP 06/19-01/03/40 TF 3.10%	EUR	61,000,000	60,971
C.III	O	f	V	BTP 06/20-01/12/30 TF 1.65%	EUR	20,770,000	17,794
C.III	O	f	V	BTP 06/21-01/12/31 TF0.95%	EUR	2,000,000	1,586
C.III	O	f	V	BTP 07/17-01/08/27 TF 2.05%	EUR	5,000,000	4,759
C.III	O	f	V	BTP 07/22-01/12/27 TF2.65%	EUR	15,000,000	14,592
C.III	O	f	V	BTP 09/02/16-01/03/47 TF 2.7%	EUR	56,000,000	52,723
C.III	O	f	V	BTP 09/18-01/09/49 TF 3.85%	EUR	53,700,000	54,474
C.III	O	f	V	BTP 09/20-01/03/41 TF 1.8%	EUR	16,500,000	11,337
C.III	O	f	V	BTP 10/05-01/02/37 TF 4%	EUR	112,543,000	117,260
C.III	O	f	V	BTP 10/07-01/08/39 TF 5%	EUR	27,218,000	29,312
C.III	O	f	V	BTP 10/20-01/09/51 TF 1.7%	EUR	44,300,000	37,371
C.III	O	f	V	BTP 11/21-01/06/32 TF 0.95%	EUR	10,000,000	9,146
C.III	O	f	V	BTP 9/16/21 TF 2.45%	EUR	12,000,000	10,927
C.III	O	f	V	BTP AG 5% 24/09/2003 01/8/2034	EUR	71,000,000	72,692
C.III	O	f	V	BTP ITALIA 10/16-01/03/67 TF 2.80%	EUR	56,450,000	53,978
C.III	O	f	V	BTP NV 01 98/29 5.25	EUR	18,000,000	17,998
C.III	O	f	V	BTPS 09/14 - 01/12/24 TF 2.5%	EUR	48,500,000	48,921
C.III	O	f	V	BTPS 09/2009 09/01/40 FIX 5%	EUR	10,000,000	10,225
C.III	O	f	V	CAIXABANK SA 11/20-18/11/26 FIXtoFLT+CALL	EUR	5,000,000	4,870
C.III	O	f	V	CARMILA SA 11/20-30/05/27 TF 1.625% MK+CALL	EUR	3,000,000	2,909
C.III	O	f	V	CCEP FINANCE IRELAND 5/21-6/5/41MK+CALL TF	EUR	10,000,000	8,682
C.III	O	f	V	CHILE 07/21-26/07/36 TF 1.30%+CALL	EUR	1,500,000	1,124
C.III	O	f	V	CHINA GOVT INTL BOND 11/19-12/11/39	EUR	10,000,000	9,072
C.III	O	f	V	CHINA GOVT INTL BOND 11/20-25/11/35 TF 0.625%	EUR	11,000,000	9,753
C.III	O	f	V	CHILE 07/19-02/07/31 + CALL TF 0.83%	EUR	5,000,000	4,642
C.III	O	f	V	CNP ASSURANCES 10/21-	EUR	1,000,000	826
C.III	O	f	V	CNP ASSURANCES 11/19-27/07/50	EUR	6,000,000	5,382
C.III	O	f	V	CNP ASSURANCES 12/15-10/06/47+SUB+ CALL	EUR	3,000,000	2,991
C.III	O	f	V	COCA COLA CO 09/20-15/03/40 TF 0.8%+MW	EUR	2,000,000	1,713
C.III	O	f	V	COCA-COLA CO/THE 03/21-09/03/41 TF1%+MW	EUR	500,000	407
C.III	O	f	V	COCA-COLA CO/THE 05/21-06/05/36+MW TF 0.95%	EUR	3,000,000	2,767
C.III	O	f	V	COFINIMMO 01/22-24/01/28+MW+CALL TF1%	EUR	2,500,000	2,371
C.III	O	f	V	COFINIMMO 12/20-02/12/2030 TF 0.875% MW+CALL	EUR	10,700,000	8,340
C.III	O	f	V	COMCAST CORP 02/20-20/02/40 TF 1.25% MW+CALL	EUR	5,500,000	4,958
C.III	O	f	V	COMMERZBANK 96/26 ZC	LIT	94,860,000,000	39,569
C.III	P	f	D	CQOP SOA SPA	EUR	1,082	243
C.III	O	f	V	CREDIOP 2.1% 99/25 OPT FLOOR PREMIUM 4,2	EUR	7,990,000	7,976
C.III	O	f	V	CREDIT AGR ASS 01/18-29/01/48FIXTOFL+CALL+SUB	EUR	1,000,000	938
C.III	O	f	V	CREDIT MUTUEL ARKEA 03/21-11/03/33 TF0.875%	EUR	1,500,000	1,381
C.III	P	f	D	CREDITO EMILIANO	EUR	1,397,500	8,116
C.III	O	f	V	DEUTSCHE BAHN FIN 04/20-16/04/40 TF 1.375%	EUR	700,000	606
C.III	O	f	V	DEUTSCHE BAHN FIN GMBH 12/20-08/12/50 TF0.625%	EUR	1,100,000	838
C.III	O	f	V	DEUTSCHE BANK 03/22-	EUR	3,500,000	3,135
C.III	P	f	D	DEVELOPMENT CAPITAL 1 S.C.A.	EUR	12,183	155
C.III	O	f	V	DH EUROPE FINANCE 09/19-18/09/49 TF	EUR	9,500,000	8,407
C.III	O	f	V	DIGITAL INTREPID HOLDING 01/21-15/07/31	EUR	2,000,000	1,721
C.III	O	f	V	DOW CHEMICAL 02/20-15/03/40 TF 1.875%	EUR	11,000,000	9,738
C.III	O	f	V	EAST JAPAN RAILWAY CO 09/21-15/09/39 TF 1.104	EUR	12,000,000	10,920
C.III	O	f	V	EATON CAPITAL 03/21-08/03/30 TF 0.577% MW+CALL	EUR	2,800,000	2,615
C.III	O	f	V	EFSE 02/15-17/02/45 TF 1.20%	EUR	1,100,000	975
C.III	O	f	V	ELECTRIC. DE FRANCE 12/19-09/12/49 TF 2%	EUR	1,000,000	784
C.III	O	f	V	ELI LILLI & CO 11/19-01/11/49 TF 1.49% MW +CALL	EUR	2,000,000	1,691

Class C.II, C.III, D.I, D.II: list of long-term investments in shares, bonds, common investment funds
Pursuant to Art. 15, Section 1 of Law No. 173/1997

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C.III	O	f	V	ELI LILLY & CO 09/21-14/09/61+MW+CALL TF1.375%	EUR	6,500,000	5,040
C.III	O	f	V	ELM BV 04/17-29/09/47 FIXTOF+CALL+SUB LT II C	EUR	2,250,000	2,212
C.III	O	f	V	ENEL FINANCE INT 10/19-17/10/34 TF 1.125%	EUR	10,000,000	9,003
C.III	O	f	V	ENGIE SA 09/17-28/09/37 TF 2% MAKE WHOLE CAL	EUR	5,000,000	4,794
C.III	O	f	V	ENI SPA 09/16-19/09/2028 TF 1.125%	EUR	5,500,000	5,347
C.III	O	f	V	EQUINIX INC 03/21-15/03/33 TF1% MW+CALL	EUR	5,000,000	4,330
C.III	O	f	V	ERSTE GROUP BANK 06/22-	EUR	13,600,000	13,419
C.III	O	f	V	EURONEXT NV 05/21-17/05/41+MW+CALL TF 1.5%	EUR	11,000,000	9,462
C.III	O	f	V	EUROPEAN UNION 05/21-04/01/47 TF 0.75%	EUR	2,000,000	1,802
C.III	O	f	V	EUROPEAN UNION 10/21-04/02/37 TF0.4%	EUR	10,000,000	9,033
C.III	O	f	V	EUROPEAN UNION 11/20-04/11/25 ZC	EUR	5,000,000	4,952
C.III	O	f	V	EXOR NV 10/19-14/10/34 TF 1.75% + MW + CALL	EUR	3,000,000	2,712
C.III	O	f	V	EXXON MOBIL CORPORATION+MW+CALL	EUR	3,000,000	2,650
C.III	P	f	D	FABRICK SPA	EUR	501,052	5,000
C.III	O	f	D	FINLAND 09/17-15/09/27 TF 0.50%	EUR	4,000,000	4,000
C.III	O	f	V	FINLAND 09/17-15/09/27 TF 0.50%	EUR	2,000,000	2,000
C.III	O	f	D	FRANCE 06/18-25/11/28 TF 0.75%	EUR	8,000,000	8,002
C.III	O	f	V	FRANCE 01/17-25/06/39 TF 1.75%	EUR	15,800,000	15,864
C.III	O	f	V	FRANCE 02/20-25/05/52 TF 0.75%	EUR	20,000,000	16,788
C.III	O	f	V	FRANCE 03/21-25/06/44 TF0.5%	EUR	22,500,000	19,153
C.III	O	f	V	FRANCE 04/13-25/05/45 TF 3.25%	EUR	8,500,000	8,495
C.III	O	f	V	FRANCE 07/21-25/05/53 TF 0.75%	EUR	9,500,000	7,199
C.III	O	f	V	GECINA 01/22-25/01/33 MW+CALL TF 0.875%	EUR	6,000,000	5,490
C.III	O	f	V	GENERAL EL. 05/17-17/05/37 TF2.125% M.WHOLE	EUR	5,000,000	4,708
C.III	O	f	V	GOLDMAN SACHS GROUP 01/21-26/01/28 TF 0.25	EUR	5,000,000	4,695
C.III	O	f	V	GROUPE ACM 10/21-21/04/42+CALL+FIXTOF+SUB	EUR	7,500,000	6,553
C.III	O	f	V	HAMBURGER HOCH. AG 02/21-24/02/31 TF	EUR	15,000,000	13,790
C.III	O	f	V	HANNOVER RE 03/21-30/06/42 FIXTOF+CALL+SUB	EUR	3,000,000	2,620
C.III	O	f	V	HEIMSTADEN BOSTAD 10/21-13/10/31+MW+CALL	EUR	2,500,000	2,247
C.III	O	f	V	HEINEKEN 05/20-07/05/40 TF 1.75% MK+CALL	EUR	4,500,000	4,142
C.III	O	f	V	HONG KONG 11/21-24/11/41 TF1%	EUR	5,000,000	4,212
C.III	O	f	V	HSBC HOLDINGS PLC 11/22-	EUR	2,000,000	2,028
C.III	O	f	V	HUNGARY 06/20-05/06/35 TF 1.75%	EUR	5,000,000	4,713
C.III	O	f	V	IBISCO SPV/ABS 20280814 SEN	EUR	64,000,000	51,072
C.III	O	f	V	ING GROEP NV 06/21-09/06/32+CALL+FIXTOF+SUBB	EUR	2,500,000	2,356
C.III	O	f	V	INTESA SANPAOLO 02/21-24/02/31 TF 1.35%	EUR	25,600,000	19,565
C.III	O	f	V	INTESA SANPAOLO 11/19-19/11/26 TF 1%	EUR	10,000,000	9,798
C.III	O	f	V	INTESA SANPAOLO SPA 10/22-13/01/30 TF5.25	EUR	2,500,000	2,600
C.III	O	f	V	IRISH TSY 05/19 - 15/05/2050 TF1.5%	EUR	5,000,000	4,539
C.III	O	f	V	ISRAEL 01/17-18/01/37 TF 2.375%	EUR	600,000	564
C.III	O	f	V	ISRAEL 01/22-18/01/32 TF 0.625	EUR	2,500,000	2,335
C.III	O	f	V	JAB HOLDINGS BV 12/19-19/12/39 TF 2.25%	EUR	1,500,000	1,307
C.III	O	f	V	KONINKLIJKE PHI 05/22-05/05/33+MW+CALLTF2.625	EUR	5,000,000	4,961
C.III	O	f	V	LA BANQUE POSTALE 12/22-	EUR	4,000,000	4,055
C.III	O	f	V	LAND NORDRHEIN-WESTFALEN 06/22-	EUR	5,000,000	4,973
C.III	O	f	V	LB BADEN-WUERTEMBERG 01/21-21/02/31+TF0.375	EUR	17,500,000	12,991
C.III	O	f	V	LINDE PLC 9/21-30/9/51+MW+CALL TF1%	EUR	3,000,000	2,298
C.III	O	f	V	LOMB MC 98/28 ZC	EUR	9,267,680	7,276
C.III	O	f	V	MEDIOBANCA SPA 09/20-08/09/27 TF 1%	EUR	3,000,000	2,905
C.III	O	f	V	MEDTRONIC GLOB 09/20-15/10/50	EUR	5,000,000	4,340
C.III	O	f	V	MEDTRONIC GLOBAL HLD9/21-	EUR	2,500,000	2,237
C.III	O	f	V	MEXICO 03/15-06/03/45 TF 3% MAKE WHOLE	EUR	6,500,000	5,139
C.III	O	f	V	MEXICO 08/04-08/04/39 TF 2.875% MAKE WHOLE	EUR	8,000,000	7,237
C.III	O	f	V	MONDELEZ INTERN. 03/21-17/03/41 TF1.375%	EUR	9,500,000	7,638
C.III	O	f	V	MORGAN STANLEY 05/22-07/05/32+FIXTOF+CALL	EUR	7,000,000	7,002
C.III	O	f	V	MORGAN STANLEY 10/22-25/01/34+FIXTOF+CALL	EUR	1,000,000	989
C.III	O	f	V	MORGAN STANLEY 10/22-	EUR	2,000,000	2,054
C.III	O	f	V	MUENCHENER HYPOTHE. 03/21-09/03/29 TF 0.375%	EUR	11,500,000	10,629
C.III	O	f	V	MUTUELLE ASSURANCE 6/21-	EUR	3,000,000	2,459
C.III	O	f	V	NASDAQ INC 02/20-13/02/30 TF 0.875% + MW+CALL	EUR	3,000,000	2,796
C.III	O	f	V	NASDAQ INC 07/21-30/07/33+MW+CALL TF 0.9%	EUR	2,500,000	2,219
C.III	O	f	V	NATIONAL GRID PLC 05/22-30/03/34+MW+CALL	EUR	5,000,000	5,001
C.III	O	f	V	NEDERLANDSE GASU 07/22-	EUR	6,000,000	6,031
C.III	O	f	V	NESTLE FINANCE INTL 06/21-14/06/41+CALL	EUR	3,000,000	2,595
C.III	O	f	V	NN GROUPO4/14-08/04/44 FIXTOF+SUB+CALL	EUR	2,000,000	2,045
C.III	O	f	V	NORDEA BANK ABP 03/21-19/03/31 TF 0.5%	EUR	5,000,000	4,628
C.III	O	f	V	OPTUS FINANCE 6/19-20/06/2029 TF1% MAKE	EUR	3,500,000	3,326
C.III	O	f	V	PEPSICO INC 07/16-18/07/28 TF	EUR	5,000,000	4,928

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C.III	O	f	V	POLAND 10/16-25/10/46 TF 2%	EUR	8,500,000	8,240
C.III	O	f	V	PORTUGAL 01/22-11/04/42 TF1.15%	EUR	1,500,000	1,039
C.III	O	f	V	PORTUGAL 02/21-12/04/52 TF1%	EUR	35,600,000	24,898
C.III	O	f	V	POSTE ITALIANE 12/20-10/12/28 TF 0.5%+CALL	EUR	15,000,000	13,917
C.III	O	f	V	POWER FINANCE CORP LTD 09/21-21/09/28 TF1.841	EUR	2,500,000	2,356
C.III	O	f	V	PROLOGIS EURO FIN 09/19-10/09/49 TF	EUR	1,500,000	1,207
C.III	O	f	V	PROLOGIS EURO FINANCE 02/21-16/02/41	EUR	4,000,000	3,213
C.III	O	f	V	PROSUS NV 07/21-13/07/33+MW+CALL TF1.985%	EUR	3,000,000	2,487
C.III	O	f	V	PROSUS NV 08/20-03/08/32 TF 2.031% MW+CALL	EUR	3,500,000	2,965
C.III	O	f	V	RAIFFEISENBANK AS 06/21-	EUR	2,500,000	2,249
C.III	O	f	V	RCI BANQUE SA 01/23-13/07/26 TF4.625%+CALL	EUR	500,000	500
C.III	O	f	V	RELX FINANCE 03/20-10/03/32 TF 0.875% MW+CALL	EUR	4,000,000	3,737
C.III	O	f	V	REPUBLIC OF INDONESIA 10/19-30/10/31 TF 1.40%	EUR	4,500,000	3,956
C.III	O	f	V	ROYAL SCHIPHOL GROUP NV 04/21-22/04/33	EUR	3,000,000	2,731
C.III	O	f	V	SAMPO OYJ 09/20-03/09/52 FIXtoF+SUB+CALL	EUR	6,500,000	5,987
C.III	O	f	V	SAMPO OYJ 5/19-23/5/49 FIXTOF+SUB+CALL	EUR	4,000,000	3,853
C.III	O	f	V	SCOR SE 05/16-27/05/48 FXTOF+SUB+CALL	EUR	2,000,000	1,970
C.III	O	f	V	SES SA 06/22-14/01/29+MW+CALL TF3.5%	EUR	1,000,000	998
C.III	O	f	V	SKANDINAVISKA ENSKILDA 11/22-09/11/26 TF4%	EUR	500,000	503
C.III	O	f	V	SLOVAKIA 10/17-17/10/47 TF2%	EUR	5,000,000	4,721
C.III	O	f	V	SLOVENIA 03/16-03/11/40+TF1.75%	EUR	6,500,000	6,055
C.III	O	f	V	SLOVENIA 10/20-20/10/50 TF 0.4875%	EUR	8,500,000	6,255
C.III	O	f	V	SMURFIT KAPPA TREASURY 9/21-	EUR	1,000,000	889
C.III	O	f	V	SOC CATTOLICA AS 12/17-	EUR	1,000,000	997
C.III	O	f	V	SOCIETE DU GRAND PARIS 10/20-15/10/60 TF 0.7	EUR	2,400,000	1,701
C.III	O	f	V	SOCIETE NATIONALE SNCF 01/21-19/01/61 TF 1%	EUR	3,000,000	1,930
C.III	O	f	V	SPAIN 02/18-31/10/48 TF 2.7%	EUR	20,300,000	21,438
C.III	O	f	V	SPAIN 02/21-31/10/71 TF 1.45%	EUR	34,200,000	24,485
C.III	O	f	V	SPAIN 02/22-31/10/52 TF 1.9%	EUR	7,000,000	6,123
C.III	O	f	V	SPAIN 04/21-30/07/37 TF 0.85%	EUR	3,000,000	2,157
C.III	O	f	D	SPAGNA 07/18-30/07/28 TF 1.4%	EUR	10,000,000	9,491
C.III	O	f	V	SPAIN 09/21-30/07/42 TF 1%	EUR	21,500,000	16,440
C.III	O	f	V	STANDARD CHARTERED 11/22-	EUR	600,000	501
C.III	O	f	V	STELLANTIS NV 06/21-20/06/33+MW+CALL TF1.25%	EUR	6,500,000	5,707
C.III	O	f	V	STOREBRAND LIV. 03/21-30/09/51	EUR	1,000,000	821
C.III	O	f	V	SUMITOMO MITSUI 10/19-23/10/29 TF 0.632%	EUR	5,300,000	4,940
C.III	O	f	V	SWISS RE 3/19-30/04/50 TF2.534% FIXTOF+SUB+CALL	EUR	2,500,000	2,298
C.III	O	f	V	SWISS RE FIN 06/20-04/06/52 SUB+FIXtoFLT+CALL	EUR	4,500,000	4,003
C.III	O	f	V	TAKEDA PHARMAC 07/20-09/07/40 TF 2%+MW+CALL	EUR	7,500,000	6,917
C.III	O	f	V	TALANX AG 12/17-05/12/47 FIXTOF+SUBL+CALL	EUR	5,000,000	4,728
C.III	O	f	V	TELEFONAKTIEBOLAGET 02/22-08/02/27	EUR	2,800,000	2,641
C.III	O	f	V	TEMASEK FIN LTD 11/19-20/11/49 TF 1.25% MW+C	EUR	6,000,000	5,230
C.III	O	f	V	TENNET HOLDING BV 05/22-15/05/42+MW+CALL	EUR	4,500,000	4,439
C.III	O	f	V	TENNET HOLDING BV 06/21-09/06/41+MW+CALL	EUR	5,000,000	4,341
C.III	O	f	V	TENNET HOLDING BV 11/20-30/11/40 TF 0.5%	EUR	3,500,000	2,759
C.III	O	f	V	TEREGA SASU 02/20-27/02/28 TF 0.625% MW+CALL	EUR	5,000,000	4,667
C.III	O	f	V	THERMO FISHER 07/17-24/07/37+MW+CALLTF2.875%	EUR	2,500,000	2,515
C.III	O	f	V	THERMO FISHER 09/19-01/10/49 TF 1.875 MW+CALL	EUR	3,000,000	2,705
C.III	O	f	V	THERMO FISHER SC 10/21-18/10/51+MW+CALL TF2%	EUR	1,000,000	906
C.III	O	f	V	TOTAL CAPITAL INTL SA 07/16-12/07/28 TF0.75%	EUR	5,000,000	4,866
C.III	O	f	V	TOTAL CAPITAL INTL SA+MW+CALL	EUR	2,000,000	1,870
C.III	O	f	V	UBS GROUP AG 01/21-18/01/33 MAKE WHOLE	EUR	2,000,000	1,681
C.III	P	f	D	UFF.CENTR.ITALIANO S.CONSA R.L.	EUR	25,241	49
C.III	O	f	V	UNIBAIL 07/19-01/07/49 TF 1.75% MAKE	EUR	1,500,000	1,210
C.III	O	f	V	UNIBAIL-RODAMCO 04/16-28/04/2036 TF 2%	EUR	4,500,000	4,218
C.III	O	f	V	UNICREDIT SPA 01/20-20/01/30 TF 1.8%	EUR	8,000,000	7,659
C.III	O	f	V	UNICREDIT SPA 01/21-19/01/31 TF0.85%	EUR	5,800,000	4,436
C.III	O	f	V	UNILEVER FINANCE 05/22-16/05/34+MW+CALL TF	EUR	1,000,000	1,000
C.III	O	f	V	UNILEVER PLC 6/19-11/6/39 TF 1.50%	EUR	4,500,000	4,339
C.III	O	f	V	UNIQA INSURANCE G 12/21-	EUR	12,000,000	9,292
C.III	O	f	V	UNITED MEXICAN STATES 01/21-25/10/51 MW+CALL	EUR	5,000,000	3,419
C.III	O	f	V	UPOHNS FINANCE 06/20-23/06/32 TF 1.908%	EUR	2,000,000	1,830
C.III	O	f	V	UPM-KYMMENE OYJ 03/21-22/03/31 TF 0.5%	EUR	1,500,000	1,343
C.III	O	f	V	VESTEDA FINANCE BV 10/21-18/10/31+MW+CALL	EUR	4,000,000	3,632
C.III	O	f	V	VF CORP 02/20-25/02/32 TF0.625%+MW+CALL	EUR	3,000,000	2,715
C.III	O	f	V	VIENNA INSUR. GRP AGW 03/21-26/03/36	EUR	7,400,000	6,513

Class C.II, C.III, D.I, D.II: list of long-term investments in shares, bonds, common investment funds
Pursuant to Art. 15, Section 1 of Law No. 173/1997

Financial 2023

Class	Category of assets	Type (1)	(2)	Company name	Currency	Nom. value in quantity	Carrying amount in € thousands
C.III	O	f	V	VITERRA FINANCE BV 09/21-24/09/28+MW+CALL	EUR	6,000,000	5,522
C.III	O	f	V	VODAFONE GROUP PLC 11/17-20/11/37 TF 2.875%	EUR	8,000,000	8,014
C.III	O	f	V	VOLKSWAGEN INTL FIN 11/18-16/11/18 TF 4.125%	EUR	9,000,000	9,013
C.III	O	f	V	VONOVIA SE 03/21-24/03/31+MW+CALL	EUR	5,000,000	4,524
C.III	O	f	V	VONOVIA SE 06/21-14/06/41+MW+CALL TF1.5%	EUR	3,500,000	2,705
C.III	O	f	V	WELLS FARGO 09/19-25/03/30 TF 0.625%	EUR	2,000,000	1,847
C.III	O	f	V	WESTLAKE CORP TF1.625% 07/19-17/07/29 + CALL	EUR	2,500,000	2,429
C.III	O	f	V	WESTPAC BANKING 5/21-	EUR	600,000	522
C.III	O	f	V	WINTERSH DEA FIN 09/19-25/09/31	EUR	5,000,000	4,437
C.III	O	f	V	WPC EUROBOOND 09/19-15/04/28 TF 1.35%	EUR	5,000,000	4,806
C.III	O	f	V	ZURICH FIN IR 06/20-17/09/50 FIXtoF+SUB+CALL	EUR	2,000,000	1,892

Class C.II, C.III, D.I, D.II: list of long-term investments in shares, bonds, common investment funds
Pursuant to Art. 15, Section 1 of Law No. 173/1997

Financial 2023

Class	Category of assets	Type (1)	(2)	Company name	Currency	Nom. value in quantity	Carrying amount in € thousands
C.II	O P Q			Totals C.II			1,973,079
				Bonds and other securities			0
				Shares and interests			1,973,079
				Shares in common investment funds			0
C.III	O P Q			Totals C.III			2,216,195
				Bonds and other securities			2,202,586
				Shares and interests			13,609
				Shares in common investment funds			0
D.I	O P Q			Totals D.I			0
				Bonds and other securities			0
				Shares and interests			0
				Shares in common investment funds			0
D.II	O P Q			Totals D.II			0
				Bonds and other securities			0
				Shares and interests			0
				Shares in common investment funds			0
	O P Q			Grand total			4,189,274
				Bonds and other securities			2,202,586
				Shares and interests			1,986,688
				Shares in common investment funds			0

(1) Type

a = Parent companies

b = Subsidiaries

c = Affiliated

d = Associated

e = Other shareholdings

f = Other

(2) :

D for investments assigned to Non-life business

V for investments assigned to Life business

D1 for investments assigned to Life business (D.I)

D2 for investments assigned to Life business (D.II)

