



UNIPOL GRUPPO: FITCH MIGLIORA IL RATING A “BBB”

Bologna, 9 maggio 2018

L'agenzia di rating Fitch Ratings ha comunicato l'upgrade del *Long-Term Issuer Default Rating* (IDR) assegnato a Unipol Gruppo S.p.A. e UnipolSai Assicurazioni S.p.A. che passano a “BBB” da “BBB-”, con *outlook* stabile. Conseguentemente anche i *rating* delle emissioni di debito del Gruppo Unipol sono stati aumentati: i prestiti *senior* di Unipol Gruppo S.p.A. sono passati a “BBB-” da “BB+”, i prestiti subordinati con scadenza di UnipolSai Assicurazioni S.p.A. sono passati a “BBB-” da “BB+” e il prestito subordinato perpetuo di UnipolSai Assicurazioni S.p.A. è passato a “BB+” da “BB”.

Al contempo, l'agenzia di rating ha confermato l'*Insurer Financial Strength* (IFS) rating di UnipolSai Assicurazioni S.p.A. a “BBB”, con *outlook* stabile.

Si allega il testo integrale del comunicato emesso dall'agenzia Fitch Ratings.

Unipol Gruppo S.p.A.

Unipol è uno dei principali gruppi assicurativi in Europa con una raccolta complessiva pari a circa 12,3 miliardi di euro, di cui 7,9 miliardi nei Rami Danni e 4,4 miliardi nei Rami Vita (dati 2017). Unipol adotta una strategia di offerta integrata e copre l'intera gamma dei prodotti assicurativi e finanziari, operando principalmente attraverso la controllata UnipolSai Assicurazioni S.p.A., nata all'inizio del 2014, leader in Italia nei rami Danni, in particolare nell'R.C. Auto. Il Gruppo è attivo inoltre nell'assicurazione auto diretta (Linear Assicurazioni), nell'assicurazione trasporti ed aviazione (Siat), nella tutela della salute (UniSalute), nella previdenza integrativa e presidia il canale della bancassicurazione. Opera infine in ambito bancario attraverso la rete di sportelli di Unipol Banca e gestisce significative attività diversificate nei settori immobiliare, alberghiero e agricolo (Tenute del Cerro). Unipol Gruppo S.p.A. è quotata alla Borsa Italiana.

UnipolSai Assicurazioni S.p.A.

UnipolSai Assicurazioni S.p.A. è la compagnia assicurativa del Gruppo Unipol, leader in Italia nei rami Danni, in particolare nell'R.C. Auto. Attiva anche nei rami Vita, UnipolSai conta un portafoglio di oltre 10 milioni di clienti e occupa una posizione di preminenza nella graduatoria nazionale dei gruppi assicurativi per raccolta diretta pari a circa 11,1 miliardi di euro, di cui 7,4 nei Danni e 3,7 nel Vita (dati 2017). La compagnia opera attraverso la più grande rete agenziale d'Italia, forte di circa 2800 agenzie assicurative e circa 6.000 subagenzie distribuite sul territorio nazionale. UnipolSai Assicurazioni è controllata da Unipol Gruppo S.p.A. e, al pari di quest'ultima, è quotata alla Borsa Italiana, di cui rappresenta uno dei titoli a maggiore capitalizzazione.

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Fitch Upgrades Unipol's IDR to 'BBB'; Affirms IFS at 'BBB'

Fitch Ratings-London-09 May 2018: Fitch Ratings has upgraded Unipol Gruppo SpA's and UnipolSai Assicurazioni SpA's (Unipol's primary insurance subsidiary, together Unipol) Long-Term Issuer Default Rating (IDR) to 'BBB' (Good) from 'BBB-'. At the same time, Fitch has affirmed UnipolSai's Insurer Financial Strength (IFS) Rating at 'BBB'. The Outlooks are Stable. A full list of rating actions is at the end of this commentary.

Fitch applies a sovereign constraint of 'BBB', meaning that Unipol's IFS rating is capped at 'BBB'. The upgrade of Unipol's IDR follows the upgrade of its unconstrained IFS to 'BBB+' from 'BBB'. We have used standard notching from Unipol's unconstrained IFS to its IDR.

KEY RATING DRIVERS

The upgrade of Unipol's unconstrained IFS to 'BBB+' from 'BBB' reflects the group's strong and resilient capitalisation and strong underlying insurance financial performance. The upgrade also follows the successful restructuring of Unipol's banking operations in 2017, which substantially reduces uncertainties around capital support from Unipol to Unipol Banca SpA (Unipol's banking unit, IDR: BB/Stable; Viability Rating: b). This is offset by Unipol's high financial leverage ratio (FLR).

Unipol's concentrated -albeit reduced- exposure to Italian sovereign debt of EUR32 billion (or 4x consolidated shareholders' equity) at end-2017 is reflected in the sovereign constraint of 'BBB' being applied to its ratings. This is aligned with Italy's sovereign rating of BBB/Stable.

In February 2018, Unipol Banca spun-off about EUR3 billion of doubtful loans into a new company -UnipolRec- owned by Unipol, executing the restructuring plan announced on 30 June 2017. Unipol will ultimately retain the underlying credit risk. However, the group crystallised the contingent losses arising from its banking operations. Unipol could also benefit if recovery rates on the bad loans portfolio transferred to the new company are higher than 20%.

Fitch's view on Unipol's capital is driven by the group's score under Fitch's Prism Factor Based Model (Prism FBM). This was 'Strong' based on end-2017 data, above our expectations and despite about EUR1 billion charges due to Unipol

Banca's restructuring. Fitch believes that Unipol's strong capital could remain under some pressure in the coming years from the still weak credit quality of Unipol Banca, although the magnitude of the support from Unipol to Unipol Banca should be limited and manageable. Unipol's consolidated regulatory Solvency II ratio, calculated using undertaking specific parameters, was at 152% at end-2017 (2016: 141%), within Unipol's target range of 120%-160%.

Fitch views Unipol's FLR as high for its ratings. The FLR increased to 38% at end-2017 (2016: 34%) as Unipol issued EUR500 million of senior unsecured debt in November 2017 and repaid EUR299 million of senior unsecured debt that matured in January 2017. We expect the FLR to increase further in 2018 following the issuance of EUR500 million of subordinated notes in February 2018, which will be used to repay part of outstanding amounts under certain subordinated loan agreements. We expect the FLR to gradually decrease from 2019 onwards.

Fitch assesses Unipol's profitability as good. The non-life combined ratio, net of reinsurance, was 96% in 2017, in line with 2016, supported by positive reserve releases. However, the group's net profitability can be volatile due to the weak contribution from the banking and real estate activities. Unipol made a net loss of EUR346 million in 2017 (2016: net profit of EUR330 million) due to extraordinary costs associated with Unipol Banca's restructuring. Its 2015-2017 average return on equity, adjusted for one-off charges in 2017, was 6%. We expect Unipol's profitability to remain at least commensurate with its ratings.

RATING SENSITIVITIES

Unipol's ratings could be downgraded if the Prism FBM score falls below 'Strong' or the FLR deteriorates to above 40% for a sustained period. The ratings could also be downgraded if the return on equity remains below 3%.

Unipol's ratings are likely to be downgraded if Italy's sovereign rating is downgraded.

Unipol's ratings could be upgraded if Italy is upgraded, provided that its Prism FBM score remains 'Strong' and return on equity remains above 6%.

FULL LIST OF RATING ACTIONS

Unipol Gruppo

Long-Term IDR upgraded to 'BBB' from 'BBB-'; Outlook Stable

EMTN programme: upgraded to 'BBB-' from 'BB+'

Senior unsecured debt: upgraded to 'BBB-' from 'BB+'

UnipolSai

IFS rating affirmed at 'BBB'; Outlook Stable
Long-Term IDR upgraded to 'BBB' from 'BBB-'; Outlook Stable

EMTN programme:

Senior debt: upgraded to 'BBB' from 'BBB-'

Subordinated debt: upgraded to 'BB+' from 'BB'

Dated subordinated debt: upgraded to 'BBB-' from 'BB+'

Undated subordinated debt: upgraded to 'BB+' from 'BB'

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Applicable Criteria

Insurance Rating Criteria (pub. 30 Nov 2017)

(<https://www.fitchratings.com/site/re/905036>)

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