

## COMUNICATO STAMPA

### STANDARD & POOR'S CONFERMA IL RATING DI CATTOLICA AD "A" E ADEGUA L'OUTLOOK A QUELLO DEL DEBITO SOVRANO DELLA REPUBBLICA ITALIANA

Verona, 29 luglio 2022. Standard & Poor's ha confermato oggi il rating di Cattolica ad A, adeguando invece l'outlook, secondo quanto previsto dai criteri dell'Agenzia, a quello del debito sovrano della Repubblica Italiana, che in data 26 luglio 2022 è stato rivisto da positive a stable.

SOCIETÀ CATTOLICA DI ASSICURAZIONE

*Cattolica Assicurazioni, società del Gruppo Generali, è uno dei maggiori attori del mercato assicurativo italiano, quotata alla Borsa di Milano dal 2000. Con circa 3,5 milioni di clienti che si affidano alle soluzioni assicurative e ai prodotti distribuiti, Cattolica e le sue controllate contano su 1.338 agenzie diffuse su tutto il territorio nazionale, sia nei grandi che nei piccoli centri, e su una rete di 1.840 agenti. Cattolica privilegia la tutela assicurativa delle persone, delle famiglie e delle realtà produttive, con una attenzione particolare al territorio e ai contesti sociali ed economici in cui esse operano.*

#### CONTATTI

**Chief Financial Officer**

Atanasio Pantarrotas, CFA

Tel. +39 045 8391738

[investor.relations@cattolicaassicurazioni.it](mailto:investor.relations@cattolicaassicurazioni.it)

**Media Relations Office**

Erminia Frigerio – Media Relations

[erminia.frigerio@cattolicaassicurazioni.it](mailto:erminia.frigerio@cattolicaassicurazioni.it)

Tel +39 337 1165255

Angelo Cipriani – Media locali

Tel. +39 347 5074052

[angelo.cipriani@cattolicaassicurazioni.it](mailto:angelo.cipriani@cattolicaassicurazioni.it)

Research Update:

# Societa Cattolica Assicurazione Outlook Revised To Stable From Positive Following Action On Italy; 'A' Affirmed

July 29, 2022

## Overview

- On July 26, 2022, we revised our outlook on Italy (unsolicited; BBB/Positive/A-2) to stable from positive and affirmed the sovereign ratings.
- In our view, Generali group would be resilient to a potential default of Italy but its material exposure to Italian assets creates sensitivity to country risk.
- Therefore, we limit the rating on Generali's core subsidiary Societa Cattolica Assicurazione (Cattolica) to three notches above our rating on Italy.
- We consequently revised our outlook on Cattolica to stable from positive and affirmed our 'A' ratings on the insurer.
- The stable outlook mirrors that on Italy.

### PRIMARY CREDIT ANALYST

**Sebastian Dany**

Frankfurt

+ 49 693 399 9238

sebastian.dany  
@spglobal.com

### SECONDARY CONTACT

**Taos D Fudji**

Milan

+ 390272111276

taos.fudji  
@spglobal.com

## Rating Action

On July 29, 2022, S&P Global Ratings revised its outlook on Italy-based insurer Societa Cattolica Assicurazione (Cattolica) to stable from positive. At the same time, we affirmed the 'A' long-term issuer credit and insurer financial strength ratings on the insurer.

## Rationale

The rating action follows that on Italy (see "Italy Outlook Revised To Stable From Positive On Risks To Reforms; Ratings Affirmed," published July 26, 2022, on RatingsDirect).

We regard Cattolica as a core subsidiary within the Generali group. We believe Generali would be resilient to a hypothetical Italian default, 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 assets under management) is material and likely to be close to 25% of general account investments. We estimate that Generali would pass our stress test comfortably and therefore be able to support its subsidiaries in case of need. Nevertheless, the group's material exposure to Italian assets results in moderate to high sensitivity to country risk, encompassing our view of potential negative events not included on our sovereign stress test (such as a deposit freeze). Therefore, we would not rate Cattolica more than three notches above Italy.

In our assessment of Cattolica as core for Generali, we note that the acquisition has materially increased the group's share of Italy's property/casualty insurance market to more than 20%. We believe the Cattolica's integration into Generali is proceeding speedily.

Our stand-alone credit profile assessment for Cattolica of 'bbb+' reflects the company's strong market position in retail and small business property/casualty insurance in Italy and satisfactory financial risk profile.

## Outlook

The stable outlook on Cattolica mirrors that on Italy and our expectation that Generali group will remain resilient to potential sovereign stress.

## Upside scenario

We could raise the rating on Cattolica over the next 12-24 months if we upgrade Italy and our current assessment of Generali group's creditworthiness has not weakened.

## Downside scenario

We could lower the rating on the insurer over the next 12-24 months if we lower the sovereign ratings on Italy.

## 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
Funding structure	Neutral	Neutral
Anchor*	bbb+	bbb+
Modifiers		
Governance	Neutral	Neutral
Liquidity	Exceptional	Exceptional
Comparable ratings analysis	0	0

Support	2	2
<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.

## ESG credit indicators: E2, S2, G2

### 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
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Insurance | General: Insurers Rating Methodology, July 1, 2019
- General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions, Nov. 19, 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

### Related Research

- Italy Outlook Revised To Stable From Positive On Risks To Reforms; Ratings Affirmed, July 26, 2022
- Societa Cattolica di Assicurazione Ratings Raised To 'A' On Generali Buyout; Outlook Positive, July 14, 2022

### Ratings List

#### Ratings Affirmed; Outlook Action

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

#### Ratings Affirmed

<b>Societa Cattolica di Assicurazione</b>	
Subordinated	BBB+

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