Unipol Assicurazioni S.p.A.

Key Rating Drivers

Significantly Reduced Financial Leverage: Unipol Assicurazioni S.p.A.'s financial leverage ratio (FLR) sharply improved to around 18% at end-1Q25 from 24% at end-2024 (end-2023: 24%) following the non-refinancing of EUR1 billion senior debt that matured in March 2025. Fitch Ratings expects the company's FLR to be broadly stable in 2025 and 2026 and further reduce after the group's announcement that its outstanding EUR500 million and EUR1 billion senior debt maturing in November 2027 and September 2030, respectively, will not be refinanced.

Very Strong Capitalisation: Unipol's Solvency II coverage ratio was very strong, at 222% at end-1H25, slightly up from 212% at end-2024. Unipol's capital position, as measured by Fitch's Prism Global model, was stable at 'Very Strong' based on end-2024 data. We expect capitalisation to remain very strong in 2025 and 2026.

High Investment Concentration Risk: Fitch's assessment of Unipol's investment and asset risk is driven by the group's large exposure to Italian sovereign debt. However, the group has reduced its exposure to Italian bonds over the past five years to protect its solvency capital from the volatility of government spreads. Unipol's exposure to Italian bonds was broadly stable in absolute terms, at EUR17.4 billion at end-2024. This corresponded to an unchanged 1.5x the group's consolidated shareholders' equity, including the contractual service margin after tax.

We expect Unipol's Italian sovereign investments to remain stable in absolute terms in 2025 and 2026, while the group's investment and asset risk may improve should the Italian sovereign be upgraded.

Leading Franchise in Italy: Unipol is the largest motor and health underwriter in Italy and has a strong market position in the local life insurance sector. The group has a strong franchise and can exploit its pricing power and strong distribution capabilities through its network of agencies and bancassurance agreements.

Strong Profitability: Unipol's reported combined ratio in the non-life business improved to 93.6% in 2024, from 98.2% in 2023, benefiting from lower natural catastrophe (nat cat) claims and management actions. In 1H25, this further improved to 92.7% (1H24: 93.1%). The net income return on equity was 12% in 2024, down from 13% at end-2023, due to a higher equity base. Fitch expects the group's underwriting and net profitability to remain strong in 2025.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- A sustained increase in Unipol's sovereign investment concentration risk to above 2x capital
- An increase in FLR to above 23% on a sustained basis

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- A substantial reduction in Unipol's sovereign investment concentration risk to well below 1x capital

Latest Developments

The merger between UnipolSai S.p.A. and Unipol Gruppo S.p.A. and other small entities fully owned by Unipol Gruppo S.p.A. was successfully completed as of 31 December 2024 to form the new Unipol Assicurazioni S.p.A.

In June 2025, the board of directors of Unipol Assicurazioni S.p.A. decided to accept the voluntary public exchange offer made by BPER Banca S.p.A. for all shares of Banca Popolare di Sondrio S.p.A. Also, Unipol has entered into a forward sale agreement for up to 82 million BPER shares, allowing it to maintain a stake below 20% in BPER after the completion of the offer.

Key Rating Drivers - Scoring Summary

Other Criteria Elements		
Provisional Insurer Financial Strength	**A**	
Transfer & Convertibility / Country Ceiling	0	AA
Non-Insurance Attributes	0	Neutral
Ownership / Group Support	0	Neutral
Insurer Financial Strength	**A**	
IFS Recovery Assumption	-1	Good
LT Issuer Default Rating	**A-**	

Company Profile

Strong Franchise in Italy Supports Rating

Fitch considers Unipol's business profile as 'Most Favourable' compared with its Italian peers. The group has a well-diversified business mix and is the largest non-life insurer in Italy, with the leading market position in motor. It is also the largest company in health insurance with a share of 23.4% at end-2024. In Italy, Unipol has a strong franchise and can exploit its comprehensive distribution capabilities through its agency network, bancassurance agreements and direct channels. Over the past five years, Unipol's bancassurance distribution channel gradually grew in importance, reflecting increasing synergies between its banking partners.

We believe that Unipol's market position benefits from the extensive use of telematics and extensive agency network, enabling the group to increase client retention and to enhance the cross-selling of products and services.

Diversified Product Mix

Unipol has a balanced and diversified product mix. Consolidated non-life premiums totalled EUR9.2 billion in 2024 (2023: EUR8.5 billion), while life premiums were EUR6.4 billion (2023: EUR6.4 billion). In non-life, Unipol's motor business accounted for 48% of premiums underwritten (2023: 46%). Unipol aims to increase the share of non-motor premium income through new products and services, which has led to good underlying growth in accident and health, in particular. In life insurance, traditional savings products remain Unipol's core offering, representing 67% of life premiums in 2024 (2023: 62%). Guarantees remained close to 0% for most newly sold policies. Unipol also distributes unit-linked products, emphasising hybrid products (a mixture of traditional savings and unit-linked products) and savings policies that simultaneously meet clients' demands for safety and are capital-light.

Corporate Governance – 'Neutral'

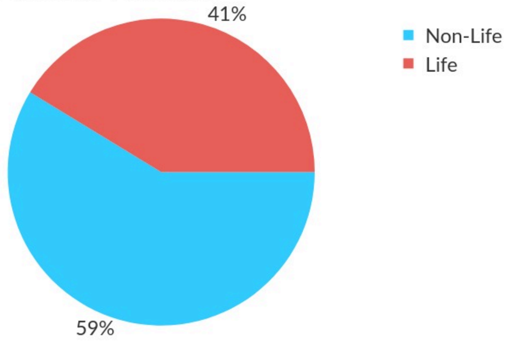
The business profile score is not adjusted given the 'Neutral' corporate governance ranking. Our assessment of the group's corporate governance is driven by its diverse ownership structure and its governance and disclosures being in line with regulatory standards and peers.

Company Profile Scoring

Business profile assessment	Most Favourable
Business profile sub-factor score	a+
Corporate governance assessment	Neutral
Corporate governance impact (notches)	0
Company profile factor score	a+

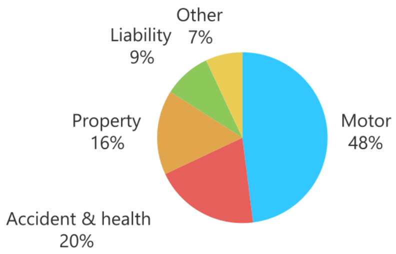
Source: Fitch Ratings

Gross Written Premiums



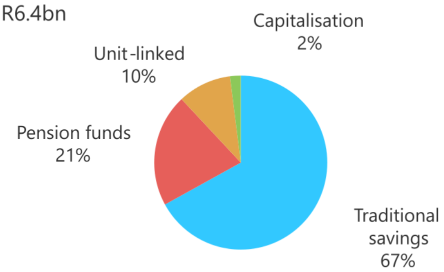
Source: Fitch Ratings, company data

Premium Split- Non-Life
2024: EUR9.2bn



Source: Fitch Ratings, Unipol

Premium Split- Life
2024: EUR6.4bn



Source: Fitch Ratings, Unipol

Ownership

Unipol's shares are listed on the Milan Stock Exchange, and it had a market capitalisation of EUR12.6 billion at end-July 2025. Coop Alleanza 3.0 (23.5%) and Nova Coop Soc. Coop. (6.8%) are the largest shareholders. In February 2024, Unipol announced its intention to merge the main operating entity UnipolSai S.p.A., among other smaller entities, into the financial holding company Unipol Gruppo S.p.A. and to rename the merged entity Unipol Assicurazioni S.p.A. The merger was effective as of 31 December 2024.

Capitalization and Leverage

Very Strong Capitalisation and Significantly Reduced Financial Leverage

Unipol's consolidated S2 ratio improved slightly to 222% at end-1H25 from 212% at end-2024. The S2 ratio is affected by the consolidation rules of the strategic holdings in BPER Banca S.p.A. and Banca Popolare di Sondrio - Societa per Azioni (IDR: BBB-/Rating Watch Positive) (both just under 20%). Despite the capital absorbed by these strategic holdings, we view Unipol's S2 ratio as very strong.

Unipol's Prism FBM score, based on end-2024 financials prepared under IFRS 17, was stable at 'Very Strong' (unchanged from end-2023). The growth in required capital, due to higher business volumes, was compensated for by strong retained earnings.

Fitch views Unipol's financial leverage as strong; the FLR decreased significantly to 18.2% at end-1H25 from 24.2% at end-2024 (end-2023: 24.0%) because of the non-refinancing of its EUR1 billion senior debt, which matured in March 2025.

Financial Highlights

(x)	End-2024	End-2023
TFC/total equity	0.5	0.5
Net leverage	2.8	2.6
Gross leverage	3.0	2.7
Asset leverage	13.2	13.7
Net financial leverage (goodwill supported) (%)	24.2	24.0
Regulatory capital ratio (%)	212	215

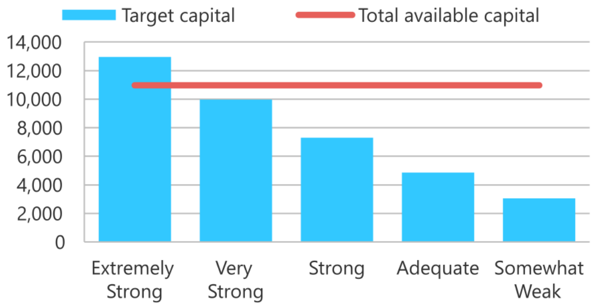
Source: Fitch Ratings, Unipol

Fitch's Expectations

- Unipol's capitalisation, both in terms of Prism FBM score and solvency coverage, to remain very strong in 2025-2026.
- FLR to continue to reduce with the non-refinancing of the group's remaining senior debt maturing in 2027 and 2030.

Capitalisation Adequacy

Prism FBM



Source: Fitch Ratings

Financial Highlights

(EURm)	2024	2023
Prism score	Very Strong	Very Strong
Prism total AC (EURm)	10,969	11,050
Prism AC/TC at Prism score (%)	110	114
Prism AC/TC at higher Prism score (%)	85	86

AC – Available capital. TC – Target capital
Source: Fitch Ratings

Debt Service Capabilities and Financial Flexibility

Strong Coverage and Financial Flexibility

Fitch views Unipol's fixed-charge coverage (FCC) ratio as strong and improving. We expect the amount of interest expenses to decline as senior debt is retired. We believe that Unipol's credit profile is adequate to access the debt markets, as shown by its record of subordinated and senior debt issuances.

Financial Highlights

(x)	End-2024	End-2023
FCC ratio (including gains and losses)	5.2	4.6

Source: Fitch Ratings, Unipol

Fitch's Expectations

- Unipol's FCC ratio to increase as it continues to deleverage its senior debt.

Financial Performance and Earnings

Very Strong Technical Profits

Unipol's Fitch-calculated combined ratio in the non-life business improved to 93% at end-2024 (end-2023: 98%) benefiting from a reduction in risk exposure, enhanced pricing and underwriting practices, and lower nat cat claims. At end-1H25, Unipol's combined ratio improved further to 92.7%. Written premiums increased by 7.7% in 2024, with the most significant growth recorded in accident and health, closely followed by motor. Premiums grew 4.5% in 1H25.

In life, Unipol reported a small increase in premiums of 0.6% to EUR6,446 million at end-2024 from EUR6,409 million at end-2023, as growth in both traditional and unit-linked business was offset by a decline in pension funds, which can be volatile. In 1H25, life premiums grew by over 22%; all business lines contributed to this result, except for traditional guaranteed products. In 2024, Unipol further cut the minimum average guarantee on traditional products by 9bp to 75bp, and increased the spread retained by the company to 100bp (98bp at end-2023).

Financial Highlights

(%)	End-2024	End-2023
Net income return on equity	12.2	13.4
Pre-tax operating ROA (including realised and unrealised gains)	1.4	1.4
Combined ratio	93.3	98.1
Operating ratio	84.7	88.1

Source: Fitch Ratings, Unipol

Fitch's Expectations

- Unipol to maintain strong profitability and underwriting in 2025.

Investment and Asset Risk

Reduced Investment Concentration Risk

Fitch views Unipol's investment policy as prudent, with 79% of the investment portfolio invested in good-quality fixed-income instruments at end-2024. The quality of Unipol's asset allocation is affected by its high, but declining, exposure to Italian sovereign debt, which equalled EUR17.4 billion at end-2024 (end-2023: EUR17.6 billion) or 1.5x consolidated shareholders' equity, including the CSM after tax (end-2023: 1.5x). The decrease of its relative weight in the total investment portfolio by 130pp to 30.3% at end-2024 is part of a publicly announced plan to reduce risk, aimed at protecting the group's solvency capital from excess volatility from government spreads.

At end-1H25, the group held EUR17.6 billion of Italian government bonds, which equalled 29.8% of the investment portfolio. The still high exposure to Italian debt reflects the group's strong market position in Italy, but it means that the group's capital is sensitive to changes in Italy's creditworthiness.

Unipol's risky-assets ratio, which measures the ratio between the company's risky assets and its shareholders' capital, increased slightly to 92% at end-2024 (end-2023: 89%), because of a rise in unaffiliated shares and investments in affiliates.

Financial Highlights

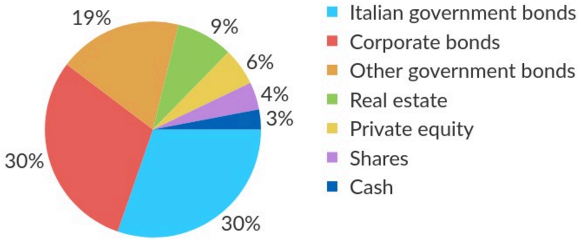
(%)	End-2024	End-2023
Risky assets/capital after loss sharing	92.1	88.7
Unaffiliated shares/capital	18.7	15.9
Non-investment-grade bonds/capital	28.4	29.7
Investments in affiliates/capital	17.5	12.5
Sovereign investments/capital	149.4	149.8

Source: Fitch Ratings, Unipol

Fitch's Expectations

- Unipol to maintain a prudent investment policy
- Exposure to Italian sovereign debt to remain broadly stable in 2025 and 2026

Investment Split



Note: Total is not 100% due to rounding. Source: Fitch Ratings, company data.

Asset/Liability and Liquidity Management

Low Liquidity and Interest-Rate Risk

Unipol's liquidity has significantly improved in 2024, with non-life liquid assets to net technical reserves rising to 132.1% at end-2024 (end-2023: 109.9%). This allows the company to meet cash calls in case of higher surrender rates or increases in non-life claims, which was the case in 2023.

Minimum guarantees on new life sales were close to 0% in 2024 and the legacy portfolios with higher guarantees are gradually running off. Unipol reduced the average of its minimum guarantees to 0.75% at end-2024 (end-2023: 0.84%). The portion of capital-light reserves increased to 57% at end-2024 from 52% at end-2023.

Financial Highlights

(%)	End-2024	End-2023
Life liquid assets/net technical reserves (total)	101.3	87.1
Non-life liquid assets/non-life net technical reserves	132.1	109.9
Duration gap (years)	0.4	0.5

Source: Fitch Ratings, Unipol

Fitch's Expectations

- Unipol to maintain a strong liquidity profile and prudent ALM

Reserve Adequacy

Strong Reserving Practice

Fitch views the non-life reserve adequacy of Unipol as strong. Reserve experience has been positive for more than five years. Reserve leverage relative to capital and to incurred losses is a key element of Unipol's reserving profile due to its exposure to long-tail lines, such as motor third-party and general liability. The ratio of insurance liabilities/insurance revenue was 141% at end-2024, a level that Fitch views as prudent given Unipol's business mix.

We consider Unipol's approach to reserving as adequate. The group uses generally accepted actuarial methods for projecting ultimate losses and calculating reserves for claims incurred, but not yet reported. The reserve experience was neutral at 0% of shareholders' equity in 2024.

Financial Highlights

(%)	End-2024	End-2023
Reserve development/prior-year capital	0	-7.5
Reserve development/prior-year loss reserve	0	-3.8
Net loss reserves/incurred losses (x)	1.5	1.7

Source: Fitch Ratings, Unipol Gruppo S.p.A.

Fitch's Expectations

- Unipol's reserve practice to remain strong and supportive of profitability

Reinsurance, Risk Mitigation and Catastrophe Risk

Reinsurance and Risk Management Adequate

Fitch views Unipol's reinsurance programme as comprehensive and adequate for its ratings. The credit quality of Unipol's reinsurers is high, as cover is provided by reinsurers mostly rated in the 'AA' or 'A' category. We view the group's credit risk in this area to be limited.

The group uses both quota-share and excess-of-loss reinsurance treaties to protect the motor and property books against any large loss events. After the exceptionally severe nat cat events in 2023, the significantly lower loss activity in 2024 has meant that nat cat losses have not affected reinsurance treaties. Active exposure management and operating model enhancements also contributed to this more benign claim experience. Total losses have been less than those estimated in December 2023.

Financial Highlights

(%)	End-2024	End-2023
Reinsurance recoverables/ non-life capital	13.0	12.6
Non-life net insurance revenue/insurance revenue	96.0	95.8

Source: Fitch Ratings, Unipol Gruppo S.p.A.

Fitch's Expectations

- Reinsurance will continue to be managed effectively and benefit from active portfolio management actions.

Appendix A: Peer Analysis

Peer Comparison

Click here for a report that shows a comparative peer analysis of key rating driver scoring.

Appendix B: Industry Profile and Operating Environment

Industry Profile and Operating Environment (IPOE)

Click here for a link to a report that summarises the main factors driving the above IPOE score.

Appendix C: Other Rating Considerations

Below is a summary of additional ratings considerations that are part of Fitch's *Insurance Rating Criteria*.

Notching

For notching purposes, Fitch views Italian regulatory environment as being 'Effective', and classified as following a group solvency approach.

Notching Summary

IFS Ratings	
A baseline recovery assumption of 'Good' applies to the IFS Rating, and standard notching was used from the IFS anchor rating to the implied operating company IDR.	
Operating company debt	
Outstanding senior unsecured debt issued by Unipol Assicurazioni S.p.A. has been rated using a baseline recovery assumption of 'Average'. The rating is, therefore, aligned with the IDR of Unipol.	
Holding company IDR	
Not applicable.	
Holding company debt	
Not applicable.	
Hybrids	
For the dated subordinated notes XS1784311703 and IT0005596207 issued by Unipol Assicurazioni S.p.A., a baseline recovery assumption of 'Below Average' and a non-performance risk assessment of 'Moderate' were used. A notching of -2 was applied relative to the IDR, which was based on -1 for recovery and -1 for non-performance risk. For the perpetual subordinated RT1 notes XS2249600771 issued by Unipol Assicurazioni S.p.A., a baseline recovery assumption of 'Poor' and a non-performance risk assessment of 'Moderate' were used. A notching of -3 was applied relative to the IDR, which was based on -2 for recovery and -1 for non-performance risk.	

IFS – Insurer Financial Strength. IDR – Issuer Default Rating
Source: Fitch Ratings

Short-Term Ratings

Not applicable.

Hybrids Treatment

Hybrid	Amount (EURm)	CAR Fitch (%)	CAR reg. override (%)	FLR debt (%)
Unipol Assicurazioni				
Dated subordinated debt (IT0005596207)	750	0	100	100
Dated subordinated debt (XS1784311703)	500	0	100	100
Perpetual subordinated debt (XS2249600771)	500	100	n.a.	0

CAR – Capitalisation ratio. FLR – Financial leverage ratio. n.a. – Not applicable
Note: For CAR, % shows portion of hybrid value included as available capital, both before (Fitch %) and after the regulatory override.
For FLR, % shows portion of hybrid value included as debt in the numerator of the leverage ratio.
Source: Fitch Ratings, Unipol

Recovery Analysis and Recovery Ratings

Not applicable.

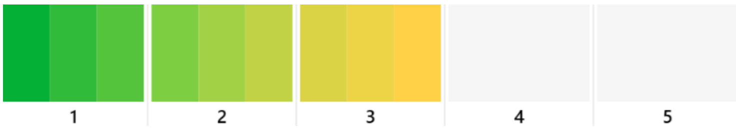
Transfer and Convertibility Risk (Country Ceiling)

None.

Criteria Variations

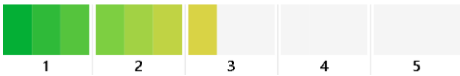
None.

Appendix D: Environmental, Social and Governance Considerations



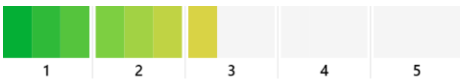
Environmental Relevance Scores

General issues	Score	Sector-specific issues	Reference
GHG Emissions & Air Quality	1	n.a.	n.a.
Energy Management	1	n.a.	n.a.
Water & Wastewater Management	1	n.a.	n.a.
Waste & Hazardous Materials Management; Ecological Impacts	2	Underwriting/reserving exposed to asbestos/hazardous materials risks	Capitalisation & Leverage; Financial Performance & Earnings; Reserve Adequacy; Reinsurance, Risk Mitigation & Catastrophe Risk
Exposure to Environmental Impacts	3	Underwriting/reserving exposed to environmental and natural catastrophe risks; impact of catastrophes on own operations or asset quality; credit concentrations	Capitalization & Leverage; Financial Performance & Earnings; Reserve Adequacy; Reinsurance, Risk Mitigation & Catastrophe Risk; Investment and Asset Risk



Social Relevance Scores

General issues	Score	Sector-specific issues	Reference
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risk; treating customers fairly; pricing transparency; privacy/data security; legal/regulatory fines; exposure to insured and own cyber risk	Industry Profile & Operating Environment; Company Profile; Reserve Adequacy
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Company Profile
Employee Wellbeing	1	n.a.	n.a.
Exposure to Social Impacts	3	Social responsibility and its effect on brand strength; increased vulnerability due to credit concentrations	Company Profile; Investment and Asset Risk; Financial Performance & Earnings; Reinsurance, Risk Mitigation & Catastrophe Risk



Governance Relevance Scores

General issues	Score	Sector-specific issues	Reference
Management Strategy	3	Operational implementation of strategy	Company Profile
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Company Profile
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Company Profile; Ownership
Financial Transparency	3	Quality and timing of financial reporting and auditing processes	Company Profile

1 2 3 4 5

ESG Scoring

ESG relevance scores range from '1' to '5' based on a 15-level colour gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.
The Environmental (E), Social (S) and Governance (G) tables break out the general and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signalling the credit relevance of the sector-specific issues to an issuer's overall credit rating. The Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.
The panels underneath the relevance scores tables are visualisations of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The Score columns summarise rating relevance and impact to credit from ESG issues. The column on the far left identifies any ESG relevance sub-factor issues that are drivers or potential drivers of an issuer's credit rating (corresponding with scores of '3', '4' or '5'). All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.
Classification of ESG issues has been developed from Fitch's sector ratings criteria. The general and sector-specific issues draw on the classification standards published by the UN Principles for Responsible Investing, the Sustainability Accounting Standards Board and the World Bank.

Credit-Relevant ESG Scale

	5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to 'Higher' relative importance within the Navigator.
	4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to 'Moderate' relative importance within the Navigator.
	3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to 'Lower' relative importance within the Navigator.
	2	Irrelevant to the entity rating but relevant to the sector.
	1	Irrelevant to the entity rating and irrelevant to the sector.

Ratings

Unipol Assicurazioni S.p.A.	
Insurer Financial Strength	A
Long-Term IDR	A-
Outlooks	
Insurer Financial Strength	Stable
Long-Term IDR	Stable
Debt Ratings	
Senior Unsecured Long-Term Rating	A-
Subordinated Long-Term Rating	BBB
Junior Subordinated Long-Term Rating	BBB-

Financial Data

Unipol Assicurazioni S.p.A.

(EURm)	End-2024	End-2023
Total assets	83,425	79,458
Total equity and reserves	9,628	9,799
Insurance revenue	9,810	9,571
Net income	1,119	1,331
Solvency II (%)	212	215

Note: Reported under IFRS.
Source: Fitch Ratings, Unipol Assicurazioni S.p.A.

Applicable Criteria

Insurance Rating Criteria (March 2024)

Related Research

Italian Insurers Have Better Life Flows, Strong Combined Ratios in 2024 (April 2025)
Large and Medium-Sized Italian Insurers – Peer Credit Analysis (August 2025)

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SOLICITATION & PARTICIPATION STATUS

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For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.