



12/07/2012

**COMUNICATO
STAMPA**

Trieste. Si comunica che l'agenzia di rating Standard & Poor's ha assegnato il rating BBB+ all'emissione obbligazionaria subordinata di €750 milioni conclusa il 3 luglio 2012.

Si allega di seguito il *summary* di Standard & Poor's.

Summary:

Assicurazioni Generali SpA

Local Currency

Credit Rating: A / Watch Neg / --

Razionale

The ratings on Italy-based Assicurazioni Generali SpA, the parent of the European insurance group Generali, and on the group's core insurance operating companies, reflect Standard & Poor's Ratings Services' view of the group's very strong competitive position and operating performance, as well as its strong enterprise risk management (ERM). We view the group's capitalization as a relative credit weakness and believe that current market conditions constrain Generali's financial flexibility.

Generali benefits from a very strong competitive position as one of the leading franchises in major European life and property/casualty (P/C) markets, including Italy, Germany, and France, complemented by a strong position in Central and Eastern Europe (CEE). Its position as a market leader in Italy underpins the overall very strong competitive position of the group.

We view Generali's capitalization as a relative weakness to the ratings, although we currently assess it as "good" under our criteria. Equity market turbulence, the low interest rate environment, increased credit risk, and widening credit spreads since half-year 2011 weigh on Generali's capital adequacy, in our opinion.

In our opinion, the group still has "very strong" earnings generation potential, based on solid business fundamentals. However, we believe that volatile investment markets are hampering Generali's ability to rebuild its capital, through earnings, to a level that we consider to be strong over the next two years. In particular, Generali's materially high exposure (relative to its balance sheet and to peers) to eurozone sovereigns and their economies may weaken its business and financial profiles further, particularly if economic prospects remain dampened or if credit risk on these exposures increases.

In addition, we believe that current market conditions have constrained Generali's financial flexibility, thus increasing financing costs. Because of lower earnings and the decline in capital, we estimate that the group's hybrid debt (based on total adjusted capital) is just below 25%. Nevertheless, Generali was able to issue €750 million in long-dated subordinated notes on July 3, 2012 (rated 'BBB+/Watch Neg'), which prefinances a call on a similar subordinated instrument due on July 20, 2012. We have classified the notes as having "intermediate equity content" under our hybrid capital criteria.

We continue to view Generali's liquidity as "very strong" on the back of positive net inflows from a widely diversified base and operations, and a healthy net cash (and cash-equivalent) position, accounting for about 8% of own assets under management. Although we do not expect net inflows to be a source of material pressure in 2012, we believe that Generali is well positioned to respond to a large and unexpected cash requirement.

We view Generali's ERM as strong, reflecting its increasingly embedded risk management framework. Our assessment of Generali's ERM also reflects our view of its strong risk management culture, strong strategic risk management, and strong risk controls for its main risks.

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The ratings on Generali exceed those on the sovereign, the Republic of Italy (BBB+/Negative/A-2 unsolicited ratings). According to our criteria, we assess Generali's exposure to Italian country risk as "moderate" (see "Nonsovereign Ratings That Exceed EMU Sovereign Ratings: Methodology And Assumptions," published on June 14, 2011). The long-term rating on Generali therefore qualifies for up to three notches of differential from the 'BBB+' long-term rating on Italy.

Credit Watch

The CreditWatch placement indicates our view that there is a one-in-two chance that we could lower the ratings on Generali, most likely by one notch. We expect to resolve or update the CreditWatch placement within the next two months.

We could lower the ratings on Generali if we consider that any potential difficulty in implementing strategic actions, compounded by an unfavorable economic and financial environment, were to delay the recovery of Generali's financial profile (particularly in terms of its capital adequacy) compared with our previous expectations (see "Assicurazioni Generali, Core Entities Downgraded To 'A' After Adverse Market Conditions Weaken Capital; Outlook Stable," published on Jan. 27, 2012, on RatingsDirect). Depending on the outcome of our discussions, we could alternatively affirm the ratings at current levels.

Related Criteria And Research

- Group Rating Methodology And Assumptions, Nov. 9, 2011
- Nonsovereign Ratings That Exceed EMU Sovereign Ratings: Methodology And Assumptions, June 14, 2011
- Principles Of Credit Ratings, Feb. 16, 2011
- Rating Government-Related Entities: Methodology And Assumptions, Dec. 9, 2010
- Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Holding Company Analysis, June 11, 2009
- Refined Methodology And Assumptions For Analyzing Insurer Capital Adequacy Using The Risk-Based Insurance Capital Model, June 7, 2010
- Interactive Ratings Methodology, April 22, 2009
- Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008
- Criteria Update: Factoring Country Risk Into Insurer Financial Strength Ratings, Feb. 11, 2003

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Il Gruppo Generali è uno tra i maggiori assicuratori europei, primo nel segmento vita in Europa, con una raccolta premi complessiva di quasi € 70 miliardi nel 2011. E' inoltre tra i principali asset manager mondiali ed una realtà unica nel settore del real estate. Con 82.000 collaboratori nel mondo al servizio di 65 milioni di clienti in oltre 60 Paesi, il Gruppo occupa una posizione di leadership nei Paesi dell'Europa Occidentale ed una presenza sempre più significativa nei mercati dell'Europa centro-orientale ed in quelli asiatici.