

Rating Report

UnipolSai Assicurazioni S.p.A.

DBRS Morningstar

November 12, 2021

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Ratings

| Issuer | Obligation | Rating | Rating Action | Trend |
|--------------------------------|---------------------------|----------|-----------------------|--------|
| UnipolSai Assicurazioni S.p.A. | Financial Strength Rating | A (high) | Trend Change Nov. '21 | Stable |
| UnipolSai Assicurazioni S.p.A. | Issuer Rating | A (high) | Trend Change Nov. '21 | Stable |
| Unipol Gruppo S.p.A. | Issuer Rating | BBB | Trend Change Nov. '21 | Stable |

Rating Drivers

Factors with Positive Rating Implications:

An upgrade of the sovereign rating of the Republic of Italy or a change of its Trend to Positive, along with UnipolSai maintaining high regulatory capital ratios, would lead to a corresponding upgrade or Trend change on UnipolSai's and Unipol Gruppo's 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 due to UnipolSai's material business and asset exposure to Italy. Material and sustained deterioration in UnipolSai's solvency, asset risk, and/or underwriting profitability would also negatively pressure the ratings.

Rating Considerations

Franchise Strength (Strong)

UnipolSai Assicurazioni S.p.A (UnipolSai) is the leading nonlife and the 6th largest life insurer in Italy. Extensive distribution network and strong brand recognition underpin the strength of its franchise and support revenue generation. The strategy is focused on strengthening the position in mobility, welfare and property ecosystems.

Risk Profile (Good/Moderate)

Relatively low underwriting risk. Substantial product diversification but operations are concentrated on the Italian market. Despite a reduction since 2019, exposure to Italian sovereign bonds is significant, constraining our assessment of the Company's risk profile.

Earnings Ability (Strong/Good)

The combined ratio has been consistently in the mid-90s range in recent years and has been modestly improving. In 2020 and H1 2021, strong profitability was maintained as a result of the prolonged reduction in vehicle traffic caused by the pandemic, which had a positive impact on claims.

Liquidity (Strong/Good)

UnipolSai has a generally predictable claims profile and adequate holdings of highly liquid assets. Substantial domestic bond holdings (rated in the BBB range and lower) expose the Company to potential episodes of stressed market conditions. During the COVID-19 crisis, the Company maintained adequate liquidity.

Capitalization (Good)

Strong capital cushions and solid earnings generation capacity. The review of asset allocation undertaken in H2 2020 has led to a reduction in the sensitivity to Italian bond spreads, which nevertheless is still high. Unipol Gruppo S.p.A. (Unipol Gruppo)'s leverage ratio was 34% at H1 2021.

Financial Information

| (EUR millions) | For the Year Ended December 31 | | | | | | |
|---|--------------------------------|---------|--------|--------|--------|--------|--------|
| | H1 2021 | H1 2020 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Net Premium Income | 5,851 | 5,676 | 11,349 | 13,263 | 11,005 | 10,402 | 11,558 |
| Other Revenues | 456 | 409 | 818 | 804 | 635 | 541 | 426 |
| Return on Common Equity | 14.1 | 16.6 | 11.5 | 10.2 | 16.0 | 8.4 | 8.0 |
| Total Debt, Hybrids, and Preferred Shares (Unipol Group; %) | 4,872 | 4,364 | 5,712 | 4,498 | 4,216 | 6,477 | 6,392 |
| Financial Leverage (Unipol Group; %) | 34.0 | 35.5 | 38.7 | 35.1 | 40.0 | 46.5 | 44.0 |
| Fixed Charge Coverage (3-Year Weighted Average, Unipol Group; %) | n/a | n/a | 7.7 | 6.7 | 4.8 | 2.2 | 4.1 |

Source: DBRS Morningstar and Company Documents.

Issuer Description

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

Rating Rationale

The Trend on the ratings of UnipolSai Assicurazioni S.p.A. (UnipolSai or the Company) and Unipol Gruppo S.p.A. (Unipol, Unipol Group or the Group) is aligned with the Trend on DBRS Morningstar's rating on Italy, given the substantial exposure to the sovereign through UnipolSai's business and exposure to the sovereign through the investment assets portfolio.

UnipolSai's A (high) Financial Strength Rating (FSR) reflects the Company's strong position in Italy, where it has the largest market share in the nonlife segment and is among the top six life insurers. The Company offers a diverse range of products to retail and corporate customers and benefits from a leading agency network in the country. The Company's product risk is relatively low, 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 high sensitivity to Italian bond spreads.

The A (high) FSR of UnipolSai is three notches above DBRS Morningstar's sovereign rating on the Republic of Italy (BBB (high) with a Stable Trend) 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 A (high) FSR 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 FSR 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. The differential is widened in this case due to the lower sovereign rating of Italy relative to DBRS Morningstar's assessment of the standalone 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 non-life 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), Incontra (joint venture with Unicredit), and Arca Assicurazioni in the non-life 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. The Company is the market leader in the non-life segment with a 20.5% market share of the sector's premiums in 2020. It commands the highest market shares across several insurance lines, including motor third party liability (24% market share), illness (23%), accident (19% market share), and marine hull insurance (30%). In the Italian life insurance market, UnipolSai is the 6th largest player with a 3.8% market share of the sector's 2020 premiums. The Company sells a wide array of life products, including traditional whole and term life insurance as well as savings plans and pension funds. UnipolSai is the 3rd largest player in pension fund management in Italy, based on the 2020 sector data.

In our assessment of UnipolSai's franchise, we take into account its extensive distribution network in Italy, consisting of close to 8,000 agencies and sub-agencies, 594 brokerage firms and around 5,400 points of sale through the Company's bancassurance partners. UnipolSai is working on improving efficiencies in 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, represents a significant competitive advantage. UnipolSai is in the process of digitally transforming its agency network, aiming to enhance the channel's competitiveness. The Company has been undertaking steps to strengthen its distribution through the bancassurance channel. It has a minority investment in BPER Banca and has an agreement to distribute products through the bank's branches. The acquisition of UBI branches by BPER Banca

should strengthen the distribution and maintain superior growth of UnipolSai's premiums in the banking channel.

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 EMEA region.

Unipol's strategy is focused on transitioning from an insurance leader to being a leader in 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 also developing electronic toll collection and expanding roadside assistance services for its customers.

UnipolSai is 85% owned by Unipol, which is listed on the Milan Stock Exchange. In addition to insurance, Unipol is active in real estate and other businesses, however these do not represent a major contribution to the Group's earnings.

Risk Profile

Grid Grade: Good/Moderate

The Company's insurance operations are well managed and the risks facing the Company are largely external in nature rather than result of UnipolSai's own actions. 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, benefiting from the focus on short term retail business in the nonlife segment. A large proportion of the business comprises of personal motor vehicle or property policies, which allow for annual repricing. The Company's assessment of underwriting benefits from many years of experience in the Italian market. The usage of telematics in the motor insurance reduces the risk of fraud and provides live data for claims and the driving behaviour, which could be used for optimizing underwriting and pricing. UnipolSai provides insurance for professionals but business interruption guarantees in the non-life policies are low and contingent on physical damage such as fire, flood, or hailstorm. Product risk in the life business reflects the longer duration of liabilities in the context of lower interest rates. 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.

UnipolSai's business benefits from substantial product diversification, however its operations are concentrated on 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. We note positively that, as part of its efforts aimed at reducing solvency ratio volatility, asset allocation was significantly reviewed. UnipolSai repositioned its investment portfolio by reducing the exposure to the Italian sovereign (to 40.6% at end-H1 2021 from 50% at end-2019) and market equities, substituting them with holdings of higher rated core European Union sovereigns and investment grade corporate bonds, real assets and private equity. However, while improving materially, the share of instruments rated in the BBB range within the bond portfolio is still a high (66.6% at end-2020). Non-investment grade holdings represented 7.3% of the bond portfolio.

Exhibit 1 Fixed Income (Bonds and Private Placements) Portfolio

| Bonds Rated (%) | As at December 31 | | | |
|--------------------|-------------------|-------|-------|-------|
| | 2020 | 2019 | 2018 | 2017 |
| AAA | 2.1 | 0.7 | 0.6 | 0.5 |
| AA | 6.0 | 3.6 | 2.3 | 1.9 |
| A | 18.0 | 17.7 | 20.4 | 12.8 |
| BBB | 66.6 | 71.2 | 71.0 | 79.3 |
| BB and below | 7.3 | 6.8 | 5.7 | 5.5 |
| Total Bonds | 100.0 | 100.0 | 100.0 | 100.0 |

Source: DBRS Morningstar and Company Documents.

Our assessment of market risk takes into account EUR 4.3 billion of real estate holdings (7% of the EUR 61.5 billion investment portfolio at end-H1 2021), which exposes UnipolSai to the risk of a decline in property values in Italy. This risk is mitigated by the high quality of the property portfolio, which is concentrated in primary cities in Italy and generates steady yield. Exposures to equities (3.6%), and alternative assets (2.3%) are relatively low. We also note that the high proportion of Italian sovereign bonds exposes the Company to market volatility, and the widening of spreads.

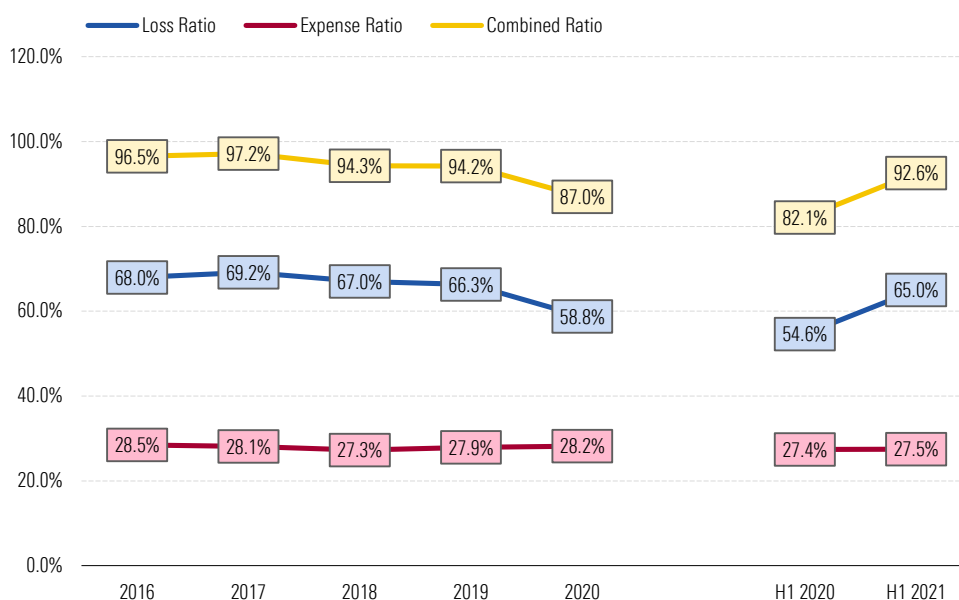
The Company has strong operational risk management capabilities and took proactive measures to avoid business interruptions during COVID-19, including digital tools.

Earnings Ability

Grid Grade: Strong/Good

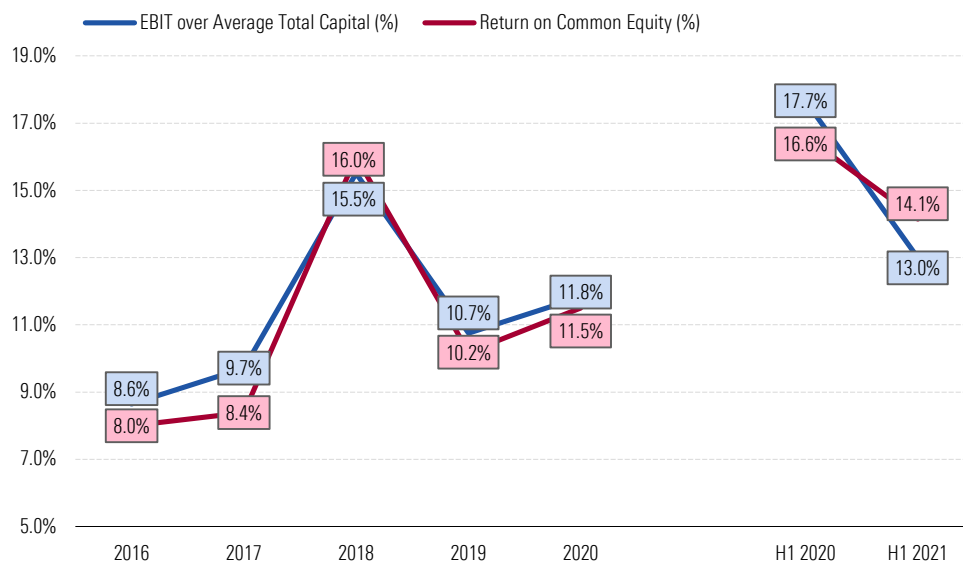
DBRS Morningstar views UnipolSai's earnings generation ability as solid, supported by its leading franchise, extensive distribution channels, and profitable underwriting. These strengths are evident in the combined ratio, which has been consistently in the mid-90s range in recent years and has continued to modestly improve, despite the adverse impact of weather-related incidents in some years.

Exhibit 2 Underwriting Profitability



Source: DBRS Morningstar and Company Documents.

Premiums generated from the nonlife business have been more consistent than those generated from the life and health segment. Non-life premium growth has been limited, reflecting the long term trend in the motor insurance market, marked by intense competition. UnipolSai's earnings have been supported by stable investment income from an investment portfolio placed mainly in bonds. However, over the longer term, investment returns have been on a moderate downward trend, reflecting the impact of reinvestment at lower yields. The Company's ROE has been in the low to mid-teens over the last three years. Under its strategic plan for 2019-2021, the Company is targeting to achieve EUR 2 billion of cumulative net profit. With EUR 1.6 billion of cumulative normalised net profit for 2019 and 2020, UnipolSai is well on track to achieve its strategic target.

Exhibit 3 Profitability Metrics (UnipolSai Consolidated)

Source: DBRS Morningstar and Company Documents.

In 2020, despite a substantial impact of the COVID-19 pandemic on the Company's operations, robust profitability was maintained with the Company's consolidated net profit improving by 30% to EUR 853 million. Excluding one-off impacts (mainly in 2019), UnipolSai's net profit was up 18%. In the non-life business, UnipolSai's direct insurance premiums declined by 3.5%, however this was more than offset by a sharp decline in claims (down 15%), reflecting the reduction in the frequency of claims in the motor segment as a result of measures aimed at containing COVID-19 and lower impact of weather events than in 2019. In 2020 the Group's combined ratio, net of reinsurance, was 87.0%, compared to 94.2% in 2019. The life segment was marked by a sharp decline in premiums (down 26%) due to a combination of the effects of the health crisis, the Company's policy to limit risks, and non-recurrence of some positive one-off impacts from 2019. Due to the effects of the pandemic, investment income was adversely affected, declining by 19% to EUR 1.5 billion. However, the Company managed to retain a relatively healthy yield of 3.0% (2019: 3.6%).

Solid financial performance continued in H1 2021. The reported consolidated net profit was EUR 542 million (down 3% YoY), corresponding to an ROE of 14.1%. Premium generation recovered from low H1 2020 levels, which had been impacted by the social distancing measures. However, the combined ratio in the direct business normalised and was 91.4% compared to 80.5% in H1 2020, leading to lower underwriting results. This was partly offset by a strong improvement in the investment result to EUR 815 million (H1 2020: EUR 680 million).

Exhibit 4 EBIT and Net Income Results (EUR millions)

Source: DBRS Morningstar and Company Documents.

Liquidity

Grid Grade: Strong/Good

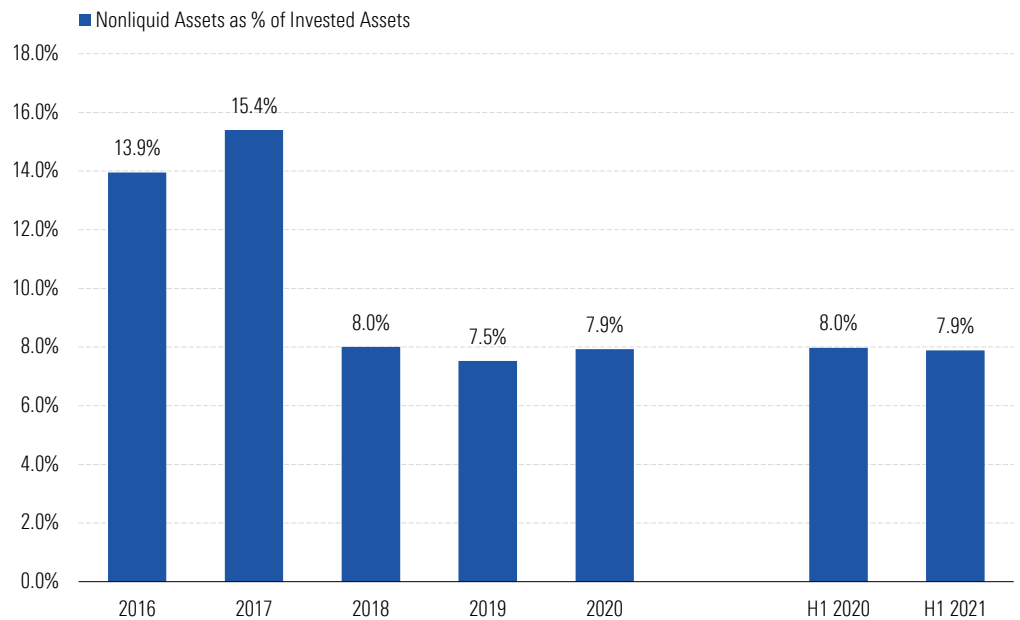
UnipolSai's mix of businesses gives way to a generally predictable claims profile, barring any unexpectedly large catastrophes arising from severe weather events, which would be largely covered by reinsurance. Correspondingly, there is a low likelihood that an immediate need for cash would arise that the Company would be unable to cover. 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 and in its run-off segregated fund portfolio has been able to maintain substantial spread over the guaranteed rate.

UnipolSai's investment portfolio mainly comprises fixed income securities providing a source of readily marketable assets. Italian government bonds comprise around 40% of total investments, providing a source of readily marketable assets. Italy has one of the largest and most liquid bond markets in Europe. However, the substantial domestic bond holdings expose the Company to potential episodes of stressed market conditions.

During the COVID-19 crisis, UnipolSai maintained adequate liquidity. In the initial phase of the pandemic, it experienced a delay in premiums paid, however the ability to assume its obligations remained uninterrupted, mainly owing to a substantial decline in claims. During the COVID-19 crisis, 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. The overall volume of nonlife claims declined in 2020 as a result of the coronavirus. The Company did not experience a substantial increase in surrenders in the life business.

Exhibit 5 Nonliquid Assets Concentration



Source: DBRS Morningstar and Company Documents.

Capitalization

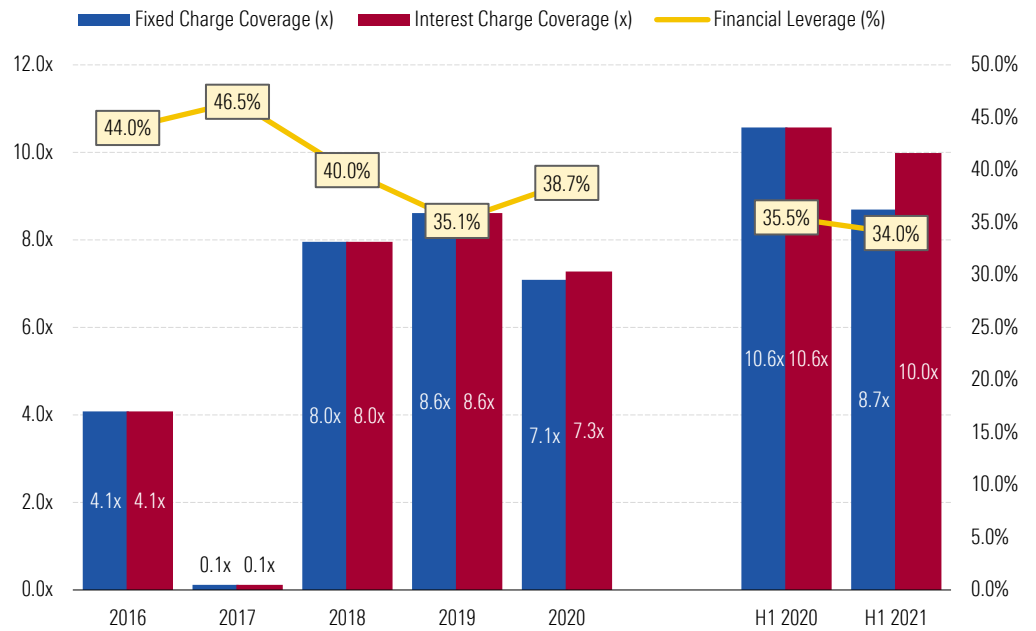
Grid Grade: Good

In our view of UnipolSai's capitalisation, we take into account strong capital cushions, solid earnings generation capacity, and leverage maintained at healthy levels. The solvency capital requirement ratio for the Company on a consolidated basis, as measured by an economic capital model (based on Solvency 2) was a high 290% at end-H1 2021 compared to 252% at end-2019, providing a sizable cushion against adverse impacts. Close to 90% of solvency capital is in the form of Tier 1 funds. UnipolSai's strategic target solvency ratio range is 170-200%.

In early 2020, substantial volatility in the financial markets during the initial phase of COVID-19 has led to a sharp decline of the Company's Solvency ratio (to 200% from 252% at end-Q1 2021), highlighting strong sensitivity to Italian bond spreads. Despite this, Solvency remained above the risk appetite limit, reflecting strong capital cushions. We positively note that the review of asset allocation undertaken in H2 2020 has led to a reduction in the sensitivity to Italian bond spreads, which nevertheless remains elevated.

The leverage ratio (calculated at the Unipol Group level on a consolidated basis) was 34% at H1 2021, remaining well aligned with the Company’s current rating category. The leverage improved from 35.1% at end-2019 as a result of the early repayment of a subordinate loan issued by UnipolSai, which followed the issue of the Restricted Tier 1 instrument in 4Q 2020. Unipol's interest and fixed-charge coverage ratio has averaged 7.7 times over the last three years, reflecting its consistent earnings generation.

Exhibit 6 Leverage and Coverage (Unipol Group)



Source: DBRS Morningstar and Company Documents.

Exhibit 7 Capitalization

| (%) | H1 2021 | H1 2020 | As at December 31 | | | | |
|--|---------|---------|-------------------|-------|-------|-------|-------|
| | | | 2020 | 2019 | 2018 | 2017 | 2016 |
| Regulatory Capital Strength | | | | | | | |
| Solvency II Ratio (UnipolSai Solo) | 331 | 272 | 318 | 284 | 253 | 263 | 243 |
| Solvency II Ratio (UnipolSai Consolidated) | 290 | 249 | 281 | 252 | 202 | 210 | 212 |
| Leverage | | | | | | | |
| Total Capital | 10,215 | 9,102 | 10,685 | 9,881 | 8,244 | 8,522 | 8,854 |
| Financial Leverage (Unipol Group) | 34.0 | 35.5 | 38.7 | 35.1 | 40.0 | 46.5 | 44.0 |
| Intangibles / Common Equity | 12.2 | 14.3 | 12.5 | 13.0 | 15.3 | 11.8 | 11.4 |
| Tangible Common Equity / Total Capital | 64.3 | 58.8 | 60.5 | 60.6 | 55.9 | 60.8 | 61.6 |
| Total Capital / Policyholder Liabilities | 17.9 | 16.1 | 18.5 | 17.2 | 15.5 | 18.6 | 15.9 |
| Protection Ratios | | | | | | | |
| Quality Assets / Non-Capital Liabilities | 22.7 | 17.9 | 22.5 | 16.4 | 16.7 | 9.1 | 9.6 |
| Total Capital / Riskier Assets | 49.4 | 50.1 | 55.4 | 52.8 | 48.6 | 44.7 | 38.1 |

Source: DBRS Morningstar and Company Documents.

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 the costs or risks 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? | N | N |
| Climate and Weather Risks | Will climate change and adverse weather events potentially disrupt issuer or client operations, causing a negative financial impact? | Y | R |
| 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 |
| 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 |
| Corporate / Transaction Governance: | | 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.

ESG Considerations

Environmental

Environmental concerns regarding Climate & Weather Risks are relevant to the rating of UnipolSai but do not affect the assigned rating or trend. The issuer operates in Italy and through its P&C business is exposed to natural catastrophic events such as earthquakes, wildfires, flooding, and other extreme weather events. The issuer has procedures in place to assess and measure the impact of this risk on its operations, and is supportive of broader global actions that aim to minimize this risk, including movements towards a green economy and a reduction in total global emissions. Unipol Group issued a green bond in 2020, in which a portion of the proceeds are invested in initiatives that reduce climate-related risks. Climate-related risks can lead to earnings volatility and increased reinsurance cost. 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 rating or trend assigned to the issuer. There have been no reported cases of major failures related to social issues by the issuer. Product governance is adequate, supported by the integration of the ESG framework into the underwriting and investment processes. The issuer aims at increasing the penetration of products with social impact in its overall insurance portfolio.

Governance

This factor does not affect the rating or trend assigned to the issuer. There have been no reported cases of serious failures in governance as they relate to the Company. The issuer's corporate governance board committee's structures and risk reporting processes are appropriate for the size and complexity of its business model.

Balance Sheet

| (EUR millions) | | | As at December 31 | | | | |
|---|---------------|---------------|-------------------|---------------|---------------|---------------|---------------|
| | H1 2021 | H1 2020 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Assets | | | | | | | |
| Goodwill | 514 | 508 | 514 | 508 | 465 | 328 | 317 |
| Other Intangible Assets | 400 | 385 | 407 | 385 | 371 | 364 | 387 |
| Property | 1,498 | 1,493 | 1,448 | 1,561 | 1,564 | 1,483 | 1,386 |
| Other Tangible Assets | 872 | 836 | 832 | 850 | 250 | 236 | 210 |
| Technical Provisions - Reinsurers' Share | 870 | 926 | 835 | 990 | 982 | 846 | 849 |
| Investment Property | 2,186 | 2,076 | 2,262 | 2,063 | 2,071 | 2,271 | 2,388 |
| Investments In Subsidiaries, Associates, and Interest In Joint Ventures | 172 | 154 | 163 | 169 | 341 | 804 | 527 |
| Held-to-Maturity Investments | 416 | 415 | 421 | 455 | 460 | 540 | 892 |
| Loans and Receivables | 5,263 | 5,272 | 5,256 | 4,767 | 4,313 | 4,489 | 5,050 |
| Available-for-Sale Financial Assets | 50,027 | 47,912 | 51,102 | 48,855 | 43,446 | 36,043 | 43,172 |
| Financial Assets at Fair Value Through Profit Or Loss | 8,157 | 6,882 | 7,437 | 7,753 | 6,498 | 4,938 | 9,186 |
| Total Investments | 66,222 | 62,710 | 66,640 | 64,061 | 57,129 | 49,085 | 61,215 |
| Receivables Relating to Direct Insurance Business | 1,096 | 1,229 | 1,482 | 1,456 | 1,366 | 1,422 | 1,419 |
| Receivables Relating to Reinsurance Business | 209 | 260 | 167 | 261 | 137 | 101 | 95 |
| Other Receivables | 1,338 | 1,301 | 1,560 | 1,436 | 1,366 | 1,141 | 1,601 |
| Sundry Receivables | 2,643 | 2,790 | 3,210 | 3,153 | 2,869 | 2,663 | 3,114 |
| Non-Current Assets Or Assets Of A Disposal Group Held for Sale | 143 | 194 | 203 | 189 | 537 | 10,569 | 208 |
| Deferred Acquisition Costs | 108 | 106 | 99 | 101 | 98 | 85 | 90 |
| Deferred Tax Assets | 28 | 229 | 3 | 127 | 465 | 217 | 260 |
| Current Tax Assets | 5 | 20 | 9 | 4 | 23 | 9 | 31 |
| Other Assets | 619 | 546 | 544 | 503 | 417 | 462 | 521 |
| Total Other Assets | 903 | 1,096 | 858 | 924 | 1,540 | 11,343 | 1,111 |
| Cash and Cash Equivalents | 1,111 | 638 | 681 | 747 | 1,025 | 1,404 | 661 |
| Total Assets | 75,031 | 71,382 | 75,425 | 73,179 | 66,194 | 67,750 | 69,248 |
| Liabilities and Shareholders' Equity | | | | | | | |
| Share Capital | 2,032 | 2,032 | 2,032 | 2,032 | 2,032 | 2,032 | 2,032 |
| Other Equity Instruments | 496 | - | 496 | - | - | - | - |
| Capital Reserves | 347 | 347 | 347 | 347 | 347 | 347 | 347 |
| Income-Related and Other Equity Reserves | 3,157 | 2,887 | 2,889 | 2,718 | 2,133 | 2,130 | 2,593 |
| Treasury Shares | (1) | (2) | (1) | (2) | (46) | (52) | (52) |

| | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Reserve for Foreign Currency Translation Differences | 4 | 5 | 4 | 5 | 5 | 5 | 3 |
| Gains or Losses On Available-for-Sale Financial Assets | 1,427 | 421 | 1,295 | 1,142 | 80 | 913 | 752 |
| Other Gains Or Losses Recognized Directly in Equity | (10) | 13 | (1) | 9 | (7) | (9) | (16) |
| Profit (Loss) for the Year attributable to the Owners of the Parent | 526 | 545 | 820 | 628 | 905 | 504 | 497 |
| Equity Attributable to the Owners of the Parent | 7,977 | 6,246 | 7,881 | 6,878 | 5,448 | 5,869 | 6,156 |
| Share Capital and Reserves Attributable to Non-Controlling Interests | 217 | 210 | 210 | 233 | 207 | 266 | 318 |
| Gains Or Losses Recognized Directly in Equity | 21 | 11 | 21 | 16 | 0 | 27 | 31 |
| Profit (Loss) for the Year Attributable to Non-Controlling Interests | 16 | 15 | 33 | 27 | 43 | 33 | 30 |
| Equity Attributable to Non-Controlling Interests | 254 | 236 | 263 | 275 | 250 | 325 | 379 |
| Provisions | 411 | 396 | 438 | 442 | 353 | 382 | 442 |
| Technical Provisions | 57,137 | 56,843 | 57,707 | 57,567 | 53,223 | 45,757 | 55,816 |
| Financial Liabilities at Fair Value Through Profit Or Loss | 4,981 | 2,960 | 4,379 | 2,914 | 2,539 | 1,172 | 2,140 |
| Other Financial Liabilities | 2,109 | 2,790 | 2,676 | 3,086 | 2,713 | 2,491 | 2,541 |
| Payables Arising from Direct Insurance Business | 132 | 131 | 163 | 165 | 161 | 105 | 107 |
| Payables Arising from Reinsurance Business | 122 | 112 | 77 | 97 | 87 | 94 | 92 |
| Other Payables | 820 | 750 | 786 | 819 | 657 | 717 | 665 |
| Liabilities Associated with Disposal Groups Held for Sale | 4 | 3 | 3 | 3 | 3 | 10,017 | - |
| Deferred Tax Liabilities | 123 | 48 | 136 | 78 | 9 | 25 | 26 |
| Current Tax Liabilities | 38 | 36 | 39 | 48 | 22 | 24 | 45 |
| Other Liabilities | 925 | 831 | 877 | 806 | 729 | 773 | 838 |
| Total Shareholders' Equity and Liabilities | 75,031 | 71,382 | 75,425 | 73,179 | 66,194 | 67,750 | 69,248 |

Source: DBRS Morningstar and Company Documents.

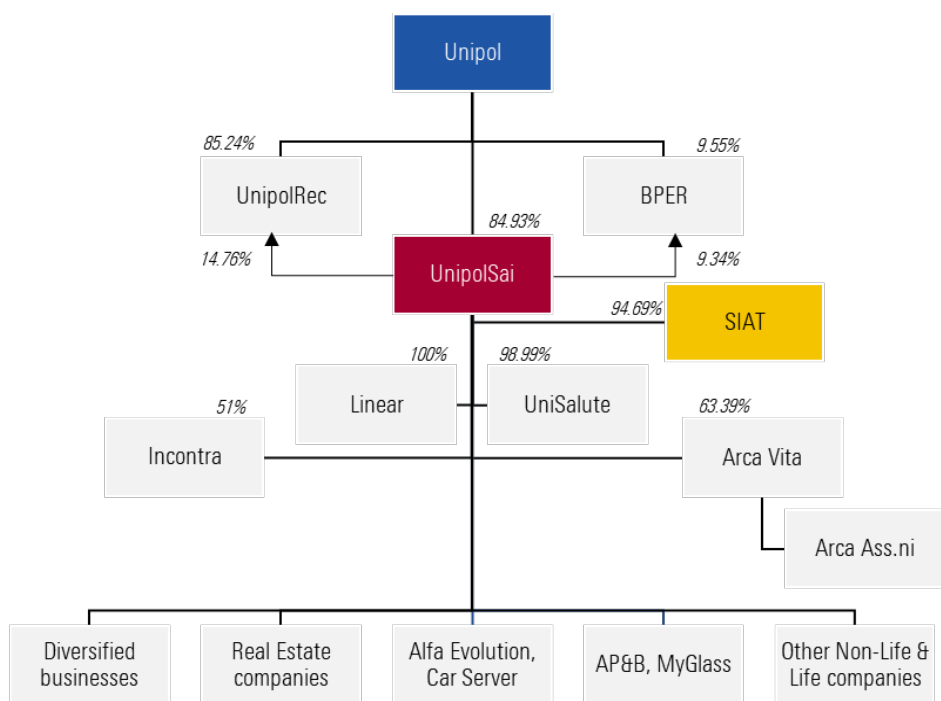
Income Statement

| (EUR millions) | | | For the Year Ended December 31 | | | | |
|---|----------------|----------------|--------------------------------|-----------------|----------------|----------------|----------------|
| | H1 2021 | H1 2020 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Gross Premiums Earned | 6,078 | 5,906 | 11,810 | 13,716 | 11,412 | 10,833 | 11,999 |
| Earned Premiums Ceded to Reinsurers | (227) | (230) | (461) | (453) | (407) | (431) | (441) |
| Net Premiums | 5,851 | 5,676 | 11,349 | 13,263 | 11,005 | 10,402 | 11,558 |
| Commission Income | 22 | 17 | 34 | 34 | 30 | 35 | 32 |
| Gains and Losses on Financial Instruments at Fair Value Through Profit or Loss | 190 | (291) | (187) | (106) | (158) | 134 | 45 |
| Gains on Investments in Subsidiaries, Associates, and Interests in Joint Ventures | 6 | 9 | 16 | 10 | 322 | 9 | 17 |
| Interest Income | 683 | 687 | 1,349 | 1,468 | 1,441 | 1,483 | 1,522 |
| Other Income | 104 | 85 | 181 | 214 | 179 | 178 | 166 |
| Realized Gains | 192 | 272 | 449 | 547 | 412 | 442 | 452 |
| Unrealized Gains | 20 | 244 | 251 | 68 | 1 | 0 | 39 |
| Gains on Other Financial Instruments and Investment Property | 999 | 1,288 | 2,228 | 2,297 | 2,033 | 2,104 | 2,178 |
| Other Revenue | 456 | 409 | 818 | 804 | 635 | 541 | 426 |
| Total Revenue | 7,524 | 7,108 | 14,259 | 16,301 | 13,869 | 13,225 | 14,257 |
| Amounts Paid and Changes in Technical Provisions | (4,807) | (4,306) | (9,015) | (11,658) | (9,289) | (9,033) | (10,191) |
| Reinsurers' Share | 82 | 90 | 171 | 309 | 309 | 197 | 217 |
| Net Charges Relating to Claims | (4,725) | (4,216) | (8,844) | (11,350) | (8,980) | (8,836) | (9,975) |
| Commission Expenses | (13) | (10) | (20) | (21) | (17) | (18) | (15) |
| Losses on Investments in Subsidiaries, Associates, and Interest in Joint Ventures | (0) | (11) | (1) | (0) | (1) | (115) | (3) |
| Interest Expense | (43) | (49) | (97) | (101) | (96) | (84) | (81) |
| Other Charges | (14) | (14) | (28) | (31) | (31) | (36) | (46) |
| Realised Losses | (67) | (250) | (415) | (110) | (136) | (137) | (250) |
| Unrealised Losses | (212) | (27) | (63) | (169) | (118) | (156) | (156) |
| Losses on Other Financial Instruments and Investment Property | (335) | (340) | (604) | (412) | (380) | (412) | (532) |
| Commissions and Other Acquisition Costs | (908) | (883) | (1,845) | (1,864) | (1,780) | (1,708) | (1,732) |
| Investment Management Expenses | (59) | (60) | (120) | (130) | (117) | (125) | (132) |
| Other Administrative Expenses | (310) | (279) | (577) | (641) | (531) | (498) | (496) |
| Operating Expenses | (1,277) | (1,222) | (2,542) | (2,635) | (2,429) | (2,331) | (2,359) |
| Other Costs | (537) | (521) | (1,130) | (1,010) | (859) | (753) | (692) |

| | | | | | | | |
|---|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total Costs and Expenses | (6,888) | (6,319) | (13,140) | (15,428) | (12,665) | (12,465) | (13,576) |
| Pre-Tax Profit (Loss) for The Year | 636 | 789 | 1,119 | 873 | 1,203 | 760 | 681 |
| Income Taxes | (94) | (229) | (266) | (218) | (256) | (223) | (153) |
| Profit (Loss) for the Year After Taxes | 542 | 560 | 853 | 655 | 948 | 537 | 528 |
| Attributable to the Owners of the Parent | 526 | 545 | 820 | 628 | 905 | 504 | 497 |
| Attributable to Non-Controlling Interests | 16 | 15 | 33 | 27 | 43 | 33 | 30 |

Source: DBRS Morningstar and Company Documents.

Simplified Corporation Organization Chart (H1 2021)



Source: DBRS Morningstar and Company Documents.

Rating Methodology

The applicable methodologies are the *Global Methodology for Rating Insurance Companies and Insurance Organizations* (July 16, 2021), and the *DBRS Morningstar Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings* (February 3, 2021), which can be found on our website under Methodologies.

Ratings

| Issuer | Obligation | Rating | Rating Action | Trend |
|--------------------------------|---------------------------|----------|---------------|--------|
| UnipolSai Assicurazioni S.p.A. | Financial Strength Rating | A (high) | Trend Change | Stable |
| UnipolSai Assicurazioni S.p.A. | Issuer Rating | A (high) | Trend Change | Stable |
| Unipol Gruppo S.p.A. | Issuer Rating | BBB | Trend Change | 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](#), November 5, 2021.
- [DBRS Morningstar Confirms UnipolSai and Unipol Gruppo Ratings; Trend Remains Negative](#), October 7, 2021.
- [DBRS Morningstar Assigns A \(high\) Financial Strength Rating to UnipolSai Assicurazioni, BBB to Unipol Gruppo; Negative Trends](#), October 8, 2020.

Related Research

- [Unipol 1H21: Net Profit Boosted by One-off Items; Combined Ratio Normalises as COVID-19 Impact Recedes](#), August 9, 2021.
- [ESG Takes Center Stage as Insurers Set Sustainability Goals and Restrict Cover to High Polluters](#), June 2, 2021.
- [Italian Non-Life Insurance—Incorporating Climate Change into Risk Management](#), May 17, 2021.
- [Unipol F2020 Results: Good Adjusted Profitability Despite Decline in Premium Income](#), February 15, 2021.
- [The EU Taxonomy in Place – A Milestone On Financing Sustainable Growth](#), August 13, 2020
- [P&C Insurance: Regulatory Oversight Essential for Broad Adoption of ESG Reporting Principles](#), April 27, 2020
- [Assessing Financial Strength Ratings of P&C Insurance Companies Amid the Global Coronavirus Pandemic](#), April 2, 2020.

- [P&C Insurance: The Conundrum of Business Interruption Coverage during the Coronavirus Pandemic](#), April 8, 2020.
- [Covid-19: European Governments Have Moved Swiftly to Protect the Availability of Trade Credit Insurance](#), June 11, 2020.

Previous Reports

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

About DBRS Morningstar

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