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PRESS RELEASE

Generali, AM Best affirms rating A and outlook stable

- The same rating and outlook assigned, for the first time, to Generali Italia and Česká pojišťovna

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Trieste – The rating agency AM Best announced today that it has affirmed Generali's FSR rating at A (Excellent). For the first time, AM Best has assigned the same FSR rating also to the subsidiaries Generali Italia and Česká pojišťovna. Concurrently, AM Best has affirmed the ratings of debt instruments issued or guaranteed by Generali. The outlook is confirmed "stable".

AM Best said that ratings reflect the group's very strong business position in continental Europe, solid operating performance and improving capitalization.

Please find attached AM Best's original press release.

THE GENERALI GROUP

The Generali Group is one of the largest global insurance providers with 2014 total premium income exceeding €70 billion. With 77,000 employees worldwide serving 72 million insured persons in more than 60 countries, the Group occupies a leadership position on West European markets and an increasingly important place on markets in Central Eastern Europe and Asia. Generali ranked among the world's 50 smartest companies in 2015 according to the MIT Technology Review. Generali is the only insurer to be listed.

FOR IMMEDIATE RELEASE

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A.M. Best Affirms Ratings of Assicurazioni Generali S.p.A. and Its Main Subsidiaries

LONDON, 23 October 2015—A.M. Best has affirmed the financial strength rating (FSR) of A (Excellent) and the issuer credit ratings (ICR) of “a” of **Assicurazioni Generali S.p.A.** (Generali) (Italy) and its main subsidiaries. At the same time, A.M. Best has assigned the FSR of A (Excellent) and the ICR of “a” to **Generali Italia S.p.A.** (Italy) and **Česká pojišťovna a.s.** (Czech Republic) [for the latter company, see separate press release published today]. Concurrently, A.M. Best has affirmed the ratings of debt instruments issued or guaranteed by Generali. (See below for a detailed list of companies and debt instruments.) The outlook for all ratings is stable.

The ratings reflect the group’s very strong business position in continental Europe, solid operating performance and slowly improving risk-adjusted capitalisation. Offsetting rating factors include the sensitivity of the group’s risk-adjusted capitalisation to financial market volatility and profitability pressures arising from the challenging macro-economic environment in its core markets.

As one of the largest insurers in Europe, Generali has a very strong franchise in both life and non-life insurance within its core markets, namely Italy, Germany and France, which contributed over 70% of gross written premium (GWP) in 2014. Generali also has a prominent market position in Central and Eastern Europe where the group operates via its wholly owned subsidiary **Generali CEE Holding B.V.** (effective January 2015).

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In line with its strategic turnaround plan, the group is now in full control of all its core operations, and continues to streamline activities, thereby strengthening the strategic alignment of its subsidiaries, which continues to be viewed as a positive rating factor.

In 2014, Generali reported GWP of EUR 70.4 billion, up from EUR 65.9 billion in 2013, benefitting from the strong revenue growth of the life segment, notably stemming from new products initiatives aimed at increasing the share of unit linked products within the portfolio. Premium revenue is expected to continue to be driven by the life operations, whilst the prevailing economic conditions in Generali's key markets remain challenging for the non-life segment.

Generali's operating performance has proven to be resilient. The group reported a net result of EUR 1.7 billion for 2014, negatively impacted by one off impairments that drove the marginal decrease from the EUR 1.9 billion reported for 2013. The life operating result increased by 15.2% to EUR 3.0 billion, as the stronger investment result and cost containment measures offset the lower technical margin. Efforts made by the group to develop capital efficient products enabled the group to report a higher new business margin on annual premium equivalent of 24.0% (2013: 21.0%). For non-life business, the combined ratio continued its downward trend, improving to 93.8%. This was driven by a reduction in the loss ratio to 66.7%, mainly as a result of lower natural catastrophes, which translated into a non-life operating result of EUR 1.8 billion, up 13.1% compared with 2013. For the first six months of 2015, Generali reported its strongest operating result in the last eight years, at EUR 2.8 billion, compared to EUR 2.5 billion for the first six months of 2014.

Generali's risk-adjusted capitalisation remained relatively stable between 2013 and 2014, despite a decrease in the value in force (VIF), which A.M. Best gives partial credit for in its Best's Capital Adequacy Ratio (BCAR) model. Replenishing the group's solvency has been a strategic priority for the past years. As of 30 June

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2015, Generali reported a Solvency I ratio of 164% (including the impact of the BSI disposal), whilst the group’s internal model economic solvency ratio reached 200%. Generali continues to maintain sizeable exposures to peripheral eurozone sovereign debt, mainly Italian (which amounted to EUR 60.6 billion on the balance sheet at year-end 2014), and eurozone financial institutions that make its risk-adjusted capitalisation sensitive to shocks in the financial markets.

The FSR of A (Excellent) and ICR of “a”, each with a stable outlook, have been affirmed for

Assicurazioni Generali S.p.A. and its following subsidiaries:

- **Generali Deutschland Holding AG**
- **AachenMünchener Lebensversicherung AG**
- **AachenMünchener Versicherung AG**
- **Generali Lebensversicherung AG**
- **Generali Versicherung AG**
- **COSMOS Lebensversicherungs AG**
- **COSMOS Versicherung AG**
- **Central Krankenversicherung AG**
- **Generali Vie S.A.**
- **Generali IARD S.A.**

The FSR of A (Excellent) and ICR of “a”, each with a stable outlook, have been assigned to:

- **Generali Italia S.p.A.**
- **Česká pojišťovna a.s.**

The ICR of “bbb” has been affirmed for **Generali France S.A.** and the outlook has been affirmed at stable.

The following issue ratings have been affirmed:

Assicurazioni Generali S.p.A.--

- “a-” on EUR 1,250 million 2.875% senior unsecured notes, due 2020
- “a-” on EUR 1,750 million 5.125% senior unsecured notes, due 2024
- “bbb+” on EUR 1,000 million 4.125% fixed rate senior dated subordinated notes, due 2026
- “bbb+” on EUR 1,250 million 7.75% fixed/floating rate senior subordinated callable notes, due 2042 (callable in 2022)
- “bbb+” on EUR 750 million 10.125% fixed/floating rate senior subordinated callable notes, due 2042 (callable in 2022)

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-- “bbb” on GBP 495 million 6.416% fixed/floating rate junior subordinated perpetual debentures, callable in 2022

-- “bbb” on GBP 350 million 6.269% fixed/floating rate junior subordinated perpetual debentures, callable in 2026

Generali Finance B.V. (guaranteed by Assicurazioni Generali S.p.A.) --

-- “bbb” on EUR 1,500 million 4.596% fixed/floating rate more deeply subordinated perpetual notes

-- “bbb” on EUR 1,250 million 5.479% fixed/floating rate junior subordinated perpetual debentures, callable in 2017

-- “bbb” on EUR 1,275 million 5.317% fixed/floating rate junior subordinated perpetual debentures, callable in 2016

-- “bbb” on GBP 700 million 6.214% fixed/floating rate junior subordinated perpetual debentures, callable in 2016

The following indicative ratings on securities available under the EUR 12 billion medium-term note programme that was renewed in April of this year have been affirmed:

Assicurazioni Generali S.p.A. and Generali Finance B.V.--

-- “a-” on all senior unsecured notes to be issued under the programme

-- “bbb+” on all senior subordinated notes to be issued under the programme

-- “bbb” on all junior subordinated notes to be issued under the programme

In accordance with Regulation (EC) No. 1060/2009, the following is a link to required disclosures:

[A.M. Best Europe - Rating Services Limited Supplementary Disclosure.](#)

This press release relates to rating(s) that have been published on A.M. Best's website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please visit A.M. Best's [Ratings & Criteria Center.](#)

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