SOLVENCY AND FINANCIAL CONDITION REPORT 2022
EXECUTIVE SUMMARY TRANSLATION

This document is a free translation of the Solvency and Financial Condition Reports' executive summary, originally issued in French and provided for information purposes only. The original French version takes precedence over this translation.

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Summary

The present Solvency and Financial Condition Report (SFCR) has been prepared, in accordance with the public disclosure requirements of Articles 51 to 56, 256 and 256 bis of the Directive 2009/138/EC of the European Parliament and Articles 290 to 298 and 359 to 364 of the Delegated Regulation (EU) 2015/35.

This report covers the period between 1 January 2022 and 31 December 2022. The full report in French consists of an executive summary, five sections (Business and performance, System of governance, Risk profile, Valuation for Solvency purposes and Capital Management) and a set of quantitative reports presented in the appendices.

This report relating to the 2022 financial year was presented to the Audit Committee and the Risks Committee on 10 May 2023 and was approved by the Board of Directors at its meeting of 16 May 2023. It has also been submitted to the French Prudential Supervision and Resolution Authority (ACPR).

Significant event

On 12 July 2022, Covéa finalised the acquisition of PartnerRe from Exor. The acquisition cost, paid entirely in cash, was €8.0 billion, including the effect of the currency hedging put in place ahead of the acquisition being finalised as well as acquisition-related expenses.

PartnerRe is a leading reinsurer with a world-renowned brand and technical expertise, offering a comprehensive and diversified range of non-life reinsurance, as well as life and health reinsurance products. It underwrites risks on a worldwide basis, primarily in North America, Europe and the Asia-Pacific region.

The acquisition of PartnerRe fits in with Covéa’s long-term strategy, anticipating changes in the global insurance industry by diversifying its product range, risks and the geographies in which the Group operates. It strengthens its position across the entire risk management value chain and enables it to create a leading European insurance and reinsurance group.

The PartnerRe Group has been included in Covéa Group’s Solvency II ratio, as an exceptional and transitional measure at December 31 2022, according to 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). The PartnerRe group will be included in the Covéa Group’s solvency ratio according to the accounting consolidation-based method from the first quarter of 2023 onwards.

Business and performance

Covéa is a multi-brand mutual group operating in the insurance and reinsurance markets:

- In the French insurance market, Covéa operates primarily *via* three strong complementary brands – MAAF, MMA and GMF – offering a comprehensive and diversified range of products covering all the needs of its customers and members. Leader in property and casualty insurance in France, Covéa protected 11.5 million customers and members at the end of 2022. Covéa also has insurance operations outside France, primarily *via* Covéa Insurance, its United-Kingdom subsidiary operating in the non-life insurance market.

- In the reinsurance market, Covéa operates mainly *via* PartnerRe, one of the world leaders in reinsurance, the acquisition of which was finalised in July 2022. PartnerRe offers a wide range of non-life and life reinsurance products, and works with insurance companies all over the world. Covéa is also present in the reinsurance market *via* Covéa Coopérations.

Key performance indicators[1] - Insurance France

Earned premiums (in € billions)	Economic operating income (in € millions)
15.3	**1,059**

In non-life insurance, 2022 brought exceptionally high weather-related claims experience and a rise in inflation, which impacted claims settlements and reserves. These effects were partially offset by outward reinsurance, reversals of equalisation reserves and the positive impact of higher interest rates on annuities reserves. As a result, the combined ratio increased by 2.5 pp to 99.1%. In life insurance, economic operating income remained relatively stable year-on-year.

Key performance indicators[1] - International insurance

Earned Premiums (in € billions)	Economic operating income (in € millions)
1.6	**-108**

2022 saw the sale of the Group's Italian subsidiaries in July 2022 and a significant decrease in earnings in the United Kingdom in a highly competitive market. A very high inflation combined with an increase of claims frequency also weighed down earnings. A plan to breakeven was set up and has resulted in non-recurring write-offs of intangible assets.

Key performance indicators[1] - Reinsurance

Earned Premiums (in € billions)	Economic operating income (in € millions)
5.8	**253**

2022 saw the acquisition of PartnerRe, which made a contribution to earned premiums of €4.1 billion and to economic operating income of €409 million over the period from 12 July to 31 December 2022. Other reinsurance activities posted a loss, with claims experience remaining high in life reinsurance.

Key performance indicators - financial[2 3]

Net financial income (in € billions)	Average investment yield
2.3	**2.5%**

Net financial income increased by €314 million, mainly as a result of the acquisition of PartnerRe, which made a contribution of €341 million over the period from 12 July 2022 to 31 December 2022. The Group's average investment yield was 2.5% compared with 2.2% at end-2021.

[1] Economic operating income corresponds to "Economic operating income before goodwill amortisation and impairment" in the income statement (Section 5 of the annual report, "Financial statements").
[2] Net financial income: excluding adjustments on unit-linked policies and net financial income from other activities as stated in Section A4 of this report.
[3] Average investment yield: excluding adjustments on unit-linked policies, financing costs and net financial income from other activities as stated in Section A4 of this report.

System of governance

- The Covéa mutual insurance group aims to bolster the long-term success and growth of its affiliated entities and their subsidiaries. The Covéa Group's parent company is a group of insurance mutuals (SGAM – Société de Groupe d'Assurance Mutuelle) that establishes and maintains strong and lasting financial relationships with its affiliated companies. The Group is governed by a Board of Directors.

- The Group's governance system is aligned with its business model and activities and facilitates the implementation of its strategy. It is based on a clear separation of duties and an effective communication system, made possible in particular by the information and decision-making bodies in place. This operational governance fosters cooperation, ensures sound and prudent management of the Group's businesses.

BOARD OF DIRECTORS

CHAIRMAN OF THE BOARD OF DIRECTORS

The Board of Directors determines the strategic orientations and ensures their implementation

Audit Committee	Risks Committee	Remuneration and Appointments Committee	Strategic Committee

EXECUTIVE MANAGEMENT

CHIEF EXECUTIVE OFFICER

DEPUTY CHIEF EXECUTIVE OFFICERS

The Chief Executive Officer and the Deputy Chief Executive Officers hold the broadest powers to act in all circumstances on behalf of Covéa and represent Covéa in its dealings with third parties.

EXECUTIVE COMMITTEE (1)

The Executive Committee assists the Chief Executive Officer and the Deputy Chief Executive Officers in the operational coordination of the Group's entities and activities

(1) As of 1 January 2023, Covéa's Executive Committee is replaced by the Group Management Committee

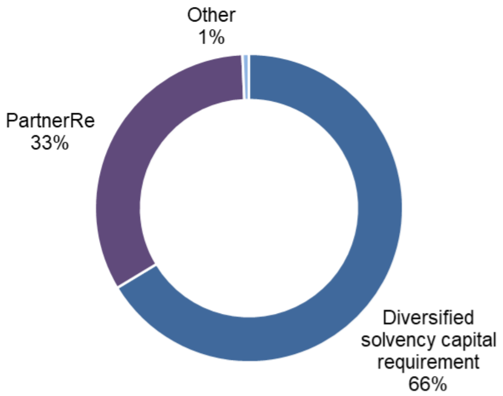
Within the context of the acquisition of PartnerRe, which represents a major transformation for the Group:

- Covéa's Board of Directors decided to separate the roles of Chairman of the Board of Directors and Chief Executive Officer, and appointed Michel Gougnard as Chairman of the Board of Directors of Covéa as of 1 July 2022. Thierry Derez has been reappointed as Chief Executive Officer.
- The Group changed its operating governance on 1 January 2023 with the creation of a Group Management Committee to discuss and manage the Group's strategic and financial matters.

- The control system deployed within the Covéa Group ensures the risks to which it is exposed are effectively controlled and managed. It provides the governance bodies with regular access to the information necessary for overseeing and managing the Group's risks and activities. The risk management, internal control, compliance and internal audit systems as well as the actuarial function contribute in particular to the overall control system.

Risk profile

Breakdown of solvency capital requirement[4]

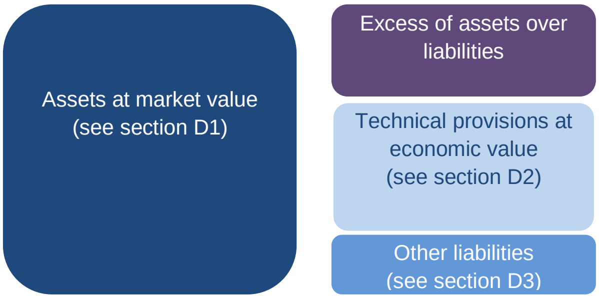


Breakdown by risk module[5]

- As an insurance group, Covéa's business by nature consists in creating value by managing risks, most of which are inherent to its activity. The risks to which the Group is exposed are managed and monitored continuously by the control system implemented within the Group.
- The standard formula suits the Group's overall risk profile. As such, the solvency capital requirement assessed under Solvency II rules adequately quantifies the risks to which the Group is exposed. Other risks not covered by the standard formula are also monitored and managed.
- Sensitivity testing is performed as part of forward-looking solvency and ongoing monitoring processes. These have demonstrated the resilience of the Group's solvency capital requirement coverage ratio in highly adverse circumstances.

Valuation for solvency purposes

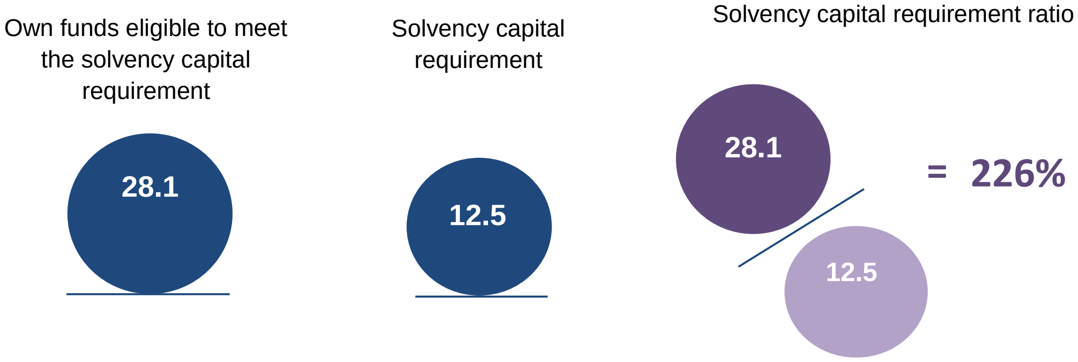
- The categories of assets and liabilities that make up the prudential balance sheet have been valued in accordance with Solvency II standards at the amount for which they could be exchanged as part of an arm's length transaction.
- Prudential accounting standards differ from French accounting standards. The main valuation differences relate to the Group's investment assets, recognised at market value, and technical provisions assessed in the prudential balance sheet at their economic value, which corresponds to a transfer value.



[4] "Other" corresponds to the solvency capital requirement for undertakings included according to the deduction and aggregation method (excluding PartnerRe) and the capital requirement for non-controlled participation requirements.
[5] As a percentage of the sum of risk modules of the diversified solvency capital requirements net of loss-absorbing capacity of technical provisions, before loss-absorbing capacity of deferred taxes and diversification effect between risk modules.

Capital management

(In € billions)



- The solvency capital requirement is calculated by applying the standard formula. The Group has used the volatility adjustment referred to in Article 77 quinquies of Directive 2009/138/EC in relation to its main life insurance entities (MMA Vie, GMF Vie, MAAF Vie) since 31 December 2021, and its main non-life insurance entities (MMA IARD SA, MAAF Assurances SA and GMF Assurances) since 31 December 2022. The impact of this measure represents an additional 3 points for the solvency capital requirement ratio as at 31 December 2022. No other long-term guarantee measures (matching adjustment) or transitional measures (concerning technical provisions or the risk-free interest rate term structure used to discount technical reserves) are applied.

- 97% of the Group's own funds are unrestricted Tier 1 own funds, corresponding to the highest quality own funds. Own funds eligible for the Group's solvency capital requirement coverage totalled €28,143 million compared with €27,950 million in 2021. The amount of own funds eligible for the minimum consolidated capital requirement amounted to €18,707 million compared with €27,871 million in 2021.

- The Group's solvency capital requirement, calculated using the standard formula, amounted to €12,464 million, compared with €7,956 million in 2021.

- The resulting ratio of eligible own funds to solvency capital requirement equalled 226%, compared with 351% at the end of the previous financial year.

- The Group's minimum consolidated capital requirement, calculated using the standard formula, corresponded to €4,064 million compared with €3,898 million in 2021.

- The Group's ratio of eligible own funds to the minimum consolidated capital requirement came out at 460%, compared with 715% at the end of the previous financial year.

- The change in the solvency capital requirement and the minimum capital requirement ratios was due to the acquisition of PartnerRe.

- No breach of the Group's applicable solvency capital requirement occurred during the period under review.

A PURPOSEFUL
MUTUAL
INSURANCE
GROUP

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