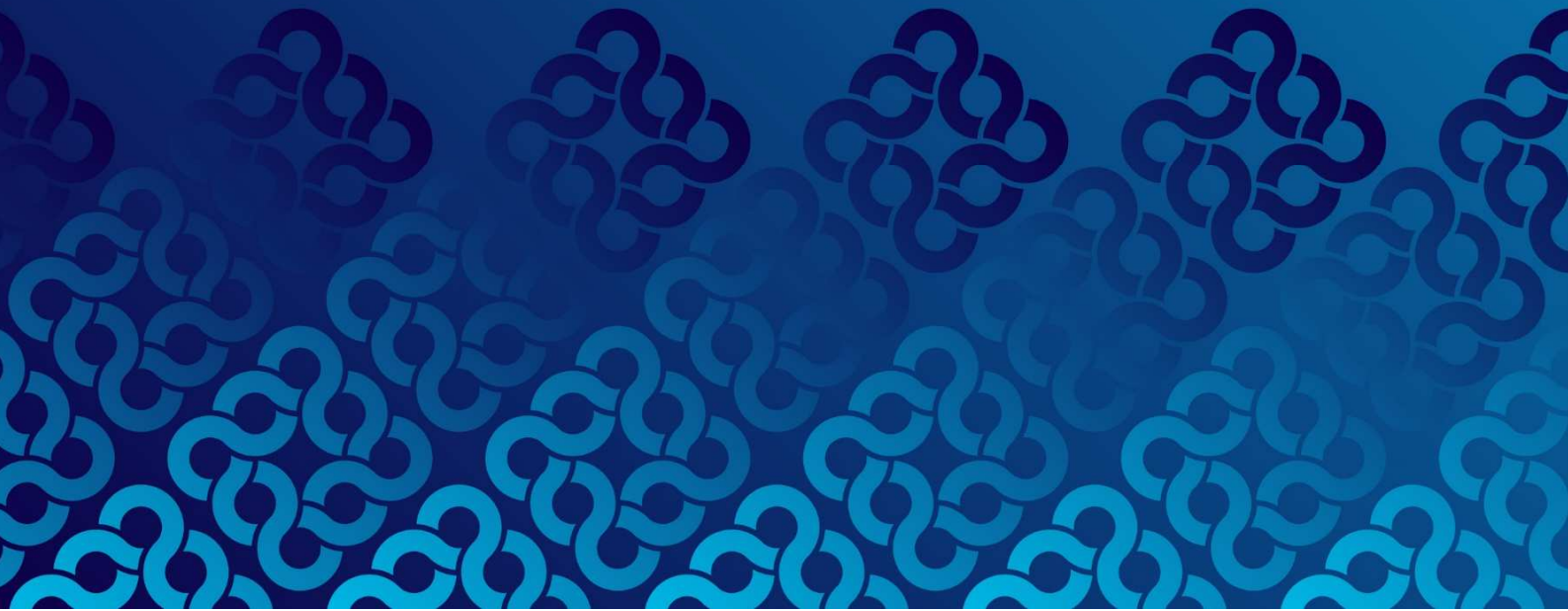


FINANCIAL STATEMENT

2022

Athora Italia S.p.A.



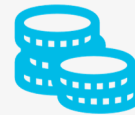


OUR NUMBERS



€ 14.62 mln

Net profit



€ 21.93 mln

Pre-tax profit



197 %

Solvency Ratio



€ 398.25 mln

Shareholders' equity



€ 852.87 mln

Awards Issued



6.7 billion

Investments



~ 100

Employees



~ 140 K

Policyholders



INDEX

CORPORATE OFFICES.....	6
THE FRAME OF REFERENCE	7
THE SITUATION OF THE COMPANY	15
SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR	47
MANAGEMENT OUTLOOK	47
PROPOSAL TO THE SHAREHOLDERS' MEETING.....	48
BALANCE SHEET	49
PROFIT AND LOSS ACCOUNT	53
NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022	57
PART A - EVALUATION CRITERIA.....	58
PART B - INFORMATION ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT	72
PART C - OTHER INFORMATION	102
ANNEXES TO THE NOTES	105
CASH FLOW STATEMENT.....	123
ACTUARIAL REPORT ON TECHNICAL PROVISIONS.....	125
AUDITOR'S REPORT	153
STATUTORY AUDITORS REPORT.....	161

CORPORATE OFFICES

Below are the effective Corporate Offices as of 22 March 2023:

Board of Directors

President

Eric François Loik Viet

Vice-President

Andrea Moneta

Managing Director/ General Manager

Jozef Bala

Councillors

Shamira Mohammed

Valerio Beccacci

Henrik Matsen

Rosa Cipriotti

Ugo Ruffolo

Paolo Vagnone

Board of Statutory Auditors

President

Luca Rossi

Standing auditors

Andrea Collalti

Fabio Maria Venegoni

Substitute auditors

Monica Vecchiati

Paolo Giovanni Gualtiero Targa

Auditing companies

EY S.p.A.

THE FRAME OF REFERENCE

The macroeconomic scenario

On 30 January, the International Monetary Fund revised upwards the global growth estimates issued in October 2022. Following a recovery path, world economy is expected to grow by +2.9% in 2023, followed by +3.1% in 2024, although below the 2000-2019 average (+3.8%). World inflation is expected to fall, compared to the 8.8% in 2022 (+6.6% in 2023 and +4.3% in 2024), yet it is still expected to stay above pre-pandemic levels (2017-19) by about 3.5%, with prices in advanced economies falling to 4.6% this year and 2.6% in 2024.

Central banks' rate hikes to contrast inflation and the Russia-Ukraine war will continue to weigh on the economic activity. Although these countries have a relatively marginal impact in terms of worldwide production, they remain the main producers and exporters of basic foodstuffs, minerals and energy. In addition, the spread of Covid-19 in China slowed down even more the 2022 growth, although the recent reopening paves the way for a faster-than-expected recovery.

Since the fourth quarter of last year, production activity in particular has reportedly been slowing down in advanced countries, reflecting the generalised loss of purchasing power of incomes caused by inflation. The slowdown in global demand has helped moderate oil prices. In Europe, natural gas prices, although remaining at historically high levels, have significantly fallen as a result of mild temperatures, declining industrial demand and large stockpiles.

The diplomatic front is moving to facilitate dialogue between Russia and Ukraine. China is ready to join forces with the international community to promote a political solution to the war. Meanwhile, fighting continues especially in the east of the country. The United States and Europe therefore intend to accelerate the planned delivery of weapons to Ukraine. For the time being, there are no conditions to supply combat aircrafts, even though NATO has decided to increase the production of ammunition and

artillery, which after 12 months of war are beginning to run out.

In foreign exchange markets, after falling below parity last September (EUR/USD exchange rate was 0.96), the euro recovered (EUR/USD exchange rate was 1.0666 on 30 December 2022). The recovery of the European currency is to be attributed to the monetary policies of the two reference central banks and to the investors' expectations of future policies. The Federal Reserve has implemented more restrictive monetary policies than the ECB. In addition, the US inflation rate has peaked and is now falling more systematically, as is core inflation.

In the fourth quarter of 2022, the **US** economy grew more than expected: GDP increased by 2.9% compared to 3.2% in the previous three months and against an estimate of 2.6%. Furthermore, the productivity of US industry recorded a +3%, against a forecast of 2.3% and a previous result of 1.4%. These figures are the result of the positive impact on the economy of investment plans implemented by the current administration: e.g. the transition to a green economy and the infrastructure renewal investment plan. These are macroeconomic stimuli to the economy, whose first effects are mainly noticeable in the labour market: at the end of 2022, the unemployment rate stood at 3.5%, down from estimates (3.7%), and in the first months of 2023 this positive trend seems to be confirmed (3.4%). On the inflation front, the consumer price index in the US in December 2022 showed an increase of 6.5%, yet still down from the 7.1% recorded in November and in line with market expectations. Core inflation, which excludes food and energy, however, continues to proceed at a similar pace as in the previous two months, with a conjunctural increase of 0.3% and an annual rate at 5.7% - a sign that, beyond the more volatile components of the basket, there are inflationary pressures that continue to extend to goods and services. It is therefore expected that the Fed will continue to raise the cost of money in the coming months.

During the course of the year, **Japan experienced one of the** most significant shifts in the economy in 2022: deflation receded after decades, and at the last meeting of the year, the Japanese Central Bank resolved to abandon its control policy on bond yields, adopted to keep interest rates at

zero. Notably, Japanese inflation rose 3.7% in November, driven by food and energy import prices further inflated by the weak yen. This was the 15th consecutive increase in prices, taking them well above the 2% target. This prompted Japan's monetary authority to raise the yield bar on ten-year bonds by 25 basis points, resulting in the strengthening of the yen against the dollar. According to economists, the consumer price index is expected to remain above target in the first half of 2023 in Japan too.

In **China**, GDP in Q4 2022 showed a zero change in cyclical terms (+3.9% in Q3), bringing the annual figure down to 3.0%: this is the worst result in 40 years (excluding 2020). The moderate growth was mainly due to the very strict social distancing measures implemented between October and November to contain the spread of Covid-19, which led to disruptions in production activities and growing social tensions, resulting in a marked deterioration of the economic framework. The government later decided on a sudden relaxation of these policies at the beginning of December: the positive effect on domestic demand was counterbalanced by the negative one of a new strong wave of infections in a context characterised by a low level of immunisation of the population and a poorly prepared national health system. However, expectations for the Chinese economy remain moderately positive: the International Monetary Fund has revised its growth estimates upwards: in 2023, Chinese GDP is expected to increase by 5.2%.

For the so-called Emerging Markets Area, the International Monetary Fund has revised its growth forecasts for 2023- 2024 upwards (+4.0%, +4.2%). The Chinese government's recent abandonment of the hard line on restrictive measures to control the spread of Covid-19 contagions has led the Fund's experts to also revise upwards the growth estimates for the large Asian economy. The projections for the Indian economy remain unchanged, stable at very sustained growth levels over the entire forecast horizon (+6.1% in 2023, +6.8% in 2024).

In the **Eurozone**, despite the difficulties related to the global geo-political scenario, the economy avoided the contraction in the fourth quarter predicted in the autumn forecast. The annual growth rate for 2022 is currently estimated at 3.5

% in both the EU and the Eurozone. The continuous diversification of supply sources and a sharp drop in consumption have left gas storage levels above the seasonal average of recent years and wholesale gas prices well below pre-war levels. In addition, the European programme to reduce energy dependency on Russia and accelerate the green transition (REPowerEU) provided new funds to support national recovery and resilience plans. Inflation in the euro area in December 2022 recorded an annual increase of 9.2% (+5.0% compared to the same month in 2021). As has been the case for months now, it is the energy component that grew the fastest (+25.5% compared to December 2021), while, on a monthly basis, consumer prices in the euro area dropped by 0.4%. In light of these results, the European Central Bank continued its important action of monetary policy tightening. At its last meeting in February, the ECB Governing Council decided to raise the three key interest rates by an additional 50 basis points. Thus, the interest rates on the main and marginal refinancing operations, as well as the deposit facility were raised to 3.00%, 3.25% and 2.50% respectively, with effect from 8 February 2023. Finally, the labour market in the European Union continued to perform well and the unemployment rate remained at its historical low of 6.1% until the end of 2022. Confidence is increasing and the January analyses indicate that economic activity should also avoid a contraction in the first quarter of 2023.

Overall, Italian GDP increased by 3.9% in 2022. Growth was supported by national demand and a strong expansion in household consumption. However, according to the modelling estimates of the Bank of Italy, economic activity weakened in the fourth quarter of 2022 compared to the previous period due to the persistence of high energy prices and the damping of the recovery in the sectors most affected by the pandemic, such as trade, transport and accommodation services. GDP is estimated to grow by 0.6% in 2023 and 1.2% in both 2024 and 2025. Price dynamics reached high levels during the year: according to the ISTAT estimates, the national consumer price index for the entire community (NIC), gross of tobacco, rose by 11.6 % year-on-year in December. The cyclical increase in the overall index was mostly due to the growth in the prices of regulated energy (+7.8%), processed food (+0.8%) and other goods (+0.7%). Inflation is

forecast to fall to 6.5 % by 2023 and to 2 % by 2025. Finally, as regards the labour market, the balance for 2022 is largely positive, despite the slowdown at the end of the year. In the third quarter, the unemployment rate was at historically low levels, 7.9 %, 0.2 percentage points lower than in the previous quarter.

Financial markets

As mentioned above, the European Central Bank at its meeting of 2 February 2023 raised its key policy interest rates by an additional 50 bps and announced that the Governing Council would continue to raise interest rates significantly at a steady pace and keep them at sufficiently restrictive levels to ensure a prompt return of inflation to its 2% target over the medium term. At the same meeting the Governing Council announced the modalities for the reduction of the securities holdings held by the Eurosystem under the Asset Purchase Programme (AAP). The pace of this reduction will average €15 billion per month from the beginning of March to the end of June 2023 and will then be determined over time. As regards the Pandemic Emergency Purchase Programme (PEPP), on the other hand, the Governing Council intends to reinvest the principal repaid on maturing securities under the programme at least until the end of 2024. In any case, the future reduction of the PEPP portfolio will be managed so as to avoid interference with the appropriate monetary policy stance.

The Federal Reserve in February 2023 also announced a further 25 basis point increase in interest rates to 4.50 % and 4.75 %. The minutes of the last Federal Open Market Committee meeting showed that keeping inflation high, according to the Fed, are the post-Covid reopenings in China, the still very strong US labour market, and the war in Ukraine. A restrictive policy will be necessary until inflation is steered towards the 2% target.

The restrictive approach adopted by the central banks significantly changed the monetary rate framework in the euro area. The three-month Euribor averaged -2.43% in February 2023 (-0.54% in the same month of 2022). The rate on 10-year interest rate swaps in February was +3.15% (+0.38% in January 2022). The benchmark rate on

the 10-year maturity in February 2023 yields +3.94% in the US, +2.52% in Germany and +4.40% in Italy. The spread against the BTP/Bund stood at 219 basis points on 31 December 2022.

2022 was a difficult year for equity markets. Rising interest rates negatively impacted share prices and especially growth stocks: the Vanguard Growth ETF (VUG) significantly underperformed the S&P 500, generating a total return of -27.8% year-on-year. In contrast to growth stocks, value stocks held up in 2022. In fact, the Vanguard Value ETF (VTV) generated a total return of just -1.7% annually. Investors, concerned about market volatility, geopolitical and economic uncertainty and rising interest rates, are likely to continue seeking relative safety in value stocks.

In January 2023, international stock prices showed the following dynamics: the Dow Jones Euro Stoxx rose +3.4% (-3.9% y/y), the Nikkei 225 fell -2.5% (-5.2% y/y), the Standard and Poor's 500 rose +1.2% (-13.6% y/y). The main European stock exchange indices highlighted the following average monthly changes in January 2023: the Cac +5.4%, the Ftse100 +3.5%, the Dax30 +5.2% and the Ftse Mib +6.3%.

Insurance sector

At the end of 2022, as regards the **life** segment, adding to the new premiums of individual and collective policies those of subsequent years in respect of policies underwritten in previous years, total premiums are estimated at € 93.6bn, down 12% from the previous year. This is due to the contraction (-4%) in premium income from class I policies of € 60bn (64% of total life premiums), and even more so in unit-linked policies (-27%) with a volume of € 29bn (31% of the total). Volumes in classes V and VI are estimated to be up 9% and 27% respectively, with market shares of 1% and 3%. Restricting the analysis to new individual policy premiums alone, which amount to € 73.2bn (95% of total new business), an annual decrease of 14% is observed. In 2022, single-premium policies continued being the most popular choice among policyholders (94% of total premiums) with an average amount of around € 40,500, while annual and recurring premiums averaged € 700 and € 6,050 respectively. More than 73% of premiums written came from the banking, postal and

financial networks, while the share from the agency and direct networks was 25%.

At the overall life market level, the incidence of written premiums as on reserves amounted to 11.7%, down more than one percentage point from 13.1% of the previous year. More than 70% of total reserves derive from obligations taken on in class I, while about a quarter relate to class III policies. The change in the stock of reserves with respect to the end of 2021 was negative by -€ 18.4bn, despite the fact that the technical balance of the sector, defined as the difference between premium income and payments for surrenders, maturities, annuities and claims, was positive by almost +€ 16bn.

Real estate sector

The year 2022 was characterised by a progressive deterioration of the macroeconomic scenario, which weakened the bullish trend that has characterised the Italian real estate market for more than a year and a half. Analysing the data issued by the Agenzia delle Entrate (Revenue Agency), an increase in purchases and sales can still be observed overall, but the main economic indicators foretell risks of a slowdown with consequent repercussions in all sectors, including real estate.

The Residential **Market**: in the third quarter of 2022, the trend rate of purchases and sales in the residential sector saw a slowdown in the expansionary phase that began in the third quarter of 2020. Compared to the same quarter of 2020, the growth recorded is 1.7%. The tendential rates are slightly higher in the capitals (+2.2%) and just a bit lower in the smaller non-capital municipalities (+1.5%), albeit a slight negative rate is recorded in the North East (-0.1%). The increase in trade in the Islands area is higher than the national figure (+8.3%) compared to Q3 2021. In the North West and the Centre the change is almost nil (+0.4% and +0.8% respectively), while in the South the increase is 2.2%.

The **Tertiary-Commercial Sector** consists of offices and private practices, shops and workshops, commercial warehouses and garages, commercial buildings, hotels and guesthouses. The survey for the third quarter of 2022 confirms the slowdown

in the expansionary dynamic. The increase in volumes bought and sold is +1.3%: this is the lowest growth rate in the last two years. From a territorial point of view, the Islands macro area presents the highest rate of increase (+8.4%) and about half of the entire market is confirmed as being concentrated in the North.

The **Production Sector**, consisting mainly of warehouses and industries, reported a market expansion rate of +15.6% in this third quarter compared to the same quarter in 2021. The greatest increase was recorded in the South (+55.3%), while in the Northeast the trend was negative (-2.8%).

As far as the 2023/24 *outlook is concerned*, real estate operators expect a temporary end to the extraordinary phase that characterised the period following the Covid-19 pandemic, albeit for mainly exogenous reasons. The effects of the changed macroeconomic environment are not yet fully perceptible, but the real estate market is expected to become less accessible than it was a few months ago. Contributing to the slowdown will be the soaring prices that have, on the one hand, reduced the spending and investment capacities of households and businesses, and, on the other hand, triggered a violent response by the ECB in attempt to reduce inflation: the increased cost of debt, due to increasingly restrictive monetary policies, will contribute to drastically reducing the reach of the credit channel.

Solvency II

As of 1 January 2016, the *Solvency II* regulations came into force.

In particular, the Legislative Decree No. 74 of 12 May 2015, by amending the Private Insurance Code (Legislative Decree No. 209 of 7 September 2005), implemented the Directive 2009/138/EC of the European Parliament and of the Council, introducing into the Italian regulatory framework the new solvency regime (*Solvency II*) to which insurance and reinsurance undertakings are subject.

Annual and Quarterly Reporting

In compliance with the *disclosure requirements of Solvency II* regulations, Athora Italia sent its annual

quantitative reporting (AES), *Regulatory Supervisory Report* (RSR) and *Single Solvency and Financial Condition Report* (SFCR) to IVASS on 8 April 2022.

The *Quartely Reports 2022* on the closing data for each quarter were sent within the prescribed period of 5 weeks after the end of each quarter.

Periodic monitoring

In a communication dated 17 March 2020, IVASS, as a consequence of the effects produced by the Covid-19 epidemiological emergency, started a periodic monitoring of the solvency position, requesting weekly updates of the solvency data of the Companies and the Group, also resorting to simplifications.

Subsequently, in a communication dated 19 June 2020, considering the changes in the health situation as well as the partial recovery of certain economic and financial variables, the Institute decided to reduce the frequency of the information flow on a monthly basis.

Throughout 2022, Athora Italia monitored its solvency position on a monthly basis.

Regulatory developments

The regulatory framework appears to be in continuous evolution by the legislator and the sector regulator, with significant impacts from a regulatory, legal and management perspective, always in the perspective of a more general EU strategy aimed at creating a single, integrated, competitive and efficient market at European level, with low costs, high stability and consumer protection. In particular:

Specifically with reference to secondary legislation, **IVASS** has issued:

Regulations and Measures:

- *IVASS Regulation No. 52 of 30 August 2022:* on the implementation and application of the provisions concerning the option to value short-term securities on the basis of the value resulting from the last annual financial

statements, pursuant to Law Decree No. 73/2022;

- *IVASS Regulation No. 53 of 30 August 2022:* regulating the use of external agents for mystery shopping activities carried out by the Institute to protect consumers.
- *IVASS Regulation No. 54 of 29 November 2022:* regulating the procedures for the adoption of IVASS regulatory and general acts referred to in Article 23 of Law No. 262 of 28 December 2005;
- *IVASS Order No 121 of 7 June 2022:* amendments and additions to Regulation No 7 of 13 July 2007 and its annexes, in order to incorporate the changes introduced by IFRS 17 on the presentation and disclosure of accounting items related to insurance contracts;

In addition, the **Authority** issued the following Letters to the Market:

- *Letter to the market of 28 February 2022,* announced that it had completed the revision of the collection of data and documentation relating to claim management activities under Article 9 of ISVAP Regulation No 24/2008. The revision is part of the process of standardising and optimising the procedures used to exchange information with insurance companies.
- *Letter to the Market of 4 March 2022,* in which it summarised the main requirements for the submission of supervisory reports, with a reference date of 2022 or to be submitted during 2022, including the transmission modalities via Infostat and the related deadlines.
- *Letter to the market of 21 June 2022:* periodic communication on complaints received by undertakings pursuant to Article 9 of ISVAP Regulation No 24/2008 - New protocol for the exchange of information. Activation of new Infostat surveys;
- *Letter to the market of 20 July 2022,* PEC/PEO e-mail addresses for replies to requests for information on complaints by IVASS

- Letter to the market of 27 July 2022, Natural Disaster Risk and Sustainability Monitoring;
- Letter to the market of 29 November 2022, new protocol for the exchange of information via INFOSTAT of annual premium data collection by intermediary, pursuant to Regulations 44/2019 (life) and 50/2022 (non-life);
- Letter to the market 12 December 2022 requiring companies to provide lists of policyholders' tax codes of contracts held in their portfolios in force on 30 November 2022.

In the **area of primary legislation**, it is pointed out:

- Decree of the Ministry of Economy and Finance No. 55 of 11 March 2022, which lays down the provisions on disclosure, access and consultation of data and information on the beneficial ownership of companies with legal personality, private legal persons, trusts.
- Law No. 220 of 9 December 2021 - Countering Anti-Personnel Mines, a total ban on the financing of companies in any legal form, established in Italy or abroad, engaged in the construction, production, development, assembly, repair, preservation, use, storage, holding, promotion, sale, distribution, import, export, transfer or transport of anti-personnel mines, cluster munitions and submunitions, of any nature or composition, or parts thereof.

In the **field of EU legislation**, we point out:

- Implementing Regulation (EU) 2022/186 on technical information for the calculation of technical provisions and basic own funds for reports with reference dates between 31 December 2021 and 30 March 2022;
- Delegated Regulation (EU) 2022/1288, sets out the regulatory technical standards specifying the content, methodologies and presentation of information on sustainability indicators and the adverse effects on it, as well as the content and presentation of information on the promotion of environmental or social characteristics and sustainable investment

objectives in pre-contractual documents, on websites and in periodic reports;

- Regulation (EU) 2022/2554 - Digital Operational Resilience Act, which defines obligations on the security of information and network systems that support the business processes of financial entities and measures related to the management of information and communication technology risks. The DORA Regulation enters into force on the 21st day following its publication in the Official Journal of the European Union and will apply from 17 January 2025.

In the **field of taxation**, the following measures enacted during 2022 are highlighted:

- Decree-Law No. 17 of 01 March 2022 (the so-called 'Energy Decree'), G.U. No. 50 of 01 March 2022, on 'Urgent measures for the containment of electricity and natural gas costs, the development of renewable energies and the relaunch of industrial policies', which provides:
 - the deferment of the deductibility foreseen for 2022 of the 12% rate of negative components (write-downs and losses on receivables) pursuant to paragraphs 4 and 9 of Article 16 of Decree-Law No. 83/2015; the deferment of deductibility is recovered, on a straight-line basis, in the 2023 tax period and in the three subsequent ones;
 - the amendment to the discipline of the tax credit on advertising investments, pursuant to Article 57-bis of Decree-Law No. 50/2017, as from 2023.
- Decree-Law No. 50 of 17 May 2022 (the so-called 'Aid Decree'), G.U. No. 114 of 17 May 2022, on 'Urgent measures on national energy policies, business productivity and investment attraction, as well as on social policies and the Ukrainian crisis', in particular with regard to the enhancement of the measures relating to 4.0 tax credits, by raising the bonus rates linked to investments in intangible assets and training.
- Decree-Law No. 73 of 21 June 2022 (the so-called 'Simplifications Decree'), G.U. No. 143 of 21 June 2022, on 'Urgent measures on tax

simplifications and labour clearance, State Treasury and further financial and social provisions', regarding:

- changes to the tax calendar with regard to the communication of periodic VAT settlements;
 - the extension until 31 December 2026 of the application of the reverse charge mechanism for certain supplies of goods and services to VAT taxable persons in the State territory;
 - amendments to the VAT regulation on services rendered to in-patients and their companions (Article 10 of Presidential Decree No. 633/1972);
 - the repeal of the discipline on shell companies for so-called 'systematic loss-making' companies;
 - novelties concerning stamp duty on electronic invoices;
 - novelties concerning the reporting of data on transactions carried out with non-resident counterparties through the Electronic Data Interchange (EDI);
 - amendments regarding the reporting by financial intermediaries of analytical data on transfers to or from abroad made with the means of payment indicated in Article 1(2)(s) of Legislative Decree No. 231/2007 (so-called 'tax monitoring');
 - the simplification of the modalities for deducting the entire cost of permanent employees from the IRAP production value;
 - provisions on accounting errors: it is provided that the principle of 'enhanced derivation' also applies for tax purposes in relation to accounted items following the process of correcting accounting errors;
 - the repeal of the annual obligation on the digital replacement conservation of accounting records kept with electronic systems;
 - the extension of the use of the F24 form for the payment of any tax, fee or contribution;
 - the possibility of derogation from the write-down of securities in current assets for so-called 'OIC *adopter*' entities.
- Law No. 130 of 31 August 2022, G.U. No. 204 of 01 September 2022, on '*Provisions on tax justice and the tax process*', which provides:
- the reform of certain institutes characterising the tax process;
 - the reform of the tax judiciary;
 - the introduction of a settlement of ongoing disputes in the Court of Cassation.
- Law No. 197 of 29 December 2022 (the so-called '2023 Stability Law'), G.U. No. 303 of 29 December 2022 - Ordinary Supplement No. 43, '*State Budget for the Financial Year 2023 and Multiannual Budget for the Three-Year Period 2023-2025*', with particular reference to the following provisions:
- the possibility of franking income from class I and V life insurance policies, consisting of the difference between the value of the mathematical reserve as at 31.12.2022 and the premiums paid, through the payment of the 14% substitute tax on income tax, under certain conditions;
 - the option to frank for tax purposes, upon payment of a 14% substitute tax, the units held in UCI (undertakings for collective investment) funds;
 - the increase from 0.45% to 0.50% of the substitute tax rate on the mathematical provisions of the life classes due by insurance companies, starting from the tax period following the one in progress on 31 December 2022;
 - the reintroduction of specific rules limiting the deductibility of costs relating to transactions with companies located in non-cooperative countries or territories for tax purposes;
 - the possibility of franking or repatriating foreign source profits and profit reserves through the payment of a substitute tax;
 - the increase from € 65,000 to € 85,000 of the revenue or remuneration limit to enter and remain in the flat-rate regime for natural persons engaged in business, arts or professions;
 - the de-taxation of employee productivity bonuses for the year 2023, from 10% to 5%;
 - the raising from € 2,000 to € 5,000, as from 1 January 2023, of the threshold value at which the prohibition on the transfer of cash and bearer securities in euro or foreign currency, made for any reason between

- different parties, whether natural persons or legal entities, arises;
- the provision of various measures to define the tax authorities' claim and to obtain deferments or reductions in payments due; in short:
 - the possibility of defining the sums due following reminder notices in a facilitated manner;
 - the possibility of rectifying irregularities, infringements and non-compliance with obligations or fulfilments of a formal nature;
 - the institution of the so-called 'special amnesty' to regularise declarations, provided they have been validly submitted, up to the tax period in progress as at 31 December 2021; violations can be regularised by paying 1/18th of the minimum edictal amount of the impossible sanctions, in addition to the tax and interest due. The option to take advantage of this special regularisation may be exercised until 31 March 2023;
 - the option to easily settle tax assessment notices, provided that they have not been challenged and that the time limit for lodging an appeal has not expired. The facilitated accession consists in the reduction of sanctions to 1/18th of the minimum instead of the ordinary one equal to 1/3 of the minimum and, more specifically, it may concern (i) assessment notices issued on the basis of formal notices of assessment, provided that they are notified by the date of 31 March 2023; (ii) assessment, adjustment and settlement notices that have not been appealed and are still be appealable on the date of entry into force of the Budget Law and those notified after such date and up to 31 March 2023; (iii) assessment notices with adhesion relating to the invitations pursuant to Article 5-ter, Legislative Decree. 218/1997 notified by 31 March 2023;
 - facilitated settlement of pending tax disputes, or out-of-court settlement agreements;
 - the introduction, as an alternative to the facilitated settlement of disputes, of the facilitated waiver, by 30 June 2023, of tax disputes;
 - regularisation of the omitted or deficient payment of certain sums relating to taxes administered by the Revenue Agency;
 - the automatic cancellation of tax debts up to € 1,000 resulting from individual loads entrusted to collection agents from 1 January 2000 to 31 December 2015;
 - the facilitated definition of the loads entrusted to the collection agents known as 'rottamazione' of tax bills.
- *Decree-Law No. 198 of 29 December 2022 (the so-called 'Milleproroghe')*, G.U. No. 303 of 29 December 2022, containing '*Urgent provisions on legislative deadlines*', which provides in particular:
 - the extension of the possibility to suspend the statutory depreciation of tangible and intangible fixed assets on the 2022 financial statements;
 - the extension of the rules on the suspension of obligations resulting from material losses on the balance sheet for the financial year 2022.

THE SITUATION OF THE COMPANY

The operating result

Athora Italia's 2022 financial statements closed with a positive result of around € +14.6 mln, an increase compared to the previous year (€ +1.5 mln), despite being affected by the negative impact of the year-end alignments to the stock market of around € -142.3 mln (including write-downs on the real estate sector), mainly caused by the rise in interest rates. To partially balance, an income from the penalty paid by Bper Banca following the acquisition of Banca Carige, amounting to € 100 mln, for the early termination of the existing exclusive distribution agreement with Banca Carige itself, is reported.

The main components of the result can be summarised as follows:

PROFIT AND LOSS ACCOUNT SUMMARY				
<i>In € thousand</i>	2022	2021	Variation	%
Premiums written	852,877	1,208,269	-355,393	-29.41
Claims paid	-740,133	-847,673	107,540	-12.69
Change in Technical provisions	-60,013	-454,191	394,178	-86.79
Management expenses	-45,249	-39,615	-5,633	14.22
Net capital and financial income	29,527	118,906	-89,379	-75.17
Other net technical accounts and class D capital gains/losses	-8,647	19,995	-28,642	-143.24
Income from investments transferred to the Non-Technical Account	0	-4,417	4,417	-100.00
Gross technical result	28,362	1,274	27,088	2125.83
Reinsurance result	155	12	143	1205.37
Technical Account Result	28,517	1,286	27,231	2117.35
Other income and expenses	-6,448	-4758	-1,691	35.53
Income from investments transferred from the Technical Account	0	4,417	-4,417	-100.00
Result from ordinary activity	22,069	945	21,123	2234.38
Result from extraordinary activity	-137	2361	-2,498	-105.81
Profit before tax	21,932	3,306	18,626	563.41
Income tax	-7,313	-1,801	-5,513	306.13
Net profit (loss) for the year	14,619	1,505	13,113	871.22

Written premiums fell by 29.4% (€ -355.4m), with total inflows of around € 852.9m. The change is attributable to the two main distributors (Banca Carige and Cassa Centrale Banca), which terminated their working relationship during 2022. The other business partners also set the pace by realising lower production volumes than expected. The decrease was generalised across all classes.

Amounts paid out slowed down due both to settlements of contracts that expired in 2022 (-33.4%) and to fewer claims (-7.4%). On the other hand, surrenders increased (+5.3%) due both to former colleagues and agents of the Non-Life company who, after being transferred, relocated their individual positions to other pension funds, and to a number of one-off surrenders that took place during the year. Net of the one-off components and commercial initiative on the 3-4% guaranteed minimums for both 2021 (about € 31 mln) and 2022 (about € 7 mln), the volume of 2022 surrenders was slightly lower than the previous year (-1%). Overall, settlements decreased by 10.9% (-€ 91.3m).

Operating expenses increased by about +14% percentage points due to both higher administrative expenses related to the separation from the non-life company and the integration with the Athora group, and to the Up-Front incentive granted to the distributors Banca Popolare di Bari and Cassa di Risparmio di Orvieto for the initiation of the new exclusive agreement. Commissions, on the other hand, decreased due to lower production.

Net capital and financial income decreased by approximately 75.2% compared to 2021. The decrease is mainly attributable to adjustments on financial investments as a result of fluctuating interest rates, as well as lower accruals on government bonds. Net capital losses on alignments fell from € -36.7m, recorded as at 31.12.2021, to around € -140m as at 31.12.2022. Net capital gains increased by 65.8%, aimed at managing the interest rate risk.

The change in **other net technical accounts** (-€ 28.6 mn) includes the valuation effects of class D (€ - 92.9 mn) offset by equal provisions to the technical reserve, as well as the penalty paid by Bper banca (+€ 100.0 mn) as mentioned above. The change in other ordinary technical accounts is also affected by higher management and maintenance commissions paid to intermediaries on increased assets under management, amounting to € -1.8 mln, and a lower cost of € + 3.6 mln, in 2022, relating to the commercial initiative on policies with 3-4% guaranteed minimums compared to the previous year.

Taxes (€ 7,313 thousand), calculated on income as at 31 December 2022, represent an estimated tax burden equal to 33.35% of gross profit. The accounting for taxes generated a cost for current IRES of € 6,681 thousand, a revenue of € 137 thousand in adjustments for IRES related to the previous tax period, a cost for current IRAP of € 1,958 thousand, a revenue of € 1,203 thousand due to the net increase in deferred tax assets, and a cost of € 15 thousand due to the net increase in deferred taxes.

The main facts

On 1 August 2022, following the approval of the competent Authorities, the transfer of the shares of Athora Italia S.p.A. (formerly Amissima Vita S.p.A.) - previously owned by investment funds managed by affiliates of Apollo Global Management, Inc. through Primavera Intermediate Holding S.à.r.l. - to Athora Italy Holding DAC, a subsidiary of Athora Holding Ltd., the parent company of the Athora insurance group, was finalised. The Athora group is a life insurance and reinsurance group entirely focused on the European market, specialising in providing traditional life and pension savings products, and with the ambition of becoming a leading operator in Europe. The Athora group employs around 2,300 people and has approximately 3.4 million policyholders with total assets of € 96 billion as at 31 December 2022.

The change in the shareholding structure of Athora Italia S.p.A. led to the identification of a new Administrative Body, responsible for the administration of the Company, appointing Eric Viet as Chairman and Andrea Moneta as Vice Chairman. Specifically, the composition of the new Board of Directors sees the integration of the number of members from six to eight, maintaining the presence of three independent directors, and the establishment of intra-board committees, to support the activities carried out by the Board of Directors, essentially composed of independent directors. In this regard, the new Board of Directors, confirming the institution of the Control and Risk and Remuneration internal Committees, has established the internal consultative Conflicts Committee, mainly composed of independent directors, to which it has assigned a proactive and advisory role to support the Board itself in issues monitoring and in the evaluations relating to transactions with Related Parties/Intragroup Counterparties and/or in potential conflict of interest.

The new Board of Directors also appointed Dr. Jozef Bala as Chief Executive Officer of the Company, confirming the position of General Manager already held by the latter and extending the related management powers to the level of the Executive Committee, which is previously existing and not appointed by the new Board. In addition, the new Administrative Body granted the Vice-Chairman specific powers relating to institutional and external relations in Italy with public stakeholders and authorities, in the ESG sphere and in directing organic and non-organic growth strategies to be presented to the Board, including M&A and Bancassurance partnerships.

In this regard, it is reported the resignation from the position of Director by Dr. Valerio Beccacci¹ in February 2023 and the consequent co-option of the new Director by the Board of Directors pursuant to Article 2386 of the Italian Civil Code. Therefore, as of the date of this report, the **composition of the Board of Directors** of Athora Italia S.p.A. is as follows:

- VIET ERIC FRANCOIS LOIK - Non-Executive Chairman
- MONETA ANDREA - Executive Vice President
- BALA JOZEF - Chief Executive Officer (and General Manager)
- MOHAMMED SHAMIRA - Non-Executive Director/Member of the internal Board Conflicts Committee
- MATSEN HENRIK - Non-Executive Director
- CIPRIOTTI ROSA - Independent Director/Chairman of the internal Audit and Risk Committee
- RUFFOLO UGO - Independent Director/Chairman of the internal Board Remuneration Committee and Member of the internal Board Control and Risk Committee and of the internal Board Conflicts Committee
- VAGNONE PAOLO - Independent Director/Chairman of the internal Board Conflicts Committee/Member of the internal Board Control and Risks Committee and of the internal Board Remuneration Committee.

The Board of Statutory Auditors appointed by the Shareholders' Meeting of 26 April 2022 was confirmed, due to the expiry of its mandate. In particular, the Shareholders' Meeting, since the mandate conferred on the Board of Statutory Auditors expired with the approval of the financial statement as of 31 December 2021, appointed a new Board of Statutory Auditors for the financial years 2022, 2023 and 2024, and therefore up until the approval of the financial statements as of 31 December 2024. Therefore, as of 26 April 2022, the composition of the Board of Statutory Auditors is as follows:

- ROSSI LUCA - President
- VENEGONI FABIO MARIA - Standing Auditor
- COLLALTI ANDREA - Standing Auditor
- VECCHIATI MONICA - Substitute Auditor
- TARGA PAOLO GUALTIERO GIOVANNI - Substitute Auditor.

In view of the additional assignment of Supervisory Board D. Lgs. Legislative Decree 231 assigned to the Board of Statutory Auditors, the Board of Directors on 05 May 2022, in continuity with previous years, assigned the function of Supervisory Board pursuant to Legislative Decree 231/01 to the new Board of Auditors, appointing Fabio Maria Venegoni as Chairman.

Following the finalisation of the sale of the Company, the Shareholders' Meeting approved the new Bylaws, which incorporate all the necessary adjustments to the new governance structure resulting from the entry of Athora into the share capital, including the change of the company name from Amissima Vita S.p.A. to Athora Italia S.p.A. and of the Group from Gruppo Assicurativo Amissima to Gruppo Assicurativo Athora Italia, which became effective on 13 October 2022 and resulted in the rebranding of the Group.

In order to align the overall governance system of the Company with that of the new reference group, it is highlighted the realisation of the integration project, started last year following the signing of the sale agreement of the Company to Athora Holding Ltd. This led, on the one hand, to the revision of the complex

¹ Mr. Valerio Beccacci assumed the role of Chief Financial Officer of Athora Italia S.p.A.

internal body of laws, on the other, the introduction of a new regulation, aimed at adopting the guidelines of Athora Holding Ltd.

Another significant event concerned the subsidiary I.H. Roma S.r.l.. In particular, since the last property owned was disposed on 21 June 2021 and, therefore, the related business activity ceased, at the beginning of 2022, the subsidiary started the winding-up procedure due to the expiry of the term of duration of the company, set at 31 December 2021 by the Bylaws. The procedure was completed on 21 December 2022 with the approval of the final liquidation balance sheet and the final liquidation distribution plan by the Shareholders' Meeting, and subsequent filing of the related cancellation with the Companies Register.

Based on the above, as at the date of this report, the composition of the Athora Italia Insurance Group is as follows:

- Athora Italia S.p.A., an insurance company operating in the life insurance sector, Parent Company of the Athora Italia Insurance Group, with sole shareholder Athora Italy Holding D.A.C. and subject to the management and coordination of Athora Holding Ltd;
- Assi 90 S.r.l. 2, company in liquidation, whose share capital is 60.25% owned by Athora Italia S.p.A. and therefore controlled by the latter.

The year 2022 was also characterised by:

- the termination of the commercial partnership with Cassa Centrale Banca (CCB), following the signing of an exclusive distribution agreement with another insurance player by the latter;
- the signing of a five-year exclusive agreement with Banca Popolare di Bari and Cassa di Risparmio di Orvieto, effective from 1 March 2023;
- the termination of the distribution agreement with Banca Carige S.p.A./Banca del Monte di Lucca S.p.A. and Banca Cesare Ponti S.p.A.

During 2022, the Board of Directors continued constantly monitoring management projections and business activities, also taking into account the economic-financial scenario of the country, heavily impacted by the conflict in Ukraine and characterised by a general rise in interest rate curves due to the increase in inflation. In this regard, the Board in office prior to the finalisation of the sale of the Company approved the 2022-2024 Business Plan during the board meeting held on 06 April 2022. The strategic guidelines underlying the approved business were part of the overall ORSA process implemented by the Company, whose results were approved by the Administrative Body during the aforementioned board meeting, and reported in the Single Report on the prospective assessment of the risk profile and solvency (the so-called Single ORSA document) sent to the Supervisory Authority on 08 April 2022. Subsequently, the new Administrative Body approved, during the board meeting of 29 November 2022, the new Business Plan 2023 - 2025, revisited in light of the business strategies of the new reference group, on the basis of which the ORSA 2023 assessments mentioned in the ORSA 2023 Report will be finalised.

During 2022, the monitoring of the solvency position of the Company continued, in relation to which the Company continued to provide IVASS with the periodic update on its solvency data, as required by the Supervisory Authority. The Board of Directors, with the support of the Internal Control and Risk Committee, monitored the solvency position of the Company, evaluating the actions taken and identified by management aimed at managing the interest rate risk.

Given the continuing extraordinary nature of a macroeconomic context characterised by strong interest rate volatility, the Board of Directors approved the transfer of six government bonds from the short-term

² The remaining 39.75% of the share capital is held by HDI Italia S.p.A.

investments ('current') to the long-term investments ('fixed') segment. In this context, the Administrative Body approved a new version of the Investment Policy, which was transmitted to the Supervisory Authority within the terms set forth by IVASS Regulation No. 24/2016. In light of the transfer of securities to the fixed assets segment and the related assessments carried out with the support of the internal Council Control and Risk Committee on the financial risk management system, the Administrative Body revisited the Risk Appetite Framework (RAF), introducing a more stringent and codified monitoring in the management of capital risks.

In the second half of the financial year, following the official recognition of the Solvency Ratio at Q3 2022, which recorded an overrun of the solvency requirement coverage limit defined by the Risk Appetite Framework, the Board of Directors, during its meeting of 29 November 2022, approved the Capital Strengthening Plan, which provided for, as the first measures implemented at the end of December: [i] the injection of capital by the Shareholder, through a capital contribution transaction, for an amount of € 200 million, [ii] due to the termination of the distribution agreement with Banca Carige S.p.A./Banca del Monte di Lucca S.p.A. following the acquisition of the latter by BPER, the immediate payment by the latter of a € 100 million penalty, and [iii] the process of strengthening the actuarial assumptions for expenses and redemption. The solvency position of the Company as at 31 December 2022 sees the restoration of the solvency requirement coverage limit defined by the Risk Appetite Framework, confirming the adequacy of the capital management actions taken. The Strengthening Plan, approved by the Board, provides for further capital actions; in particular, it is highlighted [x] the signing with BPER, as part of the termination of the 'Carige' distribution agreements, where the company negotiated, in addition to the 100 million penalty, a price adjustment of the same termination penalty in the year 2027 linked to the experience of observed lapses over the next five years. This price adjustment goes to deterministically adjust any damages due to potential unfair business policies of the distributor in the orderly management of the portfolio run-off. This mechanism stipulates that, in case the cumulative lapses observed on the portfolio up to 2026 exceed by 15 percent what is predicted in the Best Estimate scenario, BPER will settle to the company an amount equal to about 10 percent of the extra cumulative lapses above the corridor, up to a maximum of 50 million. As a partial deduction of the penalty, 50% of the additional cumulative payouts that will be made until 2027 are discounted from the extra lapses. The company modeled this penalty on time in both the central scenario (in which no effect is detected) and the Lapse Up and Lapse Mass scenarios by including an additional element of prudence in modeling the release of SCR as a risk mitigation, [y] the implementation of an intra-group reinsurance technique subject to counterparty risk structure for the transfer of the early redemption risk, through the signing of an intra-group reinsurance contract effective from 31 December 2022 and [z] the re-risking of the investment portfolio with a view to containing the economic risk of redemption, aimed at increasing the returns of the management schemes for the benefit of policyholders, to be further explored in the first months of 2023. The Board of Directors, also during the Board meeting of 29 November 2022, approved additional capital and redemption risk mitigation initiatives aimed at stabilising the S2 ratio even in extreme scenarios of rising interest rates; in this regard, it is highlighted (i) the assumption by the shareholder of the binding commitment to subscribe newly issued shares in order to be included in the Company's AOF for an amount equal to € 50 million and (ii) the implementation of an external reinsurance structure, through the underwriting by the first quarter of 2023 of an additional reinsurance coverage of the Lapse Mass risk with primary reinsurers.

During 2022, the Board of Directors continued monitoring regulatory adequacy, also due to the integration project of the Company into the governance system of the new reference group. In particular, in transposition of the regulatory evolution and the suggestions submit from time to time by the Internal Audit and Compliance Function, as well as in compliance with the organisational changes that occurred and the guidelines of the parent company Athora Holding Ltd., the Board of Directors periodically assessed the updates proposed by the internal organisational structures and shared with the Compliance Function, approving the revision of the internal body of regulations represented by the Company Policies, including the Risk Appetite Framework, adopted by the Company pursuant to current IVASS regulations. The entry into the Athora Group has also made it necessary to introduce new internal regulations in order to incorporate the requirements set forth by the new parent company, always consistent with the 'Local' regulatory requirements; in this regard, it is highlighted the adoption of: [i] the Breach Report Management Policy (so-

called Speaking up Policy), [ii] the Policy on Foreign Account Tax Compliance Act ('FATCA') agreements and the Common Reporting Standard ('CRS'), [iii] the Anti-fraud Policy, [iv] the Sanctions Policy, [v] the Policy on 'Capital at Risk', [vi] the Policy on Market Abuse and Internal Dealing and [vii] the Policy on 'Model Risk'. With specific reference to the IT sector, taking into account the IT Risk Assessment carried out and the plan outlined to adapt to the IVASS recommendations on security and governance of information and communication technology, the Board of Directors approved a new version of the Business Continuity Plan and adopted the policies of the Company on IT Security.

In this context, it is also worth mentioning the adoption, by resolution of the Board of Directors, of the Athora Group Code of Conduct, which sets out the core values of compliance with the law, honesty, integrity, fairness and good faith that must guide the activities of all those who work for and within the group. The Company, again on the basis of a resolution passed by the Administrative Body, adopted the new version of the Code of Ethics, in compliance with the provisions of Legislative Decree. 231/01; the new version of the Code of Ethics, on the one hand, incorporates the changes that have occurred in the the organisational structure of the Company since the last revision and, on the other hand, integrates within it the structure of the Code of Conduct of the new reference group, in order to ensure uniformity between the two documents and represent a fundamental tool to support the ability of all those who work for the group to behave in a manner consistent with the values of Athora.

In addition, the Company, on a proposal from the Board of Directors and on the resolution passed by the Shareholders' Meeting, approved the new version of the Remuneration Policies.

The Administrative Body continued, with the support of the Internal Control and Risk Committee, with the monitoring of the adequacy and functioning of the internal control and risk management system, approving the audit activities of the Fundamental Functions plans for 2022 and allocating them an autonomous expense budget. The Board also received from the Fundamental Functions, at prescribed intervals, specific information on the activities carried out and analysed the periodic reports of the Internal Audit Function on the monitoring carried out by the latter on the remediation operations set out in the action plans shared with the Management. Periodic reports were also provided to the Board of Directors by the Supervisory Board established pursuant to Legislative Decree 231/01 on the monitoring activities performed on the adequacy of the Organisation and Management Model of the Company.

The Board of Directors continued monitoring the adequacy of the organisational structure to the needs of the company, taking steps to [i] reorganise and strengthen the Solvency & Capital Management organisational unit and [ii] rationalise the activities of the administration department, in order to make them more functional also in terms of monitoring and controlling accounting and reporting operations. In addition, due to the adoption of the new Market Abuse and Internal Dealing Policy, the Board of Directors established the Management Disclosure Committee, responsible for assisting the Company in identifying and disclosing inside information, as well as in preparing and updating the list of persons who have access to inside information concerning the Company itself and the group.

Furthermore, the *Board of Directors*:

- approved the distribution agreements with Banca Popolare di Bari and Cassa di Risparmio di Orvieto;
- for the purpose of activating the aforementioned distribution agreements, approved:
 - the establishment of the individual insurance pension plan (so-called PIP) and, in particular: [i] the establishment of the new segregated fund 'Athora Italia Linea Valore' and [ii] the introduction of the two internal funds Athora Futuro Flessibile and Athora Futuro Azionario, establishing the separation from the Company's other assets and the exclusive allocation to the Individual Pension Plan of the two internal funds Athora Futuro Flessibile and Athora Futuro Azionario and of the segregated fund Athora Italia - Linea Valore;
 - the establishment of the four internal funds 'Flexible', 'Balanced', 'Balanced Bond' and 'ESG Balanced';

- approved, with the support of the Internal Council Conflicts Committee and in accordance with the Athora Group governance process, [i] the intra-group early redemption risk reinsurance transaction between the Company and Athora Ireland Plc. outlined as part of the aforementioned Capital Strengthening Plan, [ii] the new investment agreement with Apollo Asset Management Europe PC LLP and Apollo Management International LLP and [iii] the establishment, as of the 2022 tax year, of the national fiscal consolidation regime in respect of IRES;
- approved the termination agreement of the distribution contracts with Banca Carige S.p.A./Banca del Monte di Lucca S.p.A. and Banca Cesare Ponti S.p.A. and the related post-sale management agreements for the policies already placed;
- approved the Ceded Reinsurance Plan for the financial year 2022, in line with previously adopted reinsurance strategies;
- defined, with the support of the internal consulting Remuneration Committee, the Management by Objectives for 2022 (so-called MBOs) to be assigned to Top Management and, having ascertained the existence of the deliverability requirements of the 2021 variable remuneration components, approved the relative disbursement, deferring 50% of the variable component accrued referring to the year 2021 for the so-called Risk Takers;
- approved (i) the Regular Supervisory Report (so-called RSR), including the Solvency II 2021 Budget (so-called Full Annual 2021) and (ii) the Solvency and Financial Condition Report (so-called SFCR), for transmission to the Supervisory Authority;
- carried out periodic self-assessment activities, which confirmed that all Board members met the requirements of the applicable regulations and found that the Administrative Body was operating adequately and consistently with its mandate;
- approved the training plan for 2022 for the Company's employees;
- approved the Information and Communication Technology (ICT) Strategic Plan pursuant to Reg.38/2018 in its updated version.

Also during 2022, due to the continued volatility in the capital markets and the macroeconomic situation, IVASS asked the Company for an extraordinary monthly update on the solvency position. A quarterly monitoring of the liquidity position was also requested, with an indication of the stocks and flows expected in the following month and quarter.

IVASS also requested:

- to the Company an update on the status of implementation of the ICT Strategic Plan and the system for managing ICT risks and IT security incidents. The Company provided the Authority with feedback on 20 April, in compliance with the terms and conditions requested;
- to all insurance companies up-to-date information on the IT measures adopted, with particular attention to cyber security profiles and the outsourcing of IT services. In this regard, the Company has provided the Supervisory Authority with the requested information, from which it emerges that most of the initiatives recommended by the Authority have been implemented by the Company.

Finally, on 08 June 2022, the tax audit for IRES, IRAP and VAT purposes was initiated by the Internal Revenue Service for the 2018 tax period. For more information please refer to the section on 'Significant events after the end of the financial year'.

Business Plan 2023-2025

Athora Italia's objective is a growth path aimed at offering savings solutions for our policyholders through the development of products that combine protection needs, aligned to the best market practices, and high profitability; while also guaranteeing an adequate return on capital.

The Strategic Plan drafted at the end of October and approved by the Board of Directors, reviewed and finalised at the end of November, is based on certain cornerstones, such as the marketing of traditional 'Capital Light' products, the offering of 'Multiramo' products, in consideration of current market trends and calibrated on adequate production levels, thanks to the existing distribution agreements and to the exclusive distribution agreement with Banca Popolare di Bari, which was signed at the end of the year and determines the start of product marketing at the end of the first quarter of 2023. Other commercial agreements with leading banking institutes at a national level are also being negotiated.

The objective of combining growth with a balanced shareholder remuneration, consistent with the Risk Appetite defined by the Company's Capital Management Policy, will be achieved through a series of operations:

- Costant focus on the partnership with current distributors;
- Costant focus on expanding the market share by exploiting new opportunities with new distributors;
- Supporting marketing, communication and promotion activities carried out by distribution partners;
- Incentives to the distribution network to improve the quality of service to the customer;
- Dynamic adaptation of the product catalogue through constant monitoring of the insurance market;
- Focus on traditional products thanks to their investment and risk management capabilities, which can guarantee capital protection and a high return;
- Strategic Asset Allocation 'SAA' according to the defined guidelines; in particular, cautious asset allocation, with a significant impact of government bonds and liquid investment grade securities to match the duration of liabilities with an active focus on generating return through alternative investment solutions;
- Strengthening the structure to cope with the integration with the Athora Group;
- Costant work on the efficiency of the operating model and costs, with the aim of meeting the Group's guidelines while maintaining high service levels.

The evolution of the insurance portfolio

Premiums

The market as at September 2022 (latest ANIA data available) shows a decrease in Life production of -11.0%, a result influenced at least in part by capital market conditions and the rise in interest rates: 'traditional' class I policies recorded a decrease of -6.0%, while 'financial' class III policies fell by -22.5%. So-called 'multi-class' products are also down (-9.2%).

Athora Italia's overall trend was the same for the aforementioned reasons, and its 2022 production fell by -29.4%. 'Traditional' class I policies fell by -26.9%, while premiums from capital redemption policies fell by -80.1%. Class III also fell sharply, with premiums amounting to € 145.9m (€ 235.2m in 2021) mainly from 'multi-class' products, which in turn fell by 35.0% compared to 2021.

We summarise, in greater detail, the evolution of Athora Italia's gross premiums written in the following table, by sales channel and product type:

PREMIUMS WRITTEN BY SALES CHANNEL AND PRODUCT TYPE

<i>In € thousand</i>	Premiums 2022	Premiums 2021	Variation	%
Individual	18,863	27,531	-8,668	-31.5
Collective	2,573	4,502	-1,929	-42.8
<i>Unit Linked</i>	174	210	-35	-16.9
Agency Channel	21,610	32,243	- 10,633	- 33.0
Individual	27,092	11,400	15,692	137.6
Brokers	27,092	11,400	15,692	137.6
Individual	649,347	918,813	-269,466	-29.3
Collective	9,144	10,777	-1,633	-15.2
<i>Unit/Index Linked</i>	145,684	235,037	-89,353	-38.0
Bank Channel	804,175	1,164,626	- 360,451	- 30.9
Individual	695,301	957,744	-262,442	-27.4
Collective	11,717	15,279	-3,562	-23.3
<i>Unit/Index Linked</i>	145,858	235,246	-89,388	-38.0
GRAND TOTAL	852,877	1,208,269	- 355,393	- 29.4

The following table shows the comparison between the Company and the market in terms of distribution by sales channel:

PREMIUMS WRITTEN: DISTRIBUTION BY SALES CHANNEL

<i>In € thousand</i>	Athora Italy (as of December '22)	Market (ANIA as of 09/22)*
Agency Network	2.53%	13.39%
Bank branches	94.29%	58.80%
Brokers	3.18%	2.08%
Other channels	-	25.73%
GRAND TOTAL	100.00%	100.00%

* Source: ANIA TRENDS - Flows and Reserves to Q3 2022

The item 'Other Channels' mainly comprises Financial Advisors (14.6%) and Business and Management Agencies (11.1%).

Finally, in the following table, production is broken down by the so-called ministerial branch, pursuant to Article 2 of the Private Insurance Code:

PREMIUMS WRITTEN PER LINE OF BUSINESS (ART. 2 LEGISLATIVE DECREE 209/05)

<i>In € thousand</i>	Awards 2022	Awards 2021	Variation	%	Market (ANIA as of 09/22)*
Class I (human life)	705,453	965,173	-259,720	-26.9	-6.0%
Class III (<i>Unit/Index Linked</i>)	145,858	235,246	-89,388	-38.0	-22.5%
Class V (capitalisation)	1,566	7,850	-6,284	-80.1	-8.4%
GRAND TOTAL	852,877	1,208,269	- 355,393	-29.4	-11.0%
<i>of which Multiramo products</i>	<i>443,920</i>	<i>682,967</i>	<i>- 239,047</i>	<i>-35.0</i>	<i>-9.2%</i>

* Source: ANIA TRENDS - Flows and Reserves to Q3 2022

Agency sales network

In the financial year 2022, a process of reorganisation of the agent channel was initiated following the sale of Amissima Assicurazioni, centred on the closure of agencies of modest size and the unification of the relative portfolio on intermediaries of more significant size and better structured in terms of organisation and territorial coverage.

As at 31 December 2022, there were 111 agencies with a Life mandate, compared to 233 in December 2021. During the financial year 122 agencies were closed. Assicura Agenzia (CCB) and Azimut, which, although registered in section a of the RUI, have a distribution organisation unrelated to that of the traditional agency, are not included in these calculations.

Training

In 2022, the company equipped itself with a new platform to provide direct training to the agent channel, while no new courses were delivered in the absence of obligations arising from the issue of regulations relevant to the sector and in consideration of the fact that all agencies with an Athora Italia mandate are multi-firm agents. However, some regulatory contents were published, appropriately rebranded, as part of a broader project to rebrand and update courses for the agent channel.

Banking Distribution Channel

New Bank Products

The marketing of a new Class I product for Asfalia Prime Broker, called Asfalia Money Box, was launched.

For this new product, the relevant target market conformity tests were carried out as required by IDD and the company's POG.

Following the change of the company name, logo and brand, the products and underlying Internal Funds were re-branded and renamed, replacing 'Amissima Vita' with 'Athora'.

Regulations

Operations were carried out to verify the distribution methods of credit protection products (PPIs).

Training

A special professional training and refresher course was created for the new product and delivered in webinar mode directly by the distributor to its network.

Five product training courses were updated by adapting their graphics to the new brand and modifying their contents, in relation to the company name, where necessary.

The products subject to restyling are those marketed by Azimut, Banca Sella, Banca Patrimoni, Asfalia Prima Broker and Assicura Agenzia: respectively Nuova Azimut Protezione, Athora Vita Intera Private (formerly Amissima Vita Intera Provate), Athora Valore Private (formerly Amissima Valore Private), Asfalia Money Box and Sì Cresce Dinamico.

Institutional Communication

In the financial year 2022, as part of the 'rebranding' operation, due to the change of brand and company name, editing activities were carried out to modify the institutional communication relating to

- Website whose layout has been completely redesigned and aligned to the Group's standards;
- Naming of products and Internal Funds and rebranding of related forms;
- Dispatch of a specific communication to all policyholders and insured persons, as required by current regulations, accompanied by informative leaflets on the Athora Group;

the advertising material produced is aligned with current company regulations and the provisions of ISVAP Regulation No. 40/2018.

New Agreements

In November, our company signed an exclusive five-year partnership agreement for the distribution of insurance products through the branch network of Banca Popolare di Bari and Cassa di Risparmio di Orvieto, which will take effect on 1 March 2023.

The development of settlements and technical provisions

The total claims, surrenders and maturities paid to policyholders as at 31 December 2022, including the change in reserves for amounts payable, gross of reinsurers' share, amounted to € 740,133 thousand (-12.7% on the corresponding period of 2021); the decrease is due to both fewer claims and contracts reaching maturity.

Below, the trend of settlements is summarised in more detail:

AMOUNTS PAID AND CHANGE IN RESERVES FOR AMOUNTS TO BE PAID				
<i>In € thousand</i>				
SUMS PAID	2022	2021	Variation	%
Claims Class I (human life)	184,449	198,526	-14,077	-7.1
Claims Class III (<i>Unit/Index Linked</i>)	11,907	13,163	-1,257	-9.5
Claims Class V (capitalisation)	17	387	-370	-95.7
Total CLAIMS	196,372	212,076	- 15,704	- 7.4
Surrenders Class I (human life)	297,711	278,693	19,018	6.8
Surrenders Class III (<i>Unit/Index Linked</i>)	35,956	56,392	-20,436	-36.2
Surrenders Class V (capitalisation)	25,300	5,878	19,422	330.4
Total SURRENDERS	358,966	340,963	18,004	5.3
Maturities Class I (human life)	176,168	261,491	-85,323	-32.6
Maturities Class III (<i>Unit/Index Linked</i>)	34	19	15	75.7
Maturities Class V (capitalisation)	233	3,246	-3,013	-92.8
Total MATURITIES	176,435	264,756	- 88,321	- 33.4
Coupons Class I (human life)	15,403	20,730	-5,327	-25.7
Coupons Class III (<i>Unit/Index Linked</i>)	21	2	19	0.0
Total COUPONS	15,425	20,732	- 5,307	- 25.6
Annuities Class I (human life)	220	205	15	7.2
Total ANNUITIES	220	205	15	7.2
TOTAL AMOUNTS PAID	747,418	838,731	- 91,313	- 10.9
CHANGE IN RESERVES FOR SUMS TO BE PAID	2022	2021	Variation	%
Class I (human life)	-7,716	9,696	-17,412	-179.6
Class III (<i>Unit/Index Linked</i>)	485	2	483	24.150.0
Class V (capitalisation)	-54	-756	702	-92.9
TOTAL CHANGE IN RESERVES	- 7,285	8,942	- 16,227	- 181.5
GRAND TOTAL	740,133	847,673	- 107,540	- 12.7

Particular attention is paid to the trend in surrenders, which increased in the 'traditional' classes (class I, Human Life Insurance, and class V, Capitalisation) by +13.5% thanks to both exits from the pension funds of former non-life colleagues, and extraordinary surrenders; net of these outflows and neutralising the effects of the commercial initiative undertaken in both 2021 and 2022 on policies with higher guaranteed minimum return, surrenders are in line with or slightly lower than last year (about -1%). On the other hand, surrenders in the 'financial' classes (class III, Unit policies) fell by 36.2%, particularly on the Banca Carige distributor, where last year an increase during the first and second quarter had been recorded.

If we look at the ratio of surrenders to the average of the reference pool of reserves, we can observe an increase in the 'traditional' classes, from 4.0% in 2021 to 4.4% today, while the 'financial' classes show a decrease, with the ratio falling from 9.5% to 4.2%. These indices, as a whole, are better than those observed in the Italian market, which in Q3 2022 recorded a total ratio of 6.2% (5.6% in traditional, 7.8% in financial).

The technical provisions for direct business, which at the end of 2022 totalled approximately € 7.2 billion (€ 6,543 million for 'traditional' products, € 690 million for *unit-* and *index-linked* policies), are calculated using essentially the same criteria as those presented in the financial statements as at 31 December 2021, with the valuation of the Asset Liability Management (the so-called ALM reserve) calculated using the so-called 'C' method, as provided for in Annex 14-bis of ISVAP Regulation no. 22 of 4 April 2008. The ALM reserve calculated using this method equals to approximately € 2,101 thousand (€ 2,192 thousand in 2021).

Compared to the 2021 financial statements, reserves on 'traditional' products increased, net of outwards reinsurance, by € 44.5 million, while reserves relating to unit- and index-linked policies increased by € 9.2 million, due to normal premium-settlement-revaluation dynamics. As for the additional reserves, in addition to the reserve for interest rate (the so-called ALM reserve) discussed above and relating to T.C.M. policies with technical rates higher than the 'reference carrier' rates, the reserve for demographic bases was also accounted for, amounting to about € 33 thousand, in line with the previous financial year (€ 36 thousand).

Payments of contractual amounts due to claimants shall be made in accordance with the terms and conditions of the policy and the applicable regulations.

Reinsurance policy

The 'Outward Reinsurance Provisions', the Framework Resolution on Reinsurance Strategy as well as the Ivass Regulation No. 38, introduced on 3 July 2018, were taken into account for the Ceded Reinsurance Plan 2022.

The Ceded Reinsurance Plan and the 2022 placement were implemented in accordance with the aforementioned guidelines approved by the Administrative Body, picking reinsurance agreement types aimed at limiting risk and exposure according to the level of tolerance (risk appetite).

The product offer for the year 2022 was expanded with the introduction of a single tariff in the form of a Single Premium Revalued Whole-Life policy (which, however, as at 31 December 2022 had not yet been actually marketed), which clearly did not entail any significant changes in the portfolio profile, just as no actual mortality levels higher than those assumed in the premium calculation bases were found.

The protection of the Life portfolio, in order to make outwards reinsurance more in line with the technical characteristics of the marketed products, with particular reference to the low impact in terms of SCR of the types of risks that would be ceded with different levels of retention, continued to undergo a significant change compared to what had been implemented up to 31 December 2016.

In particular, for *Pure Risk* rates, the full retention amount set at € 100,000.00 was therefore confirmed.

Hence, the reinsurance policy adopted, as of 01.01.2017, entailed a change in the risk appetite principles for the generation of new business, while the reinsurance coverage of products already placed on the market remained unchanged.

Depending on the characteristics of the products placed and subject to reinsurance, the treaty types adopted by the Company were the *Proportional in Excess* for pure risk rates.

Reinsurers belonging to OECD member countries from the previous financial year were confirmed; they guaranteed economic and financial solidity, certified by Standard and Poor's Corporation (minimum rating

A-). In the selection process, the reinsurer's management and technical expertise were assessed, with particular regard to the *leading* reinsurers.

During the year, as well as in the past and in the continuing critical international financial situation, the Company's strict verification of reinsurers' creditworthiness remained at the centre of its evaluations, affecting individual reinsurers' financial solidity and the reinsurance market as a whole.

Finally, it should be noted that, in order to relieve pressure on the Solvency Ratio caused by the market dynamics of rates that have subjected players to an excessive exposure to the risk of an increase in early surrenders, the Company - through the underwriting of an intra-group reinsurance - has structured a special reinsurance coverage on the early redemption risk with effective date as of 31.12.2022.

Management expenses

The item 'Management Expenses' includes the company's commercial and operating costs, which have always been subject to strict control in pursuit of the best management efficiency.

With regard to the main components, a decrease in commissions was reported, due to the drop in production, while Other Acquisition Costs increased due to both higher reallocated costs and the accounting of an up-front incentive for the initiation of the exclusive distribution agreement with Banca Popolare di Bari and Cassa di Risparmio di Orvieto (€ 6 millions). General administrative expenses also increased, which we will reference below, due to the integration process within the Athora Group and the strengthening of some other staff functions.

It should also be noted that the ratio of Management Expenses to premiums rises from 3.2% in 2021 to 5.3% in 2022, an increase due to both higher costs and lower production:

MANAGEMENT EXPENSES					
<i>In € thousand</i>	2022	2021	Variation	%	
Commissions	10,774	14,935	-4,162	-27.9	
Other acquisition costs	16,223	8,623	7,600	88.1	
Administrative overheads	18,252	16,057	2,195	13.7	
Gross Management Expenses	45,249	39,615	5,633	14.2	
Reinsurers' commissions	- 245	- 370	125	-33.8	
Total Management Expenses	45,004	39,245	5,759	14.7	

With regard to General Expenses in particular, the details before reallocation of the share to be allocated to commercial and capital costs are displayed below:

GENERAL ADMINISTRATIVE EXPENSES					
<i>In € thousand</i>	2022	2021	Variation	%	
Personnel (net of synergy cost recovery)	11,875	11,321	554	4.9	
EDP expenses	5,965	4,196	1,768	42.1	
Operating expenses	1,492	1,291	201	15.6	
Services and consultancy	2,851	2,623	228	8.7	
Corporate expenses	2,890	2,064	825	40.0	
Business expenses	153	158	-4	-2.8	
Projects	3,588	2,413	1,175	48.7	
Depreciation	2,070	2,767	-697	-25.2	
Property charges	1,484	1,384	99	7.2	
Other Recoveries	- 7	- 7	0	3.7	
Total Expenses (before reallocation)	32,359	28,211	4,148	14.7	
Expenses allocated to Capital Charges	- 4,192	- 3,869	-323	8.4	
Expenses allocated to Commercial Charges	- 9,915	- 8,285	-1,630	19.7	
Total administrative overheads	18,252	16,057	2,195	13.7	

General expenses (before reallocation) increased by +16.8% compared to the previous financial year. Analysing the dynamics of the main items, it is found that, following the separation from the non-life company and the integration with the Athora Group, the areas where there has been the greatest increase are: Personnel, as a consequence to the strengthening of the structure, IT costs, mostly linked to the separation as the synergies with HDI Italia Assi.ni fail, consultancy costs both for the greater support required by the control functions and for extraordinary consultancy in the definition of the agreements with Carige, CCB, and Popolare Bari, corporate expenses, following again the change of ownership, as well as higher costs for the auditing company, and lastly, costs for Projects necessary for the integration with the Group and those relating to the implementation of the new IFRS 17 and 9 accounting principles.

Company's headquarters

The Company is headquartered in Genoa in Via Mura di Santa Chiara, 1. There are no branch offices.

The organisational structure

At the end of 2022, the number of employees is 97, of which 5 are *part-time*.

Also in the financial year 2022, the personnel policy was mainly based on the retraining and/or enhancement of resources with qualified and specific technical knowledge.

The premium/employee ratio, calculated using the ANIA method, amounted to € 9,073 thousand for 2022, decreasing from € 13,576 thousand in 2021 mainly due to fewer written premiums and increasing in the average number of employees compared to last year.

The adopted remuneration strategies and the incentive structure, closely linked to the achievement of objectives and to the career paths of the resources with the greatest potential, have made it possible not only to improve individual performance and loyalty, but also to establish an intense climate of mutual trust.

The main objective of the training provided in 2022 by Athora Italia, in addition to consolidating technical skills and guaranteeing continuous regulatory updates, was to enrich the wealth of skills with those necessary to face the change of role and duties that characterised some resources, following the company's reorganisation after the separation from Amissima Assicurazioni (now HDI Italia), in order to manage their corporate role even better, concretely facilitating the innovation processes in the company. In providing training the company took into account the indications reported by the various corporate functions, the needs arising from organisational changes and the regulatory scenario, with particular reference to updating on the subject of Directors' Liability pursuant to Legislative Decree 231/2021 and of Cyber Security. During the financial year 2022, the company provided training financed by the Fondo Banche e Assicurazioni, whose Plan, presented with Notice 1/21, focused mainly on consolidating technical skills and gaining greater knowledge and familiarity with calculation and analysis tools. At the end of 2022, Athora Italia presented the plan financed for 2023, submitted under Notice 1/22 of the Fondo Banche e Assicurazioni.

It should be noted that the Fondo Banche e Assicurazioni has not yet completed the reporting and monitoring of the financed training provided, and therefore no income was recorded in 2022.

The training determined by the State-Regions Agreement of 21 December 2011 on 'Protection of Health and Safety in the Workplace' was provided.

Cyber security training was also made available to new recruits.

Overall, training days were delivered to 85 Athora Italia employees for a total investment of around € 45,000.

IT development

In the 2022 financial year, the company completed the separation project, which in the previous financial year had affected the architectural, infrastructural and application components that operated synergistically between the companies of the former Amissima Insurance Group.

As part of the new stand-alone evolutionary strategy, the Pegaso project has been reactivated, which provides for the main innovations through the optimisation of the company's application pool with the complete migration from the previous LIFE platform to the more modern PASS, aimed at pouring the ex-Banca Carige portfolio onto a single platform. The project has started with the functional analyses of the migration machine and will start, in the second half of 2022, with the first operational phases, whose development will proceed throughout 2023 and will be completed by October.

The Pegaso programme itself, whose development will last at least two years, sees one of its pillars in the full digitisation of issuance and after-sale processes.

From the application point of view, however, the implementation programme of the functionalities present on the PASS Life suite continued with the activation of additional new products better complying with the placement needs of the main bank distributors. At the same time, in line with business growth strategies, a middleware of an Application Program Interfacing solution was implemented, a solution that allow to shorten the activation time for potential new Distributors.

In the second half of the financial year, as part of the Lanterna project, the migration of the ex-Banca Carige portfolio aligned to the procedures of the new Bper distributor, now integrated with the company's systems, was completed.

Starting in August, integration activities with the new Group started, which, for the first phase, provides for an alignment at governance level and subsequently also of infrastructural nature. However, the integration project provides for a preliminary analysis phase in as to define the best integration strategy, to be developed throughout future financial years, without affecting or impacting local operations.

Asset and financial management

Investment Policy

In light of the current economic-financial situation and the prospective macroeconomic scenarios, the Board of Directors declined, on 29 November 2022, the investment policy as required by current regulations (Ivass Reg. no. 24/16). Investments must be consistent with the short and medium-long term profitability objectives of the portfolio, investing in asset classes capable of generating a high return on capital and through careful risk management, in particular through a high diversification of positions and risks in the portfolio. The bond investments made by the Company must mainly refer to issuers with high credit standing belonging to the OECD area, as well as being mainly denominated in Euro and traded in regulated markets or in active markets presenting an adequate level of liquidity. The investments made through the funds of 'Amissima Diversified Income ICAV' concern diversified credit strategies, mainly of a private nature, for which the Company considers it more rewarding to make use of specialised professional operators. Several sub-funds have been set up within the vehicle, each of which has specific return objectives, investment categories and management and risk characteristics.

It should be noted that investment policies are implemented directly by the Company, which oversees the more strictly strategic and decision-making activities through the periodic meetings of the Investment Committee, Capital Committee and Risk Committee, as well as the detailed design of the Investment Division's operating procedures. The negotiation of financial instruments on the markets is mainly carried out through the specialised trading desks of the Banks providing the securities custody service. The Company

can also operate directly with qualified counterparties, which have investment grade ratings and the professional requisites required by regulations, and with which the company has opened or intends to open up direct dealing lines.

The operations of the financial year

The securities sector

In 2022, securities trading activities were mainly directed towards Italian and foreign government and corporate bonds, diversifying both country and issuer risk, towards alternative investments also through the Irish investment vehicle called 'Amissima Diversified Income ICAV' and towards derivative instruments.

At the end of December 2022, the securities portfolio generated € 89.9 million in accruals. Taking into account realised net trading gains (amounting to € 80.3 million), net impairment losses of € 140 million in Profit and Loss account, and the average stock (€ 6.3 billion), the financial yield of the securities portfolio for 2022 stood at 0.48%.

The rates paid to policyholders on the segregated funds are still at safe interest levels: the historical fund, Norvita, stood at 1.82% (certified rate as at 31 October 2022), down from 2.20% certified as at 31 October 2021; the C.Vitanuova fund recorded an average rate of return of 1.81% in 2022, down from the average 2.29% in 2021; the Amissima Multicredit fund closed at 3.00% (certified rate of October 2022), up from 2.70% of October 2021.

With regard to the composition of the securities portfolio, it is noted that as at 31 December 2022, the book value, before the closing valuations, totalled € 6,762.3 million, of which € 2,550.1 million relating to the short-term segment and € 4,212.1 million to the long-term segment; at the end of the financial year, the same portfolio recorded a total market value of € 5,670.8 million: € 2,430.0 million relating to the short-term segment and € 3,240.8 million to the long-term segment, as highlighted in the table below:

CURRENT / FIXED ASSETS PORTFOLIO				
<i>In € thousand</i>	Pre-valuation book value	Market value	Plus/Minus closure	Unrealised Plus/Minus
Current assets	2.550.124	2.430.022	-140.028	-120.103
<i>of which in P/L</i>	-	-	-140.028	-
Fixed assets	4.212.150	3.240.721	-	-971.398
<i>of which in P/L</i>	-	-	-	-
TOTAL	6.762.274	5.670.773	-140.028	-1.091.501

As at 31 December 2022, the Company's securities assets recorded total net unrealised capital losses (before the alignment of book values to market values) of € -1,092 million: € -120 million relating to the short-term segment and € -971 million to the long-term segment. The valuation effects recorded in the Profit and Loss account were negative by € 140 million.

During 2022, as part of the long-term segment, securities were purchased with a total value of € 602.5 million, and surrenders of fixed securities with a total value of € 40.5 million were made.

During the period under review, some Italian and foreign government bonds with a total par value of €1,086 million were transferred from the sub-fund.

The operations above made it possible to improve the *matching* profile between asset flows and expected liability flows, in particular for the years in which asset flows are higher than liability flows, and to stabilise

the current and prospective returns of the segregated funds, consistently with policyholders' expectations.

The real estate sector

With regard to real estate, Prelios was assigned to update the current value of properties. At the end of 2022 the market value was estimated at € 93,365 thousand (€ 95,525 at the end of 2021) against a book value of € 92,802 thousand. The change was caused by a fall of about 3% in the market value of the properties, as per the appraisals of the appointed company.

The overall average *occupancy* level remained the same as the previous financial year, while the average profitability of the entire segment increased to +4.88% (+4.83% in 2021) mainly due to ISTAT adjustments.

Below is the asset allocation for the last two financial years:

ASSET ALLOCATION				
In € thousand	Year 2022		Year 2021	
	value	%	value	%
Financial investments	6.701.785,00	98,50	6.943.757,00	98,60
Real estate investments	92.802,00	1,40	95.038,00	1,30
Liquidity	11.084,00	0,10	6.885,00	0,10
Total	6.805.671,00		7.045.680,00	

Financial Risk Management

Regarding, more specifically, the financial risk management policy, pursuant to Article 2428, paragraph 2, no. 6-bis of the Italian Civil Code, the following is reported.

The Company defines its risk management policy as a generalised approach to identify, understand, measure and manage its *business* risks.

In particular, financial risks (credit risk, liquidity risk and market risk in its exchange or currency, interest rate and price components) arise from the management of the investment portfolio, which naturally consists of securities, shareholdings, real estate, receivables of various kinds and other liquid assets.

It should also be added that Athora Italia is subject to control by the Supervisory Authority of the insurance sector, which, through prudential provisions, affects the company's ability to absorb risks of a capital nature that may have an impact on insurance management.

For a more complete examination of the Company's exposure to financial risks, a detailed analysis of the different cases is provided below:

Credit risk

Credit risk is defined as the risk that one of the parties to a financial contract will fail to fulfil its obligations and cause financial damage to the counterparty. The Company manages the level of assumed credit risk by using market analysis and the assessments performed by major international *rating* agencies.

The Company's Board of Directors, in defining the investment policies provided by ICAV Regulation no. 24/16, has defined a series of concentration limits with respect to a specific issuer or issuer group, in addition to limits based on the issuer's belonging sector and those related to rating. These limits

are assessed by taking into account both securities held directly by the Company and securities held within ICAV's investment funds.

The degree of riskiness of the securities portfolio is illustrated in the table below:

PORTFOLIO BROKEN DOWN BY RATING		
<i>In € thousand</i>	2022	2021
Shares		67
Bond Rating AAA	1,010,430	1,413,726
Bond Rating AA	1,695,566	2,647,802
Bond Rating A	464,785	380,182
Bond Rating BBB	1,058,973	1,593,635
Bond Rating BB	144,291	117,811
Bond Rating B	35,647	168,157
Bond Rating <=C	4,136	5,024
Unrated bond	64,259	74,952
Shareholdings	1,033	8,549
Investment Funds	83,216	-
ICAV units	1,029,448	655,196
Securitisation	144,429	77,409
'BTP Solution' derivatives		- 39,480
'IRS' derivatives	- 63,848	- 3,854
'Spreadlock' derivatives	- 3,595	
'Options' derivatives		42
Foreign currency exchange derivatives	2,004	
TOTAL INVESTMENTS	5,670,773	7,099,176

Derivatives may only be traded in compliance with the provisions issued by the Supervisory Authority and in accordance with the resolutions of the Board of Directors. The Company may also underwrite derivative contracts to hedge and effectively manage the investments. These contracts may be stipulated with counterparties of high credit *standing*, and in any case on financial instruments that must possess a high degree of liquidity.

As of 31 December 2022, in addition to derivative instruments to hedge exchange rate risk within the funds of 'Amissima Diversified Income ICAV', the Company also held its own positions in derivative financial instruments: Interest Rate Swaps aimed at effectively managing interest rate risk, Spreadlocks aimed at partially offsetting the effects of changes in spread risk on government bonds issued by so-called 'semi-Core' countries, and foreign currency sales aimed at hedging the Euro-US Dollar exchange rate risk.

Liquidity risk

Liquidity risk is defined as the risk that a party will have difficulty raising funds to meet its obligations and obligations.

Liquidity risk may arise from an inability to quickly sell a financial asset at a price close to its fair value, from the possible settlement of insurance claims earlier than expected, and from a general inability to generate expected positive cash flows.

PORTFOLIO BROKEN DOWN BY MATURITY

<i>Description In € thousand</i>	Equity Securities	Debt Securities	Total
Shares	-	-	-
-Bonds less than 1 year		271,862	271,862
-Bonds from 1 year to 5 years		1,249,787	1,249,787
-Bonds from 5 years to 10 years		1,309,980	1,309,980
-Bonds from 10 years to 20 years		1,316,373	1,316,373
-Bonds over 20 years		330,086	330,086
Shareholdings	1,033		1,033
Investment Funds	83,216		83,216
ICAV fund shares	1,029,448		1,043,734
Securitisation		144,429	144,429
Derivatives		-	-
'IRS' Derivatives		- 63,848	- 63,848
'Spreadlock' derivatives		- 3,595	- 3,595
Currency exchange derivatives		2,004	2,004
'Options' derivatives		-	-
Total	1,113,697	4,557,076	5,670,773

As of 31 December 2022, ICAV's funds had the following average financial duration:

ICAV		
<i>In € thousand</i>	Market value	Duration
ICAV AMISSIMA LOAN ORIGINATION FUND	400,729	0.47
ICAV AV (CVN) GLOBAL IG CORP CREDIT FUND	243	2.42
ICAV AV (NORVITA) GLOBAL IG CORP CREDIT FUND	68	3.64
ICAV AV MULTI CREDIT STRATEGY FUND	492,634	0.19
ICAV AV SOVEREIGN FUND	135,775	0.11
Total	1,029,448	

It should also be noted that the bond portfolio held directly by the Company is largely composed of financial instruments listed on regulated markets, while the securities held within the ICAV funds are mostly unlisted.

Market risk

Market risk is defined as the risk of possible losses arising from a change in the fair value of a financial instrument (Price risk) that can be caused by a variety of causes including a change in exchange rates (Currency or exchange rate risk), or in the interest rates prevailing in the market (Interest rate risk). Changes are due to specific factors of the instrument and/or its issuer (Credit Spread Risk) or to factors generally affecting the market to which the financial instrument belongs.

Price risk is defined as the risk of fluctuations in the value of financial assets and liabilities as a result of changes in market prices, and this is the case both when the changes derive from specific factors of the asset/liability in question and from market factors. In order to avoid excessive overall variability in the value of financial investments, their management follows the policy dictated by the Investment Committee on the basis of the strategic guidelines issued by the Board of Directors. This policy imposes limits in terms of issuers, overall exposures, expected returns, types of acquirable

financial assets and the possible use of derivative instruments. In addition, monitoring and control activities are implemented, and corrective action is taken on the distribution and concentration of assets, depending on market trends and the expected overall rate of return of the portfolio.

The currency **risk**, defined as a change in exchange rates, is almost nil, since, as at 31.12.2022, the currency risk due to foreign currency securities within the ICAVs or in the direct portfolio is almost entirely offset by hedging derivative instruments.

Interest rate risk is defined as the risk that the value and/or expected cash flows of a financial asset or liability will fluctuate due to a change in market interest rates. The portfolio held directly by the company consists mainly of fixed-rate securities. Within the ICAV investment funds, there are mainly variable-rate financial instruments to face phases of possible rises in interest rates without reducing the value of the units.

As regards the synthetic interest rate risk indicators, the *duration* as at 31.12.2022 was 6.9 years (in 2021 it was 9).

The Solvency Capital Requirement and the coverage of technical provisions

In closing the financial year 2022, the capital requirement was calculated according to the model provided for by the Standard Formula of Directive 2009/138 EC and Delegated Regulation (EU) 2019/981.

The Company therefore adopted the Volatility Adjustment suggested by EIOPA of 19 basis points to be applied to the discount rate for the best estimate valuation of insurance contracts.

For the calculation of the solvency situation as at 31.12.22, the Loss Absorbing Capacity (LAC) was taken into account for the valuation of the Net Asset Value following market and technical risk shocks, i.e. the loss-absorbing capacity of the Technical provisions. Below are the details of the calculation with and without using the Volatility Adjustment:

Calculation with Volatility Adjustment		Calculation without Volatility Adjustment	
<i>In € thousand</i>	12.2022	<i>In € thousand</i>	12.2022
Available capital	498,499	Available capital	462,658
Eligible OF	498,499	Eligible OF	462,658
SCR	253,237	SCR	265,989
Ratio of Eligible own funds to SCR	197%	Ratio of Eligible own funds to SCR	174%
Capital Surplus / Deficit	245,262	Capital Surplus / Deficit	196,669
Eligible OF for MCR Coverage	442,467	Eligible OF for MCR Coverage	392,075
MCR	113,957	MCR	119,695
Ratio of Eligible own funds to MCR	388%	Ratio of Eligible own funds to MCR	328%

Eligible funds to cover the solvency requirement consist of Tier 1, Tier 2 and Tier 3 capital elements according to the constraints set forth by regulations. Tier 2 capital consists of the Tier 2 subordinated bond issued by the Company for a nominal amount of 80 mln on 16.02.2021. Below is the detail of the Tiering with Volatility Adjustment:

SCR Eligible Own Funds	
<i>In € thousand</i>	12.2022
Tier 1 - unrestricted	419,676
Tier 1 - restricted	-
Tier 2	74,143
Tier 3	4,679
Total	498,499

MCR Eligible Own Funds	
<i>In € thousand</i>	12.2022
Tier 1 - unrestricted	419,676
Tier 1 - restricted	-
Tier 2	22,791
Tier 3	-
Total	442,467

In the case of non-use of the VA:

SCR Eligible Own Funds	
<i>In € thousand</i>	12.2022
Tier 1 - unrestricted	368,136
Tier 1 - restricted	-
Tier 2	74,143
Tier 3	20,379
Total	462,658

MCR Eligible Own Funds	
<i>In € thousand</i>	12.2022
Tier 1 - unrestricted	368,136
Tier 1 - restricted	-
Tier 2	23,939
Tier 3	-
Total	392,075

The year-end technical provisions are fully covered with assets fully and freely owned by the company and free from constraints or encumbrances of any kind.

As required by IVASS, the Company has also activated monthly mechanisms to monitor the solvency position for the purpose of a prompt analysis of the evolution of the situation and for the implementation of consequent actions, where necessary. At the date of approval of the financial statements, the Company's updated solvency position remained above the minimum requirements of the Policy Risk Appetite Framework.

Transactions with related parties and intra-group counterparties

A related party/intra-group transaction can be defined, also in accordance with IFRS, as a transfer of resources, services or obligations between a company and its parent, subsidiaries, associates, managers, directors, auditors and majority shareholders, as well as their close relatives, regardless of an agreed consideration.

Related party/intragroup transactions may be tailored to critical profiles and lead to possible fraudulent phenomena. In view of these risks, the prevailing orientation is not to prohibit such transactions, but rather to require adequate disclosure, which is considered essential for the efficient functioning of the capital market. In fact, the objective of the international accounting standard on financial disclosure of related party transactions (IAS 24) is precisely to allow the user of financial statements to understand how transactions with intragroup counterparties may or may not affect the formation of the result for the period or future periods, as a result of the realisation or settlement of outstanding balances with them. The disclosure required by IAS 24 also cover outstanding obligations at the date of the financial statements and enable their users to obtain useful information about the risks and opportunities arising from them.

Pursuant to IVASS Regulation No. 30 of 26 October 2016 concerning provisions on the supervision of intra-group transactions, risk concentrations and the regulatory provisions of IAS 24, Athora Italia S.p.A. considers

all activities and/or transactions between the Company on the one hand, and the following entities, natural or legal, on the other, to be intra-group/related party transactions:

- natural persons:
 - the members of the Board of Directors;
 - the effective members of the Board of Statutory Auditors;
 - the General Manager;
 - the figures identified within the so-called risk taking staff;
 - the holders of Fundamental Functions;
 - the so-called 'close relatives' of the aforementioned natural persons.
- legal persons:
 - companies directly or indirectly controlling Athora Italia S.p.A.;
 - companies directly or indirectly controlled by Athora Italia S.p.A.;
 - companies directly or indirectly connected to Athora Italia S.p.A.;
 - companies controlled by a company controlling Athora Italia S.p.A.;
 - company pension funds;
 - companies linked by corporate ties to the ultimate shareholder;
 - companies controlled or subject to significant influence by one of the aforementioned natural persons.

The Company adopts, upon a resolution passed by the Board of Directors, the Policy on Related Party/Intragroup Transactions (hereinafter 'the Policy'). The Policy defines the preliminary and approval process to be followed in order to carry out transactions with Related Parties, establishing that all potential transactions with related parties/intragroup counterparties are subject to prior approval by the Company's Board of Directors. In addition, all very significant transactions (as defined by IVASS Regulation No. 30/2016), as well as all transactions exceeding € 25,000 must be assessed in advance by the Company's internal Board of Conflicts Committee. Following the finalisation of the Company's sale transaction, the Policy was implemented by transposing the governance structure outlined after the sale transaction completed on 1 August 2022 and by integrating, without prejudice to the requirements deriving from local regulatory provisions, the guidelines of the parent company Athora Holding Ltd., in terms of both the classification of transactions with related parties/intragroup counterparties and the alignment of the related procedural processes of preliminary investigation, verification and authorisation to those of the Athora Group.

The completion of the sale of the Company and its consequent entry into the Athora group resulted in the revision of the perimeter of related parties/intragroup parties, which saw the incorporation of the configuration of the new belonging group, as well as the new composition of corporate bodies. In addition, the finalisation, during the financial year, of the liquidation of the subsidiary I.H. Roma S.r.l. led to its cancellation from the Companies Register and the consequent updating of the perimeter of the Company's related parties/intragroup counterparts.

The Company's related party/intra-group transactions in 2022 were substantial:

- for the legal entities of the Insurance Group;
 - in the settlements within the national tax consolidation between the Company, I.H. Roma S.r.l. and Assi 90 S.r.l.;
 - in the distribution by I.H. Roma S.r.l. to the Company (as Sole Shareholder) of equity reserves in the amount of €4.6 million, as an advance on the final liquidation ;
 - in the distribution by Assi 90 S.r.l. to the Company of equity reserves in the amount of € 602,500.00 as an advance on the final distribution of liquidation;
 - in the payment by I.H. Roma S.r.l. to the company of the amount of €1,686,326.00 as distribution of the remaining liquid assets.

- For exponents of Insurance Group companies, in the remuneration/compensation paid (including Management By Objectives - so-called MBO), in the recovery of expenses incurred on their behalf, in the stipulation and management of policies taken out by the same exponents and their family members with the Company, in the granting of loans and in the related adjustment of accrued and received interest;
- for other companies related to the Athora group:
 - in the capital transfer of € 200 million made by the parent company Athora Holding Ltd. on behalf of the sole shareholder Athora Holding DAC Ireland in favour of the Company;
 - in the investment consultancy contract signed with Apollo Asset Management Europe PC LLP and Apollo Management International LLP;
 - in the investment activity carried out by Amissima Diversified Income (so-called ICAV), as the Company's investment vehicle;
 - in the allocation with Athora Ireland plc of the cost of legal advice received in connection with the evaluation of the intra-group reinsurance solution for the early redemption risk.
- in the transactions arising from the management of company pension funds.

The Company holds no non-controlling shareholdings in companies belonging to the Athora Italia Insurance Group, which are included under the item 'Associates'.

The Profit and Loss account and the balance sheet balances generated by these transactions is summarised in the tables below.

Caption:

Balance sheet:

positive: receivables/-shareholders'equity

negative debts/+shareholders'equity

Profit and loss:

positive: expenses

negative: revenue

HOLDING COMPANY - ATHORA ITALY HOLDING D.A.C.

In € thousand

31.12.2022

Balance Sheet - Shareholders' Equity

Net assets of Athora Italia held by ATHORA ITALY HOLDING D.A.C.	-398,248
<i>of which capital contribution in December</i>	-200,000

INTERMEDARY AREA AGENCIES CHANNEL - ASSI 90 in liquidation

In € thousand

31.12.2022

Balance sheet

Shareholding	1,033
Debt for Tax Consolidation	-35

Profit and loss account

Dividends	-603
Capital losses on valuation	603

REAL ESTATE AREA I.H. ROME

In € thousand

31.12.2022

Balance sheet

Shareholding	0
Amounts collected for distribution of remaining liquid assets.	1,686

Profit and loss account

Dividends	-4,600
Capital losses on valuation	4,749

Quantitative evidence of transactions with other intragroup counterparties - including natural persons - not included in those disclosed in the preceding tables is provided below.

OTHER INTRA-GROUP COUNTERPARTIES

<i>In € thousand</i>	31.12.2022
Balance sheet	
Financial investments (Amissima Diversified Icav) (**)	1,060,912
Financing	56
Amounts collected	1,023
Invoices received/to be received Apollo Asset Man. Europe PC LLP	-150
Invoices received/to be received Athora Holding Ltd	-32
Technical provisions (*)	-28,251
Profit and loss account	
Icav dividends	-29,383
Premiums collected	-1,184
Recovery of expenses	5
Other costs (*)	375
Amounts paid	10,614
Apollo Asset Man. Europe PC LLP financial costs	150
Athora Holding Ltd re-charges legal fees	32
Contributions	788
Remuneration of Directors, Statutory Auditors and Management members(*)	4,036

(*) Including entities of related parties in the period 1/1-31/7/2022, no longer related parties as at 31.12.2022 in view of the new corporate structure configured with the sale of the Company.

(**) Valuation at historical cost.

Other significant elements**Non-financial risk management**

In carrying out its activities as an insurance company Athora Italia is exposed to all the risks that generally accompany a typical business activity and defines its policies as a wide approach to identify, understand, measure and manage its business risks.

In particular, the Company is subject to exposure to risks arising from its core business, namely those arising from possible negative developments in insurance and operational risks, and to all those related to movements in the financial markets.

The risks can therefore be divided into three macro-categories, which in turn can be subdivided into sub-categories of riskiness:

- **insurance risks**, which arise from the insurer's own activity, who stands as an intermediary on the market capable of bringing about a transfer and the consequent reduction of risk, through the professional centralised management of the assumed risks; insurance risks are in turn divided into
 - underwriting risk;
 - reserving risk;
 - reinsurance risk.
- **operational risks**, i.e., the event(s) whose occurrence may lead to a possible loss, including missed opportunities resulting from deficiencies and/or inadequate performance of processes and/or internal control systems, of human resources and systems, due both to internal and external causes;
- **financial risks**, which have been analysed in detail in the specific paragraph of the section on Asset and Financial Management. Furthermore, among these, credit risk should be noted, which also exists in the non-financial area, with reference to the management of receivables due from policyholders; in this case, the risk is managed through the direct collection activity carried out by intermediaries, with daily payments for the bancassurance channels, and decadal payments for agents, whose remittances are subject to punctual monitoring by central and peripheral structures in order to contain the risk of insolvency. For Athora Italia, there is also the guarantee given by the fact that Life insurance companies are not at risk in the event of non-payment of premiums by clients.

Insurance Risks

Insurance risk is the risk of unexpected losses related to the *core* processes of the company; as mentioned, two sub-categories of risks (underwriting and reserving) and a common sub-risk (reinsurance) can be distinguished.

Underwriting **risk** in particular, linked to the underwriting of insurance contracts, is the risk that the premiums charged to policyholders are insufficient to meet the resulting obligations, depending on the covered events, pricing, trends in insured events, company risk-taking policies, and reinsurance policies. For each insurance line or type of policy, actuarial models are used to determine premium rate requirements and to monitor claims.

Regarding the **reserving risk**, it is linked to the quantification of reserves, which may be inadequate with respect to the obligations undertaken towards policyholders; such inadequacy may depend both on incorrect estimates of the reserves themselves and on changes in the general and market context in which the Company operates. The Actuarial Function is responsible for verifying the adequacy of the reserves, supervised and incorporated by the Company's Board of Directors.

Finally, about **reinsurance risk**, once retention levels are defined, treaties are signed to adequately cover the main insurance classes exclusively with primary market counterparties, in order to mitigate the insolvency risk. Counterparties are, in any case, constantly monitored and exposure limits are reviewed annually, in accordance with the reinsurance policy outlined by the Board of Directors to verify the reinsurer's creditworthiness and the possible need to write down the receivables included in the financial statements. Here, reinsurance risk overlaps with credit risk, which is more widely addressed among those of a financial nature.

In all cases, the Company's Board of Directors dictates the guidelines for operations and for the management of the related risks, through specific policies in force at the date of this Report (so-called 'Life Underwriting Policy', 'Life Reserving Policy' and 'Life Reinsurance Policy').

Operational Risks

Operational risks, as mentioned above, are those events whose occurrence may result in a possible loss, including missed opportunities, arising from deficiencies and/or inadequate performance of processes and/or internal control systems, of human resources and systems, due both to internal and external causes.

For the quantification of operational risk exposure for regulatory purposes, the company uses the method set forth in the Standard Formula under Directive 2009/138/EC, the so-called Solvency 2. At the same time, the company has developed assessment methodologies that, while the complete mapping of this type of risk is implemented, insist on the various processes, operate on the qualitative assessments produced by the various line functions (according to a *risk self assessment* type approach) reviewed by the control functions, aimed at assessing the residual risk on the company's operational processes, net of the effectiveness of the controls put in place.

In this case too the Company's Board of Directors dictates the guidelines for operations, and for the management of related risks, through the appropriate policy in force at the date of this Report.

Internal control

Based on what has been said about the structure of the Athora Italia Insurance Group, the *Internal Audit* Function operates, like the other Key Functions (Internal Audit, Compliance/Anti-Money Laundering/Anti-Terrorism, Risk Management and Actuarial) as a specific Function of Athora Italia, in its capacity as Parent Company.

The activities of the *Internal Audit Function* are carried out within the Internal Audit Policy, approved in its latest version by the Board of Directors on 28 September 2022 and aligned with the principles and guidelines of the Group Internal Audit Policy. Internal Audit also revised its own Regulations, making express reference to the Group Internal Audit Function Manual, in compliance with the requirements of national regulations. The Regulations were submitted to the Board of Directors on 29 November 2022.

The adopted operating methodologies rely on the use of a risk-based approach and the Audit Plan is outlined based on the Audit Universe, outlined according to the Group's methodology and considering the Athora Italia Value Chain. The approach allows the formulation of a judgement on the adequacy of the Internal Control System.

The activities planned and completed in the financial year 2022 were formalised in the *Audit Plan*, approved by the Board of Directors on 26 January 2022.

As part of the *Compulsory Activities*, periodic verifications on the handling of complaints (ISVAP Reg. 24/2008), on the correct application of the remuneration policies defined by the Administrative Body (IVASS Reg. 38/2018) and on the Risk Appetite Framework were carried out. The same goes for the part under the responsibility of RSR and SFCR; the part under the responsibility of the Review of the Corporate Governance System - SOG (Reg. IVASS 38/2018); the verifications on compliance with the Statistical Information Policy (IVASS Reg. 36/2017); on the actual application of the Policies within the company's operations; the periodic information reports to the Board of Directors and the Board of Statutory Auditors on the activities carried out by the Function.

The Audit and Follow Up activities concerned the assessment, in terms of existence/adequacy/effectiveness and compliance with the internal control systems, in correlation with the identified risks in some of the main corporate processes: settlements to policyholders; Outsourced activities; Taxation management process; Liability Data & Technical Provisions Life; Management Audit for the assessment of the internal control system (CoSO Framework); IT Audit on security and IT governance.

With reference to *Support and Consulting Activities*, and specifically to relations with the different control bodies, the Head of the Internal Audit Function took part in meetings with the Board of Statutory

Auditors and in all the meetings of the Supervisory Board ex. D. Legislative Decree 231. As the 'operational arm' of the Supervisory Board 231/01, and also within the scope of the Supervisory Board 2022 Audit Plan, the function carried out and reported the results of the planned audits. In addition, the Manager gave course to the agreed information flows to the External Auditing Company.

The *results of the activities, corrective operations and action plans* were shared with the heads of the involved Organisational Units, were the subject of information reports and periodic updates on the *Periodic Monitoring of the progress of operations* and were appropriately forwarded to the Top Management, the Administrative Body, the Control Body, as well as in the context of the participation of the Head of the Function in the internal Control and Risk Committee, in the Management Executive Committee and in the Risk Committee. IA also transmits to the Group IA Function a monthly report and a quarterly report of similar content, intended to be included in the Group reporting forwarded to the Management Executive Committee and the Audit Committee of the Parent Company.

The operations of the **Compliance** function focused on its areas of competence, with the aim of ensuring the compliance of the company's activities with legal, supervisory, and self-regulatory standards, especially developing in the following areas:

- advice on fulfilments deriving from new Regulations, Measures and Letters to the Market issued by Ivass, through the regulatory monitoring of the same, the support activity in favour of the entities involved in the identification of fulfilments, as well as the preparation of summary sheets where necessary;
- advice on fulfilments deriving from the relevant national and EU legislation, with preparation of fact sheets;
- support to the involved bodies for different regulatory aspects;

compliance verification (the activity covered, among other things, the Remuneration Policies, other Company Policies, Controls referred to in the Reporting Policy to Ivass, Organisation Policies,

- management and control of distribution, as well as verifications, pursuant to Article 5(4) of IVASS Regulation No. 45/2020, on the proper definition and effectiveness of all stages of the approval and reviewing process for each product, including information on the developed insurance products, the distribution strategy, and the direct distribution activity carried out by the company;
- *Compliance* is part of the process relating to transactions with related parties; in particular, its prior opinion on the completeness of the supporting documentation is required for the Board of Directors' authorisation; the Function is also responsible for highlighting the existence of a potential reputational risk;
- Examination of information flows, implemented to monitor compliance with consumer protection regulations on a six-monthly basis, concerning customer complaints, administrative inspections of intermediaries and disputes with policyholders concerning the interpretation of contractual regulations;
- Preparation of 'mandatory' reports under both internal and external regulations.

A company's risk management system aims to keep the risks to which it is exposed at an acceptable and consistent level with its capital resources, and must ensure the identification, evaluation, and control of the most significant risks, i.e., those risks that may jeopardise the solvency or the achievement of the company's objectives.

Article 45 of the Solvency 2 Directive requires insurance companies and groups to carry out an internal risk and solvency assessment and that this assessment is systematically taken into account in strategic

decisions. This assessment, also in line with the provisions of IVASS Regulation No. 32/2016, must be performed prospectively by assessing the current risk profile and its evolution over a medium-term time horizon.

In the first half of 2022, the Risk Management Function conducted verifications on the assessments regarding the capital and solvency situation in accordance with the second-level implementing measures of Directive 2009/138/EC Solvency 2 with reference to the closing of the financial year 2021. The 2021 results were evaluated by the Board of Directors on 25.03.2022 in the context of the preparation of the QRT - Quantitative Reporting Templates, envisaged by the so-called Full Measures - and of the Report on Solvency and Financial Condition, envisaged by Regulation no. 33/2016 and sent to the Supervisory Authority within the envisaged deadlines.

The Risk Management Function carried out the verifications on the updating of the capital and solvency situation in accordance with the second level implementing measures of Directive 2009/138/EC Solvency 2 with reference to the quarterly situation. The results were prepared in QRT format and sent to the Supervisory Authority within the required deadlines (QES1, QES2 and QES3 disclosures).

In a communication dated 2 February 2022, following the extension of the state of national emergency until 31 March 2022 by Decree Law no. 221 of 24 December 2021, the Supervisory Institute decided to continue the acquisition of information flows relating to the solvency situation of companies and groups, on a monthly basis as established during the emergency phase.

In a communication dated 13 April 2022, following the significant tensions in the financial markets capable of affecting the solvency position, determined by the escalation of the conflict between Russia and Ukraine, in continuity with the past emergency, the Supervisory Authority found it necessary to continue the monthly acquisition of information flows relating to the solvency position of companies and groups.

The Risk Management Function provided the company's solvency situation on a monthly basis throughout 2022.

The estimation of the SCR and MCR Solvency requirements, as well as the fair value valuation of all assets/liabilities of the Company's patrimony, were conducted by borrowing the methodological contents set forth in the most recent technical specifications published by EIOPA, including the Long Term Guarantees Measures, i.e. the package of extraordinary measures to be adopted in conditions of particular tensions in the financial markets. The markets require the use of a discount rate higher than the risk-free rate, in order to compensate the lower assets value with a lower liabilities value and thus mitigate the pro-cyclical effects induced by the fair value valuations. Therefore, the EIOPA-adjusted Volatility Adjustment was adopted to be applied to the discount rate for the best estimate valuation of insurance contracts.

In January 2023, the Risk Management Function carried out the verifications on the update of the capital and solvency situation in accordance with the second level implementing measures of Directive 2009/138/EC Solvency 2, with reference to the financial situation as at December 2022 pursuant to the QES4 2022 disclosure.

The results of the Solvency 2 requirements assessment were prepared in the Quantitative Reporting Template (QRT) format and sent to the Supervisory Authority within the stipulated deadline (06 February 2022 for December 2022 QES4 quarterly data).

The Function also arranged the assessment set by Article 30 ter of the Private Insurance Code on the subject of internal risk and solvency assessment (so-called ORSA) and Regulation No. 32/2016 IVASS, which sets out the provisions to be observed by insurance companies and groups, and through which the companies/groups affected by the provisions in the previous financial year are requested to carry out the prospective assessment of the risk profile and solvency (so-called ORSA). The assessment is to

be carried out with reference to the data as of 31 December 2021, the forecast as at December 2022 and in a three-year projection by executing the indications contained in the aforementioned Regulation.

The prospective risk profile was assessed by projecting the individual balance sheet amounts as envisaged in the Company's strategic plan.

For the risks included in the standard formula for the calculation of the Solvency 2 requirement, the shocks and valuation criteria defined in the current version of the EIOPA Technical Specification for the calculation of the SCR were applied.

For risks included in the standard formula, the Company did not use criteria other than those established by the Solvency 2 Directive, which are considered adequate to represent the risk profile, but stress and reverse stress tests were carried out. For risks not included in the standard formula, qualitative and/or quantitative assessments were performed, in the latter case, evaluating, where possible, the impact on Own Funds and Solvency Capital Requirement.

The Function prepared the prospective assessment of the Company's Solvency profile in accordance with the 2021-2023 Business Plan, approved by the Administrative Body together with ORSA Report 2022 at the Board meeting of 6 April 2021.

The Function will continue both in adapting the risk management model according to the guidelines issued by the Board of Directors and in monitoring the evolution of the Solvency 2 regulatory framework, as well as continue to play its proactive role in all project activities in which it is involved, in particular:

- the assessment of the Company's solvency requirement calculated in a standard formula using data at the successive quarterly closings;
- the updating of the ORSA 2023 report and the current and prospective risk and solvency assessments, including sensitivity and stress tests;
- the monitoring of the limits set by the Group's Strategic Policy and Risk Appetite Framework (RAF).

The **Board of Statutory Auditors** monitored, in continuity with the activities carried out by the outgoing Control Body, the adequacy of the organisational, administrative, and accounting structure adopted by the company and its actual functioning through the collection of documentation, the performance of punctual verifications, as well as through periodic meetings with the company representatives involved in the internal control and risk management system. The Board of Statutory Auditors attended the meetings of the Control and Risk and Remuneration internal committees and kept a periodic exchange of information flows regarding information of common interest.

The functions under the competence of **the Supervisory Board pursuant to Legislative Decree no. 231/01** are performed by the Company's Board of Statutory Auditors, assisted, under the terms established by the same Board and where deemed appropriate by the latter, by the Head of the Internal Audit Function and by a criminal law expert. In the course of 2022, in continuity with the activities carried out by the outgoing Supervisory Board and without prejudice to the separation of the assigned functions, the Board continued its monitoring activities on the adequacy of the Organisational, Management and Control Model pursuant to Legislative Decree No. 231/2001 adopted by the Company, carrying out specific hearings with the Company's top management, as well as with the heads of the various sectors, in order to gain precise awareness of the facts and acts regarding the activities of the various offices and paying specific attention to compliance with the regulations and protocols on anti-money laundering.

Compliance with 'Anti-money laundering' requirements

The activities of the Anti-Money Laundering Function regarded:

- the analysis of external regulations: the Anti-Money Laundering function performs all the activities necessary to continuously identify any changes in the regulatory framework of reference and to ensure their knowledge, interpretation and analysis, evaluating their impact on the Company's processes in order to achieve compliance. In particular, it collaborated on the review of the management policy of the risk of money laundering and terrorism financing, as well as the sanctions compliance policy;
- consultancy and opinions: preparation, in response to specific requests, of opinions on organisational and procedural aspects, company procedures, product line design, and management choices, generally in the anti-money laundering and anti-terrorism fields;
- controls: specific anti-money laundering and anti-terrorism control activities and subjects undergoing sanctions;
- relations with the Supervisory Authority: fulfilments related to Regulation 44/2019 concerning the self-assessment of money laundering and terrorist financing risks on the 2021 data in the financial statements;
- monthly transmissions to the FIU of aggregated S.A.R.A. data on financial movements relating to insurance transactions;
- Terrorist Financing Risk and Sanctions Compliance through the execution of the annual control plan performing verifications on the lists of designated entities (EU, UN, and OFAC), both ex ante and ex post, for all insurance entities and for subjects having relations with the company;
- training: support, with specific reference to anti-money laundering and anti-terrorism regulations, to the relevant office in identifying training needs, in preparing the training plan and, where required, in delivering courses for employees and the direct distribution network respectively. The Office's head and staff participated in training modules spread throughout the year.

Compliance with 'Privacy protection' requirements

During the reference period, activities continued on updating and revising the company's privacy organisation and management model, in view of the Company's integration into the Athora Group ('Athora'), in particular with regard to:

- allocation of tasks, responsibilities and roles;
- updating the policy and procedure framework;
- updating the contractual forms and information and consent formats.

Also:

- activities started on the integration of the processing activities register and on personal data protection impact assessments within the Athora management software;
- continuous monitoring activities were carried out on the effectiveness of the organisational model on the protection of personal data;
- relations with data processors were cared for in terms of submitting and signing of contracts for personal data processing.

These activities were carried out in close coordination between the Legal and Privacy Function and the Data Protection Officer ('DPO') appointed by the Company.

Complaint Management

Grievance handling activities, as governed by ISVAP Regulation No. 24/2008 and issued pursuant to Article 7 of Legislative Decree No. 209/2005 (the so-called Insurance Consolidation Act), continued during the financial year by the Complaints Office.

Regarding the complaints received by the Company, there were 18 positions listed in the specific register as at 30.06.2022, all of which could be processed with an average completion time of 22.2 days, while IVASS investigation requests were received about 6 positions (no. 4 as at 30.12.2021).

It should be noted that pursuant to Ivass Order 97 of 4 August 2020, an obligation was introduced to report to the principal company complaints received by intermediaries registered in Section D of the RUI. In light of the above, in 2022 our Section D intermediaries reported having received no. 6 complaints regarding insurance positions.

Number of complaints	Financial Year 2022				Financial Year 2021	
	Number	%	Var.num.	Var.%	Number	%
Accepted	7	41.2	-2	-22.2	9	40.9
Transacted	3	17.6	2	200.0	1	4.5
Rejected	7	41.2	-5	-41.7	12	54.5
Total disposed	17	100.0	-5	-22.7	22	100.0
Under investigation	1	5.6	1	n.a.	0	0.0
Total negotiable	18		-4	-18.2	22	
Not negotiable	0	0.0	0	0.0	0	0.0
Total received	18		-4	-18.2	22	
Average processing time	22.2		-4.3		26.5	
Reopened	0		-3		3	
Reopened - Accepted and transacted	0		0		0	

National Tax Consolidation

In the taxation field, it should be noted that by virtue of the transfer of the Company's shares from Primavera Intermediate Holding S.à.r.l. to Athora Italy Holding DAC on 01 August 2022, the tax consolidation subscribed by the Company in its capacity of designated consolidator from the 2021 tax year was terminated with effect from 1 January 2022.

Regarding the tax year 2022, due to the enduring of the control requirement by Athora Italia S.p.A. over the companies I.H. Roma S.r.l. and Assi 90 S.r.l., both in liquidation since the beginning of the tax year, a new tax consolidation regime has been set up between these companies.

A three-year option has been exercised with respect to Revenue Agency for the tax periods from 2022 to 2024 included. The option is tacitly renewed at the end of each three-year period, unless revoked.

Tax Litigation

During the year 2022 no new tax disputes arose, and no pending position with the tax authorities was recorded.

It should be noted that on 08 June 2022, a tax audit by the Revenue Agency for IRES, IRAP and VAT purposes relating to the 2018 tax period commenced, pursuant to Articles 57, 62 and 66 of Legislative Decree No. 300 of 30 July 1999, as well as Article 4 c. 3 of the Administration Regulations of the Revenue Agency itself.

As of 31.12, the tax audit is still in progress; for more information, please refer to the section on 'Significant events after the end of the financial year'.

Own and Parent Company Shares

The subscribed and paid-up share capital of € 50,432 thousand is represented by 240,151,325 Ordinary Shares with no par value. The entire capital is held by the sole shareholder Athora Italy Holdings DAC.

Athora Italia S.p.A. does not hold any of its own shares or those of the parent company Athora Italy Holdings DAC.

Ongoing disputes

The most significant situations are outlined below:

- Litigation initiated by an individual who, claiming to have taken out, through a former agency, six life insurance policies with Amissima Vita, sued the insurance company to obtain payment of the premiums he claims to have paid, totalling approximately €879,000, as well as compensation for moral damage. The claim was rejected at first instance. By a judgment of 9 November 2018, the court of second instance found the counterparty's claim to be well-founded, sentencing the company to repay the premiums paid for a total of €907,335.71, for capital and interest, in addition to the refund of legal costs. The company, after having made the payment, appealed to the Court of Cassation. We are waiting for the first hearing to be scheduled.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

As already reported in the previous pages, the significant events that occurred after the end of the financial year are:

- the continuation of the tax audit by the Genoa Revenue Agency. The first phase of the assessment process ended with the notification on March 29 of the tax audit report (PVC). This is followed by an adversarial phase aimed at redefining the Tax Office's claims on shared results. If no agreement is concluded, the Company will consider whether to continue the dispute by activating tax litigation.
- the authorisation received from IVASS to finalise the Internal Reinsurance Treaty to cover Lapse Risk. The reinsurance treaty has the following main features:
 - a duration of 5 years;
 - its activation if redemption rates reach increases from +25% to +120% ('Attachment point' and 'Detachment point', respectively);
 - a Reinsurer's compensation limit set at 70 million ('Lapse Cover Budget or LCB');
 - the Premium to be paid to the Reinsurer (RI Premium) set at underwriting and uniformly paid through the 5-year treaty period equal to 4% of the LCB;
 - the Payoff at the end of the 5 years, the reinsurer pays the transferor a claim proportionately calculated to the excess of the effective redemption rate over the attachment point, until the detachment point is reached;
 - the transferor's ability to terminate the reinsurance treaty early.
- the start of the new distribution agreement with Banca Popolare di Bari and Cassa di Risparmio di Orvieto.

Except for the above, no other events worthy of note occurred after the balance sheet date.

MANAGEMENT OUTLOOK

2023 presents several challenges your company is called to face. The geopolitical instability generated by the conflict between Russia and Ukraine, the lack of growth in Italy accompanied by inflation and the risk of a new crisis on the energy market make 2023 a year of great attention. In this reference scenario, Athora Italia intends to continue in its growth path within a Pan-European Group focused on the long term with the ambition of supporting its customers by offering them security and significant returns.

PROPOSAL TO THE SHAREHOLDERS' MEETING

Dear Shareholders,

We invite you to approve the Financial Statements as at 31.12.2022, consisting of the Balance Sheet, Profit and Loss account, Notes to the Financial Statements and Appendices, Cash Flow Statement, and accompanied by this Report, as prepared.

We propose to carry forward the year profit of € 14,618,595

p. the Board of Directors
the President
(Eric François Loik Viet)

BALANCE SHEET

BALANCE SHEET			
ASSETS	31.12.2022		31.12.2021
A. RECEIVABLES FROM SHAREHOLDERS FOR SUBSCRIBED SHARE CAPITAL		0	0
NOT PAID			
- of which called-up capital	0		0
B. INTANGIBLE ASSETS			
1. Acquisition commissions to be depreciated		929,442	1,200,582
(a) life insurance	929,442		1,200,582
5. Other deferred costs		3,029,536	4,817,408
Total		3,958,978	6,017,990
C. INVESTMENTS			
I - Land and buildings		92,802,323	95,037,875
2. Buildings for use by third parties	92,802,323		95,037,875
II - Investments in group and other investee companies		1,032,710	8,549,126
1. Shares and units of companies:			
(b) subsidiaries	1,032,710		8,549,126
III - Other Financial Investments		1,022,697,455	654,617,684
1. Shares and units			
(a) Listed shares	0		67,004
c) Units	1,022,697,455		654,550,681
Units in mutual funds		1,952,352	0
3. Bonds and other fixed-income securities		5,593,805,466	6,278,206,272
(a) listed	5,371,450,673		6,142,987,314
(b) unlisted	222,354,793		135,218,958
4. Financing		577,190	584,197
(a) secured loans	209,284		219,734
(b) loans on policies	61,805		76,497
(c) other loans	306,101		287,965
7. Miscellaneous financial investments		81,720,310	0
Total		6,794,587,806	7,036,995,155
D. INVESTMENTS BENEFITING LIFE POLICYHOLDERS I WHICH BEAR THE RISK AND ARISING FROM THE PENSION FUND			
I - Investments related to benefits linked to funds of investment and market indices	690,206,294		680,973,290
Total		690,206,294	680,973,290
Da. TECHNICAL PROVISIONS BORNE BY REINSURERS			
II - LIFE CLASSES		3,121,320	4,297,774
1. Mathematical provisions	2,244,634		3,403,974
3. Reserve for sums to be paid	876,686		893,800
Total		3,121,320	4,297,774
E. CREDITS			
1. Make sure		686,637	1,467,039
(a) for premiums for the financial year	686,637		1,375,284
b) for premiums from previous years	0		91,755
2. Insurance intermediaries		1,028,533	1,367,089
II - Receivables, arising from reinsurance operations, from:		254,499	286,198
Insurance and reinsurance companies	254,499		286,198
III - Other receivables		235,219,414	139,998,734
Total		237,189,082	143,119,060
F. OTHER ASSETS			
I - Tangible assets and stocks:		908,607	998,817
1. Furniture, office machines and internal means of transport	801,093		949,436
2. Movable property entered in public registers	63,413		0
3. Plant and equipment	39,033		38,571
4. Stocks and Miscellaneous Assets	5,068		10,810
II - Cash and cash equivalents		11,083,876	6,884,581
1. Bank deposits and postal accounts	11,083,658		6,884,364
2. Cheques and cash holdings	218		218
IV - Other activities		67,960,390	12,953,595
Various activities	67,960,390		12,953,595
Total		79,952,873	20,836,994
G. ACCRUED INCOME AND DEFERRED EXPENSES			
1. For interests		33,085,148	29,773,826
3. Other accrued income and deferred expenses		3,834,911	7,358,639
Total		36,920,059	37,132,464
TOTAL ASSETS		7,845,936,412	7,929,372,728

BALANCE SHEET		
LIABILITY	31.12.2022	31.12.2021
A. Shareholders' Equity		
I - Subscribed share capital or equivalent fund	50,431,778	50,431,778
II - Share premium reserve	628,200	628,200
IV - Legal reserve	24,975,738	24,975,738
VII - Other Reserves	289,446,911	89,446,911
VIII - Retained earnings (losses)	18,146,942	16,641,763
IX - Profit (loss) for the year	14,618,595	1,505,178
Total	398,248,164	183,629,569
B. SUBORDINATED LIABILITIES		
Total	80,000,000	80,000,000
C. TECHNICAL PROVISIONS		
II - LIFE CLASSES	6,543,986,613	6,500,657,896
1. Mathematical provisions	6,465,887,238	6,413,289,902
2. Unearned premium provision for supplementary coverage	13,272	19,429
3. Reserves for sums to be paid	50,763,356	58,048,476
5. Other technical provisions	27,322,747	29,300,088
Total	6,543,986,613	6,500,657,896
D. TECHNICAL PROVISIONS WHEN THE RISK OF THE INVESTMENT IS BORNE BY THE INSURED AND RESERVES FROM PENSION FUND		
I - Reserves for contracts whose performance is related to investment funds and market indices	690,206,294	680,981,691
Total	690,206,294	680,981,691
E. PROVISIONS FOR RISKS AND CHARGES		
Provisions for taxes	178,321	172,020
3. Other Provisions	1,614,340	1,140,421
Total	1,792,661	1,312,442
F. DEPOSITS RECEIVED FROM REINSURERS		
Total	3,121,320	4,297,775
G. PAYABLES AND OTHER LIABILITIES		
I - Payables, arising from direct insurance operations, in the comparisons of:	12,544,981	6,592,791
Insurance intermediaries	12,544,981	6,592,791
II - Payables, arising from reinsurance operations, to:	415,742	1,496,358
Insurance and reinsurance companies	415,742	1,496,358
VI - Sundry loans and other financial payables	0	315,000
VII - Severance pay	672,361	686,139
VIII - Other debts	32,267,476	31,222,008
1. For taxes payable by policyholders	32,621	39,540
2. For miscellaneous tax charges	25,776,138	24,789,934
3. To welfare and social security institutions	305,294	225,779
4. Sundry debts	6,153,422	6,166,754
IX - Other liabilities	79,553,447	434,427,512
2. Commissions for collectable premiums	20,175	34,209
3. Miscellaneous liabilities	79,533,272	434,393,303
Total	125,454,006	474,739,808
H. ACCRUED EXPENSES AND DEFERRED INCOME		
1. For interests	2,789,057	2,117,447
2. For rents	287,282	284,508
3. Other accrued expenses and deferred income	51,015	1,351,594
Total	3,127,354	3,753,548
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	7,845,936,412	7,929,372,728



PROFIT AND LOSS ACCOUNT



PROFIT AND LOSS ACCOUNT

	31.12.2022	31.12.2021
I. NON-LIFE BUSINESS TECHNICAL ACCOUNT		
II. LIFE INSURANCE TECHNICAL ACCOUNT		
1. PREMIUMS FOR THE YEAR, NET OF OUTWARDS REINSURANCE:	852,132,240	1,207,148,032
a) Gross premiums written	852,876,505	1,208,269,067
(b) (-) reinsurance premiums ceded	744,265	1,121,036
2. INVESTMENT INCOME:	316,727,975	201,801,192
a) Income from shares and units	34,585,500	33,606,098
(of which: from group and other investee companies)	5,202,500	11,971,414
(aa) from land and buildings	6,012,692	5,814,227
(bb) from other investments	76,557,537	95,241,231
c) Reversals of value adjustments on investments	2,493,718	892,232
d) Profits on the realisation of investments	197,078,528	66,247,403
3. INCOME AND UNREALISED CAPITAL GAINS RELATING TO INVESTMENTS IN BENEFIT POLICYHOLDERS WHO BEAR THE RISK AND TO INVESTMENTS ARISING FROM THE MANAGEMENT OF PENSION FUNDS	9,672,539	57,699,058
4. OTHER TECHNICAL INCOME, NET OF OUTWARDS REINSURANCE	112,089,443	12,934,183
5. CLAIMS EXPENSES, NET OF OUTWARDS REINSURANCE:	738,319,946	846,084,739
a) Amounts paid	745,587,952	834,825,362
(aa) Gross amount	747,418,004	838,731,109
bb) (-) Reinsurers' share	1,830,052	3,905,746
b) Change in reserve for amounts payable	-7,268,006	11,259,376
(aa) Gross amount	-7,285,120	8,941,538
bb) (-) Reinsurers' share	-17,114	-2,317,838
6. CHANGE IN MATHEMATICAL AND OTHER TECHNICAL PROVISIONS, AS AT NET OF OUTWARDS REINSURANCE	61,172,236	455,016,402
(a) Mathematical provisions:	53,737,204	252,345,917
(aa) Gross amount	52,577,864	251,520,428
bb) (-) Reinsurers' share	-1,159,340	-825,489
(b) Unearned premium provision for supplementary coverage:	-6,157	-9,169
(aa) Gross amount	-6,157	-9,169
c) Other technical provisions	-1,977,341	1,429,579
(aa) Gross amount	-1,977,341	1,429,579
d) Technical provisions where the investment risk is borne by the insured and arising from the management of pension funds	9,418,529	201,250,075
(aa) Gross amount	9,418,529	201,250,075
8. OPERATING EXPENSES:	45,003,570	0 39,244,957
a) Acquisition commissions	9,226,881	13,172,068
b) Other acquisition costs	16,222,999	8,622,843
c) Change in commissions and other acquisition costs to be depreciated	-271,140	-278,191
d) Collection commissions	1,275,741	1,485,112
e) Other administrative expenses	18,252,084	16,057,204
f) (-) Commissions and profit shareholdings received by reinsurers	245,275	370,460
9. CAPITAL AND FINANCIAL CHARGES:	287,200,679	82,895,269
a) Investment management charges and interest expenses	25,737,196	13,941,842
b) Value adjustments on investments	144,757,324	51,177,231
c) Losses on realisation of investments	116,706,159	17,776,196
10. CAPITAL AND FINANCIAL CHARGES AND UNREALISED CAPITAL LOSSES RELATING TO INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS WHO BEAR THE RISK AND INVESTMENTS ARISING FROM PENSION FUND	102,593,582	20,365,521
11. OTHER TECHNICAL CHARGES, NET OF OUTWARDS REINSURANCE	27,815,256	30,272,663
12. (-) SHARE OF INVESTMENT EARNINGS TRANSFERRED TO NON-TECHNICAL ACCOUNT (item III. 4)	0	4,416,832
13. RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT (Item III. 2)	28,516,929	1,286,082
III. NON-TECHNICAL ACCOUNT		
2. RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT (Item II. 13)	28,516,929	1,286,082
4. (+) SHARE OF INVESTMENT INCOME TRANSFERRED FROM THE TECHNICAL ACCOUNT OF LIFE SEGMENT (item II. 12)	0	4,416,832
7. OTHER INCOME	854,680	4,569,770
8. OTHER CHARGES	7,302,738	9,327,298
9. RESULT OF ORDINARY ACTIVITIES	-6,448,057	-4,757,528
10. EXTRAORDINARY INCOME	782,463	2,733,887
11. EXTRAORDINARY EXPENSES	919,509	373,366
12. RESULT OF EXTRAORDINARY ACTIVITY	-137,047	2,360,521
13. PROFIT BEFORE TAX	21,931,825	3,305,907
14. INCOME TAX FOR THE YEAR	7,313,229	1,800,729
15. PROFIT (LOSS) FOR THE YEAR	14,618,595	1,505,178



ATHORA ITALIA S.p.A.

Registered office: Mura di Santa Chiara, 1 - Genoa

Share Capital: € 50,431,778.28 fully paid up

Genoa Companies Register

Tax code and registration number 01739640157 - R.E.A. 373333

Registration number in the Companies Register - Ivass: 1.00039

Company belonging to the Athora Italia Insurance Group - No. 050

..*

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

Athora Italia S.p.A., with registered office in Genoa, carries out life insurance activities and is the parent company of the Athora Italia Insurance Group, registered under no. 050 in the Register of Insurance Groups set up by IVASS.

As at 31 December 2022, it is controlled by Athora Italy Holding D.A.C. with registered office in Ireland, which owns 100% of the capital.

The Company is subject to management and coordination by Athora Holding Ltd based in Bermuda, which also includes it in its Consolidated Financial Statements. A copy of the Consolidated Financial Statements is kept at the Company's Registered Office.

The financial statements for the year ended 31.12.2022 have been prepared in accordance with current civil law provisions and those specific to the insurance sector, and follow the format and requirements set out in Legislative Decree no. 209 of 7 September 2005, Legislative Decree no. 173/97, and article 4 of ISVAP Regulation no. 22, issued on 4 April 2008, as amended. For all matters not expressly governed by the sector regulations, reference is made to the general regulations on financial statements set out in the Italian Civil Code as well as to the accounting standards issued by the Italian Accounting Body.

The budget consists of:

- Balance Sheet;
- Profit and Loss Account;
- Notes to the accounts with accompanying annexes;
- Cash flow statement.

It is also accompanied by the Management Report, set out above.

These Explanatory Notes consist of:

- Part A - Evaluation Criteria;
- Part B - Information on the Balance Sheet and Profit and Loss account
- Part C - Other information.

Each part of the Note is divided into sections, each of which illustrates individual aspects of the company's operations by means of explanatory notes, schedules and details.

In consideration of the fact that the Company is only authorised to carry on Life business, the annexes envisaged by ISVAP Regulation no. 22 of 4 April 2008, mentioned above, relating to Non-Life business, have not been compiled and commented on.

The figures in the Balance Sheet and Profit and Loss account are stated in units of Euro while the Notes are stated in thousands of Euro, unless otherwise indicated, as provided for by Article 4 of ISVAP regulation No. 22 of 4 April 2008 and pursuant to Article 2423, paragraph 6 of the Italian Civil Code. The rounding of the figures contained in the Notes is made to ensure consistency with the amounts represented in the Financial Statements, as provided for by Article 15, paragraph 3 of the aforementioned regulation.

Monetary assets and liabilities in foreign currencies are recorded at the spot exchange rate on the closing date of the financial year, as required by Article 2426, No. 8 bis, of the Civil Code. The resulting exchange rate gains or losses must be charged to the profit and loss account and any net profit is set aside in a special non-distributable reserve until realised. Assets and liabilities in non-monetary currencies are recorded at the exchange rate in force at the time of their acquisition.

The financial statements are audited by the auditing firm EY S.p.A., in compliance with the provisions of Articles 14 and 16 of Legislative Decree No. 39 of 27 January 2010, Article 102 of the Insurance Code and Article 1, paragraph 106, letter a) of Legislative Decree No. 74 of 12/5/15 and in execution of the shareholders' resolution of 24 April 2018, which granted the audit of the financial statements to said firm for the nine-year period 2018 - 2026.

PART A - EVALUATION CRITERIA

Section 1 - Illustration of Evaluation Criteria

These financial statements have been prepared taking into account the 'Business continuity' and in accordance with the accounting standards in force and the valuation criteria for the main items - including technical provisions - adopted by the Company as of 31 December 2022, and follow the formats defined by the provisions of ISVAP Regulation No. 22 of 4 April 2008 and subsequent amendments. The adopted principles are in any case inspired by the criteria of prudence, competence, and significance of accounting information, as provided for by Article 2423-bis of the Italian Civil Code, in order to give a true and fair view of Athora Italia S.p.A.'s financial position and economic result.

In its drafting, reference was made to the provisions of the Civil Code and Legislative Decree 173/1997, integrated and amended by Article 8 of Legislative Decree 139/2015, interpreted and supplemented by the new accounting standards revised by the OIC (Organismo Italiano di Contabilità).

As regards information on the Company's activities, on significant events occurring after the balance sheet date, and relations with parent, subsidiary, affiliated and associated companies, please refer to the Management Report.

The criteria set out below have been agreed with the Board of Statutory Auditors, where required by law, and are generally consistent with those used to prepare the financial statements for the previous year; any changes are analytically described and highlighted.

The numbering of the paragraphs refers to the numbering of the relevant items in the Balance Sheet and Profit and Loss account of the annual financial statements.

ACTIVE

B. Intangible Assets

Intangible fixed assets, in accordance with Article 16 of Legislative Decree 173/97, are recorded at their purchase or production value including ancillary charges and including all directly attributable costs. The value is reduced by the depreciation rates calculated according to the period of their expected residual usefulness. The calculation of depreciation begins in the month in which the asset is acquired. If the value of the asset thus obtained exceeds its reasonably recoverable value, we proceed with the depreciation of the item. This lower value cannot be maintained if the conditions are no longer met in future years.

Intangible assets are reversed if the future economic benefits expected from their use no longer exist.

B.I. Acquisition commissions to be depreciated

Acquisition commissions paid in advance at the time of stipulation of contracts with a multi-year term are depreciable within the maximum period of the term of the contracts, and in any case not beyond the tenth year, within the amount limits of the tariff.

B.II. Other deferred costs

This item includes costs of a multi-year nature that are systematically depreciated on a straight-line basis, starting from the year in which they are incurred, generally over a period of five years.

These are incurred costs for the purchase and development of application software and for the purchase of basic time-based *software* licences and start-up, expansion and research costs.

Any costs for leasehold improvements are depreciated in relation to the remaining duration of the lease.

In general, the account also includes intangible assets in progress that have not been depreciated, but will be in the financial year in which they come into use.

Please refer to what is better described in Part B of this Note.

With reference to intangible fixed assets in this category, it should be noted that the company holds available reserves that are largely sufficient to cover the amount of expenses not yet depreciated. Therefore, in compliance with Article 16 paragraph 11 of Legislative Decree 173/97, it is possible, if envisaged, to distribute dividends.

C. Investments

C.I - Land and buildings

Real estate recorded in the financial statements, as provided for by Article 15 of Legislative Decree 173/97, is considered a long-term asset. Real estate is recorded at purchase or construction cost or at incorporation value (in the case of property previously owned by merged companies) reduced by adjustments for impairment losses, if any. The book value of assets, distinguished between land and buildings, includes ancillary charges and revaluations made in previous years pursuant to specific laws. Costs for improvements and conversions are capitalised if they result in an increase in the useful life of the assets and their profitability.

Buildings are not depreciated, as they are not subject to economic deterioration thanks to periodic maintenance, the cost of which is expensed in the year in which it is incurred, thus allowing their useful value to remain constant, also in consideration of their nature as long-term investments essentially aimed at covering obligations to policyholders.

Real estate that, at the balance sheet date, is permanently lower in value than the above-mentioned one is recorded at this lower value. This lower value will also be maintained in subsequent years if the reasons for the write-down no longer apply. In order to show the market value of land and buildings, in compliance with Article 18 of Legislative Decree 173/97 and Articles 16 to 20 of ISVAP Regulation 22, as supplemented and amended by IVASS Order no. 53 of 6 December 2016, the valuation of the asset is accompanied by an appraisal assigned to a professional appraiser. Market value means the price at which the property can be sold at the time of the valuation by means of a private contract between a seller and a buyer, assuming that the sale takes place under normal conditions.

C.II - Investments in group and other companies

Investments in Group and other investee companies are considered long-term assets (Art. 15 paragraph 2 of Legislative Decree 173/97) unless otherwise indicated in the notes to the financial statements.

Pursuant to Article 16, paragraph 3 of Legislative Decree 173/97, securities are recorded at purchase or subscription cost or at a value lower than cost if the investee companies show a permanent impairment in value based on their financial position. Investments in securities of other investees, for the portion intended for trading, are recorded at the lower value between average purchase cost and the current value assumable from market trends at the end of the period.

If the acquisition cost is higher than the net equity at initial recording, this higher value is described in the relevant items of Part B.

C.III - Other financial investments

C.III.1 Shares and units

C.III.2 Units in mutual funds

C.III.3 Bonds and other fixed-income securities

They consist of investments of a financial nature, classified based on the Investment Policies adopted annually by the Board of Directors, in accordance with the provisions of IVASS Regulation No. 24/16.

The Investment Policies aim to define what is summarised below:

- investment policy in the medium to long term consistent with technical obligations towards policyholders;
- specification of the strategic objectives, including that of riskiness, expressed in terms of consistency with the Company's corporate guidelines and multi-year industrial plan;
- investment categories, limits by geographical area, sector, counterparty and reference currency;
- tolerance limits for deviation from the various qualifying elements of the investments;
- concentration limits for individual issuers and groups as well as investment selection criteria and limits for illiquid investments not traded on regulated markets;
- risk monitoring and information timing;
- criteria for allocating investments to the 'long-term' and 'short-term' segments;
- management policies and related limits on the use of derivative financial instruments.

The key principle for the operations performed on the securities portfolio is the functional consistency with the structure of the obligations. In general, the allocation of each financial instrument to 'long-term' or 'short-term' use is based on the current and prospective economic and financial situation generated by the undertaken obligations, particularly in terms of quantity and timing. Securities allocated to the 'long-term' segment cannot be subject to systematic buying and selling transactions, transfer to another segment or early disposal, except in situations that are exceptional and extraordinary in nature.

Classification of securities in the portfolio.

Long-term investments

Financial instruments are classified in this segment up to 70 % of the book value, calculated from time to time, of class C investments including deposited cash on current accounts.

The financial instruments classifiable in this class are instruments for which there is a correlation with the structure of the technical obligations towards policyholders, and/or for which there is the intention and capacity by the company to keep them until their natural maturity and in any case in the medium to long term.

They include the following:

- shareholdings in listed and unlisted companies that carry out functional activities to the insurance business, i.e. that are considered strategic with respect to the company's purpose, irrespective of the shareholding.
- bonds convertible into shares of the companies referred to in the previous paragraph.
- other stocks, shareholdings in companies and possibly units of specifically identified UCIs that are considered long-term strategic investments.
- fixed- or variable-income bonds, including so-called structured products, that meet the characteristics above, have a residual maturity of 12 months or more, and a foreseeable rate of return no lower than the *swap* rate negotiated for equivalent maturities at the time of classification.

Short-term investments

Financial instruments, debt securities, units and shares, are classified in this class on a residual basis with respect to the long-term segment. Assets classifiable in this category are instruments for which there is a correlation with the structure of technical obligations towards policyholders and/or for which there is an actual or potential trading purpose by the company.

Evaluation Criteria

Long-term investments

The ordinary valuation criterion for financial fixed assets is cost. Pursuant to the provisions of Article 16 Legislative Decree 173/97, purchase cost must be maintained in the following financial statements unless an impairment loss occurs or a decision is made to change all or part of the asset's economic use and there are grounds for adopting a lower value. A model approved from time to time by the Board of Directors has been used to identify any impairment losses on securities recognised as long-term. This model identifies quantitative thresholds of *durability* and *severity*, differentiated by type of financial instrument; the exceeding, even separately, of one of the two thresholds triggers a qualitative analysis, the conclusions of which may lead to *impairment*. For equity securities, the *severity threshold* is quantified as a 25% decrease in

market value with respect to the book value, while the *durability* threshold is 18 months. In addition, for equity securities, exceeding the 30% *severity* threshold and the 24-month *durability threshold*, even separately, leads to automatic *impairment*.

For debt securities, the *severity threshold* is quantified as a 20% decrease (25% for bonds other than government and *corporate senior plain vanilla*) in market value compared to book value, while the *durability* threshold is identified as 12 months, and for bonds different from government and corporate senior plain vanilla it is 18 months.

Short-term investments

a) shares, OICR units and listed fixed-income securities: the book value is determined using the criterion of the lower value resulting from the comparison between the historical cost (continuous average), adjusted by the accrual for the year on the issue discount, net of any withholding tax, and the market value, identified in the price recorded on the last day of the period on the stock exchange lists or made available by specialised *infoproviders*; all market values are provided by Banca Bper on the basis of a special service agreement or defined by the Company using infoproviders with access to regulated listing markets; any lower calculated value is recorded as a direct adjustment to the historical cost with a counter-entry in the Profit and Loss account; this adjustment is reversed in the following year, if the reasons for it have ceased to exist, by reconstituting the value of the security up to the lower between the new market value and the original purchase cost (Art. 2426 Civil Code, paragraph 9); for securities with implicit interest rates (*zero coupon bonds* and others), the portion of the capital adjustment already accrued is taken into account;

b) shares or stocks of companies not listed on regulated markets: they are valued at the lower between purchase cost and market value corresponding to a prudent estimate of their presumed realisable value;

c) unlisted fixed-income securities: they are valued according to the method set forth in point a) above, using, where *infoprovider* prices are not available, estimates resulting from theoretical valuation models provided by Banca Bper as part of the above service or by other specialised operators or calculated by Athora Italia using internal valuation models.

d) units of unlisted UCITs: they are valued according to the methodology set forth in point a) above, using the price provided by the calculation agent BNP Paribas or the price prudently recalculated by Athora Italia through internal valuation models.

'Callable' securities

The method of calculating the depreciation (trading and issue discounts) on subordinated financial (insurance and banking) bonds with an early call provision by the issuer (so-called 'callable') was analysed.

For securities for which the probability of early call by issuers was assessed as high even under stressed market scenarios, the date of the first 'call' was considered as the end date of depreciation instead of the maturity date, and the book value was therefore recalculated, in line with accounting standards.

Derivative financial instruments

Derivative financial instruments are those financial instruments whose price depends on the value of one or more main financial assets (shares, bonds, rates, indices, etc.).

Examples include, but are not limited to:

- derivative contracts with an underlying security (*futures* and *options* with an underlying security, forward purchase or sale obligations, etc.);
- currency derivative contracts (*DCS*, *Currency Option*, etc.);
- derivative contracts without an underlying security linked to interest rates, indices or other assets (*interest rate options*, *forward rate agreements*, *irs*, etc.);
- all contracts which, irrespective of the terminology adopted, have technical and financial characteristics similar to any of the above;

The Investment Policies provide for the following:

- The use of derivative financial instruments must be consistent with the principles of sound and prudent management;
- their use is permitted if they show a clear technical and financial connection with assets intended to cover technical provisions, or to be used for this purpose in the case of transactions carried out to acquire or sell financial instruments; the underlying values must consist of assets eligible for covering technical provisions or of indices based on this type of asset; precise operating procedures are defined for the use of these instruments, the selection of counterparties and the required guarantees, as well as organisational control and reporting procedures;
- limits are identified on the use of derivative instruments in relation to assets covering technical provisions.

The risk tolerance level of derivative instruments and the overall managed portfolio must be in line with balanced and prudent asset management. The investment must not alter the risk profile or characteristics of the segregated fund.

The valuation criteria differ according to the 'hedging' or 'effective management' purpose for which the financial transaction is realised:

- transactions for the purpose of 'hedging' are intended to reduce investment risk, i.e. to protect the value of individual assets or liabilities or a group of assets or liabilities, including through their correlation, from adverse changes in interest rates, exchange rates or market prices. In this case, derivative instruments are valued according to the 'valuation consistency principle'; in particular, valuation losses or gains are recorded in the Profit and Loss account consistently with the corresponding capital gains and losses calculated on the hedged assets;
- 'effective management' transactions are those that are carried out for the purpose of achieving pre-set investment objectives in a faster, easier, cheaper and more flexible way than it is possible by operating on the underlying assets; such transactions must not generate a significant increase in investment risk and, in any case, such increase must be equivalent to that obtainable by operating directly on the underlying assets according to a balanced and prudent portfolio management; the derivative instrument is recorded at market value, allocating only valuation losses to the Profit and Loss Account; market value is determined with reference to the respective listed prices or, failing that, on the basis of a prudent assessment of their presumed realisation determined by calculation methods widely used in the market.

C.III.4 Financing

Financing is recorded at its par value, corresponding to its presumed realisable value, considering, for mortgages and other loans, the risk of default by the debtors against the offered collateral to be nil, and for loans on policies the risk of default to be nil as they are granted for an amount not exceeding the redemption value of the policy.

C.III.7. Miscellaneous financial investments

The account includes investments not included in the previous items such as, for example, repo investments. It also includes premiums due for the purchase of options yet to be exercised. The item includes the AP WRHS L.P security., an investment in which we participate through a Limited Partnership (L.P.) and which has therefore been differentiated from those inscribed in the category C.III.1 Shares and units.

D.I - Investments related to investment funds and market indices

Investments for the benefit of life insurance policyholders bearing the risk are recorded at current value. The current value of the assets is determined in accordance with the terms of the contract, in particular:

- for investments traded on regulated markets, the value on the last day of the financial year;
- for other financial investments, assets and cash is generally understood to be their par value.

D.bis. Technical provisions borne by reinsurers

D.II - Life Insurance Reserves

The Mathematical provisions to be borne by Reinsurers are calculated in accordance with the assignment treaties using the same criteria as those adopted for the allocation of reserves for direct business (see *below*, under item C.II of Liabilities), with the exception of those treaties whose contractual terms (pure risk premiums) do not provide for the calculation of the mathematical reserve.

E. Receivables

In accordance with Legislative Decree 173/97 Article 16 paragraph 9, receivables are recorded at estimated realisable or extinguishable value. Loss estimates are based on the valuation of receivables with manifest risks of uncollectability and are allocated in the specific provision for doubtful receivables.

Pursuant to Article 2427 of the Italian Civil Code and Legislative Decree 173/97, if this Note does not expressly state residual maturities of more than one year and five years, receivables are deemed to have a maturity of less than one year.

Please refer to what is better described in Part B of this Note.

F. Other Assets

F.I - Tangible Assets and Inventory

Tangible fixed assets are recorded at purchase or production cost, increased by ancillary charges and incremental expenses. The recorded amount in the balance sheet is obtained by adjusting the book value as defined above by the applied depreciation.

Depreciation is calculated at the following rates:

- Office furniture	12%
- Electronic office machines and EDP installations	20%
- Movable assets entered in public registers	25%
- Various machines and equipment	15%

These rates are representative of the deterioration of the asset resulting from its use during the year.

Reductions of 50% of the entire aforementioned amounts are applied for the year's purchases.

Given the low storage from previous years, inventory and miscellaneous goods previously valued at average cost and mostly relating to printed matter and consumables are now valued at acquisition cost.

F.II - Cash and cash equivalents

This item includes bank and postal sight deposits, deposits with withdrawals subject to time limits of less than 15 days, bank and postal cheques, cash and cash equivalents, recorded at par value.

G. Accrued income and deferred expenses

Accrued income and deferred expenses include revenues and expenses that, respectively, will be realised or incurred in subsequent years but pertain to the financial year, and those that will be realised or incurred by the end of the financial year but pertain to subsequent financial years.

Accrued income and deferred expenses are calculated on an accrual basis, in accordance with Article 2424 bis, paragraph 6 of the Civil Code.

LIABILITY

B. Subordinated liabilities

Bonds are recorded at the time of their subscription and at their par value. They are represented by loans granted to the Company that include a subordination clause. The liability for issued bonds corresponds to the total outstanding principal amount at the balance sheet date, according to the refund schedule. Loan issue costs consist of incurred ancillary charges and include legal and other expenses related to the issue of the loan. These costs are deferred, depreciated, recorded as deferred expenses and then allocated to the Profit and Loss Account over the life of the issued bond loan. These liabilities meet the specific eligibility requirements to cover the Solvency Capital Requirement under Article 45 of Legislative Decree No. 209 of 7 September 2005 and the Minimum Capital Requirement under Article 47-bis.

C. Technical provisions

Technical provisions are calculated based on actuarial principles and on the provisions of Article 23-bis of ISVAP Regulation no. 22 of 4 April 2008. The methodologies used by the Company to calculate technical provisions as at 31 December 2022 are set out in the Actuarial Report on technical provisions pursuant to Article 23-bis, paragraph 3, of Regulation no. 22 of 4 April 2008 as amended by Order no. 53 of 6 December 2016, attached to the financial statements, to which reference should be made.

C.II - Life business

C.II.1 Mathematical provisions

The Mathematical provisions at the end of the period were calculated, for each contract in force, using specific computer procedures, according to technical-actuarial criteria, in relation to the technical bases used to calculate the tariff premiums, authorised by the Ministry or resulting from the relevant Systematic Communications sent to Ivass, in line with the provisions of the regulations in force.

As part of a broader process of improving IT procedures, it should be noted that, as of 01.01.2017, the historical portfolio management system (LIFE) was flanked by a new management system (PASS).

As of 01.07.2018 the new PASS application manages only the New Individual Production of the Agency Channel and the new Distributors, while as of 05.08.2018 the entire individual portfolio of the Agency Channel alone was transferred to the PASS application.

The reserves thus calculated per contract are never less than the redemption values.

The technical provisions of the contracts in the portfolio, as better described in the Actuarial Report, have been supplemented by:

- an annual instalment to build up the increased annuity hedging capital, required at contract maturity, in the event that a predetermined life annuity amount is guaranteed at maturity;
- an additional reserve for financial risk (guaranteed interest rate), as a result of the results of the ALM analysis as per paragraphs 21, 22 and 23 of Annex 14 of IVASS Regulation No. 22 of 04.04.2008, which in this financial year was set up only for the Temporary Policies in case of Death portion of the portfolio.

The amount of the mathematical provisions also includes the Earnings Provision in accordance with Para. 38 bis of Annex No. 14.

C.II.2 Supplementary coverage provisions

Unearned premium provision for supplementary coverage includes, in relation to supplementary coverage policies as defined in Article 2, paragraph 2 of the Code, the premium reserve as provided for in Article 23 bis, paragraph 7 of IVASS Order No. 53 of 06.12.2016.

C.II.3 Reserves for amounts payable

The Reserve for amounts payable includes, in accordance with Article 23 bis, paragraph 5 of IVASS Order No. 53 of 06.12.2016, the capitals that, having left the portfolio of in-force policies (on both the LIFE and PASS management schemes), have not yet been subject to liquidation, have not yet gone through the liquidation processes and therefore have not yet manifested themselves as costs in the Company's Profit and Loss account.

C.II.5 Miscellaneous Technical provisions

The item Sundry technical provisions consists of the reserve for management fees, which was determined in accordance with the criteria set forth in Articles 33 and 34 of IVASS Regulation No. 21/2008, i.e. on the basis of the so-called first-order assumptions, by comparing the technical bases used in the calculation of the reserve and the results of direct experience on the portfolio.

D. Technical provisions where the investment risk is borne by policyholders

With regard to the technical provisions when the investment risk is borne by the policyholders (*unit-linked* contracts), the amount set aside is equal to the product of the number of units representing the Company's obligations and the value of the unit as at 31.12.2022; also in this case, the reserves are compared with the redemption values and any difference is set aside for additional reserves as per Article 41, paragraph 4, of Legislative Decree 209/2005.

E. Provisions for risks and charges

In accordance with Article 40 of Legislative Decree 173/97, this item includes provisions for risks and charges to cover losses or liabilities of a given, certain or probable nature, the amount or date of occurrence of which is unknown.

This item includes provisions for taxes, which include probable or undetermined liabilities arising from current tax disputes.

G. Payables and other liabilities

Payables and other liabilities are recorded at par value. This item includes, among others, current payables of various kinds, such as those arising from direct insurance operations, those arising from reinsurance operations, tax payables and other liabilities. The item also includes payables for severance pay. As set forth in Article 2427 of the Italian Civil Code and Legislative Decree 173/97, where this Note does not expressly state residual maturities of more than one year and five years, the amounts are deemed to be due within one year.

G.VII - Severance pay

Employee severance pay is calculated in accordance with the provisions of Article 2120 of the Italian Civil Code, as well as Law No. 296 of 27 December 2006 and employment contracts. The item reflects the certain but not collectable accrued debt towards employees at the closing date of the financial year, calculated analytically, in compliance with the laws and collective employment and supplementary company agreements in force. Starting from the 2007 financial year, this refers only to the accrued TFR (employee severance pay) as of 31.12.06, appropriately revalued by means of legal indices. The accrued employee severance pay severance indemnity as of 1.1.07, allocated in view of the liability accrued with respect to employees, is prevalently paid to a Pension Fund or to the INPS Treasury Fund, depending on the employee's indications.

H. Accrued expenses and deferred income

Accrued expenses and deferred income include revenues and costs that, respectively, will be realised or incurred in subsequent years but pertain to the financial year, and those that will be realised or incurred by the end of the financial year but pertain to subsequent years. Accrued expenses and deferred income are calculated on an accrual basis, in accordance with Article 2424 bis, paragraph 6 of the Civil Code.

PROFIT AND LOSS ACCOUNT

II. Life business technical account

II. Premiums for the Year, Net of Outwards Reinsurance

Premiums are recorded in the accounts at the time of accrual. This time corresponds to the maturity date of each premium as stated in the insurance document. The allocation of the accrual period is implicit in the method of calculating the Mathematical Reserve. With regard to the premiums of the supplementary accident insurance, which are, moreover, extremely limited in amount, the accrual is obtained by allocating, among the costs, the change in the Premium Reserve calculated according to the accrual method. Premiums collected from the distribution network, which are awaiting computer matching with the corresponding security in the portfolio, are recorded in the balance sheet under 'Sundry liabilities'.

II. Income from investments, II. 9. Capital and financial charges

Interest income accrued on fixed-income securities, including gross accruals, issue discounts and trading discounts for long-term investments, is recorded in the profit and loss account on an accrual basis. Dividends are normally accounted for on an accrual basis in the financial year in questions, following its distribution resolution. Profits and losses from the trading of securities are recorded in the profit and loss account in the financial year in which the related sales contracts are concluded.

Other income and expenses are accounted for on an accrual basis.

II.5 Claims charges, Net of Outwards Reinsurance

The charge for claims in respect of life insurance business includes amounts recorded during the year in respect of accrued capital and annuities, surrenders and claims, including those of supplementary coverage. The amount of the reinsurers' share is determined on the basis of the reinsurance treaties currently in force.

II. 8. Operating Expenses

Operating expenses include:

- II.8.a. Acquisition commissions:** The account includes the remuneration due to the sales network in connection with acquisition and renewal, and rappels commensurate with the achievement of productivity targets;
- II.8.b. Other acquisition costs:** This account includes expenses, arising from the subscription of policies, different from those described in the preceding paragraphs, directly or indirectly attributable to the issue of policies; it also includes advertising and promotion costs to support the sale of policies;
- II.8.c. Changes in commissions and other acquisition costs to be depreciated:** these include depreciation charges for the year relating to acquisition commissions and other acquisition costs;
- II.8.d. Collection commissions:** this item includes fees paid to the sales network in relation to the collection activity performed on behalf of the Company.

II.8.e. Other administrative expenses: these include the costs of personnel, logistics, the provision of services and the purchase of assets of corporate structures other than those pertaining to the other acquisition costs reported above and those attributed to investment management. This item also includes charges incurred for the termination of agency relationships for the portion not subject to compensation;

II.8.f. Commissions and profit share received from reinsurers: commissions and profit shareholdings stipulated in the contractual agreements for the cessions and retrocessions of premiums to reinsurers are recognised.

II.12. Share of investment income transferred to the non-technical account

The share of the profits of Life investments to be transferred from the technical account to the non-technical account is calculated taking into account the provisions of Article 23 of ISVAP Regulation No. 22 of 4 April 2008 and supplemented and amended by IVASS Order No. 53 of 6 December 2016. It is derived by applying to the aforementioned investment income the ratio resulting from:

- the semi-sum of shareholders' equity at the end of the current year and at the end of the previous year;
- this amount increased by the semi-sum of the technical provisions (net of reinsurance) also resulting at the end of the financial year and at the end of the previous one.

If, however, the investment income remaining in the life business technical account is less than the amount of the investment income contractually recognised to policyholders during the financial year, the portion to be transferred to the non-technical account shall be reduced appropriately, up to its eventual cancellation, by the amount of this lower value.

OTHER PRINCIPLES APPLIED

Current taxation

Provisions include probable or undetermined liabilities and corporate taxes not yet certain and/or determined. The tax burden is determined by estimating the Provision for Taxes as if they were actually to be settled based on the gross profit at the end of the period; the relevant tax adjustments are made by simulating a tax return for the relevant period. The tax rate applied is that assumed to be in force at the end of the financial year.

The liability for IRAP is estimated based on a conservative calculation by applying the rate of 6.82% to the Production Value for the period.

In the determination of IRES, the rate of 24.0%, in force as of tax year 2017, provided for in the 2016 Stability Law (Law No. 208 of 28.12.2015) applies.

With reference to IRES, by virtue of the transfer of the Company's shareholdings from Primavera Intermediate Holding S.à.r.l. to Athora Italy Holding DAC on 01 August 2022, the tax consolidation to which the Company had adhered as the designated consolidating company from the 2021 tax year was discontinued, with effect as of 1 January 2022.

As regard to the tax year 2022, since the control requirement by Athora Italia S.p.A. over the companies I.H. Roma S.r.l. in liquidation and Assi 90 S.r.l. in liquidation since the beginning of the tax year exists, a new tax consolidation regime has been set up between these companies.

A three-year option has been exercised with respect to Revenue Agency for the tax periods from 2022 to 2024 inclusive. The option is tacitly renewed at the end of each three-year period, unless revoked.

Tax consolidation, relating solely to IRES, provides that the Parent Company, in its capacity as consolidating company, prepares a single tax return (as the algebraic sum of the taxable income of all participating companies, varied by consolidation adjustments, as provided for by Article 122 of the TUIR) and that it is responsible for paying the IRES balance and deposits. The financial relationship with the Inland Revenue Office arising from the IRES calculation is therefore transferred to the consolidating company Athora Italia S.p.A.

The relations between the consolidating company and the consolidated company arising from group taxation are governed by a special agreement between the parties.

In the area of IRES, also in the 2022 financial year, following the write-downs made on real estate in previous years, a depreciation for tax purposes only was carried out on the value of real estate, to allow the misalignment between the civil value and the fiscal value of the assets in question, generated by the aforementioned write-downs, to be reabsorbed as quickly as possible. This operation was carried out based on the indications of Revenue Agency Resolution No. 98 of 19 December 2013.

Deferred taxation

Pursuant to Article 2426 of the Italian Civil Code and taking into account Accounting Principle No. 25 of the National Council of Accountants and Bookkeepers and Consob Recommendation No. 99059010 of 30 July 1999 on the Accounting Treatment of Deferred Tax Assets and Liabilities, which came into force in 1999, deferred tax assets and liabilities, relating to temporary differences between pre-tax profit for the period and taxable income, were accounted for. The determination of this accounting entry was made for deferred tax assets considering the temporary differences arising from negative income components subject to taxation that determine elements with reversals in one or more subsequent years (deductible

temporary differences); for deferred taxes considering positive income components not taxable in the year but in subsequent years (taxable temporary differences).

As part of the recognition of deferred tax assets and liabilities:

- Recognition of the deferred tax asset is subject to the reasonable certainty of the existence, in the years in which the related positive tax effects will occur, of a taxable income not less than the total amount of these effects;
- Recognition of the deferred tax liability is subject to verification that the conditions exist to translate the deferred tax liability into an actual tax liability.

With regard to the recoverability of deferred tax assets, a strategic plan has been drawn up that shows the ability to generate, in the years in which deductible temporary differences will reverse, taxable income not less than the amount of deferred tax assets to be reabsorbed.

Deferred tax assets and liabilities are charged to the Profit and Loss Account, and are determined on the basis of the tax rates in force in each financial year in which these taxes will become payable.

Currency Conversion

In accordance with Civil Code Art. 2425-bis and Art. 2426, the initial recognition of foreign currency transactions requires that revenues/income and costs/expenses are accounted for at the exchange rate prevailing on the date the transaction is executed. With regard to subsequent recognition and measurement, Article 2426, number 8-bis distinguishes different conversion criteria for and non-monetary items:

- Monetary items: Assets and liabilities in foreign currency involving the right to collect or the obligation to pay at a future date amounts that are certain or determinable, such as receivables, payables, accrued income, expenses and debt securities. They are recorded in the balance sheet at the spot exchange rate at the balance sheet date. Any losses or gains resulting from the application of this principle are to be charged to the profit and loss account. Any net profit is to be set aside as a non-distributable reserve until realised (in other reserves 'Reserve for foreign exchange gains');
- Non-monetary items: tangible, intangible and financial fixed assets consisting of shareholdings, should be recorded at the exchange rate at the time of their acquisition or at the lower rate at the end of the financial year (if the reduction can be judged to be permanent).

Provisions for risks and charges and memorandum accounts related to liabilities in foreign currencies are to be considered monetary items and therefore follow the principle of the spot exchange rate at the balance sheet date.

PART B - INFORMATION ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Balance sheet - assets

The balance sheet is presented in Annex 1. The items and changes compared to the previous financial year are commented on below and supplemented with the information required by current regulations.

Section 1 - Intangible Assets (Item B)

The account includes charges with multi-year utilisation for the residual amount to be depreciated.

1.1 Changes in intangible assets during the financial year

INTANGIBLE ASSETS				
<i>In € thousand</i>	2022	2021	Variation	%
Acquisition commissions to be depreciated	929	1,201	-272	-22.65
Other deferred costs	3,030	4,817	-1,787	-37.10
Total	3,959	6,018	-2,059	-34.21

The changes in intangible assets during the financial year are displayed in Annex 4.

1.1 - Acquisition commissions to be depreciated (Item B.1)

The portion not yet depreciated relating to **acquisition commissions** amounted to € 929 thousand, compared to € 1,201 thousand at the end of the previous financial year. As of 2022, no new precalculated commissions are capitalised, so the decrease in the item is only due to the depreciation portion expensed in the financial year.

1.2 Other acquisition costs (Item B.2)

There are no other acquisition costs.

1.3 Start-up and capital costs (Item B.3)

There are no start-up and capital costs.

1.4 Other deferred costs (Item B.5)

Other deferred costs amounted to € 3,030 thousand.

Below are the movements of the item **other deferred costs** by homogeneous category:

DETAIL OF OTHER DEFERRED COSTS					
<i>In € thousand</i>	2021	Increases	Decreases	Dep.	2022
Leasehold improvements	295	6	0	-26	275
Software Licences	2,155	145	-366	-704	1,230
EDP projects	1,953	298	-72	-924	1,255
Other assets	414	0	0	-144	270
Total	4,817	449	-438	-1,798	3,030

This item includes, inter alia, costs related to the development of the computer system and software in the amount of € 2,485 thousand, leasehold improvements in the amount of € 275 thousand, and € 270 thousand in the capitalisation of personnel costs in connection with activities under development.

The change of € 1,787 thousand from the previous year's balance is due to the combined effect of purchases for € 449 thousand, depreciations for € 1,798 thousand, and disposals for € 438 thousand relating to software and EDP projects that have become obsolete. Leasehold improvements are related to renovation works conducted on the building in which the new Milan office is located. Changes in intangible assets during the financial year are detailed in Annex 4.

Section 2 - Investments (Item C)

Class C investments amounted to € 6,794,588 thousand (€ 7,036,955 thousand at the end of 2021).

2.1 Land and buildings (Item C.I)

2.1.1 Changes in land and buildings during the financial year

All land and buildings are considered durable and are composed as follows:

LAND AND BUILDINGS				
<i>In € thousand</i>	2022	2021	Variation	%
Buildings used by third parties	92,802	95,038	-2,236	-2.35
Total	92,802	95,038	-2,236	-2.35

Compared to the previous financial year, the value of real estate used by third parties recorded a decrease of € -2,236 thousand, of which € -2,546 thousand was due to the write-down of 24 real estate units and € 310 thousand to the recovery in value of 5 real estate units.

2.1.2 Evidence of leased assets with separate indication of transactions with group and investee companies

It should be noted that the company has no leased assets.

2.1.3 Methods used to determine the market value of land and buildings in accordance with the provisions of Articles 16 to 20 of the IVASS Regulation

In accordance with company practice, in 2022 the Company commissioned an external appraiser to estimate the fair value of all owned real estate and to ascertain any impairment losses. Considering the nature and type of the properties, the appraiser used a methodology based on the prospective cash flows of each property, discounted over a medium- to long-term time horizon. The net decrease of € -2,236 thousand refers to the properties listed below:

REAL ESTATE FOR THIRD-PARTY USE		
<i>In € thousand</i>		
Municipality	Address	Recovery/(Write-down)
CAGLIARI	Piazza Deffenu 10	-10
VERBANIA	Via Della Chimica 2	-400
GENOA	Via Romairone 14	-100
CARONIA	Via Roma 5	-20
MONTALBANO HELICONA	Corso Principe Umberto 34-36	-10
MONTEMAGGIORE BELSITO	Via Matteotti 10	-20
ADRIAN PALACE	Via Armando Diaz 5	-15
PALM OF MONTICHIARO	Via Italia 1	-110
POLLINA	Via Libertà 17-19	-20
ROME	Via Gallia 178	10
ROCCAPALUMBA	Via Umberto I 34-36	-40
ROME	Via Appia Nuova 365-373	-40

table follows

Municipality	Address	Recovery/(Write-down)
SAN MAURO CASTELVERDE	Via Umberto I 19	-20
AOSTA	Piazza Chanoux 49	-596
BELGIUM	Via XX Settembre 29/1	-20
CABIATE	VIA Grandi 6	-60
CERMENATE	Piazza XX Settembre 1	-280
COMO	Via Milano 178	110
CREMONA	Via Gramsci 2-4	10
JESOLO	Piazza I Maggio 11	20
MEDE	Via Cavour 18	-100
MIRA	Via Nazionale 186	-70
MONTAGNANA	Via Carrarese 30	-85
MOZED	Via Varese 28	-60
PADUA	Corso Stati Uniti 14/A	-150
PADUA	Via Chiesanuova 162	-130
PACKAGE RAIN	Via Roma 81	-170
ROVELLASCA	Via Piave 1	-20
VENICE	Via Forte Marghera 75	160
Total		-2,236

The following table shows the comparison between the book value and market value for land and buildings held as at 31 December 2022:

VALUE OF LAND AND BUILDINGS						
In € thousand	Book value			Market value		
	Land	Building	Total	Land	Building	Total
Buildings used by third parties	45,230	47,572	92,802	45,230	48,135	93,365
Total	45,230	47,572	92,802	45,230	48,135	93,365

2.2 Investments in Group and other investee companies (item C.II)

2.2.1 Stocks and shares in companies (Item C.II.1)

The total amount of investments in Group companies (item C.II) as at 31 December 2022 was € 1,033 thousand (€ 8,549 thousand as at 31 December 2021), broken down as follows:

INVESTMENTS IN GROUP AND OTHER INVESTEE COMPANIES				
In € thousand	2022	2021	Variation	%
Stocks and shares of subsidiaries	1,033	8,549	-7,516	-87.92
Stocks and shares of associates	0	0	0	0
Loans to subsidiaries	0	0	0	0
Total	1,033	8,549	-7,516	-87.92

At the end of 2022, the item stocks and shares of subsidiaries (€ 1,033 thousand) refers to the majority shareholding held in the insurance mediation company Assi90 S.r.l. in liquidation. Instead, the equity investment in IH Roma S.r.l. was liquidated in 2022.

For the subsidiary Assi 90, an external appraiser was also appointed to check the current value of the real estate and to ascertain any impairment losses.

The following table gives an indication of the value of the shareholdings and their share of held net equity:

DETAIL OF INVESTMENTS IN SHAREHOLDINGS

<i>In € thousand</i>				
Company	Net equity	Possession %	Net equity	Shareholding value
Assi90 S.r.l.	1,714	60.25	1,033	1,033

A breakdown of the changes is provided in Annex 5 attached to the Notes to the Financial Statements, of which it is an integral part.

The statement concerning information on investee companies is instead provided in Annex 6 attached to the Notes to the Financial Statements, of which it is an integral part.

The statement of changes in investments in group companies and other investee companies is attached as Annex 7 to the Notes to the Financial Statements, of which it forms an integral part.

A summary of the economic relations with the companies Assi 90 S.r.l. in liquidation and the company Athora Italia S.p.a. (parent company, affiliates, associates) is provided in the Management Report.

2.2.2 Changes during the year in bonds issued by group companies (Item C.II.2)

There are no bonds issued by group companies.

2.2.3 Changes during the year in loans to group companies (Item C.II.3)

There are no loans to group companies and other investees.

Current value of investments (as per Annexes 7, 8 and 9)

The current value of investments made on regulated markets was taken to be the price recorded on the last day of the last month of the financial year.

For investments made on unregulated markets, but with quotations proposed by contributors representing primary brokers, the price listed on the last day of the last month of the financial year was assumed. In the absence of significant quotations, a prudent analytical valuation was made regarding their probable realisable value. In particular, a theoretical value was determined for securities using valuation models developed in accordance with the best financial practice.

The current value of shareholdings in associate companies was determined by considering the net equity, inclusive of the result for the financial year of the last approved financial statements, adjusted by any unrealised capital gains and losses on securities and real estate, as well as the value of goodwill, where detectable.

2.3 Other financial investments (item C.III)

The total balance amounted to €6,700,753 thousand, an increase of € -232,655 thousand compared to December 2021. The main components can be summarised as follows:

OTHER FINANCIAL INVESTMENTS

<i>In € thousand</i>	2022	2021	Variation	%
Shares and units	1,022,698	654,618	368,079	56.23
Mutual fund shares	1,952	0	1,952	-
Bonds and other fixed-income securities	5,593,806	6,278,206	-684,401	-10.90
Loans	577	584	-7	1.20
Miscellaneous financial investments	81,720	0	81,720	-
Total	6,700,753	6,933,408	-232,655	-3.36

Compared to the previous year, investments in shares and units increased as a result of new subscriptions of ICAV shares detailed below, mutual investment funds were purchased for € 1,952 thousand, Bonds and other

fixed-income securities decreased by more than € 684 million, and Miscellaneous financial investments amounted to about € 82 million and related to a structured foreign exchange instrument, which was already described above and purchased in 2022.

The item **shares and units** includes investments in Amissima Diversified Income ICAV (Irish Collective Asset-management Vehicle) and in undertakings in which the Company owns less than one-tenth of the capital or voting rights exercisable in the ordinary shareholders' meeting.

The ICAV investments as at 31 December 2022 are detailed below:

DETAIL ICAV INVESTMENTS

In € thousand

Isin	Description	Book value	Market value
QU0006740322	Amissima Loan Origination Fund (A)	70,414	70,585
QU0006743755	Amissima Loan Origination Fund_Cvita (A1)	329,338	330,144
QU0006740306	(Cvn) Global Ig Corp Credit Fund	243	243
QU0006740330	(Norvita) Global Ig Corp Credit Fund	68	68
QU0006743789	Multi Credit Strategy Fund Cvita (A1)	358,189	358,189
QU0006740348	Multi Credit Strategy Fund Norvita (A)	105,561	105,561
QU0006740739	Multi Credit Strategy Fund Multi (A Mcs)	28,883	28,883
QU0006750743	Amissima Sovereign Debt Fund Norvita	39,001	40,734
QU0006750735	Amissima Sovereign Debt Fund Cvita	91,001	95,041
Total		1,022,698	1,029,448

Amissima Diversified Income ICAV was established in order to manage investment funds as to meet the Group's strategic financial needs. The ICAV is a legal entity supervised by the Central Bank of Ireland and can be defined as an investment fund organised according to a umbrella structure representing underlying investment funds subject to Directive 2009/65/EU and Directive 2011/61/EU. The ICAV funds are at the complete and exclusive service of Athora Italia, which is the sole investor. The ICAV represents an important element in the investment policy pursued by the Company to diversify the Asset Allocation strategy and to guarantee high and competitive returns to insurance policyholders.

2.3.1 Breakdown by long-term and short-term use of assets

The breakdown by utilisation of other financial investments in shares and units of companies, of mutual funds, bonds and other fixed-income securities, together with a comparison with the current value, is displayed in Annex 8 attached to the Notes to the Financial Statements, of which it forms an integral part.

2.3.2 Changes in long-term assets during the year

The changes during the financial year in long-term assets, which are included in the items listed under 2.3.1 above, are displayed in Annex 9.

In 2022, long-term securities with a total value of € 331,745 thousand were purchased and long-term investment securities with a total value of € 40,240 thousand were refund.

During 2022, listed government bonds totalling € 719,124 thousand were transferred from the short-term to the long-term use segment.

TRANSFERS FROM THE SHORT-TERM TO THE LONG-TERM SEGMENT*In € thousand*

Isin	Description	Par value	Transaction Value
DE0001102549	EUR GERMANY 21-36 0%	40,000	39,849
NL00150006U0	EUR HOLLAND 21-31 0.00%	121,900	122,226
NL0015000B11	EUR HOLLAND 21-38 0.00%	40,000	38,753
DE0001102457	EUR GERMANY 18-28 0.25%	40,000	40,694
AT0000A2CQD2	EUR AUSTRIA 20-30 0.00%	75,000	72,416
BE0000349580	EUR BELGIUM 20-30 0.10%	30,000	30,203
NL0013332430	EUR HOLLAND 19-29 0.25%	160,000	160,528
DE0001102556	EUR GERMANY 21-28 0.00%	30,000	29,995
AT0000A269M8	EUR AUSTRIA 19-29 0.50%	65,000	65,736
DE0001102515	EUR GERMANY 20-35 0.00%	61,900	61,956
AT0000A1ZGE4	EUR AUSTRIA 18-28 0.75%	55,000	56,769
Total		718,800	719,124

The aforementioned operations made it possible to improve the matching profile between asset flows and expected liability flows, particularly for years in which asset flows are higher than liability flows, and to stabilise the current and prospective returns of the segregated funds at levels consistent with policyholders' expectations.

In addition, listed government bonds totalling € 370,989 thousand were transferred from the long-term to the short-term use segment, and subsequently sold with forward delivery completed in 2022.

TRANSFERS FROM THE LONG-TERM TO THE SHORT-TERM SEGMENT*In € thousand*

Isin	Description	Par value	Transaction Value
BE0000336454	EUR BELGIUM 15-38 1.90%	55,000	58,353
FR0013154044	EUR FRANCE 16-36 1.25%	90,000	88,699
IT0004356843	B.T.P. 08/2023 4.75% (ACQ FWD)	222,580	223,937
Total		367,580	370,989

As at 31 December 2022, net capital losses (post-closing) on securities classified as 'long-term' amounted to € -971,398 thousand against capital gains of € 147,501 thousand at the end of 2021.

The gradual depreciation of the negative differences compared to the refund value for securities included in the long-term segment led to the recording of net trading discounts in the profit and loss account for a negative value of € -203 thousand against a positive value in 2021 of € 10,420 thousand: positive discounts amounted to € 7,430 thousand and negative discounts to € 7,634 thousand.

Overall, during the financial year, securities trading activities contributed a positive net accounting result of € 77,326 thousand to the Profit and Loss Account, while refunds provided a net accounting result of € 3,046 thousand.

The Net value adjustments item amounted to € -140,028 thousand, mainly due to € -64,384 thousand on derivative instruments.

Regarding the bonds under item C.III.3, a breakdown of the positions of significant amounts per issuer is also provided:

BONDS AND FIXED-INCOME SECURITIES

<i>In € thousand</i>			
Issuer description	Book value	Issuer description	Book value
REPUBLIC OF AUSTRIA	629,934	ARCELORMITTAL	12,850
FRENCH REPUBLIC	599,379	ORACLE CORPORATION	12,718
REPUBLIC OF ITALY	546,282	DEUTSCHE BANK AG	12,224
KINGDOM OF THE NETHERLANDS	477,654	BANK OF IRELAND	12,048
FEDERAL REPUBLIC OF GERMANY	461,650	FCA BANK SPA IRELAND	11,795
KINGDOM OF BELGIUM	356,717	BPER BANK	11,437
STATE OF NORTH RHINE-WESTPHALI	291,287	ENEL SPA	11,273
OBRIGACOES DO TESOIRO	280,885	PHILIP MORRIS INTL	10,703
KINGDOM OF SPAIN	277,718	MOTORWAYS FOR ITALY	10,210
PURPLE PROTECTED ASSET S.A.	167,332	INTRUM AB	10,069
LAND BERLIN	121,315	ERAMET SA	9,951
EUROPEAN INVESTMENT BANK	76,229	BARCLAYS PLC	9,897
EUROPEAN FINANCIAL STABILITY F	60,455	LLOYDS BANKING GROUP	9,825
AMCO ASSET MANAGEMENT CO S.P.A	57,724	VALLOUREC SA	9,787
ASSISTANCE PUBLIQUE HOPITAUX PARIS	55,023	MITSUBISHI UFJ FINANCIAL GROUP	9,720
EUROPEAN STABILITY MECHANISM	53,234	IMPERIAL BRANDS	9,676
KFW	52,699	ELECTRICITE DE FRANCE SA	9,557
COMMUNAUTE FRANCAISE DE BELGIQ	50,592	VOLKSWAGEN LEASING GMBH	9,518
BANCA CARIGE SPA	50,000	ILLIMITY BANK SPA	9,425
INTESA SANPAOLO SPA	49,388	3M COMPANY	9,374
CITY OF AMSTERDAM NETHERLANDS	39,902	BANCO SANTANDER SA	9,256
REPUBLIC OF FINLAND	37,728	AMS AG	9,163
EUROPEAN UNION	33,388	DANSKE BANK A/S	9,126
BNP PARIBAS SA	28,497	BANCA IFIS SPA	8,506
REPUBLIC OF IRELAND	26,687	BACARDI LTD	8,390
VATTENFALL TREASURY AB	20,475	EUROBANK SA	7,835
AT&T CORPORATION	20,088	FINCOBANK SPA	7,655
NATWEST MARKETS PLC	19,384	ENEL FINANCE INTL NV	6,505
VOLKSWAGEN INTL FIN	19,206	TELIA COMPANY AB	6,505
MORGAN STANLEY	19,026	AIR FRANCE-KLM	6,288
GOLDMAN SACHS GROUP INC/THE	18,855	GLENCORE FINANCE EUROPE	5,917
WEBUILD SPA	18,307	AUTOROUTES DU SUD DE LA	5,307
HSBC HOLDINGS PLC	18,046	CREDIT AGRICOLE SA	5,282
COOPERATIEVE RABOBANK UA	17,899	DOBANK SPA	5,273
COMMERZBANK AG	17,637	REPUBLIC OF LITHUANIA	5,063
MEDIOBANCA BANCA DI CREDITO FI	16,708	E.ON INTL FINANCE BV	5,020
GENERAL MOTORS FINL CO	14,666		
BHP BILLITON FINANCE LTD	14,086		

The issuers were selected based on the total book value of securities exceeding €5 million and represent 97.2% of the entire category.

As at 31 December, securities with subordination clauses are displayed in the table below, drafted according to the internationally provided subordination level:

DETAIL OF SECURITIES WITH SUBORDINATION CLAUSE*in € thousand*

Isin	Description	Currency	Book value	Market value	Extinction date	Classification	Quotation
XS0863907522	EUR ASS GENERALI 12-42 7.75% (FRN FROM 22)CALL SUB	EUR	-	-	12.12.2022	SUB-LOWER TIER2	Listed
XS0951553592	EUR AVIVA 13-43 6.125% (RESET FROM 23) CALL SUB	EUR	1,503,759	1,509,030	05.07.2023	SUB-LOWER TIER2	Listed
XS1083986718	EUR AVIVA 14-44 3.875% (FRN FROM 24) CALL SUB	EUR	-	-	03.07.2024	SUB-LOWER TIER2	Listed
FR0012620367	EUR CREDIT AGRICOLE 15-25 2.70% SUB	EUR	3,668,862	3,668,862	14.04.2025	SUB-LOWER TIER2	Listed
XS0971213201	EUR INTESA 13-23 6.625 SUB	EUR	6,328,090	6,431,476	13.09.2023	SUB-LOWER TIER2	Listed
XS0764278528	EUR MUNICH RE 12-42 6.25% (FRN FROM 22) CALL SUB	EUR	-	-	26.05.2022	SUB-LOWER TIER2	Listed
XS0981632804	EUR RAIFFEISEN 13-23 6% SUB	EUR	2,005,435	2,004,800	16.10.2023	SUB-LOWER TIER2	Listed
XS0849517650	EUR UNICREDIT 12-22 6.95% SUB	EUR	-	-	31.10.2022	SUB-LOWER TIER2	Listed
XS1700435453	EUR B. IFIS 10/2027 4.50% (CALL 10/2022) SUB LT2	EUR	8,505,810	8,505,810	17.10.2027	SUB-LOWER TIER2	Listed
XS2029623191	EUR FINECOBANK PERP 5.875% (CALL 12/24) SUB T1	EUR	7,654,880	7,654,880	03.12.2024	SUB-TIER1	Listed
IT0005389934	EUR CARIGE SUB TIER II 19-29 8.25% (CALL 12/24)	EUR	50,000,014	51,698,000	20.12.2024	SUB-LOWER TIER2	Listed
XS0357281046	EUR NATWEST MARKETS 08-23 FRN INFL SUB (formerly RBS)	EUR	2,500,000	2,613,775	23.04.2023	SUB-LOWER TIER2	Listed
			82,166,849	84,086,633			

At the balance sheet closing date, there were derivative financial instruments held directly by the Company in its portfolio, their presentation and commentary is provided under Liabilities in Items G.VI Sundry loans and other financial payables and G.IX.3 Sundry liabilities.

2.3.3 Changes during the year in loans and deposits with credit institutions

Changes during the financial year in loans under item C.III.4, and in deposits with credit institutions under item C.III.6, are displayed in Annex 10.

2.3.4 Secured loans (Item C.III.4.a)

Secured loans relate to creditor positions against employees and former employees.

The balance on 31 December 2022 amounted to €209 thousand, down €11 thousand compared to 2021 (€220 thousand). Loans granted to employees with a term of more than 1 year and 5 years amounted to €389 thousand and €297 thousand respectively. The item **Loans** during 2022 decreased in total by € 7 thousand. In detail, loans on policies and secured loans decrease by € 15 thousand and € 11 thousand respectively. Other loans, on the other hand, increase by € 18 thousand.

2.3.5 Shares in investment pools (Item C.III.5)

There are no shares in investment pools.

2.3.5 Deposits with credit institutions (Item C.III.6)

There are no deposits with credit institutions.

2.3.6 Miscellaneous financial investments (Item C.III.7)

In 2022 Athora Italia subscribed part of the capital of a 'Limited Partnership', an Anglo-Saxon limited liability company. The investment, with a total book value of € 81,720 thousand, is short-term and the liquidation of the capital and accrued income will take place during 2023.

2.4 Deposits with ceding undertakings (Item C.IV)

There are no other miscellaneous financial investments.

Section 3 - Investments for the benefit of life insurance policyholders bearing the risk and related to pension funds (Item D)

This item consists of investments in securities backing specific contracts (Unit Linked and Index Linked) whose value is linked to the performance of particular market indices and refers entirely to Unit contracts linked to the value of internal fund shares. As at 31 December 2022, there were no index contracts linked to share indices or other reference values:

INVESTMENT DETAIL ITEM D				
<i>In € thousand</i>	2022	2021	Variation	%
Investments relating to performances linked to investment funds and market indices	690,206	680,982	9,224	1.35
Total	690,206	680,982	9,224	1.35

Total assets under management (AuM) of Class D increased by 1.35% over the past year, related solely to the liquidity of new premiums that entered the Internal Funds in 2022, while the negative performance of the financial markets (both stocks and bonds), reflected in the nav shares of the Internal Funds, reduced the value of AuM while almost completely sterilizing the contribution to production recorded in 2022.

For the aforementioned reason, all Athora Internal Funds quotations had negative performance in 2022. Below are the returns of all Athora Internal Funds compared with the return of their benchmark index (if any): Athora Azionario Globale marks a return in the year 2022 of -13.87% and its Benchmark index of -12.11%, Athora Bilanciato Globale -11.73% and its Benchmark index of -12.21%, Athora Obbligazionario Globale -11.90% and its Benchmark index of -11.27%, Athora Flessibile Dinamico -12, 43%, Athora Flessibile Bilanciato -11.42%, Athora Flessibile Conservativo -7.90%, Athora Global Bond -12.83% and its Benchmark index of -12.89%, Athora Global Balanced -13.90% and its Benchmark index of -12.10%, Athora Global Equity -14.29% and its Benchmark index of -14.19%. Finally, the internal fund Athora Azionario Paesi Emergenti realized a return of -23.14% and its Benchmark index of -13.65%.

Section 4 - Technical provisions borne by reinsurers (Item D bis)

The provisions borne by the reinsurers were determined based on gross provisions, taking into account the contractual clauses governing the treaties in force. These are exclusively provisions relating to Class I:

TECHNICAL PROVISIONS BORNE BY REINSURERS				
<i>In € thousand</i>	2022	2021	Variation	%
Mathematical provisions	2,245	3,404	-1,159	-34.05
Reserve for sums to be paid	876	894	-18	-2.01
Total	3,121	4,298	-1,177	-27.38

As regards mathematical provisions, their amount decreased from the previous financial year (-34.5%) as a result of the natural dismantling of the portfolio (run-off) to which the treaties refer. Specifically, these are policies sold at commercial premiums that have been in run-off for more than ten years, most of which will mature over the next five years and whose natural lapse is accentuated by the right to redemption exercised by policyholders.

Section 5 - Receivables (Item E)

The balance as at 31 December 2022 was €237,189 thousand net of the respective provisions for doubtful receivables; the composition and changes from the previous financial year are summarised in the table below:

RECEIVABLES				
<i>In € thousand</i>	2022	2021	Variation	%
Receivables from policyholders	687	1,467	-780	-53.17
Receivables from intermediaries	1,029	1,367	-338	-24.73
Receivables from reinsurance companies	254	286	-32	-11.19
Other receivables from distribution agreement penalties	100,000	0	100,000	-
Other receivables	135,219	139,999	-4,780	-3.41
Total	237,189	143,119	94,070	65.73

The ratio of **receivables from policyholders** to premiums written was around 0.08%, down from 0.12% at the end of 2021; the receivables mainly refer to premiums written in the last quarter of the year (€ 524 thousand).

Receivables from intermediaries mainly consist of the amount of premiums, net of commissions, collected from agents in the Third Decade of December 2022 (€ 699 thousand) and the receivables resulting from the liquidation of Agenzia Assi 90 (€ 244 thousand). These receivables were paid by them in the first days of January 2022. The overall balance also includes receivables for compensations of € 30 thousand, for which the provision for doubtful receivables of € -24 thousand is allocated, and receivables for contentious positions of € 189 thousand, for which the related provision for doubtful receivables of € -136 thousand is provided. To calculate the provision for the latter, the Worst/Best criterion was applied, identifying an average between the maximum and the minimum recovery value. If the average W/B is greater than the net receivable recorded in the balance sheet, no further provision is made.

5.1 Write-downs of receivables from intermediaries

Below are the changes occurring in provisions for doubtful receivables during the year 2022:

DETAIL OF PROVISIONS FOR DOUBTFUL RECEIVABLES FROM INTERMEDIARIES				
<i>In € thousand</i>	2021	Uses	Provisions	2022
Provision for doubtful receivables from lawsuits	-132		-4	-136
Provision for doubtful receivables from compensation	-142	118		-24
Total	-274	118	-4	-160

Receivables from reinsurance operations (item E.II) are all accrued in 2022, they correspond to account statement balances totalling € 254 thousand in 2022 and consist of the receivables from Munchener Ruck (€ 100 thousand), Swiss RE Europe s.a.(€ 69 thousand), Scor Global Se (€ 41 thousand), Hannover Ruck (€ 40 thousand) and Alea Service Ltd (€ 4 thousand). In 2021, the balance of receivables amounted to € 286 thousand.

5.2 Other receivables (Item E.3)

Other receivables, totalling € 235,219 thousand, consist in part of **receivables from distribution agreement penalties** of € 100,000 thousand, relating to the amount that BPER undertook to pay to Athora Italia as a penalty for the termination of the Carige distribution agreement, and for the remainder mainly of **receivables from the Treasury** (€ 133,246 thousand). The most significant item is represented by the advance payment of deductions and substitute taxes on capital gains of life policies (the so-called 'tax on mathematical provisions').

As of 1 January 2005, the collection of the aforementioned receivables began. The Revenue Agency has set a special tax code for the use of the credit to offset the deduction taxes provided for by Article 26-ter of

Presidential Decree No. 600/73 applicable on the capital paid in respect of life insurance policies and on the income referred to in Article 44, paragraph 1, letter g-quater) and g-quinquies) of the TUIR (Consolidated Income Tax Act). As of 2007, the use of any further surplus relating to the previous fifth year is allowed, as a offset for other taxes.

During the financial year, the new tax share pursuant to Decree-Law 209/2002, amounting to € 23,668 thousand, was utilised in the amount of € 10,640 thousand paid in previous years.

In addition, the tax credit accrued at the end of the 2022 financial year was already recorded as of 31 December 2022 with a counter-entry for other payables. It is important to remember that the so-called '2013 Stability Law' had provided for a tax rate of 0.45% on taxable Mathematical provisions as from 2013; the so-called '2023 Stability Law' provided for the rate to be raised to 0.50% as from the tax period following the one in progress as of 31 December 2022. The payment, equal to €16,504 thousand will be made in June 2023. This receivable from the Revenue Agency will in any case be usable to cover technical provisions.

Other Receivables also include the amount related to the accounting of deferred tax assets calculated on temporary differences, which resulted in the detection of deferred assets taxation in the amount of € 11,437 thousand. The related accounting item, the taxable base, the applied rate, and the amount of the tax are detailed in the table below. The change in the accounting item with respect to the last financial year (€ 10,234 thousand as at 31 December 2021) is mainly affected by the allocation of new deferred tax assets relating to value adjustments in financial investments.

STATEMENT REFERRED TO IN NO. 14) OF ARTICLE 2427 OF THE CIVIL CODE: DESCRIPTION OF TEMPORARY DIFFERENCES THAT LED TO THE DETECTION OF DEFERRED TAX ASSETS AND LIABILITIES:

In € ones

Description of the temporary differences	Deferred tax assets year 2021			Reassignments 2022			Increases 2022			Deferred tax assets 2022		
	Taxable	Rate	Tax (a)	Taxable	Rate	Tax (b)	Taxable	Rate	Tax (c)	Taxable	Rate	Tax (a-b+c)
Non-deductible provisions (Article 107(4) Tuir)	3,738,431	24.00%	897,223	1,143,614	24.00%	274,467	1,977,808	24.00%	474,674	4,572,625	24.00%	1,097,430
Property depreciation (Art. 101 (1) Tuir)	12,844,424	24.00%	3,082,662	1,728,883	24.00%	414,932	2,289,667	24.00%	549,520	13,405,208	24.00%	3,217,250
Discontinued Operations	15,240,713	24.00%	3,657,771	0	24.00%	0	149,370	24.00%	35,849	15,390,083	24.00%	3,693,620
Value adjustments to financial investments	10,816,968	24.00%	2,596,072	10,816,968	24.00%	2,596,072	14,285,342	24.00%	3,428,482	14,285,342	24.00%	3,428,482
Total	42,640,536		10,233,729	13,689,466		3,285,472	18,702,187		4,488,525	47,653,258		11,436,782

Description of the temporary differences	Deferred taxes year 2021			Reassignments 2022			Increases 2022			Deferred tax liabilities 2022		
	Taxable	Rate	Tax (a)	Taxable	Rate	Tax (b)	Taxable	Rate	Tax (c)	Taxable	Rate	Tax (a-b+c)
Property values recovery (Art. 86 (1) Tuir)	678,889	24.00%	162,933	245,885	24.00%	59,012	310,000	24.00%	74,400	743,004	24.00%	178,321
Total	678,889		162,933	245,885		59,012	310,000		74,400	743,004		178,321

Among other receivables, the remaining positions are mainly represented by receivables from tenants (approximately € 248 thousand), security deposits received from our landlords at the time of signing the rent agreement as a guarantee for any future obligations (€ 112 thousand), and the receivables resulting from a criminal plea-bargaining sentence requiring the losing counterpart to transfer ownership of a property in

favour of the Company. Pending the registration of the deed in the property register by the Court of Milan, a receivable account of € 1,500 thousand, equal to the estimated market value of the property in question, has been provisionally posted.

Section 6 - Other Assets (Item F)

The balance of this item as at 31 December 2022 was €79,952 thousand: its composition and changes from the previous financial year are summarised in the table below:

OTHER ASSETS				
<i>In € thousand</i>	2022	2021	Variation	%
Tangible assets and inventory	909	999	-90	-9.01
Cash and cash equivalents	11,084	6,884	4,200	61.01
Other Assets	67,960	12,954	55,006	424.63
Total	79,953	20,837	59,116	283.71

6.1 Tangible assets and inventory (F.I. item)

DETAIL OF TANGIBLE ASSETS AND INVENTORY					
<i>In € thousand</i>	2021	Increases	Decreases	Dep.	2022
Office furniture, machines and transport systems	949	110	-1	-257	801
Registered chattel property	0	66	0	-3	63
Plant and equipment	39	12	-1	-10	40
Inventory and other assets	11	5	-11	0	5
Total	999	193	-13	-270	909

With reference to **tangible assets**, purchases amounted to € 193 thousand, disposals € -13 net of the recovery of the depreciation provision, and € 271 thousand is the depreciation quota set aside for the year 2022; Stationery **inventory**, printed matter and other consumables were low at about € 5 thousand as at 31.12.2022 (€ 11 thousand as at 31.12.2021) thanks to the efficient warehouse management.

6.3 Cash and cash equivalents (Item F.II)

Cash and cash equivalents (item F.II) amounted to € 11,084 thousand (€ 6,884 thousand as at 31 December 2021) and consisted of € 11,083.8 thousand in bank and postal accounts and € 0.2 thousand in cash-in-hand. Bank account balances are contained due to the purchase of securities finalised at year-end.

As of 31 December 2022, Athora Italia no longer had any centralised cash management contract known as cash pooling.

6.4 Other assets (Item F.IV.2)

Other assets (item F.IV.2) increased by € 55,006 thousand compared to the same period of 2021. Overall, the item amounts to € 67,960 thousand and includes € 65,280 thousand the deposit for margining with Morgan Stanley relating to the two IRS Receiver and IRS Payer contracts and the Bond Forward and € 530 thousand for the deposit for margining with Goldman Sachs relating to the IRS Payer contract, and € 23 thousand for transitory bank accounts relating to transactions awaiting reconciliation. The remaining € 2,127 thousand mainly included the adjustment related to technical accounts relating to outward reinsurance management. This is an update of an item, already present in previous years, equal to € 1,895 thousand; it relates to premiums ceded in reinsurance in a single payment, against multi-year coverage, on 'death event' contracts that insure the residual debt linked to financing, for a more correct correlation between costs and revenues accrued.

Section 7 – Prepaid expenses and accrued income (Item G)

7.1 Separate indication of accrued income and prepaid expenses (Items G.1, G.2, G.3)

The item G **prepaid expenses and accrued income** shows a total balance as at 31 December 2022 of € 36,920 thousand, with a decrease of € -212 thousand compared to the previous year. The breakdown between prepaid expenses and accrued income is as follows:

ACCRUED INCOME AND PREPAID EXPENSES				
<i>In € thousand</i>	2022	2021	Variation	%
Interest	33,085	29,774	3,311	11.12
Other accrued income and prepaid expenses	3,835	7,358	-3,523	-47.88
Total	36,920	37,132	-212	-0.57

The amount of interest accruals on fixed-income securities increased mainly for reasons related to assets under management, including accrued income on IRS.

Prepaid expenses related to the subordinated loan concern the new issue of the € 80 million loan (par value) issued on 16 February 2022 by Athora Italia and subscribed by institutional investors.

7.2 Other accrued income and prepaid expenses (Item G. 3)

Other accrued income and prepaid expenses are detailed in the following table:

OTHER ACCRUED INCOME AND PREPAID EXPENSES				
<i>In € thousand</i>	2022	2021	Variation	%
Prepaid expenses on subordinated loan transaction costs	947	1,249	-302	-24.18
Prepaid expenses on subordinated loan issue gap	1,063	1,403	-340	0.00
Supplier management prepaid expenses	772	1,059	-287	0.00
Accrued income from unit-linked management	931	3,429	-2,498	0.00
Other accrued income and prepaid expenses	122	218	-96	-44.04
Total	3,835	7,358	-3,523	-47.88

Balance sheet - liabilities

Section 8 -Shareholders' Equity (Item A)

SHAREHOLDERS' EQUITY				
<i>In € thousand</i>	2022	2021	Variation	%
Subscribed share capital or equivalent fund	50,432	50,432	-	0.00
Share premium reserve	628	628	-	0.00
Revaluation reserves	-	-	-	0.00
Legal reserve	24,976	24,976	-	0.00
Other Reserves - Extraordinary Reserve and Other	-	-	-	0.00
Reserves for parent company shares	-	-	-	0.00
Other reserves	289,447	89,447	200,000	223.60
Retained earnings (losses)	18,147	16,642	1,505	9.04
Profit (loss) for the year	14,619	1,505	13,114	0.00
Negative reserve for own shares in portfolio	-	-	-	0.00
Total	398,249	183,630	214,619	116.88

The Company's share capital, fully subscribed and paid-up for € 50,432 thousand as of 31 December 2022, is represented by 240,151,325 ordinary shares with no par value. The entire capital is held by the sole shareholder Athora Italy Holdings DAC. Profit for the year 2021 amounted to € 1,505 thousand and was entirely retained.

Total shareholders' equity amounted to € 398,249 thousand (+€ 214,619 thousand compared to 31 December 2021); the change is due to the combined effect of the capital contribution made by the Parent Company to the Company in the amount of € 200 million on 20 December 2022, as well as the profit for the current financial year.

The changes during the period in the items constituting shareholders' equity are summarised in the table below:

CHANGES IN SHAREHOLDERS' EQUITY							
<i>In € thousand</i>	Share Capital	Share Premium reserve	Legal Reserve	Retained earnings/losses	Profit/Loss for the period	Other	Total
Balances as at 31.12.2021	50,432	628	24,976	16,642	1,505	89,447	183,630
Share capital distribution							-
Profit allocation 2021				1,505	-1,505		-
Coverage of residual losses							-
Creation of legal reserve							-
Distribution of extraordinary reserve							-
Distribution of share premium reserve							-
Retained losses							-
Capital Contributions						200,000	200,000
Net profit 2022					14,619		14,619
Balances as at 31.12.2022	50,432	628	24,976	18,147	14,619	289,447	398,249

Paragraph 7 bis of Article 2427 of the Italian Civil Code introduced further analyses on the shareholders' equity, which are detailed here:

- origin, possibility of use and distribution of shareholders' equity items:

ORIGIN AND POSSIBILITY OF USE OF SHAREHOLDERS' EQUITY

In € thousand	Amount	Possibilities of use	Quota available	Summary of use over the last three years	
				Loss coverage	Other
Capital	50,432				
Share premium issue reserve	628	A, B, C			
Revaluation Reserves	-				
Legal reserve	24,976	B			
Statutory reserves	-	A, B, C			
Reserves for own and parent company shares	-	B			
Other reserves	289,447	A, B, C			
Retained earnings (losses)	18,147	A, B, C			
Negative reserve for own shares in portfolio	-				
Total	383,630				

Caption: A = for capital increase, B = for loss coverage, C = for distribution to shareholders

- changes in shareholders' equity items over the last three financial years:

CHANGE IN SHAREHOLDERS' EQUITY OVER THE LAST THREE YEARS

In € thousand	Share Capital	Share Premium reserve	Revaluation reserve	Legal reserve	Other reserves	Extraordinary reserve	Retained earnings/losses
Balance 31.12.2019	50,432	628	-	24,976	-	74,447	673
Profit/Loss							-11,888
Other variations	-	-	-		-	15,000	-
Balance 31.12.2021	50,432	628	-	24,976	-	89,447	-11,215
Profit/Loss							27,857
Other variations	-	-	-		-		-
Balance 31.12.2022	50,432	628	-	24,976	-	89,447	16,642
Profit/Loss							1,505
Other variations						200,000	-
Balances as at 31.12.2022	50,432	628	-	24,976	0	289,447	18,147

Section 9 - Subordinated Liabilities (Item B)

The subordinated liability of €45 million issued on 1 April 2021 and fully subscribed by Primavera Intermediate Holdings S.à.r.l. was repaid early in April 2022. As at 31 December 2022, the subordinated liabilities consisted of a € 80 million bond issued on 16 February 2022 at a price of 97.875% and maturity on 16 August 2031 addressed to institutional investors, with the following characteristics:

- duration: 10 years and 6 months;
- fixed interest rate: 7% for the first 5 years and 6 months; variable rate 7.87% for the remaining 5 years;
- early refund: early refund option from the fifth year;
- subordination: with respect to other non-subordinated securities;

- classification under the SII Directive: Basic Own Funds Tier 2, as it complies with the requirements of Article 73 of Commission Delegated Regulation (EU) 2015/35 of 10 October 2014.

As at 31 December 2022, interest of € 2,117 thousand was calculated.

SUBORDINATED LIABILITIES

<i>In € thousand</i>	2022	2021	Variation	%
Subordinated liabilities	80,000	80,000	-	0.00
Total	80,000	80,000	-	0.00

Section 10 - Technical provisions (Item C.II)

This item relates to technical provisions arising from direct insurance risks and is composed as follows:

TECHNICAL PROVISIONS

<i>In € thousand</i>	2022	2021	Variation	%
Mathematical provisions	6,465,887	6,413,290	52,597	0.82
Unearned premium provision for supplementary coverage	13	19	-6	-31.58
Reserves for amounts payable	50,764	58,049	-7,285	-12.55
Other technical provisions	27,323	29,300	-1,977	-6.75
Total	6,543,987	6,500,658	43,329	0.67

The increase compared to the previous year is mainly due to positive net flows from sales dynamics, which recorded a development in the new 2022 production of bank distributors.

The movements within the financial year of the mathematical provisions are displayed in Annex 14 attached to the Notes to the Financial Statements, of which it forms an integral part.

Mathematical provisions are composed of pure premium reserves in the amount of € 6,462,116 thousand, reserves for unearned premiums in the amount of € 1,593 thousand, and integration provisions in the amount of € 2,178 thousand. The integration provisions include additional reserves for financial risk (guaranteed interest rate) following the results of ALM analysis, as per paragraphs 21, 22 and 23 of Annex 14 of IVASS Regulation no. 22 of 04.04.2008 issued pursuant to Article 36 of Legislative Decree no. 209/05, and subsequent amendments, in the amount of € 2.101 thousand, down from € 2,192 thousand in 2021; additional reserves as per Article 41, paragraph 4, of Legislative Decree 209/05 in the amount of € 44 thousand, adjustment reserve for demographic base as per Article 49, paragraph 1, paragraphs 35 to 38 of Annex 14 to IVASS Regulation No. 22 of 04.04.2008 and subsequent amendments in the amount of € 33 thousand. The amount of the mathematical provisions also includes the Retained Earnings Reserve set up solely for the 'Amissima Multicredit' segregated fund pursuant to the provisions of paragraph 38-bis of Annex no. 14.

Overall, € 6,409,473 thousand relate to Class I, € 1,236 thousand to Class III and € 133,278 thousand to Class V.

The Company continued to apply for the calculation of the Additional Reserve for Financial Risk the C Method. This method provides for the possibility of offsetting, for each segregated fund, between balances of opposite sign referring to different levels of financial guarantee as well as to different annual periods.

According to this approach, therefore, there is no need to set aside any reserve amount for all segregated funds, but a provision is made for death policies in temporary form linked to no segregated fund but which nevertheless provide a financial guarantee.

The **reserves for amounts payable** amounted to € 50,764 thousand and decreased by € 7,285 thousand compared to the 2021 financial year, mostly due to maturities, which fell from € 24,490 thousand to € 15,918

thousand, and to surrenders, which fell from € 3,694 to € 6,045. As at 31 December 2022, they were composed as follows (amounts in thousands of €)

- Amounts to be paid by maturities € 15,918
- Amounts to be paid for claims € 28,801
- Amounts to be paid for surrenders € 6,645

Maturities amounted to € 14,686 thousand for Class I, € 578 thousand for Class III, and € 654 thousand for Class V; claims amounted to € 28,553 thousand for Class I, € 246 thousand for Class III, and € 1 thousand for Class V, while surrenders amounted to € 5,606 thousand for Class I, € 298 thousand for Class III, and € 141 thousand for Class V.

The item **other technical provisions** consists of the reserve for future expenses, set in view of charges to be borne by the Company for the management of contracts, and is allocated to the various insurance classes as follows:

- Class I: € 26,760 thousand
- Class III: € 69 thousand
- Class V: € 493 thousand

For more details on the technical provisions by risk category, please refer to the Actuarial Report referred to in Article 23 bis paragraphs 2 and 3 of Regulation 22 of 4 April 2008, as amended.

Section 11 - Technical provisions for policies where the investment risk is borne by the policyholders and provisions related to pension fund (Item D)

TECHNICAL PROVISIONS - CLASS D

<i>In € thousand</i>	2022	2021	Variation	%
Reserves for contracts whose performance is linked to investment funds and market indices	690,206	680,982	9,224	1.35
Total	690,206	680,982	9,224	1.35

This section includes reserves set aside for obligations under unit-linked and index-linked contracts, as described in detail in the related section 3.

The total reserves correspond exactly to the total assets displayed in this section and are broken down into the different product lines as follows:

DETAIL OF RESERVES FOR UNIT-LINKED FUNDS

<i>In € thousand</i>	2022	2021
Athora Obbligazionario Globale	20,714	26,270
Athora Bilanciato Globale	63,688	64,996
Athora Azionario Globale	50,013	52,851
Gestlink Total	134,415	144,117
Athora Azionario Paesi Emergenti	156	246
Athora Flessibile Conservativo	34,076	42,875
Athora Flessibile Bilanciato	73,347	87,206
Athora Flessibile Dinamico	153,597	179,381
Total Unit Plus Line	261,020	309,462
Athora Global bond	42,506	39,511
Athora Global balanced	208,975	156,564
Athora Global equity	43,134	31,082
Total Global Line	294,615	227,157
Total	690,206	680,982

For more details on technical provisions by risk category, please refer to the Actuarial Report pursuant to Article 23 bis paragraph 3 of Regulation 22 of 4 April 2008, as amended.

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

Item E shows the balances of the funds specified below, with changes from the previous financial year:

PROVISIONS FOR RISKS AND CHARGES				
<i>In € thousand</i>	2022	2021	Variation	%
Provisions for taxes	178	172	6	3.49
Other Provisions	1,615	1,140	475	41.67
Total	1,793	1,312	481	36.66

The **provisions for taxes** item, amounting to € 178 thousand, remains substantially unchanged from last year (€ 172 thousand as at 31 December 2021) and is attributable to the provision for deferred tax liabilities, whose details are displayed in the table prepared in accordance with Article 2427, no. 14, of the Italian Civil Code, attached to the Notes to the Financial Statements after the comment on the item 'Other Receivables'.

Other provisions include all provisions for risks and charges to cover losses or liabilities of a given, certain or probable nature, whose amount or date of occurrence is not known. In particular, these are provisions, ongoing disputes (€ 309.9 thousand), the provision for agency relationships (€ 149.3 thousand) and the provision for litigation expenses (€ 1,155.1 thousand). For an illustration of the main ongoing disputes, please refer to the 'Ongoing disputes' section of the Board of Directors' Management Report.

Deposits received from reinsurers (item F)

DEPOSITS RECEIVED BY REINSURERS				
<i>In € thousand</i>	2022	2021	Variation	%
Deposits received by reinsurers	3,121	4,298	-1,177	-27.38
Total	3,121	4,298	-1,177	-27.38

This item represents liabilities for deposits that the Company retains in the case of outward reinsurance. The decrease of € 1.2 million reflects the development of reinsurance relationships in the year 2022.

Section 13 - Payables and other liabilities (Item G)

The balance of this item on 31 December 2022 was €125,454 thousand, with a net decrease of € -349,286 thousand compared to 31 December 2021. The composition and details of the changes are summarised in the table below:

PAYABLES AND OTHER LIABILITIES				
<i>In € thousand</i>	2022	2021	Variation	%
Payables arising from direct insurance operations	12,545	6,593	5,952	90.28
Payables arising from reinsurance operations	416	1,496	-1,080	-72.19
Sundry loans and other financial payables	0	315	-315	-100.00
Employee Severance pay	672	686	-14	-2.04
Other payables	32,268	31,223	1,045	3.35
Other liabilities	79,553	434,427	-354,874	-81.69
Total	125,454	474,740	-349,286	-73.57

Payables arising from direct insurance business express the net financial position towards agents in the sales network.

Payables arising from reinsurance operations, which are substantially stable, represent negative balances arising from disposal operations to reinsurers under current treaties and vary according to periodic closings and related financial remittances.

The movements in the year of the **employee severance pay** for employment contracts are displayed in Annex 15 attached to the Notes, of which it forms an integral part.

Movements in **other payables** are summarised in the table below:

OTHER PAYABLES				
<i>In € thousand</i>	2022	2021	Variation	%
Miscellaneous tax charges	25,776	24,790	986	3.98
Sundry payables	6,154	6,167	-13	-0.21
Social security	305	226	79	34.96
Policyholders' tax charges	33	40	-7	-17.50
Total	32,268	31,223	1,045	3.35

Payables for **miscellaneous tax charges** show a slight increase compared to the end of the previous year. The main component is the assessment of the tax payable to the Treasury (€ 16,504 thousand) for the so-called tax on mathematical provisions, which has an identical counter-entry in receivables from the Treasury. The relative payment will take place in June 2023 contextually with the 2022 income tax balance.

Sundry payables consist mainly of payables to suppliers for received and to be received invoices and outstanding settlements. Changes during the year relate to the normal course of the company's business.

The item **policyholders' tax charges** shows a payable of € 33 thousand to the tax authorities for insurance taxes on premiums collected in December and paid in January 2023.

The item **Other Liabilities** amounted to € 79,553 thousand as at 31 December 2022, down € 354,874 compared to 31 December 2021.

OTHER LIABILITIES				
<i>In € thousand</i>	2022	2021	Variation	%
Btp Derisking	0	411,630	-411,630	-100.00
IRS (derivatives)	68,238	3,854	64,384	1670.58
Bank transitional debts	7,113	11,005	-3,892	-35.37
Liabilities for collected premiums	283	3,351	-3,068	-91.55
Miscellaneous liabilities	3,899	4,553	-654	-14.36
Premium commissions in course of collection	20	34	-14	-41.18
Total	79,553	434,427	-354,874	-81.69

During 2022, the BTP derisking transaction was terminated with the reassignment of the related debt item of € 411,630, while the liability related to the purchase of new Interest Rate Swaps and the so-called SpreadLock derivative contract appears. SpreadLock was signed to partially offset the effects of changes in the spread on 'semi-core' government bonds (France and Belgium).

DETAIL DERIVATIVES*In € thousand*

Isin Code	Description	Book value	Market value
SL_FRTR_032023	SpreadLock 03/23 on FRTR 05/2032 (ristr)	3,595	3,595
IRS10Y_1231	IRS 10y Morgan Stanley 12/2031	38,555	38,555
*IRS30_271052_MS	IRS 30Y Morgan stanley 27/10/2052	1	-795
*IRS50_191072_GS	IRS 50Y Goldman Sachs 19/10/2072	327	327
IRS_5Y_1226	IRS 5y Morgan Stanley 12/2026	25,760	25,760
Total		68,238	67,442

Other liabilities include payables for variable remuneration to the personnel in the amount of € 3,827 thousand, € +836 thousand compared to 2021, and rappels (such as additional bonuses) towards insurance intermediaries in the amount of € 320 thousand, € -1,154 compared to the previous year.

Accrued commissions on collectable premiums refer to the related amount of receivables from policyholder discussed in Section 5 above.

Section 14 – Accrued expenses and deferred income (Item H)

The item **accrued expenses and deferred income** shows a total balance as at 31 December 2022 of € 3,127 thousand, with a decrease of € -627 thousand compared to the previous year. The breakdown of the item is as follows:

ACCRUED EXPENSES AND DEFERRED INCOME

<i>In € thousand</i>	2022	2021	Variation	%
For interests	2,789	2,117	672	31.74
For rents	287	285	2	0.70
Other accrued expenses and deferred income	51	1,352	-1,301	-96.23
Total	3,127	3,754	-627	-16.70

Specifically, the item **accrued expenses and deferred income for interests** refer to accrued expenses related to subordinated liabilities in the amount of € 2,117 thousand, as well as € 672 thousand on accrued expenses for coupons on IRS. On the other hand, the item **other accrued expenses and deferred income** mainly consist of € 40 thousand in accrued expenses for agency costs and € 9 thousand in accrued expenses for personnel costs. The decrease with respect to 2021 of € 1,301 thousand is due to accrued expenses for over-performance commissions, no longer present in 2022.

OTHER ACCRUED EXPENSES AND DEFERRED INCOME

<i>In € thousand</i>	2022	2021	Variation	%
Accrued expenses for commissions	2	1,303	-1,301	-99.85
Accrued expenses for agency costs	40	40	0	0.00
Accrued expenses for personnel costs	9	9	0	0.00
Total	51	1,352	-1,301	-96.23

Section 15 - Assets and liabilities relating to group and other investee companies

A breakdown of assets and liabilities by balance sheet item for group and other investee companies is provided in Annex 16.

Section 16 - Receivables and Payables

The balances of receivables and payables under assets and liabilities are displayed below, distinguishing for each category those due beyond the following financial year and those due beyond five years.

ITEM C - LOANS			
<i>In € thousand</i>	2022	Amount due after 2023	Amount due after 2027
Loans with collateral	209	197	153
Loans on policies	62	55	-
Other Loans	306	215	69
Total	577	467	222

The changes in loans during the year are detailed in Exhibit 10.

ITEM E - RECEIVABLES			
<i>In € thousand</i>	2022	Amount due after 2023	Amount due after 2027
E.I.1 Receivables from policyholders	687	124	-
E.I.2 Insurance Intermediaries	1,029	-	-
E.II. Receivables from insurance and reinsurance companies	255	-	-
E.III Other receivables	235,219	-	-
Total	237,189	124	-

Section 17 - Guarantees, obligations and other memorandum accounts

Details of guarantees given and received, as well as obligations, are displayed in Annex 17 attached to the Notes to the Financial Statements, of which it forms an integral part. Item II b) of Annex 17 (Guarantees received - from third parties) increased from € 7,611,820 thousand at the end of 2021 to € 7,327,743 thousand as at 31 December 2022.

This item can be broken down as follows:

GUARANTEES RECEIVED		
<i>In € thousand</i>	2022	2021
Loans with collateral	1,706	2,280
Loans on policies	3,893	3,918
Total	5,599	6,198

Guarantees received refer, for € 672 thousand, to mortgages pertaining to real estate management provided by tenants and to sureties received by agencies to guarantee account balances, and for € 1,034 thousand mainly to mortgage guarantees provided by third parties.

Securities deposited with third parties in the amount of € 7,308,662 thousand are broken down as follows:

- € 156 thousand, the total value of fund units referring to investments relating to Unit Linked policies deposited with Banca Carige, € 294,615 thousand deposited with Cassa Centrale Banca and € 395,435 thousand deposited with Banca Cesare Ponti;

- € 5,772,215 thousand, the value of other securities in the portfolio, deposited almost entirely with Banca Carige itself under the Securities Management Services Agreement, including € 1,022,697 thousand relating to the Irish investment vehicle named 'Amissima Diversified IcaV' and € 678,909 thousand deposited with Cassa Centrale Banca. The Merius security is deposited with Citco for € 167,332 thousand.

Obligations from derivative contracts

As at 31.12.2022, Athora Italia had total obligations for derivative contracts of € -68,238 thousand, composed as follows:

- € -64,316 thousand for 2 IRS so-called receiver derivative contracts entered into with Morgan Stanley Int., in which the Company receives a fixed annual flow and pays the counterparty a variable six-monthly flow;
- € -327 thousand for the IRS so-called payer derivative contract entered into with Goldman Sachs Int., in which the Company receives a variable six-monthly flow and pays the counterparty a fixed annual flow;
- € -3,595 thousand for a spread-lock derivative contract entered into with Morgan Stanley Int. to partially hedge the fair value of French government bonds against potential increases in spreads towards the swap curve

To meet its obligations, Athora Italia provided the counterparties with cash as collateral, held in the counterparties' current accounts and remunerated in accordance with the stipulated ISDA-CSA agreements. Further indications on the economic effects are displayed in the Report in the section on asset and financial management.

Report of obligations from derivative contracts

Derivative Contracts	Amount as at 31.12.2022				Amount as at 31.12.2021			
	Purchase		Sale		Purchase		Sale	
	Notional	Fair value	Notional	Fair value	Notional	Fair value	Notional	Fair value
<i>In € thousand</i>								
Futures:								
on shares								
on bonds								
on currencies	81,328	2,004						
on rates								
others								
Options:								
on shares								
on bonds								
on currencies								
on rates								
others					300,000	42		
Swaps:								
on currencies								
on rates	432,000	-63,848			377,000	-3,854		
others								
Other Operations	339,000	-3,595			380,160	-3,854		
Total	852,328	-65,439			380,160	-39,480		

Further information on this is provided in the Report in the section on asset and financial management.

Profit and Loss Account

Section 18 - Information on the Non-Life Business Technical Account (I)

Athora Italia conducts life insurance business only.

Section 19 - Information on the Life Business technical account (II)

19.1 Earned premiums, net of outwards reinsurance (Item II.1) amounted to € 852,877 thousand and are broken down as follows:

PREMIUMS FOR THE FINANCIAL YEAR				
<i>In € thousand</i>	2022	2021	Variation	%
Gross written premiums	852,877	1,208,269	-355,392	-29.41
Premiums ceded in reinsurance	-744	-1,121	377	-33.63
Total	852,133	1,207,148	-355,015	-29.41

The balance of gross written premiums relating to Italian direct business consists of:

- from Class I premiums in the amount of € 705,453 thousand (31.12.2021 € 965,173 thousand) related to the issue of traditional products;
- from Class III premiums in the amount of € 145,858 thousand (31.12.2021 € 235,246 thousand) related to *Unit* and *Index Linked* products;
- from Class V premiums in the amount of € 1,566 thousand (31.12.2021 € 7,850 thousand).

Summary information on life insurance premiums and the reinsurance balance is provided in Annex 20 attached to the Notes, of which it forms an integral part.

19.2 The balance of **investment income** (Item II.2) consists of the following items:

INVESTMENT INCOME				
<i>In € thousand</i>	2022	2021	Variation	%
Income from shares and units	34,586	33,606	980	2.92
Income from investments in land and buildings	6,013	5,814	199	3.42
Income from other investments	76,557	95,241	-18,684	-19.62
Reversals of value adjustments on investments	2,494	892	1,602	179.60
Profits on the realisation of investments	197,078	66,248	130,830	197.49
Total	316,728	201,801	114,927	56.95

Revenues from the distribution of dividends and provisions from investee companies in the amount of € 5,203 thousand and dividends from shares and units in other companies in the amount of € 29,383 thousand, in line with the previous financial year.

Revenues from investments in land and buildings are stable compared to 2021 (+€ 199 thousand).

The balance of income from other investments includes, among its most significant items, € 67,366 thousand (€ 74,277 thousand in 2021) for coupons accrued for the year on fixed-income securities and interest rate swaps, € 7,430 thousand (€ 17,821 thousand in 2021) for trading discounts and € 1.766 thousand for positive issue discounts including the effects attributable to changes in the duration of certain subordinated financial bonds (insurance and banking) that have an early call provision by the issuer (so-called 'callable').

Reversals of value adjustments on investments consisted of revaluations on shares and units in the amount of € 180 thousand, reversals of value adjustments on buildings in the amount of € 310 thousand, and include exchange rate valuation capital gains in the amount of € 2,004 thousand relating to a derivative entered into as to hedge the exchange rate risk on an investment position. Capital losses relating to the hedged security

are displayed under Value adjustments on investments in section 19.8 and amount to € 2,593 thousand. Details of investment income (item II.2) are displayed in Annex 21 attached to the Notes, of which it forms an integral part.

Profits on the realisation of investments, which amounted to € 197,078 thousand as at 31 December 2022, consisted mainly of profits from the sale of Interest Rate Swaps in the amount of € 129,298 thousand, profits from the sale of Bonds and other securities of € 64,616 thousand, and refund of bonds of € 3,164 thousand.

19.3 Details of Income and unrealised capital gains relating to investments for the benefit of policyholders bearing the risk and to investments related to pension funds (item II.3) are displayed in Annex 22 attached to the Notes, of which it forms an integral part. As at 31 December 2022, profits on Class D.I investments amounted to € 9,673 thousand, down from the € 48,026 thousand profits recorded at the end of 2021, as summarised in the table below:

INCOME AND UNREALISED CAPITAL GAINS ON INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS				
<i>In € thousand</i>	2022	2021	Variation	%
Income from:				
mutual fund shares	1,432	546	886	162.27
other financial investments	2,645	753	1,892	251.26
Profits on the realisation of investments:				
on mutual funds	2,932	15,990	-13,058	-81.66
on other financial investments	0	0	0	0
Unrealised capital gains:				
on mutual funds	2,664	40,410	-37,746	-93.41
on other financial investments	0	0	0	0
Total	9,673	57,699	-48,026	-83.24

19.4 Other Technical Income net of outwards Reinsurance (Item II.4), amounted to € 112,089 thousand (as at 31 December 2021 € 12,934 thousand) and consisted of the following amounts:

OTHER TECHNICAL INCOME				
<i>In € thousand</i>	2022	2021	Variation	%
Commissions received on unit-linked products	11,573	12,440	-867	-6.97
Technical accounts	100,059	123	99,936	NA
Other technical accounts	457	371	86	23.11
Total	112,089	12,934	99,155	766.59

Commissions received on unit-linked products remained substantially constant, although they slightly decreased (€ -867 thousand).

Technical accounts € 100,059 thousand consist of € 100,000 thousand in income inscribed as **distribution agreement penalty in** connection with the early termination of the BPER distribution contract, which was settled in early January 2023, and € 59 thousand in prepaid expenses for ARCA commissions.

Other technical accounts mainly consist of commission reversals (€ 19 thousand) and commission refunds (€ 429 thousand).

19.5 Claims expenses, net of reinsurance (item II.5) amounted to € 738,320 thousand and are broken down as follows:

CLAIMS EXPENSES

<i>In € thousand</i>	2022	2021	Variation	%
Gross amounts paid	747,418	838,731	-91,313	-10.89
Reinsurers' share	-1,830	-3,906	2,076	-53.15
Gross change in the reserve for amounts payable	-7,285	8,942	-16,227	-181.47
Reinsurers' share	17	2,318	-2,301	-99.27
Total	738,320	846,085	-107,765	-12.74

Overall, the expenses relate to € 664,422 thousand for Class I, € 41,453 thousand for Class III, and € 32,445 thousand for Class V.

Below is a breakdown of the gross amounts paid by type:

GROSS AMOUNTS PAID

<i>In € thousand</i>	2022	2021	Variation	%
Claims	196,372	212,076	-15,704	-7.40
Surrenders	358,966	340,962	18,004	5.28
Maturities	176,435	264,756	-88,321	-33.36
Coupons	15,425	20,732	-5,307	-25.60
Returns	220	205	15	7.32
Total	747,418	838,731	-91,313	-10.89

A more detailed table can be found in the Management Report.

19.6 Change in mathematical and other technical provisions net of outwards reinsurance (Item II.6) amounted to € 61,172 thousand and refers to the overall increase in obligations to policyholders. As regards the gross change in mathematical and other technical provisions, the balance amounted to € +51,754 thousand, while reserves relating to *Unit* and *Index* products increased by € 9,419 thousand. For the breakdown, see the comments to the Balance Sheet.

19.7 The balance of **Operating expenses** totalled € +45,004 thousand (€ +39,245 thousand as at 31 December 2021), already net of commissions received from reinsurers (€ 245 thousand as at 31 December 2022, € 370 thousand as at 31 December 2021). This includes acquisition expenses of € 16,623 thousand (€ 8,623 thousand as at 31 December 2021), which include upfront commissions of € 5,200 thousand with Banca Popolare di Bari and € 800 thousand with Cassa di Risparmio di Orvieto, collected commissions of € 1,276 thousand (€ 1,485 thousand as at 31 December 2021) and other administration expenses of € 18,252 thousand (€ 16,057 thousand as at 31 December 2021). A more detailed breakdown of the operating expenses is provided in the Management Report.

19.8 Capital and financial charges amounted to € 287,201 thousand and are broken down as follows:

CAPITAL AND FINANCIAL CHARGES

<i>In € thousand</i>	2022	2021	Variation	%
Investment Management Expenses and Payable Interest	25,737	13,942	11,795	84.60
Value Adjustments on Investments	144,758	51,177	93,581	182.86
Losses on realisation of investments	116,706	17,776	98,930	556.54
Total	287,201	82,895	204,306	246.46

Operating expenses mainly comprise operating costs (€ 4,192 thousand) as the portion allocated to this area of the balance sheet by the expense reallocation process, including expenses related to real estate management (€ 1,483 thousand). The item also includes trading and issue discounts accrued on securities held in the portfolio (€ 10,118 thousand), interest expense on interest rate swaps (€ 11,170 thousand) and accrued payable interest towards reinsurers on amounts held in deposit account (€ 188 thousand).

Value adjustments on investments, which have already been discussed in Part B, Section 2 while commenting on the item Investments, consist of:

- Capital Losses from valuation of shares and units of subsidiaries € 603 thousand (€ 0 in 2021);
- Capital Losses on valuation of shares and units € 5,037 thousand (€ 5,590 thousand in 2021);
- Capital Losses from valuation of securities € 69,542 thousand (€ 24,822 thousand in 2021);
- Capital losses from property valuation € 2,546 thousand (€ 1,928 thousand in 2021);
- Value adjustments on IRS derivatives € 60,789 thousand (€ 3,854 thousand in 2021);
- Value adjustments on spread lock derivatives € 3,595 thousand (€ 0 in 2021);
- Foreign currency exchange valuation capital losses € 2,593 thousand (€ 0 in 2021);
- Value adjustments on mutual fund shares € 53 thousand (€ 0 in 2021)

Capital losses from property write-downs refer to the impairment of 24 real estate units, as illustrated in Section 2.1 Land and Buildings (item C.I).

Losses on the realisation of investments, which amounted to € 116,706 thousand as at 31 December 2022, mainly consist of losses related to the trading of Interest Rate Swaps in the amount of € 64,678 thousand, losses related to the trading of Bonds and other securities of € 51,910 thousand, and refunds of bonds of € 117 thousand.

Details of capital and financial charges (item II.9) are set out in Annex 23 attached to the Notes to the Financial Statements, of which they form an integral part.

19.09 Capital and financial charges and unrealised capital losses relating to investments for the benefit of policyholders bearing the risk and investments related to pension funds (item II.10) are detailed in Annex 24 attached to the Notes, of which it forms an integral part. During 2022, there was an increase in charges relating to Class D.I investments, which rose from € 20,366 thousand (2021) to € 102,594 thousand as summarised in the following table:

CAPITAL AND FINANCIAL CHARGES AND UNREALISED CAPITAL LOSSES RELATED TO INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS				
<i>In € thousand</i>	2022	2021	Variation	%
Charges arising from:				
mutual fund shares	11,733	9,964	1,769	17.75
other financial investments	-	-	-	-
other activities	1,310	2,798	-1,488	-53.18
Losses on realisation of investments				
on mutual funds	21,697	3,291	18,406	559.28
other financial investments	-	-	-	-
Unrealised capital losses				
on mutual funds	67,854	4,313	63,541	1.473.24
other financial investments	-	-	-	-
Total	102,594	20,366	82,228	403.75

19.10 Other Technical Charges net of outwards Reinsurance, (item II.11) amounting to € 27,815 thousand, is broken down as follows:

OTHER TECHNICAL CHARGES				
<i>In € thousand</i>	2022	2021	Variation	%
Fees to intermediaries for portfolio maintenance	23,289	22,388	901	4.02
Technical charges	1,401	5,060	-3,659	-72.31
Portfolio management charges	915	801	114	14.23
Premium Refund	1,780	1,482	298	20.11
Reversal of premiums from previous years	430	542	-112	-20.66
Total	27,815	30,273	-2,458	-8.12

Portfolio maintenance fees increase due to higher assets under management due to the growth in production and in assets under management. Sundry technical charges include, among other things, the depreciation of reinsurance premiums (see Section 6 Item F Assets) and decreased compared to 2021 due to the end of the commercial initiative aimed at encouraging the redemption of portfolios with high guarantees (3-4%), which had weighted € 4,684 thousand last year.

19.11 Item II.12 amounting to € 0 (€ 4,417 thousand in 2021) refers **to the portion of investment income to be transferred from the technical account to the non-technical account** pursuant to ISVAP Regulation No. 22 of 4 April 2008 as amended by Article 23. The failure to transfer the share of the profit at the end of the financial year is due to the fact that the investment profit remaining allocated to the technical account was less than the amount of investment profits contractually recognised to policyholders.

Section - 20 Development of Class Technical accounts

21.3 Other income (item III.7) Details of the most significant items making up the balance are displayed in the table below:

OTHER INCOME				
<i>In € thousand</i>	2022	2021	Variation	%
Synergy and outsourced personnel recovery	0	1,115	-1,115	-100.00
Utilisation of provisions for doubtful receivables and other provisions	511	2,582	-2,071	-80.21
Recoveries of won lawsuits	8	15	-7	-46.67
Interest on bank deposits	10	242	-232	-95.87
Receivable Interest on margining	301	0	301	NR
Others	25	616	-591	-95.94
Total	855	4,570	-3,715	-81.29

The use of provisions refers to Provisions for Receivables already described in the corresponding items of the Balance Sheet.

21.4 Other charges (item III.8) decreased overall by € 2,024 thousand. This change is attributable to the item Charges to third parties, which recorded a decrease of € 1,115 thousand compared to 2021 because of the termination of synergy relations inherent to outsourced personnel and the accounting of payable interest and charges for the issue of the subordinated loan in the amount of € 514 thousand. In detail:

OTHER CHARGES				
<i>In € thousand</i>	2022	2021	Variation	%
Payable Interest on subordinated loan	5,606	5,962	-356	-5.97
Payable Interest on margining	70	30	40	133.33
Charges for bond issue	643	801	-158	-19.73
Provisions for ongoing disputes and sundry provisions	851	842	9	1.07
Third-party charges	7	1,122	-1,115	-99.38
Others	126	570	-444	-77.89
Total	7,303	9,327	-2,024	-21.70

21.5 Extraordinary income (item III.10) Details of the most significant items making up the balance are displayed in the table below:

EXTRAORDINARY INCOME				
<i>In € thousand</i>	2022	2021	Variation	%
Capital gains on assets disposal	0	1	-1	-100.00
Unanticipated profits	782	2,612	-1,830	-70.06
Other extraordinary income	0	121	-121	-100.00
Total	782	2,734	-1,952	-71.40

21.6 Extraordinary charges (item III.11):

EXTRAORDINARY CHARGES				
<i>In € thousand</i>	2022	2021	Variation	%
Unanticipated losses	480	238	242	101.68
Capital losses on assets disposal	440	135	305	225.93
Total	920	373	547	146.65

Income tax for the year (item III.14):

Item 14, Sec. III of the Profit and Loss account - 'Income Tax for the Year' (€ 7,313 thousand), calculated on the theoretical income as of 31 December 2022, represents an estimated taxation on gross profit of 33.35%. The details of the provision for each tax are displayed in the table below:

INCOME TAX FOR THE YEAR				
<i>In € thousand</i>	2022	2021	Variation	
IRES	6,681	1,549	5,132	
IRES adjustments of previous periods	-138	-	-138	
IRAP	1,958	-	1,958	
Deferred tax liabilities	15	57	-42	
Deferred tax assets	-1,203	195	-1,398	
Total	7,313	1,801	5,512	

The accounting for taxes generated a cost for current IRES of € 6,681 thousand, a revenue of € 137 thousand related to adjustments for IRES related to the previous tax period, a cost for current IRAP of € 1,958 thousand,

a revenue of € 1,203 thousand thanks to the net increase in deferred tax assets, and a cost of € 15 thousand due to the net increase in deferred tax liabilities.

As regards IRES, taxable income was mainly influenced, on the increase, by adjustments to the value of shareholdings and financial investments (€ 19,638 thousand), by the non-deductible change portion in mathematical provisions (€ 776 thousand), by write-downs relating to real estate (€ 2,546 thousand) and by allocations to provisions for doubtful receivables and for risks and charges (€ 851 thousand) while, on the decrease side, by reversals of value adjustments on financial investments (€ 10,817 thousand), by the exempt portion of collected dividends (€ 572 thousand), by the income from the distribution of capital collected reserves (€ 4,600 thousand), by the portion of tax depreciation of real estate (€ 1,729 thousand) and by the utilisation of taxed provisions for risks and charges (€ 511 thousand).

In terms of IRAP, no major deviations between actual and theoretical tax charges are reported.

Overall, as at 31 December 2022, deferred tax assets amounted to € 11,437 thousand and derived from the allocation of deferred tax assets on value adjustments on financial investments in the amount of € 3,428 thousand, on value adjustments on assets for disposal in the amount of € 3,694 thousand, on real estate write-downs in the amount of € 3,217 thousand, and on allocations to miscellaneous provisions in the amount of € 1,097 thousand.

Details are provided in the schedule prepared pursuant to Article 2427, No. 14, of the Italian Civil Code, attached to the Notes to the Financial Statements after the comment on the item 'Other Receivables'.

A reconciliation table between actual and theoretical tax burden is attached:

IRES		
<i>In € thousand</i>	2022	THEORETIC
Pre-tax Profit	21,932	-
Theoretical tax charges (tax rate 24.00%)	-	5,264
Exempt portion of dividends	-572	-
Deductible/taxable temporary differences in subsequent years	18,392	-
Reversal of temporary differences from previous years	-13,444	-
Net differences that will not be reversed in subsequent years	1,529	-
Taxable income	27,837	-
Current IRES for the year (rate 24.00%)		6,681
IRAP		
<i>In € thousand</i>	2022	THEORETIC
Item 13 C.E.	28,517	-
Theoretical tax charges (tax rate 6.82%)	-	1,945
Labour cost deduction	-11,724	-
Deductible/taxable temporary differences in subsequent years	-	-
Reversal of temporary differences from previous years	-	-
Net differences that will not be reversed in subsequent years	11,912	-
Taxable income	28,705	-
Current IRAP for the year (rate 6.82%)		1,958

Section 22 - Information on the Profit and Loss Account

The schedule of transactions with group companies is attached as Annex 30 to the Notes to the Financial Statements, of which it forms an integral part.

A summary of written premiums for direct business is displayed in Annex 31 attached to the Notes to the Financial Statements, of which it forms an integral part.

The schedule of charges relating to personnel, directors and statutory auditors is displayed in Annex 32 attached to the Notes to the Financial Statements, of which it is an integral part.

The charges for personnel and self-employment, with the relevant allocation items, as well as the remuneration due to directors and statutory auditors, are detailed in Annex 32.

During the financial year, the number of employees increased by 6. The number of employees, broken down by category, was as follows:

NUMBER OF EMPLOYEES			
<i>In € thousand</i>	2022	2021	Variation
Managers	10	9	1
Officials	23	22	1
Employees	64	60	4
Total	97	91	6

The cost for the year for Directors amounted to € 706,000 (€ 654 thousand in 2021), that for Auditors amounted to € 104 thousand (€ 87 thousand in 2021).

PART C - OTHER INFORMATION

1. Shareholders' equity

The following table shows the composition of the shareholders' equity updated based on the proposed allocation of the profit for the year:

NET WORTH			
<i>In € thousand</i>	2022	Proposed distribution by Shareholders' Meeting	Updated Shareholders' Equity
Subscribed share capital	50,432		50,432
Share premium issue reserve	628		628
Legal reserve	24,976		24,976
Other reserves	289,447		289,447
Retained earnings (losses)	18,147	14,619	32,766
Profit (loss) for the year	14,619	-14,619	0
Total	398,249	-	398,249

2. Exemption from preparing of consolidated financial statements

With reference to the provisions of Articles 95, 96, 97 and 98 of Legislative Decree no. 209 of 7 September 2005 (the '**Private Insurance Code**') and Articles 20 and 21 of IVASS Regulation no. 7 of 13 July 2007 (the '**Regulations**'), which identify the subjects required to prepare consolidated accounts for supervisory purposes only and those exempted from preparing consolidated accounts in the presence of subsidiaries, it is hereby notified that Athora Italia, in agreement with IVASS and having informed the independent auditing company EY S.p.A. is exempted from preparing consolidated financial statements.

Direction and coordination

Name

Athora Holding Ltd

Headquarters

First Floor, Swan Building, 26 Victoria St,
Hamilton HM 12, Bermuda

SUMMARY DATA OF THE LATEST FINANCIAL STATEMENTS OF ATHORA HOLDING LTD

	2021
Intangible assets	95
Property and equipment	77
Investment properties	1,994
Financial assets	55,935
Investments attributable to policyholders and third parties	20,007
Reinsurance assets	34
Deferred taxation assets	587
Income tax receivable	8
Loans and advances due from banks	390
Other receivables	313
Other assets	933
Cash and cash equivalents	1,077
Non-current assets or disposal groups classified as held-for-sale	41

Total assets	81,491
Equity	
Share capital and share premium	3,305
Retained earnings	520
Other reserves	90
Common shareholders' equity	3,915
Preferred shares	566
Total shareholders' equity	4,481
Non-controlling interests	334
Total equity	4,815
Insurance provisions	46,23
Liabilities attributable to policyholders and third parties	20,478
Employee benefits and other provisions	820
Borrowings	1,598
Other financial liabilities	6,409
Deferred taxation liabilities	104
Tax payables	24
Other payables	644
Other liabilities	330
Liabilities included in disposal groups classified as held-for-sale	39
Total liabilities	76,676
Total equity and liabilities	81,491

Profit and Loss account	2021
Total income	3.638
Total expenses	-3.210
Profit before taxes	428
Taxation charge	-223
Profit from continuing operations	205
Discontinued operations	-47
Profit for the year	158

3. Information on received public disbursements

With reference to the regulations on the transparency of public disbursements introduced by Article 1, paragraph 125 of Law No. 124/2017 and subsequent amendments and additions, it should be noted that the Company, during 2022, did not benefit from grants, contributions, paid assignments and in any case economic benefits subject to the obligation to disclosure in the financial statements pursuant to the aforementioned regulations.

4. Fees for audit and non-audit services

Pursuant to Article 2427 of the Italian Civil Code and to the provisions of Article 149-duodecies of the CONSOB Issuers' Regulations, we report the fees without VAT pertaining to fiscal year 2022 for audit and attestation services rendered by the auditing firm EY S.p.A.

Auditing and reporting	€ 263 thousand
Audit Solvency MVBS, OF and Full audit SCR MCR	€ 51 thousand
Other professional services EY S.p.A.	€ 20 thousand

'Auditing and reporting' includes activities related to the review of Reporting requested by the Group in view of the application of IFRS 3.

5. Transactions with related parties and intra-group counterparties

For transactions with related parties and intra-group counterparties, please refer to the relevant section of the Management Report, with the exception to what has already been stated at the beginning of Section 22 of the Notes to the Financial Statements.

6. Significant events occurring after the end of the financial year

For subsequent events occurring after the end of the financial year, please refer to the relevant section of the management report.

p. THE BOARD OF DIRECTORS
The President
(Eric François Loik Viet)

ANNEXES TO THE NOTES

ANNEX 2**Balance Sheet Life business**

ASSETS	31.12.2022	31.12.2021
A. RECEIVABLES FROM SHAREHOLDERS FOR SUBSCRIBED SHARE CAPITAL NOT PAID UP	0	0
- of which called-up capital	0	0
B. INTANGIBLE ASSETS		
1. Acquisition commissions to be depreciated	929	1,201
(a) life business	929	1,201
5. Other deferred costs	3,030	4,817
Total	3,959	6,018
C. INVESTMENTS		
I - Land and buildings	92,802	95,038
2. Buildings for use by third parties	92,802	95,038
II - Investments in group and other investee companies	1,033	8,549
1. Shares and units of companies:		
(b) subsidiaries	1,033	8,549
1. Shares and units	1,022,697	654,618
(a) Listed shares	0	67
c) Units	1,022,697	654,551
Units in mutual funds	1,952	0
3. Bonds and other fixed-income securities	5,593,805	6,278,206
(a) listed	5,371,451	6,142,987
(b) unlisted	222,355	135,219
4. Financing	577	584
(a) secured loans	209	220
(b) loans on policies	62	76
(c) other loans	306	288
7. Miscellaneous financial investments	81,720	0
Total	6,794,588	7,036,995
D. INVESTMENTS FOR THE BENEFIT OF LIFE POLICYHOLDERS BEARING THE RISK AND RELATED TO PENSION FUND		
I - Investments whose performance is linked to investment funds and market indices	690,206	680,973
Total	690,206	680,973
Da. TECHNICAL PROVISIONS BORNE BY REINSURERS		
II - LIFE CLASSES	3,121	4,298
1. Mathematical provisions	2,245	3,404
3. Reserve for sums to be paid	877	894
Total	3,121	4,298
E. RECEIVABLES		
1. Policyholders	687	1,467
(a) for premiums for the financial year	687	1,375
(b) for premiums from previous years	0	92
2. Insurance intermediaries	1,029	1,367
II - Receivables, arising from reinsurance operations, from:	254	286
Insurance and reinsurance companies	254	286
III - Other receivables	235,219	139,999
Total	237,189	143,119
F. OTHER ASSETS		
I - Tangible assets and inventory:	909	999
1. Furniture, office machines and internal means of transport	801	949
2. Movable property entered in public registers	63	0
3. Plant and equipment	39	39
4. Inventory and Miscellaneous Assets	5	11
II - Cash and cash equivalents	11,084	6,885
1. Bank deposits and postal accounts	11,084	6,884
2. Cheques and cash holdings	0	0
IV - Other assets	67,960	12,954
Miscellaneous assets	67,960	12,954
Total	79,953	20,837
G. ACCRUED INCOME AND DEFERRED EXPENSES		
1. For interests	33,085	29,774
3. Other accrued income and deferred expenses	3,835	7,359
Total	36,920	37,132
TOTAL ASSETS	7,845,936	7,929,373

In € thousand

LIABILITY	31.12.2022	31.12.2021
A. SHAREHOLDERS' EQUITY		
I - Subscribed share capital or equivalent fund	50,432	50,432
II - Share premium reserve	628	628
IV - Legal reserve	24,976	24,976
VII - Other Reserves	289,447	89,447
VIII - Retained earnings (losses)	18,147	16,642
IX - Profit (loss) for the year	14,619	1,505
Total	398,248	183,630
B. SUBORDINATED LIABILITIES		
Total	80,000	80,000
C. TECHNICAL PROVISIONS		
II - LIFE CLASSES	6,543,987	6,500,658
1. Mathematical provisions	6,465,887	6,413,290
2. Unearned premium provision for supplementary coverage	13	19
3. Reserves for sums to be paid	50,763	58,048
5. Other technical provisions	27,323	29,300
Total	6,543,987	6,500,658
D. TECHNICAL PROVISIONS WHERE THE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND PROVISIONS ARISING FROM PENSION FUND		
I - Reserves for contracts whose performance is linked to investment funds and market indices	690,206	680,982
Total	690,206	680,982
E. PROVISIONS FOR RISKS AND CHARGES		
Provisions for taxes	178	172
3. Other Provisions	1,614	1,140
Total	1,793	1,312
F. DEPOSITS RECEIVED FROM REINSURERS		
Total	3,121	4,298
G. PAYABLES AND OTHER LIABILITIES		
I - Payables, arising from direct insurance business, towards:	12,545	6,593
Insurance intermediaries	12,545	6,593
II - Payables, arising from reinsurance operations, towards:	416	1,496
Insurance and reinsurance companies	416	1,496
VI - Sundry loans and other financial payables	0	315
VII - Severance pay	672	686
VIII - Other debts	32,267	31,222
1. For taxes payable by policyholders	33	40
2. For miscellaneous tax charges	25,776	24,790
3. To welfare and social security institutions	305	226
4. Sundry debts	6,153	6,167
IX - Other liabilities	79,553	434,428
2. Commissions for collectable premiums	20	34
3. Miscellaneous Liabilities	79,533	434,393
Total	125,454	474,740
H. ACCRUED EXPENSES AND DEFERRED INCOME		
1. For interests	2,789	2,117
2. For rents	287	285
3. Other accrued expenses and deferred income	51	1,352
Total	3,127	3,754
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	7,845,936	7,929,373

ANNEX 3**Breakdown of the financial year between non-life and life business**

<i>In € thousand</i>		Life business		Total
Technical Account Result	21	28,517	41	28,517
Income from investments	+		42	
Capital and financial charges	-		43	
Share of investment return transferred from the life business technical account	+ 24		- 44	-
Interim operating result	26	28,517	46	28,517
Other income	+ 27	855	47	855
Other charges	- 28	7,303	48	7,303
Extraordinary income	+ 29	782	49	782
Extraordinary charges	- 30	920	50	920
Pre-tax profit	31	21,932	51	21,932
Income Tax for the Year	- 32	7,313	52	7,313
Financial year result	33	14,619	53	14,619

ANNEX 4**Changes during the financial year in intangible assets (item B) and land and buildings (item C.I)**

<i>In € thousand</i>		Intangible Assets		Land and buildings
		B		C.I
Gross opening balances	+ 1	27,772	31	95,038
Increases during the year	+ 2	449	32	310
for: purchases or increases	3	449	33	-
reversals	4	-	34	310
Decreases during the year	- 7	438	37	2,546
for: sales or decreases	8	438	38	-
lasting Write-downs	9	-	39	2,546
Gross closing balance (a)	11	27,783	41	92,802
Depreciation:				
Opening balances	+ 12	21,754	42	-
Increases during the year	+ 13	2,070	43	-
for: depreciation quota for the year	14	2,070	44	-
Closing balance depreciation (b) (*)	19	23,824	49	-
Balance sheet value (a - b)	20	3,959	50	92,802
Current value		-	51	93,365
Total revaluations	22	-	52	310
Total write-downs	23	-	53	2,546

ANNEX 5

Changes during the year in investments in group and other investee companies: shares and units (item C.II.1), bonds (item C.II.2) and loans (item C.II.3)

<i>In € thousand</i>		Shares and units C.II.1		Bonds C.II.2		Financing C.II.3	
Opening balance	+	1	8,549	21	-	41	-
Increases during the year:	+	2	-	22	-	42	-
Decreases during the year:	-	7	7,516	27	-	47	-
for: sales or refunds		8	6,914	28	-	48	-
Write-downs		9	603	29	-	49	-
Balance sheet value		11	1,033	31	-	51	-
Total write-downs		14	603	34	-	54	-

Item C.II.2 includes:						
Balance sheet value				63		-

ANNEX 6

Assets - Schedule containing information on investee companies (*)

N. ord.	Type	Listed or unlisted	Activity carried out	Name and headquarters	Currency
(**)	(1)	(2)	(3)		
1	B	NQ	9	ASSINOVANTA S.R.L. - GENOA	242

Name and headquarters	Share Capital		Net assets (***)	Profit or loss for the last financial year (***)	Share held (5)		
	Amount (4)	Number of shares			Direct %	Indirect %	Total %
ASSINOVANTA S.R.L. - GENOA	350	350,000	1,033	-104	60.25	0,00	60.25

(*) Group companies and other companies in which a shareholding is held directly, including through trust companies or intermediaries, must be listed.

(**) The order number must be higher than '0'.

(***) To be completed only for subsidiaries and affiliated companies

(1) Type

- a = Parent companies
- b = Subsidiaries
- c = Affiliated companies
- d = Associated companies
- e = Others

(3) Activity carried out

- 1 = InsuranceCompany
- 2 = Finance company
- 3 = Credit institution
- 4 = Real estate company
- 5 = Trust company
- 6 = Management or distribution companies of mutual funds
- 7 = Consortium
- 8 = Industrial enterprise
- 9 = Other company or entity

(4) Amounts in original currency

(5) Indicate the total share held

(2) Indicate Q for securities traded on markets

regulated and NQ for others

ANNEX 7**Assets – Breakdown of Investments in Group and Other investee Companies: Shares and Units***In € thousand*

N. ord.	Type	(3)	Name	Increases during the year		Decreases during the year		Balance sheet value (4)		Purchase cost	Current value		
				For purchases		Other Increases		For sales				Other decreases	
				Quantity	Value	Quantity	Value	Quantity	Value			Quantity	Value
1	b	V	ASSINOVANTA S.R.L.	-	-	-	-	-	210,875	1,033	7,042	1,033	
9	b	V	IH ROME S.R.L.	-	-	100,000	6,914	-	-	-	-	-	
			Total C.II.1										
	a		Parent companies										
	b		Subsidiaries										
	c		Affiliated companies										
	d		Associated companies										
	e		Others										
			Total D.I										
			Total D.II										

(1) Must correspond to that displayed in Annex 6

(2) Type

- a = Parent companies
- b = Subsidiaries
- c = Affiliated companies
- d = Associated companies
- e = Others

(3) Indicate:

- D for investments allocated to non-life business (item C.II.1)
- V for investments allocated to life business (item C.II.1)
- V1 for investments allocated to life business (item D.I)
- V2 for investments allocated to life business (item D.2)
- The shareholding, even if fractional, must still be assigned the same order number

(4) Highlight with (*) if valued using the net equity method (only for type b and d)

ANNEX 8**Breakdown by use of other financial investments: shares and units in corporations, units in mutual funds, bonds and other fixed-income securities, units in mutual investments and other financial investments (items C.III.1, 2, 3, 5, 7)****II - Life business***In € thousand*

		Long-term wallet		Short-term portfolio		Total						
		Balance sheet value	Current value	Balance sheet value	Current value	Balance sheet value	Current value					
1 Shares and units in companies:	121	-	141	-	161	1,022,697	181	1,043,734	201	1,022,697	221	1.043.734
(a) listed shares	122	-	142	-	162	-	182	-	202	-	222	-
(b) unlisted shares	123	-	143	-	163	-	183	-	203	-	223	-
(c) units	124	-	144	-	164	1,022,697	184	1,043,734	204	1,022,697	224	1.043.734
2 Units in mutual funds	125	-	145	-	165	1,952	185	1,952	205	1,952	225	1.952
3 Bonds and other fixed-income securities	126	4,212,150	146	3,240,752	166	1,381,656	186	1,381,763	206	5,593,805	226	4.622.515
(a1) listed government securities	127	3,814,576	147	2,877,965	167	666,671	187	666,671	207	4,481,247	227	3.544.636
a2) other listed securities	128	175,219	148	176,968	168	714,984	188	715,092	208	890,204	228	892.061
b1) unlisted government securities	129	55.023	149	41,390	169	-	189	-	209	55,023	229	41,390
b2) other unlisted securities	130	167.332	150	144,429	170	- 0	190	-	210	167,332	230	144,429
(c) convertible bonds	131	-	151	-	171	-	191	-	211	-	231	-
5 Units in investment pools	132	-	152	-	172	-	192	-	212	-	232	-
7 Sundry financial investments	133	-	153	-	173	81,720	193	81,264	213	81,720	233	81,264

ANNEX 9

Changes during the year in other long-term financial investments: shares and units, units in mutual funds, bonds and other fixed-income securities, units in investment pools and other financial investments (items C.III.1, 2, 3, 5, 7)

	<i>In € thousand</i>									
	Shares and units		Mutual fund shares		Bonds and other fixed-income securities		Shares in investment pools		Sundry financial investments	
	C.III.1		C.III.2		C.III.3		C.III.5		C.III.7	
Opening balance	+ 1	- 21	- 41		3,574,300	81	- 101			-
Increases during the year:	+ 2	- 22	- 42		1,148,174	82	- 102			-
for: shopping	3	- 23	- 43		331,745	83	- 103			-
reversals	4	- 24	- 44			84	- 104			-
transfers from the short term portfolio	5	- 25	- 45		719,124	85	- 105			-
other variations	6	- 26	- 46			86	- 106			-
Decreases during the year:	- 7	- 27	- 47		510,324	87	- 107			-
for: sales	8	- 28	- 48		40,240	88	- 108			-
Write-downs	9	- 29	- 49			89	- 109			-
transfers to the short term portfolio	10	- 30	- 50		370,989	90	- 110			-
other variations	11	- 31	- 51		1,790	91	- 111			-
Balance sheet value	12	- 32	- 52		4,212,150	92	- 112			-
Current value	13	- 33	- 53		3,240,752	93	- 113			-

ANNEX 10

Changes during the year in loans and deposits with credit institutions (items C.III.4, 6)

			Financing		Deposits with credit institutions	
			C.III.4		C.III.6	
<i>In € thousand</i>						
Opening balance	+ 1		584	21		-
Increases during the year:	+ 2		152	22		-
for: disbursements	3		151			
reversals	4			-		
other variations	5		2			
Decreases during the year:	- 6		159	26		-
for: refunds	7		159			
Write-downs	8			-		
other variations	9			-		
Balance sheet value	10		577	30		-

ANNEX 11

Assets - Schedule of assets related to investment funds and market indices (Item D.I)

Fund code: 001

ATHORA OBBLIGAZIONARIO GLOBALE

<i>In € thousand</i>	Current value				Acquisition cost			
		Current financial year	Previous year		Current financial year	Previous year		Previous year
I. Land and buildings	1	-	21	-	41	-	61	-
Investments in group and other investee								
II. companies:								
III. Mutual fund shares	5	19,957	25	25,387	45	22,952	65	25,460
IV. Other financial investments:								
V. Other Assets	10	661	30	690	50	661	70	690
VI. Liquid assets	11	95	31	193	51	95	71	193
Total	14	20.714	34	26,270	54	23,709	74	26,343

ANNEX 11

Assets - Schedule of assets related to investment funds and market indices (Item D.I)

Fund code: 002

ATHORA BILANCIATO GLOBALE

<i>In € thousand</i>	Current value				Acquisition cost			
		Current financial year	Previous year		Current financial year	Previous year		Previous year
I. Land and buildings	1	-	21	-	41	-	61	-
Investments in group and other investee								
II. companies:								
III. Mutual fund shares	5	59,436	25	53,987	45	67,677	65	50,735
IV. Other financial investments:								
V. Other Assets	10	4,064	30	10,799	50	4,064	70	10,799
VI. Liquid assets	11	189	31	211	51	189	71	211
Total	14	63.688	34	64,996	54	71,930	74	61,745

ANNEX 11

Assets - Schedule of assets related to investment funds and market indices (Item D.I)

Fund code: 003

ATHORA AZIONARIO GLOBALE

<i>In € thousand</i>	Current value				Acquisition cost			
		Current financial year	Previous year		Current financial year	Previous year		Previous year
I. Land and buildings	1	-	21	-	41	-	61	-
Investments in group and other investee								
II. companies:								
III. Mutual fund shares	5	46,559	25	47,638	45	54,348	65	41,391
IV. Other financial investments:								
V. Other Assets	10	3,251	30	5,001	50	3,251	70	5,001
VI. Liquid assets	11	203	31	212	51	203	71	212
Total	14	50.013	34	52,851	54	57,803	74	46,604

ANNEX 11

Assets - Schedule of assets related to investment funds and market indices (Item D.I)

Fund code: 011

ATHORA AZIONARIO PAESI EMERGENTI

<i>In € thousand</i>	Current value				Acquisition cost			
		Current financial year	Previous year		Current financial year	Previous year		Previous year
I. Land and buildings	1	-	21	-	41	-	61	-
Investments in group and other investee								
II. companies:								
III. Mutual fund shares	5	143	25	235	45	193	65	196
IV. Other financial investments:								
V. Other Assets	10	- 0	30	- 0	50	- 0	70	- 0
VI. Liquid assets	11	13	31	11	51	13	71	11
Total	14	156	34	246	54	206	74	207

ANNEX 11

Assets - Schedule of assets related to investment funds and market indices (Item D.I)

Fund code: 016

ATHORA FLESSIBILE CONSERVATIVO

<i>In € thousand</i>	Current value				Acquisition cost			
		Current financial year	Previous year		Current financial year	Previous year		Previous year
I. Land and buildings	1	-	21	-	41	-	61	-
Investments in group and other investee								
II. companies:								
III. Mutual fund shares	5	24,903	25	35,625	45	28,072	65	35.037
IV. Other financial investments:								
V. Other Assets	10	8,246	30	6,298	50	8,246	70	6.298
VI. Liquid assets	11	927	31	950	51	927	71	950
Total	14	34.076	34	42,873	54	37,245	74	42,285

ANNEX 11

Assets - Schedule of assets related to investment funds and market indices (Item D.I)

Fund code: 017

ATHORA FLESSIBILE BILANCIATO

<i>In € thousand</i>	Current value				Acquisition cost			
		Current financial year	Previous year		Current financial year	Previous year		Previous year
I. Land and buildings	1	-	21	-	41	-	61	-
Investments in group and other investee								
II. companies:								
III. Mutual fund shares	5	65,176	25	81,773	45	74,993	65	79.043
IV. Other financial investments:								
V. Other Assets	10	8,619	30	5,936	50	8,619	70	5.936
VI. Liquid assets	11	- 449	31	- 506	51	- 449	71	- 506
Total	14	73.347	34	87,203	54	83,164	74	84,473

ANNEX 11

Assets - Schedule of assets related to investment funds and market indices (Item D.I)

Fund code: 018

ATHORA FLESSIBILE DINAMICO

<i>In € thousand</i>	Current value				Acquisition cost			
		Current financial year	Previous year		Current financial year	Previous year		Previous year
I. Land and buildings	1	-	21	-	41	-	61	-
Investments in group and other investee								
II. companies:								
III. Mutual fund shares	5	133,074	25	164,318	45	155,311	65	152.446
IV. Other financial investments:								
V. Other Assets	10	20,315	30	15,093	50	20,315	70	15.093
VI. Liquid assets	11	208	31	- 34	51	208	71	- 34
Total	14	153.597	34	179,377	54	175,835	74	167,504

ANNEX 11

Assets - Schedule of assets related to investment funds and market indices (Item D.I)

Fund code: 019

ATHORA GLOBAL BOND

<i>In € thousand</i>	Current value				Acquisition cost			
		Current financial year	Previous year		Current financial year	Previous year		Previous year
I. Land and buildings	1	-	21	-	41	-	61	-
Investments in group and other investee								
II. companies:								
III. Mutual fund shares	5	41,493	25	39,344	45	47,245	65	39.138
IV. Other financial investments:								
V. Other Assets	10	890	30	- 41	50	890	70	- 41
VI. Liquid assets	11	123	31	208	51	123	71	208
Total	14	42.506	34	39,511	54	48,258	74	39,305

ANNEX 11

Assets - Schedule of assets related to investment funds and market indices (Item D.I)

Fund code: 020

ATHORA GLOBAL BALANCED

<i>In € thousand</i>	Current value				Acquisition cost			
		Current financial year	Previous year		Current financial year	Previous year		Previous year
I. Land and buildings	1	-	21	-	41	-	61	-
Investments in group and other investee								
II. companies:								
III. Mutual fund shares	5	187,041	25	152,819	45	214,260	65	144.309
IV. Other financial investments:								
V. Other Assets	10	21,960	30	3,140	50	21,960	70	3.140
VI. Liquid assets	11	- 26	31	606	51	- 26	71	606
Total	14	208.975	34	156,564	54	236,194	74	148,054

ANNEX 11

Assets - Schedule of assets related to investment funds and market indices (Item D.I)

Fund code: 021

ATHORA GLOBAL EQUITY

<i>In € thousand</i>	Current value				Acquisition cost			
		Current financial year	Previous year		Current financial year	Previous year		Previous year
I. Land and buildings	1	-	21	-	41	-	61	-
Investments in group and other investee								
II. companies:								
III. Mutual fund shares	5	42,803	25	29,534	45	48,453	65	25.571
IV. Other financial investments:								
V. Other Assets	10	73	30	1,316	50	73	70	1.316
VI. Liquid assets	11	259	31	232	51	259	71	232
Total	14	43.135	34	31,082	54	48,785	74	27,120

ANNEX 11

Assets - Schedule of assets related to investment funds and market indices (Item D.I)

Fund code:

TOTAL

<i>In € thousand</i>	Current value				Acquisition cost			
		Current financial year	Previous year		Current financial year	Previous year		Previous year
I. Land and buildings	1	-	21	-	41	-	61	-
Investments in group and other investee								
II. companies:								
III. Mutual fund shares	5	620,584	25	630,660	45	713,505	65	593.327
IV. Other financial investments:								
V. Other Assets	10	68,079	30	48,231	50	68,079	70	48.231
VI. Liquid assets	11	1,543	31	2,082	51	1,543	71	2.082
Total	14	690.206	34	680,973	54	783,127	74	643,640

ANNEX 14

Changes during the year in the components of the actuarial reserves (item C.II.1) and the reserve for Profit-sharing and refunds (item C.II.4)

In € thousand

Type		Exercise		Previous year		Variation
Mathematical reserve for pure prizes	1	6,462,116	11	6,409,041	21	53,075
Reporting prizes	2	1,593	12	1,979	22	-385
Mortality risk reserve	3	-	13	-	23	-
Integration Reserves	4	2,178	14	2,271	24	-92
Balance sheet value	5	6,465,887	15	6,413,290	25	52,597
Profit-sharing and reversion reserve	6	-	16	-	26	-

ANNEX 15**Changes during the year in provisions for risks and charges (item E) and employee severance pay (item G.VII)**

<i>In € thousand</i>		Employ Severance Benefit funds and similar obligations		Provisions for taxes		Other Provisions		Employee subordinated severance pay	
Opening balance	1	-	11	172	21	1,140	31	686	
Provisions for the year	2	-	12	74	22	847	32	-	
Other Increases	3	-	13	-	23	-	33	56	
Utilisations during the year	4	-	14	68	24	373	34	69	
Other decreases	5	-	15	-	25	-	35	0	
Balance sheet value	6	-	16	178	26	1,614	36	672	

ANNEX 16**Schedule detailing assets and liabilities relating to group and other investee companies****I: Assets***In € thousand*

	Parent companies		Subsidiaries		Affiliates		Associates		Others		Total	
Shares and units	1	-	2	1,033	3	-	4	-	5	-	6	1,033
Total	85	-	86	1,033	87	-	88	-	89	-	90	1,033

II: Liabilities

	Parent companies		Subsidiaries		Affiliates		Associates		Others		Total	
Sundry payables	139	-	140	-35	141	-	142	-	143	-	144	-35
Total	151	-	152	-35	153	-	154	-	155	-	156	-35

ANNEX 17**Information on 'guarantees, obligations and memorandum accounts***In € thousand*

		Financial year		Previous year	
I. Guarantees given:					
Total	12	0	42	6	
II. Guarantees received:					
b) by third parties	14	5,598,881	44	6,197,884	
Total	15	5,598,881	45	6,197,884	
III. Guarantees given by third parties in the interest of the company:					
Total	18	0	48	0	
IV. Obligations:					
a) obligations for purchases with an obligation to resell	19	0	49	392,901,309	
Total	22	0	52	411,621,995	
V. Assets pertaining to pension funds managed on behalf of and for third parties	23	0	53	0	

ANNEX 18

Schedule of Obligations for Derivative Transactions

In € thousand

Derivative Contracts	2022						2021					
	Purchase			Sale			Purchase			Sale		
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)		
Futures:												
on shares	1	101	21	121	41	141	61	161				
on bonds	2	102	22	122	42	142	62	162				
on currencies	3	81,328	103	2,004	23	123	43	143	63	163		
on rates	4	104	24	124	44	144	64	164				
others	5	105	25	125	45	145	65	165				
Options:												
on shares	6	106	26	126	46	146	66	166				
on bonds	7	107	27	127	47	147	67	167				
on currencies	8	108	28	128	48	148	68	168				
on rates	9	109	29	129	49	149	69	169				
others	10	110	30	130	50	300,000	150	42	70	170		
Swaps:												
on currencies	11	111	31	131	51	151	71	171				
on rates	12	432,000	112	- 63,848	32	132	52	377,000	152	- 3,854	72	172
others	13	113	33	133	53	153	73	173				
Other Transactions	14	339,000	114	- 3,595	34	134	54	380,160	154	- 39,480	74	174
Total	15	852,328	115	- 65,439	35	135	55	757,160	155	- 43,334	75	175

Only derivative contract transactions outstanding at the balance sheet date that involve obligations for the company must be included. Whether the contract does not correspond exactly to the described figures or that elements from several contracts are included, the contract must be included in the most related contract category. No offsetting of items is permitted except in connection with purchase/sale transactions referring to the same type of contract (same content, maturity, underlying asset, etc.).

Contracts that provide for the exchange of two currencies should be reported only once, conventionally referring to the currency to be purchased. Contracts involving the exchange of both interest rates and currencies should only be reported under currency contracts. Derivative contracts involving the exchange of interest rates are conventionally classified as either 'purchases' or 'sales' depending on whether they involve the insurance company buying or selling the fixed rate.

(1) In the case of derivative contracts that involve or may involve the exchange of principal, the settlement price of the same shall be stated; in all other cases, the par value of the principal shall be stated.

(2) Indicate the fair value of derivative contracts;

ANNEX 20

Summary information on Life business premiums and reinsurance balance

In € thousand

	Direct work		Indirect work		Total
Gross premiums:	1	852,877	11	- 21	852,877
a) 1 for individual policies	2	841,160	12	- 22	841,160
2 for group policies	3	11,716	13	- 23	11,716
b) 1 periodic premiums	4	178,599	14	- 24	178,599
2 single premiums	5	674,277	15	- 25	674,277
c) 1 for contracts without profit-sharing	6	11,471	16	- 26	11,471
2 for profit-sharing contracts	7	695,548	17	- 27	695,548
3 for contracts when the investment risk is borne by policyholders and for pension funds	8	145,858	18	- 28	235,246
Reinsurance Balance	9	-155	19	- 29	-155

ANNEX 21

Income from investments (items II.2 and III.3)		<i>In € thousand</i>		
	Life business		Total	
Income from shares and units:				
Dividends and other income from shares and units of group and investee companies	41	5,202,500	81	5,202,500
Dividends and other income from shares in other companies	42	29,383,000	82	29,383,000
Total	43	34,585,500	83	34,585,500
Income from investments in land and buildings	44	6,012,692	84	6,012,692
Income from other investments:				
Income on bonds and other fixed-income securities	48	76,552,351	88	76,552,351
Interest on loans	49	5,186	89	5,186
Total	54	76,557,537	94	76,557,537
Reversals of value adjustments on investments related to:				
Land and buildings	55	310,000	95	310,000
Other shares and units	58	179,797	98	179,797
Other financial investments	60	2,003,921	100	2,003,921
Total	61	2,493,718	101	2,493,718
Profits on the realisation of investments:				
Profits on other shares and units	65	4,321	105	4,321
Profits on other bonds	66	46,505,467	106	46,505,467
Profits on other financial investments	67	150,568,741	107	150,568,741
Total	68	197,078,528	108	197,078,528
GRAND TOTAL	69	316,727,975	109	316,727,975

ANNEX 22**Income and capital gains relating to investments for the benefit of policyholders bearing the risk and investments arising from pension fund (item II.3)***In € thousand*

I. Investments related to investment funds and market indices		Amounts	
Income from:			
Other financial investments		4	4,077
Total		7	4,077
Profits on the realisation of investments			
Profits on mutual funds		10	2,932
Total		14	2,932
Unrealised capital gains		15	2,664
GRAND TOTAL		16	9,673
II Investments arising from pension fund			
Income from:			
Total		25	-
Income on realisation of investments			
Total		30	-
Unrealised capital gains		31	-
GRAND TOTAL		32	-

ANNEX 23**Capital and financial charges (items II.9 and III.5)***In € thousand*

	Life business		Total Life business	
Investment management and other charges				
Charges for investments in land and buildings	32	1,058	62	1,092
Charges relating to bonds	33	13,320	63	12,731
Charges relating to miscellaneous financial investments	36	11,170	66	0
Interest on deposits received from reinsurers	37	190	67	109
Total	38	25,737	68	13.942
Value adjustments on investments related to:		-		-
Land and buildings	39	2,546	69	1,928
Other shares and units	42	5,693	72	17,541
Other bonds	43	69,542	73	25,519
Other financial investments	44	66,977	74	6,189
Total	45	144,757	75	51.177
Losses on realisation of investments		-		-
Losses on shares and units	47	4,749	77	643
Losses on bonds	48	45,909	78	17,133
Losses on other financial investments	49	66,048	79	-
Total	50	116,706	80	17.776
GRAND TOTAL	51	287,201	81	82,895

ANNEX 24**Capital and financial charges and unrealised capital losses on investments for the benefit of policyholders bearing the risk and on investments arising from pension fund (item II.10)***In € thousand***I. Investments related to investment funds and market indices****Amounts**

Operating expenses arising from:		
Mutual fund shares	3	11,733
Other Assets	5	1,314
Total	6	13.047
Losses on realisation of investments		
Losses on mutual funds	9	21,696
Losses on other financial investments	10	- 4
Total	12	21.692
Unrealised capital losses	13	67,854
GRAND TOTAL	14	102,594

II Investments arising from pension fund**Amounts**

Operating expenses arising from:		
Total	24	-
Losses on realisation of investments		
Total	28	-
Unrealised capital losses	29	-
GRAND TOTAL	30	-

ANNEX 27

Life Insurance - Summary of Technical Accounts by Line of Business - Italian Portfolio

<i>In € thousand</i>		Class code 01		Class code 02		Class code 03
		Life insurance (denomination)		Nuptiality and Birth Insurance (denomination)		Fund or index- related transactions (denomination)
Direct business gross of outwards reinsurance						
Written premiums	+ 1	705,453	1	-	1	145,858
Claims expenses	- 2	666,235	2	-	2	41,453
Change in mathematical and other technical provisions (+ or -)	- 3	80,353	3	-	3	9,463
Balance of other technical accounts (+ or -)	+ 4	77,480	4	-	4	6,802
Operating expenses	- 5	37,069	5	-	5	7,448
Investment income net of the portion transferred to the non-technical account (*)	+ 6	-53,065	6	-	6	-10,125
Direct business result gross of outwards reinsurance (+ or -) A	7	-53,789	7	-	7	84,171
Result of outward reinsurance (+ or -) B	8	155	8	-	8	-
Net indirect labour income (+ or -) C	9	-	9	-	9	-
Technical account result (+ or -) (A + B + C)	10	-53,635	10	-	10	84,171
Direct business gross of outwards reinsurance						
Written premiums	+ 1	-	1	1,566	1	-
Claims expenses	- 2	-	2	32,445	2	-
Change in mathematical and other technical provisions (+ or -)	- 3	-	3	-29,803	3	-
Balance of other technical accounts (+ or -)	+ 4	-	4	-7	4	-
Operating expenses	- 5	-	5	733	5	-
Investment income net of the portion transferred to the non-technical account (*)	+ 6	-	6	-204	6	-
Direct business result before outwards reinsurance (+ or -) A	7	-	7	-2,020	7	-
Result of outwards reinsurance (+ or -) B	8	-	8	-	8	-
Net indirect labour income (+ or -) C	9	-	9	-	9	-
Technical account result (+ or -) (A + B + C)	10	-	10	-2,020	10	-

(*) Algebraic sum of items related to the Italian class and portfolio included in items II.2, II.3, II.9, II.10, and II.12 of the Profit and Loss Account

ANNEX 28**Summary of the technical account summary for all life business - Italian portfolio***In € thousand*

	Direct Insurance Risks		Indirect insurance risks		Retained risks Total 5 = 1 - 2 + 3 - 4			
	Direct risks 1	Ceded risks 2	Taken risks 3	Retroceded risks 4				
Written premiums	+ 1	852,877	11	744	21	- 31	- 41	852,132
Claims expenses	- 2	740,133	12	1,813	22	- 32	- 42	738,320
Change in mathematical and other technical provisions (+ or -)	- 3	60,013	13	-1,159	23	- 33	- 43	61,172
Balance of other technical accounts (+ or -)	+ 4	84,274	14	-	24	- 34	- 44	84,274
Operating expenses	- 5	45,249	15	245	25	- 35	- 45	45,004
Investment income net of the portion transferred to the non-technical account (*)	+ 6	-63,394		-	26	-	- 46	-63,394
Technical account result (+ or -)	7	28,362	17	-155	27	- 37	- 47	28,517

(*) Algebraic sum of items related to the Italian portfolio included in items II.2, II.3, II.9, II.10 and II.12 of the Profit and Loss Account

ANNEX 30*In € thousand***Relations with group and other investee companies**

I: Income	Parent companies	Subsidiaries	Affiliates	Associates	Others	Total			
Income from investments									
Dividends and other income from shares and units	7	- 8	5,203	9	-	10	- 11	- 12	5,203
Total	37	- 38	5,203	39	-	40	- 41	- 42	5,203
GRAND TOTAL	85	- 86	5,203	87	-	88	- 89	- 90	5,203

Relations with group and other investee companies

II: Charges	Parent companies	Subsidiaries	Affiliates	Associates	Others	Total			
Losses on the realisation of investments (*)	169	- 170	-4.749	171	-	172	- 173	- 174	-
GRAND TOTAL	181	- 182	-4.749	183	-	184	- 185	- 186	-

(*) With reference to the counterparty in the transaction

ANNEX 31**Summary of written premiums for direct business**

	Life business		Total	
	Establishment	L.P.S.	Establishment	L.P.S.
Written premiums:				
in Italy	11	852,877	15	-
Total	14	852,877	18	-

ANNEX 32*In € thousand***Schedule of charges relating to personnel, directors and statutory auditors****I: Personell Expenses**

	Life business		Total	
Expenses for subordinated employment services:				
Italian portfolio:				
- Remuneration	31	7,423	61	7,423
- Social contributions	32	1,616	62	1,616
- Provision for severance and similar obligations	33	528	63	528
- Miscellaneous personnel expenses	34	1,961	64	1,961
Total	35	11,528	65	11,528
Foreign portfolio:				
Total	39	-	69	-
Grand total	40	11,528	70	11,528
Self-employment expenses:				
Italian portfolio	41	201	71	201
Total	43	201	73	201
Total expenses for services	44	11,730	74	11,730

II: Description of Imputation Items

	Life business		Total	
Investment Management Charges	45	1,218	75	1,218
Other acquisition costs	47	3,551	77	3,551
Other Administrative Expenses	48	6,961	78	6,961
Total	51	11,730	81	11,730

III: Average number of personell during the year

	Number	
Managers	91	10
Employees	92	84
Total	95	94

IV: Directors and Statutory Auditors

	Number		Fees due	
Administrators	96	6	98	706
Statutory auditors	97	3	99	104

CASH FLOW STATEMENT

CASH FLOW STATEMENT*In € thousand*

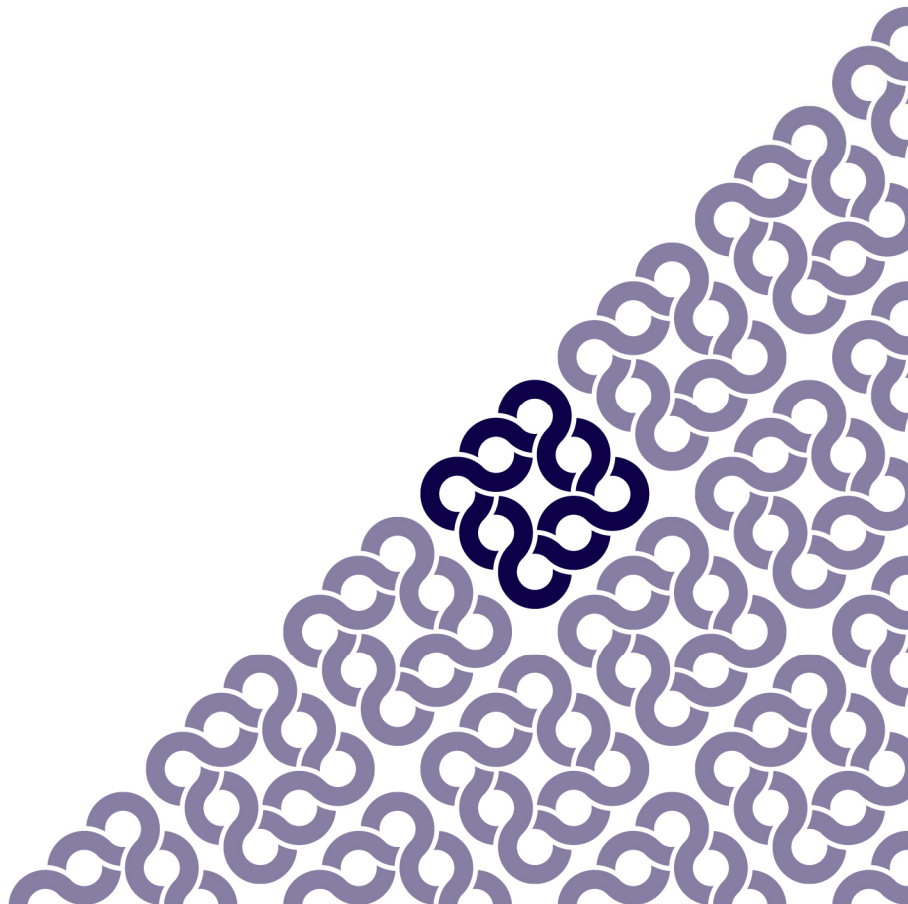
		2022	2021
SOURCES OF FUNDING			
Result for the period: Profit/(Loss)		14,619	1,505
Adjustments to profit plus/(minus) related to items that do not affect liquidity:			
- changes in Technical provisions: incr./(decr.)		53,730	466,107
- depreciation for the year		2,339	3,107
- net increase in earmarked funds		481	- 1,295
- changes in severance pay fund: incr./(decr.)		- 14	40
- changes in loans receivable: (incr.)/decr.		7	100
- changes in receivables, other assets and accrued income: (incr.)/decr.		- 148,858	- 5,189
- changes in payables, other liabilities and accrued liabilities: incr./(decr.)		- 351,076	- 24,395
- adjustment of securities to market: (plus)/minus		48,652	48,652
- adjustment of securities to market category D: (plus)/minus		92,921	- 37,334
- write-down of real estate: (plus)/minus		2,236	1,633
- write-down of investments: (plus)/minus		5,352	11,951
Liquidity generated/(absorbed) from operations	(A1)	- 279,611	464,884
Net value of assets sold:			
real estate		-	1.800
shareholdings		2,164	-
movables and equipment		-	-
total	(A2)	2,164	1.800
Subordinated liabilities		-	35.000
Equity Increase (Capital Increase)	(A3)	200,000	-
	(A1)+(A2)+(A3) = (A)	- 77,447	501.684
LIQUIDITY INVESTMENTS			
Purchase of real estate and incremental works		-	-
Net investments in equities, fixed-income securities and mutual funds		- 81,842	483,979
Net investments in shareholdings		-	13,331
Increase in assets and capitalised charges		196	4,147
Distribution of profits		-	-
	(B)	- 81,646	501.457
Net cash flow for the period	(A) - (B) = (C)	4,199	227
Cash and cash equivalents at beginning of year	(D)	6,885	6,658
Cash and cash equivalents at end of period	(C) + (D)	11,084	6,885

+

ACTUARIAL REPORT ON TECHNICAL PROVISIONS

January 2023

**ACTUARIAL REPORT ON TECHNICAL
PROVISIONS AS PER ART. 23-BIS,
PARAGRAPH 3, OF REGULATION N° 22
OF 4 APRIL 2008 FOR THE FINANCIAL
STATEMENTS OF ATHORA ITALIA S.P.A.
FOR THE YEAR 2022**



The actuarial report is drawn up pursuant to Article 23-bis, paragraphs 2 and 3, of ISVAP Regulation n° 22 of 4 April 2008 as amended by Order n° 53 of 6 December 2016 in order to illustrate the methodologies used by the Company to calculate the balance sheet technical provisions as at 31 December 2022 of Italian direct business, gross of reinsurance, also taking into account the provisions of the same Regulation, of all other provisions issued by IVASS (formerly ISVAP) and by Legislative Decree n° 209 of 7 September 2005 and by the "Rules for the Application of the Actuarial Principles and Guidelines for the Appointed Actuary of Life Insurance Companies" considering that in substance the activity required in this field is similar to what was required from the (former) Appointed Actuary of Life Insurance Companies.

1. PORTFOLIO VERIFICATION CHECKS

All technical reserves for the purposes of preparing the financial statements pursuant to Chapters II and III of Title VIII of Legislative Decree N° 209 of 7 September 2005 were calculated for each individual contract, considering the policies in force as at 31 December 2022, their respective effective date and all contractual commitments, with the exception of certain types of reserves, illustrated below, determined in aggregate form, taking into account the relevant provisions of the regulations in force.

As part of a broader process of improving IT procedures, it should be noted that, as of 01/01/2017, the historical portfolio management system (LIFE) was flanked by a new management system (PASS).

As of 01/01/2017 the new PASS application manages only the New Individual Production of the Agency Channel and the new Distributors, while as of 05/08/2018 the entire individual portfolio of the Agency Channel alone was migrated to the PASS application.

This Actuarial Internal Office carried out the necessary checks to ascertain and correctly determine the portfolio.

In particular, the analytical recursive control procedure on the number of contracts was verified, starting from the state of the portfolio in the previous period (31 December 2021) and considering the incoming and outgoing contracts in the period of observation (year 2022), and macro checks were carried out to reconcile the "taxable" policy portfolio for the purposes of calculating technical reserves.

With regard to the activity of verifying the total amount of the expense reserve and the mathematical reserve, the Actuarial Internal Office verified that all tariffs had a reserve amount greater than zero.

The Actuarial Internal Office checked, on a sample basis, that policies in amounts payable on maturity, total surrender or per claim did not appear in the technical provisions.

In this regard, the checks carried out did not reveal any particular critical aspects, without prejudice to the extension of the checks envisaged by the Actuarial Internal Office.

With reference to the comparison with the surrender value, it should be noted that the comparison in question is managed directly in the portfolio management systems (LIFE and PASS) as part of the formulas for calculating the mathematical reserve.

In-depth checks were carried out on an adequate number of contracts in active status, as reported later in the specific paragraph of this report dedicated to Technical Valuations, in relation to most of the tariffs in the portfolio in order to verify the correctness of the calculation methods for the different types of technical provisions.

The aforesaid verifications, with possible implementations, will be systematically carried out in the future on an ongoing basis, also with reference to the tariffs already tested, with the aim, envisaged in the more general verification plan by the undersigned, of reaching 100%, as well as testing policies also referring to states other than the active state.

2. METHODS FOR CALCULATING TECHNICAL PROVISIONS

2.1. METHODS FOR CALCULATING TECHNICAL PROVISIONS ADOPTED BY THE UNDERTAKING

All reserves shown below have been valued gross of reinsurance ceded.

a) Technical Reserves

The mathematical balance sheet reserves of mixed, deferred capital, fixed term, capitalisation, whole life, temporary and deferred annuity tariffs with counter-insurance and immediate, annual, constant and revaluable premium, single premium and recurring single premium tariffs (with technical rates 0%, 1%, 1.5%, 2%, 2.5%, 3%, 4%) have been calculated prospectively in accordance with the first-order technical bases and on a pure-premium basis (except as disclosed below in respect of immediate annuity rates and deferred annuity rate policies in a state of enjoyment), by full linear interpolation of the same prepared on the anniversary date before and after the balance sheet date.

With regard to policies of deferred annuity rates in a state of living as well as immediate annuities with a demographic base other than A62 (ANIA), the Company determines the mathematical reserve directly with the A62 (ANIA) base for immediate commitments and for generations, broken down by gender, and the technical rate 2% regardless of the first-order bases used in the calculation of the premium and indicated in the relevant technical reports. In addition, with regard to Temporary Death Insurance linked to loans and priced at an average premium, the Company determines the mathematical reserves on the basis of age, sex and residual duration of the contract.

For policies with revaluable benefits, the capital or annuity has been adjusted in accordance with the respective policy conditions.

The gross rate of return for the period 1 November 2021 - 31 October 2022 realised by the Separate Account "Norvita" was 1,82%, as certified by the Auditor. This rate will be attributed to revaluations with dates between 1 January 2023 and 31 December 2023.

The gross rate of return referred to the period 1 November 2021 - 31 October 2022 realised by the Separate Account "Amissima Multicredit" was 3,00%, as certified by the Auditing Firm. This rate will be attributed to revaluations with dates between 1 January 2023 and 31 December 2023.

The gross annual rates of return of the Separate Account "C.Vitanuova" are measured monthly at the end of each month, over a one-year time horizon, and are then attributed to revaluations with recurrence dates following the end of the third month following the month of measurement. The revaluation method provides for the application on the recurrence date of the return on an annual basis realised in the twelve months preceding the beginning of the third month preceding the revaluation date.

In particular, below are the last two available rates certified by the Auditor recorded in the year 2022, specifically the rate recorded at the end of September 2022 and the rate recorded at the end of October 2022, which will be used, respectively, for revaluations with recurrence in January 2023 and February 2023:

Month	Rate
January (certified)	1,91%
February (certified)	2,01%

These rates were also used to determine the insured capital revalued at the next recurrence date for policies with January and February recurrences as part of the interpolation for the calculation of the mathematical reserve for these policies as at 31 December 2022.

The following rates of return, estimated by the Company's Investment Department, were used to handle the interpolation within the framework of the calculation of the mathematical reserve at the valuation date for policies with anniversaries after February 2023:

Mese	Tasso
March	1,98%
April	2,01%
May	2,02%
June	2,02%
July	2,02%
August	2,04%

September	2,05%
October	2,04%
November	2,01%
December	2,02%

The amounts of the mathematical reserves in the financial statements relating to annual-premium policies are inclusive of the unconsumed pure annual premium accrual; for fractional annual-premium policies, any premium instalments not yet due were not considered.

With regard to contracts relating to changes in tariffs that have become necessary in order to implement the regulatory provisions on equal treatment between genders, taking into account the "Guidelines" issued by the Order of Actuaries and consistently with the solutions allowed therein, the Company, for such tariffs, has generally used a unisex demographic base determined on the basis of the so-called "weighted risk", both for the calculation of premiums and for the calculation of mathematical reserves. so-called "weighted risk", i.e. through a prudent weighting of the probability of death (the latter derived from mortality tables differentiated by sex) with weights inferred from the Company's experience.

Following the enactment of Law n° 221 of 17 December 2012 - conversion of Decree Law n° 179 of 18 October 2012 - the Company verifies the need to make provisions to meet the obligations arising from the obligation to repay the portion of the premium paid, relating to the period remaining with respect to the original maturity date, in relation to policies linked to mortgages and other loans for which a single premium has been paid by the debtor/insured party. The mathematical reserve is then supplemented for a group, loan-linked tariff, tariff cod. V218 equal to the difference, if positive, between the pure premium repriced on the basis of the outstanding debt at the valuation date and also taking into account the elapsed contractual period and the mathematical reserve. The loadings component is considered to be covered by the combined presence of the reserve for future management expenses and the Company's agreement with the distribution network to return the portion of the purchase commissions received.

The amount of this reserve is **€ 11.845,62**.

The reserves for surcharges were calculated on the basis of the amount of the surcharges for the financial year. For annual premium tariffs, the reserve is equal to the amount of the year's over-premiums; for single premium tariffs, the reserve is equal to the amount of the over-premiums dismantled on a linear basis over the contractual term; in particular, in the numerator of the "pro rata" calculation, the company uses the difference between the years of contractual duration and the entire years elapsed between the effective date and the valuation date, comparing this difference to the years of contractual duration.

The total amount of the mathematical reserves is **€ 6.462.890.605,22**; that of the premium reserves is **€ 818.535,44**.

b) Additional reserves for financial risk

Taking into account the characteristics and policy conditions of the contracts in the portfolio as well as the provisions of paragraphs 21, 22 and 23 of Annex 14 of ISVAP Regulation n° 22 of 4 April 2008, it was necessary to set aside the additional provision for guaranteed interest rate risk only in respect of contracts not linked to any separate account but which nonetheless provide a financial guarantee, in accordance with the procedures illustrated below.

As of 31/12/2022, the Company's portfolio of liabilities, broken down by Separate Account, shows the following distribution.

For the Separate Account Norvita, the financial guarantee of 1,00% and 0,00% represent about 69% of the entire portfolio of the Account, while the highest guarantees (5,00% and 4,00%) represent about 13% of the total of the Account. Specifically, the 5,00% guarantee represents 0,07% of the liabilities.

For the Separate Account C.Vitanuova, the maximum guarantee is 3,00% and represents less than 0,01% of the liabilities of the Account, while the guarantees of 1,00% and 0,00% represent approximately 94% of the portfolio of liabilities.

In contrast, the entirety of the Amissima Multicredit Separate Account is concentrated on the 0,00% guarantee.

The Company, similarly to the previous year, applies Method C both for contracts not linked to any Separate Account but which nevertheless provide a financial guarantee and for contracts linked to a Separate Account.

This method envisages the possibility of offsetting, for each Separate Account/guarantee line, between balances of opposite sign referring to different levels of financial guarantee as well as to different annual periods.

According to this approach, it is not necessary to set aside any reserve amount for both the Separate Accounts; on the contrary, a provision is necessary for contracts that are not linked to any separate management but which nevertheless provide a financial guarantee (in particular for the Temporary Death Insurance component), for which the Company, over a time horizon of 5 years, has defined a vector of foreseeable returns equal to the weighted average of the foreseeable returns of the Norvita Account and the average annual foreseeable return of the C. Vitanuova Account.

The Company also has a number of contracts in its portfolio, other than Temporary Death Insurance, which are not linked to any separate account but which nevertheless provide a financial guarantee for a mathematical reserve amounting to approximately € 70.000,00 that is not managed in the Company's main management system and is included in the calculation of the interest rate reserve of the Separate Account Norvita, in the relevant guarantee line.

The additional reserve was calculated using the foreseeable returns as shown below:

SEGREGATED FUND: C.VITANUOVA

Year n	Predictable rates	Year n+1	Predictable rates	Year n+2	Predictable rates	Year n+3	Predictable rates
GE'23	1,98%	GE'24	1,56%	GE'25	1,94%	GE'26	2,09%
FE'23	2,03%	FE'24	1,49%	FE'25	1,97%	FE'26	2,15%
MR'23	2,02%	MR'24	1,66%	MR'25	1,91%	MR'26	2,23%
AP'23	2,01%	AP'24	1,61%	AP'25	1,91%	AP'26	2,27%
MG'23	2,04%	MG'24	1,58%	MG'25	1,94%	MG'26	2,32%
GI'23	1,98%	GI'24	1,95%	GI'25	1,93%	GI'26	2,29%
LU'23	1,98%	LU'24	1,95%	LU'25	1,91%	LU'26	2,29%
AG'23	1,87%	AG'24	1,98%	AG'25	1,98%	AG'26	2,27%
SE'23	2,02%	SE'24	1,78%	SE'25	1,99%	SE'26	2,29%
OT'23	1,79%	OT'24	1,83%	OT'25	1,98%	OT'26	2,31%
NO'23	1,66%	NO'24	1,89%	NO'25	2,05%	NO'26	2,33%
DI'23	1,62%	DI'24	1,96%	DI'25	2,02%	DI'26	2,38%

SEGREGATED FUND: NORVITA

Year	2023	2024	2025	2026	2027
Rate	1,80%	2,05%	1,83%	1,79%	1,75%

WEIGHTED AVERAGE OF THE CURRENT AND FORESEEABLE RETURNS ON THE TWO SEGREGATED FUNDS

	2023	2024	2025	2026	2027
Weighted average of the returns of the two Segregated Fund, with weights equal to the reserves associated with the two Segregated Fund	Rate Year n	Rate Year n+1	Rate Year n+2	Rate Year n+3	Rate Year n+4
	1,94%	1,75%	1,94%	2,09%	2,23%

The relative amount set aside is equal to € **2.100.978,88**

The Company did not deem it necessary to set aside the additional reserve for rate decreases, taking into account the provisions of paragraph 23 of Annex 14 of ISVAP Regulation n° 22 of 4 April 2008, based on the following technical evaluations.

For the benefits linked to the separate accounts named Norvita and Amissima Multicredit, whose contracts all have a time lag between the period in which the return to be recognised contractually was accrued and the moment in which this is recognised to the policyholders, on the basis of the provisions of paragraph 23 of Annex 14 of ISVAP Regulation n° 22 of 4 April 2008,

it is noted that there is currently no need to set aside a reserve for time lag. In fact, the first rate of the vector of foreseeable returns (defined as "current", i.e., being accrued) was higher than the average rate that will be recognised to policyholders in 2022 based on the last certified rate and the weighted average of the actual participation rates that take into account the corresponding minimums withheld.

c) Additional other reserves than financial risk reserves

Taking into account the characteristics and policy conditions of the contracts in portfolio as well as the provisions of paragraphs 35 to 38 of Annex 14 of ISVAP Regulation n° 22 of 4 April 2008, it was necessary to set aside an additional reserve in order to supplement the mathematical reserves of the annuity rates during the deferral period, in accordance with the technical valuations reported in the following sub-section.

In order to set up said reserve, the annuities calculated according to the A62 demographic table (ANIA) for immediate commitments and with application of age shifting (modified with respect to the previous year, also based on the indications of the Actuarial Function in previous years), taken as the second-order basis, were compared with the annuities calculated with the first-order bases, proceeding as follows.

For annuity rates for life annuities, the calculation was performed analytically, i.e. the increase in the annuity's capital value was determined, which is equal to:

$$I = a^* - a$$

where:

a^* denotes the life deferred annuity obtained with the new technical basis;
 a denotes the life deferred annuity obtained with the first-order technical basis for the individual types of contracts referred to above

The annuities are calculated at the age at maturity for the contracts in force during the deferral period.

The charge thus identified was then discounted to 31 December 2022 in a financial demographic sense, conservatively not considering exit assumptions other than mortality:

$$R = I * E$$

These amounts, in line with the provisions of paragraphs 36, 37 and 38 of Appendix 14 of ISVAP Regulation n° 22 of 4 April 2008, have been reduced on the basis of the assumption relating to the propensity to get the annuity, deriving from the results of the sample survey updated by ANIA (July 2021) equal to 8,105% (in formula indicated by E).

The set of assumptions used, including those of a demographic nature, will in any case be verified annually and, if necessary, modified on the basis of actual experience.

With regard to annuities in receipt and immediate annuities with a demographic base other than A62 (ANIA), the mathematical reserve was calculated directly with the A62 (ANIA) base for immediate commitments and for generations, broken down by gender, and the technical rate 2%.

In this case, therefore, there was no need to set aside an additional reserve for demographic bases since the mathematical reserve was calculated, in accordance with a prudential approach, directly with second-order bases.

The calculation of the aforementioned reserve was performed directly on both the LIFE and PASS source systems, replicating the methodology described above, policy by policy.

The company reported that it had no capital rates with guaranteed annuity conversion ratios in its portfolio.

The resulting amount to be set aside and fully allocated in the financial year 2022 is **€ 33.143,12**

The Company verified the need to set aside an additional reserve for future expenses in line with the provisions of paragraph 35.1 of Annex 14 of Regulation n° 22 of 4 April 2008 using the same methodology used in previous closures.

Therefore, in order to verify that there is no deviation of the technical bases and that there is no need to set up a specific additional reserve, the Company has carried out a comparison test by calculating on the contracts in portfolio as of 31 December 2022 the present value of the net monthly balances between the administrative expenses, increased by the commissions that the Company expects to incur and less the loadings contained in any future premiums to be collected, and the future financial income, deriving from the investment of the premiums, not retroceded to the contracts and destined to finance the management expenses.

The valuation of future expenses is based on assumptions derived from the forecast budget used by the Company for ORSA purposes, provided by the Planning and Control Department. The assumptions are based on the assessment of the marginal costs represented in the business plan and not on the actual costs observed in the current year. In the business plan, the actual costs are represented for the actual duration by looking at them prospectively and thus more in line with reality than using the actual costs, which only represent what happened in past years.

In this way, so-called non-repeatable costs are automatically excluded as in the business plan, a cost that is only for a certain year and therefore non-repeatable, is not carried forward into the following years.

The reference taxable amounts analytically loaded into the model are those inferable from the budget with reference to the year 2023; the model also takes into account a specific add-on determined for the year 2023.

The Company, which periodically conducts internal analyses in order to determine the actual costs associated with the different types of contracts, has quantified the expenses per contract by differentiating between: acquisition costs, management costs and investment costs of the contracts in its portfolio, attributing different weights according to the different types of tariff, premium and profit-sharing.

In particular, investment costs were assumed to vary according to the average mathematical reserves, the others according to the number of contracts.

The Company has adopted assumptions of annual costs associated with the individual categories of contracts in the portfolio based on the historical evidence of such analyses (Expert Judgement), updated on the latest available information as described above.

For all contracts, with the exception of Unit Linked contracts, the calculation of the future expense reserve with first-order bases was carried out through the management systems in use, whose calculation algorithms are subject to periodic checks.

With regard to the assessment of the prospective expenses reserve, the Company performed the analyses using dedicated software, MG ALFA. All of the portfolio's charges are regularly modelled on the MG ALFA software.

Through the dedicated software, therefore, the Company has estimated, on the basis of "best estimate" hypotheses, the monthly net balances between the administrative expenses, increased by the commissions that it expects to have to pay to the sales network and less the loadings contained in any future premiums to be collected, and the future financial income, deriving from the investment of the premiums, not retroceded to the contracts and destined to finance future expenses.

For the assumptions adopted in the valuation, the Company made reference, where possible, to the Company's experience, the Italian insurance market context and the economic-financial scenarios of the markets at the valuation date. In particular:

- the interest rate for the discounting of the balances used for the verification was prudentially set at 60% of the TMO, or 1,73%, which is higher than the current annual reference rate (TAR) and in accordance with paragraph 14.1 of Annex 14 of ISVAP Regulation n° 22 of 4 April 2008
- the vector of foreseeable returns communicated by the Investment Department, determined in accordance with the indications of ISVAP Regulation no. 22 of 4 April 2008 as amended by Order n° 53 of 6 December 2016, was used as the return on assets, on the basis of the reference Separate Account for the years for which this vector is available; for subsequent years, rates estimated by the Company's Investment Department were used
- a variable Group inflation rate was adopted year by year, used within the valuation model to increase the management expenses expressed in absolute terms year by year;
- for the profit-sharing mechanism of the traditional contracts linked to the Separate Accounts, reference was made to the revaluation law contractually regulated for each tariff
- the lapse assumptions used are the same as the projections used under Solvency II for all revaluable products. The annuity propensity rate used in determining the additional provision for demographic risk was also taken into account in the development. The methodology, as communicated by the Company, has changed with respect to last year's valuation in order to realign with what was done in previous years, and therefore using the ANIA rate;
- with reference to the traditional policy portfolio, a 100% propensity to renew premiums was assumed for all annual-premium contracts, while the same methodology as the previous year was used for recurring single-premium contracts paying at the valuation

date, but applied with a greater degree of historical depth (8 years instead of 7 years) and subdivided by guaranteed minimum

- Actuarial valuations were conducted through a weighted average of the stocks assuming an effective mortality inferred from the SIM/SIF 2010 tables with a discount of 23,30% and 23,60% respectively, excluding Temporary Death Insurance tariffs for which the SIM/SIF 2010 table was used with a discount of 47,70% and 54,70% respectively.
- The costs used were the latest available on the date this analysis was performed.

From the results that emerged, the Company did not deem it necessary to set aside any amount as an additional reserve for future expenses, offsetting, within the scope of Branch I° and Branch V° products, the results obtained on individual and group rates.

In line with the provisions of paragraph 35.1 of Annex 14 of Regulation n° 22 of 4 April 2008, the Company verifies, at a macro level, the need to set aside an additional reserve for demographic risk on tariffs other than annuities through the comparison envisaged in paragraph 15.2; this verification did not reveal the need to set aside an additional reserve for this purpose.

c bis) Retained earnings reserve

Pursuant to the provisions of IVASS Measure n°. 68 of 14/02/2018, limited to the Separate Account "Amissima Multicredit" set up with the adoption of the Profit Fund, the Company generally establishes the relevant reserve obtained as the component of net realised gains not allocated to the financial result of the current period.

For the present year, the Earnings Fund has been fully allocated to the current period's return of the Separate Account "Amissima Multicredit" and therefore the Earnings Fund Reserve is nil (€ 0,00).

d) Technical provisions for unit and index-linked and branch VI° contracts

There are Branch III° products in the portfolio. The Branch III° portfolio as at 31 December 2022 only includes products under article 41, comma 1 of Legislative Decree n° 209/2005.

For "Unit-linked" tariffs classified in Branch III° as per Article 2 of Legislative Decree n° 209/2005, in accordance with paragraph 39.3 of Annex 14 of ISVAP Regulation n° 22 of 4 April 2008, the mathematical reserves in the balance sheet were calculated on the basis of the number and value of the units of the respective Account (investment lines) in force at the valuation date or the market value of the corresponding hedging assets.

The total amount of Branch III° contracts is **€ 690.206.293,68**

e) Additional provisions for unit and index-linked and branch VI° contracts

With regard to Unit Linked contracts, in relation to the different technical characteristics of the tariffs in the Company's portfolio, it was deemed necessary to allocate the respective additional reserves in accordance with paragraph 41.1 of Annex 14 of ISVAP Regulation n° 22 of 4 April 2008.

The total amount of the additional reserves of the Unit Linked contracts, allocated to Branch C.II.1, was **€ 43.975,05**

In particular, € 27.918,26 pertaining to the coverage of additional guarantees in the event of death and the remaining € 16.056,79 pertaining to the coverage of a benefit defined as "fidelity bonus", calculated with applications other than the main management system.

This bonus, recognised only for tariffs V773 and V783 of Branch III°, is equal to the supplementary loading paid on the first yearly premium payment recognised, at the end of the insurance year in which the last agreed premium was paid, or fifteen whole years from the policy inception date, when premiums have been paid for more than fifteen years.

f) Reserves for future expenses

The Company calculated the reserve for future management expenses in accordance with the criteria defined in paragraph 20 of Annex 14 of ISVAP Regulation n° 22 of 4 April 2008, based on first-order assumptions for all contracts in the portfolio, with the exception of unit-linked contracts. For the latter, the Company calculates the reserve for future management expenses, also in light of the suggestions made by the Actuarial Function in previous financial statements, in accordance with paragraph 17 of Annex 14 of ISVAP Regulation n° 22 of 4 April 2008.

For considerations on the verification of the need to supplement the reserve for future expenses, please refer to paragraph 2.1.c) of this report.

The Company, within this item, has set aside an additional reserve called the "Fee Reserve" for all those contracts that provide for the payment of commissions to the distributor on policy recurrence; this reserve consists of the pro-rata management fee accrued at the valuation date and which will be paid in full, if any, on policy recurrence.

The total reserves recognised in Branch C.II.5 of the balance sheet are **€ 27.322.747,41**

g) Additional provisions for general risks and other technical provisions

There was no need to set aside provisions for general risks or other technical reserves because for the portfolio as at 31/12/2022 the company calculates the technical reserves separately for

each contract. Therefore, no reasonable approximations or generalisations were made and, in any case, no additional reserves for general risks or other technical reserves were created.

h) Profit participation and reversal reserve

The reserves for profit participation and reversals include any amounts to be allocated to policyholders or beneficiaries of contracts as technical profit participation and reversals earned by financial management, provided that such amounts have not been allocated to policyholders or have not already been taken into account in the actuarial reserves.

It was not necessary to set aside provisions for profit participation and reversals as there were no contracts in the portfolio as at 31/12/2022 for which the aforementioned condition was met.

i) Reserves for amounts payable

In these reserves, only amounts related to portfolio transactions involving the settlement of amounts that, although defined in amount, have not yet been paid.

The related amount is **€ 50.763.356,21**

j) Supplementary insurance technical reserves

Supplementary insurance technical reserves refer to individual contracts aimed at covering death due to accident and coverage in the event of disability. For these reserves, in line with paragraph 18 of Annex 14 of ISVAP Regulation n° 22 of 4 April 2008, reference was made to the regulations governing non-life technical reserves.

Premium reserves for complementary accident insurance are calculated on a policy-by-policy basis by applying the pro rata temporis method.

On the other hand, with regard to the claims reserves for supplementary insurance, the exact capital subject to settlement in accordance with the specific contractual rules has been set aside, and the corresponding amounts are included in the reserve for amounts payable.

The amount of the reserves for supplementary insurance is **€ 13.271,67**

°
°°

The total amount of technical provisions, before reinsurance cessions, is **€ 7.234.192.906,69**.

TECHNICAL VALUATIONS

In the course of 2022, the Internal Actuarial Office expanded its internal reperforming, both methodologically and operationally. In the course of 2023, however, further refinements and in-depth analyses are planned where and if deemed necessary.

Below are the technical assessments and illustrated the assumptions supporting the establishment of the different technical reserves, the calculation methodology of which was described in the previous subsection.

With the exception of certain mathematical reserves as described above, the technical bases used in the calculation of technical reserves are those of the first order in application of the principle of sufficient prudence contained in ISVAP Regulation n° 22 of 4 April 2008, taking into account the valuation criteria of the assets representing the technical reserves. This choice was supported by the analysis of the trend of the technical bases of the first and second order (demographic, financial, expense components), which imposed the need to intervene, also following the provisions issued by IVASS (formerly ISVAP), on the demographic component of annuity insurance and on the financial component in relation to the guaranteed rate of return, as illustrated below.

a) Financial assumptions

In relation to the provisions of paragraph 22.1 of Annex 14 of ISVAP Regulation n° 22 of 4 April 2008, it was necessary to set up the additional reserve for guaranteed interest rate risk only for contracts not linked to any Separate Account scheme but which nevertheless present a financial guarantee, taking into account the foreseeable returns determined in accordance with and according to the methodology described in paragraphs 24 to 32 of Annex 14 of ISVAP Regulation n° 22 of 4 April 2008.

This reserve was calculated by applying the "C" method provided for in Annex 14-bis of ISVAP Regulation n° 22 of 4 April 2008, deemed consistent with the composition of the portfolio of the Separate Accounts which is increasingly less exposed, also in perspective, to high guarantee lines. In particular, the valuations carried out also considered contracts issued prior to 19 May 1995, taking into account the provisions of the same Regulation in relation to the trend and value assumed by the foreseeable rates of return.

On the basis of the input provided by the Company, the Actuarial Internal Office Office reviewed the calculation methodology applied to both the revaluable component and the Temporary Death Insurance component.

The Company did not deem it necessary to set aside an additional reserve to cope with the decrease in rates of return over time and the consequent misalignment with respect to the Company's profit-sharing commitments. This is in relation to the comparative analysis of the contractual commitments undertaken, the returns of the assets covering the technical reserves and the verification of their effect with respect to each of the Separate Accounts

For unit-linked policies only, the provisions of paragraph 39.3 of Annex 14 of ISVAP Regulation n° 22 of 4 April 2008 and paragraph 40.3 of the same Annex have been applied, which envisage that the corresponding reserves be represented as closely as possible by the reference assets valued at market prices.

Without prejudice to what is stated in the Introduction, on the basis of the valuations carried out considering the Company's assets, the projections made for the calculation of the foreseeable returns, the limits imposed by the regulations and the foreseeable evolution of the monetary and financial markets, it is deemed that the financial assumptions used by the Company for the calculation of the technical provisions are adequate, also taking into account the additional provisions set aside for this purpose.

b) Demographic assumptions and other technical assumptions

In calculating the mathematical reserves for Branch I° life and Branch III° tariffs, the demographic base indicated in the tariff definition is used.

With regard to Branch I° in case of death tariffs, mathematical reserves are calculated using a first-order demographic base, except in the cases expressly indicated where a second-order base is used.

The monitoring of the maintenance of first-order demographic bases has led, as previously indicated, to the allocation

- of an additional reserve for demographic risk for annuity rates
- of an additional reserve for the mathematical reserve for loan-linked Temporary Death Insurance tariffs.

Without prejudice to what is stated in the Introduction, on the basis of the valuations carried out considering the mortality spreads between the first order demographic technical base and the second order demographic technical base, it is deemed that the demographic assumptions for the calculation of the technical reserves are appropriate, also taking into account the additional reserves set aside for this purpose.

c) Assumptions for future expenses

The reserve for future expenses was determined for all the contracts in the portfolio, with the exception of Branch III° contracts, in accordance with paragraph 20 of Annex 14 of ISVAP Regulation n° 22 of 4 April 2008, and therefore using the first-order hypotheses and subsequently making a comparison between the technical bases used in the calculation of the reserve and the results deduced from the direct experience on the portfolio using the methodology described above.

The Company determined the reserve for future management expenses for Branch III° contracts using second-order assumptions as provided for in paragraph 17 of Annex 14 of ISVAP Regulation n° 22 of 4 April 2008.

Without prejudice to what is indicated in the Introduction and in the paragraph of the General Observations of this Report, on the basis of the evaluations carried out considering the prospective evolution of the expenses and the other variables affecting the valuation under examination in the context of the application of the methodology used for the reserve for future management expenses and the results also in the financial statements of the comparison between theoretical and actual expenses, it is considered that the assumptions relating to future expenses for the calculation of technical provisions are adequate, also taking into account the methodology used by the Company for the determination of any additional reserve to be allocated for this purpose.

d) Other technical bases

No other technical bases have been applied.

e) Calculation procedures

As already mentioned in paragraph 1 of this report, checks were performed on the individual items of technical reserves as at 31 December 2022, with particular reference to the mathematical reserves and expenses future reserves processed by the sources LIFE and PASS systems.

In particular, for these types of reserves, as at 31 December 2022, an adequate number of contracts in active status of the main tariffs in force was selected, and the amount of the reserve analysed was recalculated on the basis of all useful information on the individual head, using independent procedures. This amount was compared with the amount set aside for this purpose by the Company processed by the source systems (LIFE and PASS) and the differences found to be insignificant.

The Actuarial Internal Office independently carried out checks on all contracts to verify the calculation methodologies also for the technical reserves of complementary insurance, based on information regarding the premiums for such coverage received by the Company. No critical issues emerged from the checks performed.

Specific independent reperformings, on all policies with both annual and single premiums and for both group and individual tariffs, were also carried out with reference to the reserve for additional premiums; also in this case, the checks carried out did not reveal any criticalities.

The aforesaid checks, with possible implementations also relating to types of technical reserves not currently subject to autonomous verification processing, will be systematically carried out in the future on an ongoing basis, also with reference to the tariffs and types of reserves already tested, with the aim, envisaged by the more general verification plan by the undersigned, of reaching 100% as well as testing policies also referring to states other than the active state.

3. VALUES

Annex d) shows the Company's technical reserves broken down by type of reserve and by line of business.

4. OBSERVATIONS

a) General remarks

No general remarks.

b) Critical remarks

No critical remarks.

5. FINDINGS

Reasons that do not allow or make it impossible to express a judgement on the sufficiency of the Company's technical reserves are excluded.

6. ASSESSMENT OF TECHNICAL PROVISIONS

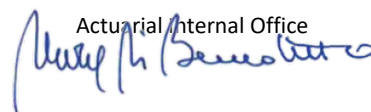
On the basis of the above, the Actuarial Internal Office certify the correctness of the procedures followed by the company in calculating the technical reserves of the Italian direct portfolio that the company Athora Italia Vita S.p.A. intends to recognise in its financial statements for the financial year 2022, in the amount of **€ 7.234.192.906,69**, which it considers to be on the whole sufficient to meet the costs and obligations assumed towards policyholders, in accordance with current legal and regulatory provisions.

Genova, 31/01/2023

ATHORA ITALIA S.p.A.

Technical Department

Actuarial Internal Office



Annexes to the Technical Report

Annex a)

VECTORS OF CURRENT AND FORESEEABLE RATES OF RETURN USED IN THE VALUATION OF ADDITIONAL RESERVES FOR GUARANTEED INTEREST RATE RISK

SEGREGATED FUND: C.VITANUOVA

Year n	Predictable rates	Year n+1	Predictable rates	Year n+2	Predictable rates	Year n+3	Predictable rates
GE'23	1,98%	GE'24	1,56%	GE'25	1,94%	GE'26	2,09%
FE'23	2,03%	FE'24	1,49%	FE'25	1,97%	FE'26	2,15%
MR'23	2,02%	MR'24	1,66%	MR'25	1,91%	MR'26	2,23%
AP'23	2,01%	AP'24	1,61%	AP'25	1,91%	AP'26	2,27%
MG'23	2,04%	MG'24	1,58%	MG'25	1,94%	MG'26	2,32%
GI'23	1,98%	GI'24	1,95%	GI'25	1,93%	GI'26	2,29%
LU'23	1,98%	LU'24	1,95%	LU'25	1,91%	LU'26	2,29%
AG'23	1,87%	AG'24	1,98%	AG'25	1,98%	AG'26	2,27%
SE'23	2,02%	SE'24	1,78%	SE'25	1,99%	SE'26	2,29%
OT'23	1,79%	OT'24	1,83%	OT'25	1,98%	OT'26	2,31%
NO'23	1,66%	NO'24	1,89%	NO'25	2,05%	NO'26	2,33%
DI'23	1,62%	DI'24	1,96%	DI'25	2,02%	DI'26	2,38%

SEGREGATED FUND: NORVITA

Year	2023	2024	2025	2026	2027
Rate	1,80%	2,05%	1,83%	1,79%	1,75%

WEIGHTED AVERAGE OF THE CURRENT AND FORESEEABLE RETURNS ON THE TWO SEGREGATED FUNDS

Weighted average of the returns of the two Segregated Fund, with weights equal to the reserves associated with the two Segregated Fund	2023	2024	2025	2026	2027
	Rate Year n	Rate Year n+1	Rate Year n+2	Rate Year n+3	Rate Year n+4
	1,94%	1,75%	1,94%	2,09%	2,23%

EVIDENCE OF THE MATHEMATICAL RESERVE AMOUNTS BROKEN DOWN BY GUARANTEED RATE AND BY STRUCTURE OF THE GUARANTEES OFFERED

(Amounts in €)

Separate Account/Other	Minimum Guaranteed Rate	Guarantee Structure	Technical Reserve
NORVITA	5,0%	Annual consolidation	965.804
	4,0%	Annual consolidation	175.640.346
	3,0%	Annual consolidation	40.840.711
	2,5%	Guaranteed at Maturity	101.445
	2,0%	Annual consolidation	204.282.652
	2,0%	Guaranteed at Maturity	0
	1,0%	Annual consolidation	285.614.330
	0,0%	Annual consolidation	659.592.605
Total Separate Account NORVITA			1.367.037.892
C.VITANUOVA	3,0%	Annual consolidation	38.194
	2,5%	Annual consolidation	1.179.781
	2,0%	Annual consolidation	276.440.726
	2,0%	Guaranteed at Maturity	0
	1,0%	Annual consolidation	13.290.461
	1,0%	Guaranteed at Maturity	0
	0,0%	Annual consolidation	4.725.053.721
Total Separate Account C.VITANUOVA			5.016.002.882
AMISSIMA MULTICREDIT	0,0%	Guaranteed at Maturity	54.738.918
Total Separate Account AMISSIMA MULTICREDIT			54.738.918
Other*	4,0%	Annual consolidation	70.261
	3,0%	Annual consolidation	0
Total Other			70.261

* contracts with rate guarantee although not linked to separate accounts: Index-linked, adjustable and other.

TABLE OF THE TECHNICAL BASES OF THE MAIN RATES AND RESERVES (Individual tariffs)

Tariff code	Description	First-order demographic assumptions		First-order financial assumptions
		During deferral	After deferral	
V181	Deferred capital life insurance with annual premium	SIM71M		3,00%
V191	Deferred capital life insurance with annual premium	SIM71M		4,00%
V199	Single premium deferred capital life insurance	SIM71M		4,00%
V281	Deferred capital life insurance with annual premium	SIM71M		3,00%
V291	Deferred capital life insurance with annual premium	SIM71M		4,00%
V381	Deferred capital life insurance with annual premium	SIM71M		2,00%
V389	Single premium deferred capital life insurance	SIM71M		2,00%
V481	Deferred capital life insurance with annual premium	SIM71M		2,00%
V581	Deferred capital life insurance with annual premium	SIM71M		2,00%
V681	Deferred capital life insurance with annual premium	SIM71M		2,00%
V689	Single premium deferred capital life insurance	SIM71M		2,00%
S400	Single-premium revaluable capitalisation			0,00%
V404	Single-premium revaluable capitalisation			4,00%
V405	Single-premium revaluable capitalisation			3,00%
V415	Single-premium revaluable capitalisation			0,00%
V416	Single-premium revaluable capitalisation			0,00%
V418	Single-premium revaluable capitalisation			0,00%
V430	Single-premium revaluable capitalisation			0,00%
V431	Single-premium revaluable capitalisation			0,00%
V432	Single-premium revaluable capitalisation			0,00%
V790	Individual form of retirement provision	SIM92M		0,00%
I267	Single Premium Endowment (inventory)	SIM81M		0,00%
V250	Endowment revaluable with annual premium	SIM51M		4,00%
V255	Endowment revaluable with annual premium	SIM81M		4,00%
V256	Endowment revaluable with annual premium	SIM81M		3,00%
V257	Endowment revaluable with annual premium	SIM81M		0,00%
V258	Endowment revaluable with annual premium	SIM81M		0,00%
V350	Single premium Revaluable Endowment	SIM92M		0,00%
V353	Single premium Revaluable Endowment	SIM92M		0,00%

V354	Single premium Revaluable Endowment	SIM92M		0,00%
V355	Endowment revaluable with annual premium	SIM81M		4,00%
V356	Endowment revaluable with annual premium	SIM81M		3,00%
V357	Endowment revaluable with annual premium	SIM81M		0,00%
V358	Endowment revaluable with annual premium	SIM81M		0,00%
V364	Single premium Revaluable Endowment	SIM92M		0,00%
V365	Single premium Revaluable Endowment	SIM92M		0,00%
V366	Single premium Revaluable Endowment	SIM92M		0,00%
V367	Single premium Revaluable Endowment	SIM92		0,00%
V368	Single premium Revaluable Endowment	SIM92		0,00%
V369	Single premium Revaluable Endowment	SI2010 Unisex		0,00%
V370	Single premium Revaluable Endowment	SIM92		0,00%
T197	Single premium deferred revaluable annuity	SIM71M	SIM71PS	4,00%
V192	Single premium immediate life annuity	SIM71PS	SIM71PS	4,00%
V194	Single premium immediate life annuity (2 h.)	SIM92	SIM92	3,00%
V195	Annual premium deferred revaluable annuity	SIM71M	SIM71PS	4,00%
V197	Single premium deferred revaluable annuity	SIM71M	SIM71PS	4,00%
V290	Annual premium deferred revaluable annuity	SIM31	SIM51	4,00%
V292	Single premium deferred revaluable annuity	SIM31	SIM51	4,00%
V295	Annual premium deferred revaluable annuity	SIM71M	SIM71PS	4,00%
V395	Annual premium deferred revaluable annuity	SIM31	SIM51	4,00%
V582	Annual premium deferred revaluable annuity	IPS55 U 50% Maschi/50% Femmine		2,00%
V583	Single premium deferred revaluable annuity	IPS55 U 50% Maschi/50% Femmine		2,00%
V584	Single premium deferred revaluable annuity	IPS55 U 50% Maschi/50% Femmine		2,00%
V585	Annual premium deferred revaluable annuity	RG48M	RG48M	2,50%
V586	Annual premium deferred revaluable annuity	RG48F	RG48F	2,50%
V595	Annual premium deferred revaluable annuity	RG48M	RG48M	2,50%
V596	Annual premium deferred revaluable annuity	RG48F	RG48F	2,50%
V597	Annual premium deferred revaluable annuity	IPS55 M F	IPS55 M F	2,00%
V598	Annual premium deferred revaluable annuity	IPS55 M F	IPS55 M F	2,00%
V685	Annual premium deferred revaluable annuity	RG48M	RG48M	2,50%
V686	Annual premium deferred revaluable annuity	RG48F	RG48F	2,50%
V695	Single premium immediate life annuity	RG48MF	RG48MF	2,00%
V697	Single premium deferred revaluable annuity	RG48M	RG48M	2,50%
V698	Single premium deferred revaluable annuity	RG48F	RG48F	2,50%

B003	Temporary Death Insurance matched	SIM81M		4,00%
B005	Temporary Death Insurance matched	SIM81M		4,00%
V218	Single premium Temporary Death Insurance	SIM81M		4,00%
V227	Annual premium Temporary Death Insurance	SIM92MF		4,00%
V310	Single premium Temporary Death Insurance	SIM92MF		4,00%
V311	Annual premium Temporary Death Insurance	SIM92MF		4,00%
V314	Annual premium Temporary Death Insurance	Base unisex 80% SIM 2004/20% SIF 2004		2,50%
V422	Single premium Temporary Death Insurance	SIM92M		4,00%
V531	Single premium Temporary Death Insurance (smoker)	92MFUM		4,00%
V532	Single premium Temporary Death Insurance (smoker)	92FFUM		4,00%
V541	Single premium Temporary Death Insurance (not smoker)	92MNFUM		4,00%
V542	Single premium Temporary Death Insurance (not smoker)	92FNFUM		4,00%
V571	Annual premium Temporary Death Insurance (smoker)	92MFUM		4,00%
V572	Annual premium Temporary Death Insurance (smoker)	92FFUM		4,00%
V591	Annual premium Temporary Death Insurance (not smoker)	92MNFUM		4,00%
V592	Annual premium Temporary Death Insurance (not smoker)	92FNFUM		4,00%
V593	Annual premium Temporary Death Insurance	SIMF2004		4,00%
V594	Single premium Temporary Death Insurance	SIMF2004		4,00%
V602	Annual premium Temporary Death Insurance	Base unisex 80% SIM 2004/20% SIF 2004		3,00%
V603	Single premium Temporary Death Insurance	Base unisex 80% SIM 2004/20% SIF 2004		3,00%
V604	Annual premium Temporary Death Insurance (3 y.)	Maschi femmine 80/20 di SIM/SIF 2004.		2,00%
V605	Annual premium Temporary Death Insurance (not smoker)	SIM/SIF 2004 (con mix 80%/20%)sc 26,60%		1,50%
V606	Annual premium Temporary Death Insurance (smoker)	SIM/SIF 2004 (con mix 80%/20%) incrementata 12,10%		1,50%
V360	Annual premium mixed insurance	SIM92M		0,00%
V811	Annual premium mixed insurance	SIM81M		4,00%
V720	Single recurring premium Unit linked	*SIM92 sc10%		0,00%
V760	Single premium Unit linked	*SIM92 sc10%		0,00%
V725	Single premium Unit linked	*SIM2004		0,00%
V726	Single premium Unit linked	*SIM2004		0,00%
V727	Single premium Unit linked	*SIM2004		0,00%
V751	Single recurring premium Unit linked	*SIM92 sc10%		0,00%
V752	Single recurring premium Unit linked	*SIM92 sc10%		0,00%
V753	Single recurring premium Unit linked	*SIM92 sc10%		0,00%
V773	Single recurring premium Unit linked	*SIM92 sc10%		0,00%
V783	Single recurring premium Unit linked	*SIM92 sc10%		0,00%

V740	Multibranch 80_20	2004 M		0,00%
V741	Multibranch 70_30	2004 M		0,00%
V742	Multibranch 50_50	2004 M		0,00%
V743	Multibranch 30_70	2004M		0,00%
V744	Multibranch 80_20	2004M		0,00%
V745	Multibranch 70_30	2004M		0,00%
V746	Multibranch 50_50	2004M		0,00%
V747	Multibranch 30_70	2004M		0,00%
V748	Multibranch (ramo 1)	SI2010 Unisex		0,00%
V749	Multibranch (ramo 1)	SI2010 Unisex		0,00%
U748	Multibranch (ramo 3)	SI2010 Unisex		0,00%
U749	Multibranch (ramo 3)	SI2010 Unisex		0,00%
V800	Multibranch (ramo 1)	2004 M		0.00%
V801	Multibranch (ramo 1)	2004 M		0.00%
V802	Multibranch (ramo 1)	SI2010 Unisex		0.00%
U800	Multibranch (ramo 3)	2004 M		0.00%
U801	Multibranch (ramo 3)	2004 M		0.00%
U802	Multibranch (ramo 3)	SI2010 Unisex		0.00%
B002	Single recurring premium Whole Life.	SIM81M		0,00%
B004	Single recurring premium Whole Life.	SIM81M		0,00%
T164	Single premium Whole Life.	SIM81M		4,00%
V123	Single premium Whole Life.	SIM92M		0,00%
V124	Single premium Whole Life.	SIM92M		0,00%
V125	Single premium Whole Life.	SIM92M		0,00%
V126	Single premium Whole Life.	SIM92M		0,00%
V128	Single premium Whole Life.	SI2010 Unisex		0,00%
V129	Single premium Whole Life.	SI2010 Unisex		0,00%
V130	Single premium Whole Life.	SI2010 Unisex		0,00%
V131	Single premium Whole Life.	SI2010 Unisex		0,00%
V132	Single premium Whole Life.	SI2010 Unisex		0,00%
V161	Temporary Annual premium Whole Life	SIM81M		3,00%
V162	Single premium Whole Life.	SIM81M		0,00%
V163	Single premium Whole Life.	SIM81M		3,00%
V164	Single premium Whole Life.	SIM81M		4,00%
V165	Temporary Annual premium Whole Life	SIM81M		0,00%

V166	Temporary Annual premium Whole Life	SIM81M		3,00%
V167	Temporary Annual premium Whole Life	SIM81M		4,00%
V168	Temporary Annual premium Whole Life	SIM81M		0,00%
V169	Temporary Annual premium Whole Life	SIM81M		3,00%
V170	Temporary Annual premium Whole Life	SIM81M		4,00%
V172	Temporary Annual premium Whole Life	SIM81M		3,00%
V175	Single recurring premium Whole Life.	SIM81M		0,00%
V176	Single recurring premium Whole Life.	SIM81M		0,00%
V177	Single recurring premium Whole Life.	SIM81M		0,00%
V178	Temporary Annual premium Whole Life	SIM81M		0,00%
V179	Temporary Annual premium Whole Life	SIM81M		0,00%
V180	Single premium Whole Life.	SIM81M		0,00%
V183	Single premium Whole Life.	SIM92		0,00%
V184	Single recurring premium Whole Life.	SIM92		0,00%
V185	Single recurring premium Whole Life.	SIM81M		0,00%
V186	Single recurring premium Whole Life.	SIM92		0,00%
V187	Single recurring premium Whole Life.	SIM92		0,00%
V188	Single premium Whole Life (Coupon)	SIM92		0,00%
V200	Single recurring premium Whole Life.	SIM92		0,00%
V201	Single premium Whole Life (Coupon)	SIM92		0,00%
V202	Single recurring premium Whole Life.	SIM92		0,00%
V203	Single premium Whole Life (Coupon)	SIM92		0,00%
V204	Single recurring premium Whole Life.	SIM92		0,00%
V205	Single premium Whole Life.	SI2020 Unisex		0,00%
V206	Single recurring premium Whole Life.	SI2020 Unisex		0,00%
W177	Single recurring premium Whole Life.	SIM81M		0,00%

TABLE OF THE TECHNICAL BASES OF THE MAIN RATES AND RESERVES (Group tariffs)

Tariff code	Description	First-order demographic assumptions		First-order financial assumptions
		Durang deferral	After deferral	
V044	Single-premium revaluable capitalisation			3,00%
V400	Single-premium revaluable capitalisation			0,00%
V404	Single-premium revaluable capitalisation			4,00%
V410	Single-premium revaluable capitalisation			0,00%
V415	Single-premium revaluable capitalisation			0,00%
V416	Single-premium revaluable capitalisation			0,00%
V417	Single-premium revaluable capitalisation			0,00%
V418	Single-premium revaluable capitalisation			0,00%
V197	Single premium revaluable deferred annuity	SIM71	SIM71PS	4,00%
V219	Single premium temporary death insurance decreasing capital	SIM2000		0,00%
V221	Single premium temporary death insurance decreasing capital	SIM 2004		0,00%
V310	Single premium temporary death insurance residual debt	SI 2004		4,00%
V312	Single premium temporary death insurance residual debt			4,00%
V716	Group Temporary Death Insurance	80%SIM 20%SIF 2004		0,00%

The technical bases of the premiums and reserves are different:

-immediate or in-force annuity tariffs where the reserve is calculated with A62 (ANIA) for immediate and generation commitments and financial base 2%.

-in group tariffs V218 where the premium is average for duration, age and gender and the reserve is on average for age and duration.

**For Unit and Index Linked the demographic and financial basis refer to the death benefit guarantee.*

EVIDENCE OF THE AMOUNTS OF THE INDIVIDUAL RESERVE ITEMS PERTAINING TO EACH LINE OF BUSINESS

TYPE OF RESERVE	BRANCH I	BRANCH II	BRANCH III	BRANCH IV	BRANCH V	BRANCH VI	TOTAL
DIRECT PORTFOLIO							
Mathematical reserves for pure premiums (including unearned premiums)	6.330.902.327,84	0	0	0	131.988.277,38	0	6.462.890.605,22
Additional reserve for health and professional premium	818.535,44	0	0	0	0	0	818.535,44
Additional reserve for guaranteed interest rate risk	2.100.978,88	0	0	0	0	0	2.100.978,88
Additional reserve for time lag between certification and recognition of retrocession	0	0	0	0	0	0	0
Additional reserve for demographic risk	33.143,12	0	0	0	0	0	33.143,12
Other additional reserves	0	0	0	0	0	0	0
Separate Account earnings reserve	0	0	0	0	0	0	0
Additional reserves pursuant to Article 41. paragraph 4. of Legislative Decree 209/2005	0	0	43.975,05	0	0	0	43.975,05
Total mathematical reserve Branch C.II.1	6.333.854.985,28	0	43.975,05	0	131.988.277,38	0	6.465.887.237,72
Reserve for future expenses (Branch C.II.5)	26.760.275,24	0	69.223,89	0	493.248,28	0	27.322.747,41
Additional reserves for general risks (Branch C.II.5)	0	0	0	0	0	0	0
Other technical reserves (Branch C.II.5)	0	0	0	0	0	0	0
Profit participation and reversal reserve (Branch C.II.4)	0	0	0	0	0	0	0
Reserve for amounts payable (Branch C.II.3)	48.844.630,61	0	1.122.464,41	0	796.261,19	0	50.763.356,21
Reserve for supplementary insurance premiums (Branch C.II.2)	13.271,67	0	0	0	0	0	13.271,67
Total technical provisions Branch C	6.409.473.162,81	0	1.235.663,35	0	133.277.786,86	0	6.543.986.613,01
Reserves Branch D.I contracts referred to in Article 41. paragraph 1. of D. Lgs. 209/2005	0	0	690.206.293,68	0	0	0	690.206.293,68
Reserves Branch D.I contracts referred to in Article 41. paragraph 2. of Legislative Decree 209/2005	0	0	0	0	0	0	0
Total Branch D.I reserves	0	0	690.206.293,68	0	0	0	690.206.293,68
Total Branch D.II reserves	0	0	0	0	0	0	0
TOTAL TECHNICAL PROVISIONS DIRECT PORTFOLIO	6.409.473.162,81	0	691.441.957,03	0	133.277.786,86	0	7.234.192.906,69

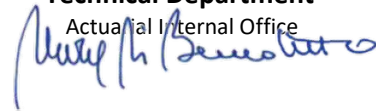
TOTAL TECHNICAL PROVISIONS - INDIRECT PORTFOLIO	0	0	0	0	0	0	0
TOTAL TECHNICAL RESERVES	6.409.473.162,81	0	691.441.957,03	0	133.277.786,86	0	7.234.192.906,69

Genova, 31/01/2023

ATHORA ITALIA S.p.A.

Technical Department

Actuarial Internal Office



AUDITOR'S REPORT

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010, to article 10 of EU Regulation n. 537/2014 and to article 102 of Legislative Decree n. 209, dated 7 September 2005

(Translation from the original Italian text)

To the Shareholder of
Athora Italia S.p.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Athora Italia S.p.A. (the Company), which comprise the balance sheet as of December 31, 2022, the income statement for the year then ended, and the explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of December 31, 2022, and of its financial performance for the year then ended, in accordance with Italian regulations governing financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters:

Key Audit Matters	Audit Responses
<p>Evaluation of illiquid or complex financial investments</p> <p>The financial statements as of December 31, 2022 include unlisted bonds for an amount equal to Eur 222,355 thousand and investments in units for an amount equal to Eur 1,022,697 thousand, the last one mainly refers to the units owned in sub-funds of Amissima Diversified Income ICAV (Irish Collective Asset-management Vehicle), a legal entity supervised by the Central Bank Irish definable as an investment fund organized according to a sub-fund structure. Most of unlisted bonds and the underlying investments of the ICAV are receivables and loans characterized by low liquidity and, at least some out of them, by significant complexity. There is no active market for these investments, therefore a mark-to-model approach was adopted to estimate their recoverable value, applying the Discount Cash Flow methodology which consists in the determination of future cash flows and their discounting at the valuation date using a discount rate that reflects the credit risk of each borrower. These instruments are generally represented by bilateral operations, characterized by a complex contractual structure, in which the probability of default and loss given default parameters are not directly deducible from indications or market prices; therefore, this aspect was considered by us a key aspect for the purposes of the audit.</p> <p>The financial statement information relating to illiquid or complex financial investments is disclosed in the explanatory notes in "Part A - Valuation criteria" and in "Part B - Information on the balance sheet and income statement" in Section 2.3 - "Other financial investments" (item C.III).</p>	<p>The audit response included several procedures, the most relevant of which are outlined below:</p> <ul style="list-style-type: none"> • An understanding of the process related to the estimation of the recoverable value of the unlisted bonds and investments in the ICAV; • Analysis of the report produced by the independent expert provided by the Management, containing the determination of the fair value of some unlisted bonds; • Sending audit instructions to the auditor of the financial statements of the ICAV and analysis of related results; • The examination of the appropriateness of the methodologies and the reasonableness of the assumptions applied by the Management to determine the recoverable amounts of the investments held by the ICAV in its portfolio and the analysis of related results; • Performance of independent repricing, for a sample of unlisted bonds and investments in the ICAV, in order to verify the reasonableness of the fair value at year end. <p>We also involved valuation specialists to assist us in performing our audit procedures. Further, we assessed the adequacy of the disclosures provided in the explanatory notes.</p>

Life technical provisions estimation

The technical provisions of the life segment are recorded at December 31, 2022 for an amount equal to Eur 6,543,987 thousand.

The valuation of the life technical provisions is a well-structured estimation process that requires the use of complex statistical and actuarial methodologies and calculation models, characterised by a high level of subjectivity when choosing the assumptions used to develop the estimate. Furthermore, determining the technical provisions of the life segment requires the use of consistent databases whose completeness and accuracy are essential to determine the result.

For these reasons, we considered this aspect a key matter for our audit.

The financial statement information relating to life insurance provisions is disclosed in the explanatory notes in “Part A – Evaluation criteria” and in “Part B – Information on the balance sheet and income statement” in Section 10 – Technical provisions (item C.II).

The audit response included several procedures, the most relevant of which are outlined below:

- An understanding of estimation process of life technical provisions designed by the Company and of the related key controls, as well as the testing of these controls; these procedures were carried out with reference to the controls over completeness, accuracy and appropriateness of data related to the insurance portfolio used to calculate the life technical provisions, taking into consideration also the control activities performed by the actuarial function of the Company and the related results;
- The examination of the appropriateness of the methodologies and the reasonableness of the assumptions used to estimate the life technical provisions, including the additional technical provisions;
- Comparative analyses through the calculation of appropriate indicators observed historically and their correlation with other significant financial statements indicators, as well as the consistency with other financial statements information, the expected values and the results accounted in previous financial years;
- Recalculation of the mathematical provision for pure premiums, for a representative sample of policies;
- The development of an independent range of acceptable values, also through sensitivity analyses, representative of the level of uncertainty in setting the assumptions underlying the estimation of life technical provisions and verifying that these were included in that range.

We also involved an actuarial specialist to assist us in performing our audit procedures. Further, we assessed the adequacy of the disclosures provided in the explanatory notes.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation and presentation of the financial statements, that give a true and fair view in accordance with Italian regulations governing financial statements, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, identified at an appropriate level as required by the International Standards on Auditing (ISA Italia), regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Athora Italia S.p.A., in the general meeting held on April 24, 2018, engaged us to perform the audits of the financial statements of each year ending December 31, 2018 to December 31, 2026.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements included in this report is consistent with the content of the additional report to the audit committee ("Collegio Sindacale") in their capacity as audit committee, prepared in accordance with article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010

The Directors of Athora Italia S.p.A. are responsible for the preparation of the Report on Operations of Athora Italia S.p.A. as of December 31, 2022, including their consistency with the related financial statements and its compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations with the financial statements of Athora Italia S.p.A. as of December 31, 2022 and on its compliance with the applicable laws and regulations, and in order to assess whether it contain material misstatements.

In our opinion, the Report on Operations is consistent with the financial statements of Athora Italia S.p.A. as of December 31, 2022 and comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Opinion pursuant to the article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005 of the life segment

In performing the engagement assigned by Athora Italia S.p.A., we tested, in accordance with article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005, the accounts related to the life technical provisions recorded as liabilities in the financial statements of Athora Italia S.p.A. as of December 31, 2022. The Directors are responsible for establishing sufficient technical provisions in respect of commitments arising from insurance and reinsurance contracts. Based on the procedures

performed in accordance with article 102, paragraph 2 of Legislative Decree n. 209, dated 7 September 2005, ISVAP Regulation n. 22, dated 4 April 2008, and the related application guidance included in the explanatory guidance published on the IVASS website on 31 January 2017, the above-mentioned technical provisions, recorded as liabilities in the financial statements of Athora Italia S.p.A. as of December 31, 2022, are sufficient in conformity with the applicable laws and regulations and generally accepted actuarial principles and practices, which comply with the application rules as per ISVAP Regulation n. 22, dated 4 April 2008.

Other aspects

The determination of the technical provisions is a complex estimation process that involves many subjective variables for which any change thereof may have an effect on the results. For this reason, we developed a range of reasonably possible outcomes in order to take into consideration the uncertainty of these subjective variables. In assessing the sufficiency of the above-mentioned technical provisions, we tested that those provisions fall within such ranges.

Milan, April 5, 2023

EY S.p.A.
Signed by: Matteo Brusatori, Auditor

This report has been translated into the English language solely for the convenience of international readers.

STATUTORY AUDITORS REPORT

ATHORA ITALIA S.p.A.**Single-member company****Head Office in Genoa, Mura di Santa Chiara, 1****Share capital Euro 50,431,778 fully paid up****Genoa Company Register No. 01739640157****REPORT OF THE BOARD OF AUDITORS TO THE SHAREHOLDERS' MEETING****ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER****2022****PURSUANT TO ART. 2429(2) OF THE C.C.**

Mr. Shareholder,

During the financial year ended 31 December 2022, the Board of Statutory Auditors carried out the supervisory activities required by law, taking into account the principles of conduct recommended by the National Council of Certified Public Accountants and Accounting Experts.

The Financial Statements of the Company, consisting of the Balance Sheet, Income Statement and Notes to the Financial Statements, together with the annexes thereto, have been prepared by the Directors in accordance with the law and were duly communicated to us on 22 March 2023, together with the Management Report and Cash Flow Statement.

Athora Italia S.p.A. - Parent Company of the Athora Italia Insurance Group, registered under no. 050 in the IVASS Group Register, with sole shareholder Athora Italy Holding D.A.C. and subject to management and coordination by Athora Holding Ltd. Registered Office and General Management: Mura di Santa Chiara, 1 - 16128 Genoa, Italy T +39 010 54981 F +39 010 5498518 Share Capital Euro 50,431,778.28 fully paid-up - Company Register Genoa CF 01739640157 - PI 03723300103 - REA GE 373333 - Register of Companies Ivass 1.00039 Company authorised by decree of the Ministry of Industry, Trade and Crafts of 14.3.73 (G.U. of 19.4.73 no. 103) - athoraitalia@pec.athoraitalia.it - www.athora.it
Company subject to supervision by the Italian supervisory authority IVASS, Istituto per la Vigilanza sulle Assicurazioni.

The Financial Statements for the year ended 31 December 2022 have been prepared in accordance with the applicable statutory regulations and those specific to the insurance industry.

In particular, it has been prepared in compliance with the provisions of ISVAP (now IVASS) Regulation No. 22 of 4 April 2008, as amended, and in its drafting, the provisions of Legislative Decree No. 173 of 26 May 1997, supplemented and amended by Article 8 of Legislative Decree 139/2015, interpreted and supplemented by the OIC accounting standards where applicable, have been followed, in addition to the statutory provisions.

Group Perimeter.

On 1 August 2022, following the approval of the competent Authorities, the transfer of the shares of Athora Italia S.p.A. (formerly Amissima Vita S.p.A.) - previously owned by investment funds managed by affiliates of Apollo Global Management, Inc. through Primavera Intermediate Holding S.à.r.l. - to Athora Italy Holding Designated Activity Company, in turn wholly owned by Athora Holding Ltd. the parent company of the Athora Insurance Group, was completed. The Athora Group is a life insurance and reinsurance group fully focused on the European market, specialising in the provision of traditional life and pension savings products with the ambition of becoming a leading player in Europe.

Another significant event concerned the subsidiary I.H. Roma S.r.l.. In particular, following the sale of its last property on 21 June 2021 and the consequent cessation of the related business activity, at the beginning of 2022, the subsidiary started the

procedure for dissolution due to the expiry of the term of the company's duration, set by the Articles of Association at 31 December 2021. This procedure was completed on 21 December 2022 with the approval of the final liquidation accounts and the final liquidation distribution plan by the Shareholders' Meeting and the subsequent filing of the relevant cancellation with the Companies Registry.

On the basis of the above, as at the date of this report, the composition of the Athora Italia Insurance Group at the date of this report is as follows:

- Athora Italia S.p.A., an insurance company operating in the life insurance sector, is the Parent Company of the Athora Italia Insurance Group, whose sole shareholder is Athora Italy Holding Designated Activity Company and which is subject to management and coordination of Athora Holding Ltd;
- Assi 90 S.r.l.¹, a company in liquidation, whose share capital is 60.25% owned by Athora Italia S.p.A. and, therefore, controlled by the latter.

Functions of the Board of Statutory Auditors as Internal Control and Audit Committee (Article 19 of Legislative Decree No. 39 of 27 January 2010).

During the year, we carried out the supervisory activities required by current regulations. In particular, pursuant to and for the purposes of Article 19 of Legislative Decree No. 39 of 27 January 2010, in our capacity as the "Internal Control and Audit Committee" we supervised the following areas

¹ The remaining 39.75% of the share capital is held by HDI Italia S.p.A.

- Financial Reporting Process, liaising for this purpose with Top Management and acquiring information from the latter and the Internal Audit Function;
- Effectiveness of the company's internal quality control and risk management systems;
- Statutory audit and independence of the statutory audit firm, in particular with regard to the adequacy of the provision of non-audit services.

Preliminary evidence of significant events in the financial year 2022.

The change in the shareholding structure of Athora Italia S.p.A., which occurred on 1 August 2022, resulted in:

- the approval by the Shareholders' Meeting of the new Articles of Association, which incorporated all the necessary adjustments to the new governance structure arising from the entry into the Athora Group, including the change of company name from Amissima Vita S.p.A. to Athora Italia S.p.A. and of the Group from Gruppo Assicurativo Amissima to Gruppo Assicurativo Athora Italia, which became effective on 13 October 2022 and resulted in the rebranding of the Group;
- the identification of a new Board of Directors, within which the Chairman, Vice Chairman and Chief Executive Officer were appointed. The composition of the new Board of Directors saw the integration of the number of members from six to eight, maintaining the presence of three independent directors, and the establishment of the Board Committees, to support the activities carried out by the Board of Directors, essentially composed of independent directors. The new Board of

Directors, confirming the institution of the Control and Risk and Remuneration Committees, established the Conflicts of Interest Committee, composed mainly of independent directors, to which it assigned a proactive and advisory role to support the Board in monitoring issues and evaluations relating to transactions with Related Parties/Intragroup and/or in potential conflict of interest;

- the appointment by the Board of Directors of Mr. Jozef Bala as Chief Executive Officer of the Company, confirming the position of General Manager held by Mr. Bala and extending the related management powers as well as the Executive Committee, the latter committee previously existing and not appointed by the new Board.

The Board of Statutory Auditors appointed by the Shareholders' Meeting of 26 April 2022 is confirmed, due to the expiry of its term of office and, in continuity with previous years, the assignment of the Supervisory Board function pursuant to Legislative Decree no. 231/01 to the Board of Statutory Auditors.

The year 2022 was also characterised:

- the termination of the commercial partnership with Cassa Centrale Banca (CCB), following the latter's signing of an exclusive distribution agreement with another insurance player;
- the signing of a five-year exclusive agreement with Banca Popolare di Bari and Cassa di Risparmio di Orvieto, effective from 1 March 2023;
- the termination of the distribution agreement with Banca Carige S.p.A./Banca del

Monte di Lucca S.p.A. and Banca Cesare Ponti S.p.A.

Also considering the country's economic and financial scenario strongly impacted by the conflict in Ukraine and characterised by a general rise in interest rate curves due to the increase in inflation, the Company adopted the 2022-2024 Business Plan. The strategic lines underlying this Industrial Plan formed part of the overall ORSA process implemented by the Company, the results of which were approved by the Company's Board of Directors and reported in the Single Report on the prospective assessment of the risk profile and solvency (so-called Single ORSA document) sent to the Supervisory Authority on 8 April 2022. Following the acquisition of the Company by the Athora Group, the Company has defined a new Business Plan 2023 - 2025, revised in light of the business strategies of the new reference group, on the basis of which the ORSA 2023 assessments referred to in the ORSA 2023 Report will be finalised.

The activities of the Board of Auditors.

In April 2022, there was a change of the Board of Statutory Auditors due to the expiry of its term of office. The Board of Statutory Auditors, which took office on 26 April 2022, acquired knowledge of the company's organisational structure through hearings with company departments to assess the internal control system and the administrative accounting system.

Based on the information acquired, we make the following observations.

Considerations on the most significant economic, financial and asset operations carried out by the Company and their compliance with the law and the Articles of

Association.

The information thus acquired has enabled us to ascertain their compliance with the law and the Articles of Association and their conformity with the company's interests.

We found no manifestly imprudent or reckless transactions, no potential conflicts of interest, no conflicts with resolutions passed by the Shareholders' Meeting or transactions that could compromise the integrity of the company's assets.

Indication of the existence of any atypical and/or unusual transactions, including those within the group or with related parties.

We have obtained adequate disclosure on related party transactions, including intra-group transactions.

In compliance with the regulatory provisions set forth in IVASS Regulation No. 30/2016, the Company adopts, upon a resolution passed by the Board of Directors, a specific Policy that defines the management and approval process of transactions with Related Parties. As part of the Company's integration activities in the governance structure of the new group to which it belongs, the Policy has been implemented with the essential requirements requested by the parent company Athora Holding Ltd and the transposition of the governance structure outlined after the sale transaction that took place on 1 August 2022. The Policy defines the preliminary and approval process to be followed for the execution of Related Party Transactions and classifies Related Party Transactions in a differentiated manner based on the various types, taking into account the characteristics of the transactions themselves, their size, the possible impact on

solvency, the current intercompany operations and the key requirements demanded by the parent company Athora Holding Ltd.

As a result of our activities, we can reasonably affirm that the transactions carried out comply with the law and the articles of association.

Report of the Independent Auditors pursuant to Article 14 of Legislative Decree no. 39 of 27/1/2010, Article 10 of Regulation (EU) no. 537/2014 and Article 102 of Legislative Decree no. 209 of 7/9/2005.

Today we have received from the Auditing Company EY S.p.A. appointed to perform the statutory audit of the financial statements pursuant to Article 14, paragraph 1, letter a), of Legislative Decree no. 39/2010, including the opinion on the consistency and conformity with the law of the Management Report referred to in said Article 14.

EY S.p.A. concludes its report by pointing out the following also with regard to the judgment pursuant to Article 102, paragraph 2, of Legislative Decree No 209 of 7 September 2005 on the life business: 'On the basis of the procedures carried out pursuant to Article 102, paragraph 2, of Legislative Decree No 209 of 7 September 2005, ISVAP Regulation No 22 of 4 April 2008, and the related application procedures indicated in the application clarification published by IVASS on 31 January 2017, the aforementioned technical provisions, recorded in the liabilities, are not subject to any adjustment. 209, of ISVAP Regulation no. 22 of 4 April 2008 and of the relative application procedures indicated in the application clarification published by IVASS on its website on 31 January 2017, the aforementioned technical provisions, recorded in

the liabilities of the balance sheet as at 31 December 2022 of Athora Italia S.p.A, shall be sufficient in accordance with the laws and regulations in force and correct actuarial techniques, in compliance with the principles set forth in ISVAP Regulation No. 22 of 4 April 2008."

In its report, the Auditor states that no non-audit services prohibited pursuant to Article 5(1) of Regulation (EU) No 537/2014 were provided and that it remained independent of the Company in the performance of the Statutory Audit.

On the basis of the information acquired, additional appointments were conferred on persons related to the appointed Auditing Company, for which the Board of Statutory Auditors has given its authorisation to the extent of its competence. The Board of Statutory Auditors also received the additional report for the Audit Committee required by Article 11 of Regulation (EU) No. 537/2014, containing, among other things, the declaration on the independence of the Auditing Firm pursuant to Article 6 paragraph 2 of Regulation (EU) No. 537/214.

Indication of the filing of any complaints pursuant to Article 2408 of the Civil Code, any steps taken and their outcome.

We acknowledge that no complaints pursuant to Article 2408 of the Civil Code were submitted to the Board of Statutory Auditors during the year.

Indication of any complaints lodged, any initiatives taken and their outcome.

We acknowledge that no complaints were submitted to the Board of Auditors by anyone during the year.

Indication of the existence of opinions issued by the Board of Statutory Auditors in accordance with the law during the financial year.

During the financial year, the Board:

- expressed a favourable opinion on the proposal regarding the plan of activities planned for the year 2022 by the Internal Audit Function and the Compliance Function;
- expressed a favourable opinion on the resolutions passed by the Board of Directors with regard to the determination of remuneration for special assignments within the Board itself and for those assigned to the General Manager.

Attendance at Shareholders' Meetings, Board of Directors' Meetings and Intra-Consiliar Committees.

We took part in the meetings of the Shareholders' Meeting, the Board of Directors and the Control and Risk, Remuneration and Conflicts of Interest Committees², which were held in accordance with the laws, articles of association and regulations governing their functioning. We also met with the heads of the Company's main corporate functions and liaised with the Independent Auditors.

In this regard, we point out that we took note of the process aimed at 'assessing the size, composition and functioning of the Board of Directors as a whole, as well as its committees'. The self-assessment process carried out, as mentioned above, showed, in

² The latter Committee was established by the Board of Directors on 28 September 2022.

general, that the Board of Directors operates adequately and consistently with its mandate.

Observations on compliance with the principles of good administration.

We have acquired knowledge of and supervised, to the extent of our competence, compliance with the fundamental criterion of sound and prudent management of the Company and the more general principle of due diligence, all on the basis of our participation in the meetings of the Board of Directors, of the intra- Board Committees, of the documentation and timely information directly received from the various Management Bodies, as well as through the meetings held with Top Management, in relation to the operations carried out by the Company.

The information acquired enabled us to ascertain that the actions resolved and implemented complied with the law and the Articles of Association and that they were not manifestly imprudent or reckless.

Observations on the adequacy of the organisational structure.

We supervised the adequacy of the Company's organisational structure, carefully monitoring the proposed changes in the organisational structure, which were brought to the attention of the Board of Directors from time to time.

We acknowledge the plan to strengthen the internal organisational structure launched by the Company, in consideration of the various activities resulting from the integration of the Company into the Athora Group, and the various project activities underway aimed at optimising corporate processes.

Observations on the adequacy of internal control and anti-money laundering and anti-terrorism systems.

We have monitored the internal control system. We believe that this system, which is constantly being improved, is, on the whole, adequate with respect to the Company's management characteristics and meets the requirements of efficiency and effectiveness in the control of risks and compliance with internal and external procedures and provisions. We believe that the Internal Audit, Risk Management, Compliance and Anti-Terrorism/Anti-Money Laundering Functions meet the requirements of competence, autonomy and independence and that, together with the other Bodies and Organisational Units to which a control function is assigned, they cooperate with each other by exchanging information useful for the performance of their respective tasks.

We have ascertained, through appropriate meetings with the Anti-Money Laundering/Anti-Terrorism Function, that the Company's operations comply with the provisions of Legislative Decree No. 231 of 21 November 2007, concerning the 'prevention of the use of the financial system for the purpose of money laundering and the financing of terrorism'.

Observations on the administrative liability of legal persons under Legislative Decree No. 231 of 8 June 2001.

The Company has adopted the Organisation, Management and Control Model pursuant to Legislative Decree 231/01, including the Code of Ethics.

The Board of Directors assigned the appointment of the Supervisory Board pursuant to Legislative Decree No. 231/01 to the Company's Board of Statutory Auditors until the duration of the appointment assigned to the latter by the Shareholders' Meeting, confirming to its members the broadest faculties and powers for the performance of the activities contemplated in the Organisation Model adopted, including the right to be supported by the Internal Audit Function and an external lawyer for strictly criminal profiles.

Observations on the adequacy of the administrative-accounting system and its reliability in correctly representing management events.

We have assessed, within the scope of our competences, the reliability of the administrative and accounting system to correctly transpose and represent management events, both by obtaining information from the heads of the various Functions and through contacts with the Auditing Company and analysis of the results of the work carried out by the latter.

Observations on the work of the auditing firm and any relevant aspects that have emerged.

The Board of Statutory Auditors held meetings with the Auditing Firm during which no significant aspects emerged worthy of comment in this report, not even with reference to the periodic audits performed by the same, pursuant to and for the purposes of Article 14, first paragraph, letter b) of Legislative Decree No. 39 of 27 January 2010.

We have noted the adequacy of the audit plan for the financial statements and its

compliance with an approach based on the risk of material misstatement or reprehensible conduct; we have also noted the auditor's independence.

Relations with the Supervisory Authority.

During the financial year, the Board was informed about formal and informal discussions with the Supervisory Authority, as well as the latter's requests to the Company.

Concluding remarks on the supervisory activity carried out as well as on any omissions, reprehensible facts or irregularities detected during the supervisory activity.

We acknowledge that our supervisory activities took place in the course of the year with a normal character and that no significant facts emerged from them such as to require specific reporting in this report.

Fulfilments and activities carried out by the Board of Statutory Auditors in compliance with IVASS Regulations.

In addition to the checks described above, the Board of Statutory Auditors carried out further specific checks, where applicable, in compliance with the implementation or regulatory requirements of the Supervisory Authority. In this regard:

- A. Framework resolution on investments and assets covering technical provisions: With reference to the provisions of IVASS Regulation No. 24 of 6 June 2016 on investments and assets covering technical provisions, we carried out the checks required by Article 12 by verifying:

- that the general policies were compatible with the current and prospective conditions of economic and financial equilibrium of the Company; with reference to the financial statements under review, we also verified the conformity of the management acts with the policies indicated in the relevant resolution;
- the consistency of all transactions in the various financial instruments, loans, assets of an occasional nature, and other complex assets with the guidelines set out in the Investment Policy.

We verified the administrative procedures adopted by the Company for the handling, custody and accounting of financial instruments, ascertaining the instructions given to the depository institutions regarding the periodic sending of account statements with appropriate evidence of any restrictions.

During the periodic inspections, we verified the freedom from encumbrances and the full availability of the assets intended to cover the technical reserves, also using random methods, by obtaining appropriate declarations to this effect from the depository.

We finally completed our checks on the securities by making the necessary reconciliation with the register of assets covering the technical reserves.

B. Transactions in derivative financial instruments.

During the year, a strategy was implemented to protect the Company's Solvency Ratio from the rise in rates and the consequent effect that this rise generates on the SCR. This strategy, implemented through Interest Rate Swap derivatives, generated

benefits for the Company in light of the sudden and significant increase in rates experienced during the year. Derivatives were also negotiated to hedge the sovereign spread risk (so-called spreadlocks) and sales with forward delivery of government securities issued by European countries (so-called forwards sales, carried out both with delivery of the securities and cash-settled) aimed at both hedging the sovereign spread risk and realising capital gains. Finally, a hedging operation was carried out to cover the Euro vs. US dollar exchange rate risk associated with an investment in the latter currency.

We then verified the consistency of all the transactions carried out with the guidelines set by the Board of Directors in the Investment Policy.

C. Complaints.

Pursuant to paragraph 4 of Article 9 of the ISVAP (now IVASS) Regulation of 19 May 2008, the Board of Auditors monitored the effectiveness and efficiency and the constant further updating of the internal control system and the correctness of the complaint management procedures, monitoring their processing times, number and composition by branch.

D. Remuneration policies.

The Board of Statutory Auditors, taking into account the provisions of the "Remuneration Policies for Corporate Bodies and Personnel" duly approved by the Shareholders' Meeting, in relation to the pro tempore provisions of Article 23 of ISVAP (now IVASS) Regulation No. 39 of 9 June 2011, monitored the results of the

controls carried out by the Internal Audit, Compliance and Risk Management Functions on the application of said Policies and did not find any critical issues to report to the Shareholders' Meeting with regard to compliance with the existing policies.

It should be noted that, at the proposal of the Board of Directors, the Shareholders' Meeting of 3 October 2022 approved a new version of the Remuneration System Policy, due to the new governance structure that emerged during the year.

Reserves.

We have acquired the "Actuarial Report on Technical Reserves referred to in Article 23-bis, paragraph 3, of Regulation no. 22 of 4 April 2008, for the financial statements of Athora S.p.A. for the year 2022" issued by Mr. Giancarlo Gervasio on 22 March 2023, which concludes as follows "On the basis of the foregoing, I certify the correctness of the procedures followed by the company in calculating the technical reserves of the Italian direct portfolio that the company Athora Italia S.p.A. intends to recognise in the financial statements for the financial year 2022, for an amount equal to € 7,234,192,906.69 deemed, in my opinion, on the whole sufficient to meet the costs and obligations undertaken towards policyholders, in accordance with the applicable laws and regulations."

Comments and proposals regarding the budget and its approval.

As regards the control of the proper keeping of accounts and the correct recording of operating events in the accounting records, as well as the verification of the

correspondence between the information in the financial statements and the results in the accounting records and the conformity of the individual financial statements with the law and the implementing regulations, we would like to point out that these tasks are entrusted to the Auditing Company. For our part, we supervised the general approach given to the financial statements themselves.

In particular:

- we verified compliance with the laws and regulations governing the formation and layout of the Company's financial statements;
- We acknowledge that the Notes to the Financial Statements contain an indication of compliance with the applicable accounting standards and indicate the main valuation criteria adopted, as well as supporting information for the items in the Balance Sheet and Income Statement, and are accompanied by the relevant 'Appendices';
- We acknowledge that the 'Financial Statement' has also been prepared;
- we have ascertained the correspondence of the financial statements with the facts and information of which we have become aware following our participation in the meetings of the Board of Directors, which enabled us to acquire adequate information on the most significant economic, financial and equity transactions carried out by the Company;
- We have ascertained that the Report on Operations complies with the laws in force, as well as being consistent with the resolutions adopted by the Board of Directors and with the information available to the Board of Statutory Auditors; we believe that

the information provided complies with the relevant provisions and contains a faithful, balanced and comprehensive analysis of the Company's situation, performance and result of operations.

In detail, it should be noted that the Financial Statements for the year ended 31 December 2022 show a profit of Euro 14,618,595, an increase compared to last year (equal to Euro 1,505,178), despite being influenced by the negative impact of the alignments to the securities market, at year-end equal to about Euro -142.3 million and generated mainly by the rise in interest rates.

With regard to the Solvency Capital Requirement, it should be noted that against a Solvency Capital Requirement of Euro 253,237,000 there are funds eligible for coverage of Euro 498,499,000 with a surplus of Euro 245,262,000, which determines coverage of the requirements equal to 197% with application of the Volatility Adjustment, in full compliance with the solvency requirement coverage thresholds set forth in the Risk Appetite Framework.

As required by the Supervisory Authority, the Company has also activated monthly mechanisms to monitor the solvency position for the purpose of a timely analysis of the evolution of the situation and the implementation of consequent actions, where necessary.

Mr. Shareholder,

In conclusion, with reference to the Financial Statements submitted for your approval,

taking into account the share capital and equity reserves, we express, under the profiles of our competence, a favourable opinion on the approval of the same and the acceptance of the proposal formulated by the Board of Directors regarding the carry-forward of the profit for the Year equal to Euro 14,618,595.

Milan, 5 April 2023

The Board of Statutory Auditors

Mr. Luca Rossi (Chairman)

Mr. Fabio Maria Venegoni

Mr. Andrea Collalti

ATHORA ITALIA S.P.A.

Mura Santa Chiara, 1 | 16128 GENOVA | Italy

Viale Certosa, 218 | 20156 MILAN | Italy

www.athora.it

