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AM Best Affirms Credit Ratings of Assicurazioni Generali S.p.A. and Its Main Rated Subsidiaries

AMSTERDAM, 8 December 2023—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. Concurrently, AM Best has affirmed the Long-Term Issue Credit Ratings (Long-Term IRs) of debt instruments issued or guaranteed by Generali. The outlook of these Credit Ratings (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 capitalisation at the strongest level, as measured by Best’s Capital Adequacy Ratio (BCAR). The Generali group reported a Solvency II SCR ratio of 224% as of 30 September 2023 (year-end 2022: 221%). Offsetting factors in this assessment include the group’s material exposure to Italian sovereign bonds, amounting to EUR 44.0 billion, or 240% of shareholders’ equity, as of year-end 2022. While exposure is decreasing and the bonds are held mostly against participating life contracts, the position introduces potential volatility to the regulatory solvency and risk-adjusted capitalisation levels.

During 2022, the group had losses in its investment portfolio, which resulted in a significant drop in its reported shareholders’ equity (FY 2022: EUR 16.2 billion; FY 2021: EUR 29.3 billion) (under IFRS 4).

Unrealised losses in the group’s fixed income portfolio are expected to unwind as the bonds mature. AM Best

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considers Generali’s liquidity position and financial flexibility as sufficient to manage the group’s disintermediation risk but will continue to closely monitor emerging experience.

Generali’s strong operating performance is driven by solid technical performance. The group’s technical results are underpinned by its non-life business, which produced an average combined ratio of 91.9% over the five-year period ending in 2022, as calculated by AM Best. Technical results remained strong in 2022, although the combined ratio trended upward, in line with pre-pandemic levels. Going forward, the group’s operating performance is expected to benefit from improved investment returns, driven by a higher interest rate environment.

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 proprietary network and multichannel distribution strategy. The group has continued to develop its position in core markets through acquisition, most notably with the acquisition of Liberty Seguros in 2023.

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
- Europ Assistance S.A.
- Generali Life (Hong Kong) Limited

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

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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 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 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 (of which EUR 1,000 million remains outstanding) (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 Performance Assessments, 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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