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

AMSTERDAM, 10 December 2024—AM Best has upgraded the Financial Strength Rating (FSR) to A+ (Superior) from A (Excellent) and the Long-Term Issuer Credit Ratings (Long-Term ICR) to “aa-” (Superior) from “a+” (Excellent) of Assicurazioni Generali S.p.A. (Generali) (Italy) and its main rated subsidiaries. Concurrently, AM Best has upgraded 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 very strong, as well as its strong operating performance, very favourable business profile and appropriate enterprise risk management.

The rating upgrades reflect an improvement in Generali’s balance sheet strength fundamentals. Generali’s risk-adjusted capitalisation, as measured by Best’s Capital Adequacy Ratio (BCAR), was at the strongest level at year-end 2023. Furthermore, the group reported a Solvency II SCR ratio of 209% as of 30 September 2024 (year-end 2023: 220%). The reduction in exposure to Italian sovereign bonds undertaken by Generali in recent years has rendered the group’s regulatory solvency and risk-adjusted capitalisation levels less sensitive to movements in spreads of Italian sovereign bonds. The weight of Italian government bonds on the group’s balance sheet has decreased from EUR 63 billion in 2019 to EUR 39 billion in 2023. However, AM Best notes that Generali’s

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exposure to Italian sovereign bonds remains significant and will continue to be an offsetting factor in the company's balance sheet strength assessment.

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 a discounted combined ratio of 94.0% in 2023, as reported by the company. Life technical margins (present value of new business premiums) remained strong, increasing to 5.78% at year-end 2023 (2022: 5.69%). The group experienced net outflows in life business in 2023 amounting to EUR 1.3 billion as a result of the uptick in interest rates. Outflows on traditional savings products were largely offset by inflows on separate account business (Unit-Linked) and life protection. Management has taken action to correct the situation, and the group has reported net inflows in life business of EUR 6.8 billion at the end of the third quarter of 2024.

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 acquisitions, most notably with the acquisition of Liberty Seguros in 2023.

The FSR has been upgraded to A+ (Superior) from A (Excellent) and the Long-Term ICR has been upgraded to "aa-" (Superior) from "a+" (Excellent), with stable outlooks, for the following subsidiaries:

- Generali Italia S.p.A.
- Generali Deutschland 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 Lebensversicherung AG
- Europ Assistance S.A.

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The Long-Term ICR of Generali France has been upgraded to “a” (Excellent) from “a-” (Excellent). The outlook of this rating is stable.

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

Assicurazioni Generali S.p.A.—

- to “a” (Excellent) from “a-” (Excellent) on EUR 1,250 million 5.5% fixed/floating rate senior dated subordinated notes, due 2047 (callable in 2027)
- to “a” (Excellent) from “a-” (Excellent) on EUR 850 million 5% fixed/floating rate senior dated subordinated notes, due 2048 (callable in 2028)
- to “a” (Excellent) from “a-” (Excellent) on EUR 1,000 million 4.125% fixed rate senior dated subordinated notes, due 2026
- to “a” (Excellent) from “a-” (Excellent) on EUR 500 million, 3.875% fixed rate senior dated subordinated notes, due 2029
- to “a” (Excellent) from “a-” (Excellent) on EUR 750 million, 2.124% fixed rate senior dated subordinated notes, due 2030
- to “a-” (Excellent) from “bbb+” (Good) on GBP 350 million 6.269% fixed/floating rate junior subordinated perpetual debentures (callable in 2026)
- to “a-” (Excellent) from “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 upgraded as indicated, with stable outlooks:

Assicurazioni Generali S.p.A.—

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

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