



01/06/2016
PRESS RELEASE

Generali, Fitch assigned rating “BBB” to May 31 subordinated bond issue

Trieste – The rating agency Fitch announced today that it has assigned a “BBB” rating to the subordinated bond issue closed on May 31, 2016.

Please find attached Fitch’s original press release.

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THE GENERALI GROUP

The General Group is among the world’s leading insurers, with total premium income exceeding € 74 billion in 2015. With above 76,000 employees in the world, present in over 60 Countries, the Group has a leading position in Western European Countries and an ever more significant presence in the markets of Central and Eastern Europe and in Asia. In 2015, Generali was the sole insurance company included among the 50 smartest companies in the world by the MIT Technology Review.

FITCH RATES GENERALI'S SUBORDINATED NOTES 'BBB'

Fitch Ratings-London/Frankfurt-01 June 2016: Fitch Ratings has assigned Assicurazioni Generali SpA's (Generali) EUR850m issue of subordinated notes a rating of 'BBB'. The notes are rated two notches below Generali's Long-Term Issuer Default Rating (IDR) of 'A-/Stable, to reflect their subordination and loss absorption features, in line with Fitch's notching criteria.

KEY RATING DRIVERS

The proceeds of the Tier 2 subordinated notes will be used to call the balance of Generali's outstanding EUR869m Tier 1 bonds callable in 2017. The new securities have been issued with a coupon of 5% and a 32-year maturity, callable after a period of 12 years. The notes include a mandatory interest deferral feature that would be triggered if the company is unable to meet the applicable solvency capital requirement (or minimum capital requirement), as defined in the Solvency II directive.

We have applied a baseline recovery assumption of 'below average' and a non-performance risk assessment of 'moderate' to the Tier 2 notes. As a result, the rating is notched down twice from the IDR, one notch for recovery prospects and one notch for non-performance risk.

Under Fitch's methodology, this subordinated bond is classified as 100% capital due to regulatory override within Fitch's risk-based capital assessment and is classified as 100% debt for the agency's financial leverage calculations. The net impact on financial leverage and fixed charge coverage is not expected to be material.

RATING SENSITIVITIES

The notes' rating is subject to the same sensitivities that may affect Generali's Long-Term IDR (for more details, see 'Fitch Affirms Generali's IFS at 'A-' dated 26 January 2016 at www.fitchratings.com).

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Date of Relevant Rating Committee: 25 January 2016

Additional information is available on www.fitchratings.com

Applicable Criteria

Insurance Rating Methodology — Effective Sept. 16, 2015 to May 17, 2016 (pub. 16 Sep 2015)
https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=871172

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