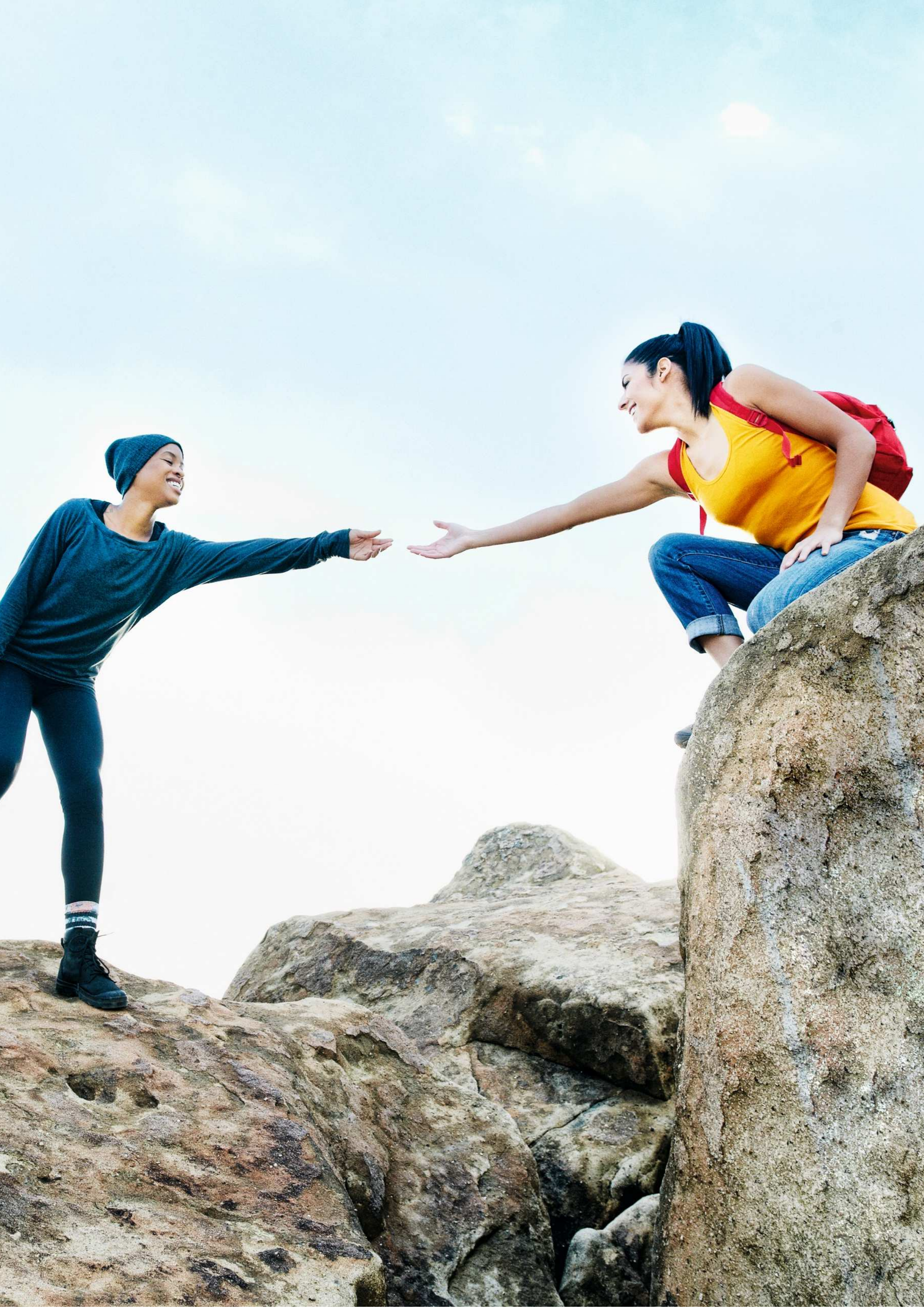
FINANCIAL STATEMENT

2023

Athora Italia S.p.A.



OUR NUMBERS

€ 22.8 mln

Net profit

€ 29.4 mln

Pre-tax profit

211 %

Solvency ratio

€ 421.0 mln

Net equity

€ 163.0 mln

Written Premiums

€ 6.3 billion

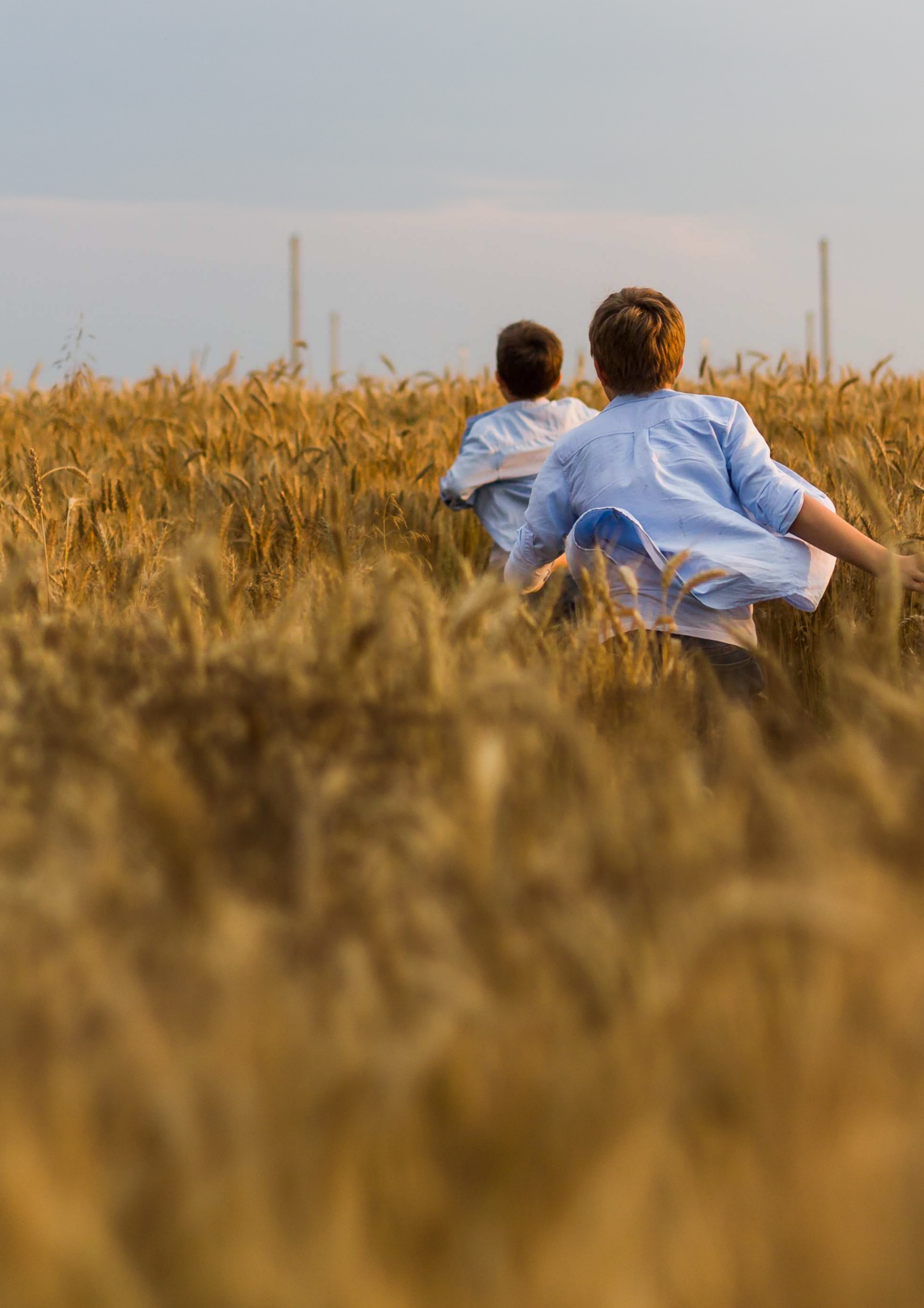
Investments

105

Employees

~ 124 K

Policyholders



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CORPORATE BODIES

Below are the effective Corporate Bodies as of 04 January 2024:

Board of Directors

Chairman
Andrea Moneta

Managing Director/ General Manager
Jozef Bala

Directors
Shamira Mohammed
Michael Dominik Fabian Koller
Rosa Cipriotti
Ugo Ruffolo
Paolo Vagnone

Statutory Auditors

Chairman
Luca Rossi

Standing auditors
Andrea Collalti
Fabio Maria Venegoni

Substitute auditors
Monica Vecchiati
Paolo Giovanni Gualtiero Targa

Auditfirm

EY S.p.A.

THE CONTEXT OF REFERENCE

The macroeconomic scenario

The latest available estimates of the International Monetary Fund show a growth of the world economy of 3% in 2023 and a forecast of 2.9% for 2024. Annual growth, although slightly higher than the 2.8% in 2019, the year before the pandemic, is still below the average of the previous two decades (2000-2019, 3.8%). Inflation in 2023 (6.9%) worldwide is down from 8.7% in 2022, (5.8% expected in 2024). With regard to price trends, especially those related to the energy market, it is important to emphasise that these are strongly influenced by the crises in the Middle East. The war between Hamas and Israel, the possible dramatic widening of the conflict with the involvement of other countries, determines not only a tragedy from a humanitarian point of view, but also a geopolitical instability that appears increasingly complicated. The effects on the price of gas and oil are added to the pre-existing effects of the Russia-Ukraine war, which had already severely affected the world energy market over the past two years.

The Central Banks of the world's major economies have kept their key interest rates virtually unchanged. Declining inflation and slow economic momentum may push central institutions towards an easing of monetary policies. However, given the persistent fears of a pick-up in inflation, they will wait for firm evidence of inflation really being under control before cutting rates. Nevertheless, once the policy recalibration cycle is completed towards the end of 2025, rates are expected to remain higher than in the pre-pandemic decade.

In the US, according to the latest Commerce Department publications, Gross Domestic Product in Q4 2023 recorded an increase of 3.3% compared to 4.9% in the previous quarter and exceeded the expectations of leading analysts. Inflation eased mainly due to lower energy costs, while pressures on housing prices decreased.

Japan has embarked on a strongly expansionary monetary and fiscal policy, also benefiting from the depreciated currency. Growth, however, will have to find support in the international dynamics that currently seem to be less robust in the face of a Central Bank that in the coming months may abandon a monetary policy that appears less and less supported by the prevailing level of inflation.

In China, the IMF expects economic growth to slow in the coming years, weakened in particular by uncertainties related to an unprecedented property crisis and the international context. The 2024 GDP is estimated to stand at 4.6% and fall to 3.5% by 2028.

In the most recent phases, China's economic recovery has been underpinned by domestic consumption. Looking more in the medium to long term, growth is expected to slow down reflecting a moderation in productivity and an ageing population. Exports recorded their first decline in seven years in 2023, penalised by geopolitical tensions and stagnating global demand.

China's real estate sector, which has been the engine of economic growth for decades and accounts for around 20% of activity in the economy, has been shrinking since 2020 and, according to an IMF report, a further reduction in investment of between 30% and 60% compared to 2022 levels is assumed in the medium to long term.

GDP growth of 4.0% in 2024 and 4.1% in 2025 is expected for the so-called Emerging Markets. However, much of this acceleration will come from smaller countries, while in larger countries a slowdown is likely in 2024 before stabilising in 2025. According to the IMF, inflation will fall more slowly in emerging and developing countries, which expect 8.1% this year and 6% in 2024.

The Euro Area economy weakened in the second half of 2023 as a result of tighter financing conditions, a weak climate of confidence and loss of competitiveness. For 2023, growth was 0.4% in both the Eurozone and the EU, after 3.4% recorded in both areas in 2022, while forecasts assume 0.8% in 2024 and 1.5% in 2025 and 2026. Growth is expected to strengthen from the beginning of 2024 in a context of higher real disposable income, declining inflation, robust wage dynamics and resilient employment. Despite a slight easing, conditions in the labour market remain tight and this, together with offsetting effects from past high inflation, should keep the rate of nominal wage growth high. Overall employment growth is expected to decline but still be positive: 2.3% in 2022, 1.4% in 2023, and then stabilising at 0.4% in the period 2024-2026. Eurostat released in the final figure on consumer price trend in the Euro area in December 2023: inflation recorded an annual increase of 2.9%, compared with 9.2% of 2022.

The IMF confirmed 0.7% growth for 2023 for the Italian economy, also estimating a growth of 0.7% in 2024 and 1.1% in 2025. This trend reflects a decline in the primary sector and an increase in both the industrial and services sectors. On the demand side, the domestic component measured before inventories is decreasing, while the net foreign component is estimated to increase. The inflation rate in December was 0.6% year-on-year and 0.2% month-on-month, below Eurozone inflation rate (2.4%). After an upward trend, which peaked in December 2022 at 11.6%, there was a slowdown in 2023. In 2023, on average, consumer prices rose by 5.7%, from 8.1% in 2022. The trend was mainly affected by lower energy prices (1.2%, from 50.9% in 2022). The number of employed people in December 2023 was 2% higher than in December 2022 (+456 thousand).

Financial markets

The European Central Bank left interest rates unchanged at its last monetary policy meeting on 25 January 2024. The main refinancing rate remains at 4.50%, the deposit rate at 4% and the marginal lending facility rate at 4.75%. The Governing Council, already at the World Economic Forum, announced that, before it can consider a new monetary policy trajectory, it would like to see further progress in the disinflation process in order to be sure that inflation is on a stable path towards the 2% target in the medium term. In 2023, the Euro system reduced its share of sovereign bonds as part of the normalisation and monetary tightening by becoming a net seller. The role of private investors is increasingly important for sovereign debt issuance, supported both by the level of interest rates and by macroeconomic policies and common support for the post-Covid recovery (the NRRP).

The FED also left interest rates unchanged in a range between 5.25% and 5.50%, at the highest level since 2001. FED Funds thus remain at their highest in 22 years with the PCE indicator on prices of personal consumption expenditures slipping to 2.9%. Although inflation has slowed over the past year, it still remains high and as presented in the FOMC's end-January 2024 note, the FED does not plan a rate cut until it has greater confidence that inflation is approaching 2%. However, the Commission remains highly watchful, thus opening up the possibility of a reduction in the cost of money, although not necessarily in the short term.

The approach adopted by Central Banks significantly changed the monetary rate framework in the Euro area. The Euribor 3-month rate in December 2023 was 3.90% (2.13% in the same month of 2022). The rate on 10-year interest rate swaps in December was 2.56% (3.18% in December 2022). The benchmark rate on the 10-year maturity in December 2023 yielded 3.87% in the US, 2.03% in Germany and 3.67% in Italy. The spread against the BTP/Bund stood at 159 basis points on 31 December 2023.

Italian insurance sector

In 2023, new individual and group policy production in the life insurance sector of Italian and non-EU companies, including additional single premiums, amounted to € 74.2 bn, a decrease of 3.3% compared to 2022. New premiums from individual policies alone amounted to € 70.3bn, recording an annual decline of 3.9%. Analysing the trend by type of line of business, it can be seen that in 2023 Class I insurance further consolidated its leading role by increasing its share on the total of new business compared to previous years (from 59% in 2021 to 66% in 2022, reaching 76% in the final year). With premiums amounting to € 56.3bn, Class I insurance business registered an increase of 11.9% compared to 2022. By contrast, premium income in Class III declined, amounting to -37.5% at the end of the year compared to 2022 (when it in turn registered an annual decrease of 30.5%), against new premium volume of € 14.8bn (almost all individual policies). The share of Class III on total new business thus decreased from 39% in 2021 to 31% in 2022 and to 20% in 2023. With regard to Class V, in 2023, after the positive change in the previous year, a decline (-27.6% compared to 2022) in the volume of new premiums (€ 0.8bn) was recorded, due to both individual and group policies. New production relating to pension fund management (Class VI) amounted to € 2.2bn (of which € 2.0bn collective policies), 39.8% more than in 2022. By adding to the new business premiums of individual and group policies those of subsequent annuities on policies written in previous years, total life premiums (gross written premiums) in 2023 amount to more than € 91.2bn, down 3.2% from the previous year.

At the overall life insurance market level, the ratio of premiums written to reserves was 10.9% in December 2023, down more than 0.8 percentage points from 11.7% at the end of the previous year. As was the case in 2022, over 69.3% of total reserves in 2023 derived from Class I liabilities, while about 28.5% related to Class III policies. The change in the stock of reserves in 2023 compared to the end of 2022 was positive by € 32.4bln, even though the technical result of the insurance sector, i.e., the difference between premium income and payments for surrenders, maturities, annuities and claims payments, was a negative € 22.8bn.

Italian real estate sector

Q4 turned out to be the best of the entire year 2023; the volume of real estate investments in the Italian market stood at around € 2.6 billion, up more than 70 per cent on the previous quarter and exceeding the same period in 2022 by around 14 per cent.

The residential real estate market continues to show a negative annual change trend in Q4 2023 (-3.3%) due to 7 thousand fewer buying and selling compared to the same period in 2022. In particular, the trend rates are lower in the capitals (-4.7%) and slightly lower in the smaller non-capital municipalities (-2.79%).

The Tertiary-Commercial Sector consists of offices and private prectices, shops and workshops, commercial warehouses and garages, commercial buildings, hotels and guesthouses. In the fourth quarter of 2023 compared to the same period in 2022, domestic sales of offices booked a positive change of 1.5%; those of shops and laboratories increased by close to 9%, while those of commercial warehouses and garages fell by 2.5%; finally for public offices, hotels and guesthouses the change was 10.3%.

The production sector, consisting mainly of warehouses and industries, remained essentially stable (0.4%).

With regard to 2024 outlook, the sector specialists forecast a market with rising prices in both the purchase and rental segments. The rise in mortgage rates and the racing inflation have reduced purchasing intentions and purchasing power, shifting a slice of demand towards renting, a market that could therefore see prices rise in response to an increase in interest. In terms of the number of purchases and sales, by 2024, the trend is expected to return to a steady pace compared to the record performance of 2022.

Solvency II

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

In particular, Legislative Decree No. 74 of 12 May 2015, by amending the Private Insurance Code (Legislative Decree No. 209 of 7 September 2005), implemented 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.

Regulatory developments

The regulatory framework appears to be in continuous evolution by the legislator and the sector regulator, 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 the **area of EU legislation**, it is pointed out:

- *ESMA Guidelines on MiFID II product governance requirements*: guidelines that take into account recent regulatory and supervisory developments such as the European Commission's Capital Markets Recovery Package, the subsequent Directive (EU) 2021/338 amending MiFID II and the new features of the Delegated Directive (EU) 2021/1269 on the integration of sustainability factors into product governance requirements.

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

- *Legislative Decree No. 24 of 10 March 2023:* implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and laying down provisions on the protection of persons who report breaches of national laws.

- *Law 137 of 9 October 2023:* expansion of the catalogue of offences underlying the administrative liability of entities pursuant to Legislative Decree No. 231/2001 (all companies and organisations operating in Italy), now also covering "*i delitti di turbata libertà degli incanti*" (i.e., the offences of disrupting the freedom of tenders) pursuant to the Article 353 of the Criminal Code, disrupting the freedom of the procedure for choosing a contractor (Article 353-bis of the Criminal Code) and fraudulent transfer of valuables (Article 512-bis of the Criminal Code).

With reference to secondary legislation, **IVASS** has issued the following.

Regulations and Measures:

- *IVASS Order No. 128 of 20 February 2023*: introducing amendments and additions to IVASS Regulation No. 40/2018 on professionalism requirements for intermediaries registered in the RUI or included in the Annexed List, promoting and placing insurance contracts, by means of distance communication techniques.

- *IVASS Order No. 131 of 10 May 2023*: amending and supplementing IVASS Regulations No. 24/2016, No. 38/2018, No. 40/2018 and No. 45/202o on sustainable finance.

- *IVASS Order No. 132 of 6 June 2023:* setting out amendments and additions to IVASS Regulation No. 18 of 15 March 2016 concerning the application rules for the determination of technical provisions pursuant to Article 36-bis of the Private Insurance Code as a result of the national implementation of the EIOPA guidelines on financial requirements of the Solvency II regime.

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

- *Letter to the Market of 1 March 2023,* concerning the timing and operating procedures for the disclosure of information relating to supervisory reporting for the financial year.

- *Letter to the Market of 16 March 2023,* concerning information on the payment of dormant policies to beneficiaries.

- *Letter to the Market of 22 November 2023,* containing instructions for accessing the National Register of Resident Population (NRRP) via the National Digital Data Platform (PDND).

In the **area of taxation,** the following measures enacted during 2023 are highlighted:

- Decree-Law No. 34 of 30/03/2023 (the so-called "Bill Decree") containing "*Urgent measures in support of households and businesses for the purchase of electricity and natural gas, as well as health and tax obligations*", published in G.U. No. 76 of 30 March 2023 and converted, with amendments, into Law No. 56 of 26/05/2023 published in G.U. No. 124 of 29 May 2023.
  Article 21 has provided an authentic interpretation of Article 1, paragraphs 174, 176 and 179 of the so-called 2023 Stability Law, providing that in the presence of a report of findings delivered by 31 March 2023, it is always possible to avail oneself of the so-called enhanced adhesion, with the reduction of penalties to one eighteenth, regardless of the date of notification of the resulting notice of assessment.
- Decree-Law no. 48 of 04/05/2023 (so-called Work Decree) containing "*Urgent measures for social inclusion and access to the world of work*", published in G.U. no. 103 of 4 May 2023 and converted, with amendments, into Law no. 85 of 03/07/2023 published in G.U. no. 153 of 3 July 2023.
  Provisions of interest include the increase in the rate of tax on Life Insurance mathematical reserves from 0.50 per cent to 0.60 per cent, for the tax period following the one in progress on 31 December 2022 only, i.e. for the June 2023 payment; for the 2024 tax period (i.e., payment by 30 June 2024 from the mathematical reserves of the Life Insurance recorded in the financial statements of the financial year ending 31 December 2023) and thereafter, the tax shall be levied at the rate of 0.50 per cent.
  In the area of company welfare, it is worth noting, for the 2023 tax period only and exclusively for employees with children for tax purposes, the raising of the fringe benefit exemption limit from €258.23 to €3,000.
- Legislative Decree No. 216 of 30/12/2023 (so-called IRPEF Reform) on "*Implementation of the first form of personal income tax reform and other measures on income tax*", published in G.U. No. 303 of 30 December 2023.
  The decree carried out a partial revision of the personal income tax (IRPEF) system, providing for the gradual reduction, in compliance with the principle of progressivity and with a view to the transition of the system towards a single tax rate, through the reorganisation of deductions from the tax base, income brackets, tax rates, deductions from gross tax and tax credits. Incentives are also introduced for new hires, through an increase in the labour cost of new hires for the purposes of determining business income for the tax period following the one in progress on 31 December 2023, and the rules on aid to economic growth (ACE) are repealed as from 2024.
- Law No. 213 of 30/12/2023 (the so-called Budget Law 2024), containing the "*State Budget for the Financial Year 2024 and the Multiannual Budget for the Three-Year Period 2024-2026*", published in the G.U: No. 303 of 30 December 2023.
  Provisions of interest to the sector include:
  - the introduction of changes to the transitional regime for the deductibility of write-downs and loan losses of banks and insurance companies;
  - the provision of new restrictions on the use of tax credit offsets by means of the F24 form and the prohibition of offsetting in the presence of overdue tax rolls, in order to prevent unlawful conduct;
  - the amendment of the tax regime provided for in Article 25-bis of Presidential Decree No. 600/1973 concerning the application of withholding taxes on commissions paid to insurance agents and brokers. In particular, the rule has eliminated, as of 1 April 2024, the exemption regime enjoyed by agents, brokers and, in general, all insurance brokers and distributors, obliging insurance companies to operate a withholding tax on payment of the aforementioned amounts.
  - measures in the area of labour law and taxation, in particular with the raising of the threshold of tax-exempt fringe benefits for 2024 and the preferential taxation of performance bonuses.

- Legislative Decree No. 219 of 30/12/2023 setting forth *"Amendments to the taxpayer's rights statute*", published in the G.U. No. 2 of 3 January 2024, which provides for a revision of the regulations on interpellations, with the aim of reducing the recourse to this institution, by making the admissibility of interpellation requests subject to the payment of a contribution.
- Legislative Decree No. 221 of 30/12/2023 containing "*Provisions on collaborative compliance*", published in the G.U. No. 2 of 3 January 2024.
  It is recalled that the collaborative compliance regime was introduced in Italy in 2015, with the aim of encouraging a constant and preventive interlocution between large taxpayers and the Revenue Agency, in order to resolve potential tax disputes in advance and obtain certainty in relation to the tax variable. In order to incentivise taxpayers to access the regime, the decree provided for a significant enhancement of the institution, expanding the number of entities potentially admitted to the regime as well as the benefits associated with it.

Global Minimum Tax

Based on the principles and rules elaborated in the OECD, transposed through EU Council Directive No. 2022/EU/2523, Italy has implemented the rules on the global minimum tax, which as of 1 January 2024 applies to all multinational and domestic groups of companies with a consolidated annual turnover of at least € 750 million.

These rules provide for a *Top-up Tax* to ensure a minimum effective tax rate of 15% on income from each jurisdiction in which the group operates.

Legislative Decree No. 209 of 27 December 2023, published in G.U. No. 301 of 28 December 2023, transposing the aforementioned EU directive, provides for three ways of levying supplementary taxation in Italy:

- the integrative minimum tax or Internal Rate of Return (***IIR***), payable by the Italian-located parent companies of a multinational group or a domestic group, in respect of entities, belonging to the group, which are taxed at less than 15 per cent in the country where they are located;
- the supplementary minimum tax or Undertaxed Profits Rule ***(UTPR)***, payable by one or more enterprises of the multinational group located in Italy, with respect to those enterprises of the group that are located in low-tax countries when the equivalent supplementary minimum tax has not been applied, in whole or in part, in other countries. Moreover, in the event the ultimate parent company (*i)* **is** located in a non-Member State which does not apply an equivalent supplementary minimum tax or *(ii)* qualifies as an excluded entity, all the enterprises located in the territory of the Italian State, other than the investment entities, are jointly and severally liable among themselves for the payment, by way of supplementary minimum tax, of an amount equal to the supplementary minimum tax attributed, for the fiscal year, to the Italian State;
- the national minimum tax or Qualifying Domestic Minimum Top-Up Tax ***(QDMTT)***, payable in respect of all companies of a multinational or domestic group subject to low taxation located in Italy.

In general, the *IIR* and *QDMTT* apply from the fiscal year beginning on or after 31 December 2023 (i.e., tax year 2024 for "solar" taxpayers), while the *UTPR* applies from the tax year beginning on or after 31 December 2024 (i.e., tax year 2025 for "solar" taxpayers).

THE SITUATION OF THE COMPANY

The operating result

Athora Italia's 2023 financial statements closed with a positive result of € 22.8 mln, an increase over the previous year (€ 14.6 mln), mainly due to the financial management with higher ordinary income.

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

PROFIT AND LOSS ACCOUNT SUMMARY

In € thousand	2023	2022	Variation	%
Written premiums	163,027	852,877	-689,850	-80.9
Claims paid	-1,047,541	-740,133	-307,408	41.5
Change in technical provisions	786,510	-60,013	846,522	-1410.6
Management expenses	-29,552	-45,249	15,697	-34.7
Net Aasset and financial income	127,778	29,527	98,251	332.7
Other net technical items and class D capital gains/losses	35,599	-8,647	44,246	-511.7
Income from investments transferred to the non-technical account	-9,410	0	-9,410	-
Gross technical result	**26,411**	**28,362**	**-1,952**	**-6.9**
Reinsurance result	108	155	-47	-30.4
Technical account result	**26,518**	**28,517**	**-1,999**	**-7.0**
Other income and expenses	-6,665	-6,448	-217	3.4
Income from investment transferred from the Technical Account	9,410	0	9,410	-
Result from ordinary activities	**29,263**	**22,069**	**7,194**	**32.6**
Result from extraordinary activities	117	-137	254	-185.3
Profit before tax	**29,380**	**21,932**	**7,448**	**33.9**
Income Tax	-6,604	-7,313	709	-9.7
Net profit (loss) for the year	**22,776**	**14,619**	**8,157**	**55.8**

Written premiums decreased by 80.9% (€ -689.9 mln), with total inflows of around € 163.0 mln. The change can be attributed to the orderly and agreed termination of distribution agreements with the two main distributors (BPER and Cassa Centrale Banca) in the fourth quarter of 2022. In particular, as far as BPER is concerned, the consensual termination took place following BPER's acquisition of Banca Carige and provides for a portfolio management agreement in order to ensure the alignment of interests between the parties. In addition, rising interest rates, which caused some pressure on the Life segment and made other investments more competitive than products linked to segregated funds, slowed the development of new distribution partnerships. In March 2023, the partnership with BDM Banca del Mezzogiorno (formerly Banca Popolare di Bari) and Cassa di Risparmio di Orvieto began, with production that, in the first phase, reflected the effects of the early stage in launching the partnership.

Amounts paid increased due to higher surrenders. In particular, significant outflows were recorded especially from the *Private* distributor networks, and in general on large denomination policies, while the retail customers base held up well overall. A reduction was recorded in both claims and payments for matured policies. Overall, payouts increased by 35.2% (€ 263.5 mln), to which must be added the change for amounts payable, which brings the increase to 41.5% (€ 307.4 mln).

Management expenses decreased by 34.7% mainly due to the reduction in production-related commissions and the effect, accounted for at the end of 2022, of the *Up-Front* incentive paid to the distributors BDM Banca del Mezzogiorno and Cassa di Risparmio di Orvieto for the start of the new exclusive agreement. Without considering this extraordinary cost, the reduction in management expenses would be 24.7 %. Other management expenses, which include both acquisition and administration costs, also decreased by -5.4%.

Net asset and financial income increased by about 332.7% compared to 2022, which was significantly impacted by value adjustments on financial investments as a result of rising interest rates. Net capital losses on alignment fell from € -139.4 mln recorded as of 31.12.2022 to about € -14.1 mln as of 31.12.2023. Net ordinary income increased by 54.1% to € 140.9 mln in 2023 (€ 91.4 mln in 2022). Net realised capital gains, on the other hand, decreased by 94.7%, reflecting the exceptional nature of operations in 2022.

The change in **other net technical items** (€ 44.2 mln) includes the valuation effects of class D (€ 53.0 mln), offset by an equal allocation to the technical reserve, costs relating to new intra-group reinsurance treaties and external reinsurance for around € 4.2 mln, and management and maintenance commissions paid to intermediaries in line with the previous year. In 2022, the amount included the penalty paid by BPER Banca (€ 100.0 mln) following the resolution of the distribution agreement.

Taxes (€ 6.6 mln), calculated on income as of 31 December 2023, represent an estimated tax burden of 22.5% of gross profit. The related accounting generated a cost for current IRES of € 419 thousand, current IRAP of € 2,094 thousand, a cost of € 120 thousand for adjustments relating to the previous tax period, an income of € 43 thousand for net decreases in the deferred tax provision, and a cost of € 4,014 thousand for net decreases in deferred tax assets.

The main events

During 2023, the corporate structure of the Athora Italia Insurance Group did not change compared to the second half of 2022 following the Company's entry into the Athora Group. Therefore, as of 31 December 2023, the composition of the Athora Italia Insurance Group is as follows:

- Athora Italia S.p.A., an insurance company active in the life insurance sector, the Parent Company of the Athora Italia Insurance Group, with sole shareholder Athora Italy Holding D.A.C. and subject to management and coordination by 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.

The Company's governance system also remained unchanged, as it is deemed to be adequately structured to guarantee the Group's management and coordination activities, given the nature, scope and complexity of the risks inherent to the Group's activities. The Company's administration continues to be entrusted to the Board of Directors; the three internal Board Committees - Control and Risks, Remuneration and Conflicts - mainly composed of independent Directors, to support the activities carried out by the Board of Directors, also remain in place. The role of Chief Executive Officer and General Manager assigned to Mr. Jozef Bala also remains in place. In 2023, the resignation from the position of Director tendered in February 2023 by Mr. Valerio Beccacci (who took on the role of Chief Financial Officer of Athora Italia S.p.A.) and the consequent co-optation by the Board of Directors on 27 February 2023 of Director Dr. Shamira Mohammed, ratified by the Ordinary Shareholders' Meeting of 27 April 2023, are worth mentioning. Furthermore, following the resignation of Dr. Eric François Loik Viet from his position as Director and Chairman of the Administrative Body and that of Dr. Henrik Matsen from his position as a non-executive Director, at the end of the financial year just ended, the Company's Ordinary General Meeting of Shareholders redefined - in line with the applicable provisions of the Articles of Association and the changes in the Athora Group's governance during the financial year - the number of members of the Administrative Body from no. 8 (eight) to 7 (seven), appointing: [a] Mr. Michael Dominik Fabian Koller as a new member of the Board of Directors, who will remain in office until the expiration of the term of office of the current Board of Directors, i.e. until the approval of the financial statements for the year ending 31 December 2024; and [b] Mr. Andrea Moneta, as Chairman of the Board of Directors, with the simultaneous termination of his office as Vice-Chairman.

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

Therefore, as of the date of this report, the composition of the Board of Directors of Athora Italia S.p.A. is as follows:

- MONETA ANDREA - *Non-executive Chairman*
- BALA JOZEF - Chief Executive Officer *(and General Manager)*
- MOHAMMED SHAMIRA - *Non-Executive Director/Member of the internal Board Conflicts Committee*
- MICHAEL DOMINIK FABIAN KOLLER - *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 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 Company's governance model continues to provide for the presence of an organisational unit established internally for all Fundamental Functions. In this regard, it should be noted that the Board of Directors, in its meeting of 27 February 2023, resolved to appoint Mr. Antonio Leone as the new Head of Actuarial Function, effective from 1 April 2023.

On 27 April 2023, the Shareholders' Meeting, convened in ordinary session to approve the 2022 Financial Statements and the new remuneration policy as proposed by the Board, also met in extraordinary session to approve the new Articles of Association, adapting them to the regulatory requirements of the Decree of the Ministry of Economic Development no. 88 of 2 May 2022 bearing the "Regulation on the requirements and criteria of eligibility for the office of company officers and those who perform key functions pursuant to Article 76 of the Insurance Code, as set forth in Legislative Decree No. 209 of 7 September 2005".

In addition, the Shareholders' Meeting, held on 20 December 2023, having examined the reasoned proposal of the Board of Statutory Auditors, resolved to update the fees for the audit engagement of the Reporting Package for the financial years 2023-2026 due to the additional activities related to the introduction and application of the IFRS17 accounting standard and to additional requirements arising from the Company's membership in the Athora Group.

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As of 1 March 2023, the five-year exclusive agreement with BDM Banca del Mezzogiorno and Cassa di Risparmio di Orvieto became operative; in this context, the Company, following a resolution passed by the Board of Directors and after obtaining the authorisation from COVIP, set up the Individual Pension Plan named “Athora Futuro Previdenza”, appointing Prof. Paolo De Angelis as its manager.

Taking into account the economic and financial scenario and the market context of the Life sector, as well as the consequent observed trends in premiums (decreasing) and surrenders (increasing), the Board of Directors, with the support of the Internal Control and Risk Committee, continued to constantly monitor the Company's management projections, liquidity and solvency positions, at the same time verifying the adequacy and implementation of the initiatives outlined in the Capital Management Plan, approved at the end of the prior year, aimed at mitigating in the medium term, even in the presence of stress scenarios, the effects on the solvency position deriving from the early surrender and liquidity risk. In this regard, consistent with the aforementioned Capital Management Plan, the company fully implemented its reinsurance strategy for the surrender risk through the signing of reinsurance treaties with leading global reinsurers. In July 2023 the Company submitted a further ORSA exercise, which resulted in the prudential downward revision of volume forecasts, as well as the increase in surrenders observed from March 2023, confirming the adequacy of the Company's capital position – 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 plans of activities of the Fundamental Functions for 2023 and assigning to them an autonomous expense budget, receiving from the Fundamental Functions at predetermined intervals specific information on the activities carried out and analysing the periodic reports of the Internal Audit Function relating to the monitoring carried out by the latter on the remediation actions set out in the action plans shared with 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 Company's Organisation and Management Model.

Furthermore, in the course of 2023, the Board of Directors:

- approved the Reinsurance Cession Plan for the financial year 2023;
- approved, in anticipation of the marketing of the new class I products, the revision of the Regulation of the segregated fund regulation “Amissima Multicredit”, which saw, on the one hand, the change of its name to “Athora Risparmio Protetto” and, on the other, the change in the frequency with which the rate of return is calculated from annual to monthly (based on the previous 12 months);
- with the support of the internal Remuneration Committee, defined the Management by Objectives for 2023 (the so-called MBO) to be assigned to Top Management, and, having ascertained that the requirements for the disbursement of the 2022 variable remuneration components are met with the support of the internal Control and Risks Committee, continued monitoring the adequacy and functioning of the internal control and risk management system and carried out the usual review of the corporate governance system, assessing the latter as “mostly adequate” due to the nature, extent and complexity of the risks inherent to the Company activities;
- approved the update of the Information and Communication Technology (ICT) Strategic Plan, which saw the completion of the project to migrate the BPER/former Carige portfolio from the LIFE to the PASS platform at the end of 2023;
- continued to monitor the internal regulatory framework, including the Risk Appetite Framework (RAF). In particular, in accordance with the regulatory evolution, the suggestions formulated from time to time by the Internal Audit and Compliance Function 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, and updating of the internal regulatory framework adopted by the Company pursuant to current IVASS regulations;
- continued to monitor the adequacy of the organisational structure to the company's needs, reorganising and strengthening the Technical Department and, in particular, the Technical Service by setting up, reporting directly to the latter, a new office called the Claims Office, to which the claims management activities, previously entrusted to the Portfolio Management Office, would be entrusted;
- approved (i) the “Regular Supervisory Report” (so-called RSR), including the Solvency II 2022 Position (so-called Full Annual 2022) and (ii) the Solvency and Financial Condition Report (so-called SFCR), for the purpose of its transmission to the Supervisory Authority;
- approved the training plan for the current year for the Company's employees;
- carried out the periodic self-assessment activity, which confirmed that all members of the Board of Directors met the requirements of the applicable regulations and found that the Board of Directors was operating adequately and consistently with its mandate;
- In November, the company completed a strategic review in cooperation with a leading consulting firm aimed at validating its production goals through an in-depth market segmentation and analysis, identifying and quantifying the target segments, as well as defining the “go-to-market” strategy and identifying and quantifying the necessary organisational developments.
- On 20 December, the Board of Directors approved a new Business and Capital Management Plan, which is the result of an in-depth analysis of the changed market context and a holistic review of the Company's strategy, confirming the objective of becoming a key player in the Italian market by offering insurance products and solutions tailored to the needs of savers.

- As regards relations with the Supervisory Authority, it should be noted that during 2023, IVASS notified the Company of several requests for information and recommendations on information and communication technology (ICT Plan), sensitivity analysis on the solvency position as of 31 December 2022, the appointment of the new Board of Directors and Fundamental Function Managers, as well as on the solvency situation, production trends, surrenders and the ORSA 2023 report. The Company promptly responded to the Authority by providing any clarifications requested and giving due consideration to the comments received.

Business Plan 2024-2026

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

The Strategic Plan (Capital Management Plan) drafted at the end of December and approved by the Board of Directors, takes into account the current conditions of the Italian life insurance market, negatively affected by the trends of the financial markets, and continues to be based on the Company's growth capabilities, designed to grow organically. The Company's objective is to establish itself as a top-tier independent insurance company through a multi-platform approach focused on the bancassurance and agency network that capitalises on the Company's ability to innovatively develop traditional and multi-class products.

The execution of the business plan is based on maximising the potential of retail and private banking networks, developing new growth engines with financial advisors, developing the production capacity of existing agencies and acquiring new ones. Production development continues to be based on certain cornerstones such as the marketing of "Capital Light" products that are competitive, profitable, and also innovative.

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 actions:

- continued focus on partnerships with existing distributors;
- continued focus on expanding market share by exploiting new opportunities with new distributors;
- support for marketing, communication and promotion activities carried out by distribution partners;
- incentives to the distribution network to improve the quality of the service provided to the customer;
- dynamic adaptation of the product catalogue also through constant monitoring of the insurance market;
- focus on traditional products due to their investment and risk management capabilities, which can guarantee capital protection and high returns;
- Strategic Asset Allocation "SAA" according to defined guidelines; in particular, prudent asset allocation, with a significant weighting of government bonds and liquid investment grade securities to match the duration of liabilities with an active focus on generating returns through alternative investment solutions;
- strengthening the structure in line with the objectives and ambition outlined in the Strategic Plan;
- continuous work on streamlining the operating model and costs, with the aim of increasing operational efficiency while maintaining high service levels.

In order to achieve its strategic goals, the company has decided to invest significantly in product development, in strengthening its workforce with dedicated skills, in communication and marketing, and in its operating model by leveraging an evolved IT platform.

Over the plan horizon, the company expects to achieve a significant increase in production, also thanks to competitive returns for policyholders, while maintaining discipline on operating expenses. As a result, net profit and capitalisation ratios are expected to grow gradually.

The evolution of the insurance portfolio

Premiums

The market in September 2023 (latest available ANIA data) shows a decrease in Life insurance production of -3.7%, a result influenced at least in part by financial market conditions and the rise in interest rates: "traditional" class I policies show an increase of 11.3%, while "financial" class III policies fall back with -34.1%. So-called "multi-class" products also fell sharply (-42.3%).

The trend for Athora Italia shows a similar overall trend for the reasons outlined above, to which is added the lack of contribution of the new production of BPER and CCB due to the termination of the agreements in 2022. 2023 production decreased by 80.9% compared to 2022, a generalised decrease in all classes. "Traditional" class I policies booked a -79.8% drop, while premiums from capitalisation policies fell by -12.1%. Class III also fell sharply, with premiums amounting to € 18.9 mln (€ 145.9 mln in 2022), mainly from "multi-class" products, which in turn fell by 93.5% compared to 2022.

In the following table provides a more granular analysis of the evolution of Athora Italia's gross written premiums by sales channel and product type:

WRITTEN PREMIUMS BY SALES CHANNEL AND PRODUCT TYPE

In € thousand	Premiums 2023	Premiums 2022	Variation	%
Individual	9,194	18,863	-9,668	-51.3
Collective	1,732	2,573	-841	-32.7
Unit Linked	238	174	64	36.7
Agency Channel	**11,164**	**21,610**	**- 10,445**	**- 48.3**
Individual	-	27,092	-27,092	-100.0
Brokers	**-**	**27,092**	**- 27,092**	**- 100.0**
Individual	133,187	649,347	-516,160	-79.5
Collective	10	9,144	-9,134	-99.9
Unit/Index Linked	18,666	145,684	-127,018	-87.2
Bank Channel	**151,863**	**804,175**	**- 652,313**	**- 81.1**
Individual	142,381	695,301	-552,920	-79.5
Collective	1,742	11,717	-9,975	-85.1
Unit/Index Linked	18,904	145,858	-126,954	-87.0
GRAND TOTAL	**163,027**	**852,877**	**- 689,850**	**- 80.9**

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

WRITTEN PREMIUMS: DISTRIBUTION BY SALES CHANNEL

	Athora Italy (as of December '23)	Market (ANIA as of 09/23)*
Agency Network	6.85%	13.06%
Bank branches	93.15%	61.37%
Brokers	0.00%	1.39%
Other channels	0.00%	24.18%
GRAND TOTAL	**100.00%**	**100,00%**

** Source: ANIA TRENDS - Flows and Reserves to Q3 2023*

The item "Other Channels" mainly comprises Financial Advisors (12.5%) and Business and Management Agencies (11.7%).

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

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

In € thousand	Premiums 2023	Premiums 2022	Variation	%	Market (ANIA as of 09/23)*
Class I (human life)	142,748	705,453	-562,705	-79.8	11.3%
Class III (*Unit/Index Linked*)	18,904	145,858	-126,954	-87.0	-34.1%
Class V (capitalisation)	1,376	1,566	-190	-12.1	-18.1%
GRAND TOTAL	**163,027**	**852,877**	**- 689,850**	**-80.9**	**-3.7%**
of which multi-class products	*28,916*	*443,920*	*- 415,003*	*-93.5*	*-40.0%*

** Source: ANIA TRENDS - Flows and Reserves to Q3 2023*

Business model

Agency sales network

After the significant reorganisation carried out in the previous year, a process of reactivation of the agency channel was initiated in 2023 with the aim of pursuing a development compatible with the characteristics and size of the network.

As of 31 December 2023, there were 103 agencies with a Life insurance mandate, compared to 111 in December 2022. During the financial year, 8 agencies were closed and 2 were reorganised. Assicura Agenzia (CCB) and Azimut, which, although registered in section a of the RUI, have a distribution organisation that is not related to that of the traditional agency, are not included in the count.

The marketing of a new single-premium whole-life Class I product with the possibility of supplementary payments for Agencies called "Athora Vita Facile" and with underlying segregated fund "Athora Risparmio Protetto" was launched.

Banking Distribution Channel

In the financial year 2023, the five-year cooperation relationship with BDM Banca del Mezzogiorno and Cassa di Risparmio di Orvieto signed in the last month of the previous financial year was set up.

The distribution of the following four products was started:

- Athora Valore Risparmio: a Class I whole-life product with a single premium and the possibility of supplementary payments underlying the segregated fund Athora Risparmio Protetto;
- Athora Multipiù Valore: Multi-class Whole Life product with Single Premium and possibility of supplementary payments linked to internal funds and the segregated fund Athora Risparmio Protetto;
- Athora Futuro Previdenza: Insurance-type individual pension plan linked to the segregated fund Athora Italia-Linea Valore and/or internal funds.
- A new Banca Finnat Euramerica product, called Athora Obiettivo Patrimonio, of Class I Whole Life revaluable at Single Premium with the possibility of supplementary payments, replacing the previous product Athora Private.

For training on the products of BDM Banca del Mezzogiorno and Cassa di Risparmio di Orvieto, 34 in-person meetings were organised in the area, as well as three e-learning training modules, plus an additional online training module on the issuance and after-sales procedures of the three products.

Institutional Communication

In the 2023 financial year, as part of the “rebranding” operation, due to the change of brand and company name, activities were carried out to modify the institutional communication concerning:

- 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 information leaflets on the Athora Group.

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

Co-marketing communication activities

Together with the banking partners (BDM Banca del Mezzogiorno and Cassa di Risparmio di Orvieto), an advertising campaign was shared to promote the bancassurance collaboration and the products distributed (Athora Valore Risparmio and Athora Multipiù Valore).

The selected distribution area was defined according to the territorial presence of the branches of the two banks.

The media development plan provided for the dissemination of advertising messages through local radio stations, daily newspapers (both national with a regional and local insert), and billposting at the Karol Wojtyla airport in Bari. In addition, special posters were prepared to be displayed in bank branches showing product creativity.

The trend of settlements and technical provisions

Total claims, surrenders and maturities paid to policyholders as of 31 December 2023, including the change in reserves for amounts payable, gross of reinsurers' share, amounted to € 1,048 mln (+41.5% on the same period of 2022); the growth was due to higher surrenders (+84.4%) as a result of financial market conditions and the context of the Italian life insurance sector. In contrast, both claims and matured contracts decreased.

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

AMOUNTS PAID AND CHANGE IN RESERVES FOR AMOUNTS TO BE PAID

In € thousand

SUMS PAID	2023	2022	Variation	%
Claims Class I (human life)	161,345	184,449	-23,104	-12.5
Claims Class III (Unit/Index Linked)	13,485	11,907	1,579	13.3
Claims Class V (capitalisation)	0	17	-17	-100.0
Total CLAIMS	**174,830**	**196,372**	**- 21,542**	**- 11.0**
Surrenders Class I (human life)	559,155	297,711	261,445	87.8
Surrenders Class III (Unit/Index Linked)	39,882	29,006	10,876	37.5
Surrenders Class V (capitalisation)	62,943	32,249	37,693	95.2
Total SURRENDERS	**661,980**	**358,966**	**303,014**	**84.4**
Maturities Class I (human life)	160,288	176,168	-15,880	-9.0
Maturities Class III (Unit/Index Linked)	6	34	-28	-82.4
Maturities Class V (capitalisation)	211	233	-22	-9.5
Total MATURITIES	**160,504**	**176,435**	**- 15,931**	**- 9.0**
Coupons Class I (human life)	13,330	15,403	-2,073	-13.5
Coupons Class III (Unit/Index Linked)	29	21	7	34.2
Total COUPONS	**13,359**	**15,425**	**- 2,066**	**- 13.4**
Annuities Class I (human life)	203	220	-17	-7.7
Total ANNUITIES	**203**	**220**	**- 17**	**- 7.7**
TOTAL AMOUNTS PAID	**1,010,877**	**747,418**	**263,459**	**35.2**
CHANGE IN RESERVES FOR SUMS TO BE PAID	**2023**	**2022**	**Variation**	**%**
Class I (human life)	29,695	-7,716	37,410	-484.9
Class III (Unit/Index Linked)	2,610	485	2,126	438.6
Class V (capitalisation)	4,360	-54	4,414	-8.173.9
TOTAL CHANGE IN RESERVES	**36,665**	**-7,285**	**43,950**	**310.7**
GRAND TOTAL	**1,047,541**	**740,133**	**307,408**	**41.5**

Particular attention is paid to the trend in surrenders, which showed an increase in "traditional" classes (Class I, Human Life Insurance, and Class V, Capitalisation) of +92.6%, where policies above € 500 thousand had a strong impact. There was also a slight increase in surrenders in "financial" classes (Class III, Unit policies), which recorded a +10.9%, particularly on multi-class products.

Looking at the incidence of surrenders compared to the average of the reference reserves, it can be observed a growth in the "traditional" classes, from 5.1% in 2022 to the current 9.6%, that remains lower than the market (10.9%), in the "financial" classes is recorded an increase with the incidence rising from 4.3% to 5.8% remaining significantly lower than the market (10.4%).

The technical provisions for direct business, which amount to a total of about € 6.5 billion (€ 5,779 mln for "traditional" products, € 705 mln for unit- and index-linked policies) at the end of 2023, are calculated using fundamentally the same criteria as those shown in the financial statements as of 31 December 2022, with the valuation of the Additional Interest Rate Reserve (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 corresponds to approximately € 1,928 thousand (€ 2,101 thousand in 2022).

Compared to the 2022 financial statements, reserves for “traditional” products decreased, net of ceded reinsurance, by about € 763.9 million as a result of lower income and higher outlays for surrender, while reserves for unit- and index-linked policies increased by € 15.0 million, due to the normal premium-settlement-revaluation dynamic. As for the additional reserves, as well as the interest rate reserve already shown above, the reserve for demographic bases was also recorded, amounting to about € 27 thousand, in line with the previous year (€ 33 thousand).

Reinsurance policy

In line with the reinsurance policy and the Plan of Cessions 2023, which was approved by the Board of Directors on 27 February 2023, there have been some changes from the plans of previous years, with two areas of application:

1. coverage of traditional risks, in particular mortality exposure;
2. coverage of early surrender risks.

With regard to traditional risk covers, mortality risk, according to the product catalogue offered during the year, “surplus” capital was reinsured for *pure risk* policies at the full retention amount of € 100 thousand. There was a significant reduction in ceded policies compared to previous years, as the only products placed during the year concerned a Term Life insurance product sold through the agency channel and a single-year policy placed mainly with employees for management use.

Therefore, a treaty that was combined with policies covering mortgages placed by Carige (now BPER) in past years and which represented, in terms of cession, the majority of premiums, was closed.

Cessions were made on an original premium basis, i.e. using a portion of the pure premium of the individual product/policy.

The placement is done through renewed treaties with the reinsurers Münich Re, Swiss Re and SCOR.

With regard to early surrender risks, Athora Italia, in the course of 2023, has researched and introduced some reinsurance coverage of such risk .

In fact, in the first quarter of 2023, a reinsurance solution was introduced, underwritten with the Group company Athora RE, which provides non-proportional (stop-loss) coverage, protecting Athora Italia from the risk of rising surrender rates over a five-year horizon.

A further coverage was then finalised, this time with leading global reinsurers outside the Athora Group, to cover the risk of mass surrender.

Management expenses

The item “Management Expenses” includes the company's commercial and operating costs, which are strictly controlled in the search for the best management efficiency.

As for the main components, a decrease in commissions was reported, due to the drop in production, and a decrease in other acquisition expenses, in particular following the accounting in the 2022 financial year of the up-front incentive for the start of the exclusive distribution agreement with BDM Banca del Mezzogiorno and Cassa di Risparmio di Orvieto (€ 6 mln), excluding which they would be in line with the same period of the last year. General administrative expenses are also decreasing.

The incidence of Management Expenses on Technical provisions goes from 0.69% in 2022 to 0.51% in 2023.

MANAGEMENT EXPENSES

In € thousand	2023	2022	Variation	%
Commissions	2,626	10,774	-8,147	-75.6
Other acquisition costs	10,002	16,223	-6,221	-38.3
Administrative overheads	16,924	18,252	-1,329	-7.3
Gross Management Expenses	**29,552**	**45,249**	**-15,697**	**-34.7**
Reinsurers' commissions	- 120	- 245	125	-51.0
Total Management Expenses	**29,432**	**45,004**	**- 15,572**	**- 34.6**

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

In € thousand	2023	2022	Variation	%
Staff	12,840	11,875	965	8.1
Expenditure processes IT	6,912	5,965	947	15.9
Operating expenses	1,505	1,492	13	0.9
Services and consultancy	6,374	2,851	3,523	123.6
Corporate expenses	2,469	2,890	-421	-14.6
Business expenses	436	153	283	184.7
Projects	1,591	3,588	-1,997	-55.7
Depreciation	1,815	2,070	-255	-12.3
Property charges	1,433	1,484	-51	-3.4
Other Recoveries	- 8	- 7	-1	25.4
Total Expenses (before reallocation)	**35,365**	**32,359**	**3,006**	**9.3**
Costs Allocated to Capital Charges	- 8,552	- 4,192	-4,360	104.0
Costs allocated to Commercial Expenses	- 9,890	- 9,915	25	-0.3
Total overheads	**16,923**	**18,252**	**- 1,329**	**- 7.3**

General expenses (before reallocation) increased by 9.3% compared to the previous year. The increase was mainly due to the strengthening of structures following the integration with the Athora Group, to IT costs associated with the migration of BPER's portfolio from the LIFE system to the PASS system, and to financial advisory services amounting to around € 3.7 mln. On the other hand, corporate expenses and project costs decreased.

Company headquarters

The company has its registered office in Genoa at Via Mura di Santa Chiara, 1, as well as a local unit located in Milan at Viale Certosa 218.

The organisational structure

At the end of 2023, the number of employees is 105, of which 6 are part-time.

Also in the financial year 2023, the personnel policy was mainly based on the valorisation of resources with qualified and sector-specific technical knowledge.

The technical reserves/employee ratio amounts to € 55,040 thousand for 2023 and is down from € 67,464 thousand for 2022.

The remuneration strategies adopted and the incentive structure, which are closely linked to the achievement of objectives and the career paths of the resources with the greatest potential, allowed to improve individual performance and employee retention.

The training provided in 2023 by Athora Italia, in addition to consolidating technical skills and guaranteeing continuous regulatory updates, had the main objective of enriching the wealth of skills needed to cope with the multiple evolutions of the market, in order to be able to better manage one's role in the company, concretely facilitating innovation processes. In providing training, the indications provided by the various corporate functions and the needs arising from organisational changes and the regulatory scenario were taken into account; in particular, with regard to the latter point, regulatory updates were provided on Anti-Money Laundering and Privacy. During the 2023 financial year, the company provided training financed by the Banking and Insurance Fund, whose Plan, presented with Notice 1/22, focused mainly on the consolidation of technical skills and the acquisition of greater knowledge and familiarity with IT, calculation and analysis tools. At the beginning of 2024, Athora Italia will present the training plan for that year, again financed through the Banking and Insurance Fund.

It should be noted that in September 2023, the Banking and Insurance Fund, upon completion of the reporting and control activities for the financed training, disbursed in 2022, granted the requested financing, amounting to approximately €55,000.

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

Training on Cyber Security, Code of Ethics and Directors' Responsibilities under Legislative Decree 231/2001 was also made available to new recruits.

Overall, training days were delivered to about 100 Athora Italia employees for a total investment of about € 143 thousand.

IT development

In the financial year 2023, the company continued the implementation of the Pegaso project aimed at optimising the company's application pool with the complete migration from the previous LIFE platform to the more modern PASS, a migration aimed at concentrating BPER's portfolio on a single platform.

The migration of the portfolio was completed in November 2023, followed by activities aimed at a final stabilisation of the platform for the management of any new functionalities or corrections emerging after the production start-up phase in the new platform.

The full digitisation of issuing and after-sales processes also continued.

From the application point of view, the implementation programme of the functionalities present on the PASS Life suite continued with the activation of further new products that are better suited to the placement needs of leading bank distributors. The implementation of the Application Program Interfacing middleware made it possible, in an agile manner, to complete the integration with the BDM Distributor Banca del Mezzogiorno and Cassa di Risparmio di Orvieto in about two months, making it possible to compress implementation times and contain the related development costs for integration.

Asset and financial management

Investment Policy

On 20 December 2023 the Administrative Body approved the revision of the investment policy as required by current regulations (IVASS Reg. no. 24/16). Investments must be consistent with the portfolio's short and medium-long term profitability objectives, investing in asset classes capable of generating returns in line with policyholders' expectations and a satisfactory return on capital 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 of high credit standing belonging to the OECD area, as well as being mainly denominated in Euro and traded on regulated markets or on active markets that present an adequate level of liquidity. The investments made through the “Amissima Diversified Income ICAV” funds concern diversified credit strategies, mainly of a private nature, for which the Company considers it more rewarding to use specialised professional operators. Several sub-funds have been set up within the ICAV, each with specific return objectives, investment categories, and management and risk characteristics.

The activity of the year

The financial compartment

In 2023, securities trading activity was mainly directed towards Italian and foreign government and corporate bonds, diversifying both country and issuer risk, and towards investments in alternative credit through the funds of the Irish investment vehicle named “Amissima Diversified Income ICAV”.

The securities portfolio at the end of December 2023 generated € 143.2 mln in commissions. Taking into account realised net trading gains (amounting to € 4.2 mln), net impairment losses in the Profit and Loss Account of € 14.2 mln and the average stock (€ 6.3 bln), the financial return of the securities portfolio for 2023 stood at 2.12%.

The rates paid to policyholders on the separate asset management schemes were as follows: 1.81% for the separate asset management scheme Norvita (rate certified as of 31 October 2023), slightly down on the 1.82% certified as of 31 October 2022; 2.02% for the separate asset management scheme C.Vitanuova (certified rate as of 31 October 2023), slightly up on the 2.01% realised in 2022; 4.04% for the segregated fund Risparmio Protetto (formerly Amissima Multicredit) (certified rate as of 31 October 2023), significantly higher than the 3% certified rate in October 2022; 3.59% for the segregated fund Linea Valore, a new segregated fund linked to pension products, which started in 2023, (certified rate as of 31 October 2023).

With regard to the composition of the securities portfolio, it should be noted that as of 31 December 2023 the book value, before closing valuations , amounts to a total of € 6,033.8 mln, of which € 2,303 mln related to the current segment and € 3,730.8 mln relating to the fixed segment; at the end of the financial year, the same portfolio recorded a total market value of € 5,310.9 mln: € 2,294 mln relating to the current segment and € 3,016.9 mln to the fixed segment, as highlighted in the table below:

CURRENT / FIXED ASSETS PORTFOLIO

In € thousand	Pre-valuation book value	Market value	Plus/Minus closure	Unrealised Plus/Minus

Current assets	2,303,017	2,293,998	-14,181	-5,162
of which P/L	-	-	*-14,181*	-
Fixed assets	3,730,807	3,016,936	-	-713,871
of which P/L	-	-		
TOTAL	**6,033,824**	**5,310,934**		**-708,709**

As of 31 December 2023, the Company's securities assets booked total net unrealised capital losses of € -708.7 mln: € -5.2 mln to the current segment and € -713.9 mln to the fixed segment. The valuation effects recognised in the Profit and Loss account were negative by € 14.2 mln.

In 2023, no securities were purchased with simultaneous classification in the fixed segment, and redemptions of fixed assets securities with a total value of € 66.1 mln took place.

During the period under review, certain Italian and foreign government and corporate bonds with a total nominal value of € 432.9 mln were transferred from the fixed assets to the current assets. The transaction was implemented to increase the amount of securities allocated to cover segregated funds, which can be immediately liquidated to cover expected liability flows. This followed the trend in surrenders booked during 2023 and consequently the increase in expected liquidations in the short to medium term, compared to estimates based on the historical series of previous years.

The real estate compartment

With regard to real estate, Prelios was commissioned to update the current value of real estate.

A notarial deed dated 19 October 2023 finalised the registration of a new property with a carrying value of €1.5 mln (market value €1.7 mln) for the transfer of ownership, resulting from a plea-bargaining sentence.

At the end of 2023, the market value was estimated at € 91.5 mln (€ 93.4 mln at the end of 2022) against a carrying value of € 91.1 mln. The change was caused by a reduction of about 3.5% in the market value of the real estate as per appraisals of the appointed firm. The reduction in the market value is mainly attributable to the early termination of the leases of 20 bank branches scheduled for the end of 2024 as a result of terminations received from the lessee.

The overall average occupancy level remained the same as the previous financial year, while the average profitability of the entire segment increased to 5.48% (4.88% in 2022) mainly due to ISTAT adjustments.

Investment Breakdown

The composition of investments in the last two financial years is shown below:

INVESTMENTS

	Year 2023		Year 2022	
In € thousand	**value**	**%**	**value**	**%**
Financial investments	6,245,301	98.4	6,701,785	98.5
Real estate investments	91,095	1.4	92,802	1.4
Liquidity	10,736	0.2	11,084	0.2
Total	**6,347,132**		**6,805,671**	

Financial Risk Management

With regard to the financial risk management policy, pursuant to Article 2428, paragraph 2, no. 6-bis of the Italian Civil Code, the following is noted.

The Company defines its risk management policy as a generalised approach to identifying, understanding, measuring and managing 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, participations, real estate, credits 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 credit risk it accepts by using market analysis and the assessments performed by major international rating agencies for this purpose.

The Company's Board of Directors, in defining the investment policies provided for by IVASS 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 sector and those related to rating. These limits are assessed by considering 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

In € thousand	2023	2022
Bond Rating AAA	885,959	1,010,430
Bond Rating AA	1,554,864	1,695,566
Bond Rating A	763,100	464,785
Bond Rating BBB	791,370	1,058,973
Bond Rating BB	136,117	144,291
Bond Rating B	8,259	35,647
Bond Rating <=C		4,136
Unrated bond	50,187	64,259
Participations	1,121	1,033
Investment Funds	2,062	83,216
ICAV investment funds	1,198,698	1,029,448
Mortgages	144,400	144,429
“IRS” Derivatives	- 43,166	- 63,848
“Spreadlock” derivatives		- 3,595
Currency exchange derivatives		2,004

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 invest in derivative contracts for hedging purposes and for the effective management of investments. These contracts may be entered into 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 2023, in addition to derivative instruments to hedge exchange rate risk within the funds of “Amissima Diversified Income ICAV”, the Company also held positions in derivative financial instruments in its own portfolio: Interest Rate Swaps aimed at effectively managing interest rate risk.

Liquidity risk

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

The Company has adopted a system of limits and attention thresholds over different time horizons. The limits are considered both at the aggregate level and at the individual segregated fund level. As of 31 December 2023, the Company has a significant surplus of availability on all indices.

It should be noted that in 2023 the Company carried out a few financing "repurchase agreements" in the form of "spot sales and total return swaps" (so-called *Repo*), in which the Company receives from the counterparty of the transaction an amount of liquidity equal to the market value of government bonds, which are sold to the counterparty with the Company's repurchase obligation, i.e., acting as a guarantee of the Company's commitment to return the liquidity received when the transaction is entered into.

Liquidity risk may arise from an inability to sell a financial asset at a value 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 BY MATURITY

Description	*In € thousand*	Equity Securities	Debt Securities	Total
Bonds less than 1 year			480,360	480,360
Bonds from 1 year to 5year			901,845	901,845
Bonds from 5 year to 10 year			1,452,288	1,452,288
Bonds from 10 year to 20 year			1,030,122	1,030,122
Bonds over 20 years			325,241	325,241
Participations		1,121		1,121
Investment Funds		2,062		2,062
ICAV Investment Funds		1,198,698		1,198,698
Mortgages			144,400	144,400
"IRS" Derivatives			-43,166	-43,166
Repo Liabilities			-182,037	-182,037
Total		**1,201,881**	**4,109,053**	**5,310,934**

As of 31 December 2023, ICAV's funds had the following average financial duration:

ICAV

In € thousand	Market value	Duration
ICAV AMISSIMA LOAN ORIGINATION FUND	598,183	0.30
ICAV AV (CVN) GLOBAL IG CORP CREDIT FUND	151	1.82
ICAV AV MULTI CREDIT STRATEGY FUND	489,546	0.22
ICAV AV SOVEREIGN FUND	110,818	0.86
Total	**1,198,698**	**0.30**

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 mainly unlisted private loans.

Market risk

Market risk is defined as the risk of possible losses resulting from a change in the fair value of a financial instrument that may be due to multiple causes, including a change in prevailing market interest rates (interest rate risk), foreign exchange rates (currency risk), or risk related to factors specific to the instrument and/or its issuer (credit spread risk or equity risk). In addition, market risk may arise from factors that have a general influence on the market to which the financial instrument belongs.

The ***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 whether the changes derive from factors specific to the asset/liability in question or from market factors. To avoid excessive overall variability in the value of financial investments, their management follows the policy set by the Investment Committee on the basis of the strategic guidelines formulated by the Administrative Body. This policy imposes limits in terms of issuers, overall exposures, types of acquirable financial assets and the possible use of derivative instruments. In addition, monitoring and control activities are put in place, 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 ***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 while within ICAV's investment funds, there are mainly variable-rate financial instruments to cope with phases of possible rises in interest rates without reducing the value of the investment.

As regards the synthetic interest rate risk indicators, the duration as of 31 December 2023 was 6.4 years (in 2022 it was 6.9).

The ***currency risk**, defined as a change in exchange rates, is almost null, since at 31.12.2023 the currency risk associated with foreign currency securities within the ICAV funds is offset by derivative hedging instruments.

The ***credit spread risk*** is defined as the risk that the value and/or expected cash flows from a financial asset or liability will fluctuate as a result of a change in the issuer's creditworthiness. The portfolio exposed to spread risk is held both directly by the company and through ICAV's investment funds.

As regards the synthetic indicators of credit spread risk, the spread duration as of 31 December 2023 was 2.19 years (in 2022 it was 2.25).

The ***equity risk***, defined as a change in the prices of equity instruments, is nearly null, since as of 31.12.2023 there were no direct investments in equities, while within the ICAV funds the risk is limited to a small number of positions, with low countervalue and low volatility.

The Solvency Capital Requirement and the coverage of technical provisions

At the close of the financial year 2023, the capital requirement was calculated according to the model provided for by Standard Formula of Directive 2009/138 EC and Delegated Regulation (EU) 2019/981.

The Company therefore adopted the Volatility Adjustment indicated by EIOPA of 20 basis points to be applied to the discount rate for the best estimate valuation of insurance contracts.

For the calculation of the solvency position as of 31.12.23, 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

In € thousand	12.2023
Own funds available to meet the Solvency Capital Requirement	442,092
Own funds eligible to satisfy the Solvency Capital Requirement	431,988
Solvency Capital Requirement (SCR)	205,098
Ratio of Eligible own funds to SCR	**211%**
Eligible capital to meet the Minimum Capital Requirement	347,898
Minimum Capital Requirement (MCR)	92,294
Ratio of Eligible own funds to MCR	**377%**

Calculation without Volatility adjustment

In € thousand	12.2023
Own funds available to meet the Solvency Capital Requirement	403,246
Own funds eligible to satisfy the Solvency Capital Requirement	383,897
Solvency Capital Requirement (SCR)	221,021
Ratio of Eligible own funds to SCR	**174%**
Eligible capital to meet the Minimum Capital Requirement	293,469
Minimum Capital Requirement (MCR)	99,459
Ratio of Eligible own funds to MCR	**295%**

Eligible funds to cover the solvency requirement are made up of Tier 1, Tier 2 and Tier 3 capital elements according to the constraints set forth by the regulations. Tier 2 capital consists of the subordinated bond issued by the Company for € 80 mln nominal value on 16.02.2021.

Below is the detail of the tiering with Volatility Adjustment:

Eligible own funds to satisfy the Solvency Capital Requirement

In € thousand	12.2023
Tier 1 – unrestricted	329,439
Tier 1 – restricted	-
Tier 2	77,167
Tier 3	25,382
Total	**431,988**

Eligible own funds to satisfy the Minimum Capital Requirement

In € thousand	12.2023
Tier 1 - unrestricted	329,439
Tier 1 - restricted	-
Tier 2	18,459
Tier 3	-
Total	**347,898**

In the case of not using Volatility Adjustment:

Eligible own funds to satisfy the Solvency Capital Requirement

In € thousand	12.2023
Tier 1 – unrestricted	273,577
Tier 1 – restricted	-
Tier 2	77,167
Tier 3	33,153
Total	**383,897**

Eligible own funds to satisfy the Minimum Capital Requirement

In € thousand	12.2023
Tier 1 - unrestricted	273,577
Tier 1 - restricted	-
Tier 2	19,892
Tier 3	-
Total	**293,469**

The year-end technical provisions are fully covered with assets that are 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 Risk Appetite Framework Policy (system of risk objectives).

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/intra-group transactions may be exposed toelements of criticality 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 Related Party Disclosures (IAS 24) is precisely to allow users of financial statements to understand how transactions with related parties/intra-group counterparties may or may not affect the results for the period or future periods as a result of the realisation or settlement of outstanding balances with them. The disclosures required by IAS 24 also cover outstanding commitments at the financial statement date and enable users of financial statements 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 and 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 persons and legal entities, on the other, to be intra-group/related party transactions:

- natural persons:
  - the members of the Board of Directors of the Company and its parent companies;
  - 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.

Upon a resolution passed by the Company's Board of Directors and considering the regulatory provisions set forth in IVASS Regulation No. 30/2016, the Company adopts the Policy on Related Party/Intra-group Transactions (hereinafter “the Policy” and “Related Parties”, respectively), proceeding to update it on an annual basis. The Policy defines the management process of transactions with related parties and the authorisation process, establishing that all transactions with related parties are subject to prior approval by the Company's Board of Directors, excluding those classified as “exempt” under the Policy as they are already subject to prior authorisation by the Corporate Bodies in compliance with both current legislation and internal provisions defined by the Board of Directors within the internal regulatory framework. In addition, the Policy provides for prior authorization by the Company’s Board of Directors, after evaluation by internal Board Conflict Committee and, where deemed necessary, by the internal Board Control and Risk Committee, in the case of (i) so-called very significant transactions (i.e., those amounting to 5% or more of the Company’s Solvency Capital Requirement), (ii) so-called very significant transactions “to be reported in all circumstances” (i.e., those transactions which, even if below the thresholds of significance mentioned above, are carried out at non-market conditions), (iii) so-called significant transactions (i.e., those whose amount is equal to or greater than 1% of the Company's Solvency Capital Requirement), and (iv) material transactions (i.e., those that do not fall within the Company's ordinary business activity and/or that are material due to the risk profile of the Company or the reference group). Certain transactions classified as Significant are also subject to the approval of the Conflicts Committee of the parent company Athora Holding Ltd..

The Company's data archive of related parties is normally updated on a quarterly basis and whenever necessary on the basis of the information provided by the persons/entities qualifying as related parties. The Company's related party/intra-group transactions in 2023 were carried-out:

- with legal entities of the Athora Italia insurance group, in settlements within the national tax consolidation between the Company and Assi 90 S.r.l.;
- for representatives of the companies of the Athora Italia insurance group, the wages/remuneration paid (including the variable remuneration components deriving from Management By Objectives – the so-called MBO), the recovery of expenses incurred on their behalf, the stipulation - for themselves and their family members - of policies with the Company, with the related recognition of the premiums paid, the reserves set aside, any sums paid out, the loans granted and the related accrued and received interest;
- with other companies related to the Athora Italia insurance group, to the Athora group and with other companies related to the latter by the same shareholding tie with the ultimate shareholder Apollo Global Management Inc:
  - in the investment advisory agreement 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;
  - the payment to Athora Ireland Plc of the annual premium for the intra-group early surrender risk reinsurance transaction - Lapse Reinsurance Treaty;
  - the payment to Athora Holding Ltd of its share of the annual premium amount relating to D&O and E&O insurance coverage;
- with reference to company pension funds, the payment of membership fees to the latter and the completion of policies with the related recognition of the premiums paid, the reserves set aside and any sums settled.

The Company has not held non-controlling interests in companies belonging to the Athora Italia insurance group, which are included in the item “Associates”.

The profit and loss account and balance sheet balances generated by these transactions are summarised in the tables below.

Caption:

Balance sheet:
positive: receivables/-shareholder's equity
negative: debts/+ shareholder's equity

Profit and loss:
positive: expenses
negative: revenue

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

In € thousand	**31.12.2023**
Balance Sheet - Shareholders' Equity	
Net assets of Athora Italia held by ATHORA ITALY HOLDING D.A.C.	-421,024
of which capital contribution in December 2022	*-200,000*

INTERMEDIARY AREA AGENCIES CHANNEL - ASSI 90 in liquidation

In € thousand	**31.12.2023**
Balance Sheet	
Participation	1,121
Debt for Tax Consolidation	-231
Profit and loss account	
Valuation gains	-88

OTHER INTRA-GROUP COUNTERPARTIES

In € thousand	**31.12.2023**
Balance Sheet	
Financial investments (Amissima Diversified Icav) (**)	1,258,623
Financing	12
Amounts collected	900
Invoices to be received Apollo Asset Man. Europe PC LLP	-750
Technical provisions (*)	-23,800
Profit and loss account	
ICAV dividends	-79,130
Premiums collected	-737
Recovery of expenses	-5
Other costs (*)	282
Amounts paid	3,642
Apollo Asset Man. Europe PC LLP financial costs	3,094
Athora Ireland plc	2,800
Athora Holding Ltd	292
Contributions	893
Remuneration of directors, statutory auditors and management members (*)	3,205

(*) *Including parties no longer related as of 31.12.2023 in view of the new organisational structure and the change in the composition of the Board of Directors*

(**) *Valuation at historical cost.*

Other significant elements

Non-financial risk management

In exercising its activity as an insurance company, Athora Italia is exposed to all the risks that generally accompany a typical business activity and it defines its policies as an approach extended to the entire company structure to identify, understand, measure and manage the risks related to its business.

In particular, the Company is subject to exposure to risks arising from its core business, i.e., those of a strictly insurance and operational nature, and to all risks related of unfavourable changes in variables of a financial nature.

In addition to the types of risk mentioned above, the Company is also exposed to other risks that characterise its business activities, such as the risk of compliance with sector regulations (so-called *compliance risk*), legal and fiscal risks, risks linked to the emergence of recently developed or evolving phenomena (so-called *emerging risks)* and risks related to environmental, social and governance events or conditions (so-called *sustainability risks).*

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

- **insurance risks**, which arise from the insurer's own activity, standing as an intermediary on the market capable of bringing about a transfer and consequent reduction of risk, through centralised management of the assumed risks; insurance risks in turn are divided into:
  - underwriting risk;
  - reserving 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, human resources and systems, due both to internal or external causes;
- **financial risks***,* which have been analysed in detail in the specific paragraph in 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 direct collection activities carried out by intermediaries, with daily payments for the bancassurance channels, and decadal payments for agents, whose remittances are subject to timely monitoring by central and peripheral structures in order to contain the risk of insolvency;
- **compliance risk,** defined as the risk of incurring judicial or administrative sanctions, suffering losses or reputational damage as a result of non-compliance with directly applicable laws, regulations and European standards or supervisory authorities measures, or self-regulatory standards, such as statutes, codes of conduct or self-regulatory codes; risk arising from unfavourable changes in the regulatory framework or case-law guidelines;
- **legal and tax risks,** i.e., the risks of incurring administrative sanctions or unforeseen tax liabilities due to the misapplication or violation of legal and tax regulations;
- **emerging risks,** i.e., recently developed or evolving risks that the company believes could have a significant impact on its financial strength, competitive position or reputation;
- **sustainability risks,** i.e., risks related to environmental, social or governance (ESG) events or conditions that, if not managed appropriately, have or may potentially have significant negative impacts on the Company's assets, financial and earnings position or reputation.

Insurance Risks

Insurance risk is the risk of unexpected losses related to the company's core processes. As mentioned, two sub-categories of risk can be distinguished, namely underwriting risk and reserving risk.

In particular, **underwriting risk,** which is linked to the underwriting of insurance contracts, is the risk that the premiums charged to policyholders are insufficient to cover the resulting liabilities, depending on the events covered, pricing, trends in insured events, company risk-taking policies, and reinsurance policies.

With regard to the **reserving risk**, it is linked to the quantification of reserves, which may be inadequate with respect to the commitments 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 verification of the adequacy of the reserves is entrusted to the Actuarial Function, supervised and endorsed by the Company's Board of Directors.

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

Operational Risks

Operational risks, as mentioned above, are recognised as those events whose manifestation may lead to a possible loss, including missed opportunities resulting from deficiencies and/or inadequate performance of processes and/or internal control systems, human resources and systems, whether due to internal or external causes.

To quantify the exposure to operational risk for regulatory purposes, the Company uses the method envisaged by the Standard Formula pursuant to Directive 2009/138/EC, the so-called Solvency II. In addition, the Company has developed a method for the qualitative assessment of operational risks which envisages, for all business and support processes in charge to the first line functions, the identification and assessment, according to a risk self-assessment approach, of the risks defined in the Company's operational risk taxonomy and the controls put in place to mitigate them. The assessments made by the first line are then reviewed and validated by the control functions in order to determine the overall residual risk and assess the adequacy of the internal control system.

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

Compliance Risk

The management of the risk of non-compliance with applicable regulations is delegated to the Compliance function, which, in accordance with the provisions of IVASS Regulation No. 38/2018, represents one of the fundamental functions whose tasks and responsibilities are defined by the Administrative Body.

The Compliance function, in particular, assesses that the Company's organisation and internal procedures enable compliance with the rules relating to the process of governance and control of insurance products, transparency and fairness of behaviour towards policyholders, pre-contractual and contractual information, the proper performance of contracts, with specific reference to the management of claims and, more generally, to the protection of policyholders and others entitled to insurance benefits.

The assessment of the non-compliance risk with applicable regulations is carried out qualitatively on the basis of risk self-assessment analyses. Specifically, the Compliance function:

- prepares a specific report containing the most impactful regulatory changes during the current year, with an assessment of the impact according to different levels (Red - high, Amber - medium, Green - low, so-called RAG);
- each year, it prepares a function plan in which it identifies the areas to be prioritised for review. The plan and its level of priority must be consistent with the main risks to which the Company is exposed.
- It monitors compliance risk exposure on a quarterly basis through qualitative analyses based on the RAG framework, in which the level of risk exposure is measured against the established risk tolerance and any improvement actions if the level of risk exposure falls within the “Amber” or “Green” threshold.

Legal and fiscal risks

Legal and tax risks are monitored by the Company on a quarterly basis through qualitative analyses based on the RAG framework, in which the risk exposure level is measured against the established risk tolerance and any improvement actions in case the level of risk exposure falls within the “Amber” or “Green” threshold.

To support the qualitative assessment that is performed, the Company adopted its own taxonomy of legal and tax risks, incorporating the Athora Group's Risk Universe. To reinforce the governance controls put in place to mitigate legal and tax risks, the Company also signed a consultancy contract on tax matters with an external provider.

Emerging risks

With regard to emerging risks, the Company has put in place an adjustment to local governance, including emerging risks in its corporate risk assessment framework, in accordance with the Athora Group Risk Universe.

The risk assessment framework adopted by the Group includes the provision of appropriate processes to identify, assess, and measure emerging risks.

As of the end of 2023 at Group level, four emerging risks were highlighted: geopolitical, with respect to crisis situations of increasing relevance; classification as Internationally Active Insurance Group (IAIG), with a focus on Insurance Capital Standard; artificial intelligence, for which a Group task force has been established; and the so-called pension gap, which is considered both an opportunity and a risk.

Emerging risks are assessed on an annual basis using a radar on which the temporal manifestation of the risk and the impact of the risk itself are represented for each identified risk according to a scale ranging from yellow (low impact) to red (high impact).

Sustainability risks

Over the past year, the company started a project aimed at adapting local governance to regulatory standards and market best practices on sustainability.

The Company assesses sustainability risk as part of its periodic monitoring of limits on investments, verifying compliance with exposure limits by ESG score classes, as defined in the Investment Policy.

In addition, as part of the ORSA process, sustainability risk is quantitatively assessed by means of stress tests, defining appropriate climate risk scenarios.

Internal Control

Recalling what has been said about the structure of the Athora Italia Insurance Group, the **Internal Audit Function** operates, like the other Fundamental Functions (also called Key Functions: Internal Audit, Compliance/ Anti-Money Laundering/Anti-Terrorism, Risk Management and Actuarial), as a specific Function of the Athora Italia Company.

The activity of the Internal Audit Function is carried out in the context of the Internal Audit Policy, approved in its latest version by the Board of Directors on 21 September 2023, which is aligned with the principles and guidelines of the Group Internal Audit Policy, in compliance with the requirements of national regulations. Internal Audit also revised its Regulations, making express reference to the Group Manual of the Internal Audit Function. The Regulations were submitted to the Board of Directors on 21 September 2023.

The operating methods adopted are based on the use of a risk-based approach and the Audit Plan is outlined on the basis of the Audit Universe, defined according to the Group's methodology and taking into account 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 2023 were formalised in the Audit Plan, approved by the Board of Directors on 27 February 2023.

As part of the Compulsory Activities, the following were performed: periodic checks on the handling of complaints (ISVAP Reg. 24/2008); checks on the correct application of the remuneration policies defined by the Administrative Body (Reg. IVASS 38/2018); the relevant part under the responsibility of RSR and SFCR; the relevant part of the Review of the Corporate Governance System - SOG (Reg. IVASS 38/2018); the verification of compliance with the statistical information policy (Reg. IVASS 36/2017); the verification of the internal control system on AML/CTF; the verification on the offer of products combined with loans (PPI).

Audit activities concerned the assessment, in terms of existence/adequacy/effectiveness and compliance of internal control systems, in correlation with the identified risks in some of the main corporate processes identified according to the risk-based approach: audit on the application of GDPR regulations; audit on the Actuarial Function; audit on Capital Management Planning (CMP); audit on Asset and Liability Management (ALM).

With reference to support and consulting activities and in particular 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. Legislative Decree 231. Within the framework of the 2023 Supervisory Board Audit Plan, the function carried out and reported on the findings of the planned verifications. The Head of the Internal Audit Function also carried out the agreed information flows to the External Auditing Firm.

The results of the activities, corrective actions and action plans were shared with the heads of the Organisational Units involved and were the subject of information reports and periodic updates on the monitoring of the progress of actions, communicated 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 and the managerial Management Committee and Risk Committee. Internal Audit also transmits to the Group Internal Audit Function a monthly report and a quarterly report on similar content, intended to be included in the Group reporting forwarded to the Management Executive Committee and the Audit Committee of the Parent Company Athora Holding.

The operations of the **Compliance** function focused on its areas of competence, with the aim of ensuring the compliance of corporate activities with legal, supervisory, and self-regulatory standards, developing in particular 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 bodies concerned for the identification of fulfilments, as well as the preparation of summary sheets where necessary;

- advice on compliance with new relevant national and EU legislation, with preparation of deep-dive factsheets;
- support to 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 development insurance products, the distribution strategy, and the direct distribution activity carried out by the Company;
- process relating to transactions with related parties, in particular the prior opinion of Compliance on the completeness of the supporting documentation is required for the issuance of authorisation by the Board of Directors; the Function must also be 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-month 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 aim is 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 achievement of the company's objectives.

Article 45 of the Solvency II 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 carried out prospectively by assessing the current risk profile and its evolution over a medium-term time horizon.

In the first half of 2023, 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 II with reference to the closing of the financial year 2022. The 2022 results were evaluated by the Board of Directors on 22.03.2023 as part of the preparation of the QRT - Quantitative Reporting Templates, envisaged by the so-called *Annual Reporting Solo* - and of the Report on Solvency and Financial Condition as 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 II with reference to the quarterly position. 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, the Supervisory Institute decided to continue the acquisition of information flows relating to the Solvency position 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 brought about by the escalation of the conflict between Russia and Ukraine, in continuity with the past emergency, the Supervisory Authority deemed 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 position on a monthly basis throughout 2023.

The estimation of the SCR and MCR Solvency requirements, as well as the fair value assessment of all assets/liabilities of the Company's patrimony, were conducted following 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 particularly tense conditions on the financial markets, which require the use of a discount rate including a volatility premium in order to balance a lower assets value with a lower liabilities value and thus mitigate the pro-cyclical effects induced by the fair value valuations. Therefore, *Volatility Adjustment* determined by EIOPA was adopted for application to the discount rate for the best estimate valuation of insurance contracts.

In January 2024, the Risk Management Function performed the verifications on the update of the capital and Solvency position in accordance with the second level implementing measures of Directive 2009/138/EC Solvency II with reference to the financial situation as of December 2023 pursuant to the QES4 2023 disclosure.

The results of the Solvency II requirements assessment were prepared in QRT (Quantitative Reporting Template) format and sent to the Supervisory Authority within the stipulated deadlines.

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 that must be observed by insurance companies and groups and through which the companies/groups targeted in previous years are required 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 data as of 31 December 2022, the forecast as of December 2023 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 calculation of the Solvency II requirement, the shocks and valuation criteria defined in the current version of the EIOPA Technical Specification for the calculation of the Solvency Capital Requirement were applied.

For risks included in the standard formula, the Company did not used criteria other than those established by the Solvency II Directive, which are considered adequate to represent the risk profile, although stresses 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 Capital Requirements.

The Function prepared the prospective assessment of the Company's Solvency profile in accordance with the 2024-2026 Business Plan, approved by the Board of Directors at the Board meeting of 20 December 2023.

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 II regulatory framework, and it will also continue to play its proactive role in all ordinary and project activities in which it is involved, in particular:

- the verification of the consistency of the models for measuring the Solvency Capital Requirement calculated according to the standard formula on data at subsequent quarterly closings with the Company's operations;

- updating the ORSA 2024 report and current and prospective risk and Solvency assessments, including sensitivities and stress tests;
- the monitoring of the limits set by the Group's policies of strategic direction and Risk Appetite Framework (RAF).

The **Board of Statutory Auditors** monitored the adequacy of the organisational, administrative and accounting structure adopted by the Company and its actual functioning, by collecting 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 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 a criminal lawsecialist. During 2023, the Body continued its monitoring activities on the correct and concrete functioning of the Model, on its adequacy to effectively prevent the commission of offences pursuant to Legislative Decree No. 231/2001, as well as on the updating of Company Policies.

Compliance with “Anti-money laundering” requirements

The activities of the Anti-Money Laundering Function covered:

- 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 to the review of the Policy on the management of money laundering and terrorist financing risk, and the Policy on sanctions compliance ;
- consultancy and opinions: preparation, in response to specific requests, of opinions on aspects relating to organisation, processes, company procedures, product line design, and management choices, generally on anti-money laundering and anti-terrorism matters;
- controls: specific control activities on anti-money laundering and anti-terrorism and subjects under 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 2022 data in the financial statement;
- monthly transmission 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 performing verifications on the lists of designated entities (EU, UN, and OFAC), both ex-ante and ex-post, for all insurance entities and for entities and 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 providing courses for employees and the direct distribution network respectively. The head and staff of the Office participated in training modules spread throughout the year.

Compliance with “Privacy protection” requirements

During the reporting period, the Legal and Privacy Function, in coordination with the Data Protection Officer appointed by the Company, continued its activities to update and enhance the Company's system for managing compliance with data protection regulations, by which is meant the EU Regulation 2016/679 (“GDPR”) and the related national regulations implementing and supplementing the GDPR.

More specifically, the activities carried out dealt with the following main topics:

- allocation of tasks, responsibilities and roles;
- updating the framework of policies and procedures;
- updating of contractual forms and information and consent formats;
- updating records of processing activities and privacy impact assessments;
- aligning the data protection management system with that of the Group.

Complaint Management

Grievance handling activities, as governed by ISVAP Regulation No. 24/2008, 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.

With respect to complaints received by the Company, there were 63 positions listed in the special register during 2023, all of which could be processed with an average completion time of 25.8 days, while IVASS requests were received about 21 positions (no. 6 as of 30.12.2022).

It should be noted that pursuant to IVASS Order 97 of 4 August 2020, an obligation has been introduced to report to the principal company complaints received by intermediaries registered in Section D of the RUI. In light of the above, in 2023 our Section D intermediaries reported having received no. 10 complaints regarding insurance positions.

It should be noted that during 2023, the company also handled a complaint related to a PIP product under COVIP competence.

Faced with the increase in the number of requests received from customers, also due to certain dynamics of external distributors, the Company has intervened through a strengthening of internal organisational controls as well as a project to redefine the contact points with external users, whether they are customers as well as distributors and intermediaries, in order to streamline the process of taking charge of as well as handling requests.

National Tax Consolidation

In the taxation field, it should be noted that in 2023 the national tax consolidation scheme continued, pursuant to Article 117 et seq. of Presidential Decree No. 917/86, to which the Company has adhered, as consolidating company, for the three-year period 2022 - 2024. The option is tacitly renewed at the end of each three-year period, unless revoked. Relations between the consolidating company and the consolidated company arising from group taxation are regulated by specific agreements entered into between the parties.

As a result of the cancellation of the consolidated company I.H. Roma S.r.l. in liquidation from the Company Register, which took effect on 18 January 2023, the Revenue Agency was notified of the interruption of group taxation with reference to that company.

The national tax consolidation scheme continues between the consolidating company, Athora Italia S.p.A and Assi 90 S.r.l. in liquidation.

Tax Litigation

From June 2022 to March 2023, the Company was subject to a tax inspection by the Revenue Agency for IRES, IRAP and VAT regarding the 2018 tax period, 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, extended to the tax periods 2019, 2020, 2021 and 2022 for IRES and IRAP purposes, limited to certain aspects. The inspection ended on 29 March 2023 with the notification of the Dispute Report, whereby tax recoveries for IRES, IRAP and VAT purposes were proposed.

On 19 May 2023, the Company filed a petition to formulate a proposal of assessment for the purpose of a possible settlement pursuant to Article 6, paragraph 1, of Legislative Decree No. 218 of 19 June 1997, following which the Revenue Agency, on 13 July 2023, served the invitations to appear for the establishment of the cross-examination, thus initiating the assessment procedure with adhesion.

In the quantification of the sanctions, the Office applied, pursuant to and for the purposes of Article 1 c. 179 of Law no. 197/2022, the reduction of the sanction referred to in Article 2 c. 5 and in Article 3 c. 3 of Legislative Decree no. 218/1997 to the extent of one eighteenth of the minimum provided for by law.

As of 31 December 2023, the proceedings are still ongoing, and the Company has provided a tax accrual of € 1,800 thousand in the financial statements.

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 nominal 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:

- by means of a summons served on 12 January 2023, a company sued Athora for breach of a preliminary sales contract.

Firstly, it sought recognition of its right to withdraw from the contract pursuant to Article 1385 of the Civil Code, and accordingly:

- Athora’s order to pay € 1 million plus statutory interest, or
- Athora’s order to pay € 2 million plus statutory interest (quantified as € 51,331 as of 9.1.2023), if “the cheques are no longer useful for the recovery procedure”.

In the alternative, the plaintiff has requested to obtain compensation for damages pursuant to, if necessary, the rescission of the preliminary contract, with request for Athora being ordered to pay damages in the amount of € 3.5 million (or less or more).

The Company challenges the claims in their entirety and the proceedings are still ongoing. At the first hearing, the Company provided for the *banco iudicis* restitution of the bank cheques that were never cashed-in and had already been offered for restitution at the time.

- Litigation brought by an individual who, claiming to have taken out six life insurance policies with Athora (formerly Amissima Vita), through a former agent (the plaintiff's nephew), sued the insurance company to obtain the payment of the premiums he claims to have paid, totalling approximately €879,000, in addition to compensation for non-pecuniary loss.

The claim was dismissed at first instance. In a judgment of 9 November 2018, the court of second instance found the counterparty's claim to be well-founded, ordering the company to repay the premiums paid for a total of €907,335.71, including capital and interest, as well as the reimbursement of legal costs. The company, after the payment, appealed to the Supreme Court. The Supreme Court upheld the Company's grounds of appeal in their entirety and annulled the contested sentence issued by the Court of Appeal of Florence.

The Court of Cassation has therefore referred the case back to the Court of Appeal of Florence.

SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE FINANCIAL YEAR

In January and February, discussions continued with the Revenue Agency in relation to the inspection begun in 2022 and concluded in 2023. On 7 March 2024, the inspectors officially formulated a settlement proposal, which had already been shared with the Company during the last end-of-year cross-examinations and was deemed satisfactory and economically favourable by the latter. On 25 March 2024, the minutes sharing the preliminary results were signed, which was then followed by the signing of the deeds of adhesion to close the dispute and the payment of the amount due within the established terms.

On 5 February 2024, IVASS initiated a routine inspection visit to the Company's offices.

Except for the above, there were no other noteworthy events after the reporting date.

MANAGEMENT OUTLOOK

In the course of 2024 Athora Italia will be focused on the realisation of what is envisaged in Business Plan 2024-2026. The objective is constant growth through the offer of products suited to meet the protection and income needs expressed by our customers.

As of the date of drafting these Financial Statements, the evolution of premiums, claims, expenses and returns is substantially in line with business plan expectations. All this in the context of an uncertain macroeconomic scenario still characterised by inflationary tensions and slowing economic growth. The first signs of less restrictive monetary policies by Central Banks and consequent decline in interest rates can be noted despite the continuation of an unstable geopolitical framework.

The Company has planned the imminent launch of a new product with a high innovation content that is expected to contribute significantly to business development.

PROPOSAL TO SHAREHOLDERS' MEETING

Dear Shareholders,

We invite you to approve the Financial Statements as of 31.12.2023, consisting of the Balance Sheet, Profit and Loss account, Notes to the Financial Statements and Annexes, Cash Flow Statement, and accompanied by this Report, as prepared.

We propose to carry forward the year profit of €22,775,584.

p. the Board of Directors

the President

(Andrea Moneta)

BALANCE SHEET

BALANCE SHEET

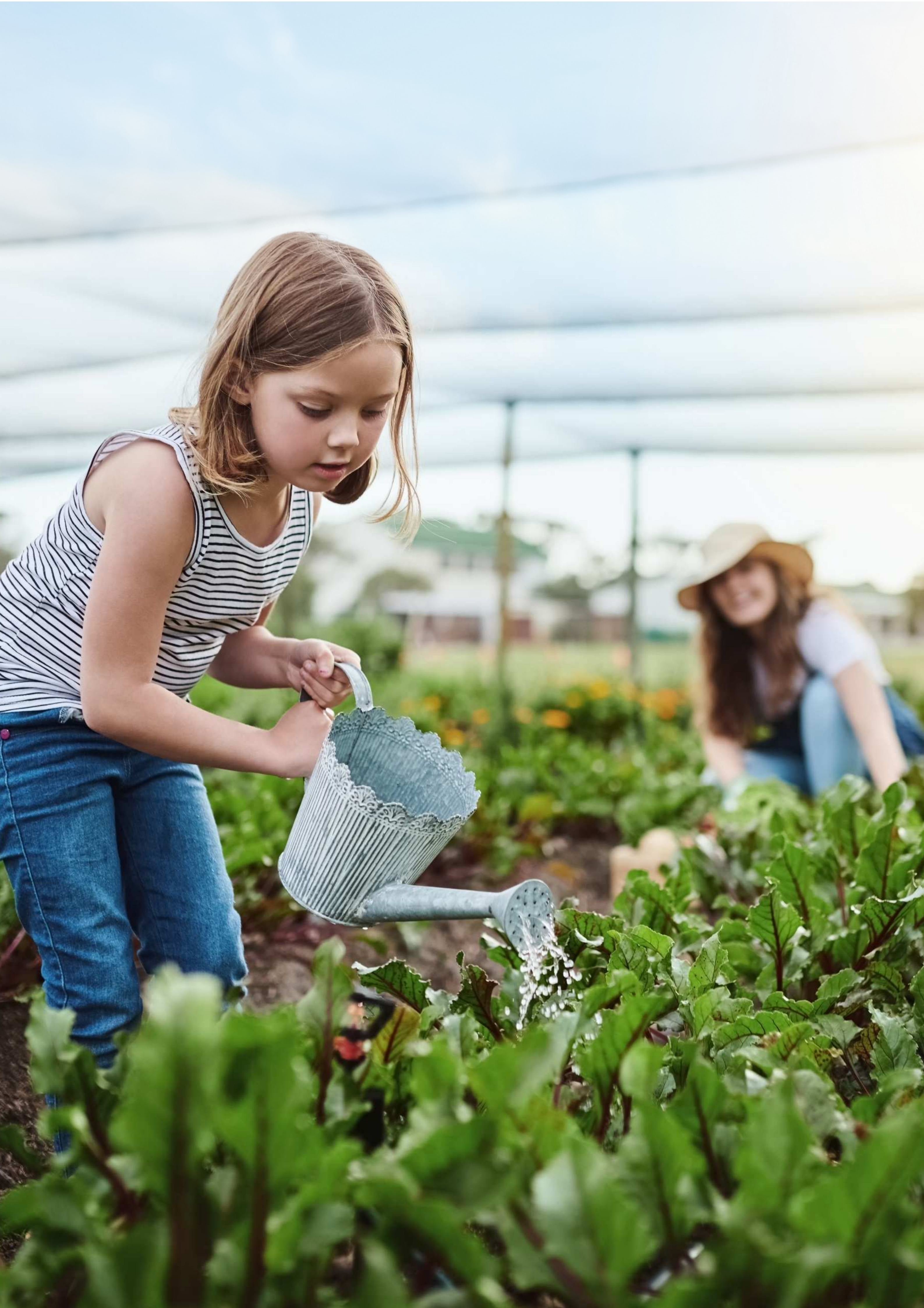
ASSETS	31.12.2023		31.12.2022	
A. RECEIVABLES FROM SHAREHOLDERS FOR SUBSCRIBED SHARE CAPITAL NOT PAID UP		0		0
- of which called-up capital	0		0	
B. INTANGIBLE ASSETS				
1. Acquisition commissions to be depreciated		698,840		929,442
a) life insurance	698,840		929,442	
b) non-life insurance	0		0	
2. Other acquisition costs		0		0
3. Start-up and expansion costs		0		0
4. Goodwill		0		0
5. Other deferred costs		3,359,111		3,029,536
Total		**4,057,951**		**3,958,978**
C. INVESTMENTS				
I - Land and buildings		91,095,164		92,802,323
1. Real estate used for business purposes	0		0	
2. Real estate used by third parties	91,095,164		92,802,323	
3. Other real estate	0		0	
4. Other rights in rem	0		0	
5. Assets under construction and advances	0		0	
II - Investments in group and other investee companies		1,120,763		1,032,710
1. Stocks and shares of companies:				
(a) parent companies	0		0	
(b) subsidiaries companies	1,120,763		1,032,710	
(c) affiliated companies	0		0	
(d) associated companies	0		0	
(e) other	0		0	
Bonds issued by companies:		0		0
(a) parent companies	0		0	
(b) subsidiaries companies	0		0	
(c) affiliated companies	0		0	
(d) associated companies	0		0	
(e) other	0		0	
3. Financing to corporations:		0		0
(a) parent companies	0		0	
(b) subsidiaries companies	0		0	
(c) affiliated companies	0		0	
(d) associated companies	0		0	
(e) other	0		0	
III - Other financial investments				
1. Stocks and shares		1,198,261,189		1,022,697,455
(a) Listed stocks	0		0	
b) Unlisted stocks	0		0	
c) Shares	1,198,261,189		1,022,697,455	
Units in mutual funds		2,000,000		1,952,352
3. Bonds and other fixed-income securities		5,043,463,484		5,593,805,466
(a) listed	4,821,394,813		5,371,450,673	
(b) unlisted	222,068,671		222,354,793	
(c) convertible bonds	0		0	
4. Financing		455,691		577,190
(a) secured loans	198,759		209,284	
(b) policy loans	44,145		61,805	
(c) other loans	212,787		306,101	
5. Units in investment pools		0		0
6. Deposits with credit institutions		0		0
7. Miscellaneous financial investments		0		81,720,310
IV - Deposits with ceding undertakings		0		0
Total		**6,336,396,290**		**6,794,587,806**

D. INVESTMENTS BENEFITING LIFE POLICYHOLDERS BEARING THE RISK AND ARISING FROM PENSION FUND MANAGEMENT				
I - Investments related to investment funds and market indices	705,219,125		690,206,294	
II - Investments stemming from pension fund management	0		0	
Total		**705,219,125**		**690,206,294**
Da. TECHNICAL PROVISIONS BORNE BY REINSURERS				
I - NON-LIFE INSURANCES		0		0
1. Premium reserve	0		0	
2. Claims reserve	0		0	
3. Profit-sharing and reversal reserve	0		0	
4. Other technical provisions	0		0	
II - LIFE INSURANCES		2,248,219		3,121,320
1. Mathematical provisions	1,530,997		2,244,634	
2. Supplementary insurance premium reserve	0		0	
3. Reserve for sums to be paid	717,222		876,686	
4. Profit-sharing and reversal reserve	0		0	
5. Other technical provisions	0		0	
6. Technical provisions where the investment risk is borne by policyholders and reserves arising from pension fund management	0		0	
Total		**2,248,219**		**3,121,320**
E. CREDITS				
I - Receivables, arising from direct insurance business, due from:				
1. Policyholders		1,150,045		686,637
(a) for premiums of the financial year	1,150,045		686,637	
b) for premiums of previous years	0		0	
2. Insurance intermediaries		1,540,528		1,028,533
3. Current account companies		0		0
4. Policyholders and third parties for amounts to be recovered		0		0
II - Receivables, arising from reinsurance operations, from:		125,314		254,499
1. Insurance and reinsurance companies	125,314		254,499	
2. Reinsurance intermediaries	0		0	
III - Other receivables		113,603,384		235,219,414
Total		**116,419,270**		**237,189,082**
F. OTHER ASSETS				
I - Tangible assets and stocks:		725,138		908,607
1. Furniture, office machines and internal means of transport	644,130		801,093	
2. Movable property entered in public registers	46,870		63,413	
3. Plant and equipment	31,003		39,033	
4. Stocks and other assets	3,134		5,068	
II - Cash and cash equivalents		10,736,555		11,083,876
1. Bank deposits and postal accounts	10,736,387		11,083,658	
2. Cheques and cash holdings	168		218	
IV - Other assets		41,148,606		67,960,390
1. Reinsurance suspense accounts	0		0	
2. Sundry assets	41,148,606		67,960,390	
Total		**52,610,299**		**79,952,873**
G. ACCRUALS AND DEFERRALS				
1. For interests		32,911,240		33,085,148
2. For rents		0		0
3. Other accruals and deferrals		3,439,254		3,834,911
Total		**36,350,494**		**36,920,059**
TOTAL ASSETS		**7,253,301,649**		**7,845,936,412**

BALANCE SHEET

LIABILITY	31.12.2023		31.12.2022	
A. NET ASSETS				
I - Subscribed share capital or equivalent fund		50,431,778		50,431,778
II - Share premium account		628,200		628,200
III - Revaluation Reserves		0		0
IV - Legal reserve		24,975,738		24,975,738
V - Statutory Reserves		0		0
VI - Reserves for own and parent company shares		0		0
VII - Other provisions		289,446,911		289,446,911
VIII - Profits (losses) carried forward		32,765,537		18,146,942
IX - Profit (loss) for the year		22,775,584		14,618,595
X - Negative reserve for treasury shares in portfolio		0		0
Total		**421,023,748**		**398,248,164**
B. SUBORDINATED LIABILITIES				
Total		**80,000,000**		**80,000,000**
C. TECHNICAL RESERVES				
I – NON-LIFE INSURANCES		0		0
1. Premium reserves	0		0	
2. Claims reserve	0		0	
3. Profit-sharing and reversal reserve	0		0	
4. Other technical provisions	0		0	
5. Equalisation Reserves	0		0	
II - LIFE INSURANCES		5,779,216,688		6,543,986,613
1. Mathematical provisions	5,667,938,358		6,465,887,238	
2. Supplementary insurance premium reserve	8,534		13,272	
3. Reserve for sums to be paid	87,427,905		50,763,356	
4. Profit-sharing and reversal reserve	0		0	
5. Other technical provisions	23,841,891		27,322,747	
Total		**5,779,216,688**		**6,543,986,613**
D. TECHNICAL PROVISIONS WHERE THE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND PROVISIONS ARISING FROM PENSION FUND MANAGEMENT				
I - Reserves relating to contracts whose performance is related to investment funds and market indices		705,219,125		690,206,294
II - Reserves arising from pension fund management		0		0
Total		**705,219,125**		**690,206,294**
E. PROVISIONS FOR RISKS AND CHARGES				
1. Provisions for pensions and similar obligations		0		0
2. Provisions for taxes		1,935,395		178,321
3. Other provisions		2,895,272		1,614,340
Total		**4,830,667**		**1,792,661**
F. DEPOSITS RECEIVED FROM REINSURERS				
Total		**2,248,219**		**3,121,320**
G. DEBTS AND OTHER LIABILITIES				
I - Payables, arising from direct insurance business, to:		8,110,736		12,544,981
1. Insurance intermediaries	6,610,736		12,544,981	
2. Current account companies	0		0	
3. Policyholders for security deposits and premiums	1,500,000		0	
4. Guarantee funds in favour of policyholders	0		0	
II – Payables, arising out of reinsurance operations, to:		266,753		415,742
1. Insurance and reinsurance companies	266,753		415,742	
2. Reinsurance Intermediaries	0		0	
III – Bond issues		0		0
IV - Due to banks and financial institutions		0		0
V - Secured debts		0		0
VI - Sundry loans and other financial payables		0		0
VII - Severance pay		669,269		672,361
VIII - Other payables		15,830,868		32,267,476

1. For taxes payable by policyholders	30,033		32,621	
2. For miscellaneous tax charges	8,974,212		25,776,138	
3. To welfare and social security institutions	279,881		305,294	
4. Sundry payables	6,546,742		6,153,422	
IX - Other liabilities		229,751,651		79,553,447
1. Reinsurance accounts payable	0		0	
2. Commissions for outstanding premiums	22,594		20,175	
3. Sundry liabilities	229,729,057		79,533,272	
Total		**254,629,278**		**125,454,006**
H. ACCRUALS AND DEFERRALS				
1. For interests		5,733,334		2,789,057
2. For rents		308,011		287,282
3. Other accruals and deferrals		92,580		51,015
Total		**6,133,924**		**3,127,354**
TOTAL LIABILITIES AND NET EQUITY		**7,253,301,649**		**7,845,936,412**

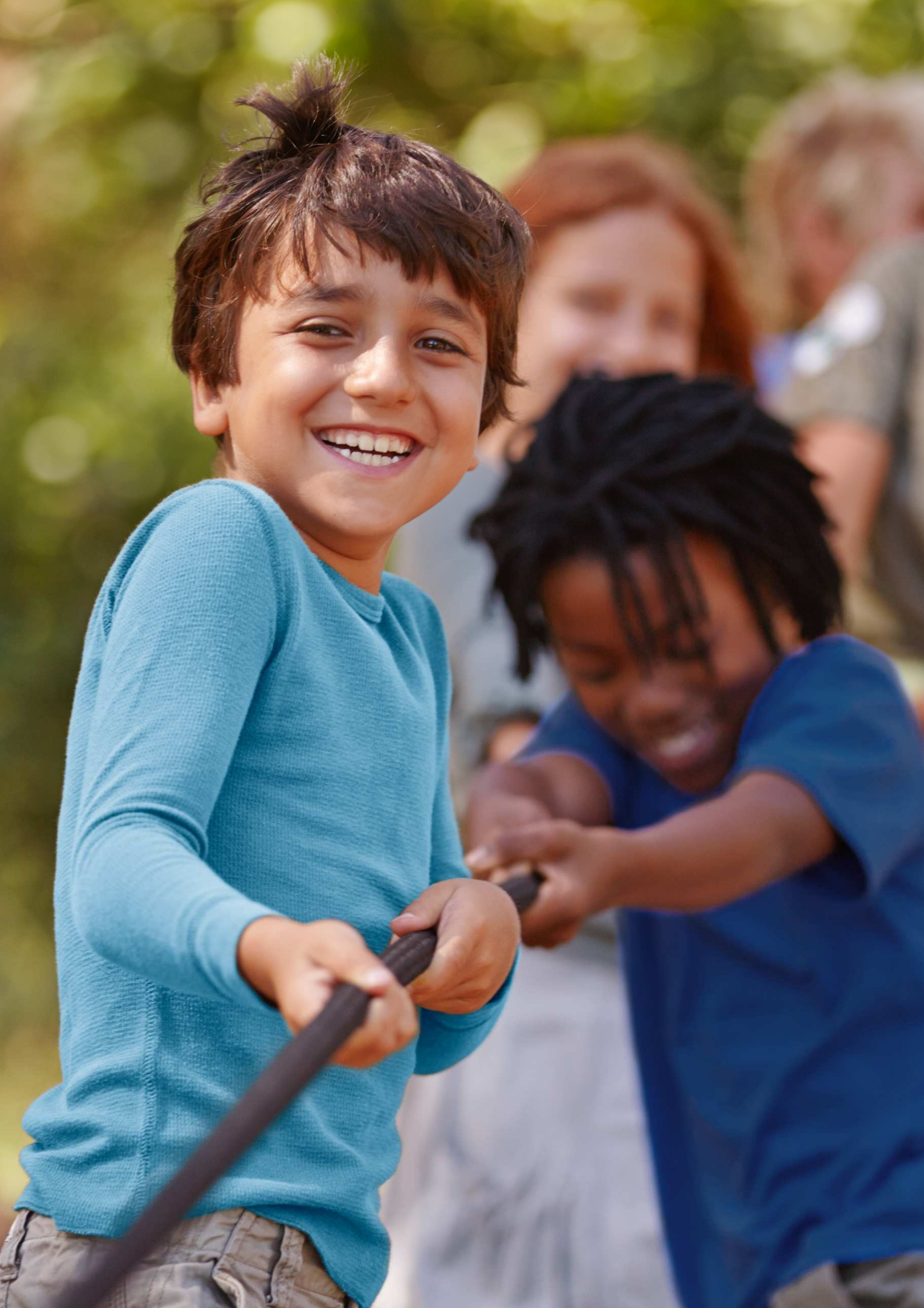


PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT

	31.12.2023		31.12.2022	
II. LIFE INSURANCE TECHNICAL ACCOUNT				
1. PREMIUMS FOR THE YEAR, NET OF CEDED REINSURANCE:		162,598,837		852,132,240
a) Gross premiums written	163,026,944		852,876,505	
b) (-) reinsurance premiums ceded	428,106		744,265	
2. INVESTMENT INCOME:		227,177,152		316,727,975
a) Income from shares and units	79,130,000		34,585,500	
(of which: from group companies and other investees)	0		5,202,500	
b) Income from other investments:				
aa) from land and buildings	6,414,775		6,012,692	
bb) from other investments	90,070,646		76,557,537	
(of which: from group companies and other investees)	0		0	
c) Write-backs of value adjustments on investments	36,832,874		2,493,718	
d) Profits on the realisation of investments	14,728,857		197,078,528	
(of which: from group companies and other investees)	0		0	
3. INCOME AND UNREALISED CAPITAL GAINS RELATING TO INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS BEARING THE RISK AND INVESTMENTS ARISING FROM PENSION FUND MANAGEMENT		72,055,578		9,672,539
4. OTHER TECHNICAL INCOME, NET OF CEDED REINSURANCE		12,022,192		112,089,443
5. CLAIMS EXPENSES, NET OF CEDED REINSURANCE:		1,046,411,952		738,319,946
a) Amounts paid	1,009,587,940		745,587,952	
aa) Gross amount	1,010,876,617		747,418,004	
bb) (-) Reinsurers' share	1,288,677		1,830,052	
b) Change in reserve for amounts payable	36,824,012		-7,268,006	
aa) Gross amount	36,664,548		-7,285,120	
bb) (-) Reinsurers' share	-159,464		-17,114	
6. CHANGE IN MATHEMATICAL AND OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE CEDED		-785,795,948		61,172,236
(a) Mathematical provisions:	-797,323,185		53,737,204	
aa) Gross amount	-798,036,822		52,577,864	
bb) (-) Reinsurers' share	-713,637		-1,159,340	
(b) Premium reserve for supplementary insurance:	-4,738		-6,157	
aa) Gross amount	-4,738		-6,157	
bb) (-) Reinsurers' share	0		0	
c) Other technical provisions	-3,480,856		-1,977,341	
aa) Gross amount	-3,480,856		-1,977,341	
bb) (-) Reinsurers' share	0		0	
(d) Technical provisions where the investment risk is borne by policyholders and arising from pension fund management	15,012,831		9,418,529	
aa) Gross amount	15,012,831		9,418,529	
bb) (-) Reinsurers' share	0		0	
7. REVERSALS AND PROFIT SHARING, NET OF REINSURANCE CEDED		0		
8. OPERATING EXPENSES:		29,431,861	0	45,003,570
a) Acquisition commissions	1,695,996		9,226,881	
b) Other acquisition costs	10,002,126		16,222,999	

c) Change in commissions and other acquisition costs to be depreciated	-230,602		-271,140	
d) Collection commissions	699,753		1,275,741	
e) Other administrative expenses	16,923,495		18,252,084	
f) (-) Commissions and profit sharing received from reinsurers	120,111		245,275	
9. CAPITAL AND FINANCIAL CHARGES:		99,399,025		287,200,679
a) Investment management charges and interest expenses	34,697,630		25,737,196	
b) Value adjustments on investments	54,221,288		144,757,324	
c) Losses on realisation of investments	10,480,108		116,706,159	
10. CAPITAL AND FINANCIAL CHARGES AND UNREALISED CAPITAL LOSSES RELATING TO INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS BEARING THE RISK AND INVESTMENTS ARISING FROM PENSION FUND MANAGEMENT		19,029,069		102,593,582
11. OTHER TECHNICAL CHARGES, NET OF CEDED REINSURANCE		29,449,426		27,815,256
12. (-) SHARE OF INVESTMENT EARNINGS TRANSFERRED TO NON-TECHNICAL ACCOUNT (item III. 4)		9,410,283		4,416,832
13. RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT (Item III. 2)		**26,518,090**		**24,100,097**
III. NON-TECHNICAL ACCOUNT				
1. NON-LIFE BUSINESS TECHNICAL ACCOUNT RESULT				
2. RESULT OF LIFE BUSINESS TECHNICAL ACCOUNT (Item II. 13)		26,518,090		24,100,097
3. INVESTMENT INCOME FROM NON-LIFE BUSINESS:				
4. (+) SHARE OF INVESTMENT PROFIT TRANSFERRED FROM LIFE BUSINESS TECHNICAL ACCOUNT (item II. 12)		9,410,283		4,416,832
5. CAPITAL AND FINANCIAL CHARGES OF NON-LIFE BUSINESS:				
6. (-) SHARE OF INVESTMENT EARNINGS TRANSFERRED TO THE TECHNICAL ACCOUNT OF THE NON-LIFE BUSINESS (Item I. 2)				
7. OTHER INCOME	3,195,747		854,680	
8. OTHER CHARGES	9,861,230		7,302,738	
9. RESULT OF ORDINARY ACTIVITIES		29,262,890		22,068,872
10. EXTRAORDINARY INCOME	228,723		782,463	
11. EXTRAORDINARY EXPENSES	111,785		919,509	
12. RESULT OF EXTRAORDINARY ACTIVITY		116,938		-137,047
13. PROFIT BEFORE TAX		**29,379,828**		**21,931,825**
14. INCOME TAX FOR THE YEAR		6,604,244		7,313,229
15. PROFIT (LOSS) FOR THE YEAR		**22,775,584**		**14,618,595**



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

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

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 of 31 December 2023, 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 31.12.2023 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 Financial Statement consists of:

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

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

These Explanatory Notes consist of:

- Part A - Valuation Criteria;
- Part B - Information on the Balance Sheet and Profit and Loss Statement
- 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.

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

The figures in the Balance Sheet and Profit and Loss account are expressed in units of Euro while the Notes to the Financial Statements 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 purchase.

The financial statements are audited by the audit 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 - VALUATION CRITERIA

Section 1 - Illustration of Evaluation Criteria

These financial statements have been drawn-up in accordance with the accounting standards in force and the valuation criteria of the main items - including technical provisions - adopted by the Company as of 31 December 2023, and follow the layouts defined by the provisions of ISVAP Regulation No. 22 of 4 April 2008 and subsequent amendments. In addition, the financial statement valuations are made on the basis of the going-concern assumption, as no risks have been identified that could compromise the orderly performance of the Company's business. The principles adopted are inspired by the criteria of prudence, accrual and materiality 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 balance sheet of Athora Italia S.p.A., financial situation and economic result.

In its drafting, reference was made to the provisions of the Civil Code and Legislative Decree 173/1997, supplemented 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*, i.e, Italian Accounting Body).

For information on the Company's activities, 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 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.

ASSETS

B. Intangible Assets

Intangible fixed assets, in accordance with Article 16 of Legislative Decree 173/97, are recorded in the financial statement at their purchase or production value including accessory 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 straight-line depreciation begins in the month in which the asset is acquired. If the value of the asset thus obtained exceeds its reasonably recoverable value, the item is written down. This lower value cannot be maintained if the conditions are no longer met in future financial years.

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

B.I. Acquisition commissions to be depreciated

Acquisition commissions paid in advance at the time of entering into 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 limits of the loadings in 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 costs incurred for the purchase and development of application software and for the purchase of basic time-based software licences, as well as installation, expansion and research costs.

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

In general, the account also includes intangible assets in progress that have not been depreciated, whose depreciation will commence 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 assets in this category, it should be noted that the company has available provisions that are largely sufficient to cover the amount of expenses not yet depreciated. Therefore, in compliance with Article 16 paragraph 11 of Legislative Decree no. 173/97, it is possible, if envisaged, to distribute dividends.

C. Investments

C.I - Land and buildings

Real estate recognised in the financial statements, as provided for by Article 15 of Legislative Decree 173/97, is considered a long-life asset. Real estate is recognised in the financial statement at purchase or construction cost or at incorporation value (in the case of real estate previously owned by incorporated companies) reduced by adjustments for impairment losses, if any. The carrying value of assets, distinguished between land and buildings, includes accessory charges and revaluations made in previous financial 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, since they are subject to periodic maintenance, the cost of which is expensed in the financial year in which it is incurred, thus allowing their useful life to be maintained constant, also in consideration of their nature as long-term investments essentially aimed at covering commitments to policyholders.

Real estate that, at the balance sheet date, is permanently lower in value than the above-mentioned value is recorded at this lower value. This lower value will also be maintained in subsequent financial years unless the reasons for the write-down no longer apply. In order to highlight 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 estimate of the asset is accompanied by a professional appraisal. Market value means the price at which the property can be sold at the time of the estimate 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-lived 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 valued at the lower of average purchase cost and the current value inferable from market trends at the end of the period.

If the acquisition cost is higher than the net assets at initial recognition, 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 financial nature, classified on the basis of the Investment Policies annually adopted 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 commitments to 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 variance 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 “fixed” and “current” compartments;
- management policies and related limits on the use of derivative financial instruments.

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

Classification of securities in the portfolio.

Fixed investments

Financial instruments are classified in this sub-fund up to 70% of the total carrying value of class C investments including cash deposited on current accounts, calculated on a time-by-time basis.

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

It includes:

- shareholdings in listed and unlisted companies that carry out activities functional to the insurance business, i.e., that are considered strategic with respect to the company's purpose, regardless of the shareholding;
- bonds convertible into shares of the companies referred to in the preceding paragraph;
- other equity securities, shares in companies and possibly units in specifically identified UCIs that are considered long-term strategic investments;
- fixed- or floating-income bonds, including the so-called structured products, that meet the above characteristics, have a residual maturity of 12 months or more and a foreseeable rate of return not less than the swap rate negotiated for equivalent maturities at the time of classification.

Current investments

Financial instruments, debt securities, units, shares, and derivatives are classified in this class on a residual basis with respect to the fixed compartment. Assets classifiable in this category are instruments for which there is a correlation with the structure of technical commitments to policyholders and/or for which there is an actual or potential trading purpose on the part of the company.

Evaluation Criteria

Fixed 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 subsequent 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-lived. 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 compared to carrying value, while the durability threshold is 18 months. In addition, for equity securities exceeding, even disjointly, the 30% severity threshold and the 24-month durability threshold, 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) of the market value compared to the carrying value, while the durability threshold is identified as 12 months, and for bonds other than government and corporate senior plain vanilla it is 18 months.

Current investments

a) Listed shares, UCI units and listed fixed-income securities: the carrying 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 with the price recorded on the last day of the period on the stock exchange lists or made available by specialised suppliers; all market values are supplied by ICE Data Service or by other external suppliers; there is an independent level I verification carried out through the use of data supply platforms (e.g. Bloomberg) or a recalculation performed by internal calculation systems to determine fair value; any lower value calculated is recorded as a direct adjustment of the historical cost with a balancing entry in the Profit and Loss account; this adjustment is reversed in the following financial year, if the reasons for it no longer exist, by reconstituting the value of the security up to the lower of the new market value and the original purchase cost (Art. 2426 of the Italian Civil Code, paragraph 9); for securities with implicit interest rates (*zero coupon bonds* and others), the accrued portion of the capital adjustment already accrued is taken into account;

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

(c) unlisted fixed-income securities: are valued according to the method set forth in point (a) above, using, where supplier prices are not available, estimates resulting from theoretical valuation models, provided by other specialised operators or calculated by Athora Italia using internal valuation models.

d) units of unlisted UCIs: are valued according to the method 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 option by the issuer (so-called "callable") was analysed.

For securities for which the probability of early call by the 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 carrying value was therefore recalculated, consistent 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 commitments, CDS, 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 those of any of the above contracts.

The Investment Policies provide for the following:

- the use of derivative financial instruments must be consistent with the principles of sound and prudent management;
- the use is allowed 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 the purpose of covering technical provisions or of indices based on this type of asset; precise operating procedures are defined for the use of these instruments, the choice 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 entered into:

- transactions for the purpose of “hedging” are intended to reduce investment risk, i.e., to protect the value of either individual assets or liabilities or a set 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 recognised in the Profit and Loss account consistently with the corresponding capital gains and losses calculated on the hedged assets; transactions for the purpose of “effective management” are those that are carried out for the purpose of achieving pre-set investment objectives in a faster, easier, cheaper and more flexible manner than is possible by operating on the underlying assets; the increase in investment risk generated by such transactions 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 valued at market value, booking only valuation losses to the Profit and Loss account; the market value is determined with reference to the respective quotations or, in their absence, on the basis of a prudent assessment of their presumed realisation determined by means of calculation methods widely used in the market.

C.III.4 Financing

They are recorded at their par value, corresponding to their presumed realisable value, considering for mortgages and other loans the risk of default by the borrowers against the collateral offered 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 surrender value of the policy.

C.III.7. Miscellaneous financial investments

The account includes investments not included in the previous items such as, for example, investments in repurchase agreements. It also includes premiums due for the purchase of options yet to be exercised.

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

Investments benefiting life insurance policyholders who bear the risk are valued at current value. The current value of assets is determined in accordance with the contractual terms and conditions, in particular:

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

D.bis. Technical provisions borne by reinsurers

D.II - Life Insurance technical provisions

The Mathematical Provisions and Provision for Amounts to be paid by Reinsurers are calculated in accordance with the reinsurance treaties using the same criteria as those adopted for the booking of provisions for direct business (see below, under item C.II of the Liabilities), with the exception of those treaties whose contractual conditions (pure risk premiums) do not provide for the calculation of the mathematical provision.

E. Credits

This item includes credits from policyholders, insurance intermediaries, credits from reinsurance operations and other credits already defined in their amount not included in the above, such as tax credits and deferred tax assets.

In accordance with Legislative Decree 173/97 Article 16 paragraph 9, credits are recognised at estimated realisable or extinguishable value. Loss estimates are based on the assessment of credits with manifest risks of non-collectability and are accrued in the specific provision in the Impairment Fund.

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, credits 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 Stocks

Tangible fixed assets are recorded in the balance sheet at purchase or production cost including accessory charges and incremental expenses.

The value is reduced by the straight-line depreciation rates calculated according to the period of their expected remaining useful life and begins in the month in which the asset is acquired.

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 financial year.

Tangible assets are written off if the expected future economic benefits from their use no longer exist.

Stocks and miscellaneous goods previously valued at average cost are now valued at acquisition cost, given the low inventories for previous years, which mostly relate to printed matter and consumable materials.

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. Accruals and deferrals

Accruals and deferrals 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 years.

Accruals and deferrals are calculated on an accrual basis, in accordance with Article 2424 bis, paragraph 6 of the Civil Code.

LIABILITY

B. Subordinated liabilities

Bonds are recognised at the time of their subscription and are recorded at their par value. They are represented by loans granted to the Company that include a subordination clause. The liability for bonds issued corresponds to the total outstanding principal amount at the balance sheet date, according to the repayment schedule. Loan issuance costs consist of ancillary costs incurred and include legal and other expenses related to the issuance of the loan. These costs are deferred and depreciated, recorded as deferrals and then released to the Profit and Loss Account over the life of the bond issue. 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 the provisions of Article 23-bis of ISVAP Regulation no. 22 of 4 April 2008. The methodologies used by the Company to calculate the technical provisions as of 31 December 2023 are set out in the actuarial report on technical provisions pursuant to Article 23-bis, paragraph 3, of Regulation 22 of 4 April 2008 as amended by Order No. 53 of 6 December 2016, annexed to these financial statements, to which reference should be made.

C.II - Life insurance

C.II.1 Mathematical provisions

The Mathematical provisions at the end of the period were calculated, for each contract in force, by informatic procedures, according to technical-actuarial criteria, using the technical bases used to calculate the tariff premiums resulting from the Systematic Communications sent to IVASS, in line with the provisions of the regulations in force.

During the year 2023, the Company's existing portfolio, managed through two management systems, LIFE for about 70% and PASS for the remaining 30%, underwent a migration process from the LIFE system to the PASS system. The migration took place in mid-November and involved the entire Individual portfolio except for annuities in payment, and the collective portfolio with the exception of tariffs dedicated to corporate funds. As a result, the reserves as of 31/12/23 arising from the management systems are broken down as follows: 99.6% from the PASS management system, 0.4% from the LIFE management system and a small amount from the Previnet management system introduced during the year to manage the new Individual Pension Plan created by the Company.
The provisions thus calculated are not less than the surrender values.

The technical provisions of the contracts in the portfolio were supplemented by:

- an annual instalment to build up the increased annuity capital required at contract maturity, in the event that a predetermined annuity amount is guaranteed at maturity;

- an additional reserve for financial risk (guaranteed interest rate), following the results of the ALM analysis pursuant to 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 portion of the Term Life portfolio.

The amount of the mathematical provisions also includes the Profits Fund Reserve in accordance with paragraph 38 bis of Annex No. 14.

C.II.2 Supplementary insurance premium reserve

In relation to the complementary insurances referred to in Article 2, paragraph 2 of the Code, the Premium Reserve includes 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 policies in force (LIFE and PASS system), 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 Other technical provisions

The item 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 between the number of units representing the Company's commitments and the value of the unit as of 31/12/2023; also in this case, the reserves are compared with the surrender values and any difference is set aside for additional provisions as per Article 41, paragraph 4, of Legislative Decree 209/2005.

E. Provisions for liabilities 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.

Provisions for taxes include probable or undetermined liabilities arising from tax assessments and provisions for deferred taxes.

G. Payables and other liabilities

Payables and other liabilities are stated at par value. This item includes, among others, current payables of various kinds, arising from direct insurance business, reinsurance business, tax payables and other liabilities. This item also includes payables for severance pay. As provided for by 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, payables are deemed to be due within one year.

G.VII - Severance pay

Employee severance indemnities are 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 labour contracts. The item reflects the certain but not due debt accrued towards employees at the closing date of the financial year, calculated analytically, in compliance with the laws and collective labour and supplementary company agreements in force. Starting from the 2007 financial year, this refers only to the severance pay accrued as of 31.12.06, appropriately revalued by means of legal indices. The severance indemnity accrued as of 1.1.07, allocated against 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. Accruals and deferrals

Accruals and deferrals 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. Accruals and deferrals 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 Ceded Reinsurance

Premiums are recognised in the accounts at the time they accrue. 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 provisions. 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 informatic 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 fixed investments, is recognised in the profit and loss account on an accrual basis. Dividends are normally accounted for on an accrual basis in the financial year in which they are declared. Profits and losses arising from the trading of securities are recognised 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 Expenses, Net of Ceded Reinsurance

Claims expenses in respect of life insurance business includes amounts accounted for during the year in respect of accrued capital and annuities, surrenders and claims, including those of supplementary insurance. The amount of the reinsurers' share is determined on the basis of the current reinsurance treaties.

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 as well as rappels commensurate with the achievement of productivity targets;

II.8.b. **Other acquisition costs:** This account includes expenses, other than those described in the preceding paragraphs, directly or indirectly attributable to the issuance 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 recourse;

II.8.f. **Commissions and profit participations received from reinsurers:** commissions and profit participations 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 financial year and at the end of the previous one;
- 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

Current taxes for the year are accrued on an accrual basis and calculated in accordance with current tax regulations. The liability for IRAP is estimated on a prudential basis by applying the rate of 6.82% to the value of production for the period; in the calculation of IRES, the rate of 24% is applied to taxable income.

As regards IRES, the application of the national consolidated taxation envisaged by Article 117 et seq. of Presidential Decree 917/1986, to which the company has adhered for the three-year period 2022 - 2024, continues in 2023. Under the tax consolidation regime, Athora Italia S.p.A., in its capacity as consolidating company, assumes the burden of calculating the total global income tax, which takes the form of an aggregation of the taxable amounts determined for the individual adhering companies, and the related payment of the balance and advances to the Treasury.

The legal, economic and financial relations arising from participation in the tax consolidation are regulated by specific agreements between the parties.

Deferred taxation

Deferred tax assets and liabilities are recognised on temporary differences existing between the financial statement result and taxable income, based on the tax rates in force in the years in which the temporary differences will reverse.

Deferred taxation is determined, for deferred tax assets, by considering temporary differences arising from negative income components subject to taxation that result in items with reversals in one or more subsequent years (deductible temporary differences) and, for deferred tax assets, by considering positive income components not taxable in the year but in subsequent years (taxable temporary differences).

Deferred tax assets are recognised, in accordance with the principle of prudence, only when there is reasonable certainty of their future recovery. Reasonable certainty is proven when:

- there is a projection of the company's taxable results for a reasonable period, showing the existence, in the years in which the deductible temporary differences will reverse, of taxable income not less than the amount of the differences that will reverse; and/or
- there are sufficient taxable temporary differences in the periods in which the deductible temporary difference is expected to reverse.

  Deferred tax liabilities are always recognised if they arise from taxable temporary differences.

Deferred tax assets and deferred tax liabilities are recognised separately in the financial statement by posting them respectively under “Other credits” in the assets and under “Provisions for taxes” in the liabilities, with a balancing entry in the Profit and Loss account under “Income taxes for the year”.

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 monetary and non-monetary items:

- monetary items: Assets and liabilities in foreign currencies involving the right to collect or the obligation to pay at a future date certain or determinable amount, such as credits, payables, accrued income, expenses and debt securities. They are recognised in the balance sheet at the spot exchange rate on 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 provision until realised (in other reserves “Reserve for foreign exchange gains”);
- non-monetary items: tangible, intangible and financial fixed assets consisting of participations, 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 off-balance sheet 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 2. The items and changes compared to the previous 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

In € thousand	2023	2022	Variation	%
Acquisition commissions to be depreciated	699	929	-230	-24.8
Other deferred costs	3,359	3,030	329	10.9
Total	**4,058**	**3,959**	**99**	**2.5**

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

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

The portion not yet depreciated relating to **acquisition commissions** amount to € 699 thousand, compared to € 929 thousand at the end of the previous financial year. As of 2023, new pre-contracted commissions are no longer capitalised, so the decrease in the item is only attributable to the depreciation of the financial year.

1.4 Other deferred costs (Item B.5)

Other deferred costs amounted to € 3,359 thousand.

Below are the movements by homogeneous category:

DETAIL OF OTHER DEFERRED COSTS

In € thousand	2022	Increases	Decreases	Adm.	2023
Leasehold improvements	275	0	0	-27	248
Software Licences	1,230	212	0	-596	846
EDP projects	1,255	1,652	0	-768	2,139
Other assets	270	0	0	-144	126
Total	**3,030**	**1,864**	**0**	**-1,535**	**3,359**

This item includes, inter alia, costs related to the development of the computer system and software in the amount of € 2,985 thousand, leasehold improvements in the amount of € 248 thousand, and € 126 thousand related to the capitalisation of personnel costs in connection with activities under development.
The change of € 329 thousand from the previous financial year's balance is attributable to the combined effect of purchases for € 1,864 thousand and depreciation for € -1,535 thousand. Leasehold improvements are related to renovation work 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 amount to € 6,336,396 thousand (€ 6,794,588 thousand at end of 2022).

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 fixed assets and are made up as follows:

LAND AND BUILDINGS

In € thousand	2023	2022	Variation	%
Real estate for third party use	91,095	92,802	-1,707	-1.8
Total	**91,095**	**92,802**	**-1,707**	**-1.8**

Compared to the previous financial year, the value of real estate recorded a decrease of € -1,707 thousand due for € -3,240 thousand to the write-down of 22 real estate units, for € 33 thousand to the recovery in value of two real estate units, and for € 1,500 thousand to the transfer in of a real estate property, resulting from a plea-bargaining sentence, which took place with a notary's deed dated 19 October 2023.

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

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

2.1.3 Methods followed to determine the market value of land and buildings in accordance with the provisions of Articles 16 to 20 of IVASS Regulation No. 22/2008

In line with Company practice, in 2023 the Company commissioned an external expert to estimate the fair value of all the properties owned and to ascertain any impairment losses. Considering the nature and type of the properties, the consultant used a method based on the prospective cash flows of each property, discounted over a medium- to long-term time horizon, except for the properties in Milan, Via Monte Bianco and Via Silva, for which the transformation method was adopted. The net decrease is € -3,207 thousand. The following table shows the comparison between the carrying value and market value for land and buildings held as of 31 December 2023:

VALUE OF LAND AND BUILDINGS

In € thousand	Carrying value			Market value		
	Land	Building	Total	Land	Building	Total
Real estate for third party use	46,730	44,365	91,095	46,930	44,605	91,535
Total	**46,730**	**44,365**	**91,095**	**46,930**	**44,605**	**91,535**

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 of 31 December 2023 was € 1,121 thousand (€ 1,033 thousand as of 31 December 2022), broken down as follows:

INVESTMENTS IN GROUP AND OTHER INVESTEE COMPANIES

In € thousand	2023	2022	Variation	%
Stocks and shares of subsidiaries	1,121	1,033	88	8.5
Stocks and shares of associates	0	0	0	0
Loans to subsidiaries	0	0	0	0
Total	**1,121**	**1,033**	**88**	**8.5**

At the end of 2023, the item stocks and shares of subsidiaries (€ 1,121 thousand) refers to the majority shareholding held in the insurance brokerage company Assi90 S.r.l. in liquidation and as such recorded under current assets.

The following table gives an indication of the value of the participation and the relative share of held net equity:

DETAILS OF INVESTMENTS IN PARTICIPATIONS

In € thousand

Company	Net Equity 31/12/2023	Holding %	Net Equity	Participation value
Assi 90 S.r.l.	1,860	60.25	1,121	1,121

A breakdown of the changes is provided in Annex 5 attached to these Notes to the Financial Statements, of which it forms an integral part.
The table concerning information on investee companies is instead included in Annex 6 attached to these 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 these Notes to the Financial Statements, of which it forms an integral part.
A summary of the economic relations with the companies Assi90 s.r.l. in liquidation and the company Athora Italia S.p.a. (parent company, subsidiaries, 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 traded on regulated markets was taken to be the price recorded on the last day of the last month of the financial year.
For investments traded on unregulated markets, but with quotations provided by contributors representing primary brokers, the price quoted on the last day of the last month of the financial year was assumed. In the absence of significant quotations, an analytical valuation was performed with regard to their probable realisation value determined using valuation models developed in accordance with best financial practice.
The current value of investments in affiliated companies was determined by considering the net equity, including 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 applicable.

2.3 Other financial investments (item C.III)
The total balance amounted to € 6,244,180 thousand, a decrease of € 456,573 thousand compared to December 2022. The main components can be summarised as follows:

OTHER FINANCIAL INVESTMENTS

In € thousand	2023	2022	Variation	%
Stocks and shares	1,198,261	1,022,698	175,563	17.2
Mutual fund shares	2,000	1,952	48	2.5
Bonds and other fixed-income securities	5,043,463	5,593,806	-550,343	-9.8
Financing	456	577	-121	-21.0
Miscellaneous financial investments	-	81,720	-81,720	-100.00
Total	**6,244,180**	**6,700,753**	**-456,573**	**-6.8**

Compared to the previous financial year, investments in stocks and shares increased as a result of new subscriptions of ICAV shares; mutual investment funds remained essentially unchanged at € 2,000 thousand; bonds and other fixed-income securities decreased by more than € 550,000 thousand. There are no other financial investments.

The item **stocks and shares** includes investments in Amissima Diversified Income ICAV (Irish Collective Asset-management Vehicle) and in companies 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 of 31 December 2023 are detailed below:

DETAIL ICAV INVESTMENTS

In € thousand

Isin	Description	Carrying value	Market value
QU0006740322	Amissima Loan Origination Fund (A)	75,409	75,409
QU0006743755	Amissima Loan Origination Fund_Cvita (A1)	522,337	522,774
QU0006740306	CVN Global Ig Corp Credit Fund	151	151
QU0006743789	Multi Credit Strategy Fund Cvita (A1)	353,751	353,751
QU0006740348	Multi Credit Strategy Fund Norvita (A)	106,802	106,802
QU0006748739	Multi Credit Strategy Fund Multi (A Mcs)	28,993	28,993
QU0006750735	Amissima Sovereign Debt Fund Cvita	77,571	77,571
QU0006750743	Amissima Sovereign Debt Fund Norvita	33,246	33,246
Total		**1,198,261**	**1,198,698**

Amissima Diversified Income ICAV was established for the purpose of managing investment funds aimed at meeting 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 sub-fund structure representing underlying investment funds and 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. ICAV represents an important element in the investment policy pursued by the Company in order to diversify the asset allocation and achieve returns in line with policyholders' expectations.

The item **mutual fund shares** includes shares in two funds, one balanced and the other one investing in inflation-linked government securities, for a total of € 2,000 thousand.

The item **Bonds and other fixed-income securities** includes bonds in the amount of € 5,043,463 thousand, down from 2022 mainly due to divestments.

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

BONDS AND FIXED-INCOME SECURITIES

In € thousand

Issuer description	Carrying value	Issuer description	Carrying value
Austria	572,366	European Financial Stability	60,448
Italy	570,927	BPER Banca	59,671
France	529,892	Assistant Publical Hopital Paris	55,021
Netherlands	469,520	European Stability Mechanism	53,098
Spain	328,739	French Community of Belgium	50,772
Germany	304,108	KFW	44,277
State of North Rhine-Westphalia	289,958	City of Amsterdam Netherlands	39,918
Portugal	280,120	Intesa Sanpaolo	38,638
Belgium	253,647	Finland	37,659
Purple Protected Asset S.A	167,047	Volkswagen International	35,426
Region of Berlin	119,411	European Union	33,438
European Investment Bank	76,483	Webuild SPA	31,320

The issuers were selected on the basis of the total carrying value of securities exceeding € 30,000 thousand and represent 89.3% of the entire category.

2.3.1 Breakdown by fixed and current assets

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

2.3.2 Changes in fixed assets during the financial year

The changes during the year in fixed assets, which are included in the items mentioned in 2.3.1 above, are shown in Annex 9.

In 2023, no securities were purchased with a simultaneous classification in the fixed compartment and investment securities with a total value of € 66,056 thousand were redeemed.

During 2023, listed government and corporate bonds with a total par value of € 432,900 thousand were transferred from the fixed compartment to the current assets compartment.

TRANSFERS FROM THE FIXED TO THE CURRENT ASSET COMPARTMENT

In € thousand

Isin	Description	Par value	Transaction Value
AT0000A1ZGE4	EUR AUSTRIA 18-28 0.75%	125,000	126,681
AT0000A269M8	EUR AUSTRIA 19-29 0.50%	65,000	65,541
BE0000349580	EUR BELGIUM 20-30 0.10%	30,000	30,155
DE000A168023	EUR BERLIN REGION 16-32 1.00%	20,000	19,723
ES00000126Z1	EUR SPAIN 15-25 1.60%	6,500	6,555
ES00000127G9	EUR SPAIN 15-25 2.15%	5,000	5,067
IE00BV8C9418	EUR IRELAND 16-26 1.00%.	26,500	26,662
IT0005466013	B.T.P. 06/2032 0.95%	133,000	112,572
NL0011819040	EUR HOLLAND 16-26 0.50%	10,000	10,032
XS1310032187	EUR LITHUANIA 15-25 1.25%	5,000	5,064
XS1501554874	EUR LATVIA 16-26 0.375%.	2,500	2,462
XS2332254015	EUR FCA BANK IRELAND 04/2024 0% (CALL 01/24)	4,400	4,372
Total		**432,900**	**414,885**

The gross negative effect on the 2023 Financial Statements, following the alignment of carrying values to the lower of market value and historical acquisition cost, amounts to € 26.6 million.

In 2023, no securities were transferred from the current asset compartment to the fixed asset compartment. At 31 December 2023, net capital losses (post-closing) on securities classified as “fixed assets” amounted to € -713,871 thousand compared to € -971,398 thousand at the end of 2022.

As of 31 December, the securities with subordination clauses were three and amounted to 59,472 thousand and are shown in the table below, which was prepared according to the level of subordination provided for in the international context:

DETAIL OF SECURITIES WITH SUBORDINATION CLAUSE

in € thousand

Isin	Description	Currency	Carrying value	Market value	Extinction date	Classification	Quotation
IT0005389934	EUR CARIGE SUB TIER II 19-29 8.25% (CALL 12/24)	EUR	50,000	51,132	20/12/24	SUB-LOWER TIER2	listed
XS1700435453	EUR B. IFIS 10/2027 7.38% SUB LT2 (CALL 2022)	EUR	9,068	9,068	17/10/27	SUB-LOWER TIER2	listed
XS2361258317	EUR ILLIMITY BANK 10/31 4.375% CALL 07/26 SUBLT2	EUR	401	404	07/07/26	SUB-LOWER TIER2	listed
			59,472	**60,604**			

The gradual depreciation of the negative differences compared to the redemption value for securities included in the fixed asset compartment led to the recording of net trading discounts in the profit and loss account for a negative value of € 972 thousand compared to an always negative value in 2022 of € 203 thousand: positive discounts amounted to € 7,707 thousand and negative discounts to € 8,678 thousand.

At the balance sheet date, the Company had derivative financial instruments held directly in its portfolio, which are shown and commented on under liabilities in Item G Payables and Other Liabilities, G.IX.3 Sundry Liabilities.

2.3.3 Changes during the financial 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 shown in Annex 10.

2.3.4 Financing (Item C.III.4)

The item **Financing** in 2023 decreased by a total of € 121 thousand.
Secured loans relate to claims against employees and former employees.
The balance as of 31 December 2023 amounted to € 199 thousand, down € 11 thousand from 2022 (€ 209 thousand).
Simple loans granted to employees amounted to € 213 thousand, a decrease of € 93 thousand compared to 2022 (€ 306 thousand). Loans granted to employees with a term of more than 1 year and 5 years amounted to € 201 thousand and € 113 thousand, respectively.

2.3.5 Units 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)

The balance at 31 December 2023 was zero with a change of € - 81,720 thousand compared to 2022. Athora Italia had subscribed part of the capital of a "Limited Partnership", an Anglo-Saxon law limited liability company. The investment, with a total balance sheet value of € 81,720 thousand, is short-term and the liquidation of the capital and accrued income took place in the first quarter of 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 arising from pension fund management (Item D)

This item consists of investments in securities to cover specific contracts and refers entirely to Unit contracts linked to the value of internal fund shares. As of 31 December 2023, there were no index contracts linked to share indices or other reference values:

INVESTMENT DETAIL ITEM D

In € thousand	2023	2022	Variation	%
Performance-related investments linked to investment funds and market indices	**705,219**	690,206	15,013	2.2
Total	**705,219**	**690,206**	**15,013**	**2.2**

The total assets under management (AuM) of Class D have recorded an increase of 2.18% over the past year, related both to the liquidity of new premiums entered into the internal funds in 2023 and, above all, to the positive trend of the financial markets (both equities and bonds), which have allowed the NAV amounts of the internal funds to increase.

For the reason described above, all quotation of Athora internal funds, with the exception of the two PIPs launched in July 2023 and the Athora Global Bond Fund, recorded positive performances in 2023. The performance of all Athora internal funds compared with their benchmark index (if any) is shown below: Athora Azionario Globale 11.24% (Benchmark 15.07%), Athora Bilanciato Globale 7.69% (Benchmark 10.61%), Athora Obbligazionario Globale 4.23% (Benchmark 5.70%), Athora Flessibile Dinamico 6.87%, Athora Flessibile Bilanciato 5.85%, Athora Flessibile Conservativo 3,81%, Athora Global Bond -0.75% (Benchmark 0.10%), Athora Global Balanced 9.67% (Benchmark 10.37%), Athora Global Equity 16.21% (Benchmark 17.64%), and finally Athora Azionario Paesi Emergenti 8.94% (Benchmark 6.37%). The new internal funds whose inflows started in 2023 also had positive performances: Athora Flessibile Azionario 1.06%, Athora Bilanciato Internazionale 2.18%, Athora Bilanciato Prudente 1.32%, Athora Strategia ESG 2.34%. As anticipated for the two PIP products, performance is slightly negative: Athora Futuro Azionario -0.92% and Athora Futuro Flessibile -0.72%. Details of assets relating to investment fund-related benefits - at current value and at acquisition cost - are shown in Annex 11 attached to these Notes to the Financial Statements, of which they form an integral part.

With regard to transfers from Class C to Class D, governed by paragraphs 1 to 4 of Article 20 of Legislative Decree 173 of 26 May 1997, no movements were recorded during the financial year.

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

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

TECHNICAL PROVISIONS BORNE BY REINSURERS

In € thousand	2023	2022	Variation	%
Mathematical Reserves	1,531	2,245	-714	-31.8
Reserve for sums to be paid	717	876	-159	-18.1
Total	**2,248**	**3,121**	**-873**	**-27.9**

As regards mathematical reserves, their amount decreased compared to the previous financial year (-31.8%) as a result of the natural run-off of the portfolio to which the treaties refer. More specifically, these are policies sold at commercial premiums that have been in run-off for more than ten years, most of which will expire over the next five years and whose natural run-off is accentuated by the right of redemption granted to policyholders.

Section 5 - Credits (Item E)

The balance as of 31 December 2023 was €116,419 thousand net of the respective provisions for impairment; the composition and changes from the previous year are summarised in the following table:

CREDITS

In € thousand	2023	2022	Variation	%
Receivables from policyholders	1,150	687	463	67.4
Receivables from intermediaries	1,541	1,029	512	-49.8
Receivables from reinsurance companies	125	254	-129	-50.8
Other credits	113,603	235,219	-121,616	-51.7
Total	**116,419**	**237,189**	**120,770**	**-50.9**

The ratio of **receivables from policyholders** to premiums written was around 0.71%, up from 0.08% at the end of 2022; the receivable mainly refers to premiums written in the last quarter of the year (€ 1,057 thousand).
Receivables from insurance brokers mainly consist of the amount of premiums, net of commissions, collected from agents in the third decade of December 2023 (€ 1,209 thousand) and the receivable arising from the liquidation of Assi 90 agency (€ 208 thousand). The overall balance also includes receivables for compensations

in the amount of € 24 thousand for which the provision for doubtful receivables of € -19 thousand is recorded and receivables for contentious positions in the amount of € 136 thousand, for which the relative provision for doubtful receivables of € -118 thousand is recorded. To calculate the provision, the average between the maximum and minimum recovery value was taken as a reference: if it is higher than the net receivable recorded in the financial statements, no further provision is made.

5.1 Write-downs of receivables from intermediaries

Below are the changes in provisions for doubtful receivables during the year 2023:

DETAIL OF PROVISIONS FOR DOUBTFUL RECEIVABLES FROM INTERMEDIARIES

In € thousand	2022	Uses	Provisions	2023
Provision for doubtful receivables from lawsuits	-136	18	0	-118
Provision for doubtful receivables from compensation	-24	5	0	-19
Total	**-160**	**23**	**0**	**-137**

Receivables from reinsurance business (item E.II) all accrued in 2023. They correspond to account statement balances totalling € 125 thousand and consist of the receivable from Munchener Ruck (€ 43 thousand), Swiss RE Europe (€ 18 thousand), SCOR Global (€ 47 thousand) and Hannover Ruck (€ 17 thousand). In 2022, the balance amounted to € 254 thousand.

5.2 Other receivables (Item E.3)

Other receivables amounted to € 113,603 thousand. The most significant item (€ 95,231 thousand) is represented by the advance payment of deductions and substitute taxes on capital gains, the so-called "tax on mathematical provisions", instituted by Legislative Decree 209/2002. As from 1 January 2005, this tax credit is used to offset the payment of deductions and substitute taxes applied by the Company when paying benefits to policyholders. Starting from 2007, any further surplus relating to the fifth previous year may be used to offset other taxes (so-called "further credit").

During the financial year, against the payment of the new tax, amounting to € 16,504 thousand, the credit of € 9,315 thousand and the additional credit of € 15,021 thousand were utilised in the ordinary way. In addition, the tax credit accrued at the end of the 2023 financial year was already recorded at 31 December 2023 with a balancing entry for other payables; the tax, amounting to € 5,520 thousand, will be settled in June 2024.

Other receivables also include € 9,748 thousand as other tax receivables and the amount related to the recognition of deferred tax assets on temporary differences that resulted in the recognition of deferred tax assets in the amount of € 7,423 thousand, of which the following table details the related accounting item, the taxable base, the rate applied and the amount of tax. The change in the accounting item compared to last year (€ 11,437 thousand as of 31/12/2022) is mainly due to the absorption of deferred tax assets related to discontinued financial assets.

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

In € units

Description of the temporary differences	Deferred tax assets year 2022			Reassignments 2023			Increases 2023			Deferred tax assets 2023		
Deductible differences	**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)	4,572,625	24.00%	1,097,430	2,330,424	24.00%	559,302	3,836,701	24.00%	920,808	6,078,902	24.00%	1,458,936
Property depreciation (Art. 101 (1) Tuir)	13,405,208	24.00%	3,217,250	2,011,390	24.00%	482,734	3,011,523	24.00%	722,766	14,405,341	24.00%	3,457,282
Discontinued Operations	15,390,083	24.00%	3,693,620	15,390,083	24.00%	3,693,620	0	24.00%	0	0	24.00%	0
Value adjustments to financial investments	14,285,342	24.00%	3,428,482	14,285,342	24.00%	3,428,482	10,442,983	24.00%	2,506,316	10,442,983	24.00%	2,506,316
Total	**47,653,258**		**11,436,782**	**34,017,239**		**8,164,137**	**17,291,207**		**4,149,890**	**30,927,226**		**7,422,534**

Description of the temporary differences	Deferred taxes year 2022			Reassignments 2023			Increases 2023			Deferred tax assets 2023		
Taxable differences	**Taxable**	**Rate**	**Tax (a)**	**Taxable**	**Rate**	**Tax (b)**	**Taxable**	**Rate**	**Tax ©**	**Taxable**	**Rate**	**Tax (a-b+c)**
Property values recovery (Art. 86 (1) Tuir)	743,004	24.00%	178,321	211,699	24.00%	50,808	32,841	24.00%	7,882	564,146	24.00%	135,395
Total	**743,004**		**178,321**	**211,699**		**50,808**	**32,841**		**7,882**	**564,146**		**135,395**

Among other Receivables, the remaining positions are mainly represented by receivables from leaseholders (ca. € 639 thousand) and security deposits received from our landlords at the time of signing the lease agreement as our guarantee for any future obligations (€ 123 thousand). The overall change in the item with respect to December 2022 is due, in addition to what has already been commented on above, to the collection of receivables for € 100,000 thousand, utilisation of tax receivables for € 3,694 thousand and reallocation of € 1,500 thousand last financial year provisionally represented in the item Other receivables.

Section 6 - Other Assets (Item F)

The balance of this item as of 31 December 2023 was € 52,610 thousand: its composition and changes from the previous financial year are summarised in the following table:

OTHER ASSETS

In € thousand	2023	2022	Variation	%
Tangible assets and inventory	725	909	-184	-20.2
Cash and cash equivalents	10,737	11,084	-347	-3.1
Other Assets	41,149	67,960	-26,811	-39.4
Total	**52,610**	**79,953**	**-27,342**	**-34.2**

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

DETAIL OF TANGIBLE ASSETS AND INVENTORY

In € thousand	2022	Increases	Decreases	Adm.	2023
Furniture, office machines and means of transport	801	99	-2	-253	645
Movable property entered in public registers	63	0	0	-17	46
Plant and equipment	40	2	0	-10	32
Inventory and other assets	5	0	-2	0	3
Total	**909**	**101**	**-4**	**-280**	**725**

With reference to **tangible assets,** purchases amounted to € 101 thousand, disposals € 2 thousand net of the recovery of the depreciation provision, and € 280 thousand is the depreciation quota set aside for the year 2023. **Inventory** of stationery, printed materials and other consumables were about € 3 thousand as of 31 December 2023 (€ 5 thousand as of 31 December 2022) thanks to efficient warehouse management.

6.3 Cash and cash equivalents (Item F.II)

Cash and cash equivalents (item F.II) amounted to € 10,737 thousand (€ 11,084 thousand as of 31 December 2022) and consisted mainly of bank deposits. The bank account balances are contained following the purchase of securities finalised at financial year-end.

6.4 Other Assets (Item F.IV)

Other assets (item F.IV) decreased by € 26,811 thousand compared to the same period of 2022. Overall, the item amounted to € 41,149 thousand and included € 39,770 thousand for the margin deposit with counterparties relating to the two IRS Receiver contracts. The remaining € 1,379 thousand represents an adjustment related to the management of ceded reinsurance for a more correct correlation between costs and revenues accrued. These relate to premiums ceded in reinsurance as a lump sum in previous years, against multi-year coverage, on “detah cover” contracts.

Section 7 – Prepayments and accrued income (Item G)

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

The item G **prepayments and accrued income** shows a total balance as of 31.12.2023 of € 36,350 thousand, with a decrease of € -570 thousand compared to the previous financial year. The breakdown is as follows:

ACCRUED INCOME AND PREPAYMENTS

In € thousand	2023	2022	Variation	%
Accruals for interest	32,911	33,085	-174	-0.5
Other accrued income and prepayments	3,439	3,835	-396	-10.3
Total	**36,350**	**36,920**	**-570**	**-1.5**

Other accrued income and prepayments are detailed in the following table:

OTHER ACCRUED INCOME AND PREPAYMENTS

In € thousand	2023	2022	Variation	%
Prepayments on subordinated loan transaction costs	644	947	-303	-32.0
Prepayments on subordinated loan issue discount	723	1,063	-340	-31.9
Supplier management prepayments	972	772	-200	25.9
Accrued income from unit-linked management	899	931	-32	-3.4
Accrued income for interest on margin deposit	153	0	153	-
Accrued income and prepayments	48	122	-74	-60.7
Total	**3,439**	**3,835**	**-396**	**-10.3**

Prepayments related to the subordinated loan concern the issue of the €80 million loan (par value) issued on 16 February 2021 by Athora Italia and subscribed by institutional investors.

Balance sheet - liabilities

Section 8 – Net Equity (Item A)

NET EQUITY

In € thousand	2023	2022	Variation	%
Subscribed share capital or equivalent fund	50,432	50,432	-	0.0
Share premium reserve	628	628	-	0.0
Revaluation Reserves	-	-	-	0.0
Legal reserve	24,976	24,976	-	0.0
Other Reserves - Extraordinary Reserve and Other	-	-	-	0.0
Reserves for parent company shares	-	-	-	0.0
Other reserves	289,447	289,447	-	0.0
Retained earnings (losses)	32,766	18,147	14,619	80.6
Profit (loss) for the year	22,776	14,619	8,157	55.8
Negative reserve for treasury shares in portfolio	-	-	-	0.0
Total	**421,024**	**398,248**	**22,776**	**5.7**

The share capital as of 31 December 2023 fully subscribed and paid-up for € 50,432 thousand is represented by 240,151,325 ordinary shares with no nominal value. The entire capital is held by the sole shareholder Athora Italy Holdings DAC. Profit for the year 2022 amounting to € 14,619 thousand was entirely retained.

Total net equity amounted to € 421,024 thousand (+€ 22,776 thousand compared to 31 December 2022); the increase is exclusively attributable to the profit for the current financial year.

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

CHANGES IN NET EQUITY

In € thousand	Share Capital	Premium reserve	Legal Reserve	Retained earnings/losses	Profit/Loss for the period	Others	Total
Balances as of 31.12.2022	50,432	628	24,976	18,147	14,619	289,447	398,249
Share capital distribution							-
Profit allocation 2022				14,619	-14,619		-
Coverage of residual losses							-
Creation of legal reserve							-
Distribution of extraordinary reserve							-
Distribution of premium reserve							-
Leakage							-
Capital Contributions							-
Net profit 2023					22,776		22,776
Balances as of 31.12.2023	**50,432**	**628**	**24,976**	**32,766**	**22,776**	**289,447**	**421,024**

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

- origin, possibility of utilisation and distribution of net equity items:

ORIGIN AND POSSIBILITY OF UTILISATION OF EQUITY

In € thousand	Amount	Possibilities of use	Available share	Summary of use over the last three years: *Loss coverage*	Summary of use over the last three years: *Others*
Capital	50,432				
Share premium reserve	628	A, B, C			
Revaluation Reserves	-				
Legal reserve	24,976	B			
Statutory reserves	-	A, B, C			
Reserves for treasury and parent company shares	-	B			
Other Reserves	289,447	A, B, C			
Retained earnings (losses)	32,766	A, B, C			
Negative reserve for treasury shares in portfolio	-				
Total	**398,249**				

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

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

CHANGE IN NET EQUITY OVER THE LAST THREE YEARS

In € thousand	Share Capital	Premium reserve	Revaluation reserve	Legal reserve	Other reserves	Extraordinary reserve	Retained earnings/losses
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	-
Balance 31.12.2023	50,432	628	-	24,976	-	289,447	18,147
Profit/Loss							14,619
Other variations		-	-		-	-	-
Balances as of 31.12.2023	**50,432**	**628**	**-**	**24,976**	**0**	**289,447**	**32,766**

Section 9 - Subordinated Liabilities (Item B)

As of 31 December 2023, subordinated liabilities consisted of a € 80 million bond loan issued on 16 February 2021 at a price of 97.875% and maturing on 16 August 2031 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 based on Euroswap at + a spread of 787 basis points thereafter;
- early redemption: early redemption option from the fifth year and 6 months;
- subordination: with respect to other non-subordinated securities;
- Solvency II classification: 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 of 31 December 2023, interest of € 2,117 thousand was calculated on the payment of the last coupon.

SUBORDINATED LIABILITIES				
In € thousand	2023	2022	Variation	%
Subordinated liabilities	80,000	80,000	-	0.0
Total	**80,000**	**80,000**	**-**	**0.0**

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				
In € thousand	2023	2022	Variation	%
Mathematical provisions	5,667,938	6,465,887	-797,949	-12.3
Supplementary Insurance Premium Reserve	9	13	-4	-30.8
Reserves for amounts to be paid	87,428	50,764	36,664	72.2
Other technical provisions	23,842	27,323	-3,481	-12.7
Total	**5,779,217**	**6,543,987**	**-764,770**	**-11.7**

The decrease compared to the previous financial year is mainly attributable to negative net flows from the termination of certain distribution agreements at the end of 2022 accompanied by significant surrenders and liquidations.
The movements in the financial year of the mathematical provisions are shown in Annex 14 attached to these Notes to the Financial Statements, of which it forms an integral part.

Mathematical provisions are composed of pure premium reserves in the amount of € 5,664,769 thousand, unearned premiums reserves in the amount of € 1,164 thousand, and top-up reserves in the amount of € 2,005 thousand. Top-up reserves include the additional reserves for financial risk (guaranteed interest rate) arising from the results of the ALM analysis as per paragraphs 21, 22 and 23 of Annex 14 to IVASS Regulation no. 22 of 04.04.2008 and subsequent amendments, issued pursuant to Article 36 of Legislative Decree no. 209/05, amounting to € 1.928 thousand, down from € 2,101 thousand in 2022; additional reserves as per Article 41, paragraph 4, of Legislative Decree 209/05 in the amount of € 50 thousand and the demographic base adjustment reserve 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 € 27 thousand. The amount of the mathematical provisions also includes the Profits Fund Reserve set up solely for the "Amissima Multicredit" segregated fund pursuant to the provisions of paragraph 38-bis of Annex no. 14.
Overall, all technical provisions relate to € 5,704,098 thousand to Class I, € 709,298 thousand to Class III and € 71,040 thousand to Class V.
The Company continued to apply the method for calculating the Additional Reserve for Financial Risk using Method C. 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 accounts, but a provision is made for Term Life contracts that are not linked to any segregated account, but which nevertheless provide a financial guarantee.

The **reserves for amounts payable** amounted to € 87,428 thousand and increased by € 36,665 thousand compared to the 2022 financial year, most of it for maturities, which went from € 15,918 thousand to € 32,170 thousand, for surrenders from € 6,045 thousand to € 34,876 thousand and for claims, which went from € 28,801 thousand to € 20,382 thousand. As of 31 December 2023, they were composed as follows (amounts in thousands of €)

- Amounts to be paid by due date € 32,170
- Amounts to be paid for claims € 34,876
- Amounts to be paid for surrenders € 20,382

Maturities amounted to € 31,027 thousand for Class I and € 575 thousand for Class III and € 568 thousand to Class V; claims amounted to € 20,123 thousand for Class I, € 257 thousand for Class III and € 1 thousand for Class V, while surrenders amounted to € 27,391 thousand for Class I, € 2,898 thousand for Class III and € 4,587 thousand for Class V.
The item **other technical reserves** consists of the reserve for future expenses, determined in relation to charges to be borne by the Company for the management of contracts, and is allocated to the various classes as follows:

- Class I: € 23,129 thousand
- Class III: € 297 thousand
- Class V: € 415 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 where the investment risk is borne by policyholders and provisions arising from pension fund management (Item D)

TECHNICAL PROVISIONS – CLASS D

In € thousand	2023	2022	Variation	%
Reserves for contracts whose performance is linked to investment funds and market indices	705,219	690,206	15,013	2.2
Total	**705,219**	**690,206**	**15,013**	**2.2**

This section includes reserves set aside for commitments entered into under unit-linked contracts, as described in the related section 3.
The total reserves correspond exactly to the market value of the assets shown in this section and are broken down into the different product lines as follows:

DETAIL OF RESERVES FOR UNIT-LINKED FUNDS

In € thousand	2023	2022
Athora Obbligazionario Globale	19,502	20,714
Athora Bilanciato Globale	63,874	63,688
Athora Azionario Globale	52,247	50,013
Gestlink Total	**135,624**	**134,415**
Athora Azionario Paesi Emergenti	**170**	**156**
Athora Flessibile Conservativo	31,358	34,076
Athora Flessibile Bilanciato	68,691	73,347
Athora Flessibile Dinamico	149,979	153,597
Total Unit Plus Line	**250,028**	**261,020**
Athora Global bond	40,324	42,506
Athora Global balanced	223,437	208,975
Athora Global equity	47,254	43,134
Total Global Line	**311,015**	**294,615**
Athora Flessibile Azionario	364	-
Athora Bilanciato Internazionale	3,146	-
Athora Bilanciato Prudente	3,293	-
Athora Strategia Esg	1,525	-
Athora Futuro Azionario	24	-
Athora Futuro Flessibile	30	-
Total Banca BdM “ex Popolare di Bari” funds	**8,382**	**-**
Total	**705,219**	**690,206**

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

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

PROVISIONS FOR RISKS AND CHARGES

In € thousand	2023	2022	Variation	%
Provisions for taxes	1,935	178	1,757	987.08
Other provisions	2,895	1,615	1,280	79.26
Total	**4,831**	**1,793**	**3,038**	**169.44**

Provisions for taxes, € 1,935 thousand, increased compared to the previous financial year (€ 178 thousand as of 31/12/2022) and refers to the provision for tax assessment risks, amounting to € 1,800 thousand, set aside against the tax audit by the Revenue Agency for which the settlement procedure is underway, and to the provision for deferred taxes, amounting to € 135 thousand, the details of which are shown in the table prepared pursuant to Article 2427, no. 14, of the Italian Civil Code, attached to these 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, the amount or date of occurrence of which is not known. In particular, these are provisions for pending litigation (€ 1,365 thousand) and others relating to agency relationships (€ 84 thousand), the Provision for early retirement and company restructuring (€ 203 thousand) and the Provision for litigation expenses (€ 1,243 thousand). For an illustration of the most relevant positions, please refer to the section "Ongoing Disputes" in the Report of the Board of Directors on Operations.

Deposits received from reinsurers (item F)

DEPOSITS RECEIVED BY REINSURERS

In € thousand	2023	2022	Variation	%
Deposits received by reinsurers	2,248	3,121	-873	-27.9
Total	**2,248**	**3,121**	**-873**	**-27.9**

This item represents liabilities for deposits that the Company retains on outward reinsurance. The decrease of € 873 thousand reflects the development of reinsurance relationships in the year 2023.

Section 13 - Payables and other liabilities (Item G)

The balance of this item at 31 December 2023 was €254,629 thousand with a net change increase of €129,175 thousand compared to 31 December 2022. The composition and details of the changes are summarised in the table below:

DEBTS AND OTHER LIABILITIES

In € thousand	2023	2022	Variation	%
Payables arising from direct insurance operations	8,111	12,545	-4,434	-35.3
Payables arising from reinsurance operations	267	416	-149	-35.8
Severance pay	669	672	-3	-0.4
Other debts	15,831	32,268	-16,437	-50.9
Other liabilities	229,751	79,553	150,198	188.8
Total	**254,629**	**125,454**	**129,175**	**102.9**

The item **payables from direct insurance business** expresses the net financial position towards certain agents in the sales network (€ 6,611 thousand) and policyholders for premiums paid (€ 1,500 thousand).

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

The changes for the year in staff **severance pay** are shown in Annex 15 attached to these Notes, of which it forms an integral part.

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

OTHER DEBTS

In € thousand	2023	2022	Variation	%
Miscellaneous tax charges	8,974	25,776	-16,802	-65.2
Sundry payables	6,547	6,154	393	6.4
Welfare and social security institutions	280	305	-25	-8.2
Insured taxes	30	33	-3	-9.1
Total	**15,831**	**32,268**	**-16,437**	**-50.9**

Payables for sundry tax charges showed a decrease compared to the end of the previous financial year. The assessment of the debt to the Treasury for the so-called "tax on mathematical provisions" amounting to € 5,520 thousand (€ 16,504 thousand as of 31 December 2022) is identically offset in tax receivables. The relative payment will take place in June 2024, at the same time as the payment of the balance of income tax for 2023.

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

The item **payables for taxes payable by policyholders** shows a payable of €30 thousand to the Financial Administration for insurance taxes on premiums collected in December, the payment of which took place in January 2023.

The item **Other Liabilities amounted** to € 229,752 thousand at 31.12.2023, an increase of € 150,199 compared to 31.12.2022.

OTHER LIABILITIES

In € thousand	2023	2022	Variation	%
Repo Transaction Liabilities	182,037	-	182,037	-
IRS (derivative financial instruments)	43,166	68,238	-25,072	-36.7
Bank transitional debts	42	7,113	-7,071	-99.4
Liabilities for premiums collected	108	283	-175	-61.8
Miscellaneous liabilities	4,376	3,899	477	12.2
Premium commissions in course of collection	23	20	3	15.0
Total	**229,752**	**79,553**	**150,199**	**188.8**

In 2023, the Company entered into a financing repurchase agreement (Repo) whereby it received from the counterparty of the transaction an amount of cash equal to the market value of the bonds sold with the obligation to repurchase, and at the same time recognised liabilities of the same amount (€ 182,037 thousand) under Other Liabilities.

Mechanically, the transaction involves two steps: a "spot" delivery of government securities to the bank counterparty with the receipt of liquidity equal to the gross countervalue of the securities delivered, and the opening of a Total Return Swap (TRS) contract in which the coupons of the securities (fixed, collected by the company) are exchanged against the payment of a repo rate (variable, paid by the company) and the final redelivery of the government security by the counterparty against the return to it of the liquidity received.

DETAIL DERIVATIVES

In € thousand

Isin Code	Description	Book value	Market value
IRS10Y_1231	IRS 10y 12/2031	27,289	27,289
IRS_5Y_1226	IRS 5y 12/2026	15,876	15,876
Total		**43,166**	**43,166**

Miscellaneous liabilities also include payables for variable remuneration to personnel in the amount of € 4,068 thousand, € +240 thousand compared to 2022.

Commissions accrued on premiums receivable refer to the related amount of policyholder receivables discussed in Section 5 above.

Section 14 - Accruals and deferrals (Item H)

The item **accruals and deferrals** shows a total balance as of 31 December 2023 of € 6,134 thousand, with an increase of € 3,007 thousand compared to the previous year. The breakdown of the item is as follows:

ACCRUALS AND DEFERRALS

In € thousand	2023	2022	Variation	%
For interests	5,733	2,789	2,944	105.6
For rents	308	287	21	7.3
Other accruals and deferrals	93	51	42	82.3
Total	**6,134**	**3,127**	**3,007**	**96.1**

Specifically, the item **accruals and deferrals for interests** refers to accruals on subordinated liabilities in the amount of € 2,117 thousand in addition to € 1,139 thousand on accruals for IRS coupons and € 2,477 thousand on accruals for Repo transaction interest. The item **other accruals and deferrals** instead consisted mainly of € 87 thousand of accruals for agency costs, € 4 thousand of accruals for personnel costs, and € 2 thousand of accruals for over-performance commissions. Details follow:

OTHER ACCRUALS AND DEFERRALS

In € thousand	2023	2022	Variation	%
Accrued expenses for commissions	2	2	0	0.0
Accrued expenses for agency costs	87	40	47	117.5
Accrued expenses on personnel costs	4	9	-5	-55.6
Total	**93**	**51**	**42**	**82.3**

Section 15 - Assets and liabilities relating to Group Athora Italia and other investee companies

A breakdown of assets and liabilities by balance sheet item for companies of the Group Athora Italy and other investees is provided in Annex 16.

Section 16 - Receivables and Payables

The balances of receivables and payables under assets and liabilities are set out below, distinguishing for each category those due beyond one year and those due beyond five years.

ITEM C – FINANCING

In € thousand	2023	Amount due after 2024	Amount due after 2028
Loans with collateral	199	158	57
Loans on policies	44	44	-
Other Loans	213	200	140
Total	**456**	**402**	**197**

Changes in financing during the financial year are detailed in Annex 10 attached to these Notes to the Financial Statements, of which it forms an integral part.

ITEM E – RECEIVABLES

In € thousand	2023	Amount due after 2024	Amount due after 2028
E.I.1 Receivables from policyholders	1,150	-	-
E.I.2 Insurance Intermediaries	1,540	163	18
E.II. Receivables from insurance and reinsurance companies	125	-	-
E.III Other receivables	113,603	-	-
Total	**116,419**	**163**	**18**

Section 17 - Guarantees, commitments, and other memorandum accounts

Details of guarantees given and received, as well as commitments, are shown in Annex 17 attached to these Notes to the Financial Statements, of which it forms an integral part. Item II b) of Annex 17 (Guarantees received - from third parties) decreased from € 5,599 thousand at the end of 2022 to € 3,678 thousand at 31.12.2023.
This item can be broken down as follows:

GUARANTEES RECEIVED

In € thousand	2023	2022
Loans with guarantees received - Sureties	1,817	1,706
Loans with collateral	1,861	3,893
Total	**3,678**	**5,599**

Guarantees received refer, for € 672 thousand, to mortgages pertaining to property management provided by lessees and to sureties received by agencies to guarantee account balances, and for € 1,145 thousand mainly to mortgage guarantees provided by third parties.

Other commitments amounting to € -182,036 thousand refer to the Repo transaction and is the commitment to repurchase government securities upon maturity of the transaction against the return of the liquidity received.

Securities deposited with third parties in the amount of € 6,750,646 thousand are broken down as follows:

- € 705,219 thousand, being the total value of the fund units referring to investments relating to Unit Linked policies deposited for € 170 thousand with BNP Paribas, € 8,383 thousand with BDM Banca del Mezzogiorno, € 311,014 thousand with Banca Cesare Ponti and € 385,652 thousand with Cassa Centrale Banca;
- 6,045,427 thousand, the value of other securities in the portfolio, deposited almost entirely with BNP Paribas under the securities management services agreement, including € 1,198,261 thousand relating to the Irish investment vehicle known as “Amissima Diversified ICAV”, and € 731,915 thousand deposited with Cassa Centrale Banca. The Merius security is deposited with Citco for € 167,047 thousand.

Commitments for derivative transactions

As of 31.12.2023, Athora Italia had total commitments for derivative contracts of € -43,166 thousand. These are two IRS *Receiver* derivative contracts in which the company receives a fixed annual flow and pays the counterparty a variable six-monthly flow.

To cover its commitments, 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.

SCHEDULE OF COMMITMENTS FOR DERIVATIVE TRANSACTIONS

Derivative Contracts		**Amount as of 31.12.2023**				**Amount as of 31.12.2022**			
		Purchase		**For sale**		**Purchase**		**For sale**	
In € thousand		**Notional**	**Fair value**	**Notional**	**Fair value**	**Notional**	**Fair value**	**Notional**	**Fair value**
Futures:	on shares								
	on bonds								
	on currencies					81,328	2,004		
	on rates								
	Others								
Options :	on shares								
	on bonds								
	on currencies								
	on rates								
	Others								
Swaps:	on currencies								
	on rates	377,000	-43,166			432,000	-63,848		
	Others								
Other Operations						339,000	-3,595		
Total		**377,000**	**-43,166**			**852,328**	**-65,439**		

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

Profit and Loss Account

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

Athora Italia carries out life insurance business only.

Section 19 - Information Concerning the Life Business Technical Account (II)

19.1 Earned premiums, net of ceded reinsurance (Item II.1) amounted to € 162,599 thousand and are broken down as follows:

PREMIUMS FOR THE FINANCIAL YEAR

In € thousand	2023	2022	Variation	%
Gross premiums written	163,027	852,877	-689,850	-80.9
Premiums ceded in reinsurance	-428	-744	316	-42.5
Total	**162,599**	**852,133**	**-689,534**	**-80.9**

The balance of gross premiums written for direct Italian business consists of:

- Class I premiums in the amount of € 142,747 thousand (31.12.2022 € 705,453 thousand) related to the issue of traditional products;
- Class III premiums in the amount of € 18,904 thousand (31.12.2022 € 145,858 thousand) related to unit-linked products;
- Class V premiums in the amount of € 1,376 thousand (31.12.2022 € 1,566 thousand).

The drop in production is generalised and applies to all classes. The reasons for this are partly due to unfavourable market conditions and partly to the specific situation of our company, which in 2023 discontinued its collaboration with major distributors, as described in detail in the Management Report. Summarised information on Life insurance business relating to premiums and reinsurance balance is provided in Annex 20 attached to these 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

In € thousand	2023	2022	Variation	%
Income from stocks and shares	79,130	34,586	44,544	128.8
Income from investments in land and buildings	6,415	6,013	402	6.7
Income from other investments	90,071	76,557	13,514	17.6
Write-backs of value adjustments on investments	36,833	2,494	34,339	1,376.9
Profits on the realisation of investments	14,729	197,078	-182,349	-92.5
Total	**227,177**	**316,728**	**-89,511**	**-28.3**

Compared to last financial year, there was a significant increase in dividend income from ICAV shares and units, whose underlying assets are mostly invested in fixed income instruments, in the amount of € 79,130 thousand (€ 34,586 thousand in 2022), while income from investments in land and buildings remained stable at € 6,415 thousand (€ 6,013 thousand in 2022).

The balance of income from other investments includes € 80,430 thousand (€ 67,366 thousand in 2022) for coupons accrued for the financial year on fixed-income securities and interest rate swaps, € 7,707 thousand (€ 7,430 thousand in 2022) for trading gains and € 1,929 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 option by the issuer (so-called callable).

Reversal of value adjustments on investments consisted of revaluations on stocks and shares in the amount of € 1,439 thousand, revaluations on bonds within the limits of historical cost for € 14,211 thousand, write-ups on IRS derivatives for € 21,150 thousand and buildings for € 33 thousand. Details of investment income (item II.2) are reported in Annex 21 attached to these Notes to the Financial Statements, of which it forms an integral part.

Profits on the realisation of investments, which amounted to € 14,729 thousand as of 31 December 2023, consisted mainly of gains on the sale of bonds and mutual funds in the amount of € 11,031 thousand, surrenders of bonds in the amount of € 2,317 thousand, and realisations on currency transactions in the amount of € 1,381 thousand. Compared to the financial year 2022, net realised capital gains decreased by 95% due to transactions conducted last year aimed at managing interest rate risk.

19.3 Details of **Income and unrealised capital gains relating to investments benefiting policyholders bearing the risk and investments arising from pension fund management** (item II.3) are shown in Annex 22 attached to these Notes, of which it forms an integral part. As of 31 December 2023, profits on Class D.I investments prevailed, amounting to € 72,056 thousand, up on the profits recorded at the end of 2022, which amounted to € 9,673 thousand as summarised in the following table:

INCOME AND UNREALISED CAPITAL GAINS ON INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS

In € thousand	2023	2022	Variation	%
Income from:				
mutual fund shares	2,920	1,432	1,488	103.9
other financial investments	1,120	2,645	-1,525	-57.7
Profits on the realisation of investments:				
on mutual funds	13,091	2,932	10,159	346.5
on other financial investments	62	-	62	-
Unrealised capital gains:				
on mutual funds	54,839	2,664	52,175	1,958.5
on other financial investments	24	-	24	-
Total	**72,056**	**9,673**	**-62,383**	**644.9**

19.4 Other Technical Income net of ceded reinsurance (Item II.4), amounted to € 12,022 thousand (as of 31 December 2022 € 112,089 thousand) and consisted of the following amounts:

OTHER TECHNICAL INCOME

In € thousand	2023	2022	Variation	%
Commissions received on unit-linked products	11,608	11,573	35	0.3
Technical matches	3	100,059	-100,056	-100.0
Other technical matches	411	457	-46	-10.1
Total	**12,022**	**112,089**	**-100,067**	**-89.3**

Commissions received on unit-linked products (€ 11,608 thousand) remained substantially constant compared to the previous financial year (€ 11,573 thousand).

Technical items in the amount of € 3 thousand consist of deferrals for ARCA commissions. The change with respect to 2022 is attributable for € 100,000 thousand to the settlement (January 2023) of the income recognised in 2022 as a **distribution agreement penalty** relating to the early termination of the BPER distribution contract and for € 56 thousand to deferrals for ARCA commissions.

Other technical items mainly consist of commission reversals (€ 11 thousand) and commission refunds (€ 400 thousand).

19.5 Claims expenses, **net of ceded reinsurance** (item II.5) amounted to € 1,046,411 thousand and are broken down as follows:

CHARGES RELATED TO CLAIMS

In € thousand	2023	2022	Variation	%
Gross amounts paid	1,010,877	747,418	263,459	35.2
Shares borne by reinsurers	-1,289	-1,830	541	-29.6
Gross change in the reserve for amounts payable	36,665	-7,285	43,950	-603.3
Shares borne by reinsurers	159	17	142	835.3
Total	**1,046,412**	**738,320**	**308,092**	**41.7**

Overall, the charges relate for € 924,016 thousand to Class I, € 56,012 thousand to Class III and € 67,514 thousand to Class V.

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

GROSS AMOUNTS PAID

In € thousand	2023	2022	Variation	%
Claims	174,830	196,372	-21,542	-10.9
Surrenders	661,980	358,966	303,014	84.4
Maturities	160,504	176,435	-15,931	-9.0
Coupons	13,359	15,425	-2,066	-13.4
Yields	203	220	-17	7.7
Total	**1,010,877**	**747,418**	**263,458**	**-35.2**

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

19.6 Change in mathematical and other technical provisions net of ceded reinsurance (Item II.6) amounted to € -785,796 thousand and refers to the overall decrease in commitments to policyholders. As regards the gross change, the balance amounted to € -800,809 thousand, while reserves relating to unit-linked products increased by € 15,013 thousand. For the breakdown, please see the comments to the Balance Sheet.

19.7 The balance of **Operating expenses** totalled € +29,432 thousand (€ +45,004 thousand as of 31 December 2022), already net of commissions received from reinsurers (€ 120 thousand as of 31 December 2023, € 245 thousand as of 31 December 2022). This includes acquisition costs of € 10,002 thousand (€ 16,223 thousand as of 31.12.2022), collection commissions of € 700 thousand (€ 1,276 thousand as of 31.12.2022) and other administration expenses of € 16,923 thousand (€ 18,252 thousand as of 31.12.2022). A more detailed breakdown of operating expenses is provided in the Management Report.

19.8 Capital and financial expenses amounted to € 99,399 thousand and are broken down as follows:

CAPITAL AND FINANCIAL CHARGES

In € thousand	2023	2022	Variation	%
Investment Management Charges and Interest Expense	34,698	25,737	8,961	34.8
Value Adjustments on Investments	54,221	144,758	-90,537	-62.5
Losses on realisation of investments	10,480	116,706	-106,226	-91.0
Total	**99,399**	**287,201**	**-187,802**	**-65.3**

Operating expenses mainly comprise operating costs (€ 8,552 thousand) as the portion allocated by the expense reallocation process, including expenses related to real estate management (€ 1,433 thousand). The item also includes trading and issue discounts accrued on securities held in the portfolio (€ 10,342 thousand), interest expense on interest rate swaps (€ 12,420 thousand), interest expense on Repo transactions (€ 3,264 thousand) and interest expense accrued towards reinsurers on amounts held on deposit (€ 71 thousand).

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

- losses from valuation of stocks and shares € 23,719 thousand (€ 5,037 thousand in 2022);
- losses from valuation of securities € 27,262 thousand (€ 69,542 thousand in 2022);
- losses from property valuation € 3,240 thousand (€ 2,546 thousand in 2022);

Capital losses from property impairment refer to the impairment of 22 real estate units, as illustrated in Part B under 2.1 Land and Buildings (item C.I).

Losses on the realisation of investments, which amounted to € 10,480 thousand as of 31 December 2023, consisted of losses related to the trading of bonds and other securities in the amount of € 7,555 thousand, exchange rate losses from the trading of financial instruments in the amount of € 2,714, losses related to the trading of interest rate swaps in the amount of € 165 thousand, and surrenders of bonds in the amount of € 46 thousand.
Details of capital and financial charges (item II.9) are set out in Annex 23 attached to these 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 benefiting policyholders bearing the risk and investments arising from pension fund management (item II.10) are detailed in Annex 24 attached to these Notes, of which it forms an integral part. During 2023, expenses relating to Class D.I investments were recorded, decreasing from € 102,594 thousand (2022) to € 19,029 thousand as summarised in the following table:

CAPITAL AND FINANCIAL CHARGES AND UNREALISED CAPITAL LOSSES RELATED TO INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS

In € thousand	2023	2022	Variation	%
Charges arising from:				
mutual fund shares	11,669	11,733	-64	0.5
other financial investments	-	-		
other activities	911	1,310	-399	-30.5
Losses on realisation of investments				
on mutual funds	2,412	21,697	-19,285	-88.9
other financial investments	26	-	26	-
Unrealised capital losses				
on mutual funds	1,116	67,854	-66,738	-98.4
other financial investments	2,895	-	2,895	-
Total	**19,029**	**102,594**	**-83,565**	**-81.4**

19.10 Other Technical Charges net of Reinsurance ceded, (item II.11) amounting to € 29,449 thousand, is broken down as follows:

OTHER TECHNICAL CHARGES

In € thousand	2023	2022	Variation	%
Fees to intermediaries for portfolio maintenance	22,302	23,289	-987	-4.2
Technical charges	4,824	1,401	3,423	244.3
Portfolio management charges	947	915	32	3.5
Premium Reimbursement	1,004	1,780	-776	-43.6
Reversal of premiums from previous years	372	430	-58	-13.5
Total	**29,449**	**27,815**	**1,634**	**5.9**

Portfolio maintenance fees decreased due to lower assets under management. Sundry technical charges include the depreciation of reinsurance premiums (see Section 6 Item F Assets).

19.11 Item II.12 amounting to € 9,410 thousand (€ 0 thousand in 2022) 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, Article 23.

Section - 20 Development of Class technical items

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

OTHER INCOME

In € thousand	2023	2022	Variation	%
Utilisation of provisions for doubtful receivables and other provisions	332	511	-179	-35.0
Recoveries of won lawsuits	21	8	13	162.5
Interest on bank deposits	755	10	745	7.450.0
Interest income on margins	2,014	301	1,713	569.1
Others	74	25	49	196.0
Total	**3,196**	**855**	**2,341**	**273.8**

The use of funds refers to provisions for doubtful receivables already commented on in the corresponding balance sheet items.

21.4 Other expenses (item III.8) increased by a total of €2,558 thousand. This change is attributable to provisions for pending litigation and tax assessments, which recorded an increase of € 2,547 thousand compared to 2022. In detail:

OTHER CHARGES

In € thousand	2023	2022	Variation	%
Interest expenses subordinated loan	5,606	5,606	-	-
Interest expenses margins	1	70	-69	-98.6
Charges for bond issue	643	643	-	-
Provisions for pending litigation and other provisions	3,398	851	2,547	300.0
Third-party charges	8	7	1	-14.3
Others	205	126	79	62.7
Total	**9,861**	**7,303**	**2,558**	**35.0**

21.5 Extraordinary income (item III.10): the 2023 balance is substantially in line with the previous financial year and consists of contingent assets:

EXTRAORDINARY INCOME

In € thousand	2023	2022	Variation	%
Contingent assets	229	782	-553	-70.0
Total	**229**	**782**	**-553**	**-70.0**

21.6 Extraordinary expenses (item III.11): Details of the most significant items making up the balance are shown in the table below:

EXTRAORDINARY CHARGES				
In € thousand	**2023**	**2022**	**Variation**	**%**
Contingent liabilities	109	480	-371	-77.3
Capital loss on disposal of assets	2	440	-438	-99.6
Total	**111**	**920**	**-809**	**-87.9**

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

Item 14, Sec. III of the Profit and Loss account – "Income Taxes for the Year" (€ 6,604 thousand), calculated on the theoretical income as of 31 December 2023, represents an estimated taxation on gross profit of 22.48%.

The details of the provision for each tax are shown in the table below:

INCOME TAX FOR THE YEAR				
In € thousand	**2023**	**2022**	**Variation**	**%**
Current IRES	419	6,681	-6,262	-93.7
Current IRAP	2,094	1,958	136	6.9
Tax adjustments previous periods	120	-138	258	186.9
Deferred taxes	-43	15	-58	-386.7
Deferred tax assets	4,014	-1,203	5,217	433.7
Total	**6,604**	**7,313**	**-709**	**-9.7**

The accounting for taxes for the financial year generated a cost for current IRES of € 419 thousand, current IRAP of € 2,094 thousand, a cost of € 120 thousand for adjustments related to the previous tax period, income of € 43 thousand for net decreases in the deferred tax provision, and a cost of € 4,014 thousand for net decreases in deferred tax assets.

IRES taxable income was mainly influenced, on the increase, by non-deductible value adjustments of financial investments (€ 10,443 thousand), write-downs related to real estate (€ 3,240 thousand) and provisions to miscellaneous provisions (€ 5,637 thousand) while, on the decrease side, by the recovery of value adjustments of equity investments and other financial investments (€ 30,978 thousand), by the portion of negative change in mathematical reserves that is not taxable (€ 12,012 thousand), by the portion of depreciation of real estate for tax purposes only (€ 1,997 thousand), and by the utilisation of previously taxed provisions for risks and charges (€ 2,330 thousand).

In the determination of the IRAP tax base, the non-deductible portion of administration expenses (€ 1,655 thousand), the non-deductible municipal tax (€ 781 thousand) and the non-deductible portion of interest expenses (€ 631 thousand) are mainly affected.

Below are the reconciliations of theoretical tax burden and actual tax burden, IRES and IRAP:

IRES		
In € thousand	**2023**	**Theoretical**
Profit before tax	**29,380**	-
Theoretical tax burden (tax rate 24.00%)	-	**7,051**
Non-deductible provisions for risks and charges	1,800	
Change in non-taxable life insurance reserves	-12,012	-
Other permanent net differences	-873	-
Temporary differences deductible in subsequent years	17,291	-
Temporary differences taxable in subsequent years	-33	-
Reversal of temporary differences from previous years	-33,806	-
Taxable income	**1,747**	-
Current IRES for the year		**419**

IRAP		
In € thousand	**2023**	**Theoretical**
Profit before tax	**29,380**	-
Theoretical tax burden (tax rate 6.82%)	-	**2,004**
Delta between pre-tax result and technical result	-2,862	
Permanent net differences	4,188	-
Temporary differences deductible in subsequent years	-	-
Temporary differences taxable in subsequent years	-	-
Reversal of temporary differences from previous years	-	-
Taxable income	**30,706**	-
Current IRAP for the year		**2,094**

In total, deferred tax assets amounted to € 7,423 thousand as of 31 December 2023 and consisted of deferred tax assets allocated on value adjustments on financial investments in the amount of € 2,506 thousand, on real estate write-downs in the amount of € 3,457 thousand, and on allocations to miscellaneous provisions in the amount of € 1,459 thousand.

The provision for deferred taxes amounted to € 135 thousand and related to value adjustments on real estate.

No deferred taxation was recognised for IRAP purposes.

The temporary differences that led to the recognition of deferred tax assets and liabilities are described in the table prepared pursuant to Article 2427, No. 14, of the Italian Civil Code, attached to these Notes to the Financial Statements after the comment on the item “Other Receivables”; they were calculated by applying to these temporary differences the nominal rates in effect at the time they will be reversed.

Section 22 - Information on the Profit and Loss Account

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

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

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

The costs for personnel and self-employment, with the relevant allocation items, as well as the remuneration due to directors and auditors, are detailed in Annex 32.
During the financial year, the number of employees increased by eight and is broken down by category as follows:

NUMBER OF EMPLOYEES

In € thousand	2023	2022	Variation
Executives	11	10	1
Managers	28	23	5
Employees	66	64	2
Total	**105**	**97**	**8**

The cost for the year inherent in Directors amounts to € 516 thousand (€ 706 thousand in 2022), that of Auditors amounts to € 120 thousand (€ 104 thousand in 2022).

PART C - OTHER INFORMATION

1. Net equity

The following table shows the composition of net equity update on the basis of the proposed allocation of the result for the financial year:

NET EQUITY

In € thousand	2023	Proposed distribution assembly	Shareholders' Equity Catch-up
Subscribed share capital	50,432		50,432
Share premium reserve	628		628
Legal reserve	24,976		24,976
Other reserves	289,447		289,447
Retained earnings (losses)	32,766	22,776	55,541
Profit (loss) for the financial year	22,776	-22,776	0
Total	**421,024**	**-**	**421,024**

2. Exemption from preparing consolidated financial statement

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 entities required to prepare consolidated accounts for supervisory purposes only and those exempt from preparing consolidated accounts in the presence of subsidiaries, it is hereby notified that Athora Italia, in agreement with IVASS and having informed the audit firm EY S.p.A., is exempt from preparing consolidated accounts.

Management and Coordination

Name
Athora Holding Ltd

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

SUMMARY DATA OF THE LATEST FINANCIAL STATEMENTS OF ATHORA HOLDING LTD

Balance Sheet

In € million	**2022**
Intangible Assets	140
Buildings and equipment	72
Real estate investments	2,214
Financial assets	61,815
Investments pertaining to policyholders and third parties	18,581
Reinsurance assets	35
Deferred tax assets	987
Income Tax receivable	38
Loans and advances due from banks	5,321
Other receivables	525
Other assets	882
Cash and cash equivalents	1,315
Non-current assets or disposal groups classified as held for sale	0
Total assets	**91,926**
Net Equity	
Share capital and share premium	3,833
Retained earnings	951
Other reserves	-1,980
Common shareholders' equity	**2,804**
Preference shares	800
Total net equity	**3,604**
Net equity attributable to minority interests	267
Total net equity	**3,871**
Insurance provisions	44,839
Liabilities attributable to policyholders and third parties	19,176
Employee benefits and other provisions	582
Loans	1,892
Other financial liabilities	20,326
Deferred tax liabilities	19
Tax payables	10
Other payables	1,006
Other liabilities	205
Liabilities included in disposal groups classified as held for sale	0
Total liabilities	**88,055**
Total net equity and liabilities	**91,926**

Profit and Loss Account

In € million	**2022**
Total income	8,363
Total expenses	-8,851
Profit before tax	**-488**
Taxation charge	149
Profit from continuing operations	**339**
Discontinued activities	0
PROFIT/(LOSS) FOR THE YEAR	**339**

3. Information on public disbursements received

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 2023, did not benefit from grants, contributions, paid assignments and in any case economic benefits subject to the obligation of 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 the provisions of Article *149-duodecies* of the CONSOB Issuers' Regulations, are reported the fees without VAT pertaining to the financial year 2023 for audit and attestation services rendered by the audit firm EY S.p.A..

AUDIT FIRM FEES

In € thousand

Type of services	Service provider	Recipient	Fees
Audit	EY S.p.A.	Athora Italia S.p.A.	329
Attestation services	EY S.p.A.	Athora Italia S.p.A.	109
Other services:			
- Stamp of approval	EY S.p.A.	Athora Italia S.p.A.	13

The item "Auditing" includes activities related to the auditing of the Reporting required by the Group in view of the application of IFRS and, in particular, IFRS17 and IFRS9 standards.

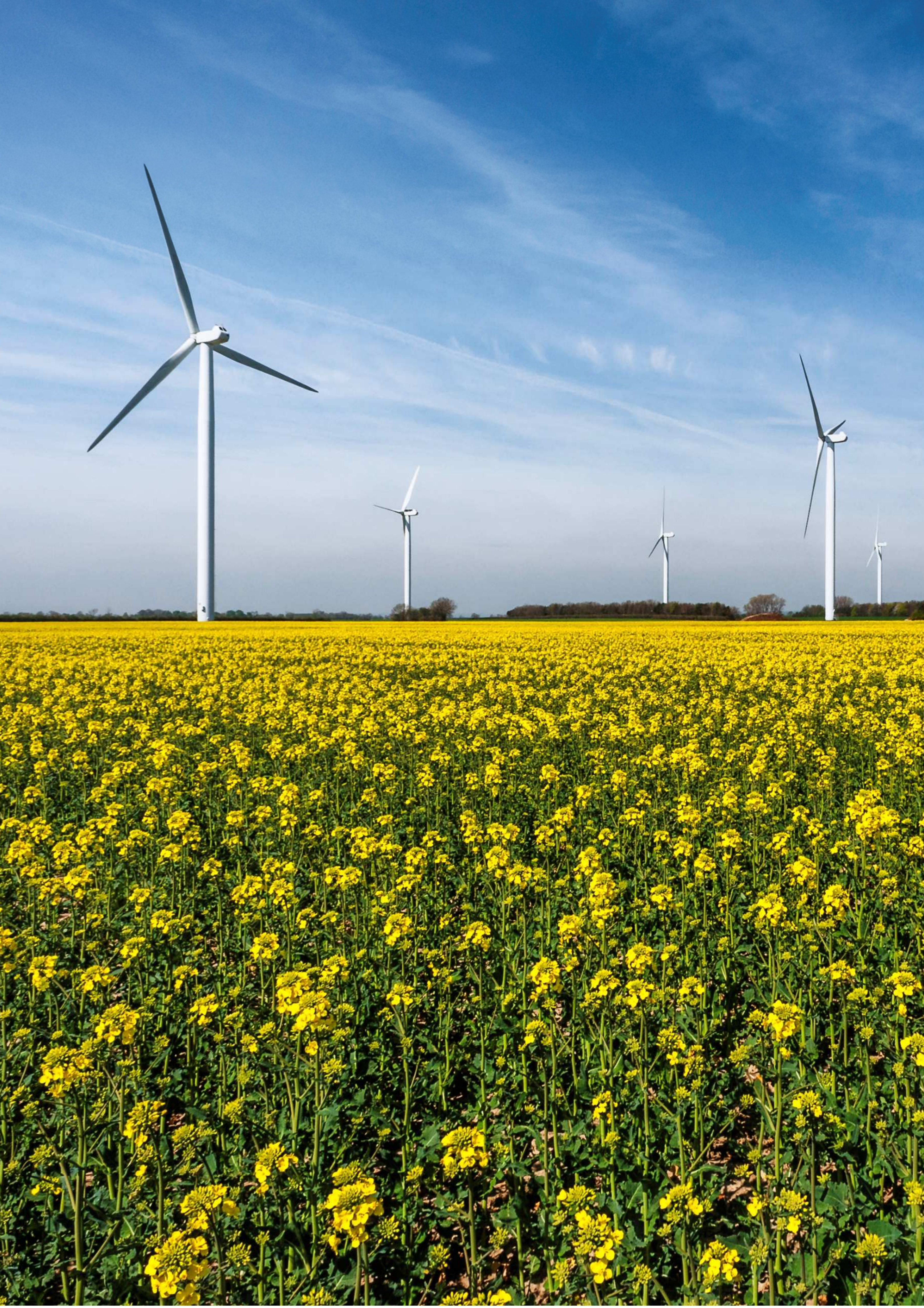
5. Transactions with related parties and intra-group counterparties

For transactions with related parties and intra-group counterparties, please refer to the relevant section of the Management Report. Subject to what has already been stated at the beginning of Section 22 of these 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
(Andrea Moneta)



ANNEXES TO THE NOTES

ANNEX 2

Balance Sheet Life Management

ASSETS	31.12.2023		31.12.2022	
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		699		929
(a) Life insurance	699		929	
5. Other deferred costs		3,359		3,030
Total		**4,058**		**3,959**
C. INVESTMENTS				
I - Land and buildings		91,095		92,802
2. Buildings for use by third parties	91,095		92,802	
II - Investments in group and other investee companies		1,121		1,033
1. Stocks and shares of companies:				
(b) subsidiaries	1,121		1,033	
III - Other financial investments				
1. Stocks and shares		1,198,261		1,022,697
c) Shares	1,198,261		1,022,697	
2. Units in mutual funds		2,000		1,952
3. Bonds and other fixed-income securities		5,043,463		5,593,805
(a) listed	4,821,395		5,371,451	
(b) unlisted	222,069		222,355	
4. Financing		456		577
(a) secured loans	199		209	
(b) loans on policies	44		62	
(c) other loans	213		306	
7. Miscellaneous financial investments		0		81,720
Total		**6,336,396**		**6,794,588**
D. INVESTMENTS BENEFITING LIFE POLICYHOLDERS BEARING THE RISK AND ARISING FROM PENSION FUND MANAGEMENT				
I - Investments related to investment funds and market indices	705,219		690,206	
Total		**705,219**		**690,206**
D bis. TECHNICAL PROVISIONS BORNE BY REINSURERS				
II - LIFE INSURANCE		2,248		3,121
1. Mathematical provisions	1,531		2,245	
3. Reserve for sums to be paid	717		877	
Total		**2,248**		**3,121**
E. CREDITS				
1. Policyholders		1,150		687
(a) for premiums for the financial year	1,150		687	
2. Insurance intermediaries		1,541		1,029
II - Receivables, arising from reinsurance operations, from:		125		254
1. Insurance and reinsurance companies	125		254	
III - Other receivables		113,603		235,219
Total		**116,419**		**237,189**
F. OTHER ASSETS				
I - Tangible assets and stocks:		725		909
1. Furniture, office machines and internal means of transport	644		801	
2. Movable property entered in public registers	47		63	
3. Plant and equipment	31		39	
4. Stocks and Miscellaneous Assets	3		5	
II - Cash and cash equivalents		10,737		11,084
1. Bank deposits and postal accounts	10,736		11,084	
2. Cheques and cash holdings	0		0	
IV - Other activities		41,149		67,960
2. Miscellaneous activities	41,149		67,960	
Total		**52,610**		**79,953**
G. ACCRUALS AND DEFERRALS				
1. For interests		32,911		33,085
3. Other accruals and deferrals		3,439		3,835
Total		**36,350**		**36,920**
TOTAL ASSETS		**7,253,302**		**7,845,936**

BALANCE SHEET

LIABILITY	31.12.2023		31.12.2022	
A. NET ASSETS				
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		289,447
VIII - Profits (losses) carried forward		32,766		18,147
IX - Profit (loss) for the financial year		22,776		14,619
Total		**421,024**		**398,248**
B. SUBORDINATED LIABILITIES				
Total		**80,000**		**80,000**
C. TECHNICAL PROVISIONS				
II - LIFE INSURANCE		5,779,217		6,543,987
1. Mathematical provisions	5,667,938		6,465,887	
2. Premium reserve for supplementary insurance	9		13	
3. Reserves for sums to be paid	87,428		50,763	
5. Other technical provisions	23,842		27,323	
Total		**5,779,217**		**6,543,987**
D. TECHNICAL PROVISIONS WHERE THE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND PROVISIONS ARISING FROM PENSION FUND MANAGEMENT				
I - Provisions relating to contracts whose performance is related to investment funds and market indices		705,219		690,206
Total		**705,219**		**690,206**
E. PROVISIONS FOR RISKS AND CHARGES				
2. Provisions for taxes		1,935		178
3. Other provisions		2,895		1,614
Total		**4,831**		**1,793**
F. DEPOSITS RECEIVED FROM REINSURERS				
Total		**2,248**		**3,121**
G. DEBTS AND OTHER LIABILITIES				
I - Payables, arising from direct insurance business, to:		8,111		12,545
1. Insurance intermediaries	6,611		12,545	
3. Insured for security deposits and premiums	1,500		0	
II - Payables, arising out of reinsurance operations, to:		267		416
1. Insurance and reinsurance companies	267		416	
VII - Severance pay		669		672
VIII - Other payable		15,831		32,267
1. For taxes payable by policyholders	30		33	
2. For miscellaneous tax charges	8,974		25,776	
3. To welfare and social security institutions	280		305	
4. Sundry debts	6,547		6,153	
IX - Other liabilities		229,752		79,553
2. Commissions for outstanding premiums	23		20	
3. Miscellaneous liabilities	229,729		79,533	
Total		**254,629**		**125,454**
H. ACCRUALS AND DEFERRALS				
1. For interests		5,733		2,789
2. For rents		308		287
3. Other accruals and deferrals		93		51
Total		**6,134**		**3,127**
TOTAL LIABILITIES AND NET EQUITY		**7,253,302**		**7,845,936**

ANNEX 3

Breakdown of the operating result between non-life and life business

In € thousand			Life management		Total
Technical Account Result		**21**	**26,518**	**41**	**26,518**
Income from investments	+			42	
Capital and financial charges	-			43	
Allocated investment return transferred from the life business technical account	+	24	9,410	44	9,410
Interim operating result		**26**	**35,928**	**46**	**35,928**
Other income	+	27	3,196	47	3,196
Other charges	-	28	9,861	48	9,861
Extraordinary income	+	29	229	49	229
Extraordinary expenses	-	30	112	50	112
Profit before tax		**31**	**29,380**	**51**	**29,380**
Income taxes for the financial year	-	32	6,604	52	6,604
Operating result		**33**	**22,776**	**53**	**22,776**

ANNEX 4

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

In € thousand			Intangible Assets B		Land and buildings C.I
Gross opening balances	+	1	**27,783**	31	**92,802**
Increases during the year	+	2	1,864	32	1,533
for: purchases or increases		3	1,864	33	1,500
write-backs		4	-	34	33
Decreases during the year	-	7	-	37	3,240
for: sales or decreases		8	-	38	-
Permanent write-downs		9	-	39	3,240
Gross closing balance (a)		11	**29,647**	41	**91,095**
Depreciation:					
Opening balance	+	12	23,824	42	-
Increases during the year	+	13	1,765	43	-
for: depreciation charge for the year		14	1.765	44	-
Closing balance depreciation (b) (*)		19	**25.590**	49	**-**
Balance sheet value (a - b)		20	**4,058**	50	**91,095**
Current value			-	51	91,535
Total revaluations		22	-	52	33
Total write-downs		23	-	53	3,240

ANNEX 5

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

			Stocks and shares C.II.1		Bonds C.II.2		Financing C.II.3
Opening balance	+	1	**1,033**	21	**-**	41	**-**
Increases during the year:	+	2	88	22	-	42	-
write-backs		4	88	24	-	44	-
Decreases during the year:	-	7	-	27	-	47	-
Balance sheet value		11	**1,121**	31	**-**	51	**-**
Current value		12	1,121	32	-	52	-
Total revaluations		13	88				

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

ANNEX 6

Assets - Schedule containing information on investee companies (*)

Order No. (**)	Type (1)	listed or unlisted (2)	Activity carried out (3)	Name and registered office	Currency
1	B	NQ	9	ASSINOVANTA S.R.L. - GENOA	242

Name and registered office	Share Capital Amount (4)	Number of shares	Net assets (***) (4)	Profit or loss for the last financial year (***) (4)	Share held (5) Direct %	Indirect %	Total %
ASSINOVANTA S.R.L. - GENOA	350	350,000	1,860	-146	60.25	0,00	60.25

(*) Group companies and other companies in which a participation 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 = Subsidiary company
- c = Affiliated companies
- d = Associated companies
- e = Other

(2) Indicate Q for securities traded on markets regulated and NQ for others

(3) Activity carried out
- 1 = Insurance Company
- 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 institution

(4) Amounts in original currency

(5) Indicate the total share held

ANNEX 7

Assets - Statement of changes in investments in group and other companies: stocks and shares

Order No. (1)	Type (2)	(3)	Name	Increases during the year – For purchases – Quantity	Increases during the year – For purchases – Value	Increases during the year – Other Increases	Decreases during the year – For sales – Quantity	Decreases during the year – For sales – Value	Decreases during the year – Other decreases	Balance sheet value (4) – Quantity	Balance sheet value (4) – Value	Purchase cost	Current value
1	b	V	ASSINOVANTA S.R.L.	-	-	-	-	-	-	210,875	1,121	7,042	1,121
			Total C.II.1										
	a		Parent companies										
	b		Subsidiary companies										
	c		Affiliated companies										
	d		Associated companies										
	e		Other										
			Total D.I										
			Total D.II										

(1) Must correspond to that shown in Annex 6

(2) Type
- a = Parent companies
- b = Subsidiary companies
- c = Affiliated companies
- d = Associated companies
- e = Other

(3) Indicate:
- D for investments allocated to non-life business (item C.II.1)
- V for investments allocated to life insurance business (item C.II.1)
- V1 for investments allocated to life insurance business (item D.I)
- V2 for investments allocated to life insurance business (itemD.2)

The participation, 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: stocks and shares of 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 management

		Fixed asset portfolio – Balance sheet value		Fixed asset portfolio – Current value		Current asset portfolio – Balance sheet value		Current asset portfolio – Current value		Total – Balance sheet value		Total – Current value
1 Stocks and shares in companies	**121**	**-**	**141**	**-**	**161**	**1,198,261**	**181**	**1,198,698**	**201**	**1,198,261**	**221**	**1,198,698**
a) listed shares	122	-	142	-	162	-	182	-	202	-	222	-
b) unlisted shares	123	-	143	-	163	-	183	-	203	-	223	-
c) stocks	124	-	144	-	164	1,198,261	184	1,198,698	204	1,198,261	224	1,198,698
2 Units in mutual funds	**125**	**-**	**145**	**-**	**165**	**2,000**	**185**	**2,062**	**205**	**2,000**	**225**	**2,062**
3 Bonds and other fixed-income securities	**126**	**3,730,807**	**146**	**3,016,936**	**166**	**1,312,656**	**186**	**1,317,320**	**206**	**5,043,463**	**226**	**4,334,256**
a1) listed government securities	127	3,401,272	147	2,719,336	167	720,643	187	722,965	207	4,121,915	227	3,442,300
a2) other listed securities	128	107,467	148	109,883	168	592,013	188	594,355	208	699,480	228	704,238
b1) unlisted government securities	129	55,021	149	43,318	169	-	189	-	209	55,021	229	43,318
b2) other unlisted securities	130	167,047	150	144,400	170	-	190	-	210	167,047	230	144,400
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**	**-**	**193**	**-**	**213**	**-**	**233**	**-**

ANNEX 9

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

In € thousand

			Stocks and shares C.III.1		Mutual fund shares C.III.2		Bonds and other fixed-income securities C.III.3		Shares in common investments C.III.5		Miscellaneous financial investments C.III.7
Opening balance	+	1	-	21	-	41	4,212,150	81	-	101	-
Increases during the year:	+	2	-	22	-	42	341	82	-	102	-
for: purchases		3	-	23	-	43	341	83	-	103	-
write-backs		4	-	24	-	44	-	84	-	104	-
transfers from the short-term portfolio		5	-	25	-	45	-	85	-	105	-
other changes		6	-	26	-	46	-	86	-	106	-
Decreases during the year:	-	7	-	27	-	47	481,683	87	-	107	-
for: sales		8	-	28	-	48	65,888	88	-	108	-
write-downs		9	-	29	-	49	-	89	-	109	-
transfers to the short-term portfolio		10	-	30	-	50	414.885	90	-	110	-
other changes		11	-	31	-	51	910	91	-	111	-
Balance sheet value		12	-	32	-	52	3,730,807	92	-	112	-
Current value		13	-	33	-	53	3,016,936	93	-	113	-

ANNEX 10

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

In € thousand			Financing C.III.4		Deposits with credit institutions C.III.6
Opening balance	+	1	577	21	0
Increases during the year:	+	2	38	22	0
for: disbursements		3	37		
write-backs		4	0		
other changes		5	1		
Decreases during the year:	-	6	160	26	0
for: repayments		7	160		
write-downs		8	0		
other changes		9	0		
Balance sheet value		10	456	30	0

ANNEX 11

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

Fund code: 001 Fund description **ATHORA OBBLIGAZIONARIO GLOBALE**

			Current value				Acquisition cost		
			Current financial year		Previous financial year		Current financial year		Previous financial year
I.	Land and buildings	1	-	21	-	41	-	61	-
II.	Investments in group and other investee companies:								
III.	Mutual fund shares	5	16,751	25	19,957	45	15,944	65	22,952
IV.	Other financial investments:								
V.	Other assets	10	2,548	30	661	50	2,548	70	661
VI.	Cash and cash equivalents	11	203	31	95	51	203	71	95
Total		14	19,502	34	20,714	54	18,695	74	23,709

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

Fund code: 002 Fund description **ATHORA BALANCIATO GLOBALE**

			Current value				Acquisition cost		
			Exercise		Previous financial year		Exercise		Previous financial year
I.	Land and buildings	1	-	21	-	41	-	61	-
II.	Investments in group and other investee companies:								
III.	Mutual fund shares	5	60,593	25	59,436	45	55,894	65	67,677
IV.	Other financial investments:								
V.	Other assets	10	2,989	30	4,064	50	2,989	70	4,064
VI.	Cash and cash equivalents	11	293	31	189	51	293	71	189
Total		14	63,874	34	63,688	54	59,175	74	71,930

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

Fund code: 003 Fund description: **ATHORA AZIONARIO GLOBALE**

			Current value				Acquisition cost		
			Exercise		Previous financial year		Exercise		Previous financial year
I.	Land and buildings	1	-	21	-	41	-	61	-
II.	Investments in group and other investee companies:								
III.	Mutual fund shares	5	48,591	25	46,559	45	43,133	65	54,348
IV.	Other financial investments:								
V.	Other assets	10	3,381	30	3,251	50	3,381	70	3,251
VI.	Cash and cash equivalents	11	275	31	203	51	275	71	203
Total		14	52,247	34	50,013	54	46,789	74	57,803

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

Fund code: 011 Fund description: **ATHORA AZIONARIO PAESI EMERGENTI**

			Current value				Acquisition cost		
			Exercise		Previous financial year		Exercise		Previous financial year
I.	Land and buildings	1	-	21	-	41	-	61	-
II.	Investments in group and other investee companies:								
III.	Mutual fund shares	5	159	25	143	45	145	65	193
IV.	Other financial investments:								
V.	Other assets	10	-	30	-	50	-	70	-
VI.	Cash and cash equivalents	11	11	31	13	51	11	71	13
Total		14	170	34	156	54	156	74	206

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

Fund code: 016 Fund description: **ATHORA FLESSIBILE CONVERVATIVO**

			Current value				Acquisition cost		
			Exercise		Previous financial year		Exercise		Previous Financial year
I.	Land and buildings	1	-	21	-	41	-	61	-
II.	Investments in group and other investee companies:								
III.	Mutual fund shares	5	22,699	25	24,903	45	21,500	65	28,072
IV.	Other financial investments:								
V.	Other assets	10	8,584	30	8,246	50	8,584	70	8,246
VI.	Cash and cash equivalents	11	74	31	927	51	74	71	927
Total		14	31,358	34	34,076	54	30,159	74	37,245

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

Fund code: 017 Fund description: **ATHORA FLESSIBILE BILANCIATO**

			Current value				Acquisition cost		
			Exercise		Previous financial year		Exercise		Previous financial year
I.	Land and buildings	1	-	21	-	41	-	61	-
II.	Investments in group and other investee companies:								
III.	Mutual fund shares	5	53,433	25	65,176	45	49,414	65	74,993
IV.	Other financial investments:								
V.	Other assets	10	15,068	30	8,619	50	15,068	70	8,619
VI.	Cash and cash equivalents	11	190	31	-449	51	190	71	-449
Total		14	68,691	34	73,347	54	64,672	74	83,164

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

Fund code: 018 Fund description ATHORA FLESSIBILE DINAMICO

			Current value				Acquisition cost		
			Exercise		Previous financial year		Exercise		Previous financial year
I.	Land and buildings	1	-	21	-	41	-	61	-
II.	Investments in group and other investee companies:								
III.	Mutual fund shares	5	124,271	25	133,074	45	114,214	65	155,312
IV.	Other financial investments:								
V.	Other assets	10	25,300	30	20,315	50	25,300	70	20,315
VI.	Cash and cash equivalents	11	408	31	208	51	408	71	208
Total		14	149,979	34	153,597	54	139,922	74	175,835

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

Fund code: 019 Fund description ATHORA GLOBAL BOND

			Current value				Acquisition cost		
			Exercise		Previous financial year		Exercise		Previous financial year
I.	Land and buildings	1	-	21	-	41	-	61	-
II.	Investments in group and other investee companies:								
III.	Mutual fund shares	5	36,532	25	41,493	45	36,889	65	47,245
IV.	Other financial investments:								
V.	Other assets	10	3,683	30	890	50	3,683	70	890
VI.	Cash and cash equivalents	11	109	31	123	51	109	71	123
Total		14	40,324	34	42,506	54	40,681	74	48,258

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

Fund code: 020 Fund description ATHORA GLOBAL BALANCED

			Current value				Acquisition cost		
			Exercise		Previous financial year		Exercise		Previous financial year
I.	Land and buildings	1	-	21	-	41	-	61	-
II.	Investments in group and other investee companies:								
III.	Mutual fund shares	5	201,338	25	187,041	45	181,330	65	214,260
IV.	Other financial investments:								
V.	Other assets	10	21,810	30	21,960	50	21,810	70	21,960
VI.	Cash and cash equivalents	11	288	31	-26	51	288	71	-26
Total		14	223,437	34	208,975	54	203,429	74	236,194

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

Fund code: 021 Fund description ATHORA GLOBAL EQUITY

			Current value				Acquisition cost		
			Exercise		Previous financial year		Exercise		Previous financial year
I.	Land and buildings	1	-	21	-	41	-	61	-
II.	Investments in group and other investee companies:								
III.	Mutual fund shares	5	47,128	25	42,803	45	40,226	65	48,453
IV.	Other financial investments:								
V.	Other assets	10	-54	30	73	50	-54	70	73
VI.	Cash and cash equivalents	11	180	31	259	51	180	71	259
Total		14	47,254	34	43,135	54	40,352	74	48,785

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

Fund code: 022 Fund description ATHORA FLESSIBILE AZIONARIO

			Current value				Acquisition cost		
			Exercise		Previous financial year		Exercise		Previous financial year
I.	Land and buildings	1	-	21	-	41	-	61	-
II.	Investments in group and other investee companies:								
III.	Mutual fund shares	5	329	25	-	45	320	65	-
IV.	Other financial investments:								
V.	Other assets	10	-	30	-	50	-	70	-
VI.	Cash and cash equivalents	11	36	31	-	51	36	71	-
Total		14	364	34	-	54	356	74	-

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

Fund code: 023 Fund description: ATHORA BILANCIATO INTERNAZIONALE

			Current value				Acquisition cost		
			Exercise		Previous financial year		Exercise		Previous financial year
I.	Land and buildings	1	-	21	-	41	-	61	-
II.	Investments in group and other investee companies:								
III.	Mutual fund shares	5	3,082	25	-	45	2,991	65	-
IV.	Other financial investments:								
V.	Other assets	10	-3	30	-	50	-3	70	-
VI.	Cash and cash equivalents	11	68	31	-	51	68	71	-
Total		14	3,146	34	-	54	3,056	74	-

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

Fund code: 024 Fund description: ATHORA BILANCIATO PRUDENTE

		Current value				Acquisition cost			
			Exercise		Previous financial year		Exercise		Previous financial year
I.	Land and buildings	1	-	21	-	41	-	61	-
II.	Investments in group and other investee companies:								
III.	Mutual fund shares	5	3,200	25	-	45	3,122	65	-
IV.	Other financial investments:								
V.	Other assets	10	-3	30	-	50	-3	70	-
VI.	Cash and cash equivalents	11	96	31	-	51	96	71	-
Total		14	3,293	34	-	54	3,214	74	-

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

Fund code: 025 Fund description: ATHORA STRATEGY ESG

		Current value				Acquisition cost			
			Exercise		Previous financial year		Exercise		Previous financial year
I.	Land and buildings	1	-	21	-	41	-	61	-
II.	Investments in group and other investee companies:								
III.	Mutual fund shares	5	1,483	25	-	45	1,440	65	-
IV.	Other financial investments:								
V.	Other assets	10	-1	30	-	50	-1	70	-
VI.	Cash and cash equivalents	11	43	31	-	51	43	71	-
Total		14	1,525	34	-	54	1,481	74	-

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

Fund code: 026 Fund description: ATHORA FUTURO AZIONARIO

		Current value				Acquisition cost			
			Exercise		Previous financial year		Exercise		Previous financial year
I.	Land and buildings	1	-	21	-	41	-	61	-
II.	Investments in group and other investee companies:								
III.	Mutual fund shares	5	-	25	-	45	0	65	-
IV.	Other financial investments:								
V.	Other assets	10	-0	30	-	50	-0	70	-
VI.	Cash and cash equivalents	11	24	31	-	51	24	71	-
Total		14	24	34	-	54	25	74	-

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

Fund code: 027 Fund description: ATHORA FUTURO FLESSIBILE

			Current value				Acquisition cost		
			Exercise		Previous financial year		Exercise		Previous financial year
I.	Land and buildings	1	-	21	-	41	-	61	-
II.	Investments in group and other investee companies:								
III.	Mutual fund shares	5	-	25	-	45	0	65	-
IV.	Other financial investments:								
V.	Other assets	10	-0	30	-	50	-0	70	-
VI.	Cash and cash equivalents	11	30	31	-	51	30	71	-
Total		14	30	34	-	54	30	74	-

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

TOTAL TOTAL

			Current value				Acquisition cost		
			Exercise		Previous financial year		Exercise		Previous financial year
I.	Land and buildings	1	-	21	-	41	-	61	-
II.	Investments in group and other investee companies:								
III.	Mutual fund shares	5	619,590	25	620,584	45	566,563	65	713,505
IV.	Other financial investments:								
V.	Other assets	10	83,301	30	68,079	50	83,301	70	68,079
VI.	Cash and cash equivalents	11	2,329	31	1,543	51	2,329	71	1,543
Total		14	705,219	34	690,206	54	652,193	74	783,127

ANNEX 14

Changes during the financial year in the components of the mathematical provisions (item C.II.1) and the reserve for profit participation and reversal (item C.II.4)

In € thousand

Type		Exercise		Previous financial year		Variation
Mathematical reserve for pure prizes	1	5,664,769	11	6,462,116	21	-797,347
Carry-over premiums	2	1,164	12	1,593	22	-429
Mortality risk reserve	3	-	13	-	23	-
Integration Reserves	4	2,005	14	2,178	24	-173
Balance sheet value	5	**5,667,938**	15	**6,465,887**	25	**-797,949**
Profit-sharing and reversal reserve	6	-	16	-	26	-

ANNEX 15

Changes during the financial year in provisions for risks and charges (item E) and severance pay (item G.VII)

In € thousand		Provisions for pensions and similar obligations		Provisions for taxes		Other Provisions		Provision for severance indemnities
Opening balance	1	**-**	11	**178**	21	**1,614**	31	**672**
Provisions for the year	2	-	12	1,808	22	1,557	32	-
Other Increases	3	-	13	-	23	-	33	2
Utilisations during the year	4	-	14	51	24	276	34	-
Other decreases	5	-	15	-	25	-	35	5
Balance sheet value	6	**-**	16	**1,935**	26	**2,895**	36	**669**

ANNEX 16

Schedule detailing assets and liabilities relating to group and other investee companies

I: Assets *In € thousand*

		Parent		Subsidiary		Affiliated		Associated		Other		Total
Stocks and shares	1	-	2	1,121	3	-	4	-	5	-	6	1,121
Total	85	**-**	86	**1,121**	87	**-**	88	**-**	89	**-**	90	**1,121**

II: Liabilities

		Parent		Subsidiary		Affiliated		Associated		Other		Total
Sundry payables	139	-	140	-231	141	-	142	-	143	-	144	-231
Total	151	**-**	152	**-231**	153	**-**	154	**-**	155	**-**	156	**-231**

ANNEX 17

Information on "guarantees, commitments and off-balance sheet accounts"

		2023		2022
I. Guarantees given:				
Total	12	-	42	-
II. Guarantees received:				
b) by third parties	14	3,678	44	5.599
Total	15	**3,678**	45	**5,599**
III. Guarantees given by third parties in the interest of the company:				
Total	18	-	48	-
IV. Commitments:				
c) Other commitments	21	- 182,037	51	-
Total	22	**- 182,037**	52	**-**
V. Assets pertaining to pension funds managed on behalf of and for third parties	23	-	53	-
VI. Securities deposited with third parties	24	**6,707,480**	54	**7.322.144**
Total	25	**6,707,480**	55	**7,322,144**

ANNEX 18

Schedule of commitments for derivative transactions

In € thousand

Derivative Contracts		2023								2022							
		Purchase				For sale				Purchase				For sale			
			(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		103		23		123		43	81,328	143	2,004	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		150		70		170	
Swaps:	on currencies	11		111		31		131		51		151		71		171	
	on rates	12	377,000	112	- 43,166	32		132		52	432,000	152	- 63,847	72		172	
	others	13		113		33		133		53		153		73		173	
Other Operations		14	0	114	0	34		134		54	380,160	154	- 3,595	74		174	
Total		15	377,000	115	- 43,166	35		135		55	**852,328**	155	**- 65,439**	75		175	

Only derivative contract transactions outstanding at the balance sheet date that involve commitments for the company must be included. If the contract does not correspond exactly to the figures described or in which elements from several contracts are included, the contract must be included in the most similar 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 forward exchange of principal, the settlement price of the same shall be stated; in all other cases, the nominal value of the principal shall be stated.

(2) Indicate the fair value of derivative contracts.

ANNEX 20

Life insurance business summary information on premiums and reinsurance balance

In € thousand

		Direct business		Indirect business		Total
Gross premiums:	1	163,027	11	-	21	163,027
a) 1 for individual policies	2	161,304	12	-	22	161,304
2 for group policies	3	1,723	13	-	23	1,723
b) 1 periodic premiums	4	45,587	14	-	24	45,587
2 single premiums	5	117,440	15	-	25	117,440
c) 1 for contracts without profit-sharing	6	1,503	16	-	26	1,503
2 for profit-sharing contracts	7	142,621	17	-	27	142,621
3 for contracts when the investment risk is borne by policyholders and for pension funds	8	18,904	18	-	28	18,904
Reinsurance Balance	9	-108	19	-	29	-108

ANNEX 21

Income from investments (items II.2 and III.3) *In € thousand*

		Life management		Total
Income from stocks and shares:				
Dividends and other income from stocks and shares of group and investee companies	41	-	81	-
Dividends and other income from stocks and shares in other companies	42	79,130	82	79,130
Total	**43**	**79,130**	**83**	**79,130**
Income from investments in land and buildings	**44**	**6,415**	**84**	**6,415**
Income from other investments:				
Income on bonds and other fixed-income securities	48	90,066	88	90,066
Interest on loans	49	5	89	5
Total	**54**	**90,071**	**94**	**90,071**
Reversals of value adjustments on investments related to:				
Land and buildings	55	33	95	33
Other stocks and shares	58	1,439	98	1,439
Other bonds	59	14,211	99	14,211
Other financial investments	60	21,150	100	21,150
Total	**61**	**36,833**	**101**	**36,833**
Profits on the realisation of investments:				
Profits on other stocks and shares	65	38	105	38
Profits on other bonds	66	11,702	106	11,702
Profits on other financial investments	67	11,702	107	11,702
Total	**68**	**14,729**	**108**	**14,729**
GRAND TOTAL	**69**	**227,177**	**109**	**227,177**

ANNEX 22

Income and unrealised capital gains relating to investments for the benefit of policyholders bearing the risk and investments arising from pension fund management (item II.3)

In € thousand

I. Investments related to investment funds and market indices		**Amounts**
Income from:		
Other financial investments	4	4,040
Total	**7**	**4,040**
Profits on the realisation of investments		**-**
Profits on mutual funds	10	13,153
Total	**14**	**13,153**
Unrealised capital gains	**15**	**54,863**
GRAND TOTAL	**16**	**72,056**

II Investments arising from pension fund management		**Amounts**
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

Investment management and other charges		Life Management		Total Life Management
Charges for investments in land and buildings	32	1,061	62	1,061
Charges relating to bonds	33	17,771	63	17,771
Charges relating to other financial investments	36	15,695	66	15,695
Interest on deposits received from reinsurers	37	72	67	72
Total	**38**	**34,698**	**68**	**34.698**
Value adjustments on investments related to:		-		-
Land and buildings	39	3,240	69	3,240
Other stocks and shares	42	23,719	72	23,719
Other bonds	43	27,262	73	27,262
Other financial investments	44	-	74	-
Total	**45**	**54,221**	**75**	**54.221**
Losses on realisation of investments		-		-
Losses on stocks and shares	47	23	77	23
Losses on bonds	48	5,592	78	5,592
Losses on other financial investments	49	4,864	79	4,864
Total	**50**	**10,480**	**80**	**10.480**
GRAND TOTAL	**51**	**99,399**	**81**	**99,399**

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 management (item II.10)

In € thousand

I. Investments related to investment funds and market indices

		Amounts
Operating expenses arising from:		
Mutual fund shares	3	11,669
Other assets	5	911
Total	6	**12,579**
Realised investment losses		
Losses on mutual funds	9	2,439
Losses on other financial investments	10	
Total	**12**	**2,439**
Unrealised capital losses	**13**	**4,011**
GRAND TOTAL	**14**	**19,029**

II Investments arising from pension fund management

		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

In € thousand			Class Code 01 Life insurance (denomination)		Class Code 02 Nunciature and Birth Insurance (denomination)		Class Code 03 Fund or index-related transactions (denomination)
Direct business before reinsurance cessions							
Premiums accounted for	+	1	142,748	1	-	1	18,904
Claims charges	-	2	924,017	2	-	2	56,011
Change in mathematical and other technical provisions (+ or -)	-	3	-735,172	3	-	3	15,259
Balance of other technical items (+ or -)	+	4	-22,221	4	-	4	4,948
Operating expenses	-	5	26,107	5	-	5	3,168
Investment income net of the portion transferred to the non-technical account (*)	+	6	117,439	6	-	6	53,027
Direct business result before reinsurance cessions (+ or -) A		7	**23,012**	7	**-**	7	**2,440**
Out-turn on outward reinsurance (+ or -) B		8	**108**	8	**-**	8	**-**
Net indirect business income (+ or -) C		9	**-**	9	**-**	9	**-**
Technical account result (+ or -) (A + B + C)		10	**23,120**	10	**-**	10	**2,440**

			Class Code 04 Health insurance referred to in Art. 1 (denomination)		Class Code 05 Capitalisation operations (denomination)		Class Code 06 Pension fund management operations (denomination)
Direct business before reinsurance cessions							
Premiums accounted for	+	1	-	1	1,376	1	-
Claims charges	-	2	-	2	67,513	2	-
Change in mathematical and other technical provisions (+ or -)	-	3	-	3	-66,597	3	-
Balance of other technical items (+ or -)	+	4	-	4	-154	4	-
Operating expenses	-	5	-	5	276	5	-
Investment income net of the portion transferred to the non-technical account (*)	+	6	-	6	929	6	-
Direct business result before reinsurance cessions (+ or -) A		7	-	7	**958**	7	-
Out-turn on outward reinsurance (+ or -) B		8	-	8	**-**	8	-
Net indirect business income (+ or -) C		9	-	9	**-**	9	-
Technical account result (+ or -) (A + B + C)		10	-	10	**958**	10	-

(*) Algebraic sum of items related to the Class and Italian 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 Businesses - Italian portfolio

In € thousand

			Direct Insurance Risks				Indirect Insurance Risks				Retained risks
			Direct risks 1		Transferred risks 2		Assumed risks 3		Backward risks 4		Total 5 = 1 - 2 + 3 - 4
Premiums accounted for	+	1	163,027	11	428	21	-	31	-	41	162,599
Claims charges	-	2	1,047,541	12	1,129	22	-	32	-	42	1,046,412
Change in mathematical and other technical provisions (+ or -)	-	3	-786,510	13	-714	23	-	33	-	43	-785,796
Balance of other technical items (+ or -)	+	4	-17.427	14	-	24	-	34	-	44	-17,427
Operating expenses	-	5	29,552	15	120	25	-	35	-	45	29,432
Investment income net of the portion transferred to the non-technical account (*)	+	6	171,394		-	26	-		-	46	171,394
Technical account result (+ or -)		**7**	**26,411**	**17**	**-108**	**27**	**-**	**37**	**-**	**47**	**26,518**

(*) 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 31

Summary of premiums written for direct business

		Life management				Total		
		Establishment		L.P.S.		Establishment		L.P.S.
Premiums accounted for:								
in Italy	11	163,027	15	-	21	163,027	25	-
Total	**14**	**163,027**	**18**	**-**	**24**	**163,027**	**28**	**-**

ANNEX 32

In € thousand

Schedule of charges relating to personnel, directors and auditors

I: Personnel Expenditure

		Life management		Total
Expenses for employment services:				
Italian portfolio:				
- Remuneration	31	8,500	61	8,500
- Social contributions	32	2,029	62	2,029
- Provision for severance pay and similar obligations	33	558	63	558
- Miscellaneous personnel expenses	34	1,716	64	1,716
Total	35	**12,803**	65	**12,803**
Foreign portfolio:				
Total	39	-	69	-
Grand total	40	**12,803**	70	**12,803**
Self-employment expenses:				
Italian portfolio	41	194	71	194
Total	43	**194**	73	**194**
Total expenses for services	44	**12,997**	74	**12,997**

II: Description of allocation items

		Life management		Total
Investment management charges	45	1,536	75	1,536
Other acquisition costs	47	3,485	77	3,485
Other administrative expenses	48	7,976	78	7,976
Total	51	**12,997**	81	**12,997**

III: Average number of staff during the year

		Number
Managers	91	11
Employees	92	94
Total	95	**105**

IV: Directors and Statutory Auditors

		Number		Fees due
Directors	96	7	98	516
Auditors	97	3	99	120

CASH FLOW STATEMENT

CASH FLOW STATEMENT

In € thousand

			2023	2022
SOURCES OF FINANCING				
Result for the period: Profit/(Loss)			**22,776**	**14,619**
Adjustments to profit plus/(minus) related to items that do not affect liquidity:				
- changes in Technical provisions: incr./(decr.)			- 748,884	53,730
- depreciation for the financial year			2,045	2,339
- net increase in earmarked funds			3,038	- 481
- changes in severance pay fund: incr./(decr.)			- 3	-14
- changes in loans receivable: (incr.)/decr.			121	7
- changes in receivables, other assets and accrued income: (incr.)/decr.			- 148,153	- 48,858
- changes in payables, other liabilities and accrued liabilities: incr./(decr.)			131,312	- 351,076
- adjustment of securities to market: (plus)/minus			14,181	48,652
- adjustment of securities to market category D: (plus)/minus			-53,027	92,921
- write-downs of real estate: (plus)/minus			3,207	2.236
- write-down of investments: (plus)/minus			-88	5,352
Liquidity generated/(absorbed) from operations		(A1)	**- 477,168**	**- 279,611**
Net value of assets sold:	real estate		-	-
	participations		-	2.164
	movables and equipment		-	-
	total	(A2)	-	2.164
Subordinated liabilities			-	-
Increase in net equity (capital increase)		(A3)	-	200,000
		(A1)+(A2)+(A3) = (A)	**- 477,168**	**- 77.447**
LIQUIDITY INVESTMENTS				
Purchase of real estate and incremental works			1,500	-
Net investments in shares, fixed-income securities and mutual funds			- 480,284	- 81,842
Net investments in participations			-	-
Increase in assets and capitalised charges			1,962	196
Distribution of profits			-	-
		(B)	**- 476,821**	**- 81.646**
Net cash flow for the period		(A) - (B) = (C)	-347	4,199
Cash and cash equivalents at beginning of the financial year		(D)	11,084	6,885
Cash and cash equivalents at end of the period		(C) + (D)	**10,737**	**11,084**

AUDITORS' REPORT

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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, 2023, 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, 2023, 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
Evaluation of illiquid or complex financial investments The financial statements as of December 31, 2023 include unlisted bonds for an amount equal to Eur 222,069 thousand and investments in units for an amount equal to Eur 1,198,261 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. 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).	The audit response included several procedures, the most relevant of which are outlined below: • understanding of the process related to the estimation of the recoverable value of the unlisted bonds and investments in the ICAV, and of the related key controls, as well as the testing of these controls; • 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; • 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 recoverable value at year end. 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.

Life technical provisions estimation

The technical provisions of the life segment are recorded at December 31, 2023 for an amount equal to Eur 5,779,217 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:

- 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;
- 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;
- 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, 2023, 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, 2023 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, 2023 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, 2023. 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, 2023, 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, 2024

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.

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