

COMUNICATO STAMPA

S&P alza il rating di Cattolica a BBB *outlook* stabile

Verona, 31 ottobre 2017. Standard & Poor's ha alzato oggi il rating di Cattolica da BBB- a BBB. L'*outlook* è confermato stabile.

Il rating di Cattolica segue, secondo quanto previsto dai criteri dell'agenzia, il rialzo del rating della Repubblica Italiana a BBB stabile, reso pubblico il 27 ottobre scorso.

Lo *stand-alone credit profile* (SACP) di Cattolica è confermato a bbb+, un notch più alto del rating sovrano, grazie ad un profilo di rischio finanziario "più che adeguato" ed un profilo di rischio dei *business* "forte" che può avvantaggiarsi del miglioramento dell'industria assicurativa italiana e dell'aggiornata valutazione del rischio paese.

SOCIETÀ CATTOLICA DI ASSICURAZIONE

CONTATTI

Investor Relations Officer

Enrico Mattioli

Tel. 045 8391202

investor.relations@cattolicaassicurazioni.it

Research Update:

**Italy-Based Societa Cattolica di
Assicurazione Upgraded To 'BBB'
Following Sovereign Upgrade; Outlook
Stable**

Primary Credit Analyst:

Marco Sindaco, Madrid (34) 91-788-7218; marco.sindaco@spglobal.com

Secondary Contact:

Taos D Fudji, Milan (39) 02-72111-276; taos.fudji@spglobal.com

Table Of Contents

Overview

Rating Action

Rationale

Outlook

Ratings Score Snapshot

Related Criteria

Ratings List

Research Update:

Italy-Based Societa Cattolica di Assicurazione Upgraded To 'BBB' Following Sovereign Upgrade; Outlook Stable

Overview

- On Oct. 27, 2017, S&P Global Ratings raised its unsolicited long-term sovereign credit ratings on the Republic of Italy to 'BBB' from 'BBB-'.
- The ratings on Italian insurer Societa Cattolica di Assicurazione (Cattolica) are limited by the sovereign credit rating on Italy due to Cattolica's material exposure to Italian investments. Cattolica's credit profile before taking into account the sovereign cap is 'bbb+'.
- As a result of the sovereign upgrade, we are raising our ratings on Cattolica to 'BBB' from 'BBB-'.
- The stable outlook reflects that on the Republic of Italy.

Rating Action

On Oct. 31, 2017, S&P Global Ratings raised to 'BBB' from 'BBB-' its long-term counterparty credit rating and insurer financial strength rating on Italian insurer Societa Cattolica di Assicurazione (Cattolica). The outlook is stable.

We also raised our rating on Cattolica's subordinated debt issue to 'BB+' from 'BB'.

Rationale

The rating actions follow the upgrade of Italy. We raised our unsolicited sovereign credit ratings on Italy to 'BBB/A-2' from 'BBB-/A-3' on Oct. 27, 2017 (see "Italy Upgraded To 'BBB/A-2' On Firming Economic Recovery; Outlook Stable," published on RatingsDirect).

We believe Cattolica's exposure to sovereign risk has improved following the raising of our ratings on Italy. We expect Cattolica to benefit from the improved economic conditions in Italy, as well as the improved credit risk associated with Italian sovereign bonds. As of June 30, 2017, Cattolica had invested about €11 billion in Italian government securities, or approximately 5.4x the consolidated shareholders' equity. As result of its material investment exposure to Italian assets, we cap our rating on Cattolica at the level of the long-term sovereign ratings on Italy.

Cattolica's stand-alone credit profile (SACP)--our opinion of its creditworthiness before taking into account sovereign risk--is unchanged at

'bbb+', one notch higher than the ratings.

We believe Cattolica's business risk profile is set to benefit from the improved Italian insurance industry and country risk assessment. In addition, since Oct. 17, 2017, Cattolica has been holding exclusive discussions with Banco BPM, Italy's third-largest bank, for a long-term distribution agreement and the acquisition of two bancassurance joint ventures. We believe the insurer's business profile would benefit from such an agreement with Banco BPM, as it would strengthen its position in the Italian life and property/casualty insurance market, while providing scope for significant economies of scale.

On the other hand, we believe Cattolica's capital adequacy and financial risk profile may potentially weaken due to the cost of the acquisition and the impact of the consolidation of the joint ventures with Banco BPM. For this reason, we currently factor a negative adjustment under our holistic analysis to the 'bbb+' SACP.

Outlook

The stable outlook mirrors that on the sovereign credit rating on the Republic of Italy.

Upside scenario

We could raise the ratings on Cattolica if we were to raise our ratings on Italy.

Downside scenario

We could lower the ratings on Cattolica if we were to lower our ratings on Italy.

Ratings Score Snapshot

	To	From
Financial Strength Rating	BBB/Stable	BBB-/Stable
Indicative SACP	bbb+	bbb+
Anchor	a-	bbb+
Business Risk Profile	Strong	Satisfactory
IICRA	Intermediate Risk	Moderate Risk
Competitive Position	Strong	Strong
Financial Risk Profile	Upper Adequate	Upper Adequate
Capital & Earnings	Upper Adequate	Upper Adequate
Risk Position	Intermediate Risk	Intermediate Risk
Financial Flexibility	Adequate	Adequate

Research Update: Italy-Based Societa Cattolica di Assicurazione Upgraded To 'BBB' Following Sovereign Upgrade; Outlook Stable

Modifiers	0	0
ERM and Management	0	0
Enterprise Risk Management	Adequate	Adequate
Management & Governance	Satisfactory	Satisfactory
Holistic Analysis	-1	0
Liquidity	Exceptional	Exceptional
Sovereign risk	-1	-2
Support	0	0
Group Support	0	0
Government Support	0	0

SACP--Stand-alone credit profile. IICRA--Insurance Industry And Country Risk Assessment.

Related Criteria

- General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Criteria - Insurance - General: Enterprise Risk Management, May 7, 2013
- Criteria - Insurance - General: Insurers: Rating Methodology, May 7, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- Criteria - Insurance - General: Refined Methodology And Assumptions For Analyzing Insurer Capital Adequacy Using The Risk-Based Insurance Capital Model, June 7, 2010
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria - Insurance - General: Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008

Ratings List

Upgraded

	To	From
Societa Cattolica di Assicurazione		
Counterparty Credit Rating		
Local Currency	BBB/Stable/--	BBB-/Stable/--
Financial Strength Rating		
Local Currency	BBB/Stable/--	BBB-/Stable/--
Subordinated	BB+	BB

Additional Contact:

Insurance Ratings Europe; InsuranceInteractive_Europe@spglobal.com

*Research Update: Italy-Based Societa Cattolica di Assicurazione Upgraded To 'BBB' Following Sovereign Upgrade;
Outlook Stable*

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 for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on the S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column. Alternatively, call one of the following S&P Global Ratings numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow 7 (495) 783-4009.

Copyright © 2017 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription) and www.spcapitaliq.com (subscription) and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.