

Lion III Re: first green catastrophe bond sponsored by Generali

- Generali returns to the ILS market with a € 200 million cat bond exposed to windstorms in Europe and earthquakes in Italy
- The transaction is the first ever ILS issuance that embeds innovative green features in compliance with the Generali Green ILS Framework

Trieste – Assicurazioni Generali S.p.A. has entered into a collateralized multi-year reinsurance agreement with Lion III Re DAC, an Irish designated activity company, providing cover in respect of the Generali Group losses from windstorms in Europe and earthquakes in Italy over a four year period.

Lion III Re DAC, in turn, has issued a single tranche of notes in an amount of € 200 million to fund its obligations under the reinsurance agreement, and the notes have been placed with capital markets investors in a Rule 144A offering.

The demand from capital market investors has allowed the protection to be provided to Generali at a premium of 3.50% per annum on the € 200 million cover under the reinsurance agreement, which Lion III Re DAC will in turn pay to investors as a component of the interest paid on the notes. According to the terms of the offering all or a portion of the interest amount and the principal payable in respect of the notes will be reduced in case of losses sustained by Generali Group due to earthquakes in Italy or windstorms in Europe exceeding a predefined threshold for each peril.

Lion III Re DAC transaction is the first catastrophe bond embedding green features in accordance with the [Generali Green ILS Framework](#), underlining once more the commitment of the Group in promoting green finance solutions: (i) Generali's freed-up capital resulting from this transaction will be allocated to green projects, (ii) the collateral will be invested into highly rated green notes issued by the EBRD, (iii) there will be a dedicated reporting of the allocation of freed-up capital in eligible projects as well as EBRD reporting on its Green Projects Portfolio which will be provided. In addition, the primary service providers engaged have shown commitment to a sustainability framework in their business activities.

GC Securities, a division of MMC Securities LLC, acted as a Sole Structurer of the transaction and Joint Bookrunner, Barclays acted as Sole Green Structuring Advisor and Joint Bookrunner, Natixis acted as a Sole Green Coordinator and Joint Bookrunner.

The **Generali Group Chief Insurance & Investment Officer, Sandro Panizza**, stated: *“Generali has proven once more its confidence and proximity to investors as well to traditional reinsurers. This new issuance allows Generali to further optimize the purchase of reinsurance protection, leveraging on the trust of both the traditional reinsurance and the ILS markets in the quality of its portfolio. Investor interest for the notes issued by Lion III Re DAC allowed Generali to achieve a better risk return trade-off for the overall reinsurance programme.”*

The **Generali Group CFO, Cristiano Borean**, stated: *“The success achieved with this third catastrophe bond confirms Generali’s well-established presence in the ILS market. This transaction further demonstrates Generali’s innovative approach in implementing its capital management strategy, while integrating sustainability principles into alternative risk transfer solutions. The commitment towards the Generali Green ILS Framework is also a clear confirmation of our sustainability ambition to further support green projects and mobilize all our stakeholders around this objective.”*

NOTES TO EDITORS

Rule 144A offerings are offerings of securities conducted on a private placement basis for the purposes of the U.S. Securities Act of 1933 and that limit initial distribution and secondary sales of the securities to entities that are Qualified Institutional Buyers as defined in Rule 144A under the U.S. Securities Act of 1933. The offering of securities in a Rule 144A offering does not require registration of the issuer or the securities with the U.S. Securities Exchange Commission.

Catastrophe bond transactions provide sponsoring insurers and reinsurers protection against catastrophe risks through the release to the sponsor of a portion or the whole principal amount upon the occurrence of pre-defined events (namely triggers). Triggers can be determined in different ways: an indemnity trigger provides for payment once the sponsor’s losses generated by a specific natural event (typically) are higher than a certain specified amount provided for in the terms of the transaction.

NO OFFER

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NO DUTY TO UPDATE

Generali assumes no obligation to update any information contained herein.

THE GENERALI GROUP

Generali is one of the largest global insurance and asset management providers. Established in 1831, it is present in 50 countries in the world, with a total premium income of € 70.7 billion in 2020. With more than 72,000 employees serving 65.9 million customers, the Group has a leading position in Europe and a growing presence in Asia and Latin America. Commitment to sustainability is one of the enablers of Generali’s strategy, inspired by the ambition is to be the Lifetime Partner to its customers, offering innovative and personalized solutions thanks to an unmatched distribution network.