

DECEMBER 17, 2021 11:23 AM (EST)

AM Best Affirms Credit Ratings of Assicurazioni Generali S.p.A. and Main Subsidiaries; Assigns Ratings to Europ Assistance S.A.

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FOR IMMEDIATE RELEASE

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AM Best has affirmed the Financial Strength Rating (FSR) of A (Excellent) and the Long-Term Issuer Credit Ratings (Long-Term ICR) of “a+” (Excellent) of Assicurazioni Generali S.p.A. (Generali) (Italy) and its main rated subsidiaries. The outlook of these Credit Ratings (ratings) is stable. Additionally, AM Best has affirmed the Long-Term Issue Credit Ratings (Long-Term IRs) of debt instruments issued or guaranteed by Generali. Concurrently, AM Best has assigned an FSR of A (Excellent) and a Long-Term ICR of “a+” (Excellent) to Europ Assistance S.A. The outlook assigned to these ratings is stable. (Please see below for a detailed listing of the companies and ratings.)

The ratings reflect Generali’s balance sheet strength, which AM Best assesses as strong, as well as its strong operating performance, very favourable business profile and appropriate enterprise risk management.

Generali’s balance sheet strength is underpinned by its risk-adjusted capitalization at the strongest level, as measured by Best’s Capital Adequacy Ratio (BCAR). The group had a Solvency II SCR ratio of 233% as at 30 September 2021 (YE 2020: 224%). Offsetting factors in the assessment include the group’s material exposure to Italian sovereign bonds, amounting to EUR 61.0 billion, or 203% of shareholders’ equity, as of year-end 2020. While the debt is held mostly against participating life contracts, the position introduces potential volatility to the regulatory solvency and risk-adjusted capitalisation levels.

Generali’s strong operating performance is driven by solid technical performance. Technical results are underpinned by the group’s non-life business, which produced average combined ratios of 92.1% over the five-year period ending in 2020, as calculated by AM Best. The group’s life technical results decreased in 2020, driven by the effects of a legacy savings portfolio carrying elevated interest rate guarantees, but AM Best expects the group’s sustained focus on capital efficient, low guarantee products to improve this line’s profitability.

The effects of the COVID-19 pandemic have been mixed, with the benefits from lower claims frequency on motor lines balanced by higher volatility on the investment portfolio's unrealized gain position. Longer term, results are expected to revert to historic norms. Through the first nine months of 2021, the group's net profit was EUR 2.3 billion, up 74% from the same period in 2020.

Generali's very favourable business profile is underpinned by its leading and defensible positions in its core markets. The group has a solid franchise, reinforced by its excellent access to markets through its strong proprietary network and its multichannel distribution strategy. The group has continued to expand its asset management business, with third-party assets under management remaining flat through the COVID-19 pandemic at EUR 117 billion through 30 September 2021 (year-end 2020: EUR 104 billion). The business provides the group with a diversified source of revenue.

The FSR of A (Excellent) and the Long-Term ICRs of "a+" (Excellent) have been affirmed with stable outlooks for Assicurazioni Generali S.p.A. and its following subsidiaries:

- Generali Italia S.p.A.
- Generali Deutschland AG
- COSMOS Lebensversicherungs AG
- COSMOS Versicherung AG
- Generali Vie S.A.
- Generali IARD S.A.
- Generali Česká pojišť'ovna a.s.
- Generali España, Sociedad Anonima de Seguros y Reaseguros
- Generali Deutschland Versicherung AG
- Generali Deutschland Krankenversicherung AG
- Generali Deutschland Lebensversicherung AG

The FSR of A (Excellent) and the Long-Term ICRs of "a+" (Excellent) have been assigned with a stable outlook for the following subsidiary:

- Europ Assistance S.A.

The Long-Term ICR of "bbb+" (Good) has been affirmed with a stable outlook for Generali France S.A.

The following Long-Term IRs have been affirmed with stable outlooks:

Assicurazioni Generali S.p.A.—

— "a" (Excellent) on EUR 1,750 million 5.125% senior unsecured notes, due 2024

— "a-" (Excellent) on EUR 1,250 million 5.5% fixed/floating rate senior dated subordinated notes, due

2047 (callable in 2027)

— “a-” (Excellent) on EUR 850 million 5% fixed/floating rate senior dated subordinated notes, due 2048

(callable in 2028)

— “a-” (Excellent) on EUR 1,000 million 4.125% fixed rate senior dated subordinated notes, due 2026

— “a-” (Excellent) on EUR 1,250 million 7.75% fixed/floating rate senior subordinated notes, due 2042

(callable in 2022) (of which EUR 467 million remains outstanding)

— “a-” (Excellent) on EUR 750 million 10.125% fixed/floating rate senior subordinated notes, due 2042

(callable in 2022) (of which EUR 302 million remains outstanding)

— “a-” (Excellent) on EUR 500 million, 3.875% fixed rate senior dated subordinated notes, due 2029

— “a-” (Excellent) on EUR 750 million, 2.124% fixed rate senior dated subordinated notes, due 2030

— “bbb+” (Good) on GBP 495 million 6.416% fixed/floating rate junior subordinated perpetual debentures, callable in 2022 (of which GBP 167 million remains outstanding)

— “bbb+” (Good) on GBP 350 million 6.269% fixed/floating rate junior subordinated perpetual debentures, callable in 2026

— “bbb+” (Good) on EUR 1,500 million 4.596% fixed/floating rate more deeply subordinated perpetual

notes (originally issued by Generali Finance B.V.)

The following indicative Long-Term IRs on securities available under the EUR 15 billion medium-term note programme have been affirmed as indicated, with stable outlooks:

Assicurazioni Generali S.p.A.—

— “a” (Excellent) on all senior unsecured notes to be issued under the programme

— “a-” (Excellent) on all senior subordinated notes to be issued under the programme

— “bbb+” (Good) on all junior subordinated notes to be issued under the programme

This press release relates to Credit Ratings that have been published on AM 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 see AM Best’s [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Guide to Best’s Credit Ratings](#). For information on the proper use of Best’s Credit Ratings, Best’s Preliminary Credit Assessments and AM Best press releases, please view [Guide to Proper Use of Best’s Ratings & Assessments](#).

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