

Rating Report

UnipolSai Assicurazioni S.p.A.

DBRS Morningstar

26 October 2022

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Ratings

Issuer	Obligation	Rating	Rating Action	Trend
UnipolSai Assicurazioni S.p.A.	Financial Strength Rating	A (high)	Confirmed Oct. '22	Stable
UnipolSai Assicurazioni S.p.A.	Issuer Rating	A (high)	Confirmed Oct. '22	Stable
Unipol Gruppo S.p.A.	Issuer Rating	BBB	Confirmed Oct. '22	Stable

Rating Drivers

Factors with Positive Rating Implications

DBRS Ratings GmbH (DBRS Morningstar) believes that an upgrade of the sovereign rating of the Republic of Italy (rated BBB (high) with a Stable trend by DBRS Morningstar) or a change of its trend to Positive, along with UnipolSai Assicurazioni S.p.A (UnipolSai or the Company) maintaining high regulatory capital ratios and conservative financial leverage, would lead to a corresponding upgrade or trend change on UnipolSai's and Unipol Gruppo S.p.A.'s (Unipol Gruppo or the Group) ratings, respectively.

Factors with Negative Rating Implications

A downgrade of the sovereign rating of Italy, or a change in the trend to Negative, would result in a downgrade or trend change of both entities' ratings because of UnipolSai's material business and asset exposure to Italy. Material and sustained deterioration in UnipolSai's solvency, asset risk, financial leverage, and/or underwriting profitability would also negatively pressure the ratings.

Rating Considerations

Franchise Strength (Strong)

UnipolSai is one of the leading insurers in the Italian market. The Company benefits from an extensive distribution network and a strong brand recognition that underpin the strength of its franchise and support revenue generation. The strategy is focused on strengthening its position in the mobility, welfare, and property ecosystems.

Risk Profile (Good/Moderate)

UnipolSai operates with relatively low underwriting risk. The Company has substantial product diversification, but operations are concentrated on the Italian market, including decreasing but material exposure to Italian government bonds.

Earnings Ability (Strong/Good)

UnipolSai's combined ratio has consistently been in the mid-90s range in recent years. Following a one-off improvement in profitability during 2020 and 2021 caused by a material reduction in motor insurance claims, UnipolSai's profitability has returned to its long-term average with a return on equity (ROE) in the low teens.

Liquidity (Strong/Good)

UnipolSai has a predictable claims profile and adequate holdings of highly liquid assets. However, substantial domestic bond holdings (rated in the BBB range and lower) expose the Company to potential episodes of stressed market conditions.

Capitalisation (Good/Moderate)

The Company has an excellent capital cushion and good capital generation capacity. UnipolSai's consolidated solvency ratio remained strong at 276% at the end of H1 2022. However, Unipol Gruppo's consolidated financial leverage weakened to 38.1% following unrealised losses on available-for-sale financial assets in the first half of 2022.

Financial Information

(EUR millions)	For the Year Ended December 31						
	H1 2022	H1 2021	2021	2020	2019	2018	2017
Net Premium Income	5,656	5,851	11,879	11,349	13,263	11,005	10,402
Other Revenues	561	456	935	818	804	635	541
Return on Common Equity	12.3	14.1	9.3	11.5	10.2	16.0	8.4
Total Debt, Hybrids, and Preferred Shares (Unipol Group)	4,758	4,872	4,779	5,712	4,498	4,216	6,477
Financial Leverage (Unipol Group; %)	38.1	34.0	34.1	38.7	35.1	40.0	46.5
Fixed Charge Coverage (3-Year Weighted Average, Unipol Group; %)	n/a	n/a	6.8	7.7	6.7	4.8	2.2

Sources: DBRS Morningstar and Company documents.

Issuer Description

UnipolSai comprises the insurance operations of Unipol Gruppo, an Italian holding company with operations primarily focused on insurance. Smaller subsidiaries include Linear, UniSalute, and Arca Vita, amongst others. UnipolSai operates primarily in Italy, where it has leading market shares in a number of nonlife and life business lines.

UnipolSai is 85% owned by Unipol Gruppo, which is also listed on the Milan Stock Exchange. In addition to insurance, Unipol Gruppo is active in real estate and other businesses; however, the insurance business remains the main contributor to the Group's earnings.

Rating Rationale

On October 4, 2022, DBRS Morningstar confirmed the Company's ratings at A (high) with Stable trends. UnipolSai's A (high) Financial Strength Rating reflects the Company's strong position in Italy, where it has leading market shares in the nonlife segment and is amongst the top six life insurers. The Company offers a diverse range of products to retail and corporate customers, and benefits from an extensive agency network in the country. The Company's product risk is relatively low given its focus on motor insurance; however, credit risk is adversely affected by the large exposure to Italian sovereign bonds. The Company's strong franchise and excellent operational execution have contributed to consistent premiums generation and strong underwriting profitability. UnipolSai has high levels of regulatory capital, which, together with strong underwriting profitability, mitigates the sensitivity to Italian bond spreads.

UnipolSai's Financial Strength Rating of A (high) is three notches above DBRS Morningstar's sovereign rating on the Republic of Italy and falls within the four-notch ratings differential allowed by DBRS Morningstar's *Global Methodology for Rating Insurance Companies and Insurance Organizations*. This differential reflects DBRS Morningstar's view that, given healthy profitability, insurance claims are likely to be paid by UnipolSai even if the sovereign is under stress. In the event of a weakening sovereign, premium revenues are likely to continue being generated, providing steady cash flow and enabling the Company to meet its claims obligations. The Financial Strength Rating of A (high) also takes into account that the Company holds capital levels comfortably in excess of the regulatory minimums mandated by the Solvency II capital regime.

The Issuer Rating of BBB of Unipol Gruppo is constrained by the rating on the Republic of Italy. Generally, the notching difference between the Financial Strength Rating of the operating insurance company and the Issuer Rating of the holding company is two notches to account for structural subordination and the priority ranking of policyholder claims. However, the differential is widened in this case because of the lower sovereign rating of Italy relative to DBRS Morningstar's assessment of the stand-alone risk of UnipolSai.

Franchise Strength

Grid Grade: Strong

UnipolSai comprises the insurance operations of Unipol, an Italian holding company with operations concentrated on insurance. The Company is the main insurance entity of the Group, generating the majority of premiums and net income from insurance operations. UnipolSai is active in both life and nonlife insurance and offers a wide range of cover, including mobility, home, personal, and professional protection as well as savings and investment products. The Company consolidates a number of specialised subsidiaries, of which the main ones are UniSalute (a health insurer), Linear (a direct-to-consumer nonlife insurer), Siat SpA (a marine insurer), and Arca Assicurazioni in the nonlife segment and Arca Vita (a distributor of insurance products through bank branches) in the life segment.

UnipolSai's operations are concentrated in Italy where it has become one of the largest insurers. UnipolSai is present across all major business lines, which contributes to revenue diversification. Motor insurance has been the largest contributor to premiums; however, this line has been growing slower than the life, health, and property segments, and its share has been declining modestly in recent years. UnipolSai is a market leader in the nonlife segment with a 20.1% market share, including top positions in third-party liability motor insurance (23.3%) and health insurance (24.1%). UnipolSai is also the sixth-largest player in the Italian life insurance market. The Company sells a wide array of life products, including traditional whole and term life insurance, as well as saving plans and pension funds. UnipolSai benefits from the strongest brand recognition and reputation amongst Italian insurers.

In DBRS Morningstar's assessment of UnipolSai's franchise, DBRS Morningstar takes into account its extensive distribution network in Italy: approximately 2,200 agencies with more than 20,000 agents and subagents, supported by a multichannel strategy that includes more than 5,000 banking branches and sales points, as well as a direct channel (Internet/telephone). UnipolSai continues to work on improving efficiencies throughout its agency distribution channel by consolidating agencies and increasing productivity. The traditional distribution through agents dominates in the Italian nonlife insurance and the Company's leading agency network. Combined with strong brand recognition, the distribution structure represents a significant competitive advantage. UnipolSai has extensive bancassurance agreements with BPER Banca, Banca Popolare di Sondrio, and others, which are key in the Italian insurance market, particularly in the life segment.

Outside Italy, UnipolSai is present in Serbia with the subsidiary DDOR Novi Sad and the dedicated captive reinsurance company Ddor Re, and in Ireland with UnipolRe, which provides reinsurance services to insurance and corporate clients in the Europe, Middle East, and Africa region.

Unipol's strategy remains focused on transitioning from an insurance provider to being an overall leader in the mobility, welfare, and property ecosystems. As part of the strategy, UnipolSai has made acquisitions of one of the leaders in the long-term car rental and car fleet management in Italy and a platform for the sale of used vehicles. The Company is a pioneer in car telematics, electronic toll collection, and roadside assistance services for its customers.

Risk Profile

Grid Grade: Good/Moderate

In DBRS Morningstar's view, the Company's insurance operations are well managed, and the risks facing the Company are mostly external. DBRS Morningstar also notes that UnipolSai's risk profile remained resilient during the peak of the Coronavirus Disease (COVID-19) pandemic, thanks to its strong operational risk management capabilities.

Nevertheless, the Company is domiciled in Italy and its dependence on the Italian market in terms of both premiums and asset allocation expose it to the country's economic outlook. UnipolSai would likely be affected by any economic downturn that results in lower spending on items such as new vehicles or property, which require insurance. Premiums generated by spending on financial products, such as savings plans or supplementary insurance products, may also be affected, resulting in lower net income for the Company.

The Company's underwriting risk is low, benefitting from the focus on short-term retail business in the nonlife segment. A large proportion of the business includes personal motor vehicle or property policies, which allow for annual repricing. The Company's assessment of underwriting benefits from its long experience in the Italian market. The increasing usage of telematics in motor insurance reduces the risk of fraud and provides live data for claims and driving behaviour, which could be used for optimising underwriting and pricing. Product risk in the life business reflects the longer duration of liabilities in the context of the lower interest rates prevailing until relatively recently. However, the Company has been reducing exposure to traditional savings products with guaranteed rates and has been able to maintain substantial spreads over the guaranteed rate. In any case, DBRS Morningstar expects that the life business will benefit from increasing interest rates in Europe.

UnipolSai's business benefits from substantial product diversification, but its operations are concentrated in the Italian market. Consequently, exposure to Italian sovereign bonds is significant, lowering the quality of the investment portfolio and constraining our assessment of the Company's risk profile. DBRS Morningstar notes positively that, as part of its efforts aimed at reducing solvency ratio volatility, asset allocation has been significantly reviewed. As a result, UnipolSai has partly repositioned its investment portfolio by reducing its exposure to the Italian sovereign debt to approximately 35% at the end of H1 2022 from 50% at the end of 2019, substituting them with higher-rated core European Union sovereigns and investment-grade corporate bonds, real estate, and private equity assets. However, while improving materially, the share of securities rated BBB or below within the fixed income portfolio is still high (70.2% at YE2021). Non-investment-grade holdings represented 6.8% of the bond portfolio.

Exhibit 1 Fixed Income (Bonds and Private Placements) Portfolio

Bonds Rated (%)	As at December 31			
	2021	2020	2019	2018
AAA	2.7	2.1	0.7	0.6
AA	6.6	6.0	3.6	2.3
A	20.5	18.0	17.7	20.4
BBB	63.4	66.6	71.2	71.0
BB and Below	6.8	7.3	6.8	5.7
Total Bonds	100.0	100.0	100.0	100.0

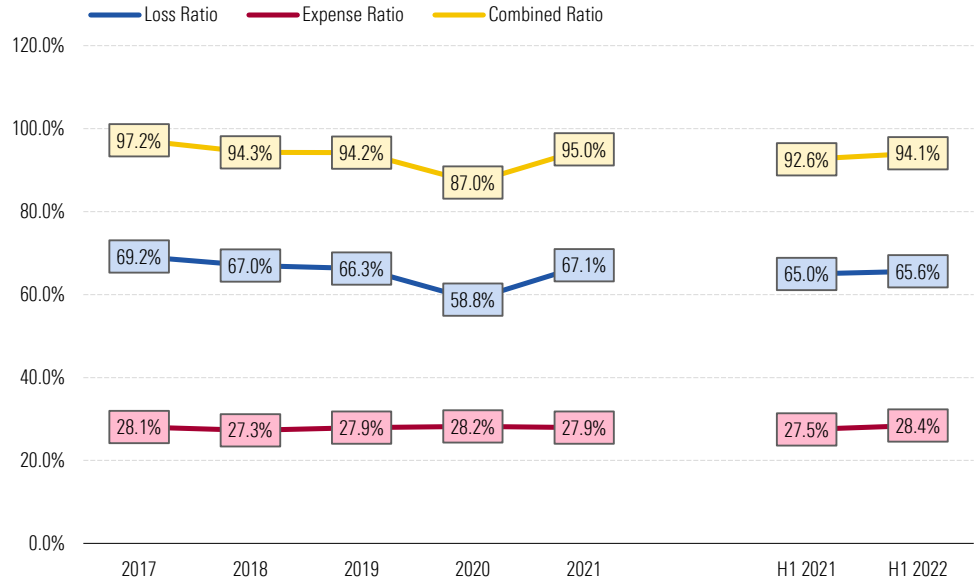
Sources: DBRS Morningstar and Company documents.

Given its sizeable real estate portfolio, UnipolSai is exposed to the risk of a decline in property values in Italy. However, this risk is mitigated by the high quality of the property portfolio, which is concentrated in large cities in Italy and generates steady yields. The Company's exposure to equities and alternative assets is relatively low. DBRS Morningstar also notes that the high proportion of Italian government bonds exposes the Company to market volatility and the widening of spreads. Nevertheless, current sensitivities to increases in interest rates and credit spreads as well to declines in equity valuations remain well within the financial absorption capacity of the Company.

Earnings Ability**Grid Grade: Strong/Good**

DBRS Morningstar continues to view UnipolSai's earnings generation ability as solid. This is supported by its position as one of the market leaders in the Italian insurance market, its diverse and extensive network of distribution channels, and its profitable underwriting, which are all strengths for the organisation's overall margins. UnipolSai's combined ratio has consistently been in the mid-90 range in the last few years, with the exception of 2020 when motor claims were drastically lower because of the pandemic. However, DBRS Morningstar notes a slight uptick in UnipolSai's combined ratio between H1 2021 and H2 2022 which, although small and within margin, is a clear indication of the normalisation in loss and expense ratios after the peak of the pandemic. In DBRS Morningstar's opinion, UnipolSai's ability to profit consistently from its underwriting efforts demonstrates a solid business model in the Italian market.

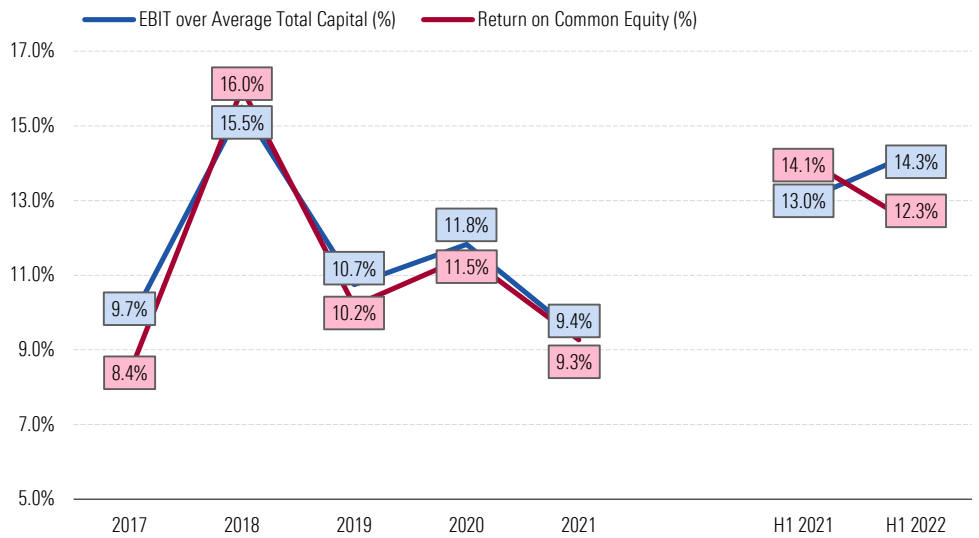
Exhibit 2 Underwriting Profitability



Sources: DBRS Morningstar and Company documents.

However, the Company's average ROE has been in the low teens over the last three years. Based on Unipol's 2022–24 strategic plan, DBRS Morningstar expects a slight improvement in profitability despite some macroeconomic headwinds, as UnipolSai aims for an overall combined ratio net of reinsurance of 92.6%, as well as modest growth in both life and nonlife businesses.

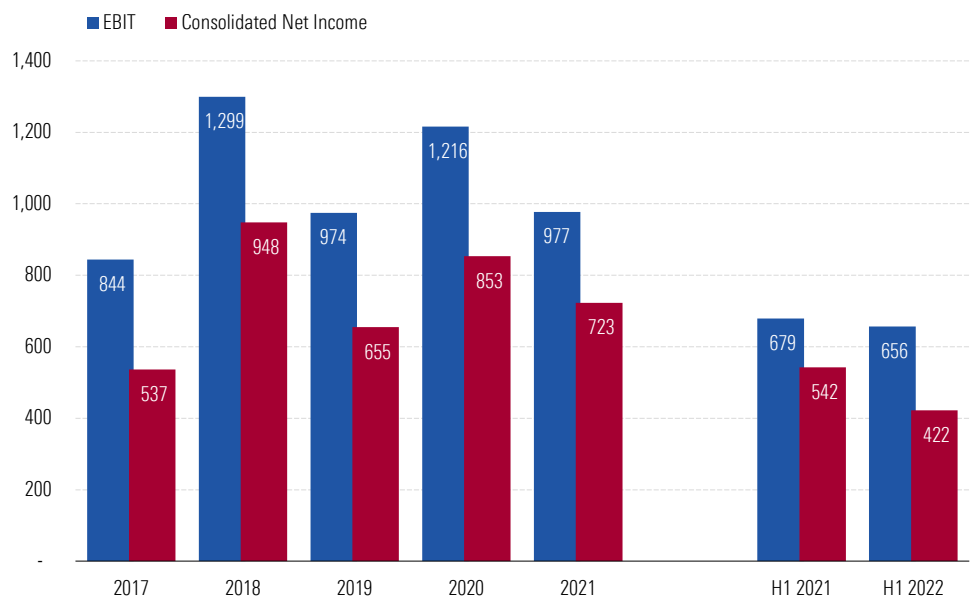
Exhibit 3 Profitability Metrics (UnipolSai Consolidated)



Sources: DBRS Morningstar and Company documents.

One of the main points of contention which could hinder UnipolSai's earnings ability in the near future is the current volatile and uncertain macro and financial market environment. After a very positive 2021 in terms of employment figures and economic growth, the Italian economy began to show signs of economic slowdown in 2022 caused by higher inflation, geopolitical uncertainty in Ukraine, and a worldwide supply side shortage accentuated by China's ongoing zero-COVID policy. Nevertheless, DBRS Morningstar expects that UnipolSai's earnings ability will remain resilient given its innovative approach to insurance together with its strong franchise and brand recognition in Italy.

Exhibit 4 EBIT and Net Income Results (EUR Millions)



Sources: DBRS Morningstar and Company documents.

Liquidity

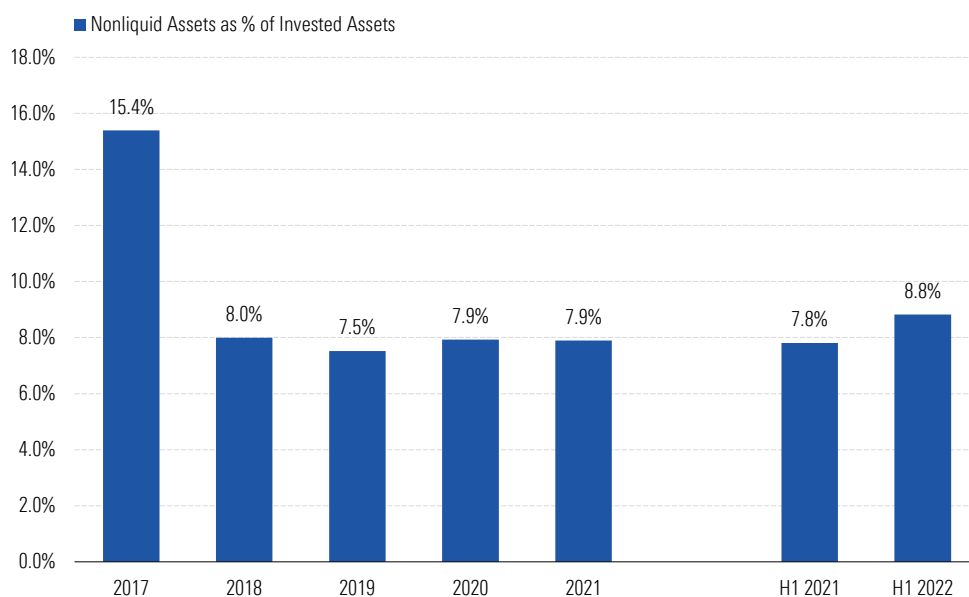
Grid Grade: Strong/Good

UnipolSai's mix of businesses gives way to a generally predictable claims profile, barring any unexpectedly large catastrophes arising from severe weather events or natural catastrophes, which would be largely covered by reinsurance. The nonlife insurance business model reduces the risk of a liquidity crisis because of the consistent flow of premium revenue getting collected. UnipolSai may also choose to suspend dividend payments to its parent, if needed. The claims profile is well managed as illustrated by the track record of healthy underwriting profitability. In the life business, the Company has been reducing exposure to traditional savings products with guaranteed rates. Furthermore, the increasing interest rate environment is contributing to wider spreads over the guaranteed rate.

UnipolSai's investment portfolio mainly comprises fixed income securities, providing a source of readily marketable assets, including Italian and non-Italian government bonds totalling approximately 70% of the investment portfolio. Although Italy has one of the largest and most liquid bond markets in Europe, the substantial domestic bond holdings expose the Company to potential episodes of stressed market conditions. However, during the pandemic, UnipolSai was able to maintain adequate liquidity level

despite episodes of increasing market volatility, evidencing the Company's conservative liquidity risk management policies. In particular, the Company increased the buffer of highly liquid assets mainly through selling long-term bonds, implemented an even more stringent monitoring of its liquidity positions, and provided support to its agent network through various measures such as early payment of commissions during the pandemic.

Exhibit 5 Nonliquid Assets Concentration



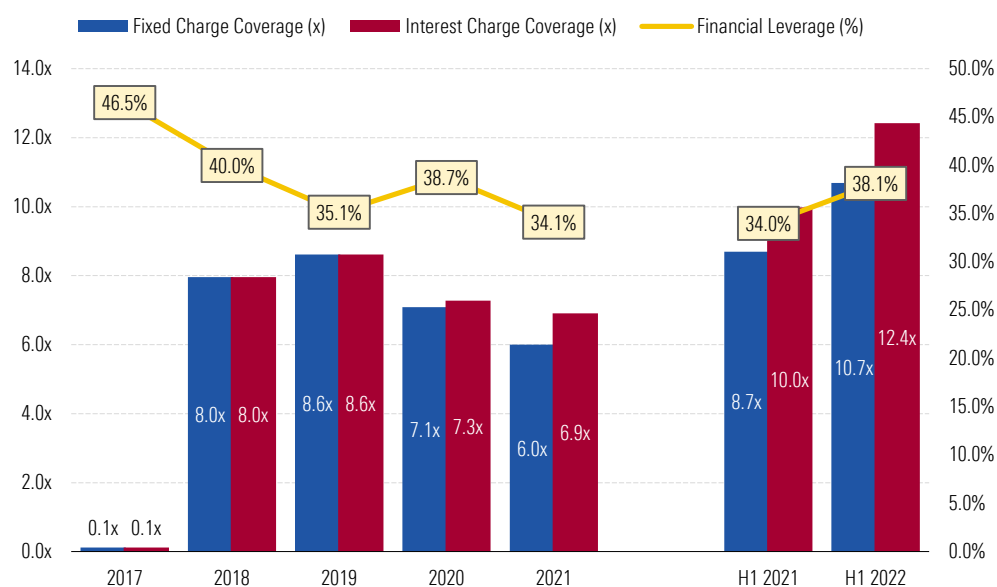
Sources: DBRS Morningstar and Company documents.

Capitalisation

Grid Grade: Good/Moderate

DBRS Morningstar's view of UnipolSai's capitalisation takes into account strong capital cushions, solid earnings generation capacity, and leverage maintained at healthy levels. UnipolSai's solvency capital requirement ratio on a consolidated basis (as measured by an economic capital model based on Solvency II) remained robust at 276% (H1 2022) despite increased market volatility. This provides a sizeable cushion against adverse impacts. Furthermore, per the 2022–24 strategic plan, UnipolSai has increased its target solvency ratio to 180%–220% versus 170%–200% in the previous strategic plan.

Despite the Company's Solvency ratio experiencing a sharp decline during the peak of the pandemic, solvency ratios remained well above the risk appetite limit, reflecting strong capital cushions. DBRS Morningstar positively notes that the review of asset allocation undertaken since then has led to a reduction in the sensitivity to Italian bond spreads, which nevertheless remains elevated. DBRS Morningstar also notes that the Company and the Group have prescribed a number of management actions in their 2022–24 strategic plan that can be implemented in case solvency ratios hit predetermined targets, including but not limited to capital optimisation actions.

Exhibit 6 Leverage and Coverage (Unipol Group)

Sources: DBRS Morningstar and Company documents.

The leverage ratio (as calculated by DBRS Morningstar at the Unipol Group level on a consolidated basis) was 38.1% at H1 2022, which is below DBRS Morningstar's expectation for the Company's current rating category. Financial leverage weakened from 34.1% at the end of 2021 mostly because of unrealised losses on available-for-sale financial assets during the first half of 2022. Unipol's three-year weighted-average fixed-charge coverage ratio slightly deteriorated as of the end of 2021 but still remains robust at 6.8x, reflecting consistent earnings generation.

Exhibit 7 Capitalisation

(%)	As at December 31						
	H1 2022	H1 2021	2021	2020	2019	2018	2017
Regulatory Capital Strength							
Solvency II Ratio (UnipolSai Solo)	303	331	326	318	284	253	263
Solvency II Ratio (UnipolSai Consolidated)	276	290	284	281	252	202	210
Leverage							
Total Capital	8,198	10,215	10,158	10,685	9,881	8,244	8,522
Financial Leverage (Unipol Group)	38.1	34.0	34.1	38.7	35.1	40.0	46.5
Intangibles/Common Equity	18.6	12.2	12.9	12.5	13.0	15.3	11.8
Tangible Common Equity/Total Capital	55.2	64.3	64.0	60.5	60.6	55.9	60.8
Total Capital/Policyholder Liabilities	15.4	17.9	17.8	18.5	17.2	15.5	18.6
Protection Ratios							
Quality Assets/Noncapital Liabilities	23.2	22.6	23.7	22.5	16.4	16.7	9.1
Total Capital/Riskier Assets	38.9	49.7	46.8	55.4	52.8	48.6	44.7

Sources: DBRS Morningstar and Company documents.

Environmental, Social, Governance (ESG) Considerations

UnipolSai Assicurazioni S.p.A.

ESG Checklist

ESG Factor	ESG Credit Consideration Applicable to the Credit Analysis:	Y/N	Extent of the Effect on the ESG Factor on the Credit Analysis: Relevant (R) or Significant (S)*	
Environmental		Overall:	Y	R
Emissions, Effluents, and Waste	Do we consider that the costs or risks for the issuer or its clients result, or could result, in changes to an issuer's financial, operational, and/or reputational standing?	N		N
Carbon and GHG Costs	Does the issuer face increased regulatory pressure relating to the carbon impact of its or its clients' operations resulting in additional costs and/or will such costs increase over time affecting the long-term credit profile?	N		N
Climate and Weather Risks	In the near term, will climate change and adverse weather events potentially disrupt issuer or client operations, causing a negative financial impact?	Y		R
	In the long term, will the issuer's or client's business activities and infrastructure be materially affected financially by a 2°C rise in temperature?	Y		R
Passed-through Environmental credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by environmental factors (see respective ESG checklist for such issuer)?	N		N
Social		Overall:	N	N
Social Impact of Products and Services	Do we consider that the social impact of the issuer's products and services could pose a financial or regulatory risk to the issuer?	N		N
Human Capital and Human Rights	Is the issuer exposed to staffing risks, such as the scarcity of skilled labour, uncompetitive wages, or frequent labour relations conflicts that could result in a material financial or operational impact?	N		N
	Do violations of rights create a potential liability that could negatively affect the issuer's financial wellbeing or reputation?	N		N
		Human Capital and Human Rights:	N	N
Product Governance	Does failure in delivering quality products and services cause damage to customers and expose the issuer to financial and legal liability?	N		N
Data Privacy and Security	Has misuse or negligence in maintaining private client or stakeholder data resulted, or could result, in financial penalties or client attrition to the issuer?	N		N
Community Relations	Does engagement, or lack of engagement, with local communities pose a financial or reputational risk to the issuer?	N		N
Access to Basic Services	Does a failure to provide or protect with respect to essential products or services have the potential to result in any significant negative financial impact on the issuer?	N		N
Passed-through Social credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by social factors (see respective ESG checklist for such issuer)?	N		N
Governance		Overall:	N	N
Bribery, Corruption, and Political Risks	Do alleged or actual illicit payments pose a financial or reputational risk to the issuer?	N		N
	Are there any political risks that could impact the issuer's financial position or its reputation?	N		N
		Bribery, Corruption, and Political Risks:	N	N
Business Ethics	Do general professional ethics pose a financial or reputational risk to the issuer?	N		N
Corporate / Transaction Governance	Does the issuer's corporate structure limit appropriate board and audit independence?	N		N
	Have there been significant governance failures that could negatively affect the issuer's financial wellbeing or reputation?	N		N
	Does the board and/or management have a formal framework to assess climate-related financial risks to the issuer?	N		N
		Corporate / Transaction Governance:	N	N
Passed-through Governance credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by governance factors (see respective ESG checklist for such issuer)?	N		N
Consolidated ESG Criteria Output:		Y		R

* A **Relevant Effect** means that the impact of the applicable ESG risk factor has not changed the rating or rating trend on the issuer.

A **Significant Effect** means that the impact of the applicable ESG risk factor has changed the rating or trend on the issuer.

Environmental

Environmental concerns regarding climate and weather risks are relevant to the rating of UnipolSai but do not affect the assigned ratings or trends. The issuer mainly operates in Italy and through its property and casualty business is exposed to natural catastrophic events such as earthquakes, wildfires, flooding, and other extreme weather events. These events can lead to earnings volatility and increased reinsurance cost. The issuer has procedures in place to assess and measure the impact of this risk on its operations, and supports broader global actions that aim to minimise this risk. DBRS Morningstar considered this ESG factor as part of product risk when assessing the Company's risk profile.

Social

This factor does not affect the ratings or trends assigned to the issuer. The Company has not reported any cases of failures related to social issues. While UnipolSai has not faced any issues with data breaches or security failures, future breaches could damage the Company's reputation and its risk profile. Breaches or security failures could also lead to financial penalties, given the Company's exposure to sensitive client information.

Governance

This factor does not affect the ratings or trends assigned to the issuer. There have been no reported cases of serious failures in governance as they relate to the Company. The Company's governance structure provides for independent oversight of senior management. Unipol Gruppo and UnipolSai are also subject to meeting the governance requirements of publicly listed companies. The majority of the board's directors are independent.

Balance Sheet

(EUR millions)			As at December 31				
	H1 2022	H1 2021	2021	2020	2019	2018	2017
Assets							
Goodwill	567	514	514	514	508	465	328
Other Intangible Assets	466	400	449	407	385	371	364
Property	1,487	1,498	1,501	1,448	1,561	1,564	1,483
Other Tangible Assets	1,103	872	930	832	850	250	236
Technical Provisions - Reinsurers' Share	906	870	831	835	990	982	846
Investment Property	2,345	2,186	2,156	2,262	2,063	2,071	2,271
Investments In Subsidiaries, Associates, and Interest in Joint Ventures	166	172	177	163	169	341	804
Held-to-Maturity Investments	366	416	367	421	455	460	540
Loans and Receivables	4,899	5,263	5,245	5,256	4,767	4,313	4,489
Available-for-Sale Financial Assets	44,180	50,027	50,435	51,102	48,855	43,446	36,043
Financial Assets at Fair Value Through Profit or Loss	8,505	8,157	8,574	7,437	7,753	6,498	4,938
Total Investments	60,460	66,222	66,953	66,640	64,061	57,129	49,085
Receivables Relating to Direct Insurance Business	1,086	1,096	1,398	1,482	1,456	1,366	1,422
Receivables Relating to Reinsurance Business	181	209	205	167	261	137	101
Other Receivables	1,614	1,338	1,822	1,560	1,436	1,366	1,141
Sundry Receivables	2,881	2,643	3,425	3,210	3,153	2,869	2,663
Noncurrent Assets or Assets of a Disposal Group Held for Sale	106	143	133	203	189	537	10,569
Deferred Acquisition Costs	106	108	100	99	101	98	85
Deferred Tax Assets	556	28	108	3	127	465	217
Current Tax Assets	22	5	9	9	4	23	9
Other Assets	945	619	621	544	503	417	462
Total Other Assets	1,735	903	971	858	924	1,540	11,343
Cash and Cash Equivalents	817	1,111	885	681	747	1,025	1,404
Total Assets	70,422	75,031	76,459	75,425	73,179	66,194	67,750

			As at December 31				
	H1 2022	H1 2021	2021	H1 2022	H1 2021	2021	H1 2022
Liabilities and Shareholders' Equity							
Share Capital	2,031	2,032	2,031	2,032	2,032	2,032	2,032
Other Equity Instruments	496	496	496	496	-	-	-
Capital Reserves	347	347	347	347	347	347	347
Income-Related and Other Equity Reserves	3,284	3,157	3,146	2,889	2,718	2,133	2,130
Treasury Shares	(3)	(1)	(1)	(1)	(2)	(46)	(52)
Reserve for Foreign Currency Translation Differences	4	4	4	4	5	5	5
Gains or Losses on Available-for-Sale Financial Assets	(480)	1,427	1,285	1,295	1,142	80	913
Other Gains or Losses Recognised Directly in Equity	(28)	(10)	(34)	(1)	9	(7)	(9)
Profit (Loss) for the Year attributable to the Owners of the Parent	401	526	689	820	628	905	504
Equity Attributable to the Owners of the Parent	6,053	7,977	7,964	7,881	6,878	5,448	5,869

Liabilities and Shareholders' Equity	H1 2022	H1 2021	As at December 31				
			2021	H1 2022	H1 2021	2021	H1 2022
Share Capital and Reserves Attributable to Noncontrolling Interests	225	217	217	210	233	207	266
Gains or Losses Recognised Directly in Equity	(6)	21	18	21	16	0	27
Profit (Loss) for the Year Attributable to Noncontrolling Interests	21	16	35	33	27	43	33
Equity Attributable to Noncontrolling Interests	240	254	270	263	275	250	325
Provisions	404	411	422	438	442	353	382
Technical Provisions	53,295	57,137	57,128	57,707	57,567	53,223	45,757
Financial Liabilities at Fair Value Through Profit or Loss	6,041	4,981	6,356	4,379	2,914	2,539	1,172
Other Financial Liabilities	2,044	2,109	2,055	2,676	3,086	2,713	2,491
Payables Arising from Direct Insurance Business	134	132	188	163	165	161	105
Payables Arising from Reinsurance Business	156	122	105	77	97	87	94
Other Payables	1,035	820	900	786	819	657	717
Liabilities Associated with Disposal Groups Held for Sale	-	4	3	3	3	3	10,017
Deferred Tax Liabilities	24	123	108	136	78	9	25
Current Tax Liabilities	18	38	39	39	48	22	24
Other Liabilities	977	925	922	877	806	729	773
Total Shareholders' Equity and Liabilities	70,422	75,031	76,459	75,425	73,179	66,194	67,750

Sources: DBRS Morningstar and Company documents.

Income Statement

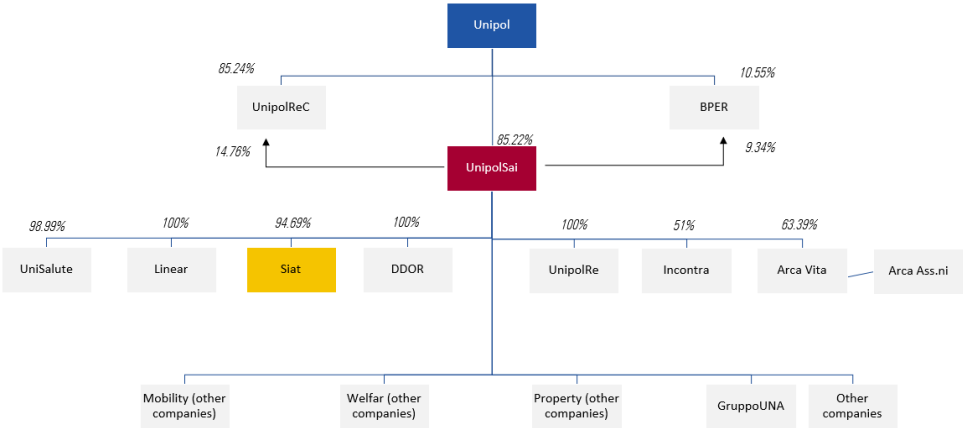
(EUR millions)	H1 2022	H1 2021	For the Year Ended December 31				
			2021	2020	2019	2018	2017
Gross Premiums Earned	5,932	6,078	12,349	11,810	13,716	11,412	10,833
Earned Premiums Ceded to Reinsurers	(276)	(227)	(471)	(461)	(453)	(407)	(431)
Net Premiums	5,656	5,851	11,879	11,349	13,263	11,005	10,402
Commission Income	25	22	45	34	34	30	35
Gains and Losses on Financial Instruments at Fair Value Through Profit or Loss	(227)	190	189	(187)	(106)	(158)	134
Gains on Investments in Subsidiaries, Associates, and Interests in Joint Ventures	5	6	13	16	10	322	9
Interest Income	740	683	1,368	1,349	1,468	1,441	1,483
Other Income	161	104	234	181	214	179	178
Realised Gains	406	192	239	449	547	412	442
Unrealised Gains	1	20	20	251	68	1	0
Gains on Other Financial Instruments and Investment Property	1,308	999	1,860	2,228	2,297	2,033	2,104
Other Revenue	561	456	935	818	804	635	541
Total Revenue	7,328	7,524	14,921	14,259	16,301	13,869	13,225

Income Statement

(EUR millions)	For the Year Ended December 31						
	H1 2022	H1 2021	2021	2020	2019	2018	2017
Amounts Paid and Changes in Technical Provisions	(4,283)	(4,807)	(9,992)	(9,015)	(11,658)	(9,289)	(9,033)
Reinsurers' Share	75	82	183	171	309	309	197
Net Charges Relating to Claims	(4,208)	(4,725)	(9,809)	(8,844)	(11,350)	(8,980)	(8,836)
Commission Expenses	(44)	(13)	(36)	(20)	(21)	(17)	(18)
Losses on Investments in Subsidiaries, Associates, and Interest in Joint Ventures	(0)	(0)	(2)	(1)	(0)	(1)	(115)
Interest Expense	(38)	(43)	(82)	(97)	(101)	(96)	(84)
Other Charges	(17)	(14)	(28)	(28)	(31)	(31)	(36)
Realised Losses	(212)	(67)	(116)	(415)	(110)	(136)	(137)
Unrealised Losses	(273)	(212)	(267)	(63)	(169)	(118)	(156)
Losses on Other Financial Instruments and Investment Property	(539)	(335)	(493)	(604)	(412)	(380)	(412)
Commissions and Other Acquisition Costs	(952)	(908)	(1,857)	(1,845)	(1,864)	(1,780)	(1,708)
Investment Management Expenses	(68)	(59)	(125)	(120)	(130)	(117)	(125)
Other Administrative Expenses	(338)	(310)	(629)	(577)	(641)	(531)	(498)
Operating Expenses	(1,357)	(1,277)	(2,611)	(2,542)	(2,635)	(2,429)	(2,331)
Other Costs	(561)	(537)	(1,076)	(1,130)	(1,010)	(859)	(753)
Total Costs and Expenses	(6,710)	(6,888)	(14,026)	(13,140)	(15,428)	(12,665)	(12,465)
Pre-Tax Profit (Loss) for The Year	618	636	895	1,119	873	1,203	760
Income Taxes	(196)	(94)	(172)	(266)	(218)	(256)	(223)
Profit (Loss) for the Year After Taxes	422	542	723	853	655	948	537
Attributable to the Owners of the Parent	402	526	689	820	628	905	504
Attributable to Noncontrolling Interests	21	16	35	33	27	43	33

Sources: DBRS Morningstar and Company documents.

Simplified Corporation Organisation Chart (H1 2022)



Sources: DBRS Morningstar and Company documents.

Rating Methodologies

The applicable methodologies are the *Global Methodology for Rating Insurance Companies and Insurance Organizations* (31 August 2022) and the *DBRS Morningstar Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings* (17 May 2022), which can be found on the DBRS Morningstar website under Methodologies & Criteria.

Ratings

Issuer	Obligation	Rating	Rating Action	Trend
UnipolSai Assicurazioni S.p.A.	Financial Strength Rating	A (high)	Confirmed	Stable
UnipolSai Assicurazioni S.p.A.	Issuer Rating	A (high)	Confirmed	Stable
Unipol Gruppo S.p.A.	Issuer Rating	BBB	Confirmed	Stable

Ratings History

Issuer	Obligation	Current	2021	2020
UnipolSai Assicurazioni S.p.A.	Financial Strength Rating	A (high)	A (high)	A (high)
UnipolSai Assicurazioni S.p.A.	Issuer Rating	A (high)	A (high)	A (high)
Unipol Gruppo S.p.A.	Issuer Rating	BBB	BBB	BBB

Previous Actions

- ["DBRS Morningstar Revises the Trend to Stable from Negative on UnipolSai and Unipol Gruppo,"](#) 5 November 2021.
- ["DBRS Morningstar Confirms UnipolSai and Unipol Gruppo Ratings; Trend Remains Negative,"](#) 7 October 2021.
- ["DBRS Morningstar Assigns A \(high\) Financial Strength Rating to UnipolSai Assicurazioni, BBB to Unipol Gruppo; Negative Trends,"](#) 8 October 2020.

Related Research

- [Unipol Gruppo: Good Underlying Earnings in H1 2022 Positively Affected by Nonrecurring Items,](#) 8 August 2022.
- [Ukraine Conflict Adds Uncertainty to Otherwise Supportive Interest Rate Outlook for Euro Area Insurers,](#) 23 May 2022.
- [Italian Life Insurance Outlook Remains Cautiously Optimistic for 2022,](#) 31 January 2022.
- [Prolonged Economic Sanctions – A Risky Scenario for European Insurers,](#) 17 March 2022.
- [Unipol 1H21: Net Profit Boosted by One-off Items; Combined Ratio Normalises as COVID-19 Impact Recedes,](#) 9 August 2021.
- [Italian Non-Life Insurance—Incorporating Climate Change into Risk Management,](#) 17 May 2021.

Previous Reports

- UnipolSai Assicurazioni S.p.A.: [Rating Report](#), 12 November 2021.
- UnipolSai Assicurazioni S.p.A.: [Rating Report](#), 28 October 2020.

Note: All figures are in euros unless otherwise noted.

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