

Rating Report

UnipolSai Assicurazioni S.p.A.

DBRS Morningstar
8 August 2023

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Ratings

Issuer	Obligation	Rating	Rating Action	Trend
UnipolSai Assicurazioni S.p.A.	Financial Strength Rating	A (high)	Confirmed July '23	Stable
UnipolSai Assicurazioni S.p.A.	Issuer Rating	A (high)	Confirmed July '23	Stable
Unipol Gruppo S.p.A.	Issuer Rating	BBB	Confirmed July '23	Stable

Rating Drivers

Factors With Positive Rating Implications

UnipolSai Assicurazioni S.p.A.'s (UnipolSai or the Company) ratings are well placed at their current level. However, the ratings would be upgraded over the long term if the Company materially improves its profitability, capital generation, and risk profile, together with an upgrade of the Republic of Italy's sovereign rating from its current level of BBB (high).

Factors With Negative Rating Implications

Conversely, the ratings would be downgraded if there is a downgrade of the Republic of Italy's sovereign rating because of the Company's substantial asset exposure and business concentration in the country. The ratings would also be downgraded if the Company's earnings ability or capitalisation materially deteriorates.

Rating Considerations

Franchise Strength (Strong)

UnipolSai benefits from a leading market share in the non-life business in Italy and a strong presence in the life business. The Company has a multichannel distribution model that counts on an extensive agency network and brand recognition on a national level. The strategy is focused on strengthening its position in the mobility, welfare, and property ecosystems.

Risk Profile (Good/Moderate)

Underwriting risk in the insurance operations is relatively low both in the non-life and life segments. Exposure to Italian government bonds in the portfolio is high albeit significantly decreasing in recent years.

Earnings Ability (Strong/Good)

UnipolSai's combined ratio has consistently been in the mid-90s range in recent years. Premium income increased in 2022, supported by the non-life segment (mostly non-motor), while the Company has been able to maintain stable life premiums in a challenging operating environment. The return on equity (ROE) has been steadily 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 a robust capital cushion as the consolidated solvency ratio remained strong at 274% at end-2022. However, Unipol Gruppo S.p.A.'s (Unipol Gruppo) consolidated financial leverage weakened, following unrealised losses on available-for-sale financial assets in 2022.

Financial Information

(EUR Millions)	For the Year Ended December 31 (IFRS)				
	2022	2021	2020	2019	2018
Net Premium Income	11,366	11,879	11,349	13,263	11,005
Other Revenues	1,154	935	818	804	635
Return on Equity (%)	9.5	9.3	11.5	10.2	16.0
Total Debt, Hybrids, and Preferred Shares (Unipol Group, EUR Millions)	4,628	4,779	5,712	4,498	4,216
Financial Leverage Ratio (Unipol Group) (%)	39.2	34.1	38.7	35.1	40.0
Financial Leverage Ratio (Unipol Group, Rolling Average) (%)	38.7	34.1	37.1	35.5	47.2
Fixed-Charge Coverage (3-Year Weighted Average; x) (Unipol Group)	6.7	6.8	7.7	6.7	4.8

Sources: DBRS Morningstar, Company documents.
x = times.

Issuer Description

UnipolSai is the insurance company and main operating entity of Unipol Gruppo, an Italian holding company listed on the Milan Stock Exchange mostly focused on insurance activities. UnipolSai operates primarily in Italy with leading market shares in the non-life business and strong presence in life.

Unipol Gruppo owns 85% of UnipolSai, which is the parent company of smaller specialized subsidiaries including UniSalute, Linear, Siat, and the bancassurance companies Arca Vita and Arca Assicurazioni. While the group also operates in additional businesses, the insurance operations account for the majority of its revenues.

Rating Rationale

On 21 July 2023, DBRS Ratings GmbH (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 market position in Italy, supported by sound product diversification and an extensive distribution network. Despite the difficult operating environment, UnipolSai has maintained low underwriting risk in its insurance operations. On the other hand, the Company's activities remain focused on Italy and its risk profile is affected by still large, albeit decreasing, exposure to Italian government bonds. The Company's strong franchise and excellent operational execution have contributed to consistent premiums generation and solid underwriting profitability. UnipolSai maintained high levels of regulatory capital, supported by its strong underwriting profitability.

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.

Unipol Gruppo's Issuer Rating of BBB 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 is the main operating entity of the Unipol group and the group's main generator of insurance premiums. The group operates in other businesses, including real estate; however, direct insurance premiums represented more than 90% of total revenues and income in 2022. UnipolSai operates primarily in Italy and is active in both the life and non-life segments, offering a wide range of coverage 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 non-life insurer), Siat (a marine insurer), and the bancassurance companies Arca Vita and Arca Assicurazioni.

UnipolSai's operations are concentrated in Italy where the Company benefits from a leading position in the non-life segment with a market share of 19.7% in 2022 and a strong presence in the life segment (5% market share, ranking fifth). UnipolSai operates across all major business lines, which contributes to its revenue diversification. Motor insurance continues to be the largest contributor to premiums; however, this line has been growing more slowly than the other property and casualty lines (including health and property), and its share has been declining modestly in recent years. The Company sells a wide array of life products, including traditional whole and term life insurance, as well as saving plans and pension funds.

In DBRS Morningstar's assessment of UnipolSai's franchise, DBRS Morningstar takes into account its extensive and multichannel distribution network in Italy, comprising approximately 2,100 agencies spread across the whole Italian territory, more than 3,000 affiliated banking branches, as well as direct. Combined with strong brand recognition, the distribution network remains a significant competitive advantage. UnipolSai has extensive bancassurance agreements with BPER Banca and Banca Popolare di Sondrio, which are key in the Italian insurance market, particularly in the life segment. The partnership is supported by Unipol group being the largest shareholders of both partner banks, holding a minority stake of 20% and 10%, respectively. Outside Italy, UnipolSai is mostly present in Serbia with the subsidiary DDOR Novi Sad and the dedicated captive reinsurance company Ddor Re.

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 long-term car rental and car fleet management in Italy and a platform for the sale of used vehicles. The recent merger of Società Italiana Flotte Aziendali S.p.A. (SIFÀ) (BPER Banca's long-term rental company) into Unipol Rental will further consolidate Unipol's leading position in the long-term rental sector. 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, UnipolSai maintains a sound risk profile in its insurance operations. Notwithstanding the challenging operating environment, the Company has been able to maintain sound underwriting profitability, while exposure to lapse risk in the life portfolio has been overall contained and below the market average. 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.

The Company's underwriting risk is low, benefitting from the focus on short-term retail business in the non-life 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. In the life business, the Company has been reducing exposure to traditional savings products with guaranteed rates, which were particularly affected by increasing early surrenders in the Italian market. Notwithstanding the general increase of lapse risk, the level of early surrenders was manageable and below market average.

Albeit decreasing, the exposure to Italian sovereign bonds is significant, lowering the quality of the investment portfolio and constraining DBRS Morningstar's assessment of the Company's risk profile. DBRS Morningstar notes positively that, as part of UnipolSai's efforts aimed at reducing solvency ratio volatility, asset allocation has been significantly reviewed. As a result, the group has partly repositioned its investment portfolio by reducing its exposure to the Italian sovereign debt to approximately 33% at end-2022 from 50% at end-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, UnipolSai's share of securities rated BBB within the fixed income portfolio is still high at 60% at end-2022 (63% at end-2021). Non-investment-grade holdings represented 8% of the bond portfolio, mostly stable year-over-year (YOY) (Exhibit 1).

Exhibit 1 Fixed Income (Bonds and Private Placements) Portfolio

Bonds Rated (%)	For the Year Ended December 31 (IFRS)				
	2022	2021	2020	2019	2018
AAA	1.4	2.7	3.3	0.3	0.6
AA	9.4	6.6	6.9	2.0	2.3
A	21.0	20.5	17.5	10.4	20.4
BBB	60.2	63.4	65.2	75.1	71.0
BB and Below	8.0	6.8	7.1	12.3	5.7
Total Bonds	100.0	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 Company's financial absorption capacity.

Earnings Ability

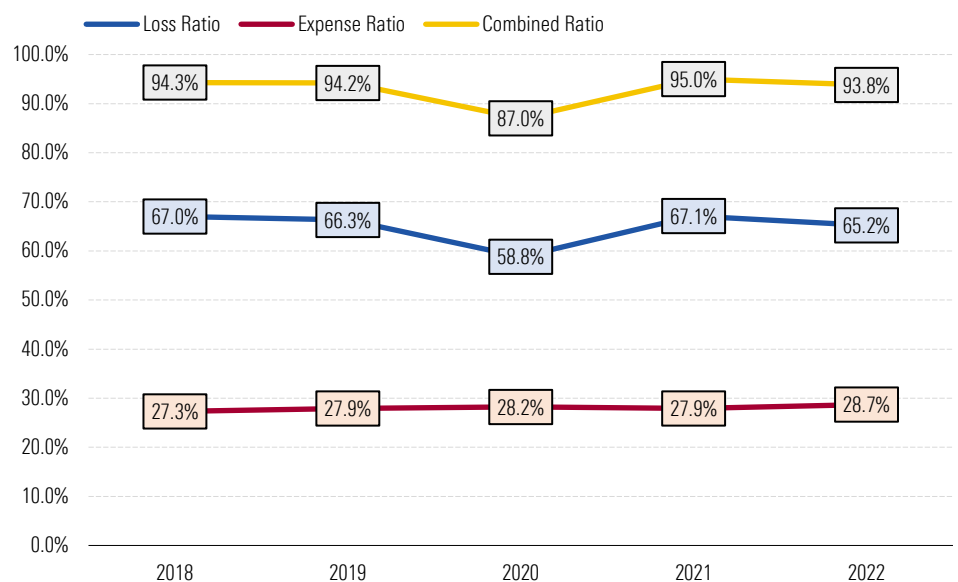
Grid Grade: Strong/Good

UnipolSai's earnings ability remains sound, supported by the Company's leading market share in the Italian non-life insurance market, its diverse and extensive distribution network, and sound underwriting profitability.

The Company's premium income increased by around 2% YOY in 2022, supported by the non-life sector. UnipolSai managed to maintain 2022 life premiums almost stable compared with 2021 in a context where higher interest rates and an increasing level of early surrenders led to a significant market contraction. In the non-life segment, the increase was mostly driven by non-motor business and in particular the welfare (+11%) and property (+5.4%) ecosystems.

The non-motor business showed very positive underwriting profitability leading to a combined ratio of 83.4% in 2022, significantly lower than 89.7% in 2021. This led to a reduction of the total combined ratio net of reinsurance, which was 93.8% in 2022, down from 95% in 2021 (Exhibit 2). DBRS Morningstar expects that underwriting profitability could further improve in 2023, supported by positive pricing adjustments in the motor business that have been implemented towards the end of 2022 and that are expected to provide benefits going forward.

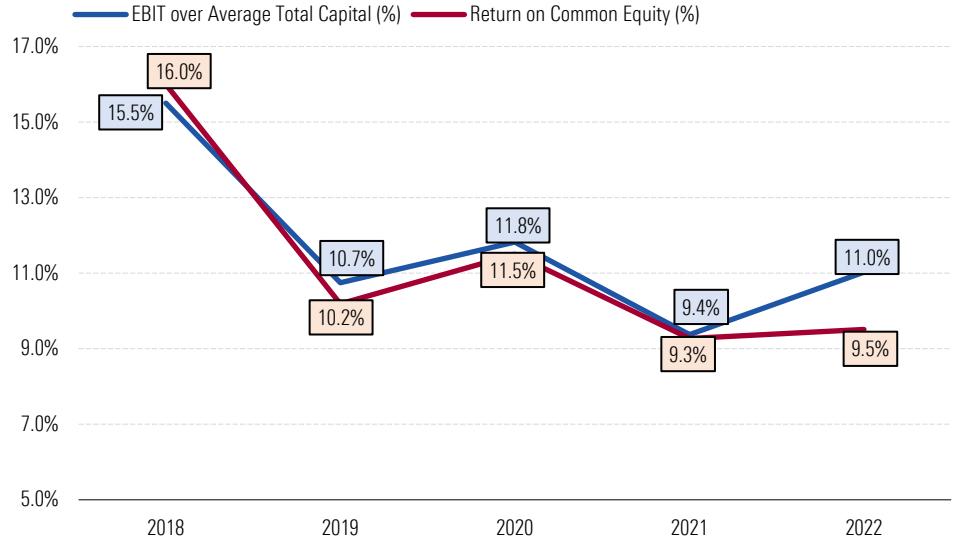
Exhibit 2 Underwriting Profitability



Sources: DBRS Morningstar and Company documents.

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 the life and non-life businesses.

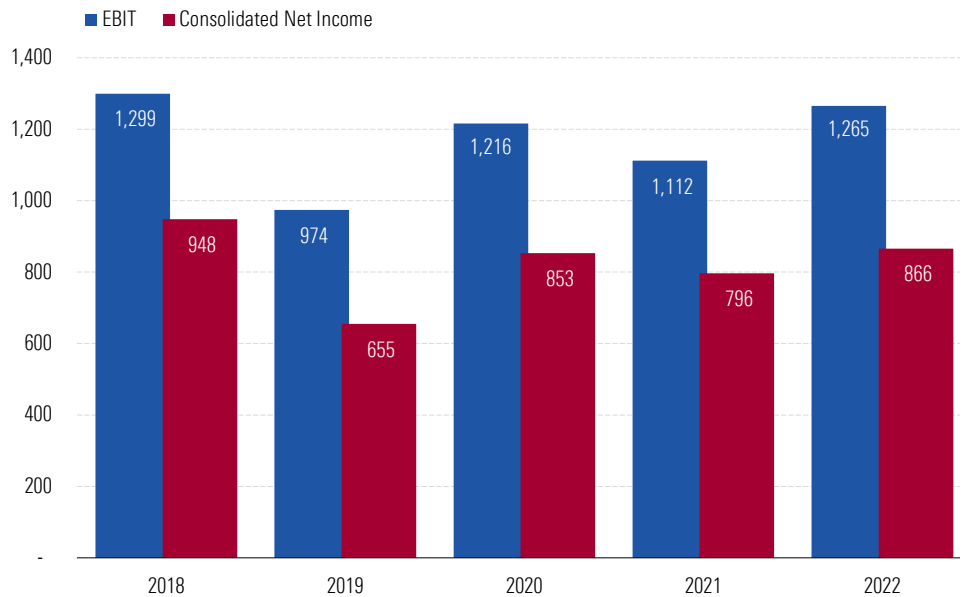
Exhibit 3 Profitability Metrics (UnipolSai Consolidated)



Sources: DBRS Morningstar and Company documents.

At the group level, reported consolidated net income was EUR 866 million, an increase from EUR 796 million in 2021. The result was positively affected by the badwill of BPER generated with the acquisition of Banca Carige (EUR 188 million). On an underlying basis (excluding badwill and other one-off items), 2022 net profit increased to EUR 774 million, compared with EUR 514 million in 2021.

Exhibit 4 EBIT and Net Income Results (EUR Millions)



Sources: DBRS Morningstar and Company documents.

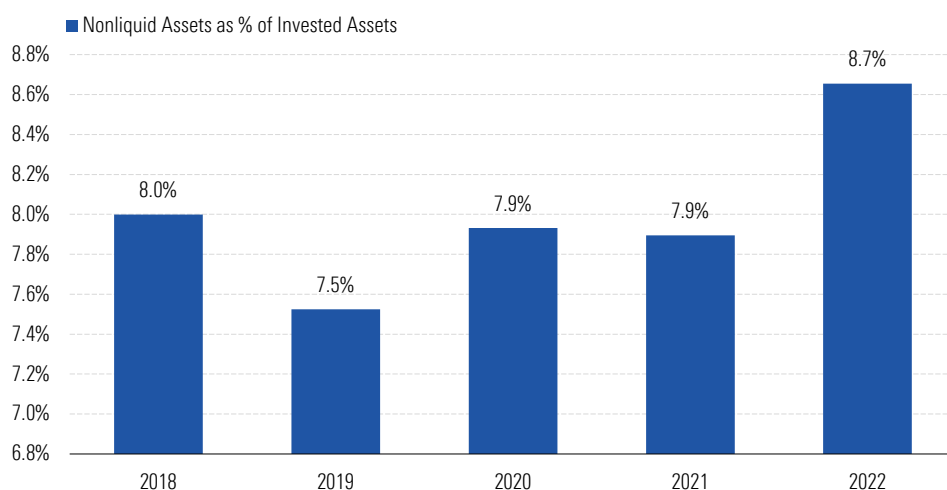
Liquidity

Grid Grade: Strong/Good

UnipolSai's business model generates largely predictable claims while any unexpectedly large catastrophes arising from severe weather events or natural catastrophes would be partially covered by reinsurance. The non-life 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, there was an increase in lapse risk as expected given the operating market conditions, but it remained manageable.

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 80% of the investment portfolio. On the other hand, a high concentration of Italian government bonds might expose the Company to potential episodes of stressed market conditions.

Exhibit 5 Nonliquid Assets Concentration



Sources: DBRS Morningstar and Company documents.

Capitalisation

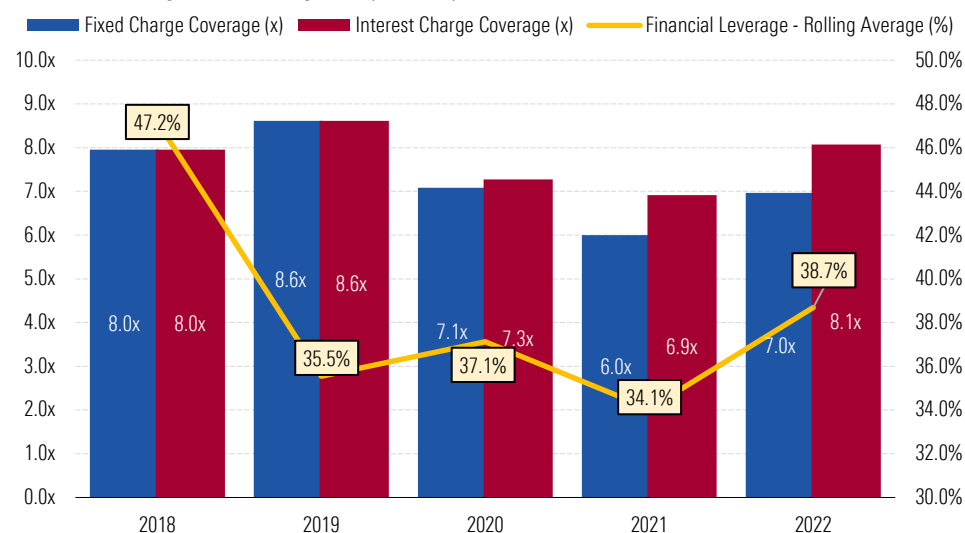
Grid Grade: Good/Moderate

DBRS Morningstar's view of UnipolSai's capitalisation takes into account its strong capital cushions, solid earnings generation capacity, and adequate leverage. UnipolSai's solvency capital requirement ratio on a consolidated basis (as measured by an economic capital model based on Solvency II) remained robust at 274% at end-2022 albeit decreasing from 284% at end-2021. This provides a sizeable cushion against adverse impacts. As per the 2022–24 strategic plan, UnipolSai maintains a comfortable target solvency ratio of 180% to 220%.

As such, the solvency ratios remained well above the risk appetite limit, reflecting strong capital cushions. DBRS Morningstar positively notes that the undertaken review of asset allocation has led to a reduction in the sensitivity to Italian bond spreads. 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 as per the *Global Methodology for Rating Insurance Companies and Insurance Organizations* at the Unipol group level on a consolidated basis) was 38.7% in 2022, which increased significantly from 34.1% in 2021. However, the increase is almost totally attributable to the significant reduction of the group's shareholders' equity, which went down to EUR 7.7 billion from EUR 9.7 billion as per the effect of the unrealised losses on available-for-sale financial assets during 2022. Unipol's three-year weighted-average fixed-charge coverage ratio remains sound at 6.7x, reflecting consistent earnings generation.

Exhibit 7 Capitalisation

(%)	For the Year Ended December 31 (IFRS)				
	2022	2021	2020	2019	2018
Regulatory Capital Strength					
Solvency II Ratio	288	326	318	284	253
Minimum Capital Requirement Ratio	274	284	281	252	202
Leverage					
Total Capital (EUR Thousands)	7,982	10,158	10,685	9,881	8,244
Financial Leverage (Unipol Group)	39.2	34.1	38.7	35.1	40.0
Financial Leverage (Unipol Group) (Rolling Average)	38.7	34.1	37.1	35.5	47.2
Intangibles/Common Equity	22.5	12.9	12.5	13.0	15.3
Tangible Common Equity/Total Capital	49.2	64.0	60.5	60.6	55.9
Total Capital/Policyholder Liabilities	15.4	17.8	18.5	17.2	15.5
Protection Ratios					
Quality Assets/Noncapital Liabilities	29.2	30.7	29.9	15.8	25.3
Total Capital/Riskier Assets	36.4	44.9	51.8	42.2	46.7

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
	Climate and Weather Risks	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	Are there any political risks that could impact the issuer's financial position or its reputation?	N	N
	Do alleged or actual illicit payments pose a financial or reputational risk to the issuer?	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

The Environmental factor is considered relevant but does not affect the ratings or trends assigned to the issuer. As part of its operations within the property and casualty insurance business, UnipolSai is exposed to climate and weather risks as well as natural catastrophic events in Italy including earthquakes, wildfires, flooding, and others. DBRS Morningstar considers that the issuer has adequate procedures in place to assess and measure the impact of these risks on its operations and supports broader global actions that aim to minimise them. However, these considerations on the Environmental factor are taken into account as part of DBRS Morningstar's assessment of product risk within the Company's risk profile. In 2020, Unipol Gruppo published the first Task Force on Climate-related Financial Disclosures report.

Social

The Social 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. UnipolSai has not faced any issues related to data breaches or security failures that 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.

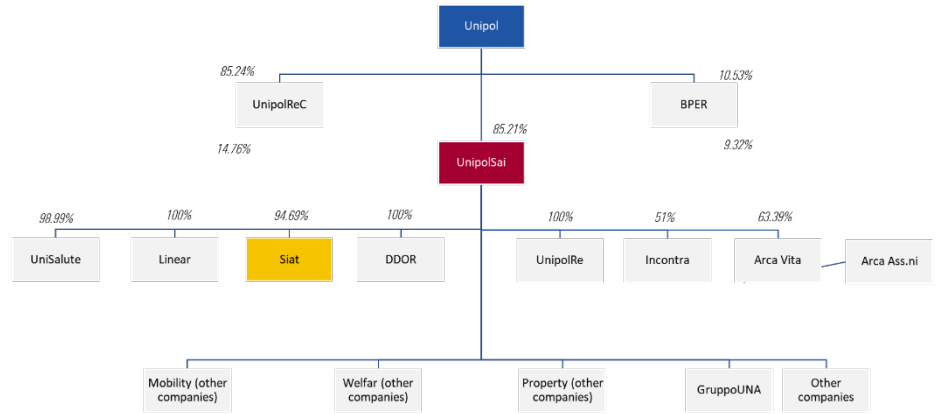
Governance

The Governance 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. Unipol Gruppo's board of directors (BoD) comprises 15 members (including the chairman and vice-chairman), of which nine are independent. Five committees report to the BoD, including the strategic committee; the appointments, governance, and sustainability committee; the remuneration committee; the control and risk committee; and the related party transactions committee. All committees excluding the strategic committee are chaired by an independent director and comprise mostly independent directors.

Balance Sheet (As Reported)	For the Year Ended December 31 (IFRS)				
(In € Millions, except for % or otherwise stated)	2022	2021	2020	2019	2018
Assets					
Goodwill	602	514	514	508	465
Other Intangible Assets	541	449	407	385	371
Property	1,493	1,501	1,448	1,561	1,564
Other Tangible Assets	1,291	930	832	850	250
Technical Provisions - Reinsurers' Share	762	831	835	990	982
Investment Property	2,359	2,156	2,262	2,063	2,071
Investments In Subsidiaries, Associates, and Interest In Joint Ventures	162	177	163	169	341
Held-to-Maturity Investments	366	367	421	455	460
Loans and Receivables	4,894	5,245	5,256	4,767	4,313
Available-for-Sale Financial Assets	41,283	50,435	51,102	48,855	43,446
Financial Assets at Fair Value Through Profit Or Loss	9,121	8,574	7,437	7,753	6,498
Total Investments	58,186	66,953	66,640	64,061	57,129
Receivables Relating to Direct Insurance Business	1,416	1,398	1,482	1,456	1,366
Receivables Relating to Reinsurance Business	192	205	167	261	137
Other Receivables	1,864	1,822	1,560	1,436	1,366
Sundry Receivables	3,472	3,425	3,210	3,153	2,869
Non-Current Assets Or Assets Of A Disposal Group Held for Sale	533	133	203	189	537
Deferred Acquisition Costs	102	100	99	101	98
Deferred Tax Assets	885	108	3	127	465
Current Tax Assets	36	9	9	4	23
Other Assets	1,483	621	544	503	417
Total Other Assets	3,039	971	858	924	1,540
Cash and Cash Equivalents	826	885	681	747	1,025
Total Assets	70,211	76,459	75,425	73,179	66,194
Liabilities and Shareholders' Equity					
Share Capital	2,032	2,031	2,032	2,032	2,032
Other Equity Instruments	496	496	496	-	-
Capital Reserves	347	347	347	347	347
Income-Related and Other Equity Reserves	3,236	3,146	2,889	2,718	2,133
Treasury Shares	(3)	(1)	(1)	(2)	(46)
Reserve for Foreign Currency Translation Differences	4	4	4	5	5
Gains or Losses On Available-for-Sale Financial Assets	(1,129)	1,285	1,295	1,142	80
Other Gains Or Losses Recognized Directly in Equity	(11)	(34)	(1)	9	(7)
Profit (Loss) for the Year Attributable to the Owners of the Parent	597	689	820	628	905
Equity Attributable to the Owners of the Parent	5,569	7,964	7,881	6,878	5,448
Share Capital and Reserves Attributable to Non-Controlling Interests	225	217	210	233	207
Gains Or Losses Recognized Directly in Equity	(36)	18	21	16	0
Profit (Loss) for the Year Attributable to Non-Controlling Interests	55	35	33	27	43
Equity Attributable to Non-Controlling Interests	244	270	263	275	250
Provisions	596	422	438	442	353
Technical Provisions	51,766	57,128	57,707	57,567	53,223
Financial Liabilities at Fair Value Through Profit Or Loss	6,839	6,356	4,379	2,914	2,539
Other Financial Liabilities	2,303	2,055	2,676	3,086	2,713
Payables Arising from Direct Insurance Business	198	188	163	165	161
Payables Arising from Reinsurance Business	144	105	77	97	87
Other Payables	1,156	900	786	819	657
Liabilities Associated with Disposal Groups Held for Sale	388	3	3	3	3
Deferred Tax Liabilities	1	108	136	78	9
Current Tax Liabilities	13	39	39	48	22
Other Liabilities	996	922	877	806	729
Total Shareholders' Equity and Liabilities	70,211	76,459	75,425	73,179	66,194

Income Statement (As Reported)	For the Year Ended December 31 (IFRS)				
(In € Millions, except for % or otherwise stated)	2022	2021	2020	2019	2018
Gross Premiums Earned	11,907	12,349	11,810	13,716	11,412
Earned Premiums Ceded to Reinsurers	(541)	(471)	(461)	(453)	(407)
Net Premiums	11,366	11,879	11,349	13,263	11,005
Commission Income	49	45	34	34	30
Gains and Losses on Financial Instruments at Fair Value Through Profit or Loss	(313)	189	(187)	(106)	(158)
Gains on Investments in Subsidiaries, Associates, and Interests in Joint Ventures	23	13	16	10	322
Interest Income	1,512	1,368	1,349	1,468	1,441
Other Income	345	234	181	214	179
Realized Gains	467	239	449	547	412
Unrealized Gains	1	20	251	68	1
Gains on Other Financial Instruments and Investment Property	2,325	1,860	2,228	2,297	2,033
Other Revenue	1,154	935	818	804	635
Total Revenue	14,604	14,921	14,259	16,301	13,869
Amounts Paid and Changes in Technical Provisions	(8,783)	(9,992)	(9,015)	(11,658)	(9,289)
Reinsurers' Share	183	183	171	309	309
Net Charges Relating to Claims	(8,600)	(9,809)	(8,844)	(11,350)	(8,980)
Commission Expenses	(89)	(36)	(20)	(21)	(17)
Losses on Investments in Subsidiaries, Associates, and Interest in Joint Ventures	(8)	(2)	(1)	(0)	(1)
Interest Expense	(80)	(82)	(97)	(101)	(96)
Other Charges	(32)	(28)	(28)	(31)	(31)
Realised Losses	(413)	(116)	(415)	(110)	(136)
Unrealised Losses	(347)	(267)	(63)	(169)	(118)
Losses on Other Financial Instruments and Investment Property	(871)	(493)	(604)	(412)	(380)
Commissions and Other Acquisition Costs	(1,887)	(1,857)	(1,845)	(1,864)	(1,780)
Investment Management Expenses	(135)	(125)	(120)	(130)	(117)
Other Administrative Expenses	(747)	(629)	(577)	(641)	(531)
Operating Expenses	(2,769)	(2,611)	(2,542)	(2,635)	(2,429)
Other Costs	(1,347)	(1,076)	(1,130)	(1,010)	(859)
Total Costs and Expenses	(13,684)	(14,026)	(13,140)	(15,428)	(12,665)
Pre-Tax Profit (Loss) for The Year	920	895	1,119	873	1,203
Income Taxes	(269)	(172)	(266)	(218)	(256)
Profit (Loss) for the Year After Taxes	652	723	853	655	948
Attributable to the Owners of the Parent	597	689	820	628	905
Attributable to Non-Controlling Interests	55	35	33	27	43

Simplified Corporation Organisation Chart (Q1 2023)



Sources: DBRS Morningstar and Company documents.

Rating Methodologies

The applicable methodologies are the *Global Methodology for Rating Insurance Companies and Insurance Organizations* (14 July 2023) and the *DBRS Morningstar Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings* (4 July 2023), 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	2022	2021
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 Confirms the Ratings of UnipolSai and Unipol Gruppo; Trend Remains Stable"](#), 4 October 2022.
- ["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

- [Cyber Insurance—A Meaningful Growth Opportunity for Insurers](#), 30 May 2023.
- [The Future of European Insurance Financial Reporting and Credit Implications from IFRS 17](#), 3 April 2023.
- [European Insurers Maintain Strong Solvency Ratios Despite Large Unrealised Losses and Enhanced Lapse Risk](#), 21 March 2023.
- [Unipol Gruppo: 2022 Earnings Improved on Premiums' Growth in the Non-Life Business](#), 13 February 2023.
- [2023 Italian Insurance Outlook Challenged by Decreasing Life Premiums and Inflation](#), 23 January 2023.

Previous Reports

- UnipolSai Assicurazioni S.p.A.: [Rating Report](#), 26 October 2022.
- UnipolSai Assicurazioni S.p.A.: [Rating Report](#), 12 November 2021.

Note:
All figures are in euros unless otherwise noted.

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