Rating Report
UnipolSai Assicurazioni S.p.A.

DBRS Morningstar
October 28, 2020

Contents

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Ratings

Issuer	Obligation	Rating	Rating Action	Trend
UnipolSai Assicurazioni S.p.A.	Financial Strength Rating	A (high)	New Rating October 2020	Negative
UnipolSai Assicurazioni S.p.A.	Issuer Rating	A (high)	New Rating October 2020	Negative
Unipol Gruppo S.p.A.	Issuer Rating	BBB	New Rating October 2020	Negative

Rating Drivers

Factors with Positive Rating Implications

- While an upgrade is unlikely given the current economic environment, an improvement in the sovereign rating of the Republic of Italy (Italy) from its current rating of BBB (high) would result in an upwards rating movement of the same magnitude to UnipolSai Assicurazioni S.p.A. (UnipolSai's or the Company's) ratings, given that the sovereign ratings are currently a constraining factor.
- A substantial improvement in the credit quality of the invested assets portfolio, particularly a reduction in the proportion of bonds rated BBB and lower, would also result in a ratings upgrade.

Factors with Negative Rating Implications

- A downgrade of DBRS Morningstar's sovereign rating of Italy , assuming the exposure to Italy in terms of operations and investments remains similar to current levels, would result in a downgrade of UnipolSai's ratings.
- Poor performance of the Company's invested assets portfolio resulting in a material increase in investment losses that adversely affect earnings, combined with a sustained deterioration in the solvency capital requirement (SCR) ratio, would also result in a ratings downgrade.

Rating Considerations

Franchise Strength (Strong)

- UnipolSai's ratings benefit from its excellent market shares. An extensive distribution network positions it well to continue generating good revenue across a wide breadth of business lines and products. The Company's strategy is well defined and forward looking, with an emphasis on innovation and customer centricity.

Risk Profile (Good/Moderate)

- UnipolSai's risk profile benefits from its lower-risk product portfolio. The risk profile is weakened by the low proportion of higher rated assets in the invested assets portfolio and by the concentration of the Company's operations in Italy, which is currently facing uncertain economic conditions.

Earnings Ability (Strong/Good)

- The Company's earnings ability is bolstered by an extensive distribution network, generating consistently strong levels of premium income. Underwriting profitability is excellent, with UnipolSai demonstrating good expense discipline and claims management.

Liquidity (Strong/Good)

- UnipolSai's invested assets portfolio is largely composed of highly marketable securities. Claims are relatively predictable, with an adverse liquidity scenario more likely to arise from the Company's assets deteriorating in credit quality, rather than from an unexpected increase in requirements.

Capitalization (Good/Moderate)

- UnipolSai's SCR ratio is high at 249% at the first half of 2020 (H1 2020), providing a sizeable cushion against adverse scenarios. Unipol is moderately leveraged, but it has good ability to meet its debt obligations because of low financing charges and proven capability in obtaining financing.

Financial Information

			For the Year Ended December 31 (IFRS)				
(In € Millions, except for % or otherwise stated)	H1 2020	H1 2019	2019	2018	2017	2016	2015
Net premium income	5,676	6,897	13,263	11,005	10,402	11,558	13,095
Other revenues	409	322	804	635	541	426	505
Return on equity	16.6%	12.7%	10.2%	16.0%	8.4%	8.0%	11.3%
Total debt, hybrids, and preferred shares (Unipol Group)	4,364	4,237	4,498	4,216	6,477	6,392	6,755
Financial leverage ratio (Unipol Group)	35.5%	36.0%	35.1%	40.0%	46.5%	44.0%	44.4%
Fixed Charge Coverage (3-Year Weighted Average, Unipol Group)			6.7x	4.8x	2.2x	4.1x	

Source: DBRS Morningstar, Company Documents.

Issuer Description

UnipolSai comprises the insurance operations of Unipol Group, an Italian holding company with operations primarily in insurance and real estate. Smaller subsidiaries include Linear, UniSalute, Incontra, and Arca Vita, among others. UnipolSai is operational in Italy, where it has leading market shares in a number of nonlife and life business lines, including in motor insurance and health insurance.

Rating Rationale

On October 8, 2020, DBRS Limited (DBRS Morningstar) assigned an Issuer Rating and a Financial Strength Rating (FSR) of A (high) to UnipolSai. In addition, DBRS Morningstar assigned an Issuer Rating of BBB to UnipolSai's parent holding company, Unipol Gruppo S.p.A. (Unipol Gruppo). The trend on all ratings is Negative. The ratings are endorsed by DBRS Ratings Limited for use in the European Union.

As the main operating insurance company of Unipol Gruppo, UnipolSai's ratings benefit from the Company's sizable market presence in Italy, where it has leading market shares in a number of nonlife and life business lines, more importantly in motor insurance and health insurance. Products are distributed through an expansive and diversified distribution network. The Company's strong franchise and excellent operational execution of its strategy have contributed to stable premium revenue generation and good underwriting profitability. The Company has high levels of regulatory capital, providing protection against some of the market and credit risks that it is exposed to, including an invested assets portfolio that has a large proportion of lower-rated (BBB and below) bonds and is vulnerable to adverse market movements.

UnipolSai's ratings are based on an assessment of the Company's ability to meet policyholder obligations. In doing so, the ratings also take into consideration the impact of the sovereign on its assessment. The A (high) FSR of UnipolSai is three notches above DBRS Morningstar's sovereign rating on Italy (BBB (high) with a Negative trend) and falls within the four-notch ratings differential allowed by DBRS Morningstar's *Global Methodology for Rating Life and P&C Insurance Companies and Insurance Organizations*. For UnipolSai, this differential reflects DBRS Morningstar's view that insurance claims are likely to be satisfied 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 claim obligations. Furthermore, UnipolSai has a leading market position in some mandatory insurance products, such as motor insurance, which provides recurrent premium income.

UnipolSai's FSR also takes into account the protection for policyholders as mandated by insurance regulators, who require insurers to maintain sufficient capital as a buffer against adverse scenarios. UnipolSai holds capital levels comfortably in excess of the regulatory minimums mandated by the Solvency II capital regime. The Company's largest source of sovereign risk arises from the high proportion of Italian bonds in its investment portfolio, which DBRS Morningstar has incorporated into its ratings.

The Issuer Rating of BBB for Unipol Gruppo, however, 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.

The Negative trend on all ratings reflects the current Negative trend on the ratings on the Republic of Italy.

Franchise Strength

Grid Grade: Strong

UnipolSai comprises the insurance operations of Unipol Group, an Italian holding company with operations primarily in insurance and real estate. UnipolSai primarily comprises UnipolSai Assicurazioni S.p.A. (which generates the majority of the Company's gross written premiums and net income) as well as Linear (a direct-to-consumer nonlife insurer), UniSalute (a health insurer), Incontra (a joint venture between UnipolSai's nonlife business and UniCredit S.p.A), and Arca Vita (a distributor of insurance products through bank branches), among other small subsidiaries. UnipolSai is also diversified into other smaller businesses, including real estate and hospitality, although these are not yet major contributors to earnings.

UnipolSai's operations are concentrated in Italy, where it has successfully operated for the past few decades and has become one of the largest insurers. The Company is a market leader in the nonlife segment where it has the largest market share at 21% as at year-end (YE) 2019. In the nonlife space, the Company is a market leader in health insurance (23% market share) and in motor insurance (24% market share). UnipolSai is present in a large number of business lines with motor insurance as the largest contributor to nonlife premiums. Siat, the marine specialty insurance subsidiary of UnipolSai, has 4% market share (by number of vessels in the global marine shipping industry) and is the second-largest marine insurer globally. UnipolSai is less present in other specialty risks or in commercial property. The Company is aiming to diversify into areas such as car rentals, used car sales, toll services, and other auto-related ancillary products. The Company's presence in several business lines provide good diversification of products, which reduces the reliance on any one business line to generate net income.

UnipolSai is a smaller but significant player in Italy's life insurance market, with a market share of 4.85% at YE2019, generating EUR 5.8 billion in premiums. In the life market, the Company sells a wide array of products, including traditional whole and term life insurance as well as savings plans and pension funds.

UnipolSai is a leader in the supplementary pension market. Traditional life insurance products are distributed primarily through agents and brokers, although bancassurance now comprises a more significant portion of distribution (33% of total life premiums) with the Company's acquisition of Arca Vita.

As a whole, products are distributed primarily through agents and brokers, with a smaller proportion derived from direct and bancassurance. The size of the Company's extensive distribution channels continues to be positive for the ratings. UnipolSai is working on improving efficiencies in its agency distribution channel by reducing the number of agencies and increasing productivity. The Company is well positioned to maintain revenue in the future because of the size of the distribution force and its ability to equip agents with digital tools designed to facilitate the implementation of a fully digital sales process.

Risk Profile

Grid Grade: Good/Moderate

UnipolSai has a good/moderate risk profile overall. The Company's insurance operations are well managed as the risks facing the Company are largely external in nature rather than the result of UnipolSai's own actions. The Company's domicile in Italy and its dependence on the region in terms of both premiums and invested assets origination expose it to the country's still-fragile economy and less robust economic outlook relative to most other developed nations, even if the effects are more indirect than direct (e.g., as it would be for a major lending institution). UnipolSai would likely be affected by any economic downturn that results in lower customer spending on items such as new vehicles and property, which would require insurance. Premiums generated by involuntary spending on financial products, such as savings plans or supplementary insurance products, may also be affected, resulting in lower net income for the Company.

UnipolSai's product portfolio is relatively low-risk. A large proportion of the business comprises of personal motor vehicle or property policies that allow annual repricing, reducing the risk that pricing may remain insufficient and reduce long-term profitability. UnipolSai does provide insurance for professionals, but it is not exposed in any material way to business disruption. The business interruption guarantees in the nonlife policies are low and contingent on physical damage such as fire, flood, or hailstorm, etc., rather than income protection. There is some product risk in the life business because of the longer duration of the liabilities in the context of lower interest rates. UnipolSai is working on increasing the duration of assets to improve its asset/liability matching and has also reduced the level of minimum guarantees offered, with new guarantees at 0%.

Risks are largest in the Company's investment portfolio where it suffers from very poor credit quality with minimal high-quality investments (as measured by credit rating). UnipolSai's higher proportion of fixed income products that are below investment grade increases its vulnerability to economic shocks that may result in defaults for lower-rated corporations which, in turn, negatively affects UnipolSai. The Company also has some exposure to the Italian real estate markets (primarily commercial), which are at risk of increased losses if Italy's real estate market suffers a steep decline in property values or if office vacancy rates rise. Public equities in the portfolio are mainly large cap companies. The low proportion of public equities helps protect against more severe declines in the Solvency II ratio. UnipolSai prefers to use alternative assets (private equity, real assets, and infrastructure), particularly those that are uncorrelated to the rest of the markets.

UnipolSai is attempting to diversify its portfolio away from its large concentration in Italian sovereign bonds (approximately 50% of total invested assets at YE 2019) and towards other European sovereigns such as Spain, France, and Germany, which are of higher credit quality. The high proportion of Italian sovereign bonds increases market risk, particularly in instances where spreads widen considerably.

UnipolSai's enterprise risk management framework is forward-looking, with the Company including ESG (Environmental, Social and Governance) risk factors in the framework. UnipolSai has incorporated methods to reduce ESG risks and improve sustainability, with consideration of ESG risk factors incorporated into various business areas, including both life and nonlife underwriting, investments, and operations. DBRS Morningstar assesses ESG risks with a view of how the issuer manages and mitigates the financial effect of specific ESG risks. For UnipolSai, DBRS Morningstar considers climate and weather risk to be the most meaningful in terms of being a ratings driver, given the Company's large nonlife operations. UnipolSai 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 Gruppo issued a green bond in 2020, in which a portion of the proceeds are invested in initiatives that reduce climate-related risks. UnipolSai's strategy also considers the possibility of a future with much fewer cars, with the Company planning ahead to minimize this potential disruption on their business.

Fixed Income (Bonds and Private Placements) Portfolio

			For the Year Ended December 31 (IFRS)		
Bonds Rated - In € Millions	**H1 2020**	**H1 2019**	**2019**	**2018**	**2017**
AAA	553	225	306	205	129
AA	1,114	638	906	779	250
A	6,273	6,256	5,860	5,652	2,390
BBB	33,088	34,024	35,586	31,317	32,249
BB and below	2,922	2,675	2,757	2,499	5,284
Total Bonds	**43,950**	**43,818**	**45,415**	**40,452**	**40,302**

			For the Year Ended December 31 (IFRS)		
Bonds Rated	**H1 2020**	**H1 2019**	**2019**	**2018**	**2017**
AAA	1.3%	0.5%	0.7%	0.5%	0.3%
AA	2.5%	1.5%	2.0%	1.9%	0.6%
A	14.3%	14.3%	12.9%	14.0%	5.9%
BBB	75.3%	77.7%	78.4%	77.4%	80.0%
BB and below	6.6%	6.1%	6.1%	6.2%	13.1%
Total Bonds	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: DBRS Morningstar, Company Documents.

Earnings Ability

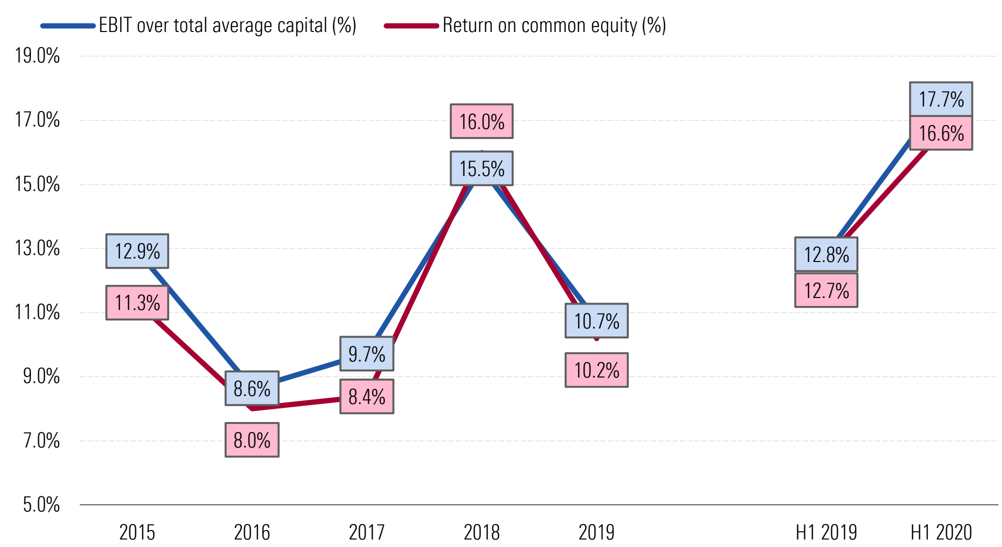
Grid Grade: Strong/Good

UnipolSai has demonstrated strong profitability in the past few years as evidenced by good return on equity values ranging from 8% to 16%. While earnings remain strong overall, there is some variability year over year (YOY), partially resulting from variances in premium and fee income generated each year as well as movements in the marked-to-market values of the investment portfolio. Expenses are well managed, and the Company demonstrates good expense discipline while continuing to invest in its businesses.

The Company's extensive distribution enables it to generate consistently high premiums (EUR 14 billion in 2019) from its nonlife and life businesses. Premiums generated from the nonlife business have been more consistent than those generated from the life and health segment. Future revenue growth in auto is likely to continue to be modest with increases in written premiums likely to stem from the introduction of new products rather than from organic growth of the current business. The health business line has exhibited consistent premium growth.

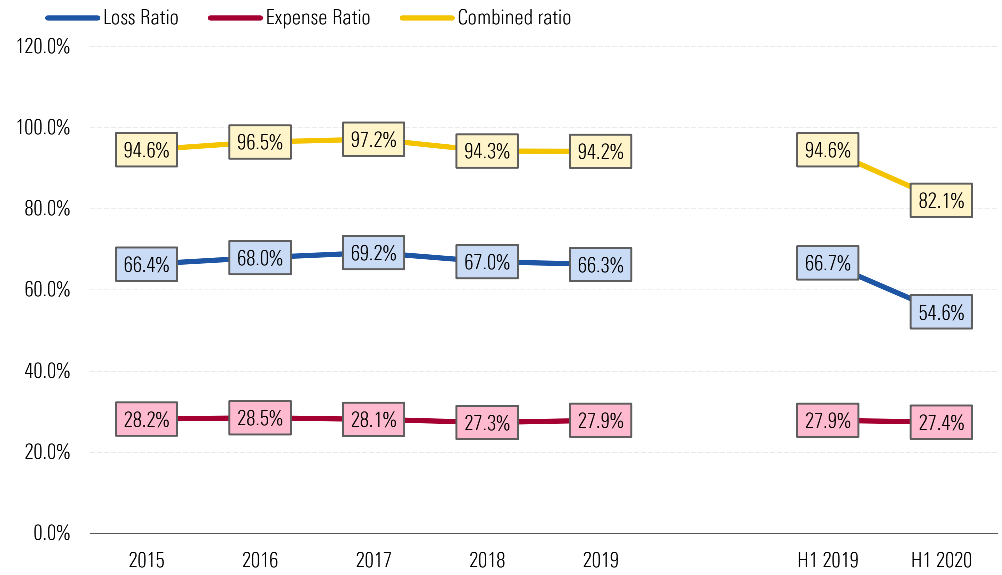
DBRS Morningstar's assessment of UnipolSai's earnings ability considers the Company's strong underwriting results in its nonlife business lines, which compose the majority of its operations. The strength of UnipolSai's underwriting is evidenced by its stable combined ratio, which hovers in the mid-90s range. The combined ratio has remained stable despite increasing instances of weather-related incidents, which increase the severity of the average claim.

Exhibit 1 Profitability Metrics



Source: DBRS Morningstar, Company Documents.

Exhibit 2 Underwriting Profitability



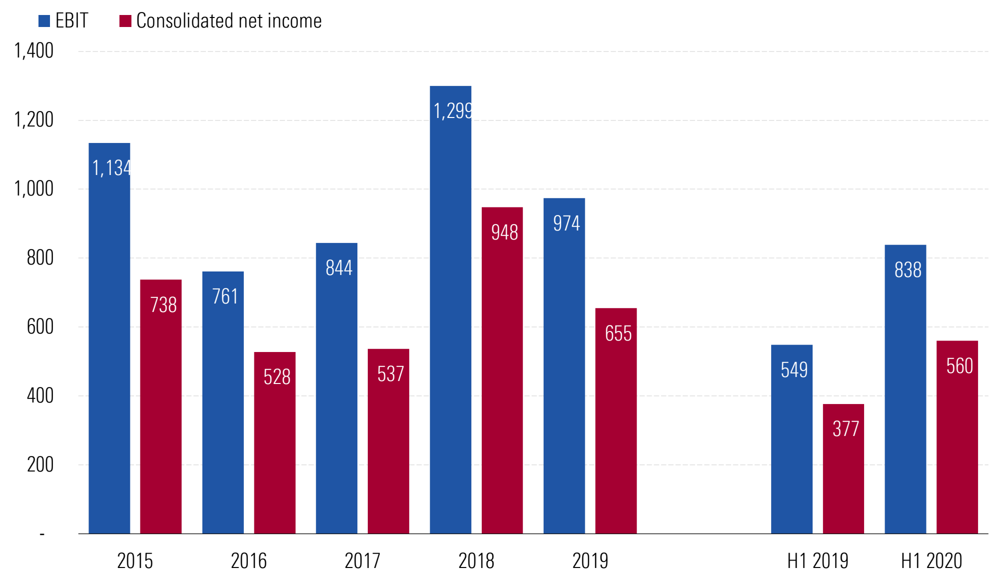
Source: DBRS Morningstar, Company Documents.

The Company's claim expenses benefit from its investments in technology. Innovation is done in a very sensible and cost-effective manner. For example, the ability of the Company to do claims reconstruction through data analytics and technological advances has allowed it take steps to combat fraud in a very effective way. Among other activities, UnipolSai has also created a network of tow trucks and auto body shops, as well as found ways to source its own car parts, to lower claim costs. These actions should continue to drive profitability in the future.

After the Coronavirus Disease (COVID-19) pandemic's peak in Italy, premiums generated have declined but profitability is higher because of very little claims (82% combined ratio in H1 2020 versus 95% H1 2019. This is despite UnipolSai having deferred premiums for its motor vehicle clients. Premiums generated by nonlife companies in particular are strongly linked to overall GDP growth, so UnipolSai's premium growth is likely to slow down in the future, with the outlook dependent on the extent and speed of the recovery of the Italian economy from the effects of the coronavirus pandemic.

UnipolSai's underwriting income is supplemented by stable investment income in the form of coupons and dividends yielding in the 3% range. This is reasonable, given the low interest rate environment and the resultant impact on yields.

Exhibit 3 EBIT and Net Income Results (EUR millions)



Source: DBRS Morningstar, Company Documents.

Liquidity

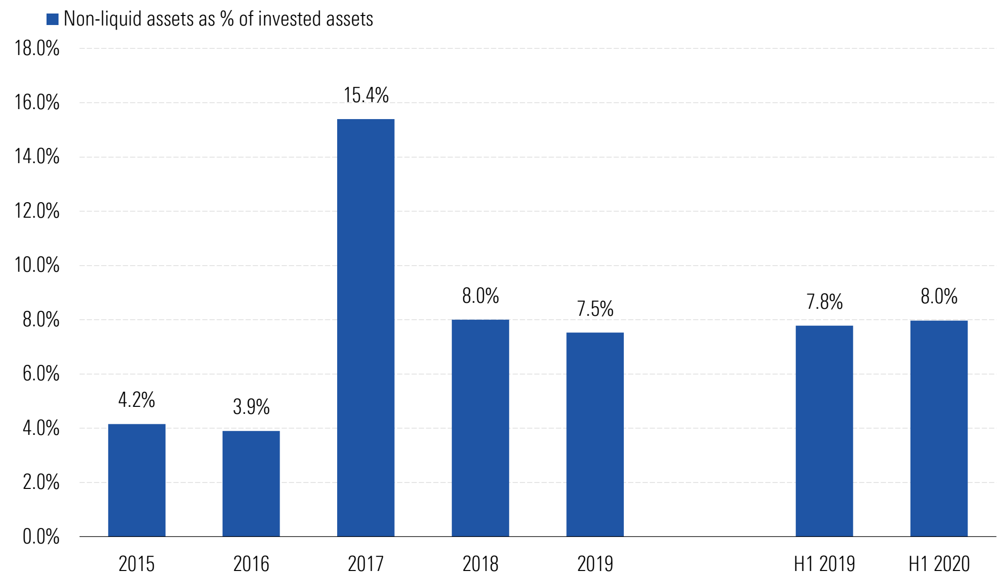
Grid Grade: Strong/Good

As is typical of most insurers, UnipolSai has low liquidity requirements. Correspondingly, there is a low likelihood that an immediate need for cash would arise that the Company would be unable to cover. Any strains on liquidity are likely to arise over time and should be relatively predictable. The nonlife insurance business model reduces the risk of a liquidity crisis because of the consistent flow of premium revenue getting collected. UnipolSai also may choose to suspend dividend payments to its parents if need be.

UnipolSai's mix of businesses gives way to a generally predictable claims profile, barring any unexpectedly large catastrophes arising from severe weather events, including earthquakes, which would be largely covered by reinsurance. The claims profile is well managed as reflected in stable combined ratios overall. The overall volume of claims has declined in 2020 as a result of the coronavirus pandemic.

Liquidity is further enhanced by an invested assets portfolio which largely comprised fixed income securities at YE 2019. Italian government bonds comprise approximately half of total investments, providing a source of readily marketable assets if the need arises. Italy has one of the largest and most liquid bond markets in Europe, but periods of uncertainty can stress liquidity. The concentration of investments in Italian-domiciled entities decreases the portfolio's overall credit quality and subsequently increases liquidity risk in the case of a stressed market environment and the resulting investor flight to quality.

Exhibit 4 Nonliquid Assets Concentration



Source: DBRS Morningstar, Company Documents.

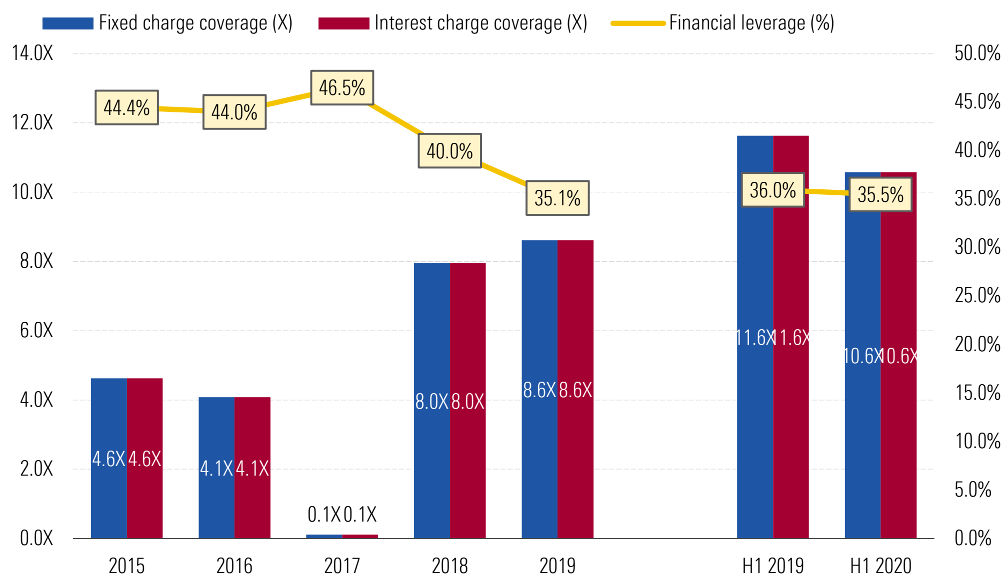
Capitalization

Grid Grade: Good/Moderate

UnipolSai has high amounts of capital relative to regulatory requirements. At 249% for H1 2020, the Company's SCR coverage ratio (at the consolidated UnipolSai level) is above its own internal targets, providing a solid cushion against adverse stress scenarios. This cushion is particularly important in the current economic environment because the solvency ratio can be fairly volatile, in part because of how Solvency II is formulated and the sensitivity of the ratio to market movements. A sizeable capital cushion should protect UnipolSai against its most material market risks, including a significant drop in equity markets, adverse movements in the interest rate yield curve, or increased credit spreads on its corporate and government bonds. These risks may have a greater impact on the Company's solvency ratio than on other European insurers because of the Company's large exposure to Italian corporate and government bonds. Volatility adjustments designed to smooth out steep movements in the Solvency II ratio are currently not working as planned, particularly for Italy, with regulatory bodies working on fixing this issue in the near to mid term. Additionally, further weakening in the ratings on bonds in the invested assets portfolio or an unexpected marked drop in equity market values could pressure the Company to increase its available capital amid a weakening economy.

The leverage ratio (calculated at the Unipol Gruppo level on a consolidated basis) is moderate at 35.5% at H1 2020. This ratio will likely decline slightly in the future from its current level as the Company pays down more of its existing debt. The moderate amount of leverage leaves little room for UnipolSai to issue additional debt if the need arises, reducing some financial flexibility. Nonetheless, the Company has an excellent ability to cover its interest and fixed-charge costs because of low financing charges and good earnings, resulting in a weighted three-year fixed-charge coverage ratio of 6.7 times. UnipolSai's continued ability to raise additional capital to finance future growth and meet strategic objectives, including further planned investments in technology and distribution, is important as its equity capital has been relatively flat over the past few years, with approximately EUR 300 million to EUR 400 million of earnings sent as dividends to the parent, Unipol Gruppo, annually.

Exhibit 5 Leverage and Coverage



Source: DBRS Morningstar, Company Documents.

Capitalization

			For the Year Ended December 31 (IFRS)				
(In € Millions, except for % or otherwise stated)	**H1 2020**	**H1 2019**	**2019**	**2018**	**2017**	**2016**	**2015**
Regulatory Capital Strength							
Solvency II Ratio (UnipolSai Solo)	272%	264%	284%	253%	263%	243%	176%
Solvency II Ratio (UnipolSai Consolidated)	249%	228%	252%	202%	210%	212%	176%
Leverage							
Total capital	9,102	8,870	9,881	8,244	8,522	8,854	8,763
Financial Leverage (Unipol Group)	35.5%	36.0%	35.1%	40.0%	46.5%	44.0%	44.4%
Intangibles / Common Equity	14.3%	13.5%	13.0%	15.3%	11.8%	11.4%	12.0%
Tangible Common Equity / Total Capital	58.8%	58.9%	60.6%	55.9%	60.8%	61.6%	63.1%
Total Capital / Policyholder Liabilities	16.1%	15.9%	17.2%	15.5%	18.6%	15.9%	15.6%
Protection Ratios							
Quality Assets / Non-Capital Liabilities	17.9%	17.1%	16.4%	16.7%	9.1%	3.0%	3.7%
Total Capital / Riskier Assets	50.1%	49.1%	52.8%	48.6%	44.7%	100.1%	96.4%

Source: DBRS Morningstar, Company Documents.

UnipolSai Assicurazioni, Consolidated - Annual Financial Information

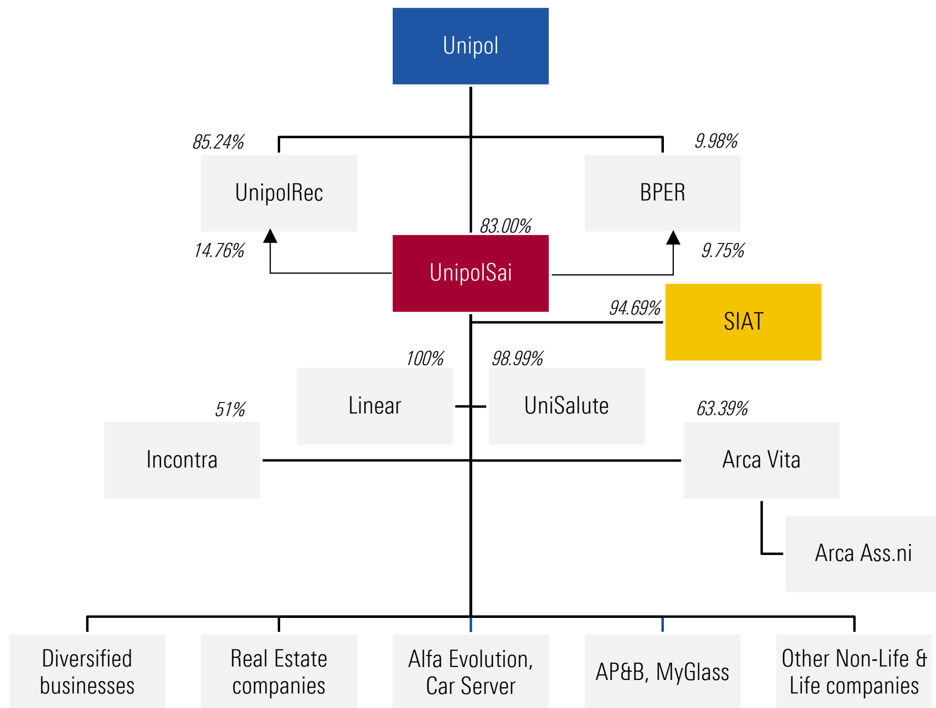
Balance Sheet (As Reported)			For the Year Ended December 31 (IFRS)				
(In € Millions, except for % or otherwise stated)	**H1 2020**	**H1 2019**	**2019**	**2018**	**2017**	**2016**	**2015**
ASSETS							
Goodwill	508	465	508	465	328	317	307
Other intangible assets	385	352	385	371	364	387	444
Property	1,493	1,589	1,561	1,564	1,483	1,386	1,323
Other tangible assets	836	268	850	250	236	210	109
Technical provisions - reinsurers' share	926	1,013	990	982	846	849	869
Investment property	2,076	2,136	2,063	2,071	2,271	2,388	2,535
Investments in subsidiaries, associates, and interest in joint ven	154	140	169	341	804	527	528
Held-to-maturity investments	415	453	455	460	540	892	1,100
Loans and receivables	5,272	4,738	4,767	4,313	4,489	5,050	5,251
Available-for-sale financial assets	47,912	46,916	48,855	43,446	36,043	43,172	42,805
Financial assets at fair value through profit or loss	6,882	7,440	7,753	6,498	4,938	9,186	8,792
Total investments	**62,710**	**61,823**	**64,061**	**57,129**	**49,085**	**61,215**	**61,010**
Receivables relating to direct insurance business	1,229	1,071	1,456	1,366	1,422	1,419	1,519
Receivables relating to reinsurance business	260	227	261	137	101	95	76
Other receivables	1,301	1,155	1,436	1,366	1,141	1,601	1,364
Sundry receivables	**2,790**	**2,453**	**3,153**	**2,869**	**2,663**	**3,114**	**2,958**
Non-current assets or assets of a disposal group held for sale	194	139	189	537	10,569	208	17
Deferred acquisition costs	106	106	101	98	85	90	87
Deferred tax assets	229	272	127	465	217	260	187
Current tax assets	20	3	4	23	9	31	45
Other assets	546	576	503	417	462	521	412
Total other assets	**1,096**	**1,096**	**924**	**1,540**	**11,343**	**1,111**	**746**
Cash and cash equivalents	638	820	747	1,025	1,404	661	957
Total assets	**71,382**	**69,878**	**73,179**	**66,194**	**67,750**	**69,248**	**68,724**
LIABILITIES AND SHAREHOLDERS' EQUITY							
Share capital	2,032	2,032	2,032	2,032	2,032	2,032	2,031
Other equity instruments	-	-	-	-	-	-	-
Capital reserves	347	347	347	347	347	347	347
Income-related and other equity reserves	2,887	2,634	2,718	2,133	2,130	2,593	2,297
Treasury shares	(2)	(46)	(2)	(46)	(52)	(52)	(50)
Reserve for foreign currency translation differences	5	5	5	5	5	3	4
Gains or losses on available-for-sale financial assets	421	685	1,142	80	913	752	903
Other gains or losses recognized directly in equity	13	17	9	(7)	(9)	(16)	34
Profit (loss) for the year attributable to the owners of the parent	545	364	628	905	504	497	711
Equity attributable to the owners of the parent	**6,246**	**6,039**	**6,878**	**5,448**	**5,869**	**6,156**	**6,278**
Share capital and reserves attributable to non-controlling intere	210	235	233	207	266	318	278
Gains or losses recognised directly in equity	11	7	16	0	27	31	33
Profit (loss) for the year attributable to non-controlling interests	15	13	27	43	33	30	26
Equity attributable to non-controlling interests	**236**	**255**	**275**	**250**	**325**	**379**	**337**
Provisions	396	342	442	353	382	442	519
Technical provisions	56,843	55,902	57,567	53,223	45,757	55,816	56,095
Financial liabilities at fair value through profit or loss	2,960	2,828	2,914	2,539	1,172	2,140	1,543
Other financial liabilities	2,790	2,739	3,086	2,713	2,491	2,541	2,354
Payables arising from direct insurance business	131	133	165	161	105	107	115
Payables arising from reinsurance business	112	116	97	87	94	92	97
Other payables	750	631	819	657	717	665	595
Liabilities associated witrh disposal groups held fro sale	3	4	3	3	10,017	-	-
Deferred tax liabilities	48	49	78	9	25	26	41
Current tax liabilities	36	27	48	22	24	45	35
Other liabilities	831	816	806	729	773	838	717
Total shareholders' equity and liabilities	**71,382**	**69,878**	**73,179**	**66,194**	**67,750**	**69,248**	**68,724**

Source: DBRS Morningstar, Company Documents.

Income Statement (As Reported)			**For the Year Ended December 31 (IFRS)**				
(In € Millions, except for % or otherwise stated)	**H1 2020**	**H1 2019**	**2019**	**2018**	**2017**	**2016**	**2015**
Gross premiums earned	5,906	7,115	13,716	11,412	10,833	11,999	13,558
Earned premiums ceded to reinsurers	(230)	(218)	(453)	(407)	(431)	(441)	(463)
Net premiums	**5,676**	**6,897**	**13,263**	**11,005**	**10,402**	**11,558**	**13,095**
Commission income	17	17	34	30	35	32	9
Gains and losses on financial instruments at fair value through pro	(291)	(125)	(106)	(158)	134	45	393
Gains on investments in subsidiaries, associates, and interests in j	9	5	10	322	9	17	26
Interest income	687	738	1,468	1,441	1,483	1,522	1,490
Other income	85	108	214	179	178	166	185
Realised gains	272	289	547	412	442	452	722
Unrealised gains	244	62	68	1	0	39	33
Gains on other financial instruments and investment property	**1,288**	**1,197**	**2,297**	**2,033**	**2,104**	**2,178**	**2,431**
Other revenue	409	322	804	635	541	426	505
TOTAL REVENUE	**7,108**	**8,313**	**16,301**	**13,869**	**13,225**	**14,257**	**16,459**
Amounts paid and changes in technical provisions	(4,306)	(6,072)	(11,658)	(9,289)	(9,033)	(10,191)	(11,804)
Reinsurers' share	90	114	309	309	197	217	219
Net charges relating to claims	**(4,216)**	**(5,958)**	**(11,350)**	**(8,980)**	**(8,836)**	**(9,975)**	**(11,585)**
Commission expenses	(10)	(11)	(21)	(17)	(18)	(15)	(8)
Losses on investments in subsidiaries, associates, and interest in j	(11)	(0)	(0)	(1)	(115)	(3)	(8)
Interest expense	(49)	(48)	(101)	(96)	(84)	(81)	(91)
Other charges	(14)	(16)	(31)	(31)	(36)	(46)	(48)
Realised losses	(250)	(35)	(110)	(136)	(137)	(250)	(248)
Unrealised losses	(27)	(46)	(169)	(118)	(156)	(156)	(242)
Losses on other financial instruments and investment property	**(340)**	**(144)**	**(412)**	**(380)**	**(412)**	**(532)**	**(628)**
Commissions and other acquisition costs	(883)	(929)	(1,864)	(1,780)	(1,708)	(1,732)	(1,803)
Investment management expenses	(60)	(59)	(130)	(117)	(125)	(132)	(120)
Other administrative expenses	(279)	(315)	(641)	(531)	(498)	(496)	(499)
Operating expenses	**(1,222)**	**(1,303)**	**(2,635)**	**(2,429)**	**(2,331)**	**(2,359)**	**(2,422)**
Other costs	**(521)**	**(396)**	**(1,010)**	**(859)**	**(753)**	**(692)**	**(765)**
TOTAL COSTS AND EXPENSES	**(6,319)**	**(7,812)**	**(15,428)**	**(12,665)**	**(12,465)**	**(13,576)**	**(15,416)**
Pre-tax profit (loss) for the year	**789**	**501**	**873**	**1,203**	**760**	**681**	**1,044**
Income taxes	(229)	(125)	(218)	(256)	(223)	(153)	(306)
Profit (loss) for the year after taxes	**560**	**377**	**655**	**948**	**537**	**528**	**738**
Profit (loss) from discontinued operations	-	-	-	-	-	-	-
Consolidated profit (loss)	**560**	**377**	**655**	**948**	**537**	**528**	**738**
attributable to the owners of the parent	545	364	628	905	504	497	711
attributable to non-controlling interests	15	13	27	43	33	30	26

Source: DBRS Morningstar, Company Documents.

Simplified Corporation Organization Chart (H1 2020)



Source: Company Documents; DBRS Morningstar.

The applicable methodology is *Global Methodology for Rating Life and P&C Insurance Companies and Insurance Organizations* (July 21, 2020).

Ratings

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

Related Research

- *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.

Notes: All figures are in euros unless otherwise noted.

For the definition of Issuer Rating, please refer to Rating Definitions under Rating Policy on www.dbrsmorningstar.com.

Generally, Issuer Ratings apply to all senior unsecured obligations of an applicable issuer, except when an issuer has a significant or unique level of secured debt.

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