




GENERALI
INVESTMENTS

ANNUAL REPORT 2018

**Generali Investments CEE,
investiční společnost, a.s.**

generali-investments.cz



(velikost + odbornost)
x
(energie + nápady)
=
Generali Investments CEE

(Translation of a report originally issued in Czech - see Note 2a to the financial statements.)

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Generali Investments CEE, investiční společnost, a.s.:

Opinion

We have audited the accompanying financial statements of Generali Investments CEE, investiční společnost, a.s. (the Company) prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise the balance sheet as at 31 December 2018, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details of the Company, see Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in the Czech Republic.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Board of Directors is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

Responsibilities of the Company's Board of Directors and Supervisory Board for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the Czech Republic and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young Audit, s.r.o.
License No. 401



Roman Hauptfleisch, Auditor
License No. 2009

26 April 2019
Prague, Czech Republic

REPORT OF THE BOARD OF DIRECTORS

Dear Ladies and Gentlemen,

After periods of stock markets' calm yet significant growth, the year 2018 brought considerable volatility to both equity and bond markets. In addition, different types of new or stricter regulations have hit investment companies and financial markets hard. Despite all this, Generali Investments CEE, investiční společnost, a.s. is still the largest company of its kind in the Czech Republic providing stability and security to its clients. Last year, the assets under management totaled CZK 298 billion, accounting for a 21.8% market share.

Our primary goal is to increase the value of our clients' funds and, ideally, to be more successful than our competitors. The funds and portfolios are managed by an experienced and professional team of portfolio managers who draw on the detailed analyses prepared by our analytics team. Since the investment and financial markets are very dynamic, our Company has not been idle and, at the end of last year, started the preparation process to launch a very attractive 100% secured fund for our clients, with the aim of benefiting from the long-term strengthening of the Czech crown.

In the coming year, we expect greater volatility and fluctuations in financial markets. That is why we take efforts to simplify and, at the same time, constantly improve our services and professional knowledge. This year, our sales representatives will be able to use a new trading frontend; we have also started developing a new client portal built on latest technological standards.

We have operated in the Central and Eastern Europe for more than 25 years. Following the merger of two separate investment entities in 2016, the Company has been operating under the Generali Investments CEE brand. Today, the Prague headquarters manages the entire Central and Eastern European region. As its importance for the whole financial group has been increasing, the Group executive management has expanded our operations to two new countries. Since 2018, the region's new name is "Austria, CEE & Russia". Including assets in the Austrian part, the total volume of managed assets exceeds EUR 30 billion. For comparison, it accounts for roughly two-thirds of the Czech state budget. In the next three years, we want to continue to maintain the fast growth pace in the segments defined in the CEE Asset Management strategy.

The Generali brand was founded in Trieste in 1831, originally for insurance business. Only a year later the name lit up on the building of its first branch in Prague. Today, the Group, including Česká pojišťovna, is the largest player in the Czech insurance market and it also holds the largest investment company and pension fund. I find this very gratifying but, first and foremost, I perceive it as extraordinary responsibility. To the shareholders, to our brand and, primarily, to our clients.

Ing. Josef Beneš

Chairman of the Board of Directors



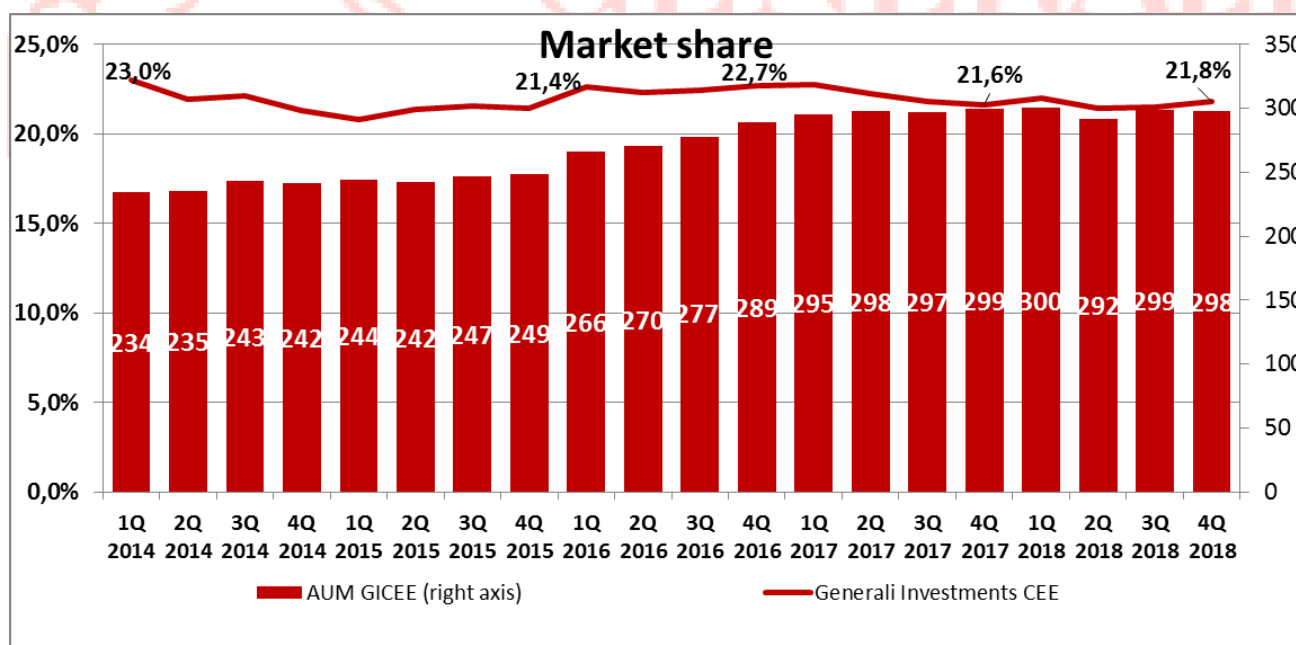
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ABOUT THE COMPANY

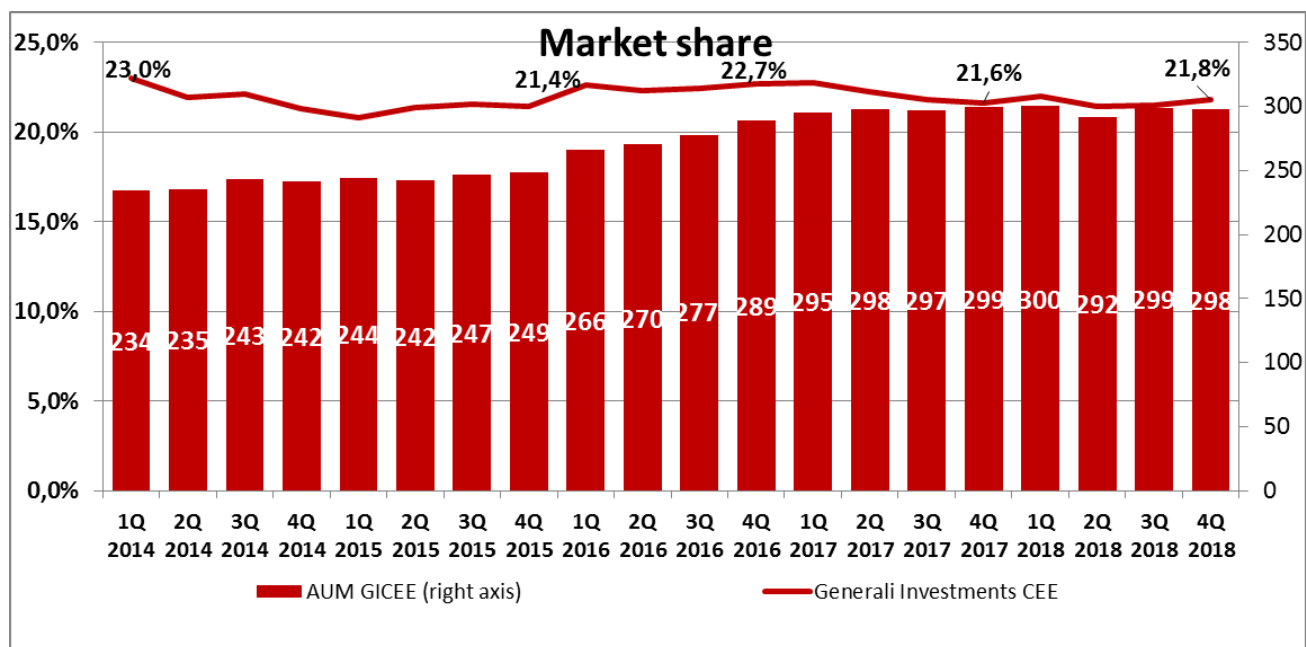
Generali Investments CEE, investiční společnost, a.s., (hereinafter the “Company” or „GICEE”) is included in Generali CEE Holding, which ranks among the largest insurance groups in Central and Eastern Europe, operating in 12 countries of the CEE region – Austria, Bulgaria, Croatia, the Czech Republic, Hungary, Montenegro, Poland, Romania, Russia, Serbia, Slovakia and Slovenia. Generali CEE Holding is part of the Generali Group, involved in insurance, finance and banking since 1831. It is one of the largest European insurance providers and a leader in Europe’s life assurance market.

The Company is an important part of the Generali Group, offering a comprehensive product portfolio and services for individual and corporate investors both in terms of fund products and asset management. Due to strong analytical backing, we can provide professional asset management services to individuals, municipalities, foundations and institutional investors, including primary insurance and reinsurance companies and pension funds.

The Company provides services in the segments of collective investment and investment management. It has been operating on the market since 1991 (formerly ČP INVEST) and, according to the latest data from the Czech Capital Market Association, is the largest asset manager in the Czech Republic.



The basic offer to individual investors is comprised of Czech mutual funds Generali Investments CEE denominated in CZK and Irish mutual funds Generali Invest CEE denominated in both CZK and EUR, which the Company manages. The offer of direct investments in a broad range of mutual funds is complemented by a product portfolio consisting of regular investment products, investment programs and life cycle products.



ECONOMIC SITUATION AND FINANCIAL MARKETS DEVELOPMENT

In terms of the economic growth, 2018 was marked by divergence. This is true both at global level, where among the major world economy regions only the United States recorded accelerated growth while growth in the Eurozone slowed down, and in our region, where the Czech economy slowdown was in contrast with the accelerated growth observed in Hungary and Poland. The global economic sentiment was under the influence of escalating trade wars, the rise of US interest rates, and the political uncertainty in both emerging and developed economies, including Brexit. The Czech economy had to face not only a growth slowdown in the Eurozone, its main export destination, but also the fact that it operates in a mode of full utilization of production capacities, which is reflected, among other things, in the shortage of staff and the pressure on strong wage growth.

The Czech economy growth, expressed by the GDP indicator, slowed down to 3% last year after very strong growth of 4.5% reported in 2017. The driving force of growth is strong domestic demand, while the contribution of foreign trade (net exports) was negative. Despite lower GDP

Česká republika - predikce vývoje					
		2017	2018 (E)	2019 (F)	2020 (F)
HDP	(reálný růst)	4.5%	3.0%	2.7%	2.7%
CPI	(roční průměr)	2.5%	2.3%	2.1%	1.9%
Reálná mzda	(roční průměr)	3.6%	6.1%	4.8%	3.5%
Fiskální saldo	(vs. HDP)	1.5%	1.5%	0.8%	0.7%
Běžný účet PB	(vs. HDP)	1.1%	0.7%	0.6%	0.4%
ČNB repo sazba	(konec roku)	0.50%	1.75%	2.00%	2.50%
EUR/CZK	(roční průměr)	26.33	25.64	25.35	24.60

Zdroj: ČNB; ČSÚ; Generali Investments CEE, investiční společnost, a.s.

growth, the Czech economy is operating above its long-term potential, which leads to “overheating” of the labor market (strong wage growth, labor shortages) and the property market. Headline inflation exceeded the 2% target value for a number of months and fell down to 2% at the very end of 2018. However, core inflation increased, particularly in the second half of the year, to which the CNB responded by tightening

its monetary policy, including an increase in interest rates. The repo rate increased to 1.75% in five steps, each time by a quarter percentage point; the last increase was proposed at the Bank Board meeting in November.

Growth in US Fed interest rates and slower economic growth in the Eurozone led to a weakening of the euro against the US dollar last year. Together with the growing uncertainty on the financial markets, these factors had a negative impact on Central European currencies, including the Czech crown. The Czech currency was virtually unable to strengthen against the euro and, in fact, slightly weakened in 2018, which was another reason for the CNB to increase interest rates.

The growth of the Czech economy is expected to further slow down this year, but according to our outlook, the slowdown should not be dramatic and the growth could reach and maintain the level of its long-term sustainable potential. The initial weeks of the current year were influenced by the risk of the Eurozone's economic performance, but the domestic demand in the Czech economy should remain strong.

The Eurozone's weaker economic growth and the growth of the Czech economy being slower than originally expected by the CNB mean that the need to tighten monetary conditions of the Czech economy will be much milder this year than in 2018. This applies to both the CNB interest rates and the CZK exchange rate, because under the circumstances of weak growth in our main export markets, strong appreciation of the Czech crown is not very desirable. Concerning the CNB interest rates, we only expect one increase this year, which would bring the repo rate to 2.00%. Indeed, the overall climate in the global economy and in the financial markets will be of key importance for the central bank's further steps, which was also stated in its forecast published at the beginning of February that includes no more than one increase of interests in 2019.

At global level, 2018 was dominated by Fed interest growth: the US central bank raised its key rate four times, always by a quarter percentage point, most recently in December to 2.25-2.50%. The increase in Fed interests has raised concerns that the tightening of monetary conditions may have too severe an effect on the US economy in a situation where the effects of the previous fiscal impulse will begin to fade. We expect a double rate increase in the US this year. The ECB maintained interests unchanged (deposit interest of -0.40%, main refinancing rate of 0.00%), but terminated net asset purchases, i.e. the quantitative easing policy. The slowdown of the economic growth in the Eurozone will make the ECB to proceed with caution: this year, we expect no more than one increase in the deposit rate at the very end of the year.

The increase in Fed interests, combined with the rise of international trade protectionism and political uncertainties, including Brexit, has raised concerns about the global economic growth slowdown. All the above had a negative impact on risk assets: 2018 was marked by negative stock performance in global stock markets (the US S&P 500 Index lost 4.4%, European DJ Euro Stoxx fell by 10.3%), and credit markets (a drop of 2.2% and 1.3% in the USA and Europe, respectively). The performance of government bonds was slightly positive on average with a yield of 0.8% on 10Y US bond and 2.4% on the German Bund.

The CNB increased its interest rates five times in 2018, which was a unique series of increases among the central banks of advanced economies. The Czech Central Bank thus responded to increasing price pressures in a situation where, due to the effects of global risks, the Czech crown was unable to strengthen against the euro. Government bond yields rose: 10Y yield to 1.95%, up by 25 bps year on year; stock performance was negative. In our opinion, the CNB will only increase its rates once this year, but the Czech government bond yields should increase if our assumptions that the Eurozone economic growth will slowly recover and the German bond yield will grow are correct.

PRODUCT INNOVATIONS

In terms of performance of investment assets, 2018 was more or less the year of consolidation. The continuous nine-year growth on stock exchanges was interrupted by a correction that reduced stock prices. Continuing increase of interest rates by the Czech National Bank in the Czech Republic resulted in a decrease of bond prices. Most of the dynamic and mixed, as well as conservative investment funds therefore reported a decline with the exception of the real estate segment: Generali Realitní fond, which is designed for qualified investors, was able to generate an above-average yield of 5.44% in the first year of its existence. Looking ahead, we believe that the investors' assets in the fund have a good chance of a steady growth. Over the coming years, our target is more reasonable, i.e. to reach average annual appreciation of the fund of 3%.

The interest rates moving up in 2018, our clients received two positive messages for the future: First, the appreciation of the more conservative bond funds will again move to positive figures in the coming years. Secondly, investment companies now have an opportunity to build secured funds, which are quite popular with many investors. Therefore, at the end of 2018, we started building a new 100% secured fund focused on the opportunity to take advantage of the long-term strengthening of the Czech crown.

We strive to improve investor awareness: our new marketing material, "Investment Bulletin", contains a color double page presenting to our clients the investment strategies of major Generali funds. Each fund is represented by the face of its portfolio manager. At the same time, the main investment ideas underlying the expected performance of each fund are presented. Investment certificates are available to the advisors of the distribution networks of Česká pojišťovna (ČP Distribuce) and Generali Pojišťovna (Generali Distribuce), as well as to personal bankers of Czech banks that distribute Generali funds.

Despite the general decline in asset prices this year, we can be proud of the performance of our "flagship" funds in the long run, in comparison with their direct competitors on the Czech market. E.g. Generali Fond konzervativní ranked second in terms of total revenues in a three-year period as at December 31, 2018. Our performance was benchmarked against four other conservative funds distributed in the Czech Republic. In a similar benchmark, Generali Fond korporátních dluhopisů ranked first in a competition of eight bond funds. Generali globálních značek ranked first among five stock funds. From this perspective, the portfolio managers demonstrated above-average performance and proved that they could ensure excellent management of our clients' assets.

We tried to accommodate the financial consultants' needs by further simplifying the sales processes. We focused on simplifying online sales support, especially web forms and online calculators. The consultants can use them to arrange and complete an investment contract with a client with virtually no errors, thanks to instant checks. Financial intermediaries who want to continue offering investments in the future must undergo mandatory certification by the end of 2019, i.e. pass rather demanding investment tests. For this purpose, in 2018, we revised, among other things, all levels of investment training offered to ČP Distribuce and Generali Distribuce consultants.

CORPORATE SOCIAL RESPONSIBILITY

The Company pays considerable attention to Corporate Social Responsibility (CSR) in all its activities. In the past year (as in previous years), we also provided funding for organizations providing support and assistance primarily to people with disabilities, both physical and mental. In addition to the support for external entities, as an employer we support our own employees within the scope of activities related to corporate social responsibility. These include sports and educational activities. Naturally, we help new graduates who find themselves on the labor market after completing their studies and try to apply their knowledge or students who want to be involved in our activities during their studies. We also endeavor to meet the requirements/suggestions of our employees to improve the working conditions that have been collected in the annual employee satisfaction survey.

Below are listed some of the CSR-related activities of the Company.

Support for foundations in the form of funding

Good Will Committee – Olga Havel Foundation (VDV)



- key activities of VDV
 - helping people with disabilities, people who are destitute and discriminated against in their integration into society, support for non-governmental non-profit organizations in healthcare, social, humanitarian and educational areas, if they focus on the integration of the people with disabilities, abandoned children, the sick and the elderly

Day-care Center AKORD



- key activities of the Day-care Center
 - providing outpatient services to children, youth and adults aged 6 to 45 - people with mental disabilities and combined disorders who, due to their disability, need regular assistance in the areas of self-care, personality development and advocacy of their rights and interests (their disability prevents them from using standard institutions or receive required care in their families)

Leontinka Foundation



- key activities of the Foundation
 - assistance to children and students with impaired sight to enable these children to integrate into society; education, social, sports and leisure activities

Children's Center Paprsek



- key activities of the Center
 - comprehensive support for children and young adults with mental and combined disabilities and for their families

Nadání a dovednosti o.p.s.



- key activities of the public-benefit organization
 - Helping young people from low-income families or otherwise disadvantaged backgrounds (complicated family situation, incomplete family, disease or death in the family, poor financial situation, etc.); preparing these people for situations they will have to face after graduating from school and becoming independent.

Benedictine Arch-Abbey of St. Adalbert and St. Margaret

- Purpose of gift
 - Cultural support – classical music concerts held in the representative halls of the prelate's residence

CESTA KE HVĚZDÁM endowment fund

- Purpose of gift
 - Financing of activities and events for children

Environmental responsibility/social responsibility

GICEE as an investment company:

Generali Live Planet Fund

The fund focuses on investing in companies which have a pro-active approach to climate change issues, are environmentally friendly and socially responsible. Specific areas include water production and treatment, environmental controlling, recycling, organic food, alternative energy sources, new materials. Due to the environmental and economic problems that arise as a result of climate change and the limited supply of raw materials, solutions in these sectors are urgently needed.

Responsible investments

Investments in GICEE-managed portfolios are realized in accordance with the CSR policy, or with a policy reflecting responsible investments. This means that portfolio managers, when managing group assets, select from the range of investment instruments those that comply with the principle of non-investing in issuers proliferating nuclear weapons or involved in the production of biological or chemical weapons, issuers who seriously or systematically violate human rights, destroy the environment or commit corruption.

GICEE as an employer:

The Company respects environmental values:

- GICEE is a company that respects environmental values. Activities related to improving the quality of the environment comprise waste sorting and paperless policy.
- The building in which GICEE is seated is designed and built as an energy efficient building with the aim to make it environmentally friendly. And thus to guarantee respect for the environment.
- Diversity Project - one of the activities carried out in this project is breakfast with the CEO for all women on the occasion of the International Women's Day and an overall involvement of the Company to regional activities in the field of support of cultural diversity (short-term cross-border traineeship) and support of women in the involvement into talent programs of the Generali Group.
- The Human Safety Net initiative is a major social initiative that both Generali and GICEE perceive as very important. All programs under the initiative focus on three areas: low-income families with children, refugees and their integration into the work process, and newborns who are at risk of asphyxia at birth and can suffer permanent brain damage. The initiative is inspired by the idea of chain assistance where those who receive help from this organization may one day help someone else to create a chain reaction of positive change that spreads all over the world.
- The Code of Ethics (Generali Group) – GICEE as part of Generali Group and its employees are bound by internal Group regulations. One of the rules is the Code of Ethics. One chapter of this document is devoted to corporate social responsibility.

Support for education

Support for education organizations

- Gift to Charles University - Faculty of Philosophy - this is a recurring activity designed to fund the operation of the Center for the Study of Political Philosophy, Ethics, Religion (specifically, funding of activities and operation of the Center for the Study of Political Philosophy, Ethics, Religion of the Faculty of Philosophy of Charles University)
- Support for internships of university and secondary school students/cooperation in writing bachelor and master theses.
- GICEE cooperated with four students in 2018.

Volunteerism

- Voluntary day – Generali employees can take off two days a year for volunteering in non-profit organizations. They may help in an organization of their choice or they can sign up through the www.zapojimse.cz website where they can find various opportunities for volunteering.
- Within voluntary “markets” taking place during Christmas or Easters the employees may contribute by purchasing products or small items to aids for physically handicapped people and thus support particular persons through their financial contribution.

Employee health/work environment /training

- **Sports events for employees** - GICEE seeks to support its employees in sporting activities, such as ice hockey, football, skiing or running.
 - The biggest sport activity supported by the Company is the Běhej lesy (“Run Forests”) project. It is a series of 8 cross-country races held in unique locations across the Czech Republic. The races will take you to e.g. the Lednice - Valtice area, which is on the UNESCO World Heritage List, the former Brdy Military Area or the usually inaccessible area of limestone quarry Velká Amerika.
- GICEE is one of the main partners of the project. In the 2018 season, the Company took part in two races, i.e. Jizerská and Boletice. The company plans to participate in the project also in the coming years, taking part in all races offered. Company employees are also actively involved in the project and represent the Company by taking part in the run.

- **Continuous improvement of the work environment** – the Company endeavors to continuously improve employees' work conditions and environment. The key initiatives in this field include office improvements and privacy enhancement, workplace noise reduction, facilitating work from home and remote connection, etc.
- **Support of continuing employee education and training** with the aim to improve the knowledge, professional skills and competences of employees.



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Generali Investments CEE, investiční společnost, a.s.

REPORT ON RELATED PARTIES

pursuant to the provisions of Sections 82 to 88 of Act No. 90/2012 Coll., on Business Corporations and Cooperatives (the Business Corporations Act), as amended

for the reporting period from 1 January 2018 to 31 December 2018

REPORT ON RELATED PARTIES FOR THE 2018 REPORTING PERIOD

I. Company

Pursuant to the provisions of Section 82 of Act No. 90/2012 Coll., on Business Corporations and Co-operatives, as amended (hereinafter the **“Business Corporations Act”**), the Board of Directors of **Generali Investments CEE, investiční společnost, a.s.**, has prepared this **Report on Related Parties** (hereinafter the **“Report”**) of Generali Investments CEE, investiční společnost, a.s., with its registered office at Na Pankráci 1720/123, Prague 4, business reg. No.: 43873766, entered in the Commercial Register maintained by the Municipal Court in Prague under file number B 1031 (hereinafter the **“Controlled Person”** or the **“Company”**), **between the Person controlling the Company**, which is CZI Holdings N.V., with its registered office at De entree 91, Amsterdam, postal code: 1101BH, the Kingdom of the Netherlands (formerly 1112XN Diemen, Diemerhof 42, the Kingdom of the Netherlands), ID No.: 34245976, and **the Company, and also between the Company and other entities controlled by the same Controlling Person** (hereinafter the **“Related Parties”**) for the year ended 31 December 2018 (hereinafter the **“Reporting Period”**). The related parties are listed in the Annex to this Report.

II. The structure of relations between the related parties, the role of the controlled entity and the method and means of control

The **person directly controlling the Company** in the reporting period was CZI Holdings N.V. with its registered office at De entree 91, Amsterdam, postal code: 1101BH, the Kingdom of the Netherlands (formerly Diemerhof 42, 1112XN Diemen, the Kingdom of the Netherlands). This company held for the entire period 770 pcs of registered shares with the nominal value of CZK 100,000 and 1,400 pcs of registered shares with the nominal value of CZK 10,000, representing a 100% share in the Company’s voting rights.

A list of funds that the Company is authorized to manage and/or administer is included in the Company’s Annual Report. The Company is a shareholder and an asset manager of Generali Invest CEE plc, with its registered office at 33, sir John Rogerson’s Quay, Dublin 2, Ireland, which is an umbrella fund.

In the reporting period, the Company was a member of the Generali Group. Accordingly, the Company shall comply with the measures adopted by Assicurazioni Generali S.p.A. to implement the applicable legislation as well as the regulation of IVASS (Istituto per la Vigilanza sulle Assicurazioni) in order to establish a stable and efficient group management.

The structure of the financial group, or a part thereof, comprising entities directly controlling the Company/entities directly controlled by the Company, is depicted in the organization chart included in the Annex to the Report hereof.

III. Summary of agreements concluded with Related Parties and description of performance thereunder

In the reporting period, performance was provided between the Company and the Controlling Person and between the Company and other related parties under the valid contracts/agreements listed below, including transaction description and detriment, if any:

Contracting party	Title of contract/amendment /other changes to contract	Execution date	Description of performance	Replacement of contract/amendment	Detriment to Company
Acredité s.r.o., IC: 25600958	Cooperation and services agreement	1/11/2016	Postal services brokering		None
CZI Holdings N.V. (Netherlands)	Asset Management Agreement	1/4/2010	Management of entrusted assets		None
	Amendment No. 1 to Investment Management Agreement	2/5/2011			None
	Amendment No. 2 to Asset Management Agreement	23/2/2015			None
	Amendment No. 3 to Asset Management Agreement	23/2/2016			None
	Termination of Asset Management Agreement	31/8/2018			None
Česká pojišťovna, a.s., IC: 45272956	Agreement on Assignment of a Part of Receivable	1/12/2014	Receivable from a sales representative		None
	Master Agreement on Cost Sharing	19/12/2012	Services in the area of commission calculation and payment		None
	Confidentiality Agreement (between ČP INVEST investiční společnost, a.s., Česká pojišťovna, a.s. and Generali Infrastructure Services S.c.a.r.l.)	18/6/2014	Confidentiality in cooperation on IT analyses		None
	Management Life Insurance Agreements	11/10/2005	Life insurance provided to selected managers		None
	Insurance Policies	20/4/2008	Car fleet insurance starting 1 May 2008		None
	ISDA Master Agreement	15/8/2007	Financial market transactions		None
	Agreement on Assignment of Rights and Assumption of Obligations (relating	28/6/2015	IT agreement		None

to the Agreement on the Provision of Operational Support for IT Technologies dated 1 March 2010 concluded with Generali Development s.r.o.)				
Agreement on Unified Method of Shared Costs Settlement (concluded with other Generali group members)	10/12/2014	Unified method of calculating the costs		None
Loyalty Bonus Agreement	26/3/2012	Investments in mutual funds		None
Amendment No. 1 to Loyalty Bonus Agreement	28/6/2017			None
Amendment No. 2 of 29 June 2018 to Loyalty Bonus Agreement	29/6/2018			None
Loyalty Bonus Agreement	1/8/2015	Investments in mutual funds		None
Amendment No. 1 to Loyalty Bonus Agreement dated 1/8/2015	1/6/2016			None
Purchase Contract I.	31/12/2015	Sale of furniture		None
Purchase Contract II.	31/12/2015	Sale of furniture		None
Agreement on Assignment of a Part of Receivable	1/12/2014	Receivable from a sales representative		None
Asset Management Agreement	31/12/2015	Management of entrusted assets	Replaced with Investment Management Agreement of 30 June 2017	None
Amendment No. 1 to Asset Management Agreement of 31/12/2015	1/6/2017			None
Investment Management Agreement (IMA)	30/6/2017		Management of entrusted assets	
Amendment No. 1 to IMA	25/5/2018			None
Contract for access to KPMG Helpline	3/12/2012	Consideration for access to KPMG Helpline		None

Purchase Contract	1/4/2014	Consideration for purchase of computer equipment		None
Cooperation Agreement in the Field of Life Insurance	18/6/2014	Maintaining confidentiality in providing IT technology-related information		None
Confidentiality Agreement (agreement between Generali Infrastructure Services Czech Branch, organizační složka, Česká pojišťovna and Generali Investments, a.s.)	18/6/2014	Confidentiality in cooperation on IT analyses		None
Travel insurance contracts		Consideration for insurance of staff business trips		None
Contract for the Lease of Movable Assets	4/1/2016	Lease of furniture (Prague)		None
Contract for the Sub-lease of Business Premises	4/1/2016	Lease of space		None
Amendment No. 1 to Contract for the Sub-lease	27/9/2018			None
Contract for the Lease of Movable Assets	4/1/2016	Lease of furniture (Brno)		None
Agreement on Termination of Contract for the Lease of Movable Assets	31/3/2017			None
Contract for the Lease of Movable Assets	31/3/2017	Lease of furniture		None
Contract for the Sub-lease of Business Premises (Brno)	25/4/2017	Sub-lease of business premises		None
Contract for the Sub-lease of Business Premises (Praha)	25/4/2017	Sub-lease of business premises		None
Agreement on Sales Representation	1/1/2016	Distribution of funds' securities		None
Amendment No. 1 to Sales Representation	1/6/2016			None

Agreement				
Amendment No. 2 to Sales Representation Agreement	1/2/2017			None
Contract for Assignment of and Amendment to the Agreement (Sales Representation Agreement)	27/4/2017			None
Agreement on Assignment of Rights and Assumption of Obligations	28/6/2015	Provision of operational support for IT and SW development		None
Master Agreement on Sharing of Non-IT and IT Technologies and Related Operating Expenses	1/1/2017	Technology sharing		None
Amendment No. 1 to Master Agreement on Sharing of Non-IT and IT Technologies and Related Operating Expenses	25/5/2018			None
Master Agreement on Cost Sharing in Performance of Significant Operations	1/1/2017	Sharing of costs of performance of significant operations		None
Amendment No. 1 to Master Agreement on Cost Sharing in Performance of Significant Operations	25/5/2018			None
Loyalty Bonus Agreement	1/5/2017	Loyalty bonus		None
Amendment No. 1 to Loyalty Bonus Agreement of 26 March 2012	28/6/2017	Loyalty bonus		None
Insurance Policy	30/12/2017		Replaced with insurance contract of 31 December 2018	None
Contract for Project Participation	29/11/2017	Personal data		None

	Amendment No. 1 to Contract for Project Participation	18/12/2017			None
	Insurance Policy	31/12/2018	Liability insurance		None
Česká pojišťovna a.s., Generali CEE Holding B.V. (formerly Generali PPF Holding B.V.), Generali Pojišťovna a.s., Generali Servis s.r.o. (no longer existing), Generali penzijní fond a.s. (no longer existing), Generali Services CEE, a.s. (formerly První Callin agentura a.s.), Penzijní společnost České pojišťovny a.s. (formerly Penzijní fond České pojišťovny, a.s.), Česká pojišťovna ZDRAVÍ a.s., Generali PPF Asset Management a.s. (later Generali Investments CEE, a.s. - no longer existing)	Agreement on Performance of Obligations Resulting from Membership in the Group	16/1/2009	Obligations pursuant to the VAT Act (Česká pojišťovna appointed as the representing member)	Replaced with Agreement on Performance of Obligations Resulting from Membership in the Group of 2 January 2017	None
	Amendment No. 1 to the Agreement on Performance of Obligations Resulting from Membership in the Group	16/12/2009			None
	Amendment No. 2 to the Agreement on Performance of Obligations Resulting from Membership in the Group	1/6/2010			None
	Amendment No. 3 to the Agreement for Meeting the Obligations Resulting from Membership in the Group	1/3/2012			None
Česká pojišťovna a.s., Generali CEE Holding B.V., Generali Pojišťovna a.s., FINHAUS a.s., Penzijní společnost České pojišťovny a.s., Česká pojišťovna	Agreement on Performance of Obligations Resulting from Membership in the Group	2/1/2017	Obligations pursuant to the VAT Act (Česká pojišťovna appointed as the representing member)		None

ZDRAVÍ a.s., Direct Care s.r.o., ČP Distribuce s.r.o., GENERALI SHARED SERVICES S.C.A.R.L., Acredité s.r.o.					
KPMG Česká republika, s. r. o., IC: 00553115, KPMG Legal s.r.o., advokátní kancelář, IC: 24733598, Česká pojišťovna, a.s., IC: 45272956, Europ Assistance s.r.o., IC: 2527851, Generali Investments CEE, investiční společnost, a.s., IC: 43873766, Generali Real Estate S.p.A., CEE Branch, organizační složka IC: 01757601	Contract for the Provision of Advisory Services	31/10/2017	Advisory		None
Česká pojišťovna ZDRAVÍ a.s., IC: 49240749	Asset Management Agreement	31/3/2011	Management of entrusted assets	Replaced with Investment Management Agreement of 8 November 2017	None
	Amendment No. 1 to Asset Management Agreement	30/12/2012			None
	Amendment No. 2 to Asset Management Agreement	13/3/2013			None
	Amendment No. 3 to Asset Management Agreement	30/12/2013			None
	Amendment No. 4 to Asset Management Agreement	24/2/2014			None
	Amendment No. 5 to Asset Management	5/1/2015			None

	Agreement				
	Amendment No. 6 to Asset Management Agreement	20/2/2015			None
	Amendment No. 7 to Asset Management Agreement	2/11/2015			None
	Amendment No. 8 to Asset Management Agreement	10/3/2016			None
	Investment Management Agreement (IMA)	8/11/2017	Management of entrusted assets		None
	Amendment No. 1 to IMA	15/11/2018			None
ČP Distribuce, a.s. IC: 44795084 (formerly ČP Distribuce, s.r.o., before that Generali Development s.r.o.)	Contract for Assignment of and Amendment to the Agreement (Sales Representation Agreement)	27/4/2017	Distribution of funds' securities		None
	Amendment No. 3 to the Sales Representation Agreement	30/6/2017			None
	Amendment No. 4 to the Sales Representation Agreement	15/9/2017			None
	Loyalty Bonus Agreement	1/5/2017			None
	Master Agreement on Cost Sharing	1/1/2018	Sharing of costs of performance of significant operations		
	Agreement on Sales Representation	3/1/2018	Distribution of funds' securities		None
	Amendment No. 1 to Sales Representation Agreement	25/5/2018			None
Direct Care s.r.o. (formerly Generali Care s.r.o.), IC: 26416549	Sales Representation Agreement	4/1/2016	Distribution of funds' securities	Replaced with Agreement on Sales Representation of 3 January 2018	None
	Amendment No. 1 to Sales Representation	27/6/2016			None

	Agreement				
	Notification No. 1 on Supplementation of Commission and Bonus Terms and Conditions to Sales Representation Agreement (new fund)	26/1/2017			None
	Notification No. 2 on Supplementation of Commission and Bonus Terms and Conditions to Sales Representation Agreement (new fund)	15/9/2017			None
	Agreement on Sales Representation	3/1/2018	Distribution of funds' securities		None
	Amendment No. 1 to Sales Representation Agreement	25/5/2018			None
	Master Agreement on Cost Sharing	2/1/2018	Sharing of costs of performance of significant operations		None
Európai Utazási Biztosító Zrt. (Hungary)	Investment Management Agreement	29/6/2016	Management of entrusted assets	Replaced with Investment Management Agreement of 23 January 2018	None
	Investment Management Agreement – IMA	23/1/2018	Management of entrusted assets		None
	Amendment No. 1 to IMA	13/2/2018			None
	Amendment No. 2 to IMA	25/5/2018			None
Generali Distribuce a.s. (formerly FINHAUS a.s., before that Generali Services, a.s. and before that Generali PPF	Agreement No. 2013/0245 on Assignment of Rights and Assumption of Obligations Arising from Agreement No. 982603-256/2008 on Cashless Payment of the Prices of Postal	30/12/2013	Consideration for postal services		None

Services a.s.), IC: 27108562	Services				
	Master Outsourcing Agreement	2/11/2015	Document digitization and indexing	Terminated with Agreement on the Termination of Master Outsourcing Agreement of 2/11/2015 (dated 30/6/2016)	None
	Agreement on the Termination of Master Outsourcing Agreement of 2/11/2015	30/6/2016			None
	Agreement on Sales Representation	26/8/2016	Distribution of funds' securities	Replaced with Agreement on Sales Representation of 3 January 2018	None
	Notification No. 1 on Supplementation of Commission and Bonus Terms and Conditions to Sales Representation Agreement (new fund)	26/1/2017			None
	Notification No. 2 on Supplementation of Commission and Bonus Terms and Conditions to Sales Representation Agreement (new fund)	15/9/2017			None
	Agreement on Sales Representation	3/1/2018	Distribution of funds' securities		None
	Amendment No. 1 to Sales Representation Agreement	25/5/2018			None
	Master Agreement on Cost Sharing	2/1/2018	Sharing of costs of performance of significant operations		None

Generali Biztosító Zrt. (Hungary)	Confidentiality Agreement	19/5/2016	Confidentiality		None
	Investment Management Agreement (IMA)	26/9/2016	Management of entrusted assets	Replaced with Investment Management Agreement of 19 January 2018	None
	Investment Management Agreement (IMA)	19/1/2018	Management of entrusted assets		None
	Amendment No. 1 to IMA	25/5/2018			None
Generali CEE Holding B.V. organizační složka (formerly Generali PPF Holding B.V., org. složka), IC: 28239652	Agreement on the Provision of Services (concluded with ČP INVEST investiční společnost, a.s.)	1/1/2009	Personnel, consulting and IT services		None
	Agreement on Change to Agreement on the Provision of Services	1/6/2009			None
	Amendment No. 2 to Agreement on the Provision of Services	29/3/2013			None
	Amendment No. 3 to Agreement on the Provision of Services	2/1/2014			None
	Amendment No. 4 to Agreement on the Provision of Services				None
	Amendment No. 5 to Agreement on the Provision of Services				None
	Agreement on the Termination of Agreement on the Provision of Services (concluded with ČP INVEST investiční společnost, a.s.)	30/6/2017			None
	Asset Management Agreement	1/4/2010		Management of entrusted assets	Replaced with Investment Management Agreement of 1 June 2017
	Amendment No. 1 to Asset Management Agreement	12/5/2010	None		
	Amendment No. 2 to Asset Management Agreement	2/3/2015	None		

Amendment No. 3 to Asset Management Agreement	16/3/2016			None
Amendment No. 4 to Asset Management Agreement	10/5/2016			None
Investment Management Agreement (IMA)	1/6/2017	Management of entrusted assets		None
Amendment No. 1 to IMA	25/5/2018			None
Master Consultancy Service Agreement	9/12/2011	Advisory services		None
Amendment No. 1 to Master Consultancy Service Agreement	13/9/2016			None
Amendment No. 2 to Master Consultancy Service Agreement	6/1/2017			None
Amendment No. 3 to Master Consultancy Service Agreement	3/1/2018			None
Two Agreements for Transfer of Vacation Entitlement	2016	Personnel matters (transfer of employees)		None
Service Agreement (concluded with Generali PPF Asset Management a.s.)	22/12/2008	Consideration for advisory and other services		None
Amendment No.1 to Service Agreement	31/12/2009			None
Amendment No. 2 to Agreement on the Provision of Services	29/3/2013			None
Amendment No. 3 to Agreement on the Provision of Services	2/1/2014			None
Amendment No. 4 to Agreement on the Provision of Services	1/7/2014			None
Amendment No. 5 to Agreement on the Provision of Services	1/1/2017			None
Amendment No.6 to Service Agreement	30/6/2017			None
Amendment No. 7 to Agreement on the Provision of Services	1/1/2018			None

Generali Insurance AD (Bulgaria)	Investment Management Agreement	29/10/2015	Management of entrusted assets	Replaced with Investment Management Agreement of 13 June 2017	None
	Investment Management Agreement	13/6/2017	Management of entrusted assets		None
	Amendment No. 1 to IMA	25/5/2018			None
Generali Invest CEE plc (formerly Generali PPF Invest plc), Ireland	Information Sharing Agreement	31/7/2015	Sharing of information		None
	Amended and Restated Administration Agreement	31/7/2015	Administration		None
	Amended and Restated Management Agreement	1/1/2016	Management of entrusted assets etc.		None
	Amendment No. 1 to Amended and restated Management Agreement	24/5/2018			None
Generali Poistovňa a.s. (originally Generali Slovensko poistovňa, a.s.) - Slovakia, IC: 35709332	Asset Management Agreement	30/9/2016	Management of entrusted assets	Replaced with Investment Management Agreement of 28 December 2017	None
	Investment Management Agreement (IMA)	28/12/2017			None
	Amendment No. 1 to IMA	25/5/2018			None
	Agreement on the Terms and Conditions of Issuing and Redeeming Securities of Investment Funds and on Maintaining Asset Account	1/1/2016	Distribution of funds' securities		None
	Loyalty Bonus Agreement	1/1/2016	Remuneration for the distribution of funds' securities		None
	Amendment No. 1 to	20/11/2017			None

	Loyalty Bonus Agreement				
Generali Pojišťovna a.s., IC: 61859869	Agreement on the Terms and Conditions of Issuing and Redeeming Securities of Investment Funds and on Maintaining Asset Account	19/9/2016	Distribution of funds' securities		None
	Asset Management Agreement	13/10/2008	Management of entrusted assets	Replaced with Investment Management Agreement of 30 June 2017	None
	Amendment No. 1 to Asset Management Agreement	9/12/2008			None
	Amendment No. 2 to Asset Management Agreement	23/12/2008			None
	Amendment No. 3 to Asset Management Agreement	26/11/2009			None
	Amendment No. 4 to Asset Management Agreement	17/12/2009			None
	Amendment No. 5 to Asset Management Agreement	31/3/2010			None
	Amendment No. 6 to Asset Management Agreement	25/5/2010			None
	Amendment No. 7 to Asset Management Agreement	2/6/2010			None
	Amendment No. 8 to Asset Management Agreement	2/8/2010			None
	Amendment No. 9 to Asset Management Agreement	5/10/2010			None
	Amendment No. 10 to Asset Management Agreement	3/12/2010			None
	Amendment No. 11 to Asset Management Agreement	8/12/2010			None
	Amendment No. 12 to Asset Management Agreement	20/12/2011			None
Amendment No. 13 to Asset Management	31/12/2013	None			

	Agreement				
	Amendment No. 14 to Asset Management Agreement	11/5/2015			None
	Amendment No. 15 to Asset Management Agreement	21/9/2015			None
	Amendment No. 16 to Asset Management Agreement	31/12/2015			None
	Amendment No. 17 to Asset Management Agreement	1/6/2017			None
	Investment Management Agreement (IMA)	30/6/2017	Management of entrusted assets		None
	Amendment No. 1 to IMA	25/5/2018			None
	Loyalty Bonus Agreement	19/3/2012	Remuneration for the distribution of funds		None
	Amendment No. 1 to Loyalty Bonus Agreement	28/6/2017			None
	Amendment No. 2 to Loyalty Bonus Agreement	29/6/2018			None
	Contract for Car Fleet Insurance	4/11/2016	Insurance		None
	Change to Contract for Car Fleet Insurance (Annex)	4/11/2016			None
	Change to Contract for Car Fleet Insurance (Annex)	29/3/2017			None
	Insurance Policy (vehicle insurance)	26/4/2017			None
	Amendment to Insurance Policy (vehicle insurance)	3/3/2016			None
	Insurance Policy (vehicle insurance)	29/6/2016			None
Generali Real Estate Fund CEE a.s., investiční fond (formerly ČP INVEST Realitní uzavřený fond a.s.),	Investment Fund Asset Management Agreement	15/9/2010	Management of entrusted assets	Replaced with Contract for the Performance of the Function of a Board of Directors	None

IC: 247 36 694				Member of 23 June 2017	
	Contract for the Performance of the Function of a Board of Directors Member	23/6/2017			None
Generali Romania Asigurare Reasigurare SA (Romania)	Collaboration Agreement	19/12/2011	Investing in unit trusts		None
	Investment Management Agreement (IMA)	30/10/2017	Management of entrusted assets (other than Unit Links)		None
	Amendment No. 1 to IMA	10/1/2018			None
	Amendment No. 2 to IMA	25/5/2018			None
	Investment Management Agreement UL (IMA UL)	30/10/2017	Management of entrusted assets (Unit Links)		None
	Amendment No. 1 to IMA ULe	25/5/2018			None
Generali Życie Towarzystwo Ubezpieczen S.A. (Poland)	Collaboration Agreement	4/12/2012	Distribution of funds' securities		None
	Investment Management Agreement	27/4/2016	Management of entrusted assets	Replaced with Investment Management Agreement of 7 February 2018	None
	Investment Management Agreement (IMA)	7/2/2018	Management of entrusted assets		None
Amendment No. 1 to IMA	25/6/2018			None	
Generali Towarzystwo Ubezpieczen S.A. (Poland)	Investment Management Agreement	28/1/2016	Management of entrusted assets	Replaced with Investment Management Agreement of 7 February 2018	None
	Investment Management Agreement	7/2/2018	Management of entrusted assets		None
	Amendment No. 1 to IMA	25/6/2018			None

Generali Shared Services Czech Branch, organizační složka (formerly Generali Infrastructure Services Czech Branch, organizační složka), IC: 29044707	Agreement No. 2013/0245 on Assignment of Rights and Assumption of Obligations Arising from Agreement No. 982603-256/2008 on Cashless Payment of the Prices of Postal Services	30/12/2013	Consideration for postal services		None
	Confidentiality Agreement (between ČP INVEST investiční společnost, a.s., Česká pojišťovna, a.s. and Generali Infrastructure Services Czech branch, organizační složka)	18/6/2014	Confidentiality in cooperation on IT analyses		None
	Master Agreement on the Terms and Conditions of Provision of Mobile Electronic Communication Services (between Generali Infrastructure Services Czech Branch, organizační složka and O2 Czech Republic - ČP INVEST investiční společnost, a.s., another party to the agreement)	2/1/2015	Provision of mobile electronic communication services		None
	Amendment to the Agreement for the Provision of Publicly Available Electronic Communication Service - Transfer of the Parties (between T-Mobile Czech Republic a.s., ČP INVEST investiční společnost, a.s. and Generali Infrastructure Services Czech Branch,	23/12/2015	Provision of publicly available electronic communication services		None

organizační složka)				
Service Agreement for the Provision of Information Technology Services	1/10/2015	Provision of IT services		None
Amendment No. 1 to Agreement on the Provision of Services	25/5/2018			None
Agreement on Assignment of Rights and Assumption of Obligations (Premium SMS) (between ČP INVEST investiční společnost, a.s., Generali Infrastructure Services Czech Branch, organizační složka and ComGate Payments, a.s.)	1/11/2015	Assignment of rights to the given software with the preservation of the right of use		None
Agreement on Assignment of Rights and Assumption of Obligations (WM Ware)	18/9/2015	Assignment of rights to the given software with the preservation of the right of use		None
Agreement on Assignment of Rights and Assumption of Obligations (Total Commander)	31/7/2015	Assignment of rights to the given software with the preservation of the right of use		None
Confidentiality Agreement	18/6/2014	Confidentiality in cooperation on IT analyses		None
Purchase agreement	1/10/2015	IT materials (hardware, software)		None
License Assignment Request (LAR)Form (Symantec)	1/12/2015	Assignment of rights to the given software with the preservation of the right of use		None

	Confirmation of License Transfer (Team Viewer)	1/1/2016	Assignment of rights to the given software with the preservation of the right of use		None
Generali Investments Europe S.p.A. societa di gestione del risparmio (Italy)	Investment Advisory Agreement	20/7/2015	Investment advisory		None
	Amendment Agreement for Investment Advisory Agreement	6/11/2018	Change of a party to Generali Investments Partners		None
Genertel Biztosító Zrt. (Hungary)	Investment Management Agreement	1/9/2016	Management of entrusted assets	Replaced with Investment Management Agreement of 23 January 2018	None
	Investment Management Agreement (IMA)	23/1/2018	Management of entrusted assets		None
	Amendment No. 1 to IMA	13/2/2018			None
	Amendment No. 2 to IMA	25/5/2018			None
GP REINSURANCE EAD (Bulgaria)	Investment Management Agreement	23/5/2016	Management of entrusted assets	Replaced with Investment Management Agreement of 23/10/2017	None
	Investment Management Agreement (IMA)	23/10/2017	Management of entrusted assets		None
	Amendment No. 1 to IMA	25/5/2018	- GDPR		None
Penzijní společnost České pojišťovny, a.s., IC: 61858692	Asset Management Agreement	20/12/2012	Management of entrusted assets	Replaced with Investment Management Agreement of 12 February 2018	None

	Amendment No. 1 to Investment Management Agreement	31/3/2013			None
	Amendment No. 2 to Asset Management Agreement	19/12/2013			None
	Amendment No. 3 to Asset Management Agreement	12/2/2015			None
	Amendment No. 4 to Asset Management Agreement	28/4/2015			None
	Amendment No. 5 to Asset Management Agreement	30/9/2015			None
	Amendment No. 6 to Asset Management Agreement	31/12/2015			None
	Amendment No. 7 to Asset Management Agreement	26/2/2016			None
	Amendment No. 8 to Asset Management Agreement	28/4/2016			None
	Amendment No. 9 to Asset Management Agreement	25/10/2016			None
	Amendment No. 10 to Asset Management Agreement	20/12/2016			None
	Investment Management Agreement (IMA)	12/2/2018	Management of entrusted assets		None
	Amendment No. 1 to IMA	25/5/2018			None
	Cooperation Agreement	14/4/2003	Supplementary pension insurance for employees		None
	Agreement for Cooperation in Product Sales	10/3/2011	Ensuring product sales		None
GENERALI INVESTMENTS HOLDING S.p.A.	Service agreement	1/10/2018	Provision of services		None

Relations between Related Parties are disclosed in the Notes to the Financial Statements for the year ended 31 December 2018.

IV. Other legal actions

No other legal actions were taken in the reporting period in the interest of the controlling person or in the interest of the Company or other related parties, and if any legal actions were taken in respect of the related parties, those were actions of general legal nature, performed under the conditions for performing legal actions by the controlling person in relation to the Company by virtue of its position as the Company's shareholder.

No measures were adopted in the reporting period for the benefit or at the initiative of the controlling person or other related parties, except for general measures adopted by the Company in relation to the controlling person by virtue of its position as the Company's shareholder.

In the reporting period, the Company was not subject to nor took any other legal actions in the interest or at the initiative of the related parties, where such actions concerned assets exceeding 10% of the Company's equity as determined from the last financial statements.

V. Performance rendered and detriment suffered by the controlled entity and the assessment of its settlement

All the aforementioned agreements were made on normal business terms so as all performance received and provided on the basis of these agreements and agreements entered into in prior years were made on an arms-length basis and GREF suffered no detriment therefrom. In 2018, the Company did not adopt or implement any other measures or legal actions for the benefit or at the initiative of the related parties to the Company's detriment.

No special advantages or disadvantages or any additional risks resulted from the concluded agreements for the Company.

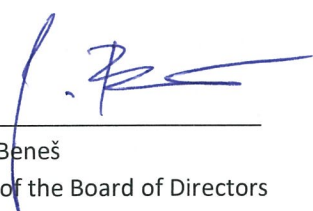
The Company cooperates on group projects and policies within the Generali Group. The Company suffered no detriment arising from the cooperation on these group activities.

VI. Closing statement

The Report on Related Parties was prepared by the Board of Directors on 31 March 2019 and was submitted to the auditor performing an audit of the Financial Statements.

The Company's statutory body declares that this Report was prepared with due care and diligence and that the information provided in this Report is adequate, accurate and complete. In view of its statutory duties, the Company shall publish an annual report of which the Report is an integral part. The Company's Supervisory Board shall review the complete document including this Report.

In Prague, 25 March 2019



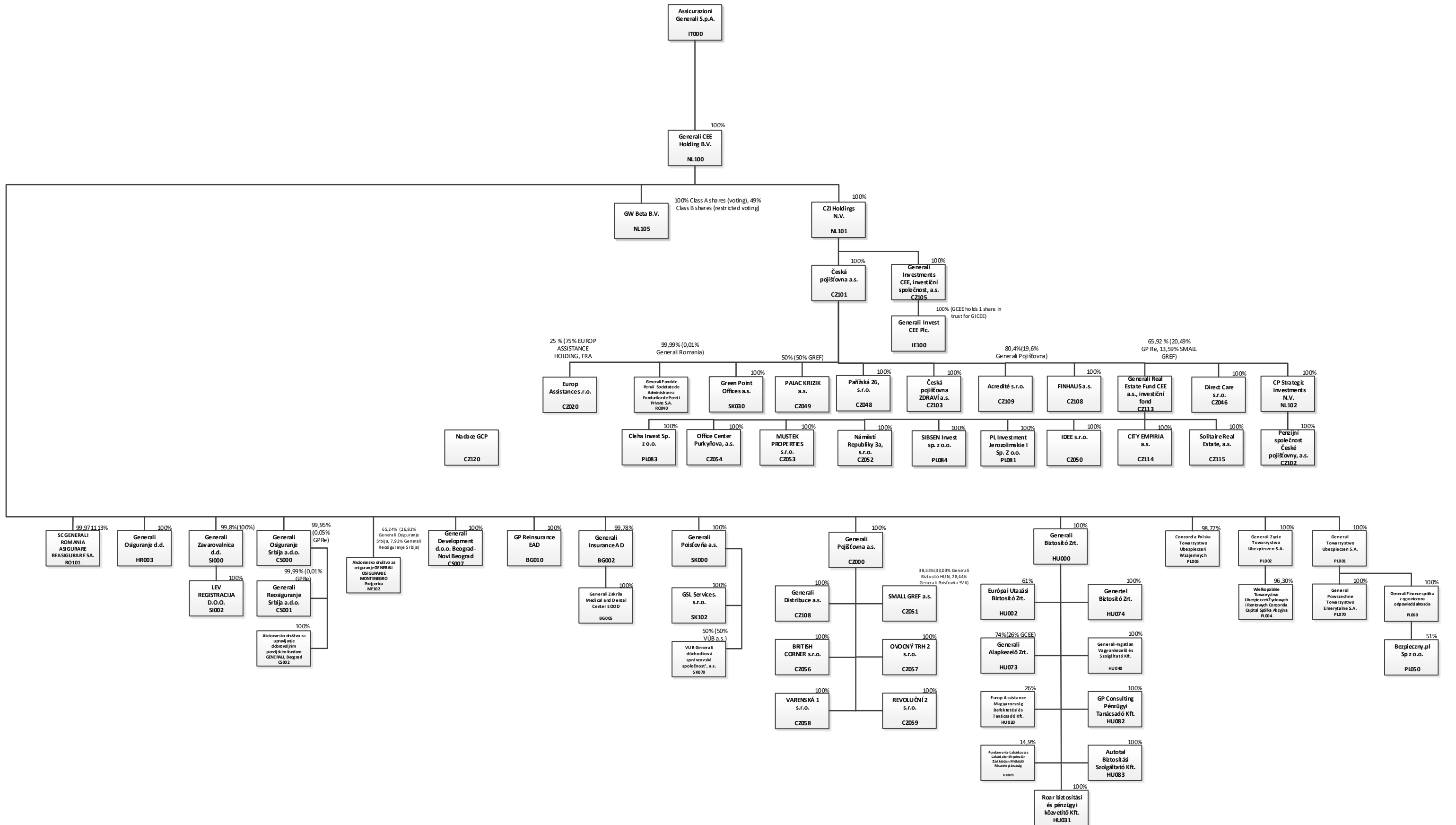
Ing. Josef Beneš
Chairman of the Board of Directors
Generali Investments CEE,
investiční společnost, a.s.



Mgr. Martin Vít
Vice-Chair of the Board of Directors
Generali Investments CEE,
investiční společnost, a.s.

Appendix to this Report – Structure of financial group, with information valid as at 31 December 2018:

Generali CEE Holding B.V. - structure as of 31.12.2018





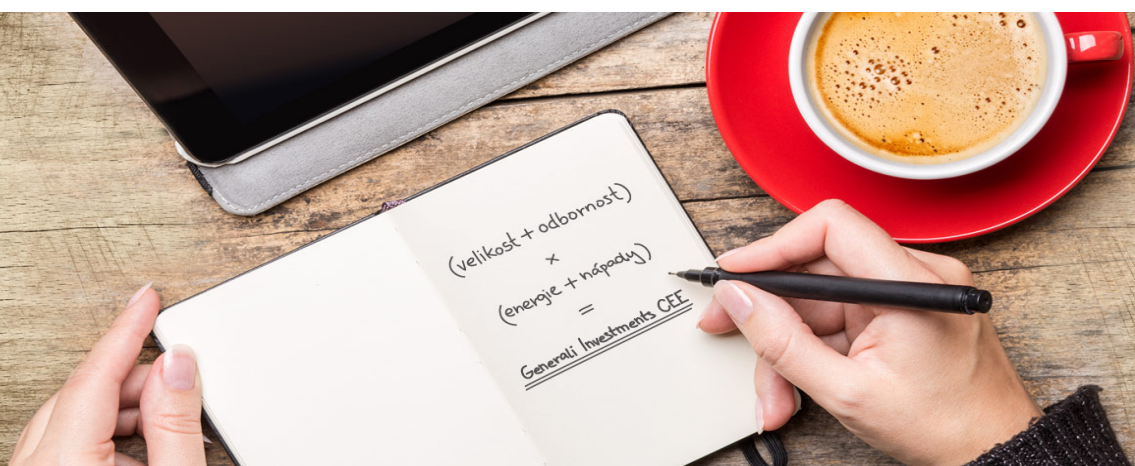
**GENERALI
INVESTMENTS**

Generali Investments CEE, investiční společnost, a.s.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018



**GENERALI
INVESTMENTS**



GENERALI INVESTMENTS CEE, investiční společnost, a.s.
Registered office: Na Pankráci 1720/123, Nusle, 140 00 Prague 4
Business registration number (IČ): 43873766
Legal form: joint-stock company
Primary business: collective investment
Date of preparation: 26 April 2019

**BALANCE SHEET
AS AT 31 DECEMBER 2018**

<u>Assets:</u>	<u>Note:</u>	<u>31 December 2018</u>	<u>31 December 2017</u>
		In CZK thousands	In CZK thousands
Cash on hand		23	42
Due from banks	3	492,833	447,202
Of which: a) repayable on demand		222,924	297,404
b) other receivables		269,909	149,798
Shares, participation certificates and other holdings	4	80,190	86,590
Intangible fixed assets	5	28,380	19,457
Tangible fixed assets	5	7,926	6,207
Other assets	6	81,178	95,804
Deferred expenses and accrued income	7	38,904	50,092
Total assets		<u>729,434</u>	<u>705,394</u>
 <u>Equity and liabilities:</u>			
Other liabilities	8	107,330	108,758
Deferred income and accruals		79	148
Provisions	10	37,517	38,632
Share capital paid up	9	91,000	91,000
Reserve funds and other funds from profit		570	570
a) other funds from profit		570	570
Retained earnings / accumulated loss	9	225,732	199,004
Profit for the period	9	267,206	267,282
Total equity and liabilities		<u>729,434</u>	<u>705,394</u>

**OFF-BALANCE SHEET
AS AT 31 DECEMBER 2018**

<u>Off-balance sheet liabilities</u>	<u>Note:</u>	<u>31 December 2018</u>	<u>31 December 2017</u>
		In CZK thousands	In CZK thousands
Assets received for management from third parties	17	304,988,840	305,372,242

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Business registration number (IČ): 43873766

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Primary business: collective investment

Date of preparation: 26 April 2019

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<u>Note:</u>	<u>2018</u>	<u>2017</u>
		In CZK	In CZK
		thousands	thousands
Interest and similar income		2,462	183
Interest and similar expenses		(132)	(221)
Fee and commission income	11	776,758	757,960
Fee and commission expenses	12	(183,883)	(176,210)
Gain or loss from financial transactions	13	(1,579)	(691)
Other operating income		821	1,198
Other operating expenses	14	(7,456)	(7,978)
Administrative expenses	15	(246,446)	(226,238)
Of which: a) staff costs		(163,924)	(158,323)
Of which: aa) wages and salaries		(121,928)	(118,841)
ab) social and health insurance		(34,576)	(32,856)
b) other administrative expenses		(82,522)	(67,915)
Depreciation and amortization	5	(10,721)	(9,477)
Additions to/use of other provisions	10	1,115	(7,608)
Profit or loss on ordinary activities for the period before tax		<u>330,939</u>	<u>330,918</u>
Income tax	16	(63,733)	(63,636)
Profit or loss for the period after tax	9	<u>267,206</u>	<u>267,282</u>

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Share capital	Reserve fund	Social fund	Capital funds	Profit/ (loss)	Total
	In CZK	In CZK	In CZK	In CZK	In CZK	In CZK
	thousands	thousands	thousands	thousands	thousands	thousands
Balance as at 31 December 2016	<u>91,000</u>	<u>0</u>	<u>570</u>	<u>0</u>	<u>418,329</u>	<u>509,899</u>
Net profit for the period	0	0	0	0	267,282	267,282
Use of social fund	0	0	0	0	0	0
Returns and allocations to social fund	0	0	0	0	0	0
Dividends paid	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(219,325)</u>	<u>(219,325)</u>
Balance as at 31 December 2017	<u>91,000</u>	<u>0</u>	<u>570</u>	<u>0</u>	<u>466,286</u>	<u>557,856</u>
Net profit for the period	0	0	0	0	267,206	267,206
Use of social fund	0	0	0	0	0	0
Returns to social fund	0	0	0	0	0	0
Dividends paid	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(240,554)</u>	<u>(240,554)</u>
Balance as at 31 December 2018	<u>91,000</u>	<u>0</u>	<u>570</u>	<u>0</u>	<u>492,938</u>	<u>584,508</u>

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**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<u>2018</u> In CZK thousands	<u>2017</u> In CZK thousands
<u>TOTAL CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</u>	<u>447,244</u>	<u>199,120</u>
Profit or loss on ordinary activities before tax	330,939	330,918
Adjustment to reconcile profit before tax to net operating cash flows	16,099	15,368
<i>Depreciation/amortization of fixed assets and write-off of adjustment to acquired property</i>	10,721	9,477
<i>Change in allowances, provisions</i>	(1,115)	7,609
<i>Gain on sale of fixed assets</i>	(686)	(577)
<i>Income from revaluation of participation certificates</i>	6,344	(921)
<i>Interest expense, net of capitalized interest, and interest income</i>	2,330	38
<i>Other adjustments comprising non-monetary transactions</i>	(1,495)	(258)
<u>Net cash flows from operating activities before tax, changes in working capital and extraordinary items</u>	<u>347,038</u>	<u>346,286</u>
Change in non-cash components of working capital	23,771	200,198
<i>Changes in other assets and deferred expenses and accrued income</i>	25,212	(13,396)
<i>Changes in other liabilities and accruals and deferred income</i>	(1,497)	13,878
<i>Change in shares, participation certificates and other holdings</i>	56	199,716
<u>Net cash flows from operating activities before tax and extraordinary items</u>	<u>370,809</u>	<u>546,484</u>
Interest paid and received and similar income / expenses	2,330	(38)
Tax paid on income from ordinary activities and additionally assessed tax for previous periods	(70,153)	(63,570)
<u>Net cash flows from operating activities</u>	<u>302,986</u>	<u>482,876</u>
Acquisition of fixed assets	(17,563)	(16,689)
Proceeds from sale of fixed assets	743	1,262
<u>Net cash provided by (used in) investing activities</u>	<u>(16,820)</u>	<u>(15,427)</u>
Dividends paid to shareholders	(240,554)	(219,325)
<u>Net cash provided by (used in) financing activities</u>	<u>(240,554)</u>	<u>(219,325)</u>
<u>Net increase (decrease) in cash</u>	<u>45,612</u>	<u>248,124</u>
<u>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</u>	<u>492,856</u>	<u>447,244</u>

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1 GENERAL INFORMATION

Generali Investments CEE, investiční společnost, a.s. (***“the Company” or “GICEE”***) (from 26 January 2001 to 31 December 2015 operating under the name

ČP INVEST investiční společnost, a.s., until 26 January 2001 under the name KIS a.s. kapitálová investiční společnost České pojišťovny) was established on 19 November 1991.

With effect from 1 January 2016, ČP INVEST investiční společnost, a.s., merged with Generali Investments CEE, a.s., with its registered office at Na Pankráci 1658/121, Prague 4, zip code 140 00, business registration number (IČ) 25629123, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 5073 (***“Generali Investments”***), which ceased to exist upon the merger and its assets and liabilities were transferred to the acquiring company, ČP INVEST investiční společnost, a.s., with its registered office at Na Pankráci 1658/121, Prague 4, zip code 140 21, business registration number (IČ) 43873766, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 1031. With effect from the above date of the merger, the acquiring company was recorded in the Commercial Register under the name **Generali Investments CEE, investiční společnost, a.s., with its registered office at Na Pankráci 1720/123, Prague 4, zip code 140 21, business registration number (IČ) 43873766, maintained by the Municipal Court in Prague, Section B, File 1031**; this information is applicable as at the financial statements' date.

CZI Holdings N.V., with its registered office at 1112XN Diemen, Diemerhof 32, the Netherlands (registration number: 34245976), is the sole shareholder; the Company is included in the consolidated group of the parent company.

The Company was a member of the Generali insurance group in the accounting period.

The consolidated financial statements of the largest group of entities (published on <http://www.generali.com>) in which the Company, being a consolidated entity, is included, are prepared by:

Assicurazioni Generali, with its registered office at: Piazza Duca Degli Abruzzi, 2; 34132 Trieste, Italy.

Generali Investments CEE, investiční společnost, a.s.

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The consolidated financial statements of the narrowest group of entities (published on <http://www.generalicee.com>) in which the Company, being a consolidated entity, is included, are prepared by:

Generali CEE Holding B. V. organizační složka, with its registered office at: Na Pankráci 1658/121, P.O.Box 39; 140 21 Prague 4; Czech Republic.

Pursuant to Act No. 240/2013 Coll., on investment companies and investment funds, as amended, the Company is authorized to perform the following activities, within the scope of the Czech National Bank's authorization:

- manage investment funds and foreign investment funds;
- administer investment funds and foreign investment funds;
- manage clients' assets, if an investment instrument is involved, on a discretionary basis under contractual arrangements (portfolio management);
- perform custody and administration of investment instruments, including related services, but only in relation to securities and dematerialized securities issued by an investment fund or a foreign investment fund;
- provide investment advisory related to investment instruments.

The Company is authorized to exceed the applicable limit.

Members of the statutory bodies as at 31 December 2018 were as follows:

Board of Directors

Chair	Ing. Josef Beneš
Vice-Chair	Mgr. Martin Vít
Member	Bc. Martin Brož
Member	Ing. Michal Toufar

Supervisory Board

Chair	Santo Borsellino
Member	Gregor Pilgram
Member	Carlo Schiavetto
Member	Alexandre Lepere
Member	Francesco Sola

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2 ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements have been prepared on the basis of underlying books of account of the Company maintained in accordance with Act No. 563/1991 Coll. on Accounting, as amended, and applicable regulations; in accordance with, and in the scope defined by the Regulation No. 501/2002 Coll. implementing certain provisions of Act No. 563/1991 Coll. on Accounting, as amended, for the accounting entities being banks and other financial institutions, which sets out the layout and content of the financial statement items and the scope of data to be published for banks and other financial institutions; and Czech Accounting Standards for financial institutions.

The financial statements are prepared on the accrual principle, that is, transactions and other events are recognized in the accounting period in which they occur, regardless of when the related monetary flow arises.

The financial statements are prepared on the historical cost basis, except held participation certificates of investment funds, which are measured at fair value. Impaired assets are recorded at net realizable value. The accounting is maintained in accordance with the prudence concept and the going concern assumption. The preparation of financial statements requires management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on the information available as at the date of the financial statements and actual results could differ from those estimates.

The financial statements include the balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the financial statements.

The reporting currency used in the financial statements is the Czech crown ("CZK") with accuracy to CZK thousand, unless indicated otherwise.

These financial statements are standalone statements.

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Explanation added for translation into English

These financial statements are presented on the basis of accounting principles and standards generally accepted in the Czech Republic. Certain accounting practices applied by the Company that conform with generally accepted accounting principles and standards in the Czech Republic may not conform with generally accepted accounting principles in other countries.

The financial statements have been prepared in Czech language and in English. In all matters of interpretation of information, views or opinions, the Czech version of the financial statements takes precedence over the English version.

(b) Foreign Currency

Financial assets and liabilities denominated in foreign currencies are translated into Czech crowns at the exchange rate as published by the Czech National Bank ("CNB") as at the balance sheet date. All exchange rate gains and losses arising from monetary items are recognized in gain/loss from financial transactions.

All transactions denominated in foreign currencies are translated into Czech crowns at the exchange rate as published by the Czech National Bank as at the transaction date.

(c) Fair Value of Securities

The fair value of a security is determined by the market value quoted by a relevant stock exchange or other active public market. In other cases the fair value is estimated as:

- the present value of future cash flows pertaining to shares and participation certificates, or
- the net present value of cash flows reflecting the involved risks pertaining to bonds and notes.

In its models designed for determining fair value of securities the Company uses only observable market data. The valuation models consider current market conditions as at the date of the valuation which do not necessarily reflect the market situation before or after the valuation date. The management of the Company reviewed these models as at the balance sheet date and considered that the models adequately reflect the current market conditions including relative market liquidity and credit spread.

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(d) Recognition and Derecognition of Financial Assets and Liabilities

Financial assets and financial liabilities are recognized at the moment the Company becomes a contractual partner to the transaction.

The Company derecognizes a financial asset or a part thereof when it loses control over the asset or its part. It loses this control when the contractual rights to the cash flows from the financial asset expire, are used by the Company or the Company surrenders these rights.

The Company removes a financial liability or a part thereof from its balance sheet when it is extinguished – i.e. when the obligation specified in the contract is discharged or cancelled or expires. The difference between the carrying amount of a liability (or a portion thereof) extinguished or transferred and the amount paid for is recognized net in profit or loss for the period.

Spot purchases and sales are recognized on a settlement date basis. When the trade date and the settlement date fall on the turn of year (i.e. each of the dates occurs in different calendar years), the trade is recognized in the off-balance sheet accounts.

(e) Securities at Fair Value through Profit or Loss

There are two sub-categories of securities valued at fair value through profit or loss: held-for-trading, and those designated at fair value through profit or loss at inception. Securities are classified as held-for-trading if they are acquired or incurred principally for the purpose of selling or repurchasing in the near term or if they are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Securities at fair value through profit or loss are initially recognized at cost, which includes expenses incurred in connection with their acquisition, and they are subsequently measured at fair value. All related gains and losses are included in gains or losses from financial transactions. Spot purchases and sales are recognized on a settlement date basis. Interest earned on securities at fair value through profit or loss is reported as interest income.

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(f) Interest Income and Expenses

Interest income and expenses are recognized on an accruals basis using the linear method for cash flows redeemable within 12 months from the balance sheet date and for interest income on securities at fair value through profit or loss. The Company has no cash flows redeemable for more than 12 months. Interest income includes the accrued interests, discount and premium for all fixed income instruments.

(g) Fee and Commission Income, Fee and Commission Expenses

Fee and commission income includes the fees for management of the mutual funds, front-end and back-end sales loads. Fee and commission expenses include, in particular, expenses incurred in commissions paid to agents. Fees and commissions are recognized on an accrual basis as at the date of service provision. Fees and commissions for negotiating a transaction for a third party or from a share in such a negotiation are recognized at time of transaction completion. Fees for management and administration of assets and for advisory services are recognized on an accrual basis pursuant to contracts for provision of such services.

(h) Receivables

Receivables are stated at nominal value less an allowance for doubtful amounts. Bad debts are written-off after the completion of debtor's bankruptcy proceedings.

Receivables are assessed for their recoverability. Allowances against receivables are established on the basis of the assessment. Additions to allowances are recognized as an expense, use of the allowances is recognized together with costs or losses related to asset disposals in the income statement. Release of allowance in case it is no longer necessary is recognized as income.

(i) Equity

The share capital of the Company is stated at the amount recorded in the Commercial Register maintained in the Municipal Court. Any increase or decrease in the share capital made pursuant to the decision of the General Meeting which was not entered in the Commercial Register as at the financial statements date is recorded through changes in share capital. Contributions in excess of share capital are recorded as share premium (agio). Other capital funds consist of monetary and non-monetary contributions in excess of share capital, tangible assets donations, etc.

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(j) Provisions

Provisions are recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. All provisions are presented in liabilities.

Additions to provisions are recognized in the income statement, their utilization is recognized together with expenses or losses, for which purpose they were created, in the income statement. Release of provisions in case they are no longer necessary is recognized as income.

Provisions are set aside in the currency in which settlement is expected to be made.

(k) Tangible and Intangible Fixed Assets

Tangible and intangible fixed assets are recorded at their acquisition cost and are depreciated / amortized on a straight-line basis over their estimated useful lives using the following depreciation / amortization periods:

Software	3 - 4 years
Buildings	50 years
Automobiles	4 years
Machinery and equipment	3 - 15 years
Furniture and fixtures	5 - 10 years

Intangible fixed assets with a cost of less than CZK 60,000 and tangible fixed assets with a cost of less than CZK 40,000 are amortized / depreciated on a straight-line basis over 3 to 4 years.

The costs of repairs and maintenance of tangible fixed assets are expensed as incurred. Technical improvements to the individual assets are capitalized and depreciated.

(l) Income Tax

The corporate income tax expense is calculated based on the statutory tax rate and book income before taxes, increased or decreased by the appropriate permanent and temporary differences (e.g. non-deductible provisions and allowances, entertainment expenses, differences between book and tax depreciation, etc.).

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(m) Deferred Tax

A deferred tax liability is recognized on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base using the full liability method. A deferred tax asset is recognized only to the extent that there are no doubts that future taxable profits will be available, against which this asset can be utilized.

The approved tax rate for the period in which the Company expects to utilize the asset or realize the liability is used for the deferred taxation calculation.

(n) Staff Costs, Supplementary Pension Scheme and Social Fund

Staff costs are included in administrative expenses and they include bonuses to members of the Board of Directors and Supervisory Board.

The Company makes contributions on behalf of its employees to a defined contribution pension scheme. Contributions paid by the Company are expensed as incurred.

The Company makes regular contributions to the state budget to support the national pension scheme.

The Company creates a social fund to cover the staff social needs and benefits. In accordance with the Czech accounting legislation, an allocation to the social fund is not recognized in the income statement but as profit distribution. Similarly, the use of the social fund is not recognized in the income statement but as a decrease in the fund. The social fund forms a component of equity and is not presented as a liability. Provision of a staff loan is recognized as a decrease in the social fund and the repayments of such a loan is recognized as an increase in the social fund.

(o) Use of Estimates

The preparation of financial statements requires using the estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on the information available as at the date of the financial statements and actual results could differ from those estimates.

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(p) Related Parties

Material transactions, outstanding balances and pricing policies with related parties are disclosed in Notes 4, 6, 8, 15 and 17.

(q) Off-balance Sheet Items

In the Company's accounting, only assets received for management from third parties are presented in the off-balance sheet accounts.

All the assets and liabilities of the Company are presented either in the balance sheet or in the off-balance sheet accounts.

(r) Subsequent Events

The effect of events that occurred between the balance sheet date and the financial statements date is reflected in the financial statements if these events provide additional evidence of conditions that existed at the balance sheet date. If, between the balance sheet date and the financial statements date, significant events occurred that are indicative of conditions that arose after the balance sheet date, the effect of these events is not recognized in the financial statements but disclosed in the notes to the financial statements.

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3 DUE FROM BANKS

	<u>31 December 2018</u>	<u>31 December 2017</u>
	In CZK thousands	In CZK thousands
Current accounts with banks	<u>492,833</u>	<u>447,202</u>

Amounts due from banks are payable upon demand, except term deposits of CZK 269,908 thousand, which were due on 7 January 2019 (2017: CZK 149,680 thousand).

4 SHARES, PARTICIPATION CERTIFICATES AND OTHER HOLDINGS

	<u>31 December 2018</u>	<u>31 December 2017</u>
	In CZK thousands	In CZK thousands
Participation certificates in GICEE funds	<u>80,190</u>	<u>86,590</u>

As at 31 December 2018, the Company held the participation certificates in the following funds:

	<u>31 December 2018</u>
	In CZK thousands
Generali Fond konzervativní	<u>10,009</u>
Generali Fond vyvážený dluhopisový	<u>50,290</u>
Generali Fond balancovaný konzervativní	<u>9,854</u>
Generali Fond korporátních dluhopisů	<u>10,037</u>
Total	<u>80,190</u>

As at 31 December 2017, the Company held the participation certificates in the following funds:

	<u>31 December 2017</u>
	In CZK thousands
Generali Fond vyvážený dluhopisový	<u>51,095</u>
Generali Prémiový fond dynamický	<u>35,495</u>
Total	<u>86,590</u>

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5 TANGIBLE AND INTANGIBLE FIXED ASSETS

Intangible fixed assets

	<u>Software</u>	<u>Other</u>	<u>Assets under construction</u>	<u>Total</u>
	In CZK thousands	In CZK thousands	In CZK thousands	In CZK thousands
As at 1 January 2018				
Cost	55,794	157	0	55,951
Accumulated amortization	<u>(36,337)</u>	<u>(157)</u>	<u>0</u>	<u>(36,494)</u>
Net book value	<u>19,457</u>	<u>0</u>	<u>0</u>	<u>19,457</u>
Year ended 31 December 2018				
Opening net book value	19,457	0	0	19,457
Additions	17,039	0	392	17,431
Disposals – cost	0	0	0	0
Disposals – accumulated amortization	0	0	0	0
Amortization	<u>(8,508)</u>	<u>0</u>	<u>0</u>	<u>(8,508)</u>
Closing net book value	<u>27,988</u>	<u>0</u>	<u>392</u>	<u>28,380</u>
As at 31 December 2018				
Cost	72,833	157	392	73,382
Accumulated amortization	<u>(44,845)</u>	<u>(157)</u>	<u>0</u>	<u>(45,002)</u>
Net book value	<u>27,988</u>	<u>0</u>	<u>392</u>	<u>28,380</u>

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5 TANGIBLE AND INTANGIBLE FIXED ASSETS (cont.)

Intangible fixed assets

	<u>Software</u>	<u>Other</u>	<u>Assets under construction</u>	<u>Total</u>
	In CZK thousands	In CZK thousands	In CZK thousands	In CZK thousands
Net book value				
As at 1 January 2017				
Cost	44,101	157	701	44,959
Accumulated amortization	<u>(32,282)</u>	<u>(108)</u>	<u>0</u>	<u>(32,390)</u>
Net book value	<u>11,819</u>	<u>49</u>	<u>701</u>	<u>12,569</u>
Year ended 31 December 2017				
Opening net book value	11,819	49	701	12,569
Additions	15,154	0	0	15,154
Disposals – cost	(3,461)	0	(701)	(4,162)
Disposals – accumulated amortization	3,461	0	0	3,461
Amortization	<u>(7,514)</u>	<u>(49)</u>	<u>0</u>	<u>(7,563)</u>
Closing net book value	<u>19,457</u>	<u>0</u>	<u>0</u>	<u>19,457</u>
As at 31 December 2017				
Cost	55,794	157	0	55,951
Accumulated amortization	<u>(36,337)</u>	<u>(157)</u>	<u>0</u>	<u>(36,494)</u>
Net book value	<u>19,457</u>	<u>0</u>	<u>0</u>	<u>19,457</u>

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5 TANGIBLE AND INTANGIBLE FIXED ASSETS (cont.)

Operating tangible fixed assets

	<u>Vehicles</u> In CZK thousands	<u>Equipment</u> In CZK thousands	<u>Other</u> In CZK thousands	<u>Total</u> In CZK thousands
As at 1 January 2018				
Cost	11,067	87	531	11,685
Accumulated depreciation	<u>(4,986)</u>	<u>(87)</u>	<u>(405)</u>	<u>(5,478)</u>
Net book value	<u>6,081</u>	<u>0</u>	<u>126</u>	<u>6,207</u>
Year ended 31 December 2018				
Opening net book value	6,081	0	126	6,207
Additions	3,625	363	0	3,988
Disposals – cost	(3,381)	0	(40)	(3,421)
Disposals – accumulated depreciation	3,324	0	40	3,364
Depreciation	<u>(2,182)</u>	<u>(30)</u>	<u>0</u>	<u>(2,212)</u>
Closing net book value	<u>7,467</u>	<u>333</u>	<u>126</u>	<u>7,926</u>
As at 31 December 2018				
Cost	11,311	450	491	12,252
Accumulated depreciation	<u>(3,844)</u>	<u>(117)</u>	<u>(365)</u>	<u>(4,326)</u>
Net book value	<u>7,467</u>	<u>333</u>	<u>126</u>	<u>7,926</u>

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5 TANGIBLE AND INTANGIBLE FIXED ASSETS (cont.)

Operating tangible fixed assets

	<u>Vehicles</u> In CZK thousands	<u>Equipment</u> In CZK thousands	<u>Other</u> In CZK thousands	<u>Total</u> In CZK thousands
As at 1 January 2017				
Cost	11,486	435	582	12,503
Accumulated depreciation	<u>(5,728)</u>	<u>(435)</u>	<u>(456)</u>	<u>(6,619)</u>
Net book value	<u>5,758</u>	<u>0</u>	<u>126</u>	<u>5,884</u>
Year ended 31 December 2017				
Opening net book value	5,758	0	126	5,884
Additions	2,427	0	0	2,427
Disposals – cost	(2,846)	(348)	(51)	(3,246)
Disposals – accumulated depreciation	2,657	348	51	3,056
Depreciation	<u>(1,914)</u>	<u>0</u>		<u>(1,914)</u>
Closing net book value	<u>6,081</u>	<u>0</u>	<u>126</u>	<u>6,207</u>
As at 31 December 2017				
Cost	11,067	87	531	11,685
Accumulated depreciation	<u>(4,986)</u>	<u>(87)</u>	<u>(405)</u>	<u>(5,478)</u>
Net book value	<u>6,081</u>	<u>0</u>	<u>126</u>	<u>6,207</u>

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Depreciation / amortization of fixed assets

	<u>2018</u>	<u>2017</u>
	In CZK thousands	In CZK thousands
Depreciation of tangible fixed assets	2,213	1,914
Amortization of intangible fixed assets	8,508	7,563
Total	<u>10,721</u>	<u>9,477</u>

6 OTHER ASSETS

	<u>31 December 2018</u>	<u>31 December 2017</u>
	In CZK thousands	In CZK thousands
Trade receivables	60,667	67,199
Receivable from Generali Invest plc.	7,256	18,609
Other receivables	6,828	2,967
Deferred tax asset (Note 16)	<u>6,427</u>	<u>7,029</u>
Total	81,178	95,804
Allowances for impairment losses	<u>0</u>	<u>0</u>
Total, net	<u>81,178</u>	<u>95,804</u>

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In addition, trade receivables include the following balances of related parties' accounts:

	<u>31 December 2018</u>	<u>31 December 2017</u>
	In CZK thousands	In CZK thousands
Generali Real Estate Fund CEE a.s., investiční fond	547	585
Fond globálních značek otevřený podílový fond	5,879	5,808
Zlatý otevřený podílový fond	1,814	1,819
Fond farmacie a biotechnologie otevřený podílový fond	2,197	2,515
Fond ropného a energetického průmyslu otevřený podílový fond	2,738	2,931
Fond korporátních dluhopisů otevřený podílový fond	9,671	10,592
Fond živé planety otevřený podílový fond	595	630
Fond balancovaný kontervativní otevřený podílový fond	2,797	2,553
Fond nových ekonomik otevřený podílový fond	1,029	1,092
Dynamický fond fondů	15	14
Vyvážený fond fondů	13	15
7. Zajištěný otevřený podílový fond	0	90
Fond nemovitostních akcií otevřený podílový fond	2,445	3,137
Konzervativní otevřený podílový fond	605	632
15. Zajištěný fond kvalifikovaných investorů	3	2
2. Dluhopisový zajištěný otevřený podílový fond	0	55
Vyvážený dluhopisový fond	71	77
Fond cílovaného výnosu	216	219
Česká pojišťovna a.s.	4,686	5,018
Penzijní společnost České pojišťovny, a.s.	6,919	6,648
Generali Romania Asigurare Reasigurare S.A.	702	739
Generali Poisťovňa, a.s.	1,348	1,330
Generali Pojišťovna a.s.	1,426	1,492
Česká pojišťovna ZDRAVÍ a.s.	53	49
GENERALI TOWARZYSTWO UBEZPIECZEŃ S.A.	1,322	1,269
Generali CEE Holding B.V.	1,202	1,357
GP Reinsurance EAD	2,026	2,112
Genertel Biztosító Zrt.	66	61
Európai Utazási Biztosító Zrt.	43	43
Generali Biztosító Zrt.	1,391	1,494
Generali Investments Europe S.p.A.	2,197	741
Generali Insurance AD	322	299
Realitní fond, otevřený podílový fond kvalifikovaných investorů	529	2,086
Fond kreditního výnosu, otevřený podílový fond kvalifikovaných investorů	261	669
Generali Życie Towarzystwa	216	267
Generali Investments Partners S.p.A	4,068	0
Total	<u>59,402</u>	<u>58,440</u>

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7 DEFERRED EXPENSES AND ACCRUED INCOME

	<u>31 December 2018</u>	<u>31 December 2017</u>
	In CZK thousands	In CZK thousands
Accrued commissions	32,139	38,668
Other deferred expenses/accrued income	<u>6,765</u>	<u>11,424</u>
Total	<u>38,904</u>	<u>50,092</u>

8 OTHER LIABILITIES

	<u>31 December 2018</u>	<u>31 December 2017</u>
	In CZK thousands	In CZK thousands
Due to state budget	2,434	9,041
Estimated payables	10,015	11,006
Liabilities to employees	6,803	6,390
Liabilities from social security and health insurance	2,846	2,795
Liabilities from commissions	473	506
Other operating liabilities (incl. liabilities to funds)	<u>84,759</u>	<u>79,020</u>
Total	<u>107,330</u>	<u>108,758</u>

As at 31 December 2018 and 2017, the Company had no overdue liabilities from social security and contribution to the state employment policy, from public health insurance and no tax arrears.

Other operating liabilities include, in particular, liabilities to Generali mutual funds.

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9 EQUITY AND PROFIT DISTRIBUTION

Share capital

31 December 2017 and 2018

In CZK thousands

770 registered shares with a nominal value of CZK 100,000	77,000
1,400 registered shares with a nominal value of CZK 10,000	<u>14,000</u>
Total subscribed and fully paid up share capital	<u>91,000</u>

CZI Holdings N.V. (with its registered office at 1112XN Diemen, Diemerhof 32, the Netherlands) is the sole shareholder.

Profit distribution

The Company's Board of Directors proposed a distribution of net profit of CZK 267,206 thousand for 2018 as follows: CZK 240,486 thousand will be paid in the form of a dividend to shareholders and CZK 26,720 thousand will be transferred to retained earnings.

On 24 April 2018, the Annual General Meeting approved the following distribution of the Company's net profit for 2017 of CZK 267,282 thousand:

	<u>2018</u>
	In CZK thousands
Distribution of dividends	240,554
Retained earnings	<u>26,728</u>
Net profit for 2017	<u>267,282</u>

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10 PROVISIONS

The movements in the provision accounts were as follows (in CZK thousands):

Provisions	Balance as at 31/ 12/ 2016	Additions	Deductions	Balance as at 31/ 12/ 2017
Other	31,024	38,632	(31,024)	38,632

Provisions	Additions	Deductions	Balance as at 31/ 12/ 2018
Other	37,517	(38,632)	37,517

In 2017 and in 2018 provisions mainly included provisions recognized for employee bonuses, while the remaining portion comprised income tax provisions.

11 FEE AND COMMISSION INCOME

The fee and commission income includes, in particular, management fees paid by mutual funds and front-end sales loads, as well as income from managed portfolios under asset management and income from consulting activities.

	<u>2018</u>	<u>2017</u>
	In CZK thousands	In CZK thousands
Fees for management of assets of mutual funds	451,567	413,323
Income from participation certificates – front-end and back-end sales loads	64,716	83,530
Asset management	250,995	257,361
Consultancy	<u>9,480</u>	<u>3,746</u>
<u>Total</u>	<u>776,758</u>	<u>757,960</u>

All the fee and commission income was generated in the Czech Republic in 2017 and 2018.

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12 FEE AND COMMISSION EXPENSES

	<u>2018</u>	<u>2017</u>
	In CZK thousands	In CZK thousands
Commissions to agents	180,011	173,727
Bank fees	<u>3,872</u>	<u>2,483</u>
Total	<u>183,883</u>	<u>176,210</u>

13 GAIN OR LOSS FROM FINANCIAL TRANSACTIONS

	<u>2018</u>	<u>2017</u>
	In CZK thousands	In CZK thousands
Securities	1,151	3,397
Foreign exchange differences	<u>(2,730)</u>	<u>(4,088)</u>
Total	<u>(1,579)</u>	<u>(691)</u>

Distribution of gain or loss from financial transactions by geographical area

	<u>2018</u>	<u>2017</u>
	In CZK thousands	In CZK thousands
Czech Republic	(3,627)	1,056
EU	2,092	(1,835)
USA	(31)	136
Other	<u>(13)</u>	<u>(47)</u>
Total	<u>(1,579)</u>	<u>(691)</u>

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14 OTHER OPERATING EXPENSES

	<u>2018</u>	<u>2017</u>
	In CZK thousands	In CZK thousands
Other operating expenses	<u>7,456</u>	<u>7,978</u>
Total	<u>7,456</u>	<u>7,978</u>

Other operating expenses in 2018 include, in particular, a contribution to the Investor Compensation Fund of CZK 5,209 thousand (2017: CZK 5,222 thousand), donations to non-profit organizations of CZK 1,103 thousand (2017: CZK 1,002 thousand), property insurance of CZK 360 thousand (2017: CZK 289 thousand) and contractual and other fines of CZK 257 thousand (CZK 234 thousand).

15 ADMINISTRATIVE EXPENSES

	<u>2018</u>	<u>2017</u>
	In CZK thousands	In CZK thousands
Staff costs	163,924	158,323
Other administrative expenses	<u>82,522</u>	<u>67,915</u>
Total	<u>246,446</u>	<u>226,238</u>

Staff costs can be broken down as follows:

	<u>2018</u>	<u>2017</u>
	In CZK thousands	In CZK thousands
Wages and bonuses to members of the Board of Directors	20,882	24,242
Bonuses to members of the Supervisory Board	0	0
Other wages, personnel costs and bonuses to employees	108,466	101,225
Social security and health insurance	<u>34,576</u>	<u>32,856</u>
Total	<u>163,924</u>	<u>158,323</u>

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<u>Employee statistics</u>	<u>2018</u>	<u>2017</u>
Average number of employees	116	112
Number of members of the Board of Directors	4	4
Number of members of the Supervisory Board	5	5

Other administrative expenses consist of the following items:

	<u>2018</u>	<u>2017</u>
	In CZK thousands	In CZK thousands
Fees for services received from group companies	12,488	11,064
Rent	7,962	8,621
Advertising and promotion	9,244	6,066
Audit fee - statutory audit (incl. VAT)	1,476	1,406
Other	<u>51,352</u>	<u>40,758</u>
Total	<u>82,522</u>	<u>67,915</u>

As at 31 December 2018, the item Other includes, in particular, the costs of software services of CZK 12,720 thousand (2017: CZK 7,560 thousand), postage fees of CZK 2,134 thousand (2017: CZK 6,191 thousand), legal advice of CZK 7,716 thousand (2017: CZK 5,535 thousand), other advisory services of CZK 1,307 thousand (2017: CZK 1,767 thousand), costs of foreign infosystems (Reuters, Bloomberg, etc.) of CZK 9,943 thousand (2017: CZK 7,910 thousand), Professional Services of CZK 7,981 thousand (2017: CZK 2,018 thousand).

Fees for services received from group companies include the following transactions pertaining to related parties:

	<u>2018</u>	<u>2017</u>
	In CZK thousands	In CZK thousands
Generali Shared Services fees	10,048	5,891
Internal audit outsourcing – Česká pojišťovna a.s.	1,890	1,321
Fees for services of Generali CEE Holding B.V.	<u>550</u>	<u>3,852</u>
Total	<u>12,488</u>	<u>11,064</u>

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16 INCOME TAX

The tax expense includes:

	<u>2018</u>	<u>2017</u>
	In CZK thousands	In CZK thousands
Tax expense payable	62,420	64,115
Deferred tax expense / (-) income	602	(1,225)
Adjustment of prior year tax expense and other taxes	<u>711</u>	<u>746</u>
Total tax expense	<u>63,733</u>	<u>63,636</u>

Income tax payable was calculated as follows:

	<u>2018</u>	<u>2017</u>
	In CZK thousands	In CZK thousands
Profit before taxes	330,939	330,918
Non-taxable income	(38,745)	(35,328)
Non-deductible expenses	52,720	57,677
Other adjustments to the tax base	(16,386)	(15,818)
Tax base	328,528	337,449
Corporate income tax at 19%	<u>62,420</u>	<u>64,115</u>

Deferred tax asset / liability was calculated at 19% and can be broken down as follows:

	<u>31 December 2018</u>	<u>31 December 2017</u>
	In CZK thousands	In CZK thousands
<u>Deferred tax asset / liability (Note 6)</u>		
Difference between net book value of fixed assets for accounting and tax purposes	(872)	(311)
Provisions	7,299	7,340
Total	<u>6,427</u>	<u>7,029</u>

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17 ASSETS RECEIVED FOR MANAGEMENT FROM THIRD PARTIES

As at 31 December 2018, the Company managed 14 collective investment funds, 11 foreign investment funds and 4 qualified investors funds:

Standard collective investment funds:

- Fond konzervativní, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (participation certificates Class R – ISIN: CZ0008474145; participation certificates Class I – ISIN: CZ0008475548)
- Fond vyvážený dluhopisový, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474806)
- Fond korporátních dluhopisů, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008471786)
- Fond balancovaný konzervativní, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (participation certificates Class R – ISIN: CZ0008471760, participation certificates Class I – ISIN: CZ0008475514)
- Fond globálních značek, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (participation certificates Class R – ISIN: CZ0008471778, participation certificates Class I – ISIN: CZ0008475530)
- Fond farmacie a biotechnologie, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474129)
- Fond ropy a energetiky, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474152)
- Fond nových ekonomik, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474137)
- Fond nemovitostních akcií, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008472396)

Special collective investment funds:

- Fond zlatý, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008472370)
- Fond živé planety, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008472693)
- Fond fondů vyvážený, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008473287)
- Fond fondů dynamický, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008473303)
- Fond cílovaného výnosu, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474889)

Qualified investors funds:

- Generali Real Estate Fund CEE a.s., investiční fond (ISIN: CZ0008041092)
- 15. Zajištěný fond kvalifikovaných investorů, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008473840)
- Fond kreditního výnosu, otevřený podílový fond kvalifikovaných investorů Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474988)
- Realitní fond, otevřený podílový fond kvalifikovaných investorů Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008475316)

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Foreign funds (sub-funds), comparable with standards funds, i.e. sub-funds of the umbrella fund, Generali Invest CEE plc (the Generali Invest CEE plc fund is a foreign investment fund comparable with a standard fund that is managed by the Company, was awarded a license in the Irish Republic, is included in the list maintained by the Czech National Bank pursuant to Section 597 (d) of Act No. 240/2013 Coll., on Management Companies and Investment Funds, as amended, (i.e. for marketing in the Czech Republic) and is subject to the supervision of the Central Bank of Ireland (this fund is referred to in the financial statements of as the “Generali Invest Foreign Fund”):

- Premium Conservative Fund, Generali Invest CEE plc
- Corporate Bonds Fund, Generali Invest CEE plc
- Emerging Europe Bond Fund, Generali Invest CEE plc
- Premium Balanced Fund, Generali Invest CEE plc
- Dynamic Balanced Fund, Generali Invest CEE plc
- Global Equity Fund, Generali Invest CEE plc
- Premium Dynamic Fund, Generali Invest CEE plc
- Oil and Energy Industry Fund, Generali Invest CEE plc
- New Economies Fund, Generali Invest CEE plc
- Commodity Fund, Generali Invest CEE plc
- Emerging Europe Fund, Generali Invest CEE plc

In addition, the Company managed the portfolio of 17 clients under asset management as at 31 December 2018.

As at 31 December 2017, the Company managed 15 collective investment funds, 11 foreign investment funds and 4 qualified investors funds:

Standard collective investment funds:

- Fond konzervativní, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474145)
- Fond vyvážený dluhopisový, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474806)
- Fond korporátních dluhopisů, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008471786)
- Fond balancovaný konzervativní, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008471760)
- Fond globálních značek, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008471778)
- Fond farmacie a biotechnologie, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474129)
- Fond ropy a energetiky, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474152)
- Fond nových ekonomik, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474137)
- Fond nemovitostních akcií, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008472396)

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Special collective investment funds:

- Fond zlatý, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008472370)
- Fond živé planety, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008472693)
- Fond fondů vyvážený, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008473287)
- Fond fondů dynamický, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008473303)
- 2. Dluhopisový zajištěný otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474020)
- Fond cílovaného výnosu, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474889)

Qualified investors funds:

- Generali Real Estate Fund CEE a.s., investiční fond (ISIN: CZ0008041092)
- 15. Zajištěný fond kvalifikovaných investorů, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008473840)
- Fond kreditního výnosu, otevřený podílový fond kvalifikovaných investorů Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474988)
- Realitní fond, otevřený podílový fond kvalifikovaných investorů Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008475316)

Foreign funds (sub-funds), comparable with standards funds, i.e. sub-funds of the umbrella fund, Generali Invest CEE plc (the Generali Invest CEE plc fund is a foreign investment fund comparable with a standard fund that is managed by the Company, was awarded a license in the Irish Republic, is included in the list maintained by the Czech National Bank pursuant to Section 597 (d) of Act No. 240/2013 Coll., on Management Companies and Investment Funds, as amended, (i.e. for marketing in the Czech Republic) and is subject to the supervision of the Central Bank of Ireland (this fund is referred to in the financial statements of as the “Generali Invest Foreign Fund”):

Foreign funds:

- Premium Conservative Fund, Generali Invest CEE plc
- Corporate Bonds Fund, Generali Invest CEE plc
- Emerging Europe Bond Fund, Generali Invest CEE plc
- Premium Balanced Fund, Generali Invest CEE plc
- Dynamic Balanced Fund, Generali Invest CEE plc
- Global Equities Fund, Generali Invest CEE plc
- Premium Dynamic Fund, Generali Invest CEE plc
- Oil and Energy Industry Fund, Generali Invest CEE plc
- New Economies Fund, Generali Invest CEE plc
- Commodity Fund, Generali Invest CEE plc
- Emerging Europe Fund, Generali Invest CEE plc

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In addition, the Company managed as at 31 December 2017 the portfolio of 18 clients under asset management.

	<u>2018</u>	<u>2017</u>
	In CZK thousands	In CZK thousands
Total managed assets as at 31 December	304,988,840	305,372,242
Total income from asset management	702,562	670,684

In 2018 and in 2017 an annual income of the Company from the fee for managing the mutual funds' assets shall not exceed 3% of the average annual value of net assets, calculated as an average of net asset values as at the last day of each calendar month. The actual amount of the fee (in %) is determined in advance by the Company's Board of Directors and can be obtained at all outlets as well as at the registered office of the Company.

18 FINANCIAL RISKS

The Company is indirectly exposed to the market, credit, currency and interest rate risk and risk of liquidity due to fluctuations in the net assets of managed funds and thus the fee for their management.

(a) Market and Credit Risk

As the Company does not consider the credit risk to which it is exposed material, no models and procedures have been implemented to measure, monitor or manage the risk.

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Geographical segmentation of assets:

<u>31 December 2018</u>	<u>Czech Republic</u>	<u>Slovakia</u>	<u>Poland</u>	<u>Total</u>
	In CZK thousands	In CZK thousands	In CZK thousands	In CZK thousands
Assets				
Cash on hand	23	0	0	23
Due from banks	492,833	0	0	492,833
Shares, participation certificates and other holdings	80,190	0	0	80,190
Other assets	117,484	0	0	117,484
Deferred expenses and accrued income	<u>38,904</u>	<u>0</u>	<u>0</u>	<u>38,904</u>
<u>Total assets</u>	<u>729,434</u>	<u>0</u>	<u>0</u>	<u>729,434</u>

<u>31 December 2017</u>	<u>Czech Republic</u>	<u>Slovakia</u>	<u>Poland</u>	<u>Total</u>
	In CZK thousands	In CZK thousands	In CZK thousands	In CZK thousands
Assets				
Cash on hand	42	0	0	42
Due from banks	447,202	0	0	447,202
Shares, participation certificates and other holdings	86,590	0	0	86,590
Other assets	121,468	0	0	121,468
Deferred expenses and accrued income	<u>50,092</u>	<u>0</u>	<u>0</u>	<u>50,092</u>
<u>Total assets</u>	<u>705,394</u>	<u>0</u>	<u>0</u>	<u>705,394</u>

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(b) Currency Risk

The Company takes on exposure resulting from fluctuations in the prevailing foreign currency exchange rates to its financial position and cash flows. The table below summarizes the Company's exposure to currency risk. The table includes the Company's assets and liabilities at carrying amounts, categorized by currency.

<u>31 December 2018</u>	<u>CZK</u>	<u>EUR</u>	<u>PLN</u>	<u>Total</u>
	In CZK	In CZK	In CZK	In CZK
	thousands	thousands	thousands	thousands
Assets				
Cash on hand	9	13	1	23
Due from banks	479,354	11,526	1953	492,833
Shares, participation certificates and other holdings	80,190	0	0	80,190
Other assets	102,169	15,315	0	117,484
Deferred expenses and accrued income	<u>37,565</u>	<u>1,339</u>	<u>0</u>	<u>38,904</u>
Total	<u>699,287</u>	<u>28,193</u>	<u>1,954</u>	<u>729,434</u>
Liabilities				
Other liabilities and provisions	137,014	7,225	608	144,847
Deferred income and accruals	<u>79</u>	<u>0</u>	<u>0</u>	<u>79</u>
Total	<u>137,093</u>	<u>7,225</u>	<u>608</u>	<u>144,926</u>
Net balance sheet assets	<u>562,194</u>	<u>20,968</u>	<u>1,346</u>	<u>584,508</u>

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<u>31 DECEMBER 2017</u>	<u>CZK</u>	<u>EUR</u>	<u>PLN</u>	<u>Total</u>
	In CZK	In CZK	In CZK	In CZK
	thousands	thousands	thousands	thousands
Assets				
Cash on hand	11	30	1	42
Due from banks	444,104	2,714	384	447,202
Shares, participation certificates and other holdings	86,590	0	0	86,590
Other assets	102,577	18,891	0	121,468
Deferred expenses and accrued income	<u>50,032</u>	<u>52</u>	<u>8</u>	<u>50,092</u>
Total	<u>683,314</u>	<u>21,687</u>	<u>393</u>	<u>705,394</u>
Liabilities				
Other liabilities and provisions	101,546	45,844	0	147,390
Deferred income and accruals	<u>148</u>	<u>0</u>	<u>0</u>	<u>148</u>
Total	<u>101,694</u>	<u>45,844</u>	<u>0</u>	<u>147,538</u>
Net balance sheet assets	<u>581,620</u>	<u>(24,157)</u>	<u>393</u>	<u>557,856</u>

(c) **Interest Rate Risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As a result of such changes, interest margins may vary and generate gains or losses in the event of unexpected movements in the market interest rates.

The only interest-bearing items are represented by the amounts due from banks of CZK 492,833 thousand as at 31 December 2018 (2017: CZK 447,202 thousand), the residual maturity of which is less than 3 months.

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(d) Liquidity Risk

The table below categorizes assets and liabilities of the Company into relevant maturity bands on the basis of the remaining period as at the balance sheet date to the contractual maturity date.

<u>31 December 2018</u>	<u>Within 3 months</u> In CZK thousands	<u>3 - 12 months</u> In CZK thousands	<u>1 - 5 years</u> In CZK thousands	<u>Not specified</u> In CZK thousands	<u>Total</u> In CZK thousands
Assets					
Cash on hand	23	0	0	0	23
Due from banks	492,833	0	0	0	492,833
Shares, participation certificates and other holdings	0	0	0	80,190	80,190
Other assets	73,843	6,427	37,214	0	117,484
Deferred expenses and accrued income	<u>0</u>	<u>0</u>	<u>0</u>	<u>38,904</u>	<u>38,904</u>
Total	<u>566,697</u>	<u>6,427</u>	<u>37,214</u>	<u>119,094</u>	<u>729,434</u>
Liabilities					
Other liabilities and provisions	144,847	0	0	0	144,847
Deferred income and accruals	<u>0</u>	<u>0</u>	<u>0</u>	<u>79</u>	<u>79</u>
Total	<u>144,847</u>	<u>0</u>	<u>0</u>	<u>79</u>	<u>144,926</u>
Net assets	<u>421,850</u>	<u>6,427</u>	<u>37,214</u>	<u>119,015</u>	<u>584,508</u>

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<u>31 December 2017</u>	Within <u>3 months</u> In CZK thousands	3 - 12 <u>months</u> In CZK thousands	<u>1 - 5 years</u> In CZK thousands	Not <u>specified</u> In CZK thousands	<u>Total</u> In CZK thousands
Assets					
Cash on hand	42	0	0	0	42
Due from banks	447,202	0	0	0	447,202
Shares, participation certificates and other holdings	0	0	0	86,590	86,590
Other assets	87,514	7,029	26,924	0	121,468
Deferred expenses and accrued income	<u>0</u>	<u>0</u>	<u>0</u>	<u>50,092</u>	<u>50,092</u>
Total	<u>534,758</u>	<u>7,029</u>	<u>26,924</u>	<u>136,682</u>	<u>705,394</u>
Liabilities					
Other liabilities and provisions	147,390	0	0	0	147,390
Deferred income and accruals	<u>0</u>	<u>0</u>	<u>0</u>	<u>148</u>	<u>148</u>
Total	<u>147,390</u>	<u>0</u>	<u>0</u>	<u>148</u>	<u>147,538</u>
Net assets	<u>387,368</u>	<u>7,029</u>	<u>26,924</u>	<u>136,534</u>	<u>557,856</u>

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LEGAL RISKS

The Company regularly monitors and evaluates legal disputes filed against the Company. To cover potential liabilities arising from the disputes, the Company establishes a provision equal to a sued amount including accessories for all the disputes filed against the Company with the likelihood of payment exceeding 50%. The Company established no provision related to legal risks in 2018 and 2017.

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20 OPERATING RISK

The Company uses a multi-tier system of permanent controls, starting from department heads over the controls carried out periodically by risk management and compliance departments to reviews by the internal audit function within the approved annual control plan. The purpose of these controls is to monitor and analyze operational risks relevant to individual Company's processes and adopt measures to eliminate or limit such risks. Both outcomes of the controls and identified violations are reported to the parent company on a regular basis.

21 RELATED PARTY TRANSACTIONS

Other operating expenses

	<u>31 December 2018</u>	<u>31 December 2017</u>
	In CZK thousands	In CZK thousands
Generali CEE Holding B.V.	550	3,852

Administrative expenses

	<u>31 December 2018</u>	<u>31 December 2017</u>
	In CZK thousands	In CZK thousands
Generali Shared Services	10,048	5,891
Generali CEE Holding B.V.	550	3,852
Česká pojišťovna a.s.	1,890	1,321

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	<u>31 December 2018</u>	<u>31 December 2017</u>
	In CZK thousands	In CZK thousands
Generali Real Estate Fund CEE a.s., investiční fond	547	585
Fond globálních značek otevřený podílový fond	5,879	5,808
Zlatý otevřený podílový fond	1,814	1,819
Fond farmacie a biotechnologie otevřený podílový fond	2,197	2,515
Fond ropného a energetického průmyslu otevřený podílový fond	2,738	2,931
Fond korporátních dluhopisů otevřený podílový fond	9,671	10,592
Fond živé planety otevřený podílový fond	595	630
Fond balancovaný kontervativní otevřený podílový fond	2,797	2,553
Fond nových ekonomik otevřený podílový fond	1,029	1,092
Dynamický fond fondů	15	14
Vyvážený fond fondů	13	15
7. Zajištěný otevřený podílový fond	0	90
Fond nemovitostních akcií otevřený podílový fond	2,445	3,137
Konzervativní otevřený podílový fond	605	632
15. Zajištěný fond kvalifikovaných investorů	3	2
2. Dluhopisový zajištěný otevřený podílový fond	0	55
Vyvážený dluhopisový fond	71	77
Fond cílovaného výnosu	216	219
Česká pojišťovna a.s.	4,686	5,018
Penzijní společnost České pojišťovny, a.s.	6,919	6,648
Generali Romania Asigurare Reasigurare S.A.	702	739
Generali Poistovňa, a.s.	1,348	1,330
Generali Pojišťovna a.s.	1,426	1,492
Česká pojišťovna ZDRAVÍ a.s.	53	49
GENERALI TOWARZYSTWO UBEZPIECZEŃ S.A.	1,322	1,269
Generali CEE Holding B.V.	1,202	1,357
GP Reinsurance EAD	2,026	2,112
Genertel Biztosító Zrt.	66	61
Európai Utazási Biztosító Zrt.	43	43
Generali Biztosító Zrt.	1,391	1,494
Generali Investments Europe S.p.A.	2,197	741
Generali Insurance AD	322	299
Realitní fond, otevřený podílový fond kvalifikovaných investorů	529	2,086
Fond kreditního výnosu, otevřený podílový fond kvalifikovaných investorů	261	669
Generali Życie Towarzystwa	216	267
Generali Investments Partners S.p.A	4,068	0

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**GENERALI
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	<u>31 December 2018</u>	<u>31 December 2017</u>
	In CZK thousands	In CZK thousands
Česká pojišťovna a.s.	56,699	61,270
CZI Holdings N.V.	0	49
Česká pojišťovna Zdraví	586	542
Europai Utazási Biztosító Rt.	485	485
Generali Zycie Towarzystwa Ubez	3,043	2,759
Generali Biztosító Zrt.	16,674	18,385
Generali Insurance AD	3,655	3,475
Generali Invest CEE Plc.	81,150	70,174
Generali Investments Europe S.	4,724	3,059
Generali Investments Partners	4,068	0
Generali Poistovna a.s.	15,839	15,841
Generali Pojišťovna a.s.	17,165	18,042
Generali CEE Holding B.V.	6,677	6,804
Generali Romania	8,408	9,134
Generali Towarzystwa Ubezpi.	15,341	14,505
Genertel Biztosító Zrt.	760	725
GP Reinsurance EAD	24,171	24,292
Penzijní společnost České pojišťovny, a.s.	79,490	76,738

Fee and commission expenses

	<u>31 December 2018</u>	<u>31 December 2017</u>
	In CZK thousands	In CZK thousands
Česká pojišťovna a.s.	12,427	19,090
Generali Zycie Towarzystwa Ubez	2,895	2,941
Generali Poistovna a.s.	3,089	3,188
Generali Pojišťovna a.s.	937	794
ČP Distribuce	26,950	22,024
Direct Care s.r.o.	2,776	2,723

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22 SUBSEQUENT EVENTS

There have been no significant events between the balance sheet date and the financial statements date which would have a material impact on the financial statements of the Company for the year ended 31 December 2018.

These financial statements have been approved by the Company's Board of Directors for submission to the General Meeting.

Date of preparation

Signature of the statutory representative

Ing. Josef Beneš

26 April 2019

Mgr. Martin Vít



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INFORMATION ABOUT THE BASIS FOR CALCULATION OF THE CONTRIBUTION TO THE INVESTOR COMPENSATION FUND

Pursuant to Section 33 of Act No. 240/2013 Coll., on Management Companies and Investment Funds, as amended, Generali Investments CEE, investiční společnost, a.s. contributes to the Investor Compensation Fund (Garanční fond obchodníků s cennými papíry, GF OCP), which provides a guarantee system from which compensation is disbursed to clients of the investors that are unable to meet their obligations.

Generali Investments CEE, investiční společnost, a.s. allocates to the Fund an annual contribution in the amount of 2% of revenues from fees and commissions for investment services provided in the last calendar year. The minimum annual contribution to the GF OCP is CZK 10 thousand, payable by 31 March of the following year.

Revenues from fees and commissions for investment services provided in 2018 amounted to CZK 260,475 thousand. The contribution to the GF OCP was calculated as 2% of the total of fees and commissions and an amount of CZK 5,209 thousand was credited to the Investor Compensation Fund via direct bank transfer on 28 February 2019.



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INFORMATION ON CAPITAL AND CAPITAL REQUIREMENTS

Common Equity Tier 1 capital: instruments and reserves		At year-end (31 December 2018)	REFERENCE TO ARTICLE OF REGULATION (EU) NO. 575/2013
1	Capital instruments and the related share premium		Article 26(1), Articles 27, 28, 29
	of which: instrument type No. 1	91,000	EBA list under Article 26(3)
	of which: instrument type No. 2		EBA list under Article 26(3)
	of which: instrument type No. 3		EBA list under Article 26(3)
2	Retained earnings	225,732	Article 26(1(c))
3	Accumulated other comprehensive income (and other reserves)		Article 26(1)
3a	Funds for general banking risk		Article 26(1(f))
4	The amount of qualifying items referred to in Article 484(3) and the associated share premium subject to phasing out from Common Equity Tier 1 capital		Article 486(2)
5	Minority interests (the amount allowable in consolidated Common Equity Tier 1 capital)		Article 84
5a	Independently verified interim profit reduced by foreseeable charges or dividends		Article 26(2)
6	Common Equity Tier 1 capital prior to normative adjustments	316,732	
Common Equity Tier 1 capital: normative adjustments			
7	Additional value adjustments (negative amount)		Articles 34, 105
8	Intangible assets (reduced by associated tax liabilities) (negative amount)	(28,380)	Article 36(1(b)), Article 37
9	Empty set in the EU		
10	Deferred tax assets that rely on future profitability, except for assets that arise from temporary differences (reduced by associated tax liabilities provided the conditions laid down in Article 38(3) are met (negative amount)		Article 36(1(c)), Article 38
11	Fair value reserves related to gains or losses on cash flow hedges		Article 33(1(a))
12	Negative amounts that resulting from the calculation of expected loss amounts		Article 36(1(d)), Articles 40, 159
13	Increase in equity that results from securitised assets (negative amount)		Article 32(1)
14	Gains or losses on liabilities valued at fair value that result from changes in the own credit standing		Article 33(1(b))
15	Defined benefit pension fund assets (negative amount)		Article 36(1(e)), Article 41

16	Direct and indirect holdings by an institution of own Common Equity Tier 1 instruments (negative amount)		Article 36(1(f)), Article 42
17	Direct, indirect and synthetic holdings of the Common Equity Tier 1 instruments of financial sector entities where those entities have a reciprocal cross holding with the institution designed to inflate artificially the own funds of the institution (negative amount)		Article 36(1(g)), Article 44
18	Direct, indirect and synthetic holdings by the institution of Common Equity Tier 1 instruments of financial sector entities where the institution does not have a significant investment in those entities (the aggregate amount exceeding the 10% threshold amount reduced by eligible short positions) (negative amount)		Article 36(1(h)), Articles 43, 45, 46, Article 49(2 and 3), Article 79
19	Direct, indirect and synthetic holdings by the institution of the Common Equity Tier 1 instruments of financial sector entities where the institution has a significant investment in those entities (the aggregate amount exceeding the 10% threshold amount reduced by eligible short positions) (negative amount)		Article 36(1(i)), Articles 43, 45, 47, Article 48(1(b)), Article 49(1 to 3), Article 79
20	Empty set in the EU		
20a	The exposure amount of the following items which qualify for a risk weight of 1 250 %, where the institution deducts that exposure amount as an alternative		Article 36(1(k))
20b	of which: qualifying holdings outside the financial sector (negative amount)		Article 36(1(k), point i), Articles 89 to 91
20c	of which: securitisation positions (negative amount)		Article 36(1(k), point ii), Article 243(1(b)), Article 244(1(b)), Article 258
20d	of which: free deliveries (negative amount))		Article 36(1(k), point iii), Article 379(3)
21	Deferred tax assets that arise from temporary differences (the aggregate amount exceeding the 10% threshold amount reduced by associated tax liabilities provided the conditions laid down in Article 38(3) are met (negative amount)		Article 36(1(c)), Article 38, Article 48(1(a))
22	The amount exceeding the 15% threshold amount (negative amount)		Article 48(1)
23	of which: direct and indirect holdings by the institution of the Common Equity Tier 1 instruments of financial sector entities where the institution has a significant investment in those entities		Article 36(1(i)), Article 48(1(b))
24	Empty set in the EU		
25	Of which: deferred tax assets that arise from temporary differences		Article 36(1(c)), Article 38, Article 48(1(a))

25a	Losses for the current financial year (negative amount)		Article 36(1(a))
25b	Foreseeable tax charges relating to Common Equity Tier 1 capital (negative amount)		Article 36(1(l))
27	The amount of items deducted from Additional Tier 1 items that exceeds the Additional Tier 1 capital of the institution (negative amount)		Article 36(1(j))
28	Total normative adjustments of Common Equity Tier 1 capital	(28,380)	
29	Common Equity Tier 1 capital	288,352	
Additional tier 1 capital: instruments			
30	Capital instruments and the related share premium		Articles 51, 52
31	of which: qualified as equity according to applicable accounting standards		
32	of which: qualified as liabilities according to applicable accounting standards		
33	The amount of qualifying items referred to in Article 484(4) and the related share premium subject to phasing out from Additional Tier 1 capital		Article 486(3)
34	Qualifying Tier 1 capital included in consolidated Additional Tier 1 capital (including minority interests that are not listed in line 5) issued by subsidiaries and held by third parties		Articles 85, 86
35	of which: instruments issued by subsidiaries subject to phasing out		Article 486(3)
36	Additional Tier 1 capital prior to normative adjustments		
Additional tier 1 capital: normative adjustments			
37	Direct and indirect holdings by an institution of own Additional Tier 1 instruments (negative amount)		Article 52(1(b)), Article 56(a), Article 57
38	Direct, indirect and synthetic holdings of the Additional Tier 1 instruments of financial sector entities with which the institution has reciprocal cross holdings designed to inflate artificially the own funds of the institution (negative amount)		Article 56(b), Article 58
39	Direct, indirect and synthetic holdings of the Additional Tier 1 instruments of financial sector entities, where an institution does not have a significant investment in those entities (the aggregate amount exceeding the 10% threshold amount reduced by eligible short positions) (negative amount)		Article 56(c), Articles 59, 60, 79
40	Direct, indirect and synthetic holdings by the institution of the Additional Tier 1 instruments of financial sector entities where the institution has a significant investment in those entities (reduced by eligible short positions) (negative amount)		Article 56(d), Articles 59, 79

41	Empty set in the EU		
42	The amount of items required to be deducted from Additional Tier 1 items that exceed the Additional Tier 1 capital of the institution (negative amount)		Article 56(e)
43	Total normative adjustments of Additional Tier 1 capital		
44	Additional Tier 1 capital		
45	Tier 1 capital = Common Equity Tier 1 capital + Additional Tier 1 capital	288,352	
Tier 2 capital: instruments and items			
46	Capital instruments and the related share premium		Articles 62, 63
47	The amount of qualifying items referred to in Article 484(5) and the related share premium subject to phasing out from Tier 2 capital		Article 486(4)
48	Qualifying capital instruments included in consolidated Tier 2 capital (including minority interests and instruments included in Additional Tier 1 capital that are not listed in line 5 or line 34) issued by subsidiaries and held by third parties		Articles 87, 88
49	of which: instruments issued by subsidiaries subject to phasing out		Article 486(4)
50	Credit risk adjustments		Article 62(c) and (d)
51	Tier 2 capital prior to normative adjustments		
Tier 2 capital: normative adjustments			
52	Direct and indirect holdings by an institution of own Tier 2 instruments and subordinated loans (negative amount)		Article 63(b, point i) Article 66(a), Article 67
53	Holdings of the Tier 2 instruments and subordinated loans of financial sector entities with which the institution has reciprocal cross holdings designed to inflate artificially the own funds of the institution (negative amount)		Article 66(b), Article 68
54	Direct and indirect holdings of the Tier 2 instruments and subordinated loans of financial sector entities, where an institution does not have a significant investment in those entities (the aggregate amount exceeding the 10% threshold amount reduced by eligible short positions) (negative amount)		Article. 66(c), Articles 69, 70, 79
55	Direct and indirect holdings by the institution of the Tier 2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (reduced by eligible short positions) (negative amount)		Article 66(d), Articles 69, 79
56	Empty set in the EU		
57	Total Tier 2 normative adjustments		

58	Tier 2 capital		
59	Total capital = Tier 1 capital + Tier 2 capital	288,352	
60	Total risk-weighted assets		
Capital ratios and buffers			
61	Common Equity Tier 1 capital (expressed as a percentage of the total risk exposure amount)	33.09	Article 92(2(a))
62	Tier 1 capital (expressed as a percentage of the total risk exposure amount)	33.09	Article 92(2(b))
63	Total capital (expressed as a percentage of the total risk exposure amount)	33.09	Article 92(2(c))
64	Capital buffer requirements determined for specific institutions (Common Equity Tier 1 capital requirement laid down in Article 92 (1(a)), plus requirements of capital conservation buffer and countercyclical capital buffer, plus systemic risk buffer, plus systemically important institution buffer (expressed as a percentage of the total risk exposure amount)		Capital Requirements Directive, Articles 128, 129, 130, 131, 133
65	of which: capital conservation buffer requirement		
66	of which: countercyclical capital buffer requirement		
67	of which: systemic risk buffer requirement		
67a	of which: systemically important institution buffer (G-SVI) or other systemically important institution buffer (J-SVI)		
68	Common Equity Tier 1 capital available to meet the buffer requirements (expressed as a percentage of the total risk exposure amount)		Capital Requirements Directive, Article 128
69	[In EU Regulation non-relevant]		
70	[In EU Regulation non-relevant]		
71	[In EU Regulation non-relevant]		
Amounts below threshold amounts for deduction (prior to applying risk weights)			
72	Direct and indirect holdings by the institution of capital instruments of financial sector entities where the institution does not have a significant investment in those entities (the aggregate amount lower than the 10% threshold amount reduced by eligible short positions)		Article 36(1(h)), Articles 45, 46, Article 56(c), Articles 59, 60, Article 66(c), Articles 69, 70
73	Direct and indirect holdings by the institution of the Common Equity Tier 1 instruments of financial sector entities where the institution has a significant investment in those entities (the aggregate amount lower than the 10% threshold amount reduced by eligible short positions)		Article 36 (1(i)), Articles 45, 48
74	Empty set in the EU		

Applicable thresholds for inclusion of items in Tier 2 capital		
76	Credit risk adjustments included in Tier 2 capital with regard to exposure amounts where the Standardised Approach applies (prior to applying thresholds)	Article 62
77	Thresholds for inclusion credit risk adjustments in Tier 2 capital according to the Standardised Approach	Article 62
78	Credit risk adjustments included in Tier 2 capital with regard to exposure amounts where the internal rating approach applies (prior to applying thresholds)	Article 62
79	Thresholds for inclusion credit risk adjustments in Tier 2 capital according to the internal rating approach	Article 62
Capital instruments governed by the phase-out provisions (applicable only in the period from 1 January 2014 to 1 January 2022)		
80	Applicable limits for instruments included in Common Equity Tier 1 capital governed by the phase-out provisions	Article 484(3), Article 486(2 and 5)
81	Amounts excluded from Common Equity Tier 1 capital due to limits (the amount exceeding the limit reduced by redeemed instruments and past due instruments)	Article 484(3), Article 486(2 and 5)
82	Applicable limits for instruments included in Additional Tier 1 capital governed by the phase-out provisions	Article 484(4), Article 486(3 and 5)
83	Amounts excluded from Additional Tier 1 capital due to limits (the amount exceeding the limit reduced by redeemed instruments and past due instruments)	Article 484(4), Article 486(3 and 5)
84	Applicable limits for instruments included in Tier 2 capital governed by the phase-out provisions	Article 484(5), Article 486(4 and 5)
85	Amounts excluded from Tier 2 capital due to limits (the amount exceeding the limit reduced by redeemed instruments and past due instruments)	Article 484(5), Article 486(4 and 5)

Information on capital and capital requirements		Decree No. 163/2014 Coll., Annex 14
Information valid as at	31 December 2018	
Information on capital and capital requirements pursuant to Article 438(c to f) of Regulation (EU) No. 575/2013 is disclosed		Point 1 (b))
Exposures to central governments or central banks		Article 438(c) of Regulation (EU) No. 575/2013 EU
Exposures to regional governments or local authorities		
Exposures to public sector entities		
Exposures to multilateral development banks		
Exposures to international organizations		

Exposures to institutions	258,287		
Exposures to corporates			
Retail exposures			
Exposures secured by mortgages or immovable property			
Exposures in default			
Exposures associated with particularly high risk			
Exposures in the form of covered bonds			
Items representing securitisation positions			
Exposures to institutions and corporates with a short-term credit assessment			
Exposures in the form of units and shares in collective investment undertakings	80,190		
Equity exposures			
Other items	97,813		
Position risk			Article 438(e) of Regulation (EU) No. 575/2013 EU
Large exposures exceeding the limits specified in Articles 395 to 401, to the extent an institution is permitted to exceed those limits			
Foreign-exchange risk	27,008		
Settlement risk			
Commodities risk		Article 438(f) of Regulation (EU) No. 575/2013 EU	
Capital requirements in accordance with Title III, Chapter 2 of Regulation (EU) No. 575/2013 EU			
Capital requirements in accordance with Title III, Chapter 3 of Regulation (EU) No. 575/2013 EU			
Capital requirements in accordance with Title III, Chapter 4 of Regulation (EU) No. 575/2013 EU		Article 438(d) of Regulation (EU) No. 575/2013 EU	
Exposures to central governments or central banks			
Exposures to institutions			
Exposures to corporates			
Retail exposures			
Equity exposures			
Items representing securitisation positions			
Other non-credit obligation assets			
Exchange traded exposures			
Private equity exposures in sufficiently diversified portfolios, and other exposures			
Exposures subject to supervisory transition regarding own funds requirements			
Exposures subject to grandfathering provisions regarding own funds requirements			
Each of the approaches provided in Article 155 of Regulation (EU) No. 2013/575/EU			

Capital ratios		Decree No. 163/2014 Coll., Annex 14
in %	At year-end	
Capital ratio for Common Equity Tier 1 capital	33.09	Article 2(a))
Capital ratio for Tier 1 capital	33.09	
Capital ratio for total capital	33.09	
Capital ratio for Tier 1 capital		Article 2(b))
Capital ratio for total capital		

Ratio indicators		Decree No. 163/2014 Coll., Annex 10
(In CZK thousand / in %)	31 December 2018	
Debt ratio I (total debt without clients' assets/assets without clients' assets)	14.71%	Article 5(i))
Debt ratio II (total debt without clients' assets/equity)	18.36%	
Return on average assets (ROAA, assets without clients' assets)	37.25%	
Return on average equity Tier 1 (ROAE)	95.62%	
Return on sales (profit after taxes/income from investment services)	34.40%	
Administrative expenses per employee	2,124.53	

REPORTING OBLIGATION

Pursuant to Act No. 240/2013 Coll., on Management Companies and Investment Funds, as amended (hereinafter the “**AMCIF**”), and Annex No. 4 to Decree No. 244/2013 Coll., on More Detailed Regulation of Some Rules Set Out by the Act on Management Companies and Investment Funds, as amended (hereinafter the “**Decree**”) the Company hereby discloses:

a) Information on changes in the information related to the Company, as the manager of an investment fund or of a foreign investment fund established in the Czech Republic and the main administrator, recorded in the Commercial Register that occurred in the relevant period

In the reporting period 2018, changes in the information recorded in the Commercial Register were as follows:

1) Changes in the Supervisory Board section – member of the Supervisory Board:

- Carlo Schiavetto, member of the Supervisory Board: on 19 October 2018, home address Americká 177/35, Vinohrady, 120 00 Praha 2, was deleted and home address Anny Letenské 34/7, Vinohrady, 120 00 Praha 2, was entered.

b) Information on investment funds and foreign investment funds that the Company managed or administered in the relevant period, as the manager of an investment fund or of a foreign investment fund established in the Czech Republic and the main administrator

In the relevant period, the Company was the manager and administrator of the following investment funds:

Standard collective investment funds:

- Fond konzervativní, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (participation certificates Class R – ISIN: CZ0008474145; participation certificates Class I – ISIN: CZ0008475548)
- Fond vyvážený dluhopisový, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474806)
- Fond korporátních dluhopisů, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008471786)
- Fond balancovaný konzervativní, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (participation certificates Class R – ISIN: CZ0008471760, participation certificates Class I – ISIN: CZ0008475514)
- Fond globálních značek, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (participation certificates Class R – ISIN: CZ0008471778, participation certificates Class I – ISIN: CZ0008475530)
- Fond farmacie a biotechnologie, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474129)
- Fond ropy a energetiky, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474152)
- Fond nových ekonomik, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474137)

INFORMATION SECTION

FOR THE YEAR ENDED 31 DECEMBER 2018

- Fond nemovitostních akcií, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008472396)

(hereinafter the **“Standard Funds”**)

Special collective investment funds:

- Fond zlatý, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008472370)
- Fond živé planety, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008472693)
- Fond fondů vyvážený, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008473287)
- Fond fondů dynamický, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008473303)

- 2. Dluhopisový zajištěný otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474020) - the fund was terminated in accordance with its Statute as at 18 June 2018 and the winding up of the fund continues
- Fond cílovaného výnosu, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474889)

(hereinafter the **“Special Funds”**)

Qualified investors funds:

- Generali Real Estate Fund CEE a.s., investiční fond (ISIN: CZ0008041092)
- 15. Zajištěný fond kvalifikovaných investorů, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008473840)
- Fond kreditního výnosu, otevřený podílový fond kvalifikovaných investorů Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474988)
- Realitní fond, otevřený podílový fond kvalifikovaných investorů Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008475316)

INFORMATION SECTION

FOR THE YEAR ENDED 31 DECEMBER 2018

(hereinafter the **“Qualified Investors Funds”**)

(Standard Funds, Special Funds and Qualified Investors Funds also jointly the **“Funds”**)

The Company managed foreign funds (sub-funds), comparable with standards funds, i.e. sub-funds of the umbrella fund, Generali Invest CEE plc (the Generali Invest CEE plc fund is a foreign investment fund comparable with a standard fund, is included in the list maintained by the Czech National Bank pursuant to Section 597, Letter (d) of AMCIF (hereinafter the **“Generali Invest Foreign Fund”**)).

- Premium Conservative Fund, Generali Invest CEE plc
- Corporate Bonds Fund, Generali Invest CEE plc
- Emerging Europe Bond Fund, Generali Invest CEE plc
- Premium Balanced Fund, Generali Invest CEE plc
- Dynamic Balanced Fund, Generali Invest CEE plc
- Global Equity Fund, Generali Invest CEE plc
- Premium Dynamic Fund, Generali Invest CEE plc
- Oil and Energy Industry Fund, Generali Invest CEE plc
- New Economies Fund, Generali Invest CEE plc
- Commodity Fund, Generali Invest CEE plc
- Emerging Europe Fund, Generali Invest CEE plc

(hereinafter the **“Foreign Funds”**)

The Generali Invest Foreign Fund was awarded a license in the Irish Republic and is subject to the supervision of the Central Bank of Ireland. Annual reports of the Generali Invest Foreign Fund (including Foreign Funds), may be downloaded at <https://www.generali-investments.cz/o-nas/vyrocní-zpravy.html>

- c) Information on the events that had significant influence on the performance of the activities of the Company, as the manager of an investment fund or of a foreign investment fund established in the Czech Republic and the main administrator, including key factors affecting its profit/loss in the relevant period**

No events occurred in the relevant period that would have a significant influence on the performance of the Company's activities.

- d) **Information on the statutory body members, management board members, supervisory board members and portfolio managers of the Company, as the manager of an investment fund or of a foreign investment fund established in the Czech Republic and the main administrator, including a brief description of their experience and professional competence, and information on the period of time for which they (have) performed their functions or activities**

Board of Directors

Ing. Josef Beneš	Chairman of the Board of Directors; member of the Board of Directors as of 1 January 2014, Chairman of the Board of Directors as of 6 January 2015
Mgr. Martin Vít	Vice-chairman of the Board of Directors; member of the Board of Directors as of 1 January 2015, Vice-chairman of the Board of Directors as of 6 January 2015
Bc. Martin Brož	member of the Board of Directors 1 January 2016
Ing. Michal Toufar	member of the Board of Directors as of 16 May 2016

Description of experience and qualifications of Board of Directors members

Ing. Josef Beneš

Education: University of Economics Prague, majored in Banking and Finance
School of International Affairs and Business School, Columbia University, New York, USA

Work experience:
2014 - Generali CEE Holding B.V., Chief Investment Officer
Generali Investments CEE, investiční společnost, a.s. (until 01/2016 operating under the name ČP INVEST investiční společnost, a.s.), CEO and Chairman of the Board of Directors

2014 -12/2015 Generali Investment CEE a.s., (until 01/2015 operating under the name Generali PPF Asset Management, a.s.), CEO and Chairman of the Board of Directors

2012 – 2014 Raiffeisenbank a.s., Chief Investment Officer
Raiffeisen penzijní společnost a.s. in liquidation, Chairman of the Board of Directors
Raiffeisen investiční společnost a.s., CEO and Chairman of the Board of Directors

2002 – 2012 ČSOB Asset Management, a.s., CEO and Chairman of the Board of Directors
ČSOB Asset Management, a.s., investiční společnost, member of the Board of Directors

2000 – 2002 Standard Bank Ltd., Head of CEE and Middle East Markets, London, United Kingdom

GENERALI INVESTMENTS CEE, INVESTIČNÍ SPOLEČNOST, A.S.

INFORMATION SECTION

FOR THE YEAR ENDED 31 DECEMBER 2018

1996 – 2000	IPB (Investiční a poštovní banka, a.s.), Head of Treasury
06 - 12/1995	World Bank, China Country Operation Department, Washington, USA
1992 – 1994	Czech National Bank, Junior Analyst

Mgr. Martin Vít

Education: Charles University, Faculty of Law, Prague

Work experience:

2014 -	Generali Investments CEE, investiční společnost, a.s., (until 01/2016 operating under the name ČP INVEST investiční společnost, a.s.), Vice-chairman of the Board of Directors, Deputy CEO
2014 - 12/2015	Generali Investment CEE a.s., (until 01/2015 operating under the name Generali PPF Asset Management, a.s.), member of the Board of Directors
2013 – 2014	Raiffeisen investiční společnost, a.s., Vice-chairman of the Board of Directors and Executive Director
2013 - 2013	Raiffeisen penzijní společnost a.s., Internal Controls Manager
2012 - 2013	Raiffeisenbank a.s., Project Manager
2004 - 2012	ČSOB Asset Management, a.s., Head of the Legal and Compliance Department
2004 - 2008	ČSOB Asset Management, a.s., member of the Board of Directors
2002 - 2004	Patria Asset Management, a.s., Head of the Legal Department

Bc. Martin Brož

Education: BIVŠ Prague, Banking/Bank Management, majored in Bank Management

VOPŠ Prague, Banking and Finance, majored in Banking and Finance

Work experience:

01/2016 –	Generali Investments CEE, investiční společnost, a.s., member of the Board of Directors, Chief Operation Officer
02/2015 –	Generali CEE Holding N.V., organizační složka, Head of Operations & IT in CEE Local Investment Management

GENERALI INVESTMENTS CEE, INVESTIČNÍ SPOLEČNOST, A.S.

INFORMATION SECTION

FOR THE YEAR ENDED 31 DECEMBER 2018

2013 – 2015	Raiffeisen investiční společnost a.s., Head of Operations
2013 – 2014	Raiffeisen penzijní společnost a.s., Head of Operations
2012	ČSOB Asset Management, a.s., Head of Architecture and Application Management, IT specialist
1999 – 2012	Československá obchodní banka, a.s., Head of Portfolio Administration, Portfolio Administration Officer, Banking Trainee

- outside the Czech Republic (relevant in 2018):

Generali Invest CEE Public Limited Company, Ireland, Statutory Representative

Ing. Michal Toufar

Education: Chartered Financial Analyst Institute – CFA Charterholder 2003

Stockholm School of Economics – CEMS Master’s in International Management, exchange program

University of Economics Prague – Finance, Statistics

Work experience:

2015 – Generali Investments CEE, investiční společnost, a.s. (until 01/2016 operating under the name ČP INVEST investiční společnost, a.s.) – member of the Board of Directors (since 05/2016), Chief Portfolio Manager (since 06/2015)

2004 – 2015 Generali Investments CEE, a.s. (formerly: PPF Asset Management a.s. until 06/2008, Generali PPF Asset Management a.s. from 06/2008 to 01/2015) – Senior Portfolio Manager

2003 – 2004 ČSOB Asset Management a.s. – Portfolio Manager

2000 – 2003 Patria Asset Management a.s. – Portfolio Manager

1999 – 2000 Česká pojišťovna a.s. – Risk Manager

1998 Czech National Bank – Currency Analyses Department

INFORMATION SECTION

FOR THE YEAR ENDED 31 DECEMBER 2018

(hereinafter the **“Qualified Investors Funds”**)

(Standard Funds, Special Funds and Qualified Investors Funds also jointly the **“Funds”**)

The Company managed foreign funds (sub-funds), comparable with standards funds, i.e. sub-funds of the umbrella fund, Generali Invest CEE plc (the Generali Invest CEE plc fund is a foreign investment fund comparable with a standard fund, is included in the list maintained by the Czech National Bank pursuant to Section 597, Letter (d) of AMCIF (hereinafter the **“Generali Invest Foreign Fund”**)).

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- Corporate Bonds Fund, Generali Invest CEE plc
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- Premium Balanced Fund, Generali Invest CEE plc
- Dynamic Balanced Fund, Generali Invest CEE plc
- Global Equity Fund, Generali Invest CEE plc
- Premium Dynamic Fund, Generali Invest CEE plc
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- Commodity Fund, Generali Invest CEE plc
- Emerging Europe Fund, Generali Invest CEE plc

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- c) Information on the events that had significant influence on the performance of the activities of the Company, as the manager of an investment fund or of a foreign investment fund established in the Czech Republic and the main administrator, including key factors affecting its profit/loss in the relevant period**

No events occurred in the relevant period that would have a significant influence on the performance of the Company's activities.

- d) **Information on the statutory body members, management board members, supervisory board members and portfolio managers of the Company, as the manager of an investment fund or of a foreign investment fund established in the Czech Republic and the main administrator, including a brief description of their experience and professional competence, and information on the period of time for which they (have) performed their functions or activities**

Board of Directors

Ing. Josef Beneš	Chairman of the Board of Directors; member of the Board of Directors as of 1 January 2014, Chairman of the Board of Directors as of 6 January 2015
Mgr. Martin Vít	Vice-chairman of the Board of Directors; member of the Board of Directors as of 1 January 2015, Vice-chairman of the Board of Directors as of 6 January 2015
Bc. Martin Brož	member of the Board of Directors 1 January 2016
Ing. Michal Toufar	member of the Board of Directors as of 16 May 2016

Description of experience and qualifications of Board of Directors members

Ing. Josef Beneš

Education: University of Economics Prague, majored in Banking and Finance
School of International Affairs and Business School, Columbia University, New York, USA

Work experience:
2014 - Generali CEE Holding B.V., Chief Investment Officer
Generali Investments CEE, investiční společnost, a.s. (until 01/2016 operating under the name ČP INVEST investiční společnost, a.s.), CEO and Chairman of the Board of Directors

2014 -12/2015 Generali Investment CEE a.s., (until 01/2015 operating under the name Generali PPF Asset Management, a.s.), CEO and Chairman of the Board of Directors

2012 – 2014 Raiffeisenbank a.s., Chief Investment Officer
Raiffeisen penzijní společnost a.s. in liquidation, Chairman of the Board of Directors
Raiffeisen investiční společnost a.s., CEO and Chairman of the Board of Directors

2002 – 2012 ČSOB Asset Management, a.s., CEO and Chairman of the Board of Directors
ČSOB Asset Management, a.s., investiční společnost, member of the Board of Directors

2000 – 2002 Standard Bank Ltd., Head of CEE and Middle East Markets, London, United Kingdom

GENERALI INVESTMENTS CEE, INVESTIČNÍ SPOLEČNOST, A.S.

INFORMATION SECTION

FOR THE YEAR ENDED 31 DECEMBER 2018

1996 – 2000	IPB (Investiční a poštovní banka, a.s.), Head of Treasury
06 - 12/1995	World Bank, China Country Operation Department, Washington, USA
1992 – 1994	Czech National Bank, Junior Analyst

Mgr. Martin Vít

Education: Charles University, Faculty of Law, Prague

Work experience:

2014 -	Generali Investments CEE, investiční společnost, a.s., (until 01/2016 operating under the name ČP INVEST investiční společnost, a.s.), Vice-chairman of the Board of Directors, Deputy CEO
2014 - 12/2015	Generali Investment CEE a.s., (until 01/2015 operating under the name Generali PPF Asset Management, a.s.), member of the Board of Directors
2013 – 2014	Raiffeisen investiční společnost, a.s., Vice-chairman of the Board of Directors and Executive Director
2013 - 2013	Raiffeisen penzijní společnost a.s., Internal Controls Manager
2012 - 2013	Raiffeisenbank a.s., Project Manager
2004 - 2012	ČSOB Asset Management, a.s., Head of the Legal and Compliance Department
2004 - 2008	ČSOB Asset Management, a.s., member of the Board of Directors
2002 - 2004	Patria Asset Management, a.s., Head of the Legal Department

Bc. Martin Brož

Education: BIVŠ Prague, Banking/Bank Management, majored in Bank Management

VOPŠ Prague, Banking and Finance, majored in Banking and Finance

Work experience:

01/2016 –	Generali Investments CEE, investiční společnost, a.s., member of the Board of Directors, Chief Operation Officer
02/2015 –	Generali CEE Holding N.V., organizační složka, Head of Operations & IT in CEE Local Investment Management

GENERALI INVESTMENTS CEE, INVESTIČNÍ SPOLEČNOST, A.S.

INFORMATION SECTION

FOR THE YEAR ENDED 31 DECEMBER 2018

2013 – 2015	Raiffeisen investiční společnost a.s., Head of Operations
2013 – 2014	Raiffeisen penzijní společnost a.s., Head of Operations
2012	ČSOB Asset Management, a.s., Head of Architecture and Application Management, IT specialist
1999 – 2012	Československá obchodní banka, a.s., Head of Portfolio Administration, Portfolio Administration Officer, Banking Trainee

- outside the Czech Republic (relevant in 2018):

Generali Invest CEE Public Limited Company, Ireland, Statutory Representative

Ing. Michal Toufar

Education: Chartered Financial Analyst Institute – CFA Charterholder 2003

Stockholm School of Economics – CEMS Master's in International Management, exchange program

University of Economics Prague – Finance, Statistics

Work experience:

2015 – Generali Investments CEE, investiční společnost, a.s. (until 01/2016 operating under the name ČP INVEST investiční společnost, a.s.) – member of the Board of Directors (since 05/2016), Chief Portfolio Manager (since 06/2015)

2004 – 2015 Generali Investments CEE, a.s. (formerly: PPF Asset Management a.s. until 06/2008, Generali PPF Asset Management a.s. from 06/2008 to 01/2015) – Senior Portfolio Manager

2003 – 2004 ČSOB Asset Management a.s. – Portfolio Manager

2000 – 2003 Patria Asset Management a.s. – Portfolio Manager

1999 – 2000 Česká pojišťovna a.s. – Risk Manager

1998 Czech National Bank – Currency Analyses Department

INFORMATION SECTION

FOR THE YEAR ENDED 31 DECEMBER 2018

Supervisory Board

Santo Borsellino	Chairman of the Supervisory Board; member of the Supervisory Board as of 1 January 2015, Chairman of the Supervisory Board as of 18 April 2015
Gregor Pilgram	member of the Supervisory Board as of 1 February 2014
Carlo Schiavetto	member of the Supervisory Board as of 1 January 2015
Alexandre Lepere	member of the Supervisory Board as of 1 January 2015
Francesco Sola	member of the Supervisory Board as of 1 January 2015

Description of experience and qualifications of Supervisory Board members:

Santo Borsellino

Education: Dartmouth College, The Amos Tuck School, Hanover, USA, Master of Business Administration
University of Bologna, Italy, Degree in Business and Economics

Work experience:

01/2015 - Generali Investments CEE, investiční společnost, a.s., (until 01/2016 operating under the name ČP INVEST investiční společnost, a.s.), since 01/2015 member of the Supervisory Board and since 10/2015 Chairman of the Supervisory Board

01 - 12/2015 Generali Investments CEE, a.s., Czech Republic, since 01/2015 member of the Supervisory Board and since 10/2015 Chairman of the Supervisory Board

2013 - Generali Investments Europe, Italy, CEO

2009 – 2013 Generali Investments Europe, Italy, Head of Equities

2008 - 2009 Generali Investments Sgr, Italy, Head of Equities and Portfolio Manager

2006 – 2008 Eurizoncapital Sgr SpA, Italy, Analyst and Portfolio Manager

2005 – 2006 Credit Suisse, United Kingdom, Vice-President - Equity Research Insurance Team

2004 - 2005 Urwick Capital Llp, United Kingdom, Partner

1999 - 2004 Lehman Brothers International, United Kingdom, Analyst - Equity Research

1995 - 1997 Rolofinance (Unicredito Italiano Group), Italy, Financial Analyst

Gregor Pilgram

Education: Wirtschaftsuniversitaet Vienna, Austria, Master of Business Administration

INFORMATION SECTION

FOR THE YEAR ENDED 31 DECEMBER 2018

Work experience:

-in the Czech Republic

02/2014 –	Generali Investments CEE, investiční společnost, a.s., (until 01/2016 operating under the name ČP INVEST investiční společnost, a.s.), member of the Supervisory Board
10/2013 – 12/2015	Generali Investments CEE, a.s., Czech Republic, Chairman of the Supervisory Board and since 10/2015 member of the Supervisory Board
10/2014 –	Česká pojišťovna a.s., Czech Republic, member of the Supervisory Board
04/2015 –	Generali Pojišťovna, a.s., Czech Republic, member of the Supervisory Board

- outside the Czech Republic (relevant in 2018):

Member of the Board of Directors in Akcionarsko društvo za osiguranje Generali Osiguranje, Montenegro, Generali CEE Holding B.V., The Netherlands

Vice-chairman of the Supervisory Board in the following companies: Generali Towarzystwo Ubezpieczeń S.A., Poland, Generali Życie Towarzystwo Ubezpieczeń S.A., Poland, Generali Versicherung AG, Austria, Generali Holding Vienna AG, Austria

Member of the Supervisory Board in the following companies: Genertel Biztosító Zrt., Hungary, Generali Biztosító Zrt., Hungary, Generali Poistovňa, a.s., Slovakia, Generali Beteiligungverwaltung GmbH, Austria

Chairman of the Supervisory Board in the following companies: Akcionarsko društvo za osiguranje Generali Osiguranje Srbija, Beograd, Serbia, Generali Osiguranje d.d., Croatia, Generali Finance Sp. z o.o., Poland, Generali Zavarovalnica d.d., Slovenia

Carlo Schiavetto

Education: Centro Universitario di Organizzazione Aziendale, Vicenza, Italy, MBA Ca' Foscari University, Venice, Italy, Master degree in Economics

Work experience:

01/2015 -	Generali Investments CEE, investiční společnost, a.s., (until 01/2016 operating under the name ČP INVEST investiční společnost, a.s.), member of the Supervisory Board
11/2013-12/2015	Generali Investments CEE, a.s., Czech Republic, member of the Supervisory Board

INFORMATION SECTION

FOR THE YEAR ENDED 31 DECEMBER 2018

- outside the Czech Republic (relevant in 2018):

Member of the Supervisory Board in the following companies:

Generali Osiguranje d.d., Croatia

Vice-chairman of the Supervisory Board in the following companies:

Generali Zavarovalnica d.d., Slovenia

Generali Towarzystwo Ubezpieczeń S.A., Poland

Generali Życie Towarzystwo Ubezpieczeń S.A., Poland

Generali Finance Sp. z o.o., Poland

Genertel Biztosító Zrt., Hungary

Generali Biztosító Zrt., Hungary

GP Reinsurance EAD, Bulgaria

Head of Controlling Department in:

Generali CEE Holding B.V., The Netherlands/Czech Republic

Previous work experience:

2008 - 2013 Assicurazioni Generali, Italy, Senior Controller - Group Strategic Planning & Control (4 FTE)

2005 - 2008 Darta Saving Life Assurance Ltd (Allianz Group), Ireland, Head of Financial Department

2004 - 2005 Riunione Adriatica di Securta (Allianz Group), Italy, Financial Controller - Finance and Investment Department

2000 - 2004 Ernst & Young Financial Business Advisors S.p.A., Italy, Supervisor

Alexandre Lepere

Education: Université Panthéon Assas, Paris II, France, Masters in Econometrics and Finance, Post Graduate course in Statistical Technologies

Work experience:

01/2015 – Generali Investments CEE, investiční společnost, a.s., (until 01/2016 operating under the name ČP INVEST investiční společnost, a.s.), member of the Supervisory Board

01/2015 - 12/2015 Generali Investments CEE, a.s., Česká republika, member of the Supervisory Board

2012 – Generali Investment Europe, CEO of Generali Investment Opera

2007 – 2012 Generali Investment Europe, Head of French Funds of Funds Department

2000 – 2006 Generali Investment Europe, Deputy Head of French Funds of Funds Department

1997 – 2000 Athena Alternative Asset Management (Allianz Group), Fund of Funds Manager

INFORMATION SECTION

FOR THE YEAR ENDED 31 DECEMBER 2018

Francesco Sola

Education: Università Cattolica del Sacro Cuore, Milan, Italy, majored in Business Administration - Banking, Insurance and Finance

Work experience:

01/2015 – Generali Investments CEE, investiční společnost, a.s., (until 01/2016 operating under the name ČP INVEST investiční společnost, a.s.), member of the Supervisory Board

01/2015 - 12/2015 Generali Investment CEE, a.s., Česká republika, member of the Supervisory Board

2014 – Generali Group - Group Investment Management, Head of Group Investment Governance

2006 - 2014 Deloitte, Italy, Enterprise Risk Services, Partner

2004 – 2006 Allianz S.p.A., Head of Investment Compliance

2002 - 2004 Pricewaterhouse Advisory, Senior Consultant

1999 - 2002 KPMG Advisory, Consultant

Portfolio managers – Information on entrusting the management of the Funds' assets

Information on portfolio managers of Generali Investments CEE, investiční společnost, a.s., authorized to administer the foregoing funds listed under article (b):

Ing. Daniel Kukačka

Education: 1987 - 1993 Czech Technical University, majored in Technical Cybernetics
1995 Broker certificate

Work experience:

01/2016 – Generali Investments CEE, investiční společnost, a.s., Portfolio Manager

9/2007 - 12/2015 Generali Investments CEE, a.s. (until 06/2008 operating under the name PPF Asset Management a.s., Generali PPF Asset Management a.s.), Portfolio Manager

06/2008 - 01/2015 ČP INVEST investiční společnost, a.s., Senior Portfolio Manager and member of the Supervisory Board (until 10/2004)

10/2000 - 9/2007 PPF investiční společnost a.s., Portfolio Manager and member of the Board of Directors

6/1999 - 5/2000 PPF burzovní společnost a.s., Portfolio Manager

2/1997 - 6/1999 Stratego Invest, Analyst

2/1995 - 2/1997 Stratego Invest, Portfolio Manager

2/1995 - 2/1996 Stratego Invest, head of Asset Management Department

2/1996

INFORMATION SECTION

FOR THE YEAR ENDED 31 DECEMBER 2018

Martin Pecka

Education:

1984 - 1988	University of South Bohemia in České Budějovice, Faculty of Education, Degree in National Schools
1994	Broker certificate I.
1994	Broker license
1994	Broker certificate II. – Derivatives

Work experience:

01/2016 –	Generali Investments CEE, investiční společnost, a.s., Portfolio Manager
since 9/2007	Generali Investments CEE, a.s. (until 06/2008 operating under the name PPF Asset Management a.s.)
06/2008 - 01/2015	Generali PPF Asset Management a.s., Senior Portfolio Manager
3/2002 - 9/2007	ČP INVEST investiční společnost, a.s., Portfolio Manager, Mutual Funds Administration
2001 - 2002	PPF investiční společnost a.s., Portfolio Manager
1998 - 2000	P.I.F - 1. Privatizační investiční fond, a.s., Sales Director
1995 - 1998	IPB Central Office, Head of Asset Management Department – management of assets of corporate clients, management of assets of an investment fund
1993 - 1995	Oblastní pobočka Praha – město (branch), Securities Department, brokering securities transactions, implementation of a trading system for securities trading at branches

Mgr. Patrik Hudec

Education:

2001- 2009	Charles University Prague, Faculty of Mathematics and Physics, majored in Finance and Insurance Mathematics
6/2007	Awarded a broker license based on obtaining A, B, C, D broker certificates.

Work experience:

01/2016 –	Generali Investments CEE, investiční společnost, a.s., Head of Fund Portfolio Management
12/2014 – 12/2015	Generali Investments CEE, a.s.
until 01/2015	Generali PPF Asset Management a.s., Senior Portfolio Manager
6/2007 – 11/2014	Generali PPF Asset Management a.s.
until 01/2015	PPF Asset Management a.s., Portfolio Manager
5/2006 - 6/2007	PPF Asset Management a.s., Portfolio Manager – Junior
2/2005 - 5/2006	PPF Asset Management a.s., Portfolio Administration Specialist

INFORMATION SECTION

FOR THE YEAR ENDED 31 DECEMBER 2018

- outside the Czech Republic (relevant in 2018):

Generali Invest CEE Public Limited Company, Ireland, Statutory Representative
Akcionarsko društvo za upravljanje dobrovoljnim penzijskim fondom GENERALI Belgrade, Serbia, member of the Board of Directors

- e) Information on entities in which the Company, as the manager of an investment fund or of a foreign investment fund established in the Czech Republic and the main administrator, had qualified shareholdings for the whole relevant period or a part thereof, with a specification of the amount and type of the qualified shareholding and profit or loss of each entity, including the period of time for which the Company had qualified shareholdings in such entities; if audited financial results of such entities are not available, the management company shall report unaudited financial results and shall indicate this fact**

The company only holds one founders' share in GENERALI INVEST CEE Plc., which is a foreign fund and of which the Company is the manager. Furthermore, Generali CEE Holding B.V. holds one founders' share of GENERALI INVEST CEE Plc. for the benefit of the Company.

- f) Information on entities that are not reported under article e) and i) and which in the relevant period acted in concert with the Company, as the manager of an investment fund or of a foreign investment fund established in the Czech Republic and the main administrator, and in concert with its identification information**

Besides the entities listed in the Annual Report or the Report on Related Parties, there are no other entities acting in concert with the Company.

- g) Information on judicial or arbitration disputes to which the Company, as the manager of an investment fund or of a foreign investment fund established in the Czech Republic and the main administrator, was or has been a party in the relevant period, on its own account or on the account of investment funds or foreign investment funds managed by the Company, if the value of the dispute exceeds 5% of the value of the assets of the management company or of the investment fund or of the foreign investment fund to which the dispute pertains.**

In the relevant period, the Company was not and has not been a party to any judicial or arbitration disputes, on its own account or on the account of investment funds or foreign investment funds managed by the Company, where the value of the dispute exceeds 5% of the value of the assets of the management company or of the investment fund or of the foreign investment fund to which the dispute pertains.

- h) Information on entities authorized in the relevant period by the Company, as the manager of an investment fund or of a foreign investment fund established in the Czech Republic and the main administrator, to perform specific activities, included in the management of an investment fund or of a foreign investment fund, or to perform specific activities, included in the administration of an investment fund or of a foreign investment fund, with a specification of identification data and specific activity for the performance of which they were authorized**

In the relevant period, the Company authorized no other entity to manage standard funds or foreign standard funds; the Company itself was their manager.

In the relevant period, the Company authorized the following entity to perform internal audit activities: Česká pojišťovna, a.s., with its registered office at Spálená 75/16, 113 04 Prague 1, business registration number (IČO): 45272956.

In the relevant period, the Company authorized the following entities to perform or procure activities, specifically marketing investments in investment funds and accepting application for issuing and redemption of investment fund securities:

- a) Direct Care s.r.o., with its registered office at Na Pankráci 1658/121, Nusle, Prague 4, postal code 140 00, business registration number (IČO): 26416549;
- b) ČP Distribuce a.s., with its registered office at Na Pankráci 1658/121, Nusle, Prague 4, postal code 140 00, business registration number (IČO): 44795084;
- c) Generali Distribuce a.s. (until 12 November 2018 under the name FINHAUS a.s.), with its registered office at Na Pankráci 1658/121, Nusle, Prague 4, postal code 140 00, business registration number (IČO): 27108562;
- d) Sberbank CZ, a.s., with its registered office at U Trezorky 921/2, Jinonice, Prague 5, postal code 158 00, business registration number (IČO): 25083325;
- e) MONETA Money Bank, a.s., with its registered office at Vyskočilova 1422/1a, Michle, Prague 4, postal code 140 28, business registration number (IČO): 25672720.

In the reporting period, the Company was the manager of the Generali Invest Foreign Fund. The Company entrusted the activities of the Generali Invest Foreign Fund's administrator to SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES, SGSS (IRELAND) LIMITED, IFSC House, International Financial Services Centre, Dublin 1, Ireland, which also prepares the Annual Report of the Generali Invest Foreign Fund pursuant to applicable Irish legislation, available online at <https://www.generali-investments.cz/o-nas/vyrocní-zpravy.html>

- i) Information on entities which had qualified shareholdings in the Company, as the main administrator, for the whole relevant period or a part thereof, with a specification of identification data, the amount and type of the qualified shareholding in the Company, including the period of time for which the entities had qualified shareholdings in the Company**

The Company's sole shareholder is CZI Holdings N.V., De entree 91, Amsterdam, postal code: 1101BH, The Netherlands. This company is included in the consolidated group of the parent company.

REPORTING OBLIGATION

Pursuant to Act No. 240/2013 Coll., on Management Companies and Investment Funds, as amended (hereinafter the “**AMCIF**”), and Annex No. 4 to Decree No. 244/2013 Coll., on More Detailed Regulation of Some Rules Set Out by the Act on Management Companies and Investment Funds, as amended (hereinafter the “**Decree**”) the Company hereby discloses:

a) Information on changes in the information related to the Company, as the manager of an investment fund or of a foreign investment fund established in the Czech Republic and the main administrator, recorded in the Commercial Register that occurred in the relevant period

In the reporting period 2018, changes in the information recorded in the Commercial Register were as follows:

1) Changes in the Supervisory Board section – member of the Supervisory Board:

- Carlo Schiavetto, member of the Supervisory Board: on 19 October 2018, home address Americká 177/35, Vinohrady, 120 00 Praha 2, was deleted and home address Anny Letenské 34/7, Vinohrady, 120 00 Praha 2, was entered.

b) Information on investment funds and foreign investment funds that the Company managed or administered in the relevant period, as the manager of an investment fund or of a foreign investment fund established in the Czech Republic and the main administrator

In the relevant period, the Company was the manager and administrator of the following investment funds:

Standard collective investment funds:

- Fond konzervativní, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (participation certificates Class R – ISIN: CZ0008474145; participation certificates Class I – ISIN: CZ0008475548)
- Fond vyvážený dluhopisový, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474806)
- Fond korporátních dluhopisů, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008471786)
- Fond balancovaný konzervativní, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (participation certificates Class R – ISIN: CZ0008471760, participation certificates Class I – ISIN: CZ0008475514)
- Fond globálních značek, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (participation certificates Class R – ISIN: CZ0008471778, participation certificates Class I – ISIN: CZ0008475530)
- Fond farmacie a biotechnologie, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474129)
- Fond ropy a energetiky, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474152)
- Fond nových ekonomik, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474137)

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- Fond nemovitostních akcií, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008472396)

(hereinafter the **“Standard Funds”**)

Special collective investment funds:

- Fond zlatý, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008472370)
- Fond živé planety, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008472693)
- Fond fondů vyvážený, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008473287)
- Fond fondů dynamický, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008473303)

- 2. Dluhopisový zajištěný otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474020) - the fund was terminated in accordance with its Statute as at 18 June 2018 and the winding up of the fund continues
- Fond cílovaného výnosu, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474889)

(hereinafter the **“Special Funds”**)

Qualified investors funds:

- Generali Real Estate Fund CEE a.s., investiční fond (ISIN: CZ0008041092)
- 15. Zajištěný fond kvalifikovaných investorů, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008473840)
- Fond kreditního výnosu, otevřený podílový fond kvalifikovaných investorů Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474988)
- Realitní fond, otevřený podílový fond kvalifikovaných investorů Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008475316)