



**RANKING OF THE LARGEST
EUROPEAN INSURANCE
GROUPS 2014**

Insurance and Social Protection Area

June 2015

Ranking of the largest European insurance groups by premium volumes 2014

No.	GROUP	COUNTRY	Non-Life premiums			Life premiums			TOTAL PREMIUMS ^(*)		
			2013	2014	% Ch.	2013	2014	% Ch.	2013	2014	% Ch.
1	AXA	France	32,002	32,872	2.7	53,918	53,872	-0.1	85,481	86,267	0.9
2	ALLIANZ	Germany	46,579	48,322	3.7	25,530	25,660	0.5	72,051	73,883	2.5
3	GENERALI	Italy	20,940	20,617	-1.5	44,941	49,813	10.8	65,881	70,430	6.9
4	PRUDENTIAL	United Kingdom	-	-	-	35,882	40,902	14.0	35,882	40,902	14.0
5	ZURICH ^(**)	Switzerland	30,438	30,158	-0.9	8,535	9,242	8.3	39,071	39,494	1.1
6	CNP ASSURANCES	France	2,839	2,906	2.4	24,580	27,630	12.4	27,419	30,536	11.4
7	CRÉDIT AGRICOLE ASSURANCES	France	3,880	4,059	4.6	21,821	25,318	16.0	25,701	29,377	14.3
8	TALANX	Germany	15,412	15,845	2.8	12,739	13,149	3.2	28,151	28,994	3.0
9	AVIVA	United Kingdom	11,012	11,141	1.2	14,910	15,855	6.3	25,922	26,996	4.1
10	MAPFRE	Spain	16,278	16,409	0.8	5,558	5,992	7.8	21,836	22,401	2.6
TOTAL TOP 5			129,959	131,969	1.5	168,807	179,489	6.3	298,367	310,976	4.2
TOTAL TOP 10			179,380	182,330	1.6	248,414	267,432	7.7	427,395	449,279	5.1

Source: FUNDACIÓN MAPFRE. Prepared internally based on annual reports from insurance groups

¹ Total premiums after consolidation adjustments. There may be differences at some companies between the total and the sum of both segments

^(**) The premiums of Farmers have added to those of Non-Life

2014 European Ranking

2014 was shaped by the first indications of increasing stability in international financial markets, albeit not exempt from geopolitical tensions in several regions of the world, as well as some wariness regarding global economic growth, particularly in the Eurozone. Lower interest rates and the appreciation of the U.S. dollar were among the standout aspects affecting the financial statements of European insurance groups during the year. In this climate, the ten biggest European insurance groups recorded revenue growth of 5.1 percent to 449,279 million euros, with total premiums growing at all groups included in the ranking. The main impetus came from the life insurance segment, which grew 7.7 percent compared to 1.6 percent in non-life. This result was underpinned by innovative life insurance products, particularly targeting the retirement savings segment. Crédit Agricole (14.3 percent), Prudential (14.0 percent) and CNP (11.4 percent) posted the largest increases.

AXA again topped the ranking, with the company reporting premium volumes of 86,267 million euros and growth of 0.9 percent thanks to non-life businesses and the international segment, which posted growth of 2.7 percent compared to a slight 0.1 percent decline in the life business. AXA announced and/or completed major transactions in 2014, such as selling its life insurance and savings operations in Hungary and Romania, as well as acquiring 50 percent of the Chinese firm TianPing and 51 percent of the Colombian firm Colpatria. The French group posted excellent earnings,¹ standing at 5,024 million euros excluding minority interests, 12.1 percent more than in the previous year, thanks to a favorable value fluctuation for financial assets compared to an adverse fluctuation in 2013, as well as lower restructuring costs.

Allianz retained the number two spot after driving up premiums revenue in 2014 by 2.5 percent, with a larger uptick in non-life businesses (3.7 percent) thanks to a better performance from global lines, as well as rapid growth in the UK retail business. Acquisitions of part of UnipolSai's insurance business and the Australian Territory Insurance Office expanded the property and contingency business in key markets for the group. Allianz posted higher profit than any other group, standing at 6,221 million euros, up 3.8 percent against the previous year. By segments, operating profit was up 22.8 percent in life and health insurance, by 2.2 percent in property and contingency and declined 17.6 percent in asset management.

¹ All comments on results figures in this report refer to net attributable profit for the parent company.

Generali is the third placed company with a premium volume of 70,430 million euros, representing a 6.9 percent increase and showing strong progress in the life insurance business, particularly in unit linked contracts (+43 percent). Year-end earnings for the group stood at 1,670 million euros, 12.8 percent down on the previous year due to one-off provisions, which included the sale of BSI and impairment for Ingosstrakh. On the other hand, operating profit both in the life (15.2 percent) and non-life (13.1 percent) segments drove general operating profit to 4,508 million euros.

These three groups have held the same positions since 2003 and together represent 51 percent of all premiums for the ten groups in the ranking. From the fourth position down there have been some changes: rapid premiums growth at Prudential saw the company rise to the fourth spot, relegating Zurich into fifth. Talanx dropped from sixth to eighth position, behind CNP and Crédit Agricole. Excellent performances from the latter two's life insurance businesses helped them to sixth and seventh place respectively in the ranking. Aviva dropped one spot to ninth, while MAPFRE retained the tenth position.

Millions of euros

Operating profit 2013-2014				
GROUP	COUNTRY	TOTAL		
		2013	2014	% Ch.
ALLIANZ	Germany	10,066	10,402	3.3
AXA	France	6,727	7,710	14.6
GENERALI	Italy	4,071	4,508	10.7
PRUDENTIAL	United Kingdom	3,475	3,969	14.2
ZURICH	Switzerland	3,519	3,518	0.0
AVIVA	United Kingdom	2,410	2,707	12.3
CNP ASSURANCES	France	2,199	2,330	6.0
TALANX	Germany	1,766	1,892	7.1
CRÉDIT AGRICOLE ASSURANCES	France	1,886	1,851	-1.9
MAPFRE	Spain	1,564	1,824	16.6
TOTAL		37.683	40.711	8,0

Source: FUNDACIÓN MAPFRE. Prepared internally based on annual reports from insurance groups

Prudential reported an outstanding performance in 2014, both in terms of revenue and profit, driven by its life insurance businesses in Asia, United States and United Kingdom. Premiums were up 14.0 percent, operating profit grew 14.2 percent and net profit was up to 2,761 million euros, compared with 1,583 million euros in the previous year.

The life insurance division of Zurich group posted revenue growth of 8.3 percent, thanks to a powerful boost in its priority markets of the United States and United Kingdom, as well as the banking channel. Meanwhile, the general insurance division saw a slight decline (-0.9 percent) due to a number of factors: growth in priority markets was offset by a decline in North America. Total premiums were up to 39,494 million euros, 1.1 percent higher than last year. Operating profit held stable, with an improved performance from general insurance thanks to a 0.7 percentage point improvement in the combined ratio. Net attributable profit for the parent company stood at 2,954 million euros, 2.5 percent down on 2013.

Millions of euros

Net profit in 2013-2014						
GROUP	TOTAL			ATTRIBUTABLE TO CONTROLLING COMPANY		
	2013	2014	% ch.	2013	2014	% ch.
ALLIANZ	6,343	6,603	4.1	5,996	6,221	3.8
AXA	4,786	5,337	11.5	4,482	5,024	12.1
ZURICH	3,202	3,166	-1.1	3,029	2,954	-2.5
PRUDENTIAL	1,583	2,761	74.4	1,583	2,761	74.4
AVIVA	2,530	2,165	-14.4	2,362	1,955	-17.2
GENERALI	2,142	1,852	-13.5	1,915	1,670	-12.8
CNP ASSURANCES	1,323	1,403	6.0	1,030	1,080	4.8
CRÉDIT AGRICOLE ASSURANCES	1,006	996	-1.0	1,002	992	-1.0
MAPFRE	1,190	1,323	11.2	791	845	6.9
TALANX	1,252	1,368	9.3	732	769	5.1
TOTAL	25,357	26,974	6.4	22,922	24,271	5.9

Source: FUNDACIÓN MAPFRE. Prepared internally based on annual reports

Overall premiums for the French group CNP stood at 30,536 million euros in 2014, representing an increase of 11.4 percent against the previous year. This performance was the result of a significant increase in the domestic business, its largest, thanks to unit-linked product sales. Net profit was up 6 percent and profit by 4.8 percent to 1,080 million euros.

Crédit Agricole Assurances posted the fastest premiums growth, of 14.3 percent to 29,377 million euros, securing it seventh place in the ranking, up from ninth in 2013. The main growth engine was the life insurance business (16 percent), with a significant contribution from the international business, particularly Italy. Net profit was down 1 percent to 992 million euros.

The German company Talanx held the sixth position in the classification in 2013, while in 2014 it dropped to eighth. The group posted a premium volume in 2014 of 28,994 million euros, up 3.0 percent against the previous year largely due to its international growth strategy. Profit attributable in 2014 to the parent company was up 5.1 percent thanks to reinsurance and the industrial and international businesses.

In 2014 Aviva posted profit of 1,955 million euros, which represents a 17.2 percent drop against the 2,362 million euros that it recorded in 2013. By contrast revenue was up 4.1 percent thanks to a buoyant life insurance business. However, the British group dropped one position in the 2014 ranking.

MAPFRE, the tenth placed group saw profits grow 6.9 percent in 2014, to 845 million euros, thanks to business growth in most countries, improved technical result and a considerable increase in net financial income. Premiums grew 2.6 percent to 22,401 million euros, driven by growth in the majority of business lines and countries, with a standout contribution from life insurance and a return to growth in Spain.

Practically all groups included in the study either increased or maintained their solvency ratios in 2014, while all showed appropriate levels of capitalization.

Solvency level ^(*) 2013-2014		
GROUP	2013	2014
ZURICH	2.6	3.1
AXA	2.2	2.7
MAPFRE ^(**)	2.5	2.6
TALANX	2.1	2.3
PRUDENTIAL	2.6	2.2
ALLIANZ	1.8	1.8
AVIVA	1.8	1.8
GENERALI	1.4	1.6
CNP ASSURANCES	1.2	1.2

Source: FUNDACIÓN MAPFRE. Prepared internally based on annual reports

^(*) Number of times that the group has complied with mandatory solvency requirements

^(**) Includes unrealized capital gains according to Spanish regulations

Going forward, European insurers are upbeat despite a challenging economic climate. Reforms affecting life insurance and pension plans introduced by European governments over recent years pose significant challenges to the insurance industry, but also offer opportunities to develop new and attractive products for savers.

To mention just two recent reforms, in the United Kingdom the government introduced changes in 2014 and 2015 to give pensioners freedom over how they withdraw pension money, a measure that mainly affected the life annuities business. The Life Insurance Reform Act was introduced in Germany on January 1, 2015. The main changes it ushered in included restrictions on policyholders' participation in the market value of valuation reserves (market loss compensation reserve) upon termination or expiry of their contracts, and a reduction of the maximum guaranteed interest rate that life insurers can offer, from 1.75 percent to 1.25 percent.