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**PRESS
RELEASE**

Trieste. Assicurazioni Generali "AA-" rating affirmed by Standard&Poor's on very strong fundamentals. Outlook Stable.

S&P highlights that "Italian insurer Generali shows a resilient competitive position" and "its earnings and capitalization are also in line with our expectations". S&P therefore affirms the ratings at AA-, and adds that "the outlook is stable, reflecting our expectations that Generali will maintain its very strong credit profile."

In attachment, the complete version of the Standard&Poor's report.

**Research Update:
Italian Insurer Generali 'AA-' Rating Affirmed
On Very Strong Fundamentals; Outlook Stable**

Overview

- Italian Insurer Generali shows a resilient competitive position.
- Its earnings and capitalization are also in line with our expectations.
- We are therefore affirming the ratings at 'AA-'.
- The outlook is stable, reflection our expectations that Generali will maintain its very strong credit profile.

Rating Action

On April 29, 2010, Standard & Poor's Ratings Services affirmed its 'AA-' long-term issuer credit and insurer financial strength ratings on Italy-based Assicurazioni Generali SpA, the parent of the European insurance group Generali, and on the group's core insurance operating companies. The outlook is stable.

Rationale

The ratings reflect the group's very strong competitive position, its operating performance which is very strong despite being pressured in the short term, and its adequate and improving enterprise risk management (ERM).

Capitalization and financial flexibility, although recovering, are still not at a level in line with the current ratings. We view the recent changes in management structure as neutral to the ratings. Generali benefits from a very strong competitive position as one of the leading franchises in major European life and property/casualty (P/C) markets, including Italy, Germany, and France, complemented by a strong position in Central and Eastern Europe (CEE). Its position as market leader in Italy, a very profitable market, underpins the overall very strong competitive position of the group. The validity of its business model has been confirmed, in our view, by an overall business growth of 6.2%, led by a strong growth in life (9.5%), which more than offset the 0.5% decrease in P&C.

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Solid business fundamentals continue to underpin Generali's very strong operating performance, in spite of the fact that earnings continue to be pressured, particularly in P/C. As we expected, the recessionary environment has constrained earnings in 2009 for the group, as for its peers. Operating profit in 2009 declined 2.7% to €3,826 billion calculated on a like-for-like basis. While the life business witnessed a rebound of 34.2% to €2,451 billion, P/C recorded a sharp 38.6% decrease to €1,300 billion. The weakening performance in P/C is mainly attributable to the tough conditions for motor business almost across the board, and to natural catastrophes in Europe. The significant increase in life was mainly due to better investment conditions.

Operating return on embedded value (ROEV) stood at a strong 15.8% (versus 13.6% in 2008) and new business margins improved slightly to 2.3% from 2.2%. We view Generali's capitalization only as "strong," which continues to represent a relative weakness for the current ratings. Capital adequacy continues to fall short of the current rating level, according to Standard & Poor's risk-adjusted capital model, despite a recovery trend that we observed in 2009. In addition, quality of capital has weakened over recent years because of the expanded use of hybrid debt and an increasing contribution of soft forms of capital such as value of in-force and non-life reserve discount.

Financial flexibility remains constrained by high hybrid and financial leverage ratios, which stood at 19.3% and 41.8% respectively at year-end 2009 and low fixed charged cover (4.1x). It should be noted that the financial leverage ratio includes €1.750 billion of senior debt already refinanced in September 2009.

Outlook

The stable outlook reflects Generali's fundamentals, which we view as "very strong." We believe that these will allow the group to maintain its very strong competitive position and resume building its earnings capacity. In turn, these are likely to help capitalization return to a level in line with the current rating, although we believe that quality of capital will not recover to the very strong levels of the past. We expect the group's revenues to be fuelled by the growth in life, which we expect to remain in the mid-single-digit range. P/C growth should continue to stagnate as we anticipate that Generali's rate increase will not be sufficient to counterbalance low economic activity. We expect operating return to rebound in 2010 to over €4 billion; P/C should be the major contributor to the improvement, both in terms of technical and investment results. We expect operating ROEV to remain above 13% and the new business margin on present value of future profits to remain above 2.2%, sustained by increasing volumes of profitable traditional business. In P/C, we expect the net combined ratio to remain below 98%, thanks to rate increases and risk-adjusted pricing on the back of fine-tuned customer segmentation.

We could revise the outlook to negative if Generali does not meet these targets. We see limited potential for a revision of the outlook to positive over the rating horizon.

Related Criteria And Research

- Holding Company Analysis, June 11, 2009
- Group Methodology, April 22, 2009
- Interactive Ratings Methodology, April 22, 2009
- Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008

Ratings List

Ratings Affirmed
Assicurazioni Generali SpA
INA ASSITALIA SpA
Generali Vie
Generali Versicherung AG
Generali Versicherung AG
Generali Rueckversicherung AG
Generali Lebensversicherung AG
Generali IARD
Generali Deutschland Pensionskasse AG
Envivas Krankenversicherung AG
Cosmos Versicherung AG
Cosmos Lebensversicherungs-AG
Central Krankenversicherung AG
Advocard Rechtsschutzversicherung AG
AachenMuenchener Versicherung AG
AachenMuenchener Lebensversicherung AG
Counterparty Credit Rating AA-/Stable/--
Assicurazioni Generali SpA
INA ASSITALIA SpA
Generali Vie
Generali Versicherung AG
Generali Versicherung AG
Generali Rueckversicherung AG
Generali Lebensversicherung AG
Generali IARD
Generali Deutschland Pensionskasse AG
Generali (U.S. branch)
Envivas Krankenversicherung AG
Cosmos Versicherung AG
Cosmos Lebensversicherungs-AG
Central Krankenversicherung AG
Advocard Rechtsschutzversicherung AG
AachenMuenchener Versicherung AG
AachenMuenchener Lebensversicherung AG
Financial Strength Rating AA-/Stable/--
Generali Holding Vienna AG

Counterparty Credit Rating A/Stable/--
Financial Strength Rating A/Stable/--
Assicurazioni Generali SpA
Senior Unsecured A+
Subordinated A
Junior Subordinated AGenerali
Finance B.V.
Senior Unsecured* A+
Junior Subordinated* A-
*Guaranteed by Assicurazioni Generali SpA

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