



Mutualiser nos forces,  
assurer l'avenir

12 April 2024

## PRESS RELEASE

### 2023 annual results

#### KEY FIGURES AND HIGHLIGHTS:

- PartnerRe was successfully integrated, vindicating the Group's strategy.
- **Earned premiums** rose 18% to **€26.8 billion** and net income was very strong at **€1.5 billion**.
- **Earnings remained resilient in France** despite higher claims experience and a tough economic environment:
  - **In non-life insurance**, claims were pushed higher by natural events, inflation-related cost increases, large claims and reduced mitigation through ceded reinsurance, taking the combined ratio to 102%.
  - **In life insurance**, appropriate financial management made it possible to increase policyholder returns.
- **PartnerRe performed very well in both technical and financial terms** in favourable market conditions, with a combined ratio of 84.2%.
- **The Group's financial position remains solid**, with equity of €18.8 billion and a solvency ratio of 200%.

*"2023 brought some exceptional challenges. We saw violent riots in June, Storms Ciaran and Domingos in November and flooding in northern France in December, making life particularly difficult for some of our customers and members.*

*We responded to those events with determination, providing immediate support to our members as well as ongoing assistance in managing their claims.*

*With the efforts of all of our teams and our digital capabilities, we were able to deal with an exceptional number of claims while maintaining the quality of our service.*

*In addition, in difficult economic circumstances, we limited price increases while ensuring that our policies provide the best possible coverage. Our close ties with our members means that we can adjust to their changing personal and property insurance needs."*

**Michel Gougard, Chairman**

"2023 was the year when we fully implemented the Group's strategy, and we delivered a strong performance.

In France, we limited the impact on our results caused by higher repair costs and claims arising from social unrest and climate events. Our reinsurance business, through PartnerRe, helped make Covéa more robust in both financial and technical terms.

At a time when major risks such as the climate and cybersecurity are giving rise to new customer needs, the good fit between Covéa's areas of expertise is helping to provide the best possible service to all our customers and members and enables us to look forward with confidence. Our investments in artificial intelligence will help us greatly in achieving this. In 2024, we intend to pursue our risk prevention efforts. The more effective those efforts are, the more our risk pooling methods will be understood and accepted by all our policyholders.

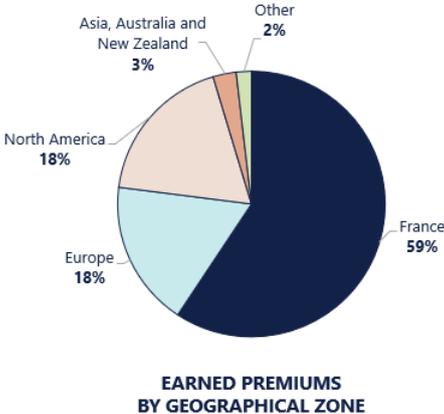
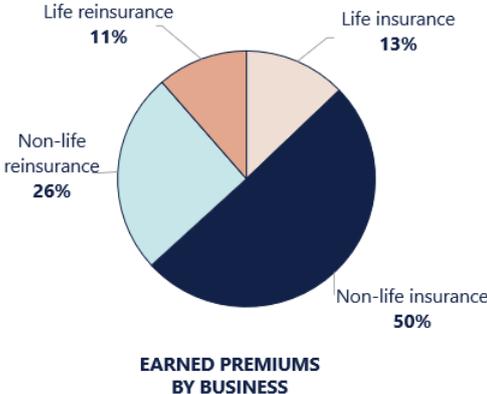
Our workforce consists of 24,000 people in France and around the world who show their dedication to serving our members and customers every day, because they love the work they do. They are the ones who see and understand the shifts in our society. Our resolutely modern approach to the mutual model encourages these social ties, which help us protect our collective more effectively. I would like to offer our staff my sincere thanks."

**Thierry Derez, Chief Executive Officer**

**Business performance:**

**Earned premiums** totalled **€26,768 million** in 2023, **up 17.9%** relative to the 2022 figure of €22,696 million.

<b>IN € MILLIONS</b>	<b>2023</b>	<b>2022</b>
Insurance France	15,875	15,306
Insurance International	1,038	1,568
<b>Total Insurance</b>	<b>16,914</b>	<b>16,874</b>
<b>Reinsurance</b>	<b>9,855</b>	<b>5,822</b>
<b>Total earned premiums</b>	<b>26,768</b>	<b>22,696</b>



## Insurance France:

In **property and casualty insurance**, earned premiums totalled €10,137 million, up 2.5% relative to 2022.

- Earned premiums from **personal lines** amounted to €6,100 million, up 2.0% compared with 2022. They rose by 1.9% in motor insurance and 2.2% in private risks, mainly due to price increases.
- In **commercial lines**, earned premiums totalled €3,637 million, up 3.2% relative to 2022. In non-affinity markets, premiums grew by 6.7%, due primarily to price increases. In the affinity market, premiums fell because of lower business levels.
- Earned premiums in the **legal protection market** rose 4.8% to €290 million.

In **life, health and protection insurance**, earned premiums increased 5.9% year-on-year to €5,738 million:

- Growth in the **health and protection** markets continued, with premiums up 5.1% relative to 2022. In health insurance, premiums rose 5.0% due to the combined effect of a higher number of beneficiaries as well as price increases on individual and group policies. In protection insurance, premiums were up 5.1%, driven mainly by non-life protection policies.
- In **savings**, gross inflows rose by 6.5%, boosted by an increase in euro-denominated policies, partly offset by a decrease in unit-linked policies. In **retirement savings**, premiums were driven by growth in PER (*Plan d'Épargne Retraite*) products.

## Reinsurance:

IN € MILLIONS	2023	2022
<b>Non-life reinsurance</b>	6,811	3,757
<b>Life reinsurance</b>	3,044	2,065
<b>Total Reinsurance</b>	<b>9,855</b>	<b>5,822</b>

Earned premiums in reinsurance surged 69.3% in 2023 due to the full-year integration of PartnerRe, which contributed €8,425 million (€6,477 million in non-life reinsurance and €1,948 million in life reinsurance). Earned premiums at Covéa Coopérations fell by 17.8%, mainly in life reinsurance.

On a comparable basis<sup>(1)</sup>, **PartnerRe's** gross earned premiums rose by 9.0% at constant exchange rates relative to 2022:

- In non-life reinsurance, earned premiums were up 4.8%, including a 2.1% increase in the property and casualty segment – driven by the catastrophe business in favourable market conditions – and an 11.1% increase in the specialty segment.
- Life reinsurance premiums rose 26.0%, mainly because of strong growth in longevity risks.

### Insurance International:

Earned premiums amounted to €1,038 million, down 33.8% because of the disposal of the Group's subsidiaries in Italy in July 2022. Excluding that effect, premiums fell by 8.9%.

In the **United Kingdom**, premiums at Covéa Insurance totalled €908 million, down 8.1% at constant exchange rates, reflecting the initial impact of the plan adopted in January 2023 to return to breakeven. Under that plan, Covéa Insurance gradually withdrew from certain business areas regarded as non-strategic in 2023. In the **United States**, CSE's premiums remained stable at €130 million in 2023. CSE has no longer been writing new business since 1 January 2024, and is no longer renewing existing policies.

### Results:

In 2023, net income (Group share) totalled **€1,480 million** compared with €896 million the previous year.

IN € MILLION	2023	2022
<b>Net income (Group share)</b>	<b>1,480</b>	<b>896</b>
Of which Insurance France	638	778
Of which Reinsurance <sup>(2)</sup>	1,087	230
Of which Insurance International	-155	-117
<b>Average investment yield<sup>(3)</sup></b>	<b>2.6%</b>	<b>2.5%</b>
<b>Group combined ratio<sup>(4)</sup></b>	<b>97.3%</b>	<b>98.2%</b>

### Insurance France:

Net income (Group share) from French insurance entities amounted to €638 million compared with €778 million the previous year:

- In **non-life insurance**, net income amounted to €321 million and the combined ratio was 102.0% as opposed to 99.1% in 2022. After exceptionally severe climate events in 2022, claims related to natural events remained high in 2023, particularly as a result of storms and flooding in the fourth quarter. The net cost of natural events increased, because there was less mitigation of their impact through ceded insurance and reversals of equalisation reserves. Excluding natural events, recurring claims expense was affected by higher average costs arising from inflation and by the intensity of large claims in commercial lines, including the cost of urban violence in June 2023. The positive impact of higher interest rates on long-term annuity reserves was also smaller than in 2022. Net financial income increased, mainly because of higher recurring income from bonds resulting from reinvestment at higher interest rates.
- In **life insurance**, net income totalled €317 million and rose mainly because of higher management and financial margins. In a context of ongoing high inflation and interest rates, Covéa increased the rates credited to policyholders on its flagship products. €306 million was released from the profit sharing reserve<sup>(5)</sup>, which totalled €2,605 million at 31 December 2023, representing 5.6% of mathematical reserves in euro-denominated savings and retirement policies.

## Reinsurance<sup>(2)</sup>:

Net income (Group share) from reinsurance activities was €1,087 million, up €857 million relative to 2022, driven by the full-year integration of PartnerRe.

**PartnerRe** generated income of €1,468 million in 2023. In non-life reinsurance, underwriting result<sup>(6)</sup> amounted to €1,024 million and the combined ratio<sup>(7)</sup> was 84.2% as opposed to 91.0% in 2022. The improvement was due to limited claims arising from natural events and a lower attritional claims ratio. In life reinsurance, underwriting result<sup>(6)</sup> amounted to €78 million. PartnerRe's contribution was also driven by a high level of financial income, along with non-recurring income of €384 million related to the enactment of Bermuda's new corporate income tax.

In 2023, **Covéa Coopérations'** reinsurance business made a net loss of €380 million. That resulted mainly from a technical loss on life reinsurance, including adverse developments relating to prior years.

## Insurance International:

The Insurance International business made a loss of €155 million in 2023. In the **United Kingdom**, Covéa Insurance's income continued to be affected by a highly competitive market and particularly high inflation. A plan to return to breakeven was adopted in January 2023, including the gradual withdrawal from loss-making and non-strategic businesses. In the **United States**, CSE has no longer been writing new business or renewing existing policies since 1 January 2024. CSE made a loss of €39 million in 2023, mainly due to high current-year claims experience.

## Balance sheet:

IN € BILLIONS	2023	2022
Group equity	18.8	17.6
Debt	1.7	1.7
Investments (net book value) <sup>(8)</sup>	108	105
Unrealised capital gains or losses <sup>(8)</sup>	3.1	-0.7
Solvency ratio <sup>(9)</sup>	200%	226%

The €1.2 billion increase in **equity** resulted from the Group's net income, partly offset by the impact on PartnerRe's equity caused by the euro's rally against the US dollar.

**Unrealised capital gains or losses** rose by €3.8 billion due to the decline in interest rates and the rise in equity markets in 2023.

The **solvency ratio** was 200% at the end of the year as opposed to 226% at 31 December 2022. The decrease was mainly due to the PartnerRe group being included using the standardised approach in 2023<sup>(9)</sup>.

## **Outlook:**

In its insurance business – which includes the MAAF, MMA and GMF brands – the Group is continuing to implement its 2022-2024 strategic plan entitled "*Growing Together*".

In terms of leadership, Covéa is working to ensure that its members and customers benefit from the commitment and professionalism of its teams, while pursuing its profitable growth strategy. The Group is continuing its transformation, particularly through the adoption of digital technologies, and remains committed to its customers and members, but also to its staff members and partners, with respect to meeting societal and environmental challenges.

With PartnerRe, the Group will also continue to develop its reinsurance business and increase its knowledge of risks in an ever-changing international environment, thereby continuing to secure the long-term future of its business model.

## **Financial strength ratings<sup>(10)</sup>:**

**S&P Global**  
Ratings

AA- Stable outlook

**MOODY'S**

Aa3 Stable outlook



A+ (Superior) Stable outlook

**The financial statements<sup>(11)</sup> will be submitted for approval to the General Meeting on 27 June 2024.**

### **ABOUT COVÉA**

Covéa is a mutual insurance group that is a European leader in insurance and reinsurance.

It is a solid and dynamic financial institution, France's number one property and casualty insurer through its three brands MAAF, MMA and GMF, and one of the world's largest reinsurers via its PartnerRe brand. Covéa is a major contributor to the regional economies in which it operates, through its 24,000 employees in France and around the world and protects 11.4 million customers and members in France.

### **Press contact**

[presse@covea.fr](mailto:presse@covea.fr) – +33 6 70 27 69 24

Find @groupecovea on social media and at [covea.com](https://www.covea.com)

## **Notes:**

**Note 1:** US GAAP accounts.

**Note 2:** The net income from reinsurance activities includes all entities of PartnerRe as well as Covéa Coopérations' reinsurance activities. It does not include the result from Covéa Coopérations' holding activities.

**Note 3:** Average yield from investments (including properties used in operations) held by all the Group's entities, excluding bank accounts, investments accounted for using the equity method and investments held to cover unit-linked liabilities, and excluding financing expenses.

**Note 4:** Excluding amortisation of intangible assets resulting from the acquisition, net of PartnerRe's deferred acquisition costs during the period, and in 2022 also excluding non-recurring costs in the United Kingdom.

**Note 5:** Excluding the reserve for deferred profit-sharing.

**Note 6:** Before tax.

**Note 7:** Excluding amortisation of intangible assets resulting from the acquisition, net of PartnerRe's deferred acquisition costs (€169 million in 2023 and €293 million in 2022).

**Note 8:** Investments (including property used in operations 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 9:** The Covéa group's solvency ratio is calculated by applying the standard formula set by the Solvency II regulation. At 31 December 2023, the PartnerRe group was included in the Covéa group's solvency ratio using the accounting consolidation-based method set out in the Solvency II regulation. At 31 December 2022, the PartnerRe group was included in the Covéa group's solvency ratio on an exceptional and transitional basis, using the Deduction & Aggregation method based on the local regulatory requirements (BMA) adjusted for i) the impact 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 supervisory authority (the ACPR).

**Note 10:** The S&P Global Ratings financial strength rating applies to the rated entities of the Covéa group considered as "core" according to 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 4 April 2024 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.*