Credit Rating Report
UnipolSai Assicurazioni S.p.A.

Morningstar DBRS
26 July 2024

Contents

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Credit Ratings

Issuer	Debt	Credit Rating	Credit Rating Action	Trend
UnipolSai Assicurazioni S.p.A.	Financial Strength Rating	A (high)	Confirmed July '24	Stable
UnipolSai Assicurazioni S.p.A.	Issuer Rating	A (high)	Confirmed July '24	Stable
Unipol Gruppo S.p.A.	Issuer Rating	BBB	UR-Positive July '24	--

Credit Rating Drivers

Factors With Positive Credit Rating Implications

- UnipolSai Assicurazioni S.p.A.'s (UnipolSai or the Company) credit ratings would be upgraded over the longer term if the Company materially improves its profitability, capital generation, and risk profile, together with an upgrade of the sovereign credit rating of the Republic of Italy.

Factors With Negative Credit Rating Implications

- Conversely, the credit ratings would be downgraded if there is a downgrade of the sovereign credit rating of the Republic of Italy due to the Company's substantial asset exposure and business concentration in the country. The credit ratings would also be downgraded if the Company's underwriting profitability or capitalisation materially deteriorate.

Credit Rating Considerations

Franchise Strength (Strong)

- UnipolSai benefits from a leading market share in the nonlife business in Italy and a strong market position 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. Its 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 nonlife and life segments but exposure to natural catastrophe risk caused a deterioration in underwriting profitability in 2023. Exposure to Italian government bonds in the portfolio is high, albeit significantly decreasing in recent years.

Earnings Ability (Strong/Good)

- UnipolSai's combined ratio averaged 92.5% between 2019 and 2022 but increased to 98.2% in 2023. Premium income increased in 2023, supported by both life and nonlife segments, in a challenging operating environment. The return on equity (ROE) has consistently been 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. The merger by incorporation of the operating company UnipolSai into Unipol Gruppo S.p.A. (Unipol Gruppo or Unipol) will likely lead to a further reduction of leverage. The transaction is expected to close by the end of 2024.

Financial Information

	For the Year Ended December 31 (IFRS)				
(EUR Millions)	**2023**	**2022**	**2021**	**2020**	**2019**
Net Premium Income	12,823	11,366	11,879	11,349	13,263
Other Revenues	1,059	1,154	935	818	804
Return on Common Equity	12.1	9.5	9.3	11.5	10.2
Total Debt, Hybrids, and Preferred Shares (Unipol Group)	4,211	4,321	4,457	5,326	3,981
Financial Leverage (Unipol Group)	31.2	37.6	32.6	37.1	32.4
Financial Leverage (Unipol Group) (Q4 Rolling Average)	32.4	37.1	32.4	35.1	33.6
Fixed Charge Coverage (3-Year Weighted Average, Unipol Group)	7.4	6.7	6.8	7.7	6.7

Sources: Morningstar DBRS and Company documents.

Issuer Description

UnipolSai is the insurance company and main operating entity of Unipol Gruppo, an Italian holding company mostly focused on insurance activities. UnipolSai operates primarily in Italy with leading market shares in the nonlife business and strong market position in life. While the group also operates in additional activities, mostly complementary to the insurance business, the insurance operations account for the majority of its revenues.

Credit Rating Rationale

On July 17, 2024, DBRS Ratings GmbH (Morningstar DBRS) confirmed the Company's credit ratings at A (high) with Stable trends. UnipolSai's Financial Strength Rating (FSR) reflects the Company's strong market position in Italy, supported by sound product diversification and an extensive distribution network. While underwriting profitability deteriorated in 2023 because of the Company's exposure to catastrophe risk, UnipolSai maintained sound bottom-line profitability metrics. On the other hand, the Company's activities remain focused in Italy, and its risk profile is affected by the still-large, albeit decreasing, exposure to Italian government bonds. UnipolSai's strong franchise and excellent operational execution have contributed to consistent premiums generation in both the nonlife and life segments in recent years. The Company maintained high levels of regulatory capital and adequate levels of financial leverage.

UnipolSai's FSR is three notches above Morningstar DBRS' sovereign credit rating of BBB (high) with a Stable trend on the Republic of Italy (Italy) and falls within the four-notch credit rating differential allowed by Morningstar DBRS' *Global Methodology for Rating Insurance Companies and Insurance Organizations*. This differential reflects Morningstar DBRS' view that, given healthy profitability, UnipolSai is likely to pay insurance claims even if the sovereign is under stress. In the event of a weakening sovereign, premium revenues will likely continue to be generated, providing steady cash flow and enabling the Company to meet its claims obligations.

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

Franchise Strength

Grid Grade: Strong

UnipolSai is the main insurance operating company of Unipol Gruppo. With total insurance premiums of EUR 15.1 billion in 2023, the Company is the group's main revenue generator, offering a wide range of insurance coverage in both nonlife and life segments, including mobility, home, personal, and professional protection as well as savings and investment products. UnipolSai operates primarily in Italy where it benefits from leading market positions in the nonlife sector as well as a significant presence in the life sector boosted by its strategic bancassurance partnerships.

In 2024, Unipol announced the merger by incorporation of UnipolSai into Unipol Gruppo with the combined entity changing name to Unipol Assicurazioni. The transaction is expected to provide significant benefits in terms of streamlining the group corporate structure as well as simplify the decision-making process under a unified group governance. With the recently announced successful acquisition of 100% of UnipolSai's outstanding shares and the delisting of UnipolSai shares from the Euronext Milan stock exchange, Unipol remains on track to complete the merger as announced before the end of 2024.

From the geographical perspective, UnipolSai operates almost totally in Italy; however, its meaningful market position across all major business lines contributes to its revenue diversification. Nonlife premiums represented around 60% of total premiums in 2023, with motor insurance being the largest contributor, although the growth of the property and welfare lines has resulted in its share of premiums 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.

Morningstar DBRS' assessment of UnipolSai's franchise takes into account the Company's extensive and multichannel distribution network in Italy, comprising approximately 2,000 agencies and 5,200 subagencies spread across the whole Italian territory, direct channel and strong bancassurance agreements with BPER Banca S.p.A. (BPER) and Banca Popolare di Sondrio S.C.p.A. (BP Sondrio), in which the group holds a stake of 19.9% and 19.7%, respectively, and are considered a key competitive advantage, especially in the difficult Italian life insurance market.

Unipol's strategy remains focused on expanding the Company's activities from an insurance provider to being an overall leader in the mobility, welfare, and property ecosystems. In the mobility segment, the recent merger of Società Italiana Flotte Aziendali S.p.A. into Unipol Rental led to the constitution of a leading national provider in the car long-term rental market in Italy. Through further expansion and integration of the Company's network of medical centres, the Company aims to support its fast-growing health insurance business in the relatively underpenetrated Italian market. In the property ecosystem, UnipolSai is establishing partnerships to improve synergies in the claims management process.

Risk Profile

Grid Grade: Good/Moderate

Morningstar DBRS considers the risk profile of UnipolSai's insurance operations as sound, notwithstanding the challenging operating environment. In 2023, underwriting profitability in the nonlife segment deteriorated mostly due to the negative impact of adverse weather events that occurred in Italy during the year. As a result, the Company reported significantly higher natural catastrophe losses compared with previous years. On the other hand, the Company has fully and successfully implemented its repricing strategy in the motor business, which did not materially affect UnipolSai's client retention rates. In Q1 2024, the Company's underwriting profitability, as measured by the combined ratio, did improve year on year (YOY). Morningstar DBRS expects UnipolSai's exposure to catastrophe risk to increase in 2024 and 2025 as per the effect of the mandatory protection against natural catastrophic events implemented by the Italian government for all business incorporated in Italy. Nevertheless, this will be mitigated by the Company's strict underwriting standards and procedures, which will allow UnipolSai to correctly price, structure, and reinsure their catastrophic risk, according to the Company's risk appetite.

In the life segment, UnipolSai has been significantly outperforming the market both in terms of premium growth and lapse risk. Notwithstanding a general increase of withdrawals and surrenders of life investment products following the rapid interest rate increase, lapse risk in UnipolSai's portfolio remained manageable and below peers, benefitting from a largely diversified distribution network and a granular retail portfolio with a significant low amount of policies with a large cash value (>EUR 500,000).

Although decreasing, UnipolSai's exposure to Italian sovereign bonds is significant, lowering the quality of the investment portfolio and constraining Morningstar DBRS' view of the Company's risk profile. However, UnipolSai's efforts aimed at reducing solvency ratio volatility led to a significant reduction in exposures to Italian sovereign debt to approximately 30% at the end of Q1 2024 from 50% at YE2019. However, while improving materially, UnipolSai's share of securities rated BBB within the fixed income portfolio is still high at 58% at YE2023 (60% at YE2022). Non-investment-grade holdings represented 8% of the bond portfolio, mostly stable YOY (Exhibit 1).

Exhibit 1 Fixed Income (Bonds and Private Placements) Portfolio

	For the Year Ended December 31 (IFRS)				
Bonds Rated (%)	**2023**	**2022**	**2021**	**2020**	**2019**
AAA	1.3	1.4	2.7	3.3	0.3
AA	9.7	9.4	6.6	6.9	2.0
A	23.0	21.0	20.5	17.5	10.4
BBB	58.1	60.2	63.4	65.2	75.1
BB and below	7.9	8.0	6.8	7.1	12.3
Total Bonds	100.0	100.0	100.0	100.0	100.0

Sources: Morningstar DBRS and Company documents.

Given its sizable 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. Morningstar DBRS notes that the 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

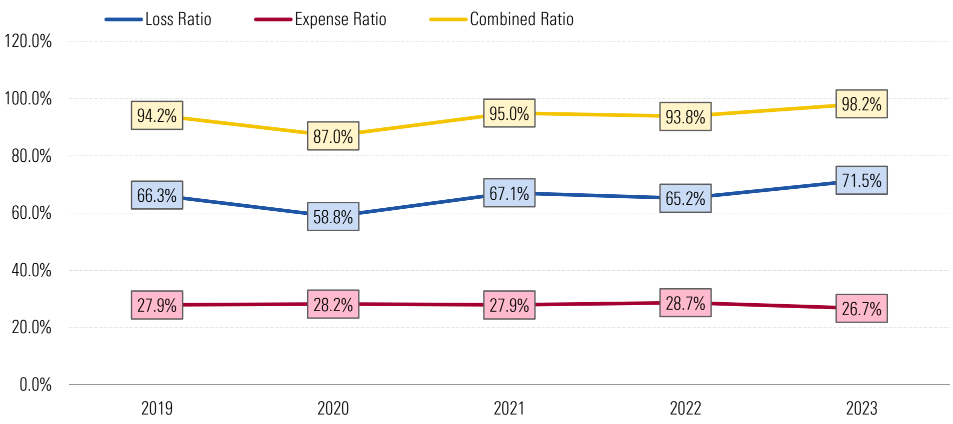
UnipolSai's earnings ability remains sound, supported by the Company's leading market share in the Italian nonlife insurance market, its diverse and extensive distribution network, and sound underwriting profitability.

The Company's direct insurance premiums increased by around 10% YOY in 2023, supported by both nonlife and life segments. Nonlife premiums grew by 4% YOY, supported by the nonmotor sector and in particular the health segment (+13.5% YOY) in which UnipolSai benefits from a leading market position in a still relatively underpenetrated market. Motor insurance premiums increased by 3% YOY in 2023 and by 11% YOY in Q1 2024, reflecting the Company's finalised repricing strategy.

Nevertheless, underwriting profitability deteriorated in 2023, mostly due to the negative impact of large losses from adverse atmospheric events, which affected the Combined Ratio (CR) by 14.1% in leading to an increase to 98.2% versus 93.8% in 2022. In Q1 2024, the CR improved to 91.1% versus 94.8% in Q1 2023.

In contrast with the negative performance of the Italian life insurance market, UnipolSai's life insurance premiums increased by 20% YOY in 2023. While unit-linked products premiums went down by 50%, the positive performance was justified by traditional products and pension funds. Premiums generated by the bancassurance channel increased by 34% YOY in 2023.

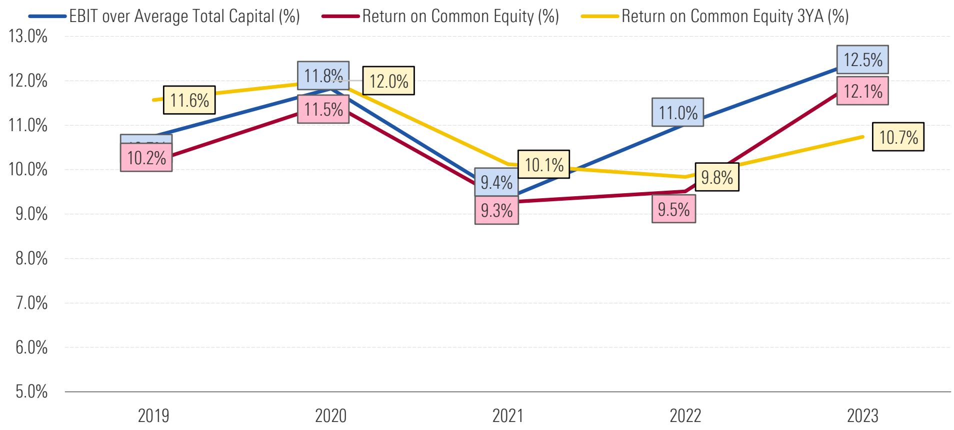
Exhibit 2 Underwriting Profitability



Sources: Morningstar DBRS 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, Morningstar DBRS 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 nonlife businesses.

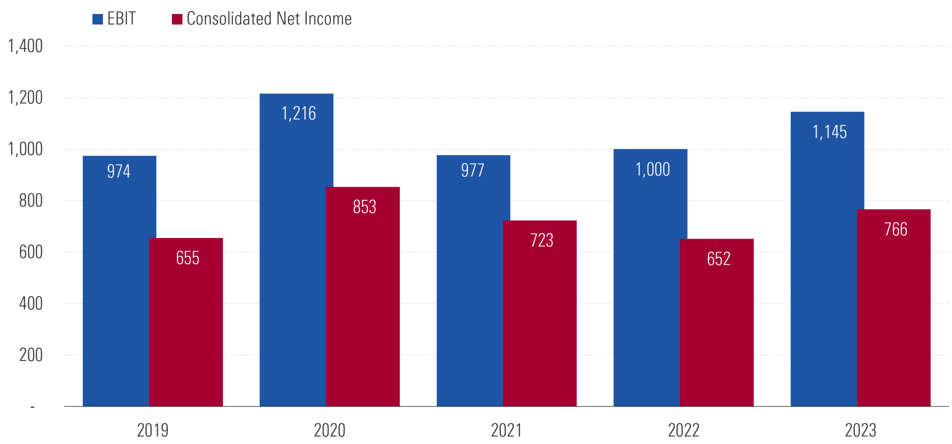
Exhibit 3 Profitability Metrics (UnipolSai Consolidated)



Sources: Morningstar DBRS and Company documents.

Unipol Gruppo reported a consolidated net profit of EUR 1,331 million in 2023, a significant increase from EUR 866 million in 2022 (reported according to the IFRS 4/IAS 39 accounting standards). The results significantly benefitted from the EUR 267 million badwill related to the first-time consolidation of the stake of BP Sondrio using the equity method. Excluding one-offs, the total consolidated net result in 2023 was EUR 1,064 million, still significantly higher than EUR 774 million the year before (under IFRS4/IAS39 accounting standards), supported by the Group's persistently strong revenue generation in both the nonlife and life businesses.

Exhibit 4 EBIT and Net Income Results (EUR Millions)



Sources: Morningstar DBRS and Company documents.

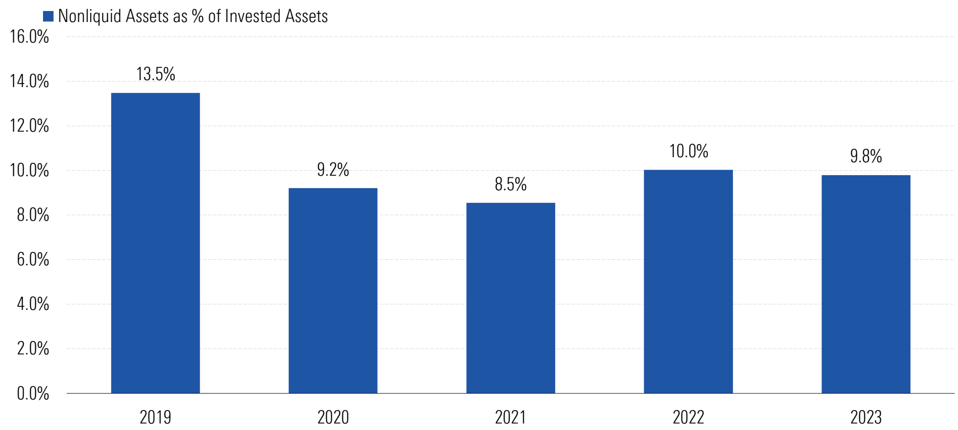
Liquidity

Grid Grade: Strong/Good

In Morningstar DBRS' view, UnipolSai's claims profile remains largely predictable. However, in 2023, large catastrophic losses arising from adverse weather events in Italy had a significantly higher impact on claims. While this was partially mitigated through reinsurance and the Company's ability to manage underwriting risk effectively, Morningstar DBRS believes that the mandatory coverage of natural catastrophic events for corporates operating in Italy could have a negative impact on claims predictability. Nevertheless, the claims profile is well managed as illustrated by the historically strong track record of healthy underwriting profitability and premiums inflow in the nonlife business. 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: Morningstar DBRS and Company documents.

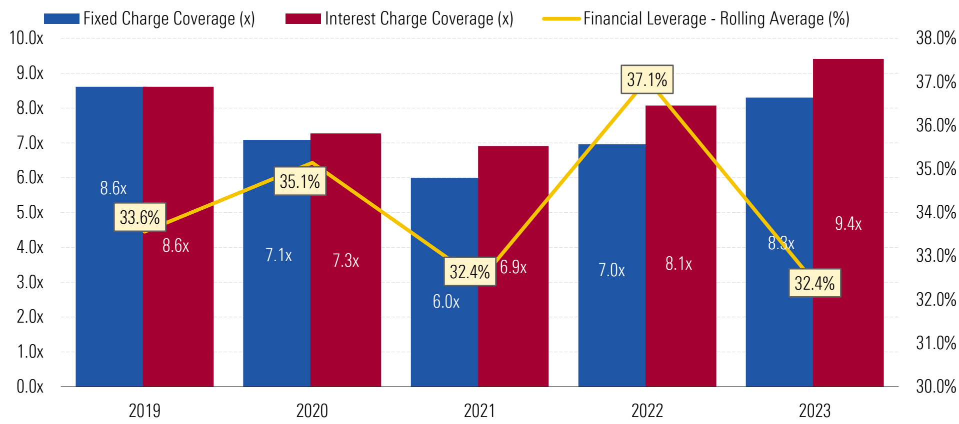
Capitalisation

Grid Grade: Good/Moderate

Morningstar DBRS' view of UnipolSai's capitalisation continues to take into account the Company's 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 very robust at 320% at YE2023, improved from 274% at YE2022. This provides a sizable cushion against adverse impacts. As per the 2022–24 strategic plan, UnipolSai maintains a comfortable target solvency ratio of 180% to 220%.

At the group level, Unipol reported a solvency ratio of 215% at YE2023 (versus 200% at YE2022). Unipol Gruppo's Solvency II ratio remains affected by the consolidation of the two associate banks BPER and BP Sondrio. Excluding the investments in associate banks, the overall Solvency II ratio of the insurance sector at group level would be 267% at YE2023.

Exhibit 6 Leverage and Coverage (Unipol Group)



Sources: Morningstar DBRS and Company documents.

Positively, Morningstar DBRS notes that the undertaken review of asset allocation has led to a reduction in the sensitivity to Italian bond spreads. Morningstar DBRS 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 7 Capitalisation

	For the Year Ended December 31 (IFRS)				
(%)	**2023**	**2022**	**2021**	**2020**	**2019**
Regulatory Capital Strength					
Solvency II Ratio	313	288	326	318	284
Minimum Capital Requirement Ratio	320	274	284	281	252
Leverage					
Total Capital (EUR Thousands)	10,370	7,982	10,158	10,685	9,881
Financial Leverage (Unipol Group)	31.2	37.6	32.6	37.1	32.4
Financial Leverage (Unipol Group) (Rolling Average)	32.4	37.1	32.4	35.1	33.6
Intangibles/Common Equity	20.9	22.5	12.9	12.5	13.0
Tangible Common Equity/Total Capital	49.8	49.2	64.0	60.5	60.6
Total Capital/Policyholder Liabilities	20.6	15.4	17.8	18.5	17.2
Protection Ratios					
Quality Assets/Noncapital Liabilities	34.9	29.2	30.7	29.9	15.8
Total Capital/Riskier Assets	74.8	59.5	71.4	75.0	55.6

Sources: Morningstar DBRS and Company documents.

The leverage ratio (as calculated by Morningstar DBRS as per the *Global Methodology for Rating Insurance Companies and Insurance Organizations* at the Unipol group level on a consolidated basis) was 32.4% at YE2023, down from 37.1% in 2022. Morningstar DBRS believes the leverage ratio will decrease gradually after the merger as Unipol will let the senior bonds expire without replacement. UnipolSai continued to demonstrate good access to debt capital markets with the issuance of an EUR 750 million Tier 2 instrument in May 2024. The new issuance was followed by the early redemption of the existing subordinated perpetual bonds of the same amount. Overall, Unipol's three-year weighted-average fixed-charge coverage ratio remains sound at 7.4 times (x) in 2023, compared with 6.7x in 2022, reflecting consistent earnings generation.

Environmental, Social, and 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 under key IPCC climate scenarios up to a 2°C rise in temperature by 2050?	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:**	Y	S
	Social Impact of Products and Services	Do we consider that the social impact of the issuer's products and services 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 can 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 it 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)?	Y	S
Governance		**Overall:**	Y	S
	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 affect 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 allow for 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)?	Y	S
		Consolidated ESG Criteria Output:	Y	S

* 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 credit ratings or trends assigned to the Company. 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. Morningstar DBRS considers that the Company 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, losses related to adverse weather events in Italy increased significantly in 2023, leading to a deterioration of UnipolSai’s underwriting profitability.

Social

The social factor affects UnipolSai as the Republic of Italy's ESG factors are passed through. UnipolSai 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 affects UnipolSai as the Republic of Italy's ESG factors are passed through. 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.

ESG factors affecting the Republic of Italy's credit ratings are also likely to have an impact on UnipolSai's credit ratings (https://dbrs.morningstar.com/research/413247).

UnipolSai Assicurazioni S.p.a.—Annual Financial Information

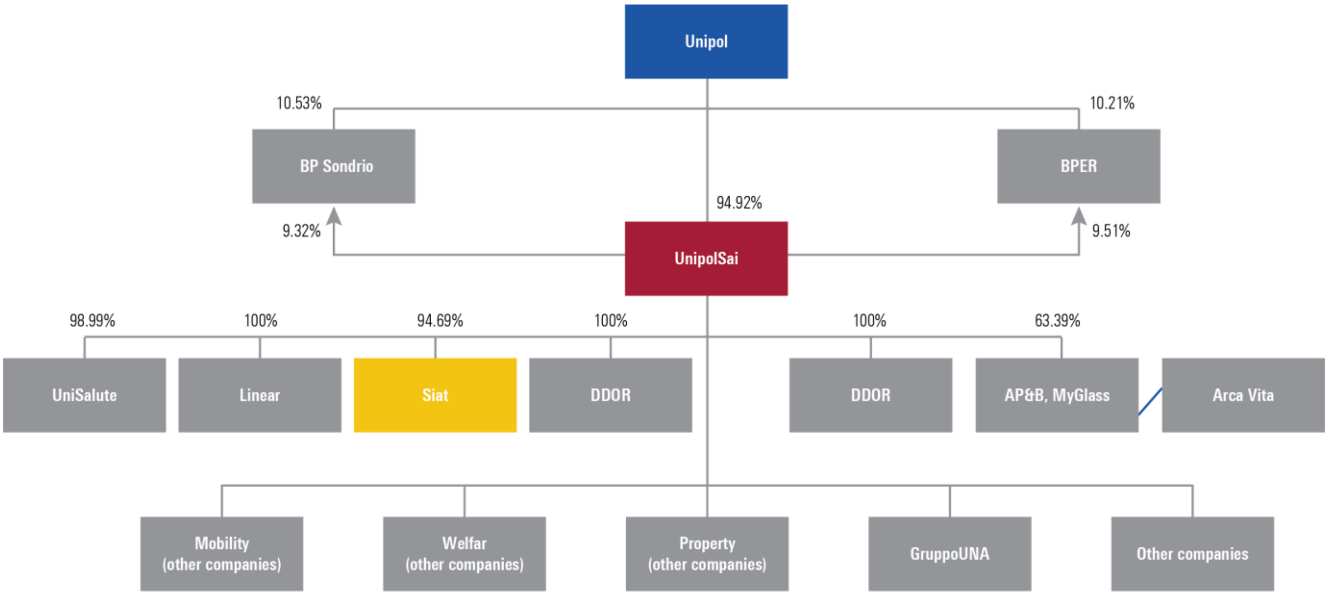
Balance Sheet (As Reported) (In EUR Millions, except for % or otherwise stated)	For the Year Ended December 31 (IFRS)				
	2023	**2022**	**2021**	**2020**	**2019**
Assets					
Goodwill	765	602	514	514	508
Other Intangible Assets	602	541	449	407	385
Property and Other Intangible Assets	4,124	2,784	2,431	2,280	2,412
Insurance Assets	1,123	-	-	-	-
Technical Provisions—Reinsurers' Share	-	762	831	835	990
Investment Property	2,364	2,359	2,156	2,262	2,063
Investments in Subsidiaries, Associates, and Interest in Joint Ventures	170	162	177	163	169
Financial Assets at Amortised Cost	2,149	-	-	-	-
Financial Assets at Fair Value Through OCI	40,867	-	-	-	-
Financial Assets at Fair Value Through Profit or Loss	16,410	-	-	-	-
Held-to-Maturity Investments	-	366	367	421	455
Loans and Receivables	-	4,894	5,245	5,256	4,767
Available-for-Sale Financial Assets	-	41,283	50,435	51,102	48,855
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-	-
Total Investments	**61,960**	**58,186**	**66,953**	**66,640**	**64,061**
Other Financial Assets	**2,433**	-	-	-	-
Sundry Receivables	-	**3,472**	**3,425**	**3,210**	**3,153**
Total Other Assets	**3,136**	**3,039**	**971**	**858**	**924**
Cash and Cash Equivalents	978	826	885	681	747
Total Assets	**75,121**	**70,211**	**76,459**	**75,425**	**73,179**
Liabilities and Shareholders' Equity					
Share Capital	2,031	2,032	2,031	2,032	2,032
Other Equity Instruments	496	496	496	496	-
Capital Reserves	347	347	347	347	347
Income-Related and Other Equity Reserves	3,240	3,236	3,146	2,889	2,718
Treasury Shares	(3)	(3)	(1)	(1)	(2)
Valuation Reserves	215	-	-	-	-
Reserve for Foreign Currency Translation Differences	-	4	4	4	5
Gains or Losses on Available-for-Sale Financial Assets	-	(1,129)	1,285	1,295	1,142
Other Gains or Losses Recognised Directly in Equity	-	(11)	(34)	(1)	9
Profit (Loss) for the Year Attributable to the Owners of the Parent	700	597	689	820	628
Equity Attributable to the Owners of the Parent	**7,026**	**5,569**	**7,964**	**7,881**	**6,878**
Equity Attributable to Noncontrolling Interests	**281**	**244**	**270**	**263**	**275**
Provisions	519	596	422	438	442
Technical Provisions	-	51,766	57,128	57,707	57,567

Balance Sheet (As Reported) (In EUR Millions, except for % or otherwise stated)	For the Year Ended December 31 (IFRS)				
	2023	**2022**	**2021**	**2020**	**2019**
Insurance Liabilities	51,200	-	-	-	-
Financial Liabilities at Fair Value Through Profit or Loss	10,507	6,839	6,356	4,379	2,914
Financial Liabilities Held for Trading	*95*	-	-	-	-
Financial Liabilities at Fair Value	*10,412*	-	-	-	-
Financial Liabilities at Amortised Cost	3,064	-	-	-	-
Payables	1,273	-	-	-	-
Other Financial Liabilities	-	2,303	2,055	2,676	3,086
Payables Arising From Direct Insurance Business	-	198	188	163	165
Payables Arising From Reinsurance Business	-	144	105	77	97
Other Payables	-	1,156	900	786	819
Liabilities Associated With Disposal Groups Held for Sale	-	388	3	3	3
Deferred Tax Liabilities	89	1	108	136	78
Current Tax Liabilities	16	13	39	39	48
Other Liabilities	1,146	996	922	877	806
Total Shareholders' Equity and Liabilities	**75,121**	**70,211**	**76,459**	**75,425**	**73,179**

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

Income Statement (As Reported)	**For the Year Ended December 31 (IFRS)**
(In EUR Millions, except for % or otherwise stated)	**2023**
Insurance Revenue From Insurance Contracts Issued	9,571
Insurance Service Expenses From Insurance Contracts Issued	(9,405)
Insurance Revenue From Reinsurance Contracts Held	637
Insurance Service Expenses From Reinsurance Contracts Held	(396)
Result of Insurance Services	**407**
Gains/Losses on Financial Assets and Liabilities at Fair Value Through Profit or Loss	460
Gains/Losses on Investments in Associates and Interests in Joint Ventures	38
Gain/Losses on Other Financial Assets and Liabilities and Investment Property	1,383
Interest Income Calculated With the Effective Interest Method	1,434
Interest Expense	(126)
Other Income/Charges	172
Realised Gains/Losses	2
Unrealised Gains/Losses	(99)
Balance on Investments	**1,881**
Net Finance Expenses/Income Relating to Insurance Contracts Issued	(1,286)
Net Finance Income/Expenses Relating to Reinsurance Contracts Held	(3)
Net Financial Result	**592**
Other Revenue/Costs	1,059
Investment Management Expenses	(74)
Other Administrative Expenses	(446)
Operating Expenses	**(520)**
Net Provisions for Risks and Charges	(10)
Net Impairment Losses/Reversals on Property, Plant, and Equipment	(375)
Net Impairment Losses/Reversals on Intangible Assets	(133)
Other Operating Expenses/Income	(1)
Pretax Profit (Loss) for the Period	**1,019**
Income Taxes	(253)
Profit (Loss) for the Year After Taxes	766
Profit (Loss) From Discontinued Operations	-
Consolidated Profit (Loss)	**766**
of Which: Attributable to the Owners of the Parent	700
of Which: Attributable to Noncontrolling Interests	66

Simplified Corporation Organisation Chart (as of May 2024)



Sources: Morningstar DBRS and Company documents.

Credit Rating Methodologies

The applicable methodologies are the *Global Methodology for Rating Insurance Companies and Insurance Organizations (April 15, 2024) and Morningstar DBRS Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings (January 23, 2024*), which can be found on dbrs.morningstar.com under Methodologies & Criteria.

Credit Ratings

Issuer	Obligation	Credit Rating	Credit 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	UR-Positive	--

Credit Ratings History

Issuer	Obligation	Current	2023	2022
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

- "Morningstar DBRS Confirms UnipolSai's Financial Strength Rating at A (high) with Stable Trend; Unipol Gruppo S.p.A.'s Issuer Rating of BBB Remains Under Review With Positive Implications", 17 July 2024.
- "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.

Related Research

- Could Europe Become Uninsurable Against Catastrophic Weather Events?, 29 May 2024.
- Liquidity Risk Under Scrutiny as Insurers Embrace Private Credit, 30 May 2024.
- Baltimore Bridge's Losses Within Absorption Capacity of the Insurance Industry but Will Add Pressure to the Marine Market, 27 March 2024.
- Solvency II Review is Coming to an End: Expected Effect on European and UK Insurers, 20 February 2024.
- Heightened Regulatory Risks for Life Insurers Focusing on Alternative Investments and Asset-Intensive Reinsurance, 15 February 2024.
- As Private Equity Sets its Sights on Life Insurers, What are the Credit Rating Implications?, 25 January 2024.
- Overcoming the Storm: How Is the UK Insurance Sector Facing the Higher Risk of Flood?, 12 January 2024.
- 2024 Italian Insurance Outlook: Improving Trends in the Life Business and Resilience in Nonlife, 29 November 2023.

- Be Prepared: How Spanish Insurers Are Positioned for Growth in 2024, 23 November 2023.
- Manageable CRE Risks for Italian Banks and Insurance Companies Compared to European Peers, 26 July 2023.

Previous Reports

- UnipolSai Assicurazioni S.p.A.: Rating Report, 8 August 2023.
- 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. 2023 data according to IFRS17 accounting standard.

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