



14/03/2019
PRESS RELEASE

GENERALI GROUP CONSOLIDATED RESULTS AS AT 31 DECEMBER 2018¹

ALL 2015-2018 PLAN TARGETS EXCEEDED

- Cumulative Net Operating Cash at €8 billion (target > €7 billion)
- Cumulative Dividends at €5.1 billion ² (target > €5 billion)
- Average 2015 - 2018 Operating RoE at 13.4% (target >13%)


2018 ANNUAL RESULTS

STRONG NET PROFIT AT €2.3 BILLION (+9.4%), OPERATING RESULT AT €4.9 BILLION (+3%), PROPOSED DIVIDEND INCREASE BY 5.9% TO €0.90 PER SHARE

Media Relations
T +39.0243535014
media@generali.com

Investor Relations
T +39.040.671402
ir@generali.com

www.generali.com

 user: Generali
user: @GENERALI
user: generaligroup
user: GruppoGenerali

- Operating result increased thanks to improvements in all Group business segments
- Life New Business Margin increase continues at 4.35%. Combined Ratio at 93% (+0.1 p.p.), the best among its peers even considering the impact of natural catastrophes and man-made claims
- Excellent Life net inflows of €11.4 billion (+5.2%). Life technical reserves up to €343 billion (+2.2%). Total gross premiums of €66.7 billion, up by 4.9% thanks to improvements in both Life and Property & Casualty segments
- Net result in Asset Management increased by 24% to €235 million
- Capital position enhanced with a Regulatory Solvency Ratio of 216% (207% at FY2017; +9 p.p.)
- Proposed dividend per share of €0.90, up by 5.9% (€0.85 in FY2017)

¹The changes in Life net inflows and premiums are compared on the same basis; that is, considering the same exchange rates and scope of consolidation consistent with IFRS 5. The changes in Operating Result, Investments/Assets Under Management and Operating RoE are calculated by re-determining, in application of IFRS 5, the comparative data for 2017 following the disposals that are closed or disposals pending closure. The 2017 data relating to new business are at a historic perimeter ratio; that is, they do not exclude companies being divested.

²Also inclusive of the dividend proposed for 2018, submitted for approval to the Shareholders' Meeting to be held on 7 May 2019.

Generali Group CEO, Philippe Donnet, declared: *"With the results presented today, Assicurazioni Generali has completed the 2015-18 strategic plan exceeding all the targets and successfully concluding its industrial turnaround. This was accomplished even considering the difficult macro scenario, confirming our ability to execute and create sustainable value for all stakeholders. For this achievement, the merit goes to the dedication of everyone who works for Generali in 50 countries all over the world as well as to our distribution network and to all of the Group's partners. Further, in 2018 -- when we posted strong growth in net profit -- Generali confirmed its position as the leader in technical performance with the best New Business Margin and Combined Ratio compared to its direct peers. As of January 1, the whole Group is committed to implementing the new plan 'Generali 2021' whose objective is to generate increasing value for our shareholders through investing in profitable growth, innovation and digital transformation of our business. Our ambition is to be life-time partners for our customers."*

Milan – At a meeting chaired by Gabriele Galateri di Genola, the Assicurazioni Generali Board of Directors approved the consolidated financial statements and the Parent Company's draft financial statements for the year 2018.

EXECUTIVE SUMMARY

Thanks to the results achieved in 2018, the Group completed the 2015-2018 strategic plan having exceeded all of its targets and is best positioned to pursue the targets announced in its new strategy presented during its Investor Day on 21 November 2018.

In 2018, the **Group's operating result** increased by 3% to €4,857 million as a result of the contribution of all business segments. The average 2015-2018 **Operating RoE** was 13.4%, exceeding the strategic target (>13%).

The **non-operating result** came to €-1,361 million (€- 1,109 million in FY 2017), due in particular to impairments on equity investments and lower net realised gains, which reflects the planned strategy of supporting future returns of our own investments.

The **net profit** of €2,309 million (+ 9.4%) reflects the improvement in the operating result as well as the contribution from discontinued operations or disposals.

Life net cash inflows amounted to €11,369 million (+5.2%), one of the best levels in the industry, benefitting in particular from final quarter growth. **Life technical reserves** reached €343 billion (+2.2%).

Life new business margin improved by 0.26 p.p. to 4.35% thanks to the higher profit margins of risk products as well as savings products.

Life segment premiums reached €46,084 million (+5.7%), confirming the growth witnessed during the course of the year.

P&C premiums totalled €20,607 million (+3.3%), confirming the development witnessed during the year thanks to positive trends in both business lines. The **combined ratio**, substantially stable at 93%, remained the best among peers in the market. **The total premiums** of the Group amount to €66,691 million, an increase of 4.9%.

In line with what was announced in 2017 and 2018, the net result of the Generali Asset Management unit increased by 24% to €235 million thanks to the acceleration of its business in Europe and the first fruits of its global expansion.

The Group's solid solvency is confirmed with a **Regulatory Solvency Ratio**³ of 216%, up by 9 p.p. despite financial market performance.

³ Starting from 31 December 2018, the Economic Solvency Ratio, which represented the economic vision of the Group's capital and is calculated by applying the internal model to the entire scope of the Group, will no longer be published because the difference between the regulatory and economic views has narrowed, given the reduced number of entities still in the approval phase (Austria for the health business and Spain).



DIVIDEND PER SHARE

The **dividend per share** that will be proposed at the upcoming Shareholders' Meeting is €0.90, up by €0.05 cents per share (+5.9%) compared to the previous year (€0.85 FY2017). The payout ratio is 61.2% (63% in 2017).

The total dividend relating to outstanding shares is €1,413 million. The dividend payment date is May 22, while shareholders will be entitled to receive the dividend on May 21. The coupon date is May 20.

LIFE SEGMENT

- Net cash inflows at €11.4 billion (+5.2%) and premiums up to €46.1 million (+5.7%)
- New business margin rises to 4.35% and new business value (NBV) at €1,877 million, in line with the objective of creating long-term value
- Operating result up to €3.1 billion (+2.8%)

Life **net cash inflows** came to €11,369 million (+5.2%), with quarterly performance building upon the growth witnessed at nine months. These trends enabled **Life technical reserves** to grow by 2.2% to €343.4 billion. The growth witnessed in the course of the year was confirmed by Life segment **premiums**, which reached

€46,084 million (+5.7%). In terms of the business lines, savings policies increased 5.7%, reflecting particularly the positive trend in Italy (+8.2% thanks to actions undertaken on the existing collective policy portfolio for €1.2 billion), Asia (+23.8%) and France (+1.3%). Unit-linked inflows were also up by 1.8% due to excellent performance in Germany and France. Protection and health products posted an increase of 10.7%, confirming overall growth in the countries in which the Group operates.

New business in terms of present value of new business premiums (PVNBP) amounted to €43,202 million, down by 1.8%. With respect to the business lines, the protection product business rose by 2.1% in all areas of Group with the exception of Germany. The unit-linked business was down (-1.5% as a result of the performance posted in Italy and Germany), as was the savings product business (-3.7%), in line with the Group strategy aiming to reduce guaranteed business.

New business margins (margin on PVNBP) improved by 0.26 p.p. to 4.35% (4.01% at 31 December 2017), thanks to higher profit margins on risk products (+0.51 p.p.), primarily due to improvements in France and Spain, as well as savings products (+0.29 p.p.), positively impacted by the continuous reduction in financial guarantees as well as the improving economic environment.

Following these actions, the **new business value (NBV)** rose by 4.3% to €1,877 million (€1,820 million at 31 December 2017).

The **operating result** of the Life segment came to €3,067 million, up by 2.8% compared to €2,982 million at the end of 2017, thanks to technical margin trends net of insurance and other operating expenses. The investment result was down due to greater impairments on financial instruments, particularly in the final quarter of the year.

| (€ million of Euro) | Operating result | | | NBV | | |
|------------------------------------|------------------|--------------|--------------|--------------|--------------|-------------|
| | 31/12/2018 | 31/12/2017 | Change | 31/12/2018 | 31/12/2017 | Change |
| Italy | 1,284 | 1,246 | +3.0% | 978 | 903 | 8.3% |
| France | 585 | 607 | -3.6% | 219 | 211 | 4.1% |
| Germany | 424 | 420 | +0.9% | 228 | 243 | -6.2% |
| Austria, EEC & Russia | 306 | 291 | +5.3% | 143 | 147 | -3.2% |
| International | 497 | 540 | +7.9% | 310 | 317 | 4.5% |
| Group Holding and other companies* | -30 | -121 | +75.5% | 0 | 0 | - |
| Total | 3,067 | 2,982 | +2.8% | 1,877 | 1,820 | 4.3% |

(*) The operating result figure also includes inter-segment eliminations.

PROPERTY&CASUALTY SEGMENT

- Premiums up to €20.6 billion (+3.3%) in the motor (+3.4%) and non-motor (+2.7%) segments.
- Combined Ratio at 93% (+0.1 p.p.), the best among peers
- Operating result increase to €2 billion (+2.5%)

P&C segment premiums confirmed the development witnessed during the year, reaching €20,607 million, up by 3.3% thanks to positive trends in both business lines.

Development in the motor segment⁴ (+3.4%) is supported by the growth witnessed in ACEER⁵ (+5.7%), France (+4.2%), the Americas and Southern Europe (+19.2%). Although there was a recovery in Italy in the second part of the year, motor inflows in Italy fell by 1.7%, following the measures adopted to support retail portfolio profitability whose average premium remained substantially stable at year-end. As a result of these measures, the Combined Ratio motor for this market improved by 2.3 p.p.

Non motor premium inflows rose by 2.7% thanks to positive trends widespread throughout the area where the Group operates. Inflows increased in ACEER (+4.1%), France (+2.7%), Germany (+1.8%) and International (+7.2%) that was driven by Europ Assistance due to improvements in travel insurance and roadside assistance in mature markets.

The decline posted in Italy (-1.5%) can mainly be attributed to the downturn of the Global Corporate & Commercial lines and the health sector.

This **segment's operating result**, including of €342 million in catastrophe claims and around €290 million in man-made claims, rose by 2.5% to €1,992 million, primarily due to the investment result and the positive contribution of other operating items.

The **Combined Ratio, the best among its peers**, stood at 93% (+0.1 p.p. compared to 31 December 2017) despite 1.7 p.p. deriving from catastrophe claims and 1.5 p.p. following man-made claims.

This change in the combined ratio is entirely attributable to expense ratio performance, in particular to support non-motor premiums.

⁴ Details about motor and non-motor are supplied on direct business

⁵ Austria, Central - Eastern Europe and Russia

| (€ millions of Euro) | Operating result | | | Combined ratio | | |
|---------------------------------------|------------------|--------------|--------------|----------------|--------------|-----------------|
| | 31/12/2018 | 31/12/2017 | Change | 31/12/2018 | 31/12/2017 | Change |
| Italy | 595 | 651 | -8.5% | 91% | 90.0% | +0.9 pps |
| France | 121 | 155 | -21.9% | 99.9% | 98.4% | +1.4 pps |
| Germany | 445 | 327 | +26.5% | 92.7% | 92.6% | +0.2 pps |
| Austria, EEC & Russia | 482 | 249 | +4.9% | 88.1% | 87.8% | -1.0 pps |
| International | 394 | 520 | +37.1% | 95.6% | 96.2% | -2.3 pps |
| Group Holding and other companies (*) | -45 | 72 | n.m. | 76.5% | 52.6% | +2,9 pps |
| Total | 1,992 | 1,944 | +2.5% | 93% | 92.8% | +0,1 pps |

(*) The operating result figure also includes inter-segment eliminations

ASSET MANAGEMENT SEGMENT⁶

The Asset Management net result rose from €189 million in 2017 to €235 million in 2018 (+24%). This improvement was driven by capital deployed into real assets by Generali's insurance companies, net growth of external clients, improvements on cost efficiencies, and, to a lesser extent, the market share increase in Unit Linked of Generali Asset Management products.

HOLDING AND OTHER BUSINESSES SEGMENT

The **operating result** of the Holding and Other Business segment came to € -70 million, marking an improvement compared to €-163 million at 31 December 2017. In particular, the operating result of the financial and other businesses segment came to €397 million (€291 million at 31 December 2017). The increase of 36.3% mainly reflects the performance of Other businesses. The result of Banca Generali was down slightly to €233 million.

Net holding operating expenses totalled €-467 million (€-454 million as at 31 December 2017), reflecting the higher costs linked to discontinued operations in Germany, the implementing of the new asset management strategy and lower brand fee revenues.

⁶ The Asset Management segment includes the business carried out only by the Asset Management companies operating as part of the Generali Group. This segment operates as a provider of products and services for Generali Group insurance companies as well as third-party clients. The products include equity and fixed-income funds as well as alternative products.

OUTLOOK

The current economic growth trends are expected to slow down on the whole in 2019. In the Eurozone, GDP growth should fall to 1% from 1.9% in 2018. The European Central Bank will likely carefully monitor inflation to decide on when to implement the first rate hike, which could take place not before the half of 2020. In this context, the Group will continue with its portfolio rebalancing strategy to further strengthen profit margins in the Life segment with a more efficient capital allocation approach. In the P&C segment, premium inflows are expected to improve in the Generali Group's main geographical areas, with a considerable focus on high growth potential markets. In the Asset Management segment, actions will continue to identify investment opportunities and sources of income for all of its clients, at the same time managing risks through the expansion of the multi-boutique platform. The Group's investment policy will continue to be based on an asset allocation intended to consolidate current profit margins and guarantee consistency with liabilities towards policyholders.

APPROVAL OF A CAPITAL INCREASE TO IMPLEMENT THE LONG TERM INCENTIVE PLAN 2016

The Board of Directors also approved a capital increase for €4.435.531 to implement the "Long Term Incentive Plan 2016", having ascertained the occurrence of the conditions on which it was based. The execution of the resolution of the Board is subject to the authorization of the related amendments to the Articles of Association by IVASS.

SHARE PLAN FOR GENERALI GROUP EMPLOYEES

Moreover, the Board of Directors resolved to submit to the approval of the Annual Shareholders Meeting the proposal of a share plan for Generali Group employees, providing the opportunity to purchase at favourable conditions Company ordinary shares arising from a buy-back program for the purposes of the plan.

The Manager in charge of preparing the company's financial reports, Cristiano Borean, declares, pursuant to paragraph 2, article 154 bis of the Consolidated Law on Finance, that the accounting information in this press release corresponds to the document results, books and accounting entries.

THE GENERALI GROUP

Generali is an independent Italian insurance group, with a strong international presence. Established in 1831, it is one of the largest global insurance providers, present in 50 countries and with 2018 total premium income of more than € 66 billion. With nearly 71,000 employees serving 61 million customers, the Group has a leading position in Western Europe and an increasingly significant presence in the markets of Central and Eastern Europe as well as in Asia.



GROUP'S BALANCE SHEET AND INCOME STATEMENT

BALANCE SHEET

| Assets | | | |
|----------------|--|----------------|----------------|
| References: | (€ million) | 31/12/2018 | 31/12/2017 |
| | 1 INTANGIBLE ASSETS | 8,745 | 8,784 |
| 4 | 1.1 Goodwill | 6,680 | 6,679 |
| 19 | 1.2 Other intangible assets | 2,065 | 2,105 |
| | 2 TANGIBLE ASSETS | 3,768 | 4,075 |
| 20 | 2.1 Land and buildings (self used) | 2,505 | 2,606 |
| 20 | 2.2 Other tangible assets | 1,263 | 1,469 |
| 14 | 3 AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS | 4,009 | 4,294 |
| 39, 40, 41, 42 | 4 INVESTMENTS | 412,228 | 471,233 |
| 11 | 4.1 Land and buildings (investment properties) | 13,650 | 12,993 |
| 3 | 4.2 Investments in subsidiaries, associated companies and joint ventures | 1,320 | 1,171 |
| 7 | 4.3 Held to maturity investments | 2,171 | 2,267 |
| 8 | 4.4 Loans and receivables | 31,815 | 40,262 |
| 9 | 4.5 Available for sale financial assets | 283,773 | 320,641 |
| 10 | 4.6 Financial assets at fair value through profit or loss | 79,500 | 93,897 |
| | of which financial assets where the investment risk is borne by the policyholders and related to pension funds | 65,789 | 75,372 |
| 21 | 5 RECEIVABLES | 11,127 | 11,686 |
| | 5.1 Receivables arising out of direct insurance operations | 7,130 | 7,238 |
| | 5.2 Receivables arising out of reinsurance operations | 1,481 | 1,441 |
| | 5.3 Other receivables | 2,515 | 3,007 |
| 22 | 6 OTHER ASSETS | 69,253 | 30,170 |
| | 6.1 Non-current assets or disposal groups classified as held for sale | 55,914 | 16,146 |
| 15 | 6.2 Deferred acquisition costs | 2,143 | 2,119 |
| | 6.3 Deferred tax assets | 2,345 | 2,091 |
| | 6.4 Tax receivables | 3,021 | 2,961 |
| | 6.5 Other assets | 5,830 | 6,853 |
| 12 | 7 CASH AND CASH EQUIVALENTS | 6,697 | 6,849 |
| | TOTAL ASSETS | 515,827 | 537,091 |

Equity and liabilities

| References: | (€ million) | 31/12/2018 | 31/12/2017 |
|-------------|---|----------------|----------------|
| 16 | 1 SHAREHOLDERS' EQUITY | 24,643 | 26,177 |
| | 1.1 Shareholders' equity attributable to the Group | 23,601 | 25,079 |
| | 1.1.1 Share capital | 1,565 | 1,562 |
| | 1.1.2 Other equity instruments | 0 | 0 |
| | 1.1.3 Capital reserves | 7,107 | 7,098 |
| | 1.1.4 Revenue reserves and other reserves | 10,035 | 9,209 |
| | 1.1.5 (Own shares) | -7 | -8 |
| | 1.1.6 Reserve for currency translation differences | -146 | -115 |
| | 1.1.7 Reserve for unrealized gains and losses on available for sale financial assets | 3,454 | 6,279 |
| | 1.1.8 Reserve for other unrealized gains and losses through equity | -716 | -1,055 |
| | 1.1.9 Result of the period attributable to the Group | 2,309 | 2,110 |
| | 1.2 Shareholders' equity attributable to minority interests | 1,042 | 1,098 |
| | 1.2.1 Share capital and reserves | 904 | 915 |
| | 1.2.2 Reserve for unrealized gains and losses through equity | -50 | -3 |
| | 1.2.3 Result of the period attributable to minority interests | 189 | 185 |
| 23 | 2 OTHER PROVISIONS | 1,816 | 1,950 |
| 13 | 3 INSURANCE PROVISIONS | 377,828 | 430,489 |
| | of which insurance provisions for policies where the investment risk is borne by the policyholders and related to pension funds | 63,149 | 67,997 |
| | 4 FINANCIAL LIABILITIES | 38,540 | 42,326 |
| 17 | 4.1 Financial liabilities at fair value through profit or loss | 4,159 | 8,935 |
| | of which financial liabilities where the investment risk is borne by the policyholders and related to pension funds | 2,754 | 7,360 |
| 18 | 4.2 Other financial liabilities | 34,382 | 33,391 |
| | of which subordinated liabilities | 8,124 | 8,379 |
| 24 | 5 PAYABLES | 9,287 | 10,494 |
| | 5.1 Payables arising out of direct insurance operations | 3,424 | 3,602 |
| | 5.2 Payables arising out of reinsurance operations | 658 | 848 |
| | 5.3 Other payables | 5,205 | 6,043 |
| 25 | 6 OTHER LIABILITIES | 63,713 | 25,653 |
| | 6.1 Liabilities directly associated with non-current assets and disposal of non-current assets held for sale | 54,883 | 15,745 |
| | 6.2 Deferred tax liabilities | 1,789 | 2,642 |
| | 6.3 Tax payables | 1,728 | 1,487 |
| | 6.4 Other liabilities | 5,313 | 5,779 |
| | TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | 515,827 | 537,091 |

GROUP'S INCOME STATEMENT

| References: | (€ million) | 31/12/2018 | 31/12/2017 |
|-------------|---|----------------|----------------|
| 26 | 1.1 Net earned premiums | 63,405 | 61,137 |
| | 1.1.1 Gross earned premiums | 65,192 | 62,876 |
| | 1.1.2 Earned premiums ceded | -1,786 | -1,739 |
| 27 | 1.2 Fee and commission income and income from financial service activities | 1,028 | 1,002 |
| 28 | 1.3 Net income from financial instruments at fair value through profit or loss | -6,008 | 4,826 |
| | of which net income from financial instruments where the investment risk is borne by the policyholders and related to pension funds | -5,835 | 3,849 |
| 29 | 1.4 Income from subsidiaries, associated companies and joint ventures | 166 | 134 |
| 30 | 1.5 Income from other financial instruments and land and buildings (investment properties) | 12,712 | 13,155 |
| | 1.5.1 Interest income | 8,158 | 8,453 |
| | 1.5.2 Other income | 2,250 | 2,065 |
| | 1.5.3 Realized gains | 2,146 | 2,421 |
| | 1.5.4 Unrealized gains and reversal of impairment losses | 157 | 216 |
| 31 | 1.6 Other income | 3,397 | 3,164 |
| | 1 TOTAL INCOME | 74,699 | 83,418 |
| 32 | 2.1 Net insurance benefits and claims | -52,032 | -60,853 |
| | 2.1.1 Claims paid and change in insurance provisions | -53,239 | -62,472 |
| | 2.1.2 Reinsurers' share | 1,207 | 1,619 |
| 33 | 2.2 Fee and commission expenses and expenses from financial service activities | -576 | -565 |
| 34 | 2.3 Expenses from subsidiaries, associated companies and joint ventures | -16 | -17 |
| 35 | 2.4 Expenses from other financial instruments and land and buildings (investment properties) | -3,467 | -2,667 |
| | 2.4.1 Interest expense | -1,010 | -1,020 |
| | 2.4.2 Other expenses | -355 | -337 |
| | 2.4.3 Realized losses | -680 | -560 |
| | 2.4.4 Unrealized losses and impairment losses | -1,423 | -750 |
| 36 | 2.5 Acquisition and administration costs | -10,682 | -10,473 |
| | 2.5.1 Commissions and other acquisition costs | -8,015 | -7,903 |
| | 2.5.2 Investment management expenses | -228 | -150 |
| | 2.5.3 Other administration costs | -2,438 | -2,420 |
| 37 | 2.6 Other expenses | -4,477 | -5,332 |
| | 2 TOTAL EXPENSES | -71,250 | -79,908 |
| | EARNINGS BEFORE TAXES | 3,450 | 3,511 |
| 38 | 3 Income taxes | -1,126 | -1,147 |
| | EARNINGS AFTER TAXES | 2,324 | 2,364 |
| | 4 RESULT OF DISCONTINUED OPERATIONS | 173 | -68 |
| | CONSOLIDATED RESULT OF THE PERIOD | 2,497 | 2,295 |
| | Result of the period attributable to the Group | 2,309 | 2,110 |
| | Result of the period attributable to minority interests | 189 | 185 |
| 16 | EARNINGS PER SHARE | | |
| | Basic earnings per share (€) | 1.48 | 1.35 |
| | From continuing operations | 1.37 | 1.49 |
| | Diluted earnings per share (€) | 1.46 | 1.33 |
| | From continuing operations | 1.35 | 1.47 |

PARENT COMPANY'S BALANCE SHEET AND INCOME STATEMENT

BALANCE SHEET

(in thousands euro)

BALANCE SHEET ASSETS

| | | Year 2018 | | Year 2017 |
|--|------------|------------|------------|-----------|
| A. SUBSCRIBED CAPITAL UNPAID | | | 0 | 0 |
| of which called-up capital | 0 | | | |
| B. INTANGIBLE ASSETS | | | | |
| 1. Acquisition commissions to be amortised | | | | |
| a) life business | 0 | | | |
| b) non-life business | 0 | 0 | | |
| 2. Other acquisition costs | | 0 | | |
| 3. Formation and development expenses | | 0 | | |
| 4. Goodwill | | 0 | | |
| 5. Other intangible assets | 39,193 | | 39,193 | 30,127 |
| C. INVESTMENTS | | | | |
| I Land and Buildings | | | | |
| 1. Property used for own activities | 304 | | | |
| 2. Property used by third parties | 97,192 | | | |
| 3. Other properties | 0 | | | |
| 4. Other realty rights | 0 | | | |
| 5. Assets in progress and payments on account | 2,371 | 99,866 | | |
| II Investments in affiliated companies and other shareholdings | | | | |
| 1. Interests in | | | | |
| a) parent companies | 0 | | | |
| b) affiliated companies | 29,302,963 | | | |
| c) affiliates of parent companies | 0 | | | |
| d) associated companies | 213,247 | | | |
| e) other | 17,238 | 29,533,448 | | |
| 2. Debt securities issued by | | | | |
| a) parent companies | 0 | | | |
| b) affiliated companies | 0 | | | |
| c) affiliates of parent companies | 0 | | | |
| d) associated companies | 0 | | | |
| e) other | 0 | 0 | | |
| 3. Loans to | | | | |
| a) parent companies | 0 | | | |
| b) affiliated companies | 3,131,929 | | | |
| c) affiliates of parent companies | 0 | | | |
| d) associated companies | 0 | | | |
| e) other | 0 | 3,131,929 | 32,665,377 | |
| | | | 39,193 | 30,127 |

| | | Year 2018 | | Year 2017 |
|--|-----------|-----------|------------|------------|
| C. INVESTMENTS (follows) | | | | |
| III Other financial investments | | | | |
| 1. Equities | | | | |
| a) quoted shares | 15,760 | | | |
| b) unquoted shares | 11,877 | | | |
| c) other interests | 7,629 | 35,266 | | |
| 2. Shares in common investment funds | | 890,425 | | |
| 3. Debt securities and other fixed-income securities | | | | |
| a) quoted | 1,807,391 | | | |
| b) unquoted | 15,907 | | | |
| c) convertible bonds | 1,163 | 1,824,461 | | |
| 4. Loans | | | | |
| a) mortgage loans | 0 | | | |
| b) loans on policies | 350 | | | |
| c) other loans | 393 | 743 | | |
| 5. Participation in investment pools | | 0 | | |
| 6. Deposits with credit institutions | | 142,060 | | |
| 7. Other | | 9,337 | 2,902,292 | |
| IV Deposits with ceding companies | | 5,342,732 | 41,010,267 | 40,644,819 |
| D. INVESTMENTS FOR THE BENEFIT OF LIFE- ASSURANCE POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS | | | | |
| I - Investments relating to contracts linked to investments funds and market index | | 228,850 | | |
| II - Investments relating to the administration of pension funds | | 0 | 228,850 | 3,268,077 |
| D.bis REINSURANCE AMOUNTS OF TECHNICAL PROVISIONS | | | | |
| I NON-LIFE INSURANCE BUSINESS | | | | |
| 1. Provision for unearned premiums | 131,011 | | | |
| 2. Provision for claims outstanding | 408,834 | | | |
| 3. Provision for profit sharing and premium refunds | 0 | | | |
| 4. Other technical provisions | 0 | 539,846 | | |
| II - LIFE INSURANCE BUSINESS | | | | |
| 1. Mathematical provision | 163,629 | | | |
| 2. Unearned premium provision for supplementary covera | 25,294 | | | |
| 3. Provision for claims outstanding | 362,127 | | | |
| 4. Provision for profit sharing and premium refunds | 751 | | | |
| 5. Other provisions | 0 | | | |
| 6. Provisions for policies where the investment risk is borne by the policyholders and relating to the administration of pension funds | 0 | 551,801 | 1,091,647 | 1,278,495 |
| | | | 42,369,957 | 45,221,517 |

| | | Year 2018 | | Year 2017 |
|---|---------|-----------|-------------------|-------------------|
| E. RECEIVABLES | | | | |
| I Receivables arising out of direct insurance operations | | | | |
| 1. Policyholders | | | | |
| a) for premiums - current year | 130,069 | | | |
| b) for premiums - previous years | 16,807 | 146,876 | | |
| 2. Insurance intermediaries | | 6,125 | | |
| 3. Current accounts with insurance companies | | 1,921 | | |
| 4. Policyholders and third parties for recoveries | | 3,765 | 158,687 | |
| II Receivables arising out of reinsurance operations | | | | |
| 1. Reinsurance companies | 594,628 | | | |
| 2. Reinsurance intermediaries | 8,612 | 603,240 | | |
| III - Other receivables | | 1,075,749 | 1,837,675 | 1,849,551 |
| F. OTHER ASSETS | | | | |
| I - Tangible assets and stocks | | | | |
| 1. Furniture, office equipment, internal transport vehicles | 2,113 | | | |
| 2. Vehicles listed in public registers | 1,169 | | | |
| 3. Equipment and appliances | 0 | | | |
| 4. Stocks and other goods | 447 | 3,729 | | |
| II Cash at bank and in hand | | | | |
| 1. Bank and postal deposits | 757,285 | | | |
| 2. Cheques and cash in hand | 68 | 757,352 | | |
| IV Other | | | | |
| 1. Deferred reinsurance items | 5,640 | | | |
| 2. Miscellaneous assets | 199,302 | 204,942 | 966,024 | 1,002,013 |
| G. PREPAYMENTS AND ACCRUED INCOME | | | | |
| 1. Interests | | 70,679 | | |
| 2. Rents | | 559 | | |
| 3. Other prepayments and accrued income | | 109,577 | 180,815 | 181,913 |
| TOTAL ASSETS | | | 45,354,471 | 48,254,994 |



BALANCE SHEET
LIABILITIES AND SHAREHOLDERS' FUNDS

| | | Year 2018 | | Year 2017 |
|--|---|-----------|------------|------------|
| A. SHAREHOLDERS' FUNDS | | | | |
| I | - Subscribed capital or equivalent funds | 1,565,165 | | |
| II | - Share premium account | 3,568,250 | | |
| III | - Revaluation reserve | 2,010,835 | | |
| IV | - Legal reserve | 313,033 | | |
| V | - Statutory reserve | 0 | | |
| VI | - Reserve for parent company shares | 0 | | |
| VII | - Other reserve | 6,049,294 | | |
| VIII | - Profit or loss brought forward | 0 | | |
| IX | - Profit or loss for the financial year | 1,473,283 | | |
| X | - Negative reserve for own shares held | 3,040 | 14,976,820 | 14,825,483 |
| B. SUBORDINATED LIABILITIES | | | 8,290,802 | 7,051,952 |
| C. TECHNICAL PROVISIONS | | | | |
| I - NON-LIFE INSURANCE BUSINESS | | | | |
| 1. | Provision for unearned premiums | 402,756 | | |
| 2. | Provision for claims outstanding | 1,763,050 | | |
| 3. | Provision for profit sharing and premium refunds | 0 | | |
| 4. | Other provisions | 0 | | |
| 5. | Equalisation provision | 467 | 2,166,273 | |
| II - LIFE INSURANCE BUSINESS | | | | |
| 1. | Mathematical provision | 5,375,367 | | |
| 2. | Unearned premium provision for supplementary coverage | 46,557 | | |
| 3. | Provision for claims outstanding | 1,230,286 | | |
| 4. | Provision for profit sharing and premium refunds | 81,609 | | |
| 5. | Other provisions | 19,671 | 6,753,491 | 8,919,764 |
| D. PROVISIONS FOR POLICIES WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDER AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS | | | | |
| I | Provisions relating to contracts linked to investments funds and market index | 225,895 | | |
| II | Provisions relating to the administration of pension funds | 0 | 225,895 | 3,265,804 |
| | | | 32,413,281 | 35,832,457 |

| | | Year 2018 | | Year 2017 |
|---|---|-----------|-------------------|-------------------|
| E. PROVISIONS FOR OTHER RISKS AND CHARGES | | | | |
| 1. | Provision for pensions and similar obligations | 0 | | |
| 2. | Provisions for taxation | 34,656 | | |
| 3. | Other provisions | 97,492 | 132,149 | 102,420 |
| F. DEPOSITS RECEIVED FROM REINSURERS | | | 518,396 | 331,210 |
| G. PAYABLES | | | | |
| I | - Payables arising out of direct insurance operations | | | |
| 1. | Insurance intermediaries | 12,127 | | |
| 2. | Current accounts with insurance companies | 6,598 | | |
| 3. | Premium deposits and premiums due to policyholders | 10,807 | | |
| 4. | Guarantee funds in favour of policyholders | 0 | 29,532 | |
| II | - Payables arising out of reinsurance operations | | | |
| 1. | Reinsurance companies | 200,103 | | |
| 2. | Reinsurance intermediaries | 43,452 | 243,555 | |
| III | - Bond issues | | 3,127,770 | |
| IV | - Amounts owed to credit institutions | | 989,806 | |
| V | - Loans guaranteed by mortgages | | 0 | |
| VI | - Other financial liabilities | | 4,780,159 | |
| VII | - Provisions for severance pay | | 2,395 | |
| VIII | - Other Payables | | | |
| 1. | Premium taxes | 5,453 | | |
| 2. | Other tax liabilities | 27,816 | | |
| 3. | Social security | 3,633 | | |
| 4. | Sundry creditors | 2,302,638 | 2,339,541 | |
| IX | - Other liabilities | | | |
| 1. | Deferred reinsurance items | 3,641 | | |
| 2. | Commissions for premiums in course of collection | 19,668 | | |
| 3. | Miscellaneous liabilities | 437,242 | 460,550 | 11,684,798 |
| | | | 45,037,132 | 47,950,886 |
| H. ACCRUALS AND DEFERRED INCOME | | | | |
| 1. | Interests | 271,980 | | |
| 2. | Rents | 1,911 | | |
| 3. | Other accruals and deferred income | 43,448 | 317,339 | 304,109 |
| TO TAL LIABILITIES AND SHAREHOLDERS' FUNDS | | | 45,354,471 | 48,254,994 |



PROFIT AND LOSS ACCOUNT

(in thousands euro)

PROFIT AND LOSS ACCOUNT

| | | Year 2018 | Year 2017 |
|---|-----------|-----------|-----------|
| I TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS | | | |
| 1. EARNED PREMIUMS, NET OF REINSURANCE: | | | |
| a) Gross premiums written | 1,679,800 | | |
| b) (-) Outward reinsurance premiums | 545,300 | | |
| c) Change in the gross provision for unearned premiums | 32,811 | | |
| d) Change in the provision for unearned premiums, reinsurers' share | 5,388 | 1,107,077 | 1,170,817 |
| 2. (+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT (ITEM III. 6) | | 138,861 | 137,629 |
| 3. OTHER TECHNICAL INCOME, NET OF REINSURANCE | | 891 | 574 |
| 4. CLAIMS INCURRED, NET OF RECOVERIES AND REINSURANCE | | | |
| a) Claims paid | | | |
| aa) Gross amount | 847,138 | | |
| bb) (-) Reinsurers' share | 222,078 | 625,060 | |
| b) Recoveries net of reinsurance | | | |
| aa) Gross amount | 2,077 | | |
| bb) (-) Reinsurers' share | 2,224 | -147 | |
| c) Change in the provision for claims outstanding | | | |
| aa) Gross amount | 164,743 | | |
| bb) (-) Reinsurers' share | -9,434 | 174,177 | 799,384 |
| 5. CHANGE IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE | | 0 | 0 |
| 6. PREMIUM REFUNDS AND PROFIT SHARING, NET OF REINSURANCE | | 41 | 41 |
| 7. OPERATING EXPENSES | | | |
| a) Acquisition commissions | 204,038 | | |
| b) Other acquisition costs | 28,870 | | |
| c) Change in commissions and other acquisition costs to be amortised | 0 | | |
| d) Collecting commissions | 793 | | |
| e) Other administrative expenses | 54,935 | | |
| f) (-) Reinsurance commissions and profit sharing | 58,799 | 229,836 | 252,728 |
| 8. OTHER TECHNICAL CHARGES, NET OF REINSURANCE | | 10,834 | 9,691 |
| 9. CHANGE IN THE EQUALISATION PROVISION | | 153 | 116 |
| 10. BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE BUSINESS | | 206,581 | 222,924 |

| II TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS | | | Year 2018 | Year 2017 |
|---|-----------|-----------|-----------|-----------|
| 1. PREMIUMS WRITTEN, NET OF REINSURANCE | | | | |
| a) Gross premiums written | | 1,630,876 | | |
| b) (-) Outward reinsurance premiums | | 421,732 | 1,209,144 | 1,344,757 |
| 2. INVESTMENT INCOME: | | | | |
| a) From participating interests | | 1,010,117 | | |
| (of which, income from Group companies) | | 1,006,300 | | |
| b) From other investments | | | | |
| aa) income from land and buildings | 0 | | | |
| bb) from other investments | 279,690 | 279,690 | | |
| (of which, income from Group companies) | | 209,128 | | |
| c) Value re-adjustments on investment | | 2,278 | | |
| d) Gains on the realisation of investments | | 1,587 | | |
| (of which, income from Group companies) | | 0 | 1,293,672 | 1,339,406 |
| 3. INCOME AND UNREALISED GAINS ON INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND ON INVESTMENT RELATING TO THE ADMINISTRATION OF PENSION FUNDS | | | 3,095 | 93,674 |
| 4. OTHER TECHNICAL INCOME, NET OF REINSURANCE | | | 18,628 | 16,836 |
| 5. CLAIMS INCURRED, NET OF REINSURANCE | | | | |
| a) Claims paid | | | | |
| aa) gross amount | 1,765,013 | | | |
| bb) (-) reinsurers' share | 285,299 | 1,479,714 | | |
| b) Change in the provision for claims outstanding | | | | |
| aa) gross amount | 89,072 | | | |
| bb) (-) reinsurers' share | 31,051 | 58,021 | 1,537,735 | 1,982,335 |
| 6. CHANGE IN THE PROVISION FOR POLICY LIABILITIES AND IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE | | | | |
| a) Provisions for policy liabilities | | | | |
| aa) gross amount | -483,765 | | | |
| bb) (-) reinsurers' share | -8,063 | -475,702 | | |
| b) Change in the provision for claims outstanding | | | | |
| aa) gross amount | 15,503 | | | |
| bb) (-) reinsurers' share | 1,489 | 14,014 | | |
| c) Other provisions | | | | |
| aa) gross amount | 6,130 | | | |
| bb) (-) reinsurers' share | 0 | 6,130 | | |
| d) Provisions for policies where the investment risk is borne by the shareholders and relating to the administration of pension funds | | | | |
| aa) gross amount | -5,933 | | | |
| bb) (-) reinsurers' share | 0 | -5,933 | -461,490 | -658,729 |

| | | Year 2018 | Year 2017 |
|---|-----------|----------------|----------------|
| 7. PREMIUM REFUNDS AND PROFIT-SHARING, NET OF REINSURANCE | | 72,507 | 46,664 |
| 8. OPERATING EXPENSES | | | |
| a) Acquisition commissions | 219,044 | | |
| b) Other acquisition costs | 10,397 | | |
| c) Change in commissions and other acquisition costs to be amortised | 0 | | |
| d) Collecting commissions | 0 | | |
| e) Other administrative expenses | 47,716 | | |
| f) (-) Reinsurance commissions and profit sharing | 72,349 | 204,807 | 213,774 |
| 9. INVESTMENT CHARGES | | | |
| a) Investment administration charges, including interest | 15,735 | | |
| b) Value adjustments on investments | 26,779 | | |
| c) Losses on the realisation of investments | 748 | 43,263 | 21,566 |
| 10. EXPENSES AND UNREALISED LOSSES ON INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND ON INVESTMENT RELATING TO THE ADMINISTRATION OF PENSION FUNDS | | 20,650 | 3,190 |
| 11. OTHER TECHNICAL CHARGES, NET OF REINSURANCE | | 720 | 8,173 |
| 12. (-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-TECHNICAL ACCOUNT (item III. 4) | | 759,761 | 729,570 |
| 13. BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (item III.2) | | 346,586 | 448,130 |
| III NON TECHNICAL ACCOUNT | | | |
| 1. BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE BUSINESS (Item I.10) | | 206,581 | 222,924 |
| 2. BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (Item I.13) | | 346,586 | 448,130 |
| 3. NON-LIFE INVESTMENT INCOME | | | |
| a) From participating interests | 1,143,261 | | |
| (of which, income from Group companies) | 1,141,954 | | |
| b) From other investments | | | |
| aa) income from land and buildings | 4,543 | | |
| bb) from other investments | 84,843 | 89,386 | |
| (of which, income from Group companies) | 68,112 | | |
| c) Value re-adjustments on investment | 1,989 | | |
| d) Gains on the realisation of investments | 14,262 | | |
| (of which, income from Group companies) | 0 | 1,248,898 | 1,120,346 |

| | | Year 2018 | Year 2017 |
|--|--------|------------------|------------------|
| 4. (+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE LIFE TECHNICAL ACCOUNT (item ii. 2) | | 759,761 | 729,570 |
| 5. INVESTMENT CHARGES FOR NON-LIFE BUSINESS | | | |
| a) Investment administration charges, including interest | 16,737 | | |
| b) Value adjustments on investments | 38,277 | | |
| c) Losses on realisation of investments | 4,501 | 59,515 | 78,648 |
| 6. (-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-LIFE TECHNICAL ACCOUNT (item I. 2) | | 138,861 | 137,629 |
| 7. OTHER INCOME | | 281,096 | 398,403 |
| 8. OTHER CHARGES | | 1,508,703 | 1,631,104 |
| 9. RESULT FROM ORDINARY ACTIVITY | | 1,135,844 | 1,071,991 |
| 10. EXTRAORDINARY INCOME | | 238,793 | 254,534 |
| 11. EXTRAORDINARY CHARGES | | 48,153 | 43,557 |
| 12. EXTRAORDINARY PROFIT OR LOSS | | 190,641 | 210,977 |
| 13. RESULT BEFORE TAXATION | | 1,326,485 | 1,282,969 |
| 14. INCOME TAXES | | -146,798 | -121,491 |
| 15. PROFIT (LOSS) FOR THE YEAR | | 1,473,283 | 1,404,459 |

