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Diffusione presunta  
Oggetto : Standard & Poor's raised Cattolica's rating  
from "A-" to "A" with positive outlook

*Testo del comunicato*

Vedi allegato.

## PRESS RELEASE

### STANDARD & POOR'S RAISED CATTOLICA'S RATING FROM "A-" TO "A" WITH POSITIVE OUTLOOK

Verona, 14 July 2022. Standard & Poor's today raised Cattolica Assicurazioni's rating from A- to A with a positive outlook. It also raised the rating of Cattolica's bond issues from BBB to BBB+.

The rating upgrade is a direct consequence of the fact that Cattolica has now become a core part of the Generali Group. In addition, the integration is proceeding rapidly and could accelerate also following the full ownership of Cattolica by Generali.

The agency stated that it could raise Cattolica's rating in the event of an upgrade of Italy's rating and if the assessment of the Generali Group's creditworthiness is not weakened.

#### SOCIETÀ CATTOLICA DI ASSICURAZIONE

*Cattolica Assicurazioni, a company of the Generali Group, is one of the major players in the Italian insurance market, listed on the Milan Stock Exchange since 2000. With approximately 3.5 million customers who rely on insurance solutions and distributed products, Cattolica and its subsidiaries count on 1,326 agencies spread throughout the country, both in large and small towns, and on a network of 1,826 agents. Cattolica favors the insurance protection of individuals, families and production companies, with particular attention to the territory and the social and economic contexts in which they operate.*

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Research Update:

# Societa Cattolica di Assicurazione Ratings Raised To 'A' On Generali Buyout; Outlook Positive

July 14, 2022

## Overview

- On July 12, 2022, Assicurazioni Generali SpA (Generali) announced it had exceeded 95% ownership of Società Cattolica di Assicurazione S.p.A. (Cattolica) and will squeeze out of the remaining minority shareholders
- We believe the integration of Cattolica in Generali is proceeding speedily and could accelerate following Generali's full ownership of Cattolica.
- We continue to consider that the Generali group would be resilient to a potential default of Italy (BBB/Positive/A-2).
- We therefore raised our ratings on Cattolica to 'A' from 'A-' based on our view of the entity's core status in the Generali group.
- The positive outlook reflects that on Italy, and indicate that we could raise our ratings on Cattolica if we upgrade Italy and our current assessment Generali group's creditworthiness has not weakened.

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## Rating Action

On July 14, 2022, S&P Global Ratings raised its long-term insurer financial strength and issuer credit ratings on Italy-domiciled Società Cattolica di Assicurazione (Cattolica) to 'A' from 'A-'. The outlook is positive.

We also raised our ratings on Cattolica's hybrid debt issues to 'BBB+' from 'BBB'.

## Rationale

The upgrade reflects our view that Cattolica is now a core part of the Generali Group and will be 100% owned by Generali. We believe the Generali group would be resilient to a hypothetical sovereign stress of Italy, based on our estimate that the group would not entirely deplete its regulatory capital base in our sovereign stress test. We have applied the sovereign stress test because we estimate that Generali group's exposure to Italy (excluding unit-linked and third-party

## Research Update: Societa Cattolica di Assicurazione Ratings Raised To 'A' On Generali Buyout; Outlook Positive

assets under management) is material and likely to be close to 25% of general account investments.

In our view, Generali group's business risk profile benefits from its very strong market positions in Western Europe and Central and Eastern Europe, as well as diversified earnings by business line. We also consider that Generali group's financial risk profile is consistent with at least our satisfactory category, based on our review of public information. Generali group's Solvency II eligible own funds stood at €50.6 Billion on Dec. 31, 2021, only 20% lower than Generali's direct exposure to Italian sovereign bonds of €63 billion on that date. Although we estimate that Generali holds material exposure to other types of Italian assets, the group passes our sovereign stress test comfortably. As such, we believe that the Generali group and its core subsidiaries, including Cattolica, can be rated up to three notches above the rating on Italy.

In our assessment of Cattolica as core for Generali, we note that the acquisition has materially increased Generali's share of Italy's property/casualty insurance market to more than 20%. We believe the Cattolica's integration into Generali is proceeding speedily and could accelerate following Generali's full ownership of Cattolica. We note that the management of Cattolica has a good fit with Generali's culture, as shown by the appointment of Cattolica's current CEO as Generali group's chief risk officer from Sept. 1, 2022. Operationally, we expect that Cattolica's insurance policies will migrate to the Generali Italia platform in order to maximize synergies.

Cattolica's stand-alone credit profile (SACP) of 'bbb+' reflects our view of the company's strong business risk profile in Italy and satisfactory financial risk profile. Following its acquisition, we no longer cap the ratings on Cattolica at the level of our ratings on Italy (BBB/Positive/A-2) and reflect in the ratings the potential for extraordinary support from Generali.

### Outlook

The positive outlook reflects that on Italy and our expectation that Generali group will remain resilient to potential sovereign stress of Italy. We could raise our long-term ratings on Cattolica in case of an upgrade of Italy and if our current assessment Generali group's creditworthiness has not weakened.

### Downside scenario

We could revise our outlook to stable within the next 24 months if we revised the outlook on Italy to stable, or if we consider that our current assessment of Generali group's creditworthiness had weakened.

### Ratings Score Snapshot

	To	From
Business Risk Profile	Strong	Strong
Competitive position	Strong	Strong
IICRA	Intermediate risk	Intermediate risk
Financial Risk Profile	Satisfactory	Satisfactory
Capital and earnings	Satisfactory	Satisfactory
Risk exposure	Moderately low	Moderately low

## Research Update: Societa Cattolica di Assicurazione Ratings Raised To 'A' On Generali Buyout; Outlook Positive

Funding structure	Neutral	Neutral
Anchor*	bbb+	bbb+
Modifiers		
Governance	Neutral	Neutral
Liquidity	Exceptional	Exceptional
Comparable ratings analysis	0	0
Support	2	1
<b>Financial Strength Rating</b>	<b>A</b>	<b>A-</b>

\*The choice of the 'bbb+' anchor reflects our view of earnings volatility and Cattolica's reduced market position in life insurance.

### Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, March 2, 2022
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Insurance | General: Insurers Rating Methodology, July 1, 2019
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions, Nov. 20, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- Criteria | Insurance | General: Refined Methodology And Assumptions For Analyzing Insurer Capital Adequacy Using The Risk-Based Insurance Capital Model, June 7, 2010

### Ratings List

#### Upgraded

	To	From
<b>Societa Cattolica di Assicurazione</b>		
Issuer Credit Rating		
Local Currency	A/Positive/--	A-/Positive/--
Financial Strength Rating		
Local Currency	A/Positive/--	A-/Positive/--
<b>Societa Cattolica di Assicurazione</b>		
Subordinated	BBB+	BBB

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.standardandpoors.com](http://www.standardandpoors.com) for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at [https://www.standardandpoors.com/en\\_US/web/guest/article/-/view/sourceId/504352](https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352) Complete ratings

## Research Update: Societa Cattolica di Assicurazione Ratings Raised To 'A' On Generali Buyout; Outlook Positive

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Numero di Pagine: 8