



A PURPOSEFUL
MUTUAL
INSURANCE
GROUP

PRESS RELEASE
18 April 2023

2022: strong results and a new dimension

KEY FIGURES AND HIGHLIGHTS:

- In 2022, **earned premiums amounted to €22.7 billion**, representing a growth of 19.1% as a result of **PartnerRe's** integration since 12 July 2022 which contributed **€4.1 billion**.
- **Exceptionally high weather-related claims in France** led to the mobilisation of claims teams to assist members on a scale unprecedented in over 20 years.
- The **economic and financial environment** was impacted by strong inflationary pressures and higher interest rates.
- The **7% increase in net income, to €896 million**, with €348 million coming from PartnerRe, underlines the efficiency of Covéa's model.
- **Solid financial position**, with Group equity standing at €17.6 billion and a solvency ratio at 226%¹.

"In 2022, France faced a level of inflation unprecedented over the past 40 years as well as weather events of rare intensity, especially hailstorms and drought. In these difficult circumstances, we fully rose to the challenge of protecting our members.

Firstly, thanks to the unstinting efforts of our teams in providing members with support, especially after large-scale events, and to our teams' steadfast commitment on a daily basis.

Secondly, by introducing innovative solutions enhancing the effectiveness of our claims management, such as car bodywork repairs, and beyond that, by developing experiments, for example to prevent the consequences of future droughts or to make it easier to contact us at peak times.

Lastly, we remained committed to our policy of smoothing pricing changes applied to MAAF, MMA and GMF members."

Michel Gougnard, Chairman

"With the completion of the acquisition of PartnerRe, Covéa has gained a whole new dimension and is extending its professional know-how and capabilities right across the risk chain.

In a global environment characterised by the increasing intensity of natural events, PartnerRe delivered good results and is contributing to the Group's financial strength.

Despite an unfavourable environment, the Group was strengthened by solid 2022 results from both the Insurance France and Reinsurance activities.

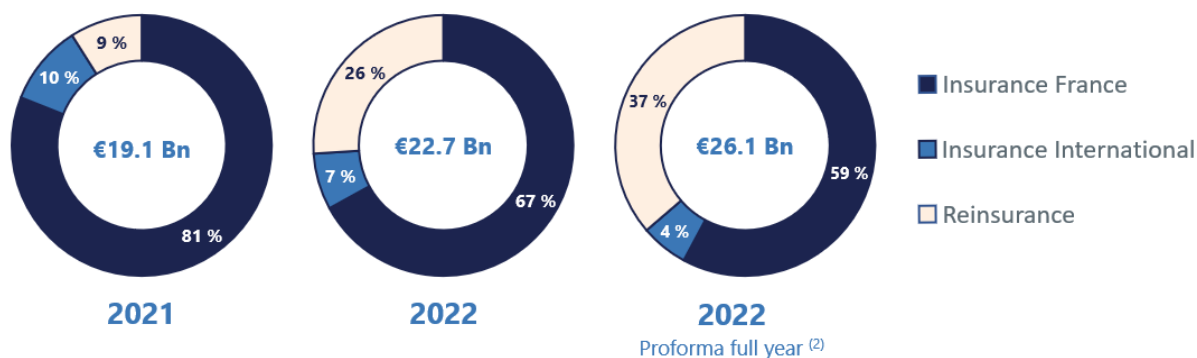
In 2023, the Group's teams will maintain their collective commitment to finalize the creation of the new combined entity in a smooth and efficient manner. Covéa will thus be able to expand its range of products and services and its risk management expertise, benefiting its customers and members."

Thierry Derez, Chief Executive Officer

Activities:

Earned premiums totalled **€22,696 million, up 19.1%** from €19,064 million at 31 December 2021.

<i>In euros million</i>	2022	2021
Property and casualty insurance	9,888	9,839
Life, health and protection insurance	5,418	5,569
Insurance France	15,306	15,408
Reinsurance	5,822	1,705
Insurance International	1,568	1,951
Total insurance and reinsurance activities	22,696	19,064



Insurance France:

Earned premiums from **property and casualty insurance** rose **0.5%** to **€9,888 million**:

- Earned premiums from **personal lines** totalled €5,981 million, up 0.9% on 31 December 2021. Excluding the BPCE partnership, premiums grew in motor insurance and private risks by 1.0% and 2.6% respectively.
- In **commercial lines**, earned premiums stood at €3,525 million, stable compared to 2021. The decline in premiums in the affinity markets was offset by selective price increases in business market and a good momentum in professionals market.
- Earned premiums in the **legal protection** market rose 4.3% to €277 million.

Earned premiums from **life, health and protection insurance** decreased **2.7%** to **€5,418 million**:

- In **health and protection**, development continued with premiums rising 3.3%. Both markets contributed to this growth, with premiums rising 1.2% and 7.4%, respectively. Group insurance policy premiums were up 5.2% to €853 million. Individual policy premiums increased by 2.3% to €1,618 million.
- In **savings**, gross inflows decreased by 7.7%, in a contracting market, mainly on euro-denominated policies and to a lesser extent on unit-linked policies. Premiums were stable in the **retirement savings market** thanks to the continued development of PER (*Plan d'Épargne Retraite*) products.

Reinsurance:

<i>In euros million</i>	2022	2021
Non-life reinsurance	3,757	349
Life reinsurance	2,065	1,356
Reinsurance	5,822	1,705

In **reinsurance**, the significant increase of earned premiums is driven by the integration from 12 July 2022 of **PartnerRe**, which contributed to €4,082 million, of which €3,334 million in non-life reinsurance and €748 million in life and health reinsurance. Earned premiums arising from other reinsurance activities rose 2.1%, with non-life premiums increasing from both the development of the portfolio and pricing increases.

Insurance International:

Earned premiums from **international subsidiaries** decreased to **€1,568 million** after the sale of Bipiemme Vita and Bipiemme Assicurazioni in July 2022. Excluding this impact, premiums rose 9.7%.

Results:

Net income (Group share) totalled **€896 million** compared with €838 million at 31 December 2021.

<i>In euros million</i>	2022	2021
Net income (Group share)	896	838
of which Insurance France	778	883
of which Reinsurance	214	(92)
of which Insurance International	(117)	24
Average investment yield³	2.5%	2.2%
Group combined ratio	98.2%⁴	97.1%
Insurance France combined ratio	99.1%	96.6%
Reinsurance combined ratio	92.7% ⁵	103.2% ⁶

Insurance France:

In **non-life insurance**, 2022 brought exceptionally high weather-related claims experience affecting both personal and commercial lines as a result of a series of wind- and hailstorms in May and June, as well as a record level of drought. Aside from this significant level of claims experience, both claims settlements and reserves have also been impacted by higher inflation. These negative impacts were partially offset by outward reinsurance, reversals of equalisation reserves and the positive impact of higher interest rates on long-term annuities reserves. As a result, the combined ratio increased by 2.5 pp to 99.1%.

In **life insurance**, earnings were stable relative to 2021. Against the backdrop of higher interest rates, Covéa raised the rates credited to policyholders on the flagship products of the Group's three brands, while maintaining the level of the profit-sharing reserve, which stood at 6.2%⁷ of mathematical reserves for euro-denominated savings and retirement policies.

Reinsurance:

In reinsurance, PartnerRe was consolidated for the first time in 2022, leading to a contribution of €348 million. Over the period, non-life earnings were driven by the quality of underwriting and higher market prices, despite the impact of Hurricane Ian, which hit the United States. In life reinsurance, PartnerRe’s contribution included a positive effect reflecting the rise in interest rates on mathematical reserves covering guaranteed minimum death benefits.

Other reinsurance activities posted a loss, with claims experience remaining high in life reinsurance.

Insurance International:

International insurance entities recorded a loss of €117 million. In the **United Kingdom**, Covéa Insurance’s earnings decreased significantly in 2022, down to a loss of €121 million in a highly competitive market. Technical results were negatively impacted by a very high inflation combined with an increase of claims frequency observed after two years of lockdowns. A plan to breakeven was set up and has resulted in non-recurring write-offs of intangible assets.

Balance sheet:

<i>In euros billion</i>	2022	2021
Group equity	17.6	17.2
Debt⁸	1.7	0.2
Investments (net book value)⁹	105	101
Unrealised capital gains or losses⁹	(0.7)	13.1
Solvency ratio¹	226%	351%

Financial strength ratings¹⁰:



AA- Stable outlook



Aa3 Stable outlook



A+ (Superior) Stable outlook

Outlook:

In a new economic and financial environment, the Group will continue deploying its **2022–2024 strategic plan, “Growing Together,”** which draws on its three core values of **leadership**, based on the professionalism of its staff and supporting profitable growth, **transformation**, particularly in its digital and distribution activities, and **responsibility** with regard to its customers and members, and more generally all of its stakeholders.

The Group will also continue to integrate **PartnerRe** into its key processes and pursue its new business model over the long term.

The financial statements¹¹ will be submitted for approval to the General Meeting on 28 June 2023.

About Covéa

Mutual insurance group Covéa is a European leader in insurance and reinsurance. Covéa is a solid and dynamic financial player, France's number one property and casualty insurer through its three brands MAAF, MMA and GMF, and the world's tenth-largest reinsurer via its PartnerRe brand. Covéa is a major contributor to the regional economies through its 24,000 employees in France and around the world and protects 11.5 million customers and members in France.

Press contact

presse@covea.fr

LinkedIn • Twitter • YouTube

covea.com

Notes:

Note 1: Covéa Group's Solvency ratio is calculated by applying the standard formula set by Solvency II regulation. PartnerRe Group has been included in Covéa Group's Solvency II ratio, as a transitional measure at December 31 2022, following the deduction and aggregation method, based on the local regulatory requirements (BMA), adjusted for i) the impacts of the revision of the BMA BSCR model, ii) the eligibility of debts in own funds based on Solvency II regulatory requirements and iii) a 5% add-on required by the Covéa Group's supervisor (ACPR). From Q1 2023, PartnerRe Group will be included in Covéa Group's Solvency II ratio based on the accounting consolidation-based method set forth in the Solvency II regulation.

Note 2: The full-year pro forma figures reflect the Group's earned premiums including PartnerRe's earned premiums over 2022 as a whole, converted at the average annual exchange rate and excluding the contribution made by the Italian subsidiaries sold in July 2022.

Note 3: Investments (including operating property) held by the Group's insurance and reinsurance entities, excluding bank accounts, investments accounted for using the equity method and investments held to cover unit-linked liabilities.

Note 4: Excluding amortisation of intangible assets resulting from the acquisition, net of PartnerRe's deferred acquisition costs for the period as well as non-recurring costs in the United Kingdom : overall total amounting to €354 million.

Note 5: Excluding amortisation of intangible assets resulting from the acquisition, net of PartnerRe's deferred acquisition costs for the period, totalling €293 million.

Note 6: After the impact of internal reinsurance.

Note 7: Excluding the reserve for deferred profit-sharing.

Note 8: The increase is linked to the acquisition of PartnerRe, which had €1,596 million in subordinated and senior debts at 31 December 2022.

Note 9: Investments (including operating property and investments held to cover unit-linked liabilities) held by all the Group's entities, excluding bank accounts, and investments accounted for using the equity method.

Note 10: The S&P Global Ratings financial strength rating applies to the rated entities of the Covéa group considered as "core" under the agency's methodology. The financial strength ratings of Moody's Investors Service and AM Best apply to Covéa Coopérations.

Note 11: The combined financial statements were authorised for issue by the Board of Directors on 17 April 2023 and are subject to the completion of the audit procedures by the Statutory Auditors.

This document is a free translation of the original French document, available on the Group website, and is provided for information purposes only. The original French version takes precedence over this translation.