



06/07/2012

**PRESS  
RELEASE**

Trieste. Generali announced that Moody's, the rating agency, assigned an A3 rating to the €750 million senior dated subordinated bond issue closed on July 3, 2012.

Please find below the original Moody's press release.

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**Moody's assigns A3 (hyb) rating, negative outlook, to the dated subordinated notes issued by Assicurazioni Generali**

Global Credit Research - 06 Jul 2012

London, 06 July 2012 -- Moody's Investors Service has assigned an A3 (hyb) rating to the Senior Dated Subordinated Notes issued by Assicurazioni Generali SpA (Generali, A1 insurance financial strength rating, negative outlook). The rating is based on the expectation that there will be no material difference between current and final documentation in relation to the notes. The outlook is negative in line with Generali's insurance financial strength rating (IFSR).

**RATINGS RATIONALE**

The A3 rating is driven by the A1 IFSR of Generali. The two notch gap between Generali's IFSR and the subordinated debt is consistent with Moody's typical notching practice for European insurance operating companies. The subordinated notes rank junior to Generali's existing and future senior debt, and senior to its existing and future obligations expressed to rank junior to the dated subordinated notes, including its outstanding perpetual junior subordinated debt.

The subordinated notes amount to EUR 750 million and the proceeds are expected to be used to repay the subordinated debt with a call date in July 2012 of same amount.

The notes will receive some equity credit from Moody's for the purposes of the adjusted financial leverage calculation based on their interest deferral characteristics, subordination, and maturity. The notes are expected to qualify as regulatory capital under the existing Solvency I rules and are designed to qualify as Tier Two regulatory capital under the forthcoming Solvency II regime.

The negative outlook mirrors the negative outlook on Italy's A3 government bond rating and reflects the increasing uncertainties around the economic and financial environment in Italy, the insurer's domestic market. Any further downgrade of Italy would lead to a downgrade of Generali's ratings due to various linkages. These linkages include the reduced quality of the group's investment portfolio, Moody's view that the financial and economic environment in Italy will constrain profitability from Generali's Italian life insurance business, as well as the potential for further deterioration in other aspects of the insurer's investment portfolio should conditions in Italy decline further. Other reasons for a possible downgrade are: 1) a material deterioration of solvency and operating performance, 2) a material deterioration of the financial flexibility of the group, for example if financial leverage exceeds 35% on a long-term basis

The following rating has been assigned with a negative outlook:

Assicurazioni Generali S.p.A. - EUR 750 million dated subordinated notes A3 (hyb)

Generali Assicurazioni S.p.A., headquartered in Trieste, Italy, is a major international multi-line insurer. It reported gross premiums written of EUR69.2 billion in 2011 and shareholders' equity including minorities of EUR18.1 billion at 31 December 2011.

**PRINCIPAL METHODOLOGIES**

The methodologies used in this rating were Moody's Global Rating Methodology for Life Insurers published in May 2010, and Moody's Global Rating Methodology for Property and Casualty Insurers published in May 2010. Please see the Credit Policy page on [www.moody.com](http://www.moody.com) for a copy of these methodologies.

**REGULATORY DISCLOSURES**

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The rating has been disclosed to the rated entity or its designated agent(s) and issued with no amendment resulting from that disclosure.

Information sources used to prepare the rating are the following: parties involved in the ratings, public information, and confidential and proprietary Moody's Investors Service information.

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Please see [www.moodys.com](http://www.moodys.com) for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

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